

Agenda



Special Meeting of Infrastructure, Regeneration and Economic Development Committee

Date: Wednesday, 12 October 2016

Time: 15:00

Venue: Committee Room 3,
Council Offices, Garshake Road, Dumbarton

Contact: Nuala Quinn-Ross, Committee Officer
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Dear Member

Please attend a special meeting of the **Infrastructure, Regeneration and Economic Development Committee** as detailed above. The business is shown on the attached agenda.

Yours faithfully

JOYCE WHITE

Chief Executive

Distribution:-

Councillor Patrick McGlinchey (Chair)
Councillor David McBride (Vice Chair)
Councillor Gail Casey
Councillor William Hendrie
Councillor Marie McNair
Councillor John Mooney
Councillor Ian Murray
Councillor Tommy Rainey
Councillor Gail Robertson
Councillor Martin Rooney
Councillor Kath Ryll
Councillor Hazel Sorrell

All other Councillors for information

Chief Executive
Strategic Director – Regeneration, Environment and Growth

Date of Issue: 30 September 2016

**INFRASTRUCTURE, REGENERATION AND ECONOMIC
DEVELOPMENT COMMITTEE**

WEDNESDAY, 12 OCTOBER 2016

AGENDA

1. APOLOGIES

2. DECLARATIONS OF INTEREST

Members are invited to declare if they have an interest in any of the items of business on this agenda and the reasons for such declarations.

3. PROPOSED ASSIGNATION OF FORMER RESIDENTIAL OUTDOOR EDUCATION AND CONFERENCE CENTRE – MCGREGORS LANDING, ARDLUI, BY ARROCHAR **5 - 9**

Submit report by the Strategic Lead, Regeneration advising the Committee on the outcome of the marketing of the former Residential Outdoor Education and Conference Centre at McGregors Landing, Ardlui, by Arrochar.

WEST DUNBARTONSHIRE COUNCIL**Report by the Strategic Lead, Regeneration**

**Infrastructure, Regeneration and Economic Development Committee:
12 October 2016**

Subject: Proposed Assignment of Former Residential Outdoor Education and Conference Centre - McGregors Landing, Ardlui, by Arrochar

1. Purpose

- 1.1** The purpose of this report is to advise the Committee on the outcome of the marketing of the former Residential Outdoor Education and Conference Centre at McGregors Landing, Ardlui, by Arrochar. The report details the option appraisal process and seeks Committee approval for the proposed assignment of the property.

2. Recommendations

- 2.1** It is recommended that the Committee:

- (i) Approve the assignment of the lease of McGregor's Landing, Ardlui, by Arrochar to Rainbow Valley Scottish Charitable Incorporated Organisation, Charity No SCO43315 subject to the council obtaining prior written consent of the Landlord to the proposals contained within this report.
- (ii) Approve the granting of a rent free period of up to 18 months from the date of entry of the property
- (iii) Alternatively to approve a sub-lease to Rainbow Valley in similar terms to (i) and (ii) above should Landlords' consent not be forthcoming subject to the Council obtaining the prior written consent of the Landlord to the proposals contained with this report.
- (iv) Authorise the Head of Regulatory Services to conclude the assignment or sub-lease to such conditions as considered appropriate

3. Background

- 3.1** The Council are tenants of Ardlui Outdoor Centre by virtue of a lease for a period of 25 years effective from 22 February 2010 granted by Feeland Developments Limited. The Council closed the facility on 30 June 2015.

During the Council's occupation various works were carried out both internally and externally. As a result the Council were required to obtain all necessary permissions and authorisations from both Loch Lomond and The Trossachs National Park Authority and Argyll & Bute Council for such work, and these were granted.

- 3.2** A marketing campaign was commenced which resulted in a closing date being set of 31 August 2016. All those with expressions of interest were notified accordingly.
- 3.3** Marketing details for the property were made readily available on the Councils' website. Loch Lomond and the National Park also made the particulars for sale available on their Business in the Park Website and distributed electronic copies to commercial organisations on their database who conduct business on the West Highland Way. Particulars were also sent to surveyors in the Glasgow area known to be active within the leisure industry.
- 3.4** At the closing date, one proposal was received from Rainbow Valley.

