

Item: 4

Asset Management Sub-committee: 31 May 2022.

Land at Saverock, St Ola.

Joint Report by Corporate Director for Neighbourhood Services and Infrastructure and Corporate Director for Enterprise and Sustainable Regeneration.

1. Purpose of Report

To consider transfer of land at Saverock (Site K18), St Ola, from the Strategic Reserve Fund to the Miscellaneous Piers and Harbours Account.

2. Recommendations

The Sub-committee is invited to note:

2.1.

That, in 2017, the Council acquired 10.51 hectares of land at Saverock, St Ola, as detailed on the plan attached as Appendix 1 to this report, as a strategic acquisition.

2.2.

That the land at Saverock, St Ola, is designated as Site K18 in the Orkney Local Development Plan and is deemed suitable for business and industrial development.

2.3.

That Orkney's Indicative Regional Spatial Strategy, approved by the Council on 5 May 2021, recognises the strategic nature of land use at Hatston in relation to the Orkney Local Development Plan.

2.4.

That, in April 2020, the Council approved the Orkney Harbours Masterplan Phase 1, which includes extension of the existing pier at Hatston, together with seabed reclamation and other uses of shore land facilities.

2.5.

That Marine Services has requested that Site K18 be transferred from the Strategic Reserve Fund to the Miscellaneous Piers and Harbours Account at its market value of £455,000.

2.6.

That the Capital Planning and Asset Management group has confirmed there are no other interests in the land at Saverock, St Ola, and support the proposed transfer of the land to the Miscellaneous Piers and Harbours Account.

It is recommended:

2.7.

That land at Saverock, St Ola, designated as Site K18 in the Orkney Local Development Plan, be transferred from the Strategic Reserve Fund to the Miscellaneous Piers and Harbours Account as an internal movement in reserves at the market value of £455,000.

3. Background

3.1.

In 2017, the Council acquired 10.51 hectares of land at Saverock, as detailed in Appendix 1 to this report, as a strategic acquisition. At the time of the acquisition, a new waste handling facility project was in the early stages of development and the site at Saverock was considered to be potentially suitable for that project. The new waste handling facility was subsequently allocated a different site in Hatston. The acquisition was funded by the Strategic Reserve Fund and the land is currently held as an investment property. 6.97 hectares of the land is let through Orkney Auction Mart for annual grazing, which raised £8,400 in April 2022 and £1,600 in April 2021.

3.2.

The Council-owned land at Saverock is designated as site K18 in the Orkney Local Development Plan. Appendix 2, attached to this report, includes details of the area designations from the local plan. Site K18 is designated as being suitable for business and industrial development.

3.3.

Policy 12 Coastal Development of the Orkney Local Development Plan, under locational considerations c(ii) states:

- “Development that does not have a locational and/or operational requirement for a waterfront location may be refused if the development site has strategic value for marine related industries or community use.”

3.4.

Orkney’s Indicative Regional Spatial Strategy was approved by the Council on 5 May 2021. Section 3 of the Strategy identifies Orkney’s ‘Strategic Developments’. Further at Section 3.3 of the Strategy – ‘Kirkwall Strategic Development Hub including Hatston Pier as a National Development’ provides justification for the strategic nature of harbour related land use at Hatston in relation to the requirements of Orkney Local Development Plan Policy 12 requirements.

4. Request to Transfer Land at Saverock

4.1.

The Orkney Harbours Masterplan Phase 1 was approved by the Council in April 2020. This includes proposed developments at the Hatston facility – both extending the existing pier and reclamation/further use of shore land and facilities. Accordingly, Marine Services has requested to purchase Site K18 from the Strategic Reserve Fund as an internal transfer of funds at the market value of £455,000.

4.2.

The proposed land transfer would enable the Council to provide operational and maintenance areas in and around Hatston, and to consider requests from commercial developers who express interest in developing Head Office/Off-shore turbine control centre/s in Orkney.

4.3.

Further interest from other marine suppliers and associated companies means that the Harbour Authority area at Hatston would best include area K18. There would also be the ability to relocate hydro-carbon storage to Hatston from Scapa Pier if for whatever reasons Scapa Pier and/or the existing facilities were not able to accept hydro-carbon fuels in the medium term.

4.4.

A consultation exercise was undertaken with the Capital Planning and Asset Management group, who confirmed that no other Council service had interest in the land at Saverock, Site K18, and there was no objection to the proposed internal transfer from the Strategic Reserve Fund to the Miscellaneous Piers and Harbours Account.

4.5.

Any reallocation for operational reasons would require the recipient service to fund the transfer from the Strategic Reserve Fund.

4.6.

The market value of the land at Saverock has been reported at £455,000.

5. Corporate Governance

This report relates to the Council complying with financial processes and procedures and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

6. Financial Implications

6.1.

The land at Saverock is held on the Strategic Reserve Fund as an investment property at a market value of £455,000.

6.2.

The land was purchased for strategic purposes in 2017 and is currently let through Orkney Auction Mart for annual grazing. This achieved a rental income of £8,400 in April 2022 and £1,600 in April 2021.

6.3.

The Strategic Reserve Fund will not be disadvantaged if the internal transfer of the asset to the Harbour Authority is carried out at the market value of £455,000.

