

FALKIRK COUNCIL

Subject: BONNYBRIDGE SOCIAL CLUB - UPDATE
Meeting: EXECUTIVE
Date: 30 SEPTEMBER 2014
Author: DIRECTOR OF DEVELOPMENT SERVICES

1.0 INTRODUCTION

- 1.1 The purpose of this report is to provide an update regarding the proposal from Bonnybridge Social Club considered by Members at 18th March Executive meeting.

2.0 BACKGROUND

- 2.1 Members considered a report by Director of Development Services on 18th March 2014. Bonnybridge Social Club is looking to consolidate its debts by using the club premises as security for a loan. However the club does not own the ground on which the premises sit but leases it from Falkirk Council. The Social Club office bearers advise that lenders will only grant a loan to the club if it owns the ground. It was therefore, proposed by the club that the Council sells the ground lease to the Social Club on the following conditions:

- i) that the payback agreement is entered into between the club and the Council, and
- ii) that should the club close in the future without the Council being fully paid, the ground would return to the Council ownership.

- 2.2 Following consideration of this matter, the Executive agreed to seek the following information from Bonnybridge Social Club:

- (a) a business plan including the last 3 years' certified accounts, and
- (b) details of the proposed loan including the amount, the proposed lender and confirmation from the lender that a loan will be provided on the basis of the proposal set out above.

Additionally it noted that Council officers were willing to work with the social club on the details of the proposal in order to bring a further report to the Executive for discussion.

3.0 UPDATE

- 3.1 Since the Executive meeting officers have made contact with the club and a draft business plan has been supplied.
- 3.2 A meeting has recently taken place with representatives of the social club, the CVS (Council for Voluntary Services) and officers from the council, following which it was agreed to examine options for funding in more depth and use this to help finalise the business plan. The outcome of this work will be the subject of a further update to be provided at a future meeting of the Executive.

4.0 RECOMMENDATION

- 4.1 **It is recommended that Members note the progress made and that a further report will be presented to the Executive in due course.**

.....
Director of Development Services

Date: 21 August 2014

Contact Officer: John Smith. Tel: 4973.

LIST OF BACKGROUND PAPERS

- 1. Executive Committee report from 18 March 2014
- 2. Motion

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 25th 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 14th 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.

5.0 PROPOSAL

- 5.1 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
- 5.2 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

6.0 IMPLICATIONS

6.1 Financial

None at present

4.2 Legal

None at present

4.3 Planning

None.

7.0 CONCLUSION

- 7.1 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.

8.0 RECOMMENDATION

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

.....
Director of Development Services

Date: 4 March 2013

Contact Officer: John Smith. Tel: 4973.

LIST OF BACKGROUND PAPERS

3. * Property File
4. Motion