4. Main Issues

- 4.1** Rainbow Valley are a Scottish Charitable Incorporated Organisation, Charity No SCO43315.
- 4.2** Rainbow Valley propose to operate a residential centre of excellence for holistic therapies to give people affected by cancer a long term programme of self-management and control over their health.
- 4.3** Rainbow Valley are seeking to acquire the lease of the property on the following terms:-
- Assignment of existing lease to their organisation;
 - A rent free period of up to 18 months will be provided by the Council.
 - Date of entry during 2017.
- 4.4** The facility will be used mainly as a cancer therapy facility providing information and education on complimentary therapies and health options. In addition they will also adopt an open door policy which it is envisaged will benefit the overall community. Information and courses will be provided that will protect the welfare of vulnerable people.
- 4.5** Rainbow Valley's fundamental aim is to help those affected by cancer make healthy and informed choices leading to long term improved health.
- 4.6** Rainbow Valley currently has an improving income source as detailed:
- 4.7** Rainbow Valley have identified refurbishment costs of the building inclusive of fees, outlays and VAT of £2,261,520.
- 4.8** Rainbow Valley are forming a Corporate Appeals Committee to assist with obtaining the necessary start up and operations costs. It is understood that this Committee will work in partnership with a large media outlet to reach the

designated target and produce a systematic and strategic approach for community fundraising.

- 4.9** An option appraisal was undertaken which considered the proposals under four main categories which were: Financial Assessment; Viability and Sustainability; West Dunbartonshire Council's Strategic Objectives and Statutory and Regulatory Issues.
- 4.10** The appraisal process identified Rainbow Valley bid has achieving a score of 40/100. The rating can be attributed to the fact the organisation is new at delivering this type of facility and does not have a proven track record of delivering this type of service. The organisation has an ambitious growth plan but there is no evidence of sustainability within the documentation that was assessed.
- 4.11** Prior to seeking consent to the assignation, Rainbow Valley would be required to provide a full package of information including confirmation of funding and within a period of twelve weeks following the date at which the property is placed under offer. This information should include a business plan and comprehensive detail concerning funding arrangements both for the purchase of the property and the longer term maintenance. Failure to provide full information will result in withdrawal of the offer and the property being placed back on the market for sale.
- 4.12** In the event that Rainbow Valley are not considered by the Landlord to be a suitable assignee then the Council will have the option of agreeing a sub-lease with Rainbow Valley. The terms for the Council granting a sub-lease will remain the same as though Rainbow Valley were taking an assignation.
- 4.13** Rainbow Valley has worked with various focus groups made up of service users to establish a need and after consultation with Scottish Cancer Charities have verified there is a gap for the service they are looking to deliver.
- 4.14** It is envisaged that Rainbow Valley will have a positive impact on employment and businesses but there is no evidence in the documentation submitted how this will directly benefit West Dunbartonshire's economy.
- 4.15** Assignation of the lease will result in utilisation of a currently unused building and make revenue savings for the Council

5. People Implications

- 5.1** There are no significant people implications other than the resources required by the Asset Management and Legal Services to conclude the proposed disposal.

6. Financial and Procurement Implications

- 6.1** The creation of the assignment of lease to Rainbow Valley would decrease the burden on the Council of the future rent payable and running costs. The proposal to assign will result in savings of around £1.4m over the remaining 19 years of the lease.
- 6.2** There are no procurement implications.

7. Risk Analysis

- 7.1** The main risk associated with the disposal of the property is that the Landlord refuses to grant consent to an assignment for a variety of reasons including funding and business planning.
- 7.2** In the event of a refusal to an assignment by the Landlord it may be possible for the Council to mitigate the revenue stream by seeking approval of a sub-lease in similar terms contained within the head lease.
- 7.3** The option appraisal included the financial risks to the project in respect of Rainbow Valley's submission.
- 7.4** In the event of a sub-lease there is a risk that should the venture fail that the Council will be left with both the rent and other obligations as liabilities including dilapidations.

8. Equalities Impact Assessment (EIA)

- 8.1** An Equality Impact Assessment did not indicate any further action required in relation to this assignment.

9. Consultation

- 9.1** The Options Appraisal assessment was undertaken by officers from:
Economic Development;
Education, Learning & Attainment;
Asset Management;
Corporate & Community Planning;
Regulatory;
Resources.
- 9.2** When the closing date was set on 8 August 2016 five parties who had expressed interest and viewed the property were issued with an application form. The interested parties included two new business start ups, one existing business and two charitable organisations. Following this marketing exercise, one proposal was received, that of Rainbow Valley.
- 9.3** No further consultation was deemed necessary.

10. Strategic Assessment

- 10.1** As part of the offer process, interested parties were required to provide detail in their submission as to how their proposed use of the property might address the Council's strategic priorities. Thereafter, the option appraisal process considered each of the five priorities and scored proposals based on the extent to which the proposal addressed the Council priorities.

Jim McAloon

Strategic Lead, Regeneration

Date: 12 October 2016

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Appendices: None.

Background Papers: None.

Wards Affected: None.