
Lease of Jedburgh Town Hall

Report by Chief Executive

Executive Committee

18th February 2014

1 PURPOSE AND SUMMARY

- 1.1 **This report proposes that a lease of Jedburgh Town Hall shown in Appendix 1 be granted to Jedburgh Leisure Facilities Trust (the Trust).**
- 1.2 The lease would be for up to 25 years at a rent of £1 if asked for, with the tenant responsible for all improvements, repairs and running costs. The premises would be used as a town hall/community centre for Jedburgh, providing facilities for a wide range of community groups, clubs and associations and be available for private hires and special events etc.
- 1.3 The proposal was developed following an approach by the Trust to the Council in response to a demand in the community for the opportunity for a Jedburgh based Trust to run the facility. By having a local Trust run the facility, it is believed that they would be better placed to maximise its use for the benefit of the Jedburgh and wider community.
- 1.4 It is believed that the most appropriate local Trust to run the town hall would be Jedburgh Leisure Facilities Trust who already successfully manage and run the local swimming pool. They have substantial experience of property and facilities management as well as being very experienced in making premises available to a wide range of local community groups.
- 1.5 The Council therefore entered into negotiations with the Trust, who developed a viable financial plan to run the town hall which is summarised in Appendix 2. This is on the basis of a 25 year lease at a rent of £1 per annum if asked for, with the Trust responsible for all running costs and improvements. This report therefore recommends that the lease proceeds.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Executive Committee delegates authority to the Head of Property & Facilities Management together with the Head of Corporate Governance and in consultation with the Chief Financial Officer to grant Jedburgh Leisure Facilities Trust (or an organisation to be established by them for the purpose) a lease of**

up to 25 years at a rent of £1 if asked for per annum of the Jedburgh Town Hall with the following conditions:

- (a) the tenant to be responsible for all improvements, repairs, rates and running costs;**
- (b) the premises are to be used as a town hall/community centre (including hiring out for special events);**
- (c) the tenant to be responsible for health & safety at the premises;**
- (d) the tenant to be responsible for arranging any licenses it requires for the premises;**
- (e) the tenant to be able to terminate the lease at one month's written Notice at any time;**
- (f) the tenant to bear the costs of buildings insurance and to procure contents and third party insurance; and**
- (g) any other terms that the Head of Property & Facilities Management together with the Head of Corporate Governance and in consultation with the Chief Financial Officer deems to be reasonable.**
- (h) the Council to provide tapering revenue financial assistance commencing at £30,000 in year 1 and reducing by 20% year on year to zero, subject to a service level agreement to be agreed between the Council and the Trust, through the Director of Education & Lifelong Learning.**

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BACKGROUND

- 3.1 Jedburgh Leisure Facilities Trust (the Trust) has successfully run the Jedburgh swimming pool, known as the Waterside Fitness Centre, since 2003. In running the facility the Trust has access to the necessary property and facilities management skills together with the skills needed to generate sufficient income from a wide range of users.
- 3.2 In view of its success with the Water Fitness Centre, the Trust approached the Council with a view to taking a 25 year lease of the town hall at a rent of £1 per annum if asked for, whereby the Trust would manage and operate it. In doing so the Trust would be responsible for all improvement works and repairs together with other running costs such as rates (if applicable) and services (gas, water and electricity) etc. The Trust would use its skills to generate an income from the users of the premises to sustain the running costs.
- 3.3 The premises to be leased are shown in Appendix 1 and comprise the town hall building plus an option to extend the town hall building in the future onto the area shown to the North of the building, provided in the Council's sole judgement, this does not adversely affect the play area of which the extension area forms a part.
- 3.4 The town hall is held in the general fund having been acquired in 1899 by the then Burgh for £1,000 under the Burgh Police (Scotland) Act 1892.
- 3.5 The Council is struggling to keep Jedburgh town hall (along with other town halls that are its responsibility) in good serviceable condition with the constraints in public expenditure brought about by the financial crisis. Against this backdrop there is no certainty in the long-term that the Council would be in a position to keep operating all of its the town halls. In the spirit of the Community Empowerment Bill, the Council is willing to consider transfers of town halls to community organisations that are backed by sound business/financial plans, knowledgeable volunteers/workers and non-council funding who would use their skills and expertise to run them successfully. The Trust is one of these community organisations.
- 3.6 The Council therefore entered into discussions with the Trust, who developed a viable financial plan a summary of which forms Appendix 2. The Trust believes it is in the best position to manage and operate the town hall and maximise its use for the benefit of the community based upon their track record with the Waterside Fitness centre.
- 3.7 The Trust plan to increase usage of the premises through making it more widely available to the Jedburgh and wider community through a more flexible management regime and building improvements it plans to undertake.
- 3.8 Extensive survey work was undertaken on the building fabric and generally the premises are in good serviceable condition, with some repair work required to the roof and the main hall floor, together with some improvement work to the kitchen. As a contribution towards this £40,000 has been provisionally agreed from the Property & Assets Programme of the Capital Programme for 2014/15.

