

South Ayrshire Council

**Report by Director – Place
to Leadership Panel
of 17 September 2019**

**Subject: Proposed Lease of McCosh Hall, Patna Road,
Kirkmichael**

1. Purpose

- 1.1 The purpose of this report is to obtain Leadership Panel approval to enter into a 24 month year lease to Kirkmichael Village Renaissance (KVR) for the McCosh Hall in Kirkmichael excluding the area which is currently occupied by the local bowling club.

2. Recommendation

2.1 It is recommended that the Panel:

2.1.1 grants authority to the Director – Place to agree a new lease in favour of Kirkmichael Village Renaissance for the McCosh Hall in Patna Road, Kirkmichael for a term of 24 months (area outlined in [Appendix 1](#)); and

2.1.2 requests the Head of Regulatory Services to conclude the transaction on the basis of full repairing and insuring lease terms.

3. Background

3.1 Kirkmichael Village Renaissance (KVR) currently lease premises in Patna Road in Kirkmichael from a private landlord for use as a community shop and café. KVR have advised that the rental and the running costs are unsustainable for the premises. The KVR have advised as a result of the rental and running costs exceeding the income they generate at their current premises at Patna Road it is their intention to serve a notice to quit and vacate these premises.

3.2 The KVR has approached the Council with a request to lease McCosh Hall from the Council for a period of 2 years during which time the KVR will decide whether it wishes to submit a formal Community Asset Transfer application for the McCosh Hall or to decide if they wish to develop new premises at a site on Straiton Road.

3.3 The McCosh Hall costs the Council in the region of £30,000 per annum to which includes staff costs with income from lets in the region of £1,700 per annum.

3.4 Discussions have been held with both Community Services and Facilities Management about the proposed lease and both Services are supportive of the proposals.

- 3.5 To mitigate risk to the Council and to the community body a gradual transfer of an asset through an initial lease arrangement should be considered a sensible route towards outright ownership.

4. Proposals

- 4.1 It is proposed that the Council grants Kirkmichael Village Renaissance a 24 month year lease under internal repairing and insuring (IRI) terms and the other provisionally agreed conditions outlined below.
- 4.1.1 The McCosh Hall (excluding the rooms occupied by the bowling club) would be leased to KVR for a period of 2 years.
 - 4.1.2 The rental will be £1,000 per annum payable monthly in advance.
 - 4.1.3 The tenant will be responsible for ensuring that the premises are suitable for their intended use and accepts them in their present condition.
 - 4.1.4 The tenant will be responsible for any costs associated with its occupation of the subjects including any non-domestic rates and utilities etc.
 - 4.1.5 The tenant will be responsible for any internal repairs (Internal Repairing and Insuring terms) and will ensure that the building and its surroundings is kept clean and tidy at all times to the reasonable satisfaction of South Ayrshire Council.
 - 4.1.6 At the end of the lease the tenant will be required to remove any fittings and fixtures and return the building to the condition noted at the start of the lease.
 - 4.1.7 The tenant will not be permitted to sub-let in whole or in part to a third party although assignation of the whole to a tenant who is demonstrably capable of fulfilling the terms of the lease will be permitted subject to first obtaining the approval of the Council in its role as landlord.
 - 4.1.8 Subject to planning permission and consent an area of the building will allowed to be used as a village shop and public hall and for no other purposes.
 - 4.1.9 The tenant is obliged to obtain any consents, statutory or otherwise, that may be required in relation to its proposed use of the building.
 - 4.1.10 The tenant will agree to indemnify the Council from any claims arising from its' use of the building.
 - 4.1.11 The tenant will be liable for the cost of putting in place building insurance for this property. The insurance will be arranged for by the Council and recharged to the tenant.
 - 4.1.12 The tenant will be liable for the cost of putting in place any public indemnity insurance that is required in relation to its' use of this building.
 - 4.1.13 The tenant must obtain written consent from the landlord before making any alterations to the building.

