

## **WEST DUNBARTONSHIRE COUNCIL**

### **Report by the Executive Director of Housing, Environmental and Economic Development**

**Housing, Environmental and Economic Development Committee:  
7 March 2012**

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**Subject: Proposed Disposal of Howatshaws Hall, 58 Howatshaws Road,  
Bellsmyre, Dumbarton G82 3DR**

#### **1. Purpose**

- 1.1** The purpose of this report is to advise the Committee on the outcome of negotiations with Bellsmyre Development Trust and to seek consent to dispose of the property to the Trust.

#### **2. Background**

- 2.1** At the meeting of Housing, Environment and Economic Development Committee on 8 June 2011 a report was submitted by the Executive Director regarding a review of community facilities in order to consider the rationalisation of under utilised facilities and future provision of community facilities. This review included Howatshaws Hall. The report explained that Bellsmyre Community Renewal Group were keen to set up 'Bellsmyre Development Trust' to operate Howatshaws Hall on behalf of the community. It was agreed that the Council engages in detailed negotiations with the group through relevant Council officers in Estates and Legal Services to develop a report and recommendations for Members to consider.
- 2.2** At the Council meeting on 28 September 2011, a motion raised by Councillor Bollan was unanimously approved. The motion instructed that to facilitate negotiations and meet the necessary timescales for the lottery investment, Council agrees to work in partnership with the Bellsmyre Community and Lottery. It also agreed, subject to assessing costs and disbenefits of the group's proposal, being satisfied that a transfer value of £1 is reasonable and that the disposal is likely to contribute to economic regeneration, health or social or wellbeing to transfer ownership of Howatshaws Hall and the adjoining footprint of land to Bellsmyre Development Trust for £1. This is subject to officers carrying out the necessary appraisal in terms of the Disposal of Land by Local Authorities (Scotland) Regulations 2010 and agreeing the appropriate conditions to be attached to the sale.

### 3. Main Issues

#### The Property

- 3.1 Howatshaws Hall is located in Howatshaws Road, Bellsmyre and is owned by the Council. It is a single storey property comprising a main multi-purpose hall with lower rise ancillary accommodation. The facility was built in approximately 1973.
- 3.2 Presently, the hall is used by various community groups and Council business during the week. The entrance to the property faces on to Bellsmyre high rise flats.

#### Condition and Liabilities

- 3.3 CIPFA property Consultants were appointed by the Council (July 2011) to undertake a Condition survey of Community Facilities & Leisure Centres stock. In 'Overall' terms, CIPFA found Howatshaws Hall as existing to be in 'Poor' condition. In addition, the projected 5 year capital spend was estimated as follows:

<b>Year</b>	<b>Projected Spend</b>
2011	£23,391
2012	£3,784
2013	£24,336
2014	£0
2015	£42,791
<b>Total</b>	<b>£94,302</b>

- 3.4 At the request of Councillor Bollan and Community Renewal, in March 2011 the Council's Consultancy Services section also undertook a report to assess the building fabric and utility services. A number of issues and defects were identified. In summary, it was reported that whilst some maintenance and upgrading works have been carried out at various stages during the life of the building, the principal structural elements and building fabrics have been neglected resulting in the current situation, i.e. advanced deterioration in various elements and fabrics. In particular, timber rot, infestation and decay are envisaged to be widespread. Furthermore, several sections of the flat roof were found to be vulnerable. Installation of any replacement pitched roof may prove difficult physically as well as prohibitive in terms of cost.

#### The Proposal

- 3.5 Bellsmyre Development Trust is seeking to acquire the existing facility and ancillary land from the Council at a price of £1. The site area extends to approximately 2,177 sq m (0.53 acres). The group propose to demolish the existing building and construct a brand new community facility comprising sports hall; play & meeting areas; offices; kitchen and WC's. The proposed gross internal floor area of the new facility is 333 sq m.

- 3.6** The total build cost of the project is estimated to be in the order of £900,000 with the necessary funding being sought from the “Big Lottery Fund”.

### Planning

- 3.7** At the meeting of the Planning Committee on 6 December 2011, having heard the Planning and Building Standards Manager in further explanation of the report, Committee agreed to grant planning permission in respect of application DC11/219 – “*Erection of replacement community centre including office accommodation and associated car parking and landscaping on the site of Howatshaws Hall, Howatshaws Road, Dumbarton*” subject to various conditions.