- 3.9 The Trust has also been in consultation with the Council's Community Services who have agreed tapering revenue financial assistance with the Trust should the lease proceed, commencing at £30,000 in year 1 and reducing by 20% year on year to zero. The funding assumes that the Council would lease the premises to the Trust at £1 per annum if asked for and that the Trust would be responsible for all revenue running costs including rates, repairs, maintenance and services (electricity, water, gas and phone etc). The financial assistance would be subject to a service level agreement that would be agreed between the Council and the Trust, through the Council's Community Service, which is part of Education & Lifelong Learning.

4 PROPOSAL

- 4.1 In light of the above it is proposed that the Jedburgh Town Hall is leased to Jedburgh Leisure Facilities Trust for 25 years at a rent of £1per annum if asked for with the Trust responsible for:-

- Refurbishing the premises to make them fit for their purposes.
- All revenue maintenance and running costs of the premises.
- Making the premises available for use by community groups, clubs, other organisations and for hire for special events etc and for generally using the premises as a town hall/community centre.
- Health & safety on the premises.
- Arranging any licenses it requires for the premises.
- Bearing the costs of buildings insurance and procuring contents and third party insurance.

The lease would have an "escape clause" allowing the tenant to terminate early at one month's Notice in the event that the venture is no longer viable.

- 4.2 The proposed lease would proceed under the Disposal of Land by Local Authorities (Scotland) Regulations 2010 and the purpose of the lease would be for the promotion and improvement of the health and social well-being of Jedburgh and its wider community.

5 IMPLICATIONS

5.1 Financial

- (a) The premises have an asset value of £540,600 and this would be maintained if the lease proceeds, because it assumes that the premises would continue to be used as a town hall/community centre. The figure is based upon the replacement cost of providing an alternative property of a similar size, age and construction, which is then depreciated to reflect obsolescence in accordance with accounting valuation rules. The market value of the town hall would be a nominal sum (less than £10,000) because of its iconic status within the local community and planning restrictions which designate town hall as a category B listed building within a conservation area, meaning that finding an alternative non-community use would not be a financially viable proposition in the short to medium term.
- (b) The Chief Financial Officer has reviewed the financial plan as summarised in Appendix 2 and is reasonably satisfied that it is viable. The Trust has identified the revenue funding required to run

the facility into the future and if the proposal goes ahead, the Council would ultimately make overall savings of around £33,000 per annum in property running costs. In the initial years the Council would provide tapering revenue financial assistance commencing at £30,000 in year 1 and reducing by 20% year on year to zero.

5.2 **Risk and Mitigations**

If the proposal does not proceed, there is a risk that the Council might not be in a position to keep Jedburgh Town Hall open into the long-term future. This risk would be mitigated by adopting the recommendations in this report.