- 4.1.14 The property will be made available to the Council for election purposes. The tenant will not have the right to refuse this request and the Council as landlord will advise the tenant 1 week in advance the required number of days the Hall will be used for election purposes.
- 4.1.15 The Council will require the tenant to pay its' reasonable legal and surveyor's fees and costs associated with this lease.
- 4.1.16 All other terms and conditions, including the commencement date of the new agreement, will be the subject of negotiation between the respective parties' solicitors.

4.2 The area on the ground floor of the McCosh Hall that is currently used by Kirkmichael Bowling Club would be excluded from this lease and Estates are currently in discussions with the Bowling Club to negotiate a separate lease for this area. .

5. Legal and Procurement Implications

- 5.1 The recommendations in this report are consistent with legal requirements. . Legal Services will be required to conclude the formal documentation.
- 5.2 There are no procurement implications arising from this report.

6. Financial Implications

- 6.1 McCosh Hall costs the Council in the region of £30,000 a year to operate, with an income from lets in the region of £1,700 per annum. Under the proposed agreement the costs of operating the hall would pass to KVR as well as the income from any lets. The Council would remain liable for any external repairs to the building. The net saving will be utilised for other CRA purposes until the future of the hall is resolved permanently, at which point the saving will be removed on a permanent basis.

7. Human Resources Implications

- 7.1 Facilities Management have advised that there is one employee based at McCosh Hall who is contracted to work 23.32 hours a week. If the McCosh is leased, Facilities Management will discuss suitable alternative employment with the member of staff. If no suitable alternative is available within Facilities Management then the Council's Managing Change policy would apply and suitable alternative employment would be sought within the Council.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 The risks associated with rejecting the recommendations are that the Council would remain liable for the full costs of operating McCosh Hall.

9. Equalities

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process, and there are no significant equality impacts of agreeing the recommendations. A copy of the Equalities Scoping Assessment is attached as [Appendix 2](#).

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to the Council strategic objectives of 'Make the most of the Local Economy' and 'work with local businesses and organisations to make the most of local assets and economic opportunities to support jobs, growth, investment and regeneration'.

13. Results of Consultation

13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Peter Henderson, Portfolio Holder for Resources and Performance, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

