

EAST RENFREWSHIRE COUNCILCABINET6 December 2018Report by Director of EnvironmentWOODFARM EDUCATIONAL CENTRE**PURPOSE OF REPORT**

1. The purpose of this report is to seek Cabinet approval to transfer ownership of the Woodfarm Educational Centre from the Council to Woodfarm Educational Trust.

RECOMMENDATIONS

2. The Cabinet is asked to:

- (a) Agree to bring forward the date when ownership of the Woodfarm Education Centre reverts to Woodfarm Educational Trust in exchange for the payment of £20,000 and a standard security to secure the future use of the premises as a multicultural centre and to secure an uplift in value which would become payable to the Council should there be a future change of use; and
- (b) Delegate responsibility to the Director of Environment in consultation with the Chief Officer (Legal and Procurement) to make the necessary arrangements.

BACKGROUND AND REPORT

3. In October 2009 the Cabinet agreed to lease the former Woodfarm Sports Centre (“the Centre”) to Woodfarm Educational Trust (WET) for a period of 20 years. This was on the basis that there would be an option to extend the lease from 20 to 125 years after a period of 3 years had elapsed on the basis of a grassum payment being made to the Council.

4. Entry to the Centre took place on 31 March 2010.

5. In 2012 the Cabinet subsequently agreed to extend the lease of the Centre from 20 years to a 125 year lease. This was on the basis that ownership of the facility would automatically revert to WET at the end of the 125 year lease term. In return, WET made a payment of £170,000 to the Council.

6. Since the lease for the facility was signed, WET have invested a considerable amount of money into the fabric of the building which was previously in a state of disrepair. In addition, steps have been taken to establish a facility which is now well embedded and highly regarded part of the local community.

7. The Council has since granted planning permission for the Centre to be extended, and the trustees are now raising the funds for this extension to proceed.

8. However the existence of a lease (instead of outright ownership) is now impacting upon WET's ability to raise funds for the extension.

9. WET trustees have therefore asked the Council to consider bringing forward the date when ownership would transfer outright from the Council to WET from the end of the 125 year lease to now.

10. The conversion from the existing lease to outright ownership would assist WET to raise the funding to enable completion of the planned extension and further enhancements to this community facility.

11. At the expiry of the current 125 year lease the property will revert to WET as a result of the lease extension in 2012, with no further payment due to the Council.

12. The District Valuer was requested to carry out a valuation report to establish the value attributable to the immediate transfer of the title to WET. The District valuer has valued the benefit of an early direct and off-market transfer to WET at £20,000 subject to similar use restrictions being applied as presently exist in the lease.

13. The full potential residential development value of the site based upon no restriction on use is £450,000. This valuation, which takes account of both parties legal interests (the lease and WET's right to buy the building), produces respective split values of £167,500 for the Council and £282,500 for the tenant.

14. The current lease enables the Council to retain control over the permitted use of the building with clauses of restriction and a means to enforce any breach. Selling the landlord's interest would bring the lease to an end and remove that control and leave only Planning legislation to limit change of use.

15. However, the introduction of a standard security would provide the Council with a means to control a multicultural centre use restriction similar to that enjoyed with the lease. Any change in use would give rise to a further payment to the Council.

16. A standard security is a legal mechanism recorded in the land register which can secure obligations and restrictions of use over land and property since feudal reform in Scotland now prevents creation of burdens in title deeds (except in very limited circumstances).

17. It is important also to consider this proposal in the context of the Community Empowerment (Scotland) Act 2015.

18. The overall aim of the Act is to empower community bodies through the ownership or control of land and buildings and by strengthening their voices in decisions about public services.

19. In particular the Act gives community bodies a right to request to buy, lease, manage or use land and buildings belonging to local authorities, Scottish public bodies or Scottish Ministers.

20. The proposal is therefore in keeping with the spirit of the Act.

FINANCE AND EFFICIENCY

21. A payment of £170,000 has previously been made to the Council. The payment of a further £20,000 by Woodfarm Educational Trust would allow an earlier transfer date of the property to WET on an off market basis. The Council control over the use of the property will be retained through the registration of a standard security to protect the continuing use of the premises as a multicultural centre. Any change in use will require a share of the uplift in value being payable to the Council should the premises no longer be used as a multicultural centre in the future.

CONSULTATION AND PARTNERSHIP WORKING

22. The terms of this report have been discussed with representatives from within Environment and Legal Services. The Corporate Equalities Unit has also been consulted with regard to the equality implications of this report and are happy to support the recommendations.

IMPLICATIONS OF THE PROPOSALS

23. There are no equalities, sustainability, IT, state aid, staffing or other implications associated with this report.

CONCLUSIONS

24. The Cabinet is being asked to approve the proposal to bring forward the date when ownership of Woodfarm Educational Centre would transfer from the Council to Woodfarm Educational Trust subject to payment of the price and securing future continued use as a multicultural centre.

