

AGENDA ITEM NO 11

REPORT NO 194/18

ANGUS COUNCIL – 14 JUNE 2018

TRAIL PAVILION, MONTROSE

REPORT BY HEAD OF INFRASTRUCTURE

ABSTRACT

This report seeks a decision on the future of the Trail Pavilion which was declared surplus and marketed for sale.

1. RECOMMENDATION

It is recommended that the Council either;

- (i) approve the sale to the property to a private individual for the sum of £33,750

or

- (ii) agree that the Community Asset Transfer application for the property from MOBAY (Montrose Bay Project) on the basis of a 5 year lease which includes provision of toilet facilities be progressed to a conclusion through the CAT process in line with legislation and Council policy.

2. ALIGNMENT TO THE ANGUS LOCAL OUTCOMES IMPROVEMENT PLAN/CORPORATE PLAN

This report contributes to the following local outcomes contained within the Angus Local Outcomes Improvement Plan and Locality Plans:

ECONOMY

- An inclusive and sustainable economy
- Attractive employment opportunities

PLACE

- Safe, secure, vibrant and sustainable communities
- An enhanced, protected and enjoyed natural and built environment

3. BACKGROUND

Reference is made to Report No 33/18 to the Policy & Resources Committee of 30 January 2018

4. CURRENT POSITION

- 4.1 The property was put on the open market and 3 offers were received as detailed in **Appendix 1**. The highest offer is from a private individual in the amount of £33,750.
- 4.2 In the interim a CAT application was made by MOBAY as detailed in **Appendix 2**. MOBAY propose taking a lease of the property for 5 years paying a rental totalling £10,000. During this time they would carry out the required repairs to the property which are estimated to cost in the region of £30 - 35,000. At the end of the 5 year lease they would like the property transferred to them for £1
- 4.3 MOBAY would operate the toilet facilities within the building and the external accessible toilet as a public facility. They would use the building to provide an office base for themselves and

to store beach cleaning equipment. The facility would also be available to users of the Sea Splash play park, for visitors to the beach including organised visits for carers. Information would be provided in relation to the Montrose Bay and volunteering and training opportunities would be available to young people.

- 4.4 It should be noted that as the property was already on the market before the CAT application was received the Council is not prevented from proceeding with a sale should it so chose. The CAT application has yet to be processed in line with Council policy and legislation part of which includes the need for a public notice period. If members are minded to agree recommendation (ii) the CAT application will be progressed and will be subject to a further report seeking members' decision. The Council cannot approve the CAT application at this point because the legislative process hasn't been completed. If members approve recommendation (i) the CAT application will not be progressed any further and the applicant advised accordingly.

5. FINANCIAL IMPLICATIONS

- 5.1 The sale of the property to the highest bidder would generate a capital receipt of £33,750 to Montrose Common Good and would avoid ongoing repair and revenue costs.
- 5.2 Agreement to progress the CAT application would potentially provide an income of £10,000 to Montrose Common Good over a 5 year period and would avoid ongoing repair and revenue cost. No capital receipt would be generated.
- 5.3 There is currently an unfunded cost for cleaning the accessible toilets of £4,000 per season.
- 5.4 The estimate costs of provision of an alternative toilet provision in the vicinity has been explored with a feasibility study giving estimated costs of £59,000 and £65,000 depend on the location and final form of the toilet.
- 5.5 There is no identified funding for the capital or revenue costs for the new toilet provision with local Members supporting provision from the Common Good.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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List of Appendices:

Appendix 1 - Details of Open Market Offers
Appendix 2 - Community Asset Transfer Application

Appendix 1

Details of Open Market Offers

| Offer Amount | Proposed Use | Further Information |
|--------------|----------------------|---|
| £33,750 | Tea/Function Room | |
| £30,000 | Restaurant | |
| £17,000 | Craft Gin Distillery | Purchaser would open disabled toilet facilities 9.30 – 5.00 1 May – 30 September for a period of time to be agreed. Offer subject to Planning for change of Use |

Appendix 2

Community Asset Transfer Application

Community Asset Transfer Request

This is an asset transfer request made under Part 5 of the Community Empowerment (Scotland) Act 2015

APPLICANT DETAILS

This application is made by:

| | |
|-----------------|---|
| CTB Name | Montrose Bay Project (MOBAY) |
| Contact Address | 19 Market Street Montrose DD10 8NB |
| Contact Details | Tel REDACTED Email mobayproject@yahoo.com |

ASSET REQUESTED

This CAT request is made for the following asset

Traill Pavilion
Traill Drive
Montrose
DD10 8EL

This request is made following Angus Council announcement in January 2018 that for economic reasons the property was declared surplus to requirement and would to be offered for commercial sale. Our community group agreed that it would benefit the community to retain ownership and/or operation of the asset by the community and for the benefit of the community and visitors to the community area.

