

# Report

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Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>5 October 2011</b>
Report by:	<b>Executive Director (Enterprise Resources)</b>

Subject:	<b>Property Transfer to Third Sector Organisations: Jubilee Hall, Lesmahagow</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Advise of the position with regards to the application by Lesmahagow Development Trust for the transfer of the former Jubilee Hall, 1 Wellwood Road, Lesmahagow.

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the application by Lesmahagow Development Trust for the lease or transfer of the Jubilee Hall, Lesmahagow, be refused.
- (2) that the future of the property be managed through the Council's normal Property Bulletin and disposal processes

## 3. Background

At its meeting on 23 March, 2011, the Committee approved a pilot exercise, using five properties with known community interest, to establish criteria and procedures for managing requests for transfer of Council properties to Third Sector Organisations.

- 3.2 Lesmahagow Development Trust submitted an application in relation to the Jubilee Hall on Wellwood Road which was considered by the Committee at its meeting on 6<sup>th</sup> July 2011. There were concerns over the viability of the application and it was agreed that the applicants would be given an additional period of time to develop their proposals.
- 3.3 The Development Trust proposal was for the property to be transferred to them who would then sublet it to a newly formed organisation, Lesmahagow Amateur Boxing Club.
- 3.4 The initial assessment of the application highlighted concerns regarding the capacity of the Development Trust, which has been in existence for less than 2 years, to deliver a property based project and the viability and sustainability of the boxing club proposal.

#### **4. Current Position**

- 4.1. Since the initial assessment Lesmahagow Development Trust has had the building inspected by various specialists, undertaken a further community consultation exercise and researched funding opportunities all with a view to developing a business model which would demonstrate the viability of the project.
- 4.2. At the present time Lesmahagow Amateur Boxing Club is still not a constituted organisation and the business plan is not sufficiently developed to demonstrate that the Development Trust and the Boxing Club can viably operate from and sustain this property.
- 4.3. Their funding model does not demonstrate sufficient regular income to cover outgoings and the Trust and Club propose to supplement the income through fund raising events and potentially allowing other sporting organisations to use the facility.
- 4.4. Lesmahagow Development Trust have suggested that as an alternative to immediate Asset Transfer the property is leased to them, with permission to sublet to the boxing club, for a period of a year. This would prevent any further deterioration of the property whilst allowing the club to develop.
- 4.5. In considering this request the Public Asset Transfer Steering Group took into consideration the limited property market, the condition of the property and the business model proposed by the Development Trust.

#### **5. Recommendation**

- 5.1. It is recognised that Lesmahagow Development Trust and the Lesmahagow Amateur Boxing Club have made considerable efforts to develop their proposals. However, the business model relies on donations, sponsorship and subletting to make it financially viable which is considered to have significant risks attached.
- 5.2. On this basis therefore, it is recommended that the application to either lease or transfer the Jubilee Hall to Lesmahagow Development Trust is refused.

#### **6. Future Proposals**

- 6.1. The property will be transferred to the Corporate Land Bank and placed for sale on the open market.

#### **7. Employee Implications**

- 7.1. There are no employee implications.

#### **8. Financial Implications**

- 8.1. There is potential for a future capital receipt from the sale of the property.

#### **9. Other Implications**

- 9.1. The Risks associated with this report are outlined in paragraph 5 above.
- 9.2. There are no significant issues in relation to sustainability arising from the recommendations in this report.

#### **10. Equality Impact and Consultation Arrangements**

- 10.1. Consultation has taken place with the Community Resources, Planning, Roads, Regeneration, Property Services and Legal Services.

**Colin McDowall**  
**Executive Director (Enterprise Resources)**

19 September 2011

**Link(s) to Council Objectives/Improvement Themes/Values**

- Accountable, Effective and Efficient

**Previous References**

- Executive Committee report 23 March 2011
- Executive Committee report 6 July 2011

**Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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