RECOMMENDATIONS

25. The Cabinet is asked to:

- (a) Agree to bring forward the date when ownership of the Woodfarm Education Centre reverts to Woodfarm Educational Trust in exchange for the payment of £20,000 and a standard security to secure the future use of the premises as a multicultural centre and to secure an uplift in value which would become payable to the Council should there be a future change of use; and
- (b) Delegate responsibility to the Director of Environment in consultation with the Chief Officer (Legal and Procurement) to make the necessary arrangements.

Director of Environment

Further information can be obtained from Phil Daws, Head of Strategic Services on 0141 577 3186, phil.daws@eastrenfrewshire.gov.uk

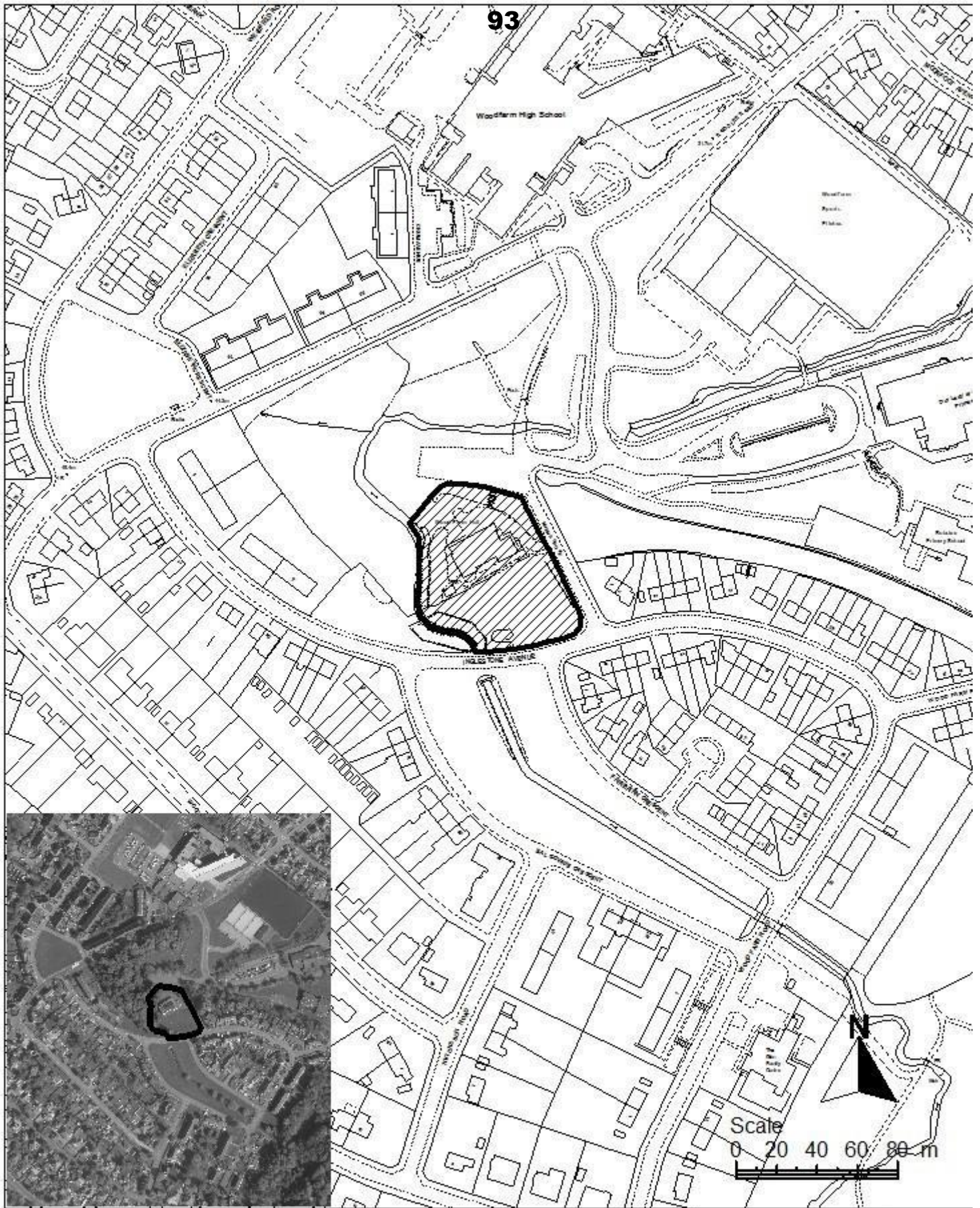
Convener contact details

Councillor Tony Buchanan
(Leader of the Council)

Office: 0141 577 3107
Mobile: 07976 360398

November 2018

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Woodfarm Educational Centre

Burns Grove, Thornliebank



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