REQUEST OFFER TERMS

With reference to the Community Empowerment (Scotland) Act 2015 and relevant section 79(2) as to the ownership basis of our community asset transfer request. We would specify our request as follows:

Following the announcement of the Angus Council decision to offer the Traill Pavilion for sale our community group reached a certain conclusion that we could operate the facility for the benefit of the community and with wider socio-economic benefits. However after doing initial research into fundraising within the community our finding was that there was a resistance from the Montrose public to fund the commercial sale price. The reason given during our research was that this building was a gift to the people of Montrose and had been held in trust by Angus Council on behalf of the community as part of the Montrose Common Good. The question often asked was “why should we have to buy this property, and fund the purchase, when we already own it?”

We have of course been made aware of the legal advice provided to Angus Council that the authority has the right to sell the property and we are not for the purposes of this request disputing this. However the fact remains that, for our group, funding the straight purchase at the quoted price, from within the Montrose Community, would not yield the required level of funding. For the reason outlined above.

However we do have a proposal that we believe will provide a beneficial solution for all parties and mitigate some risk elements of the community transfer. This option (or close variation) would also be supported by the local community and we would be very confident in achieving desired results from community fundraising that in turn would support the requirements for “external” fundraising (for example heritage regeneration project funding).

Our outline proposal is as follows:

MOBAY leases the property for a period of 5 years at annual rental rates as follows:

Year 1 £0
Year 2 £1200
Year 3 £2200
Year 4 £3000
Year 5 £3600

During the first three years term of this lease period MOBAY undertake to plan, fund and carry out all repair, maintenance and remedial works that were previously identified by Angus Council at a cost of approx. £30,000 to £35,000.

Conditions of the lease would be on commercial repair and insuring basis.

MOBAY would operate the Traill Pavilion as a public facility to include all inside toilets and the externally accessed disabled toilet.

After the 5-year lease period, and with all specified works completed within this period, the property ownership would be transferred to MOBAY for £1.00

During the designated 3-year lease period MOBAY will produce quarterly progress reports for Angus Council to detail progress made against agreed plans for repairs and remedial works (valued at £30,000 to £35,000)

Under the terms of the above offer Angus Council would provide full works scopes of previously identified and priced remedial works (the £30,000 to £35,000 budget).

REASON FOR REQUEST

The building is recognized as an iconic landmark by generations of the Montrose public and we believe we can merge the old with the new and regenerate this facility and sustain an economically viable operation from the premises. As the hub for our group activities we will use the facility as a base to initiate and carry out a number of activities that will promote and enhance the beachfront use for all to enjoy.

We already have an ice cream shop, café and restaurant at the seafront and our use of the building would be complementary to the existing business at the beachfront.

CTB USE OF PROPERTY

MOBAY intend to use the asset as a hub facility for the Montrose Bay beachfront. This includes:

- Provision of Public Toilet facilities (including disabled toilet) available for use by all members of the public
- Rest and recovery facility for visitors to the beachfront area, including short term changing and family organizing point for families visiting the Sea Splash play park
- Drop in facility to support care at home and homecare service users as part of organized group visits to the beachfront area. This will provide relief for some homecare service users from potential isolation and loneliness issues and help mitigate negative health issues.
- Use of the facility for short-term general office, Wi-Fi or meeting requirements as well as offering MOBAY group experience and expertise in support of local small business start up or operations advice.
- Provide young persons with the opportunity to take part in volunteer work as part of skills learning and development. Part of volunteer time will include opportunity for skills training in Microsoft Office, General IT, General Book-keeping, Office Administration, Social Media, Web Design, Hospitality and others.
- Facility will be used to securely house beach cleaning equipment to be made available to individuals and groups for beach cleaning at Montrose Bay
- Display, collation and storage of available public access information relating to the coastal erosion issue at Montrose Bay.
- Digital display and data exhibition of Montrose Bay natural resources and visitor attractions as well as other visitor information for the beachfront and Montrose and District. This will include display of safe bathing, relevant sports and beach walking information, maps and guides and promotional items for sale.
- Hub facility for management, planning and organisation of MOBAY activities. This includes support to attain beach and beach facility awards for Montrose Beach/Front.

BENEFITS FROM TRANSFER

We believe that our transfer request, if successful would provide financial benefit for the local authority and considerable wider social benefits for the local community and beyond.

Financially our proposal reduces the current and future cost exposure of the local authority for the current and ongoing cost requirement of retaining this property.

Furthermore by operating the facilities public toilets we are reducing the local authority capital and operating costs for providing alternative beach toilet facilities in the event that the building was sold to a private investor.

The transfer will boost community morale and will show the local authority supporting community initiative and involvement in times of economic and service cut backs.

