

**FALKIRK COUNCIL**

**Subject: BONNYBRIDGE SOCIAL CLUB**  
**Meeting: EXECUTIVE**  
**Date: 18 MARCH 2014**  
**Author: DIRECTOR OF DEVELOPMENT SERVICES**

**1.0 INTRODUCTION**

- 1.1 The purpose of this report is to consider action of the motion proposed by Baillie Buchanan at 25<sup>th</sup> February Executive Committee and to provide details on the implications of the proposal set out within the motion.

**2.0 BACKGROUND**

- 2.1 Bonnybridge Social Club owns the building at Main Street, Bonnybridge. The ground the club occupies is owned by the Council and leased to the club until 14<sup>th</sup> May 2067. The Club have been advised that the bank may give them a loan to remove their debt but only if they owned the ground.
- 2.2 The proposal set out within the motion is as follows:
- 1) The Council requests a valuation of the ground from the District Valuer.
  - 2) The Council then transfers the ground to the Social Club with the following conditions:
    - a) that a payback agreement is entered into between the club and the Council; and
    - b) that should the transfer go through and if the club in future closes without the Council being fully paid then the ground would then go back into the ownership, of the Council.

**3.0 PROPOSAL**

- 3.1 The purpose of the proposal suggested is that the Council should transfer its ground lease interest (the land) to the Social Club. This is intended as a mechanism to allow the Social Club to consolidate all its debt into a mortgage using the property as security. The motion suggests that the only way a lender will be agreeable to this is if the club has full ownership of the land and building to offer as security

- 3.2 While on the face of it the proposal might assist the cash flow for the club it unclear whether the proposal will assist the club to achieve a sustainable venture. In order to fully consider this a copy of the Club's business plan, accounts and amount to be borrowed would be required. Attempts made previously by the Council to encourage the club to establish a business plan and work with partners in the Council have not progressed and without this information it is difficult for the Council to determine how best to proceed.
- 3.3 The proposal does seek to offer the Council some security over the asset with the property reverting to the Council should the club close before the purchase price is paid in full. The detail of this would required to be worked out, further, particularly in relation to the status of the assets with potential lenders, who may require security over the property. In order to take this forward the Social Club would need to provide the Council with proof that their lender is satisfied with the terms of this proposal

#### **4.0 IMPLICATIONS**

4.1 Financial

None at present

4.2 Legal

None at present

4.3 Planning

None.

#### **5.0 CONCLUSION**

- 5.1 In summary, in order for this proposal to be considered fully by the Council it is important that the Social Club provide the following information:
- Business plan including the last 3 years certified accounts
  - Details of the proposed loan including the amount, proposed lender and confirmation from the lender that a loan will be provided on the basis of the proposal set out in the Motion
  - Council officers will be willing to work with the Social Club on the details of this proposal in order to bring a further report to the Executive for discussion.

## **6.0 RECOMMENDATION**

- 6.1 **It is recommended that Members agree to seek the additional information detailed in 5.1 before considering this proposal further.**

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Director of Development Services

Date: 4 March 2013

Contact Officer: John Smith. Tel: 4973.

### **LIST OF BACKGROUND PAPERS**

1. \* Property File
2. Motion