

## **Item: 9**

**Asset Management Sub-committee: 28 March 2019.**

**Evie and Rendall Community Park Group.**

**Joint Report by Executive Director of Corporate Services and Executive Director of Education, Leisure and Housing.**

### **1. Purpose of Report**

To consider request from Evie and Rendall Community Park Group to lease an area of land at Evie Primary School, to enable development of a new community play park.

### **2. Recommendations**

The Sub-committee is invited to note:

#### **2.1.**

That the site at Evie Primary School remains undeveloped following construction of the primary school in 2016.

#### **2.2.**

That Evie and Rendall Community Park Group proposes to upgrade land at Evie Primary School, at a total estimated cost of £146,400.

#### **2.3.**

That, in order to secure funding, the Evie and Rendall Community Park Group requires a 15-year lease of the site at Evie Primary School.

#### **2.4.**

That the Evie and Rendall Community Park Group will be responsible for all maintenance costs during the lease.

**It is recommended:**

#### **2.5.**

That Evie and Rendall Community Park Group be offered a lease of land at Evie Primary School, for a period of 15 years, at a nominal rent of £1 per annum, on terms and conditions determined by the Solicitor to the Council, subject to Evie and Rendall Community Park Group obtaining full funding for the proposed project.

### **3. Proposed Community Park Development**

#### **3.1.**

Evie and Rendall Community Park Group, which was established in 2017, is a Scottish Charitable Incorporated Organisation (SC048088) whose main objective is the development and maintenance of an inclusive community park situated at Evie Primary School. The group is a Sub-committee of Evie and Rendall Community Council and is run by 16 volunteers local to the parishes of Evie and Rendall.

#### **3.2.**

Evie and Rendall Community Park Group propose to redevelop a redundant area of ground at Evie Primary School as indicated in the site plan attached as Appendix 1 and design proposal in attached as Appendix 2 to this report. The proposed upgrade of existing facilities will greatly enhance the play opportunities and community benefit in the area and the proposal fits with the objectives of the Council's Play Area Strategy.

#### **3.3.**

The project value is budgeted at £146,400 and an application for financial support from the Council's Community Development Fund was approved in December 2018.

#### **3.4.**

The Group will deliver the proposed project. It is anticipated that there will be no increase on revenue costs following completion of the development.

#### **3.5.**

The Evie and Rendall Community Park Group will be responsible for all ongoing operating costs for the new community play park during the lease.

### **4. Request to Lease**

#### **4.1.**

Evie and Rendall Community Park Group requests to lease an area of undeveloped land at Evie Primary School for the purposes of developing a new community play park. The Group requests a lease of fifteen years.

#### **4.2.**

The site requested by the Group is undeveloped following completion of the construction of the new Evie Primary School. By Autumn 2016, the pupils had moved into the new school.

#### **4.3.**

Although a market rental valuation of the play park has not been obtained, it is likely to be less than £650 per annum. The proposed lease at £1 per annum is not on commercial terms but rather recognition of the wider benefits to the community from the Group's plans to develop the new community play park.

#### **4.4.**

Council policy is that where a lease is agreed on soft terms the relevant service provides financial support to offset the lost rental income. In this case rental income would go to the Education, Leisure and Housing Service, and will be cost neutral.

#### **4.5.**

That, in order to secure inwards investment in this important community facility, the request to lease the site for the new community play park for 15 years be approved.

#### **4.6.**

That, should the recommendation in this report is approved, Evie and Rendall Community Group will be asked to secure all the appropriate funding they require prior to lease commencement.

### **5. Links to Council Plan**

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Council Plan strategic priority of Quality of Life - to work with partners to provide opportunities to make Orkney an attractive location of young people to live, work and study. In addition, this priority concerns everyday matters which contribute to quality of life.

### **6. Links to Local Outcomes Improvement Plan**

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Local Outcomes Improvement Plan priority of Living Well.

### **7. Financial Implications**

#### **7.1.**

A formal valuation of the play park site has not been requested but it is understood to be low value based on existing use.

#### **7.2.**

Any lease for a nominal or peppercorn rate of £1 per annum is considered to be soft terms.

### **7.3.**

On the basis that responsibility for operation and ongoing maintenance of the play park site is to transfer from the Council to the Evie and Rendall Community Park Group, and given its close proximity to the School, there will be a need to evidence this for the duration of the lease agreement including, for example, the provision of appropriate insurance cover and on-site signage to this effect.

### **7.4.**

Furthermore, due consideration may also need to be given to adopting a common approach to dealing with requests of this nature going forward, and with a view to standardising the terms and conditions being recommended.

## **8. Legal Aspects**

### **8.1.**

Section 74 of the Local Government (Scotland) Act 1973 (as amended) provides that the Council cannot normally dispose of land (which includes leasing land) for less than the best consideration that can reasonably be obtained unless the best consideration is less than £10,000 or the proposed consideration is more than 75% of the best consideration. If neither exception applies the Council must follow the appraisal procedure set out in the Disposal of Land by Local Authorities (Scotland) Regulations 2010. However, it is noted from section 4.3 above that, although an open market rental valuation has not been obtained, it is considered likely that it would be less than £650 per annum in which case the cumulative rent would fall below the £10,000 threshold and the appraisal procedure would not be required.

### **8.2.**

The Council must show that it is securing best value when considering land transactions (section 1, Local Government in Scotland Act 2003).

## **9. Contact Officers**

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## **10. Appendices**

Appendix 1: Location Plan.

Appendix 2: Proposed Community Play Park Sketch.