

Our Ref: SP/GS/MR  
Your Ref: CAT003-OL  
Contact: Gary Stark  
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Date: 1 June 2023



Cumbernauld Cottage Trust



**Chief Executive's Office**

Stephen Penman  
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Strategic Communication & Engagement  
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[www.northlanarkshire.gov.uk](http://www.northlanarkshire.gov.uk)

Dear [REDACTED],

**Community Asset Transfer Decision Notice**

This Decision Notice relates to the Community Asset Transfer (CAT) request made by Cumbernauld Cottage Trust in relation to the former Cumbernauld Theatre and adjacent carpark with a validation date of 14 September 2022.

Following assessment of the CAT application submitted, North Lanarkshire Council has decided to refuse the request. The reasons for this decision are as follows: -

**Potential for duplication of service:**

The case for the transfer of the asset is built upon a service delivery model that is likely to create duplication with existing services that the council has already invested in. The application does not adequately refer to how the services being offered as part of the CAT proposal add value to those already being delivered via other local venues and organisations in the Cumbernauld area, nor does it explore or evidence through market research that the potential for competition regarding income streams has been considered. Any duplication could undermine the financial projections and reduce the Trust's ability to meet income targets.

**Project Delivery:**

While there is reference to staffing and management around service delivery at the point that the project is operational, it is unclear how the project would be robustly managed throughout the early stages including attracting and securing capital investment, procurement, and construction. A project of this scale, risk and cost requires to be carefully project managed. The submission does not reflect this or provide full consideration of the operating model and ensuring that this is sustainable and can balance the required generation of capital investment, building and construction with the likely need for phased delivery and maintenance (including the potential for further decline for areas of the site that resource may not allow to be prioritised for delivery).

**Evidence of need/community benefit:**

There was some community engagement through public meetings in 2018 and a survey in 2019. The survey received 1500 responses, (3% of Cumbernauld population). This was pre pandemic and prior to the opening of the new theatre site in 2021. There is little evidence in the application of more recent engagement or assessment of need reflecting current provision and changes in behaviour/trends arising from the Covid-19 pandemic or indeed the impact of the recent cost of living

crisis. The council has witnessed a 50% drop in use post pandemic in its own community facilities, with a slow rise in activities through recovery. This information could inform a negative impact on the ability of the Trust to meet projected income targets from lets, hiring of space and community use of income generating activity such as the café.

**Financial viability:**

Overall, the capital works to bring the building into operation and the expected income generation from operation of the services planned are aspirational. The application did not provide sufficient reassurance of the financial sustainability of the project to balance the potential risk to the council of transferring the asset. There is no evidence that costs provided have been assessed in the context of the current 'cost of living and 'energy' crisis and how these may impact on the operating costs in the short/medium term.

Additionally, the offer of £20,000 to purchase the asset is below market value, therefore requiring the applicant to evidence substantial community benefit which balances with the level of discount. The application in this case does not strongly enough evidence that the planned 'offer' to communities adds value to, compliments or provides an alternative to existing provision.

The projected income generation does not reflect comparable incomes levels of sites operated by the council providing similar service provision.

**Potential for ongoing maintenance burden/revenue implications for the council:**

The submitted request does not include the group taking on maintenance of the associated car park and access road which service the site and provide access to the parking provision for the buildings. The CAT application includes part but not all the car park area. Agreeing to these terms may create a maintenance burden and liabilities for the council where there is not currently an operational budget associated with this asset.

The closure of the site was assumed following the relocation of the provision to an alternative location. It would be challenging and complex to consider the transfer of the building in isolation from the car park and access road.

You have a right to apply to the Council to review this decision.

Any application for review must be made in writing to North Lanarkshire Council – Community Partnership Team by emailing, [NLCCCommunityOwnership@northlan.gov.uk](mailto:NLCCCommunityOwnership@northlan.gov.uk) by the 28 June 2023 which is 20 working days from the date of this notice.

I have attached the Councils Community Asset Transfer Policy which outlines the process for review. Guidance on making an application for review is also available at <https://www.gov.scot/publications/asset-transfer-under-community-empowerment-scotland-act-2015-guidance-community-9781786527509/pages/17/>

Yours sincerely

**Stephen Penman**  
**Chief Officer**  
**Strategic Communication and Engagement**