### Bellsmyre Development Trust

- 3.8** The Trust is a Limited Company. In terms of charitable status, an application has been made to Office of the Scottish Charity Regulator (OSCR). The group have advised that Registered Charity status will be in place before the proposed transfer date. A Charity number is therefore currently pending.
- 3.9** Submissions by the Trust demonstrate that they have carefully thought about the services which they intend to provide and the local need and demand for those services. A submission on Benefits and Outcomes of the proposal has been provided. The Trust are seeking to ‘*Provide a purpose built facility that will act as a focal point for all members of the community from the youngest to the oldest, promoting inclusion, and offering a range of community and youth based activity that seeks to improve the wellbeing of local people.*’ It is their aim that the new facility will deliver a comprehensive package of youth and community activity.
- 3.10** In terms of governance structures, the Trust has a draft Constitution in place that show’s clear objectives. The Constitution addresses both membership and Board structure. The proposal does not raise any significant statutory or regulatory issues.
- 3.11** The Trust Board is in the process of being appointed. Membership is open and free to all residents of Bellsmyre only. The membership will elect a board of up to 15 people of which at least 12 must be local members. Up to 3 can be co-opted from other bodies.
- 3.12** A detailed Business Plan and financial projections have been provided. Over the first five years, the projections show the project will run at a small surplus from year one.
- 3.13** The Trust does not envisage any future funding being required from the Council for the running or management of the Hall. Individual projects or groups using the Hall may apply for operational funds or grants to run activities, and some of these may be to West Dunbartonshire Council, however, these will be part of the normal grant application process.

## Disposal of Land by Local Authorities (Scotland) Regulations 2010

- 3.14** These Regulations came into effect on 1 June 2010. As this disposal is for an asset valued at more than £10,000 and the proposed purchase price is not more than 75% of the market value the Regulations make it clear that a full audit trail including option appraisal is required.
- 3.15** As the proposed purchase is below the market value of the property, under the terms of the Regulations, an option appraisal was carried out to assess the non financial as well as financial benefits of the proposal. This was carried out on 13 January 2012 by officers from Estates, Finance, Legal Services, Economic Development and Leisure Services.
- 3.16** The option appraisal considered the proposal under four main categories. These were financial assessment, business plan / applicant status, WDC corporate priorities / disposal regulations and statutory / regulatory issues.
- 3.17** The outcome of the option appraisal was that the proposal from Bellsmyre Development Trust received a rating of 61 out of a possible 95 which equates to 64%. This score shows a positive outcome and suggests that a sale for £1 is considered reasonable in that it allows the Trust to redevelop the site through attracting additional funding which will support the purposes of the promotion or improvement of economic development or regeneration; health improvement; social wellbeing; and environmental well-being. The option appraisal spreadsheet for the group's proposal is attached as Appendix 1.

## **4. People Implications**

- 4.1** There are no significant people implications from this proposal other than the resources required by the Estates and Legal Services Sections to conclude the proposed disposal.

## **5. Financial Implications**

- 5.1** The property is entered the Council's Asset Register at £206,000 based on existing use. The property was valued on a Depreciated Replacement Cost (DRC) basis. Valuations using the DRC method are not based on evidence of sales of similar assets.
- 5.2** The Estates Section has undertaken an internal valuation and is of the opinion the Market Value of the building and ancillary land under consideration to be £25,000.
- 5.3** The Trust are requesting that the building and ancillary land be sold to them at a price of £1 (One Pound). As a result of this, any decision to sell the property at the price of £1 will mean that the Council foregoes any potential future sale value of the property, however, based on the expected value of the proposed development of the site by the Bellsmyre Development Trust, it is considered that the proposed sale for this purpose provides Best Value for the Council.

## **6. Risk Analysis**

- 6.1** The main risks in concluding this proposal are that the sale does not conclude or that it is challenged by a third party. These risks have been mitigated by following a clear option appraisal process.

## **7. Equalities Impact Assessment (EIA)**

- 7.1** An Equality Impact Assessment has been carried out as the disposal of property at less than market value is relevant under the Equality Act 2010. In the course of the Equality Impact Assessment, no significant negative impacts were identified. The EIA is attached as Appendix 2.

## **8. Strategic Assessment**

- 8.1** A significant component of the option appraisal process was to assess how these proposals would address the Council's key themes within the Corporate Plan. The proposal from Bellsmyre Development Trust scored 61/95 (64%).

## **9. Conclusions and Recommendations**

- 9.1** Howatshaws Hall was identified as a facility to be considered for community transfer, rationalisation or closure. Both Council and independent condition reports highlight the current poor fabric of the building. Prohibitive capital expenditure and ongoing maintenance liability for the period 2011 through to 2015 was identified. The proposed new development offers significant capital investment in the local area. Furthermore, it should improve the visual amenity of the area; be a significant improvement to what currently exists on site and contribute positively to the social well-being for local residents. The sale should also assist in the purposes of promotion or improvement of economic development or regeneration; health improvement; and environmental well-being.

- 9.2** It is recommended that:

- (i) the Executive Director of Housing, Environmental and Economic Development be authorised to conclude negotiations with Bellsmyre Development Trust to dispose of the property for £1 (One Pound); and
- (ii) the Head of Legal, Democratic and Regulatory Services be authorised to conclude the transaction subject to such legal conditions that are considered appropriate.

**Elaine Melrose**

**Executive Director of Housing, Environmental and Economic Development**

**Date: 6 February 2012**

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**Appendices:** Appendix 1 - Option Appraisal spreadsheet  
Appendix 2 - Equalities Impact Assessment

**Background Papers:** Background papers are retained within Estates Section's file including the report to the Housing, Environment and Economic Committee on 8 June 2011; the meeting of West Dunbartonshire Council on 28 September 2011 and Disposal of Land by Local Authorities (Scotland) Regulations 2010.

**Wards Affected:** 2