5.3 **Equalities**

An Equalities Impact Assessment has been carried out on this proposal and it is anticipated that there are no adverse equality implications. In particular, prospective alterations would improve disabled accessibility within the premises and with an experienced local community organisation running the facility, the future use of the centre would be as inclusive as practical.

5.4 **Acting Sustainably**

The proposals would ensure the upgrading and continued use of an existing facility that forms an important focal point for Jedburgh, so saving on the costs of sourcing a replacement facility or alternatively encouraging the local community to travel to other areas for community activity.

5.5 **Carbon Management**

Adopting the proposals in this report would ensure long term provision of town hall/community centre facilities within Jedburgh encouraging the local population to remain in the locality rather than travelling to other areas for community orientated activity, so reducing their travel carbon footprint.

5.6 **Rural Proofing**

Adopting the recommendations in this report ensures continued provision of a facility that serves as a key focal point for Jedburgh and its surrounding rural area, so helping build community resilience.

5.7 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to either the Scheme of Administration or the Scheme of Delegation as a result of the proposals in your report.

6 **CONSULTATION**

6.1 The Director of Education & Lifelong Learning, the Chief Financial Officer, the Head of Strategic Policy, the Head of Corporate Governance, the Head of Audit and Risk, the Clerk to the Council and the Human resources Manager were consulted in the preparation of this report and their comments have been incorporated in this report.

Approved by

Chief Executive

Signature

Author(s)

Name	Designation and Contact Number
Andrew Drummond-Hunt	Head of Property & Facilities Management tel 01835 826672

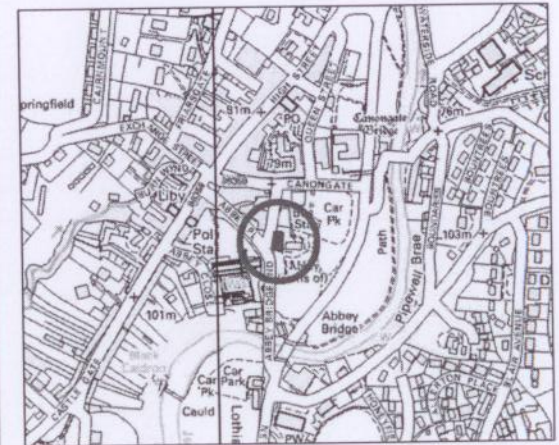
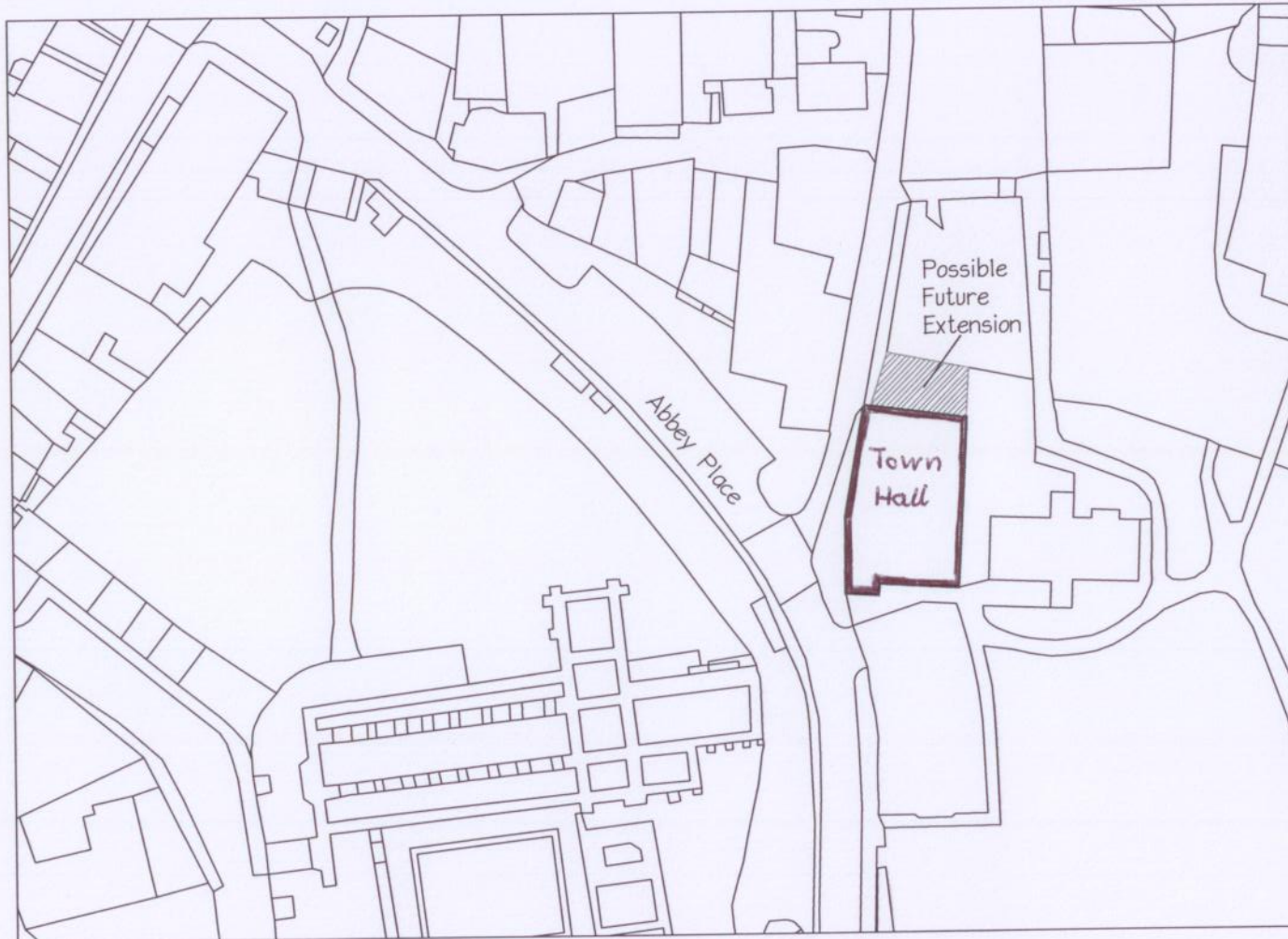
Background Papers: n/a

