

Housing and Technical Resources Executive Director Daniel Lowe Property Services

Mr J Whelan

Our ref: JEF/JS

Your ref:

If calling ask for:Joanne ForbesPhone:01698 455139Date:16 November 2021

Dear Mr Whelan

ASSET TRANSFER UNDER THE COMMUNITY EMPOWERMENT ACT DECISION NOTICE in respect of application CAT/20/0004

This Decision Notice relates to the asset transfer request made by Blantyre Soccer Academy on 15 June 2021 in relation to the Jock Stein Sports Facility at 176 Hillhouse Road, Hamilton, ML3 9TU.

South Lanarkshire Council has decided to refuse the request.

The reasons for this decision are principally based upon the lack of community support for the proposal which in turn impacts upon the deliverability of community benefits and the feasibility of the financial model.

In considering the proposal the Council has had to balance consideration of the benefits and investment that could be delivered through the transfer of the property to an individual organisation such as Blantyre Soccer Academy against the benefits that the facility currently provides to the wider geographic community including the regular existing users.

The strong level of objection to the asset transfer, particularly from existing users, and lack of willingness of other community organisations to engage in discussions about how the proposed management board would operate, brings into question the ability to deliver any wider community benefits, over and above those already delivered by the current operation of the facility. The lack of user commitment to the proposal also impacts upon the viability of the financial model which is based heavily upon the existing users continuing to pay to use the facility in future.

Other matters that have also been relevant to this decision are the funding options, the value of the property, and associated requirement for the Council to protect the future development value, as well as the implications for existing users and staff.

The proposal and future revenue model are based upon securing in excess of £1.3 million for the upgrade of the existing synthetic pitch and conversion of one grass pitch to a synthetic pitch. Whilst the expenditure could be phased and the business plan shows a number of options, the routes for securing this significant level of funding are unclear. It is suggested that a mixture of loans and grant funding will be sourced. The deliverability of such loans and funding is likely to be affected by the requirement for the Council to protect the future development value of the asset.

The District Valuer has assessed the value of the facility as £2.5 million, gross development value. Disposing of the asset at a concessionary value, or even at the existing use vale of £365,000, would not represent Best Value. The Council would require to protect the value of the asset for a considerable period of time in order to demonstrate Best Value. The legal mechanisms for doing so

Council Offices, Almada Street, Hamilton ML3 0AA Phone: 01698 455139 Email: Joanne.Forbes@southlanarkshire.gov.uk



would be for the use of a "clawback" clause in the sale and a standard security. Both of these mechanisms are likely to contradict the terms and conditions required by lenders and funding organisations.

In terms of accessibility to services for existing users the business plan proposes that there will be no cash payments, a disadvantage to some existing users, and there is uncertainty about the ability to offer a continuation of the existing concessionary schemes that are currently available users.

Finally with regards staff, there are 6 staff based at the facility whose circumstances would be affected by the proposal. Whilst more detailed information would be required to determine whether or not TUPE would apply under the asset transfer, the proposal is based upon the facility being operated by existing Blantyre Soccer Academy staff and volunteers. The Council considers that the financial model cannot accommodate the costs of the 6 staff should TUPE apply.

It is recognised that Blantyre Soccer Academy as an organisation has the ambition, capacity and experience to deliver projects although this would be a larger than previous undertakings, however for the reasons set out above it is believed that with regards to the proposal for Jock Stein Sports Facility the transfer of the asset does not represent Best Value or deliver wider community benefits.

Right to Review

You have a right to apply to the Council to review this decision.

An application for review must be made in writing to Mr Frank McCafferty, Head of Property Services, Floor 10, Almada Street, Hamilton ML3 0AA (frank.mccafferty@southlanarkshire.gov.uk) by 15 December 2021, which is 20 working days from the date of this notice.

Guidance on making an application for review is available at www.gov.scot.publications/asset-transfer-under-community-empowerment-scotland-act-2015-guidance.

The request for the review of the decision will then be considered by a sub-committee of the Housing and Technical Resources Committee.

Yours faithfully

Joanne Forbes

Joanne Forbes
Property Manager (Assets and Estates Services)