The transfer of this asset to the community will support the group initiative to enhance and promote the beachfront area as a visit destination for tourists coming to Angus.

Social wellbeing benefits from using the facility as a centre for day visits and breaks for those who depend upon social care at home and to help avoid isolation and loneliness issues for those requiring care support.

The transfer of the asset allows us to open the facility toilets for the public and keeping those at good standards of cleanliness and hygiene will promote public health for visitors to the beachfront.

The intended use of the facility as an information centre for the immediate natural environment will help inform, educate and stimulate the community around the environmental issues the area faces, and we would look to work closely with Montrose and District Schools to communicate these environmental issues amongst younger age groups.

The community services we plan to offer and operate from the facility will be free to all individuals. The Montrose Seafront area is a great natural resource open to all to enjoy regardless of social or economic status, we will play our part in promoting that aspect of the area.

Many of the “mini projects” we are looking to engage in relate to enhancing facilities for the physically disabled. For example looking to provide better access to the beach and stable platforms on the beach once wheelchair accessed. Retaining the Traill Pavilion would support these initiatives as a dedicated base from which to organise, plan and deliver these projects.

We are contacting St Cyrus and The Basin nature and wildlife centers so that we can coordinate our efforts for Montrose beachfront. We are contacting Montrose sports and activities clubs with a view to planning some sporting events for the beachfront (for example Montrose Sailing Club and Montrose Rugby Club).

At a time when there is much negative perception around the impact of coastal erosion our vision is to promote and enhance the Montrose Bay beachfront by providing support and resources, working with the local authority if required, to deliver significant improvement to the area that will result in increased visitor usage, all driven by community effort. We have a small but dedicated management group that are committed to this project, and that have the required skill sets and experience to deliver the results.

The growing level of community support is providing many candidate opportunities to grow the management group, and provide assurance on sustainability.

We are committed to transparency in terms of accountability and finance and we are looking for independent external scrutiny to provide assurance on this manner. We do have in house expertise in development of policies and procedures that will provide a formal structure for financial transactions and dealings. The current management structure consists of a four-person management committee. We are looking to increase that number to five plus one other school representative and a MCC or Local Council representative.

We are in the process of finalizing our project business plan and cash flow as well as funding opportunities. We now have the support of a previous leaseholder at the Traill Pavilion and they will provide historical cost data to help complete the operating costs for our Business Plan projections. Our Business Plan will include resource chart indicating division of responsibility and the skill sets of our Management Committee and other key personnel.

The project sustainability will rely upon fundraising for Capital projects and will be self funding for ongoing operations. Our Business plan will include a funding grid that identifies our planned funding sources and a risk analysis for project sustainability.

The MOBAY project intends to be transparent in terms of what we are doing, our funding and our progress. We will publish regular progress reports on our website and release information through social media. We will prepare formal quarterly reports for issue to members and other interested parties. We will look to host community meetings in the Traill Pavilion, open to the public, to report and discuss our project performance. These reports will of course be available to Angus Council.

FUNDING AND FINANCIAL

We have planned our required finances so that we can commence operations with minimal capital requirement and we will meet that requirement from a combination of crowd funding and other small community donations. Our strategy for this level of funding is to target high volume small amount donations.

The operational funding requirements for the Traill Pavilion are largely self-funding from income streams identified, including toilet usage charges etc.

The council should see a significant saving on provision of toilet facilities and further savings on seafront costs generally.

For the major capital funding requirements for regeneration of the Traill Pavilion we are at early stage discussion with a number of heritage regeneration funders. We have also had discussion within the local business community with regards to completion of building repair works with a view to having work done on a voluntary basis by qualified tradesman and the response has been positive.

COMMUNITY SUPPORT

We have had a great deal of community support for our plans, both from the general public and local business, as well as from other community groups. Most of this support has been gathered through publication of our Facebook page that launched on April 16th 2018. In a relatively short space of time we have reached significant

views and likes for our project. We expect that the level of support will increase significantly when we can announce progress on our CAT request.

We are presenting our plans to Montrose Community Council April 24th and will follow this up with similar presentations at Ferryden and Hillside Community Councils.

We are presenting our project directly to two of our local Angus Councilors week commencing 23rd April with a view to adding their support for our project.

We are also reaching a wider community through press releases in The Courier and have STV filming a news segment April 24th.

We have contacted all the local business in the immediate Montrose Bay Area to confirm that our activities will not compete with any of their product or service sales and have asked for letter of support for our project.

We have already established partner operations with Surfers Against Sewage for beach clean ups and are actively looking to have similar arrangements with other groups where our services complement and support their activities.

The support offers we have received from within the community range from persons wanting to get involved directly with volunteer work to achieve our aims, pledging funding support, to simply adding voices of support generally.