

Item: 9

Asset Management Sub-committee: 26 January 2021.

Island of Hoy Development Trust.

Proposed Lease of St Colm's Quadrant Play Park.

Joint Report by Executive Director of Development and Infrastructure and Executive Director of Education, Leisure and Housing.

1. Purpose of Report

To consider request from Island of Hoy Development Trust to lease St Colm's Quadrant Play Park, to enable development of an improved community play park.

2. Recommendations

The Sub-committee is invited to note:

2.1.

That, following consultation with the community, the Island of Hoy Development Trust proposes to introduce new play equipment to the play park at St Colm's Quadrant, Longhope.

2.2.

That, thereafter, the Island of Hoy Development Trust will engage with the community to create a development plan and identify potential funding sources.

2.3.

That the Island of Hoy Development Trust's objective is to develop a facility which appeals to younger children and includes elements to attract all age groups in a setting that is conducive to community engagement.

2.4.

That the Island of Hoy Development Trust has requested to lease St Colm's Quadrant Play Park, as outlined on the location plan attached as Appendix 1 to this report, for a period of 20 years, at a nominal rent of £1 per annum.

2.5.

That St Colm's Quadrant Play Park incurs annual revenue maintenance costs of approximately £1,412 per annum.

2.6.

That, should the request from the Island of Hoy Development Trust to lease St Colm's Quadrant Play Park be approved, the Trust would become responsible for all maintenance and inspection costs during the period of the lease.

It is recommended:

2.7.

That the Island of Hoy Development Trust be offered a lease of St Colm's Quadrant Play Park, Longhope, for a period of 20 years, at a nominal rent of £1 per annum, on terms and conditions determined by the Solicitor to the Council.

3. Proposed Play Park Development

3.1.

The Island of Hoy Development Trust is a charity (SC038909) whose objectives include the provision of facilities within the community for recreation and leisure purposes. Following a consultation with the community, which showed a strong desire for development of the existing play area at St Colm's Quadrant, Longhope, the Trust is keen to work with the community to develop the existing facility.

3.2.

The Island of Hoy Development Trust proposes to "reinststate play equipment lost from the play park due to Council budget cuts" and thereafter the Trust will engage with the community to create a development plan and identify potential funding sources. The Trust's objective is to develop a facility which appeals to younger children and includes elements to attract all age groups in a setting that is conducive to community engagement, and the proposal will meet the objectives of Orkney's Play Area Strategy and National Play strategy.

3.3.

The project value is unknown at this stage as the design of the improved facility will be developed with input from the community and other stakeholders.

3.4.

The Island of Hoy Development Trust has been awarded £3,700 from the Your Island Your Choice fund. During 2019, the Trust raised a further £3,938.83 from within the community. It was intended to employ a consultant to work with the Trust in developing the project. However, work has been delayed due to COVID-19.

4. Request to Lease

4.1.

The Island of Hoy Development Trust has requested to lease St Colm's Quadrant Play Park, as highlighted in red on the location plan attached as Appendix 1 to this report, for the purposes of developing an improved community play park. The Trust requests a lease of 20 years at a nominal rent of £1 per annum and would assume responsibility for all ongoing operating costs for the improved community play park during the lease, if granted.

4.2.

St Colm's Quadrant Play Park is an existing play area serving St Colm's Quadrant, Longhope. Some play equipment has been removed from the site over recent years due to safety concerns in line with the councils play area policy.

4.3.

Although a market rental valuation of the play park has not been obtained, it is likely to be less than £200 per annum. The proposed lease at £1 per annum is not on commercial terms but rather in recognition of the wider benefits to the community from the Trust's plans to consult and develop an improved community facility.

4.4.

The annual maintenance cost incurred at St Colm's Quadrant Play Park is approximately £1,471 and leasing to the Trust would provide a saving in respect of grounds and play equipment maintenance costs. Improvement to the play park will also deliver against the Council's own and national play strategies. If successful with community engagement and in obtaining funding, the Trust will deliver inward investment to the benefit of the local community at no additional cost to existing Council budgets.

4.5.

Council policy is that where a lease is agreed below market value 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 therefore be cost neutral.

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 for 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 below market value terms.

7.3.

In giving due consideration to the report recommendations it is important to recognise that, in offering to lease the site of St Colm's Quadrant Play Park, Longhope, responsibility for operation and ongoing maintenance of the play park site would transfer from the Council to the Island of Hoy Development Trust. As such, 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.

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 £200 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.

In the event of the St Colm's Quadrant Play Park being held on the Housing Revenue Account then, given the cumulative rent, general consent to the disposal by way of lease would be deemed to be granted in terms of Scottish Government Guidance.

8.3.

Land transactions are covered by the Best Value regime and the Council is required to demonstrate that it has secured best value when considering land transactions.

9. Contact Officers

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10. Appendix

Appendix 1: Location Plan.

Appendix 1

St Colm's Quadrant Play Park, Longhope
Location Plan



Not to Scale