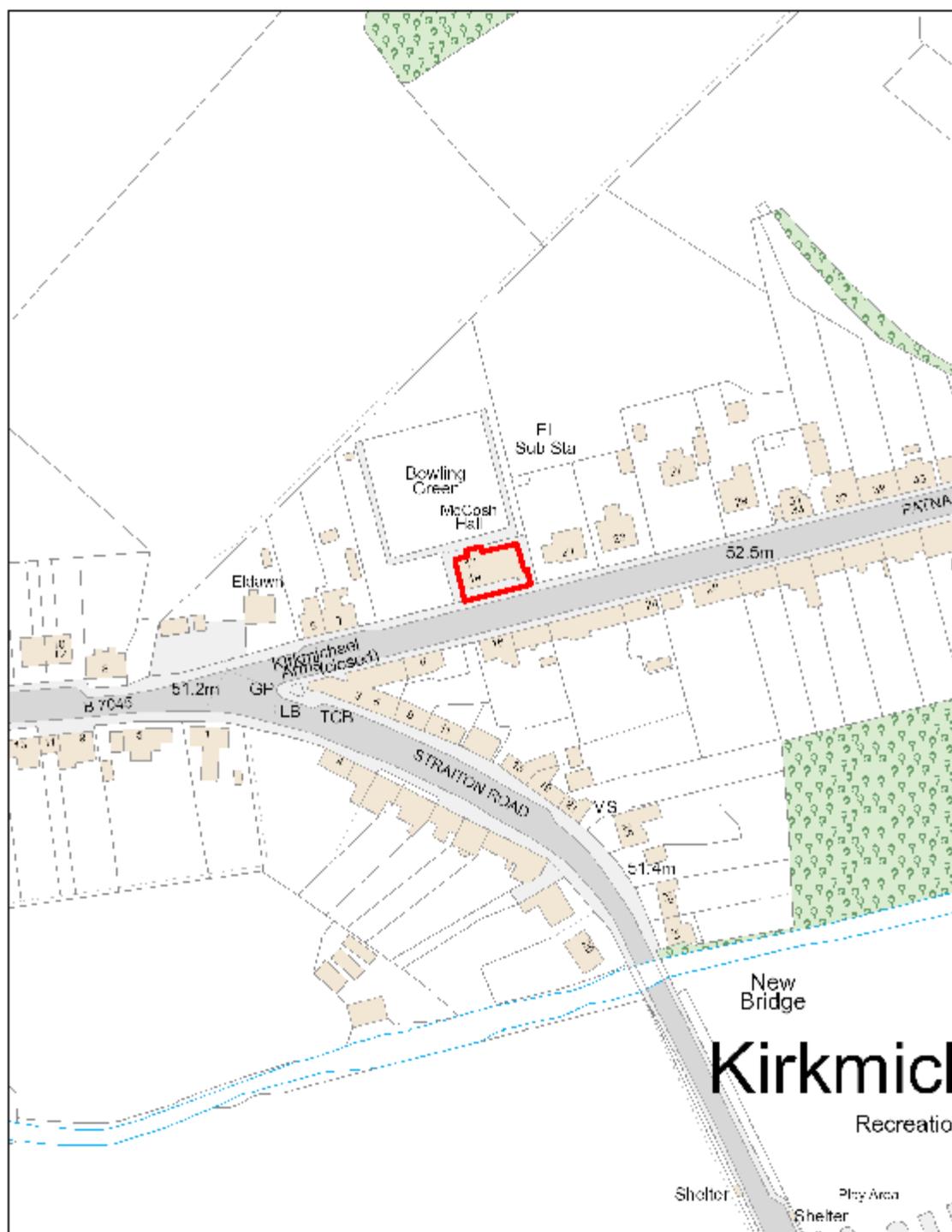
14.1 If the recommendations above are approved by Members, the Director – Place will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Leadership Panel in the 'Council and Leadership Panel Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Conclude the lease	30 March 2020	Service Lead –Legal and Licensing

Background Papers None

Person to Contact **Tom Burns, Service Lead, Asset Management and Community Asset Transfer**
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Date: 13 September 2019



McCosh Hall, Patna Road, Kirkmichael

Scale 1:1500



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1. Proposal details

Proposal Title Lease of McCosh Hall, Kirkmichael	Lead Officer Tom Burns
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2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this proposal? Please indicate whether these would be positive or negative impacts

Community, Groups of People or Themes	Negative Impacts	Positive impacts
The whole community of South Ayrshire	No	No
People from different racial groups, ethnic or national origin.	No	No
Women and/ or men (boys and girls)	No	No
People with disabilities	No	No
People from particular age groups for example Older people, children and young people	No	No
Lesbian, gay, bisexual and heterosexual people	No	No
People who are proposing to undergo, are undergoing or have undergone a process to change sex	No	No
Pregnant women and new mothers	No	No
People who are married or in a civil partnership	No	No
People who share a particular religion or belief	No	No
Thematic Groups: Health, Human Rights, Rurality and Deprivation	No	No

3. Do you have evidence or reason to believe that the proposal will support the Council to:

General Duty and other Equality Themes	Level of Negative and/ or Positive Impact (high, medium or low)
Eliminate discrimination and harassment faced by particular communities or groups	-
Promote equality of opportunity between particular communities or groups	-
Foster good relations between particular communities or groups	-
Promote positive attitudes towards different communities or groups	-
Increase participation of particular communities or groups in public life	-
Improve the health and wellbeing of particular communities or groups	-
Promote the human rights of particular communities or groups	-
Tackle deprivation faced by particular communities or groups	-

4. Summary Assessment

Is a full Equality Impact Assessment (EQIA) required? (A full EQIA must be carried out on all high and medium impact proposals)		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Rationale for decision: <p style="text-align: center;">The proposal does not have a significant negative or positive impact on any particular group.</p>			
Signed :	Donald Gillies	Director	
Date:	22 August 2019	Copy to	