Previous Minute Reference: n/a

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Appendix 1



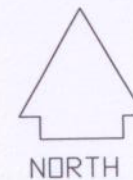
LOCATION PLAN (SCALE 1:10,000)

Building & land to be leased at:
Jedburgh Town Hall
Abbey Place
Jedburgh

Area of Building: 450.55 m² o.t.
Area of Possible Future Extension:
107.37 m² o.t.

13/ED/007a

Date: 16th January 2014



Appendix 2

Jedburgh Town Hall - JLFT Financial Plan Summary

Summary

Jedburgh Town Hall Summary of Financial Plan	Average per year 2005 - 2010	JLFT forecast				
		2014-15	2015-16	2016-17	2017-18	2018-19
Operating						
Income						
Trading income	£7,794	£11,100	£17,350	£22,510	£26,740	£27,470
SBC management fee	n/a	£30,000	£24,000	£18,000	£12,000	£6,000
Total income	£7,794	£41,100	£41,350	£40,510	£38,740	£33,740
Expenditure						
Variable costs	£27,068	£9,575	£14,640	£18,857	£21,761	£22,375
Fixed costs	£29,021	£18,200	£14,200	£12,200	£11,200	£10,200
Total operating costs	£56,089	£27,775	£28,840	£31,057	£32,961	£32,575
Operating surplus / -deficit	-£48,115	£13,325	£12,510	£9,453	£5,779	£895
Capital						
Income	£0	£40,000	£0	£0	£0	£0
Expenditure	£0	£40,000	£20,000	£0	£0	£0
Capital surplus / deficit	£0	£0	-£20,000	£0	£0	£0