6.4.

Internal asset transfers cannot be funded by borrowings from the Loans Fund and the cost will be fully charged to the Miscellaneous Piers Reserve Fund in the year of transfer.

6.5.

The balance in the Miscellaneous Piers Reserve Fund stood at £7,204,000 at 31 March 2021.

7. Legal Aspects

Any legal aspects are dealt with in the body of this report.

8. Contact Officers

Hayley Green, Corporate Director for Neighbourhood Services and Infrastructure, Email hayley.green@orkney.gov.uk.

Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration, Email gareth.waterson@orkney.gov.uk

Kenny MacPherson, Interim Head of IT and Facilities, Email kenny.macpherson@orkney.gov.uk.

James Buck, Head of Marine Services, Transportation and Harbour Master, extension 3600, Email: james.buck@orkney.gov.uk.

David Sawkins, Deputy Harbour Master: Strategy and Support, extension 3602 Email: david.sawkins@orkney.gov.uk.

Graeme Christie, Estates Manager, extension 2303, Email graeme.christie@orkney.gov.uk.

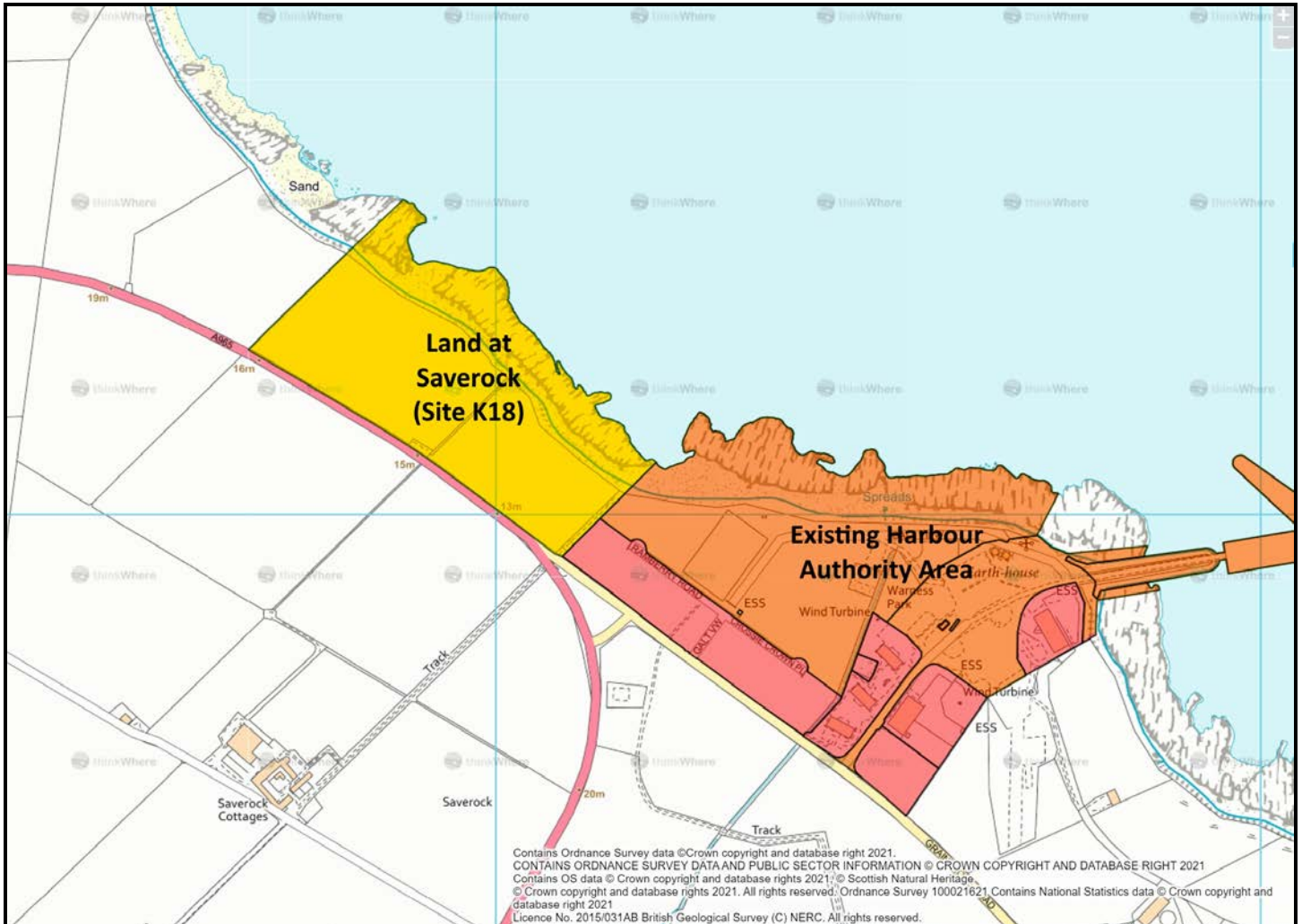
9. Appendices

Appendix 1: Land at Saverock location plan.

Appendix 2: Extract from Orkney Local Development Plan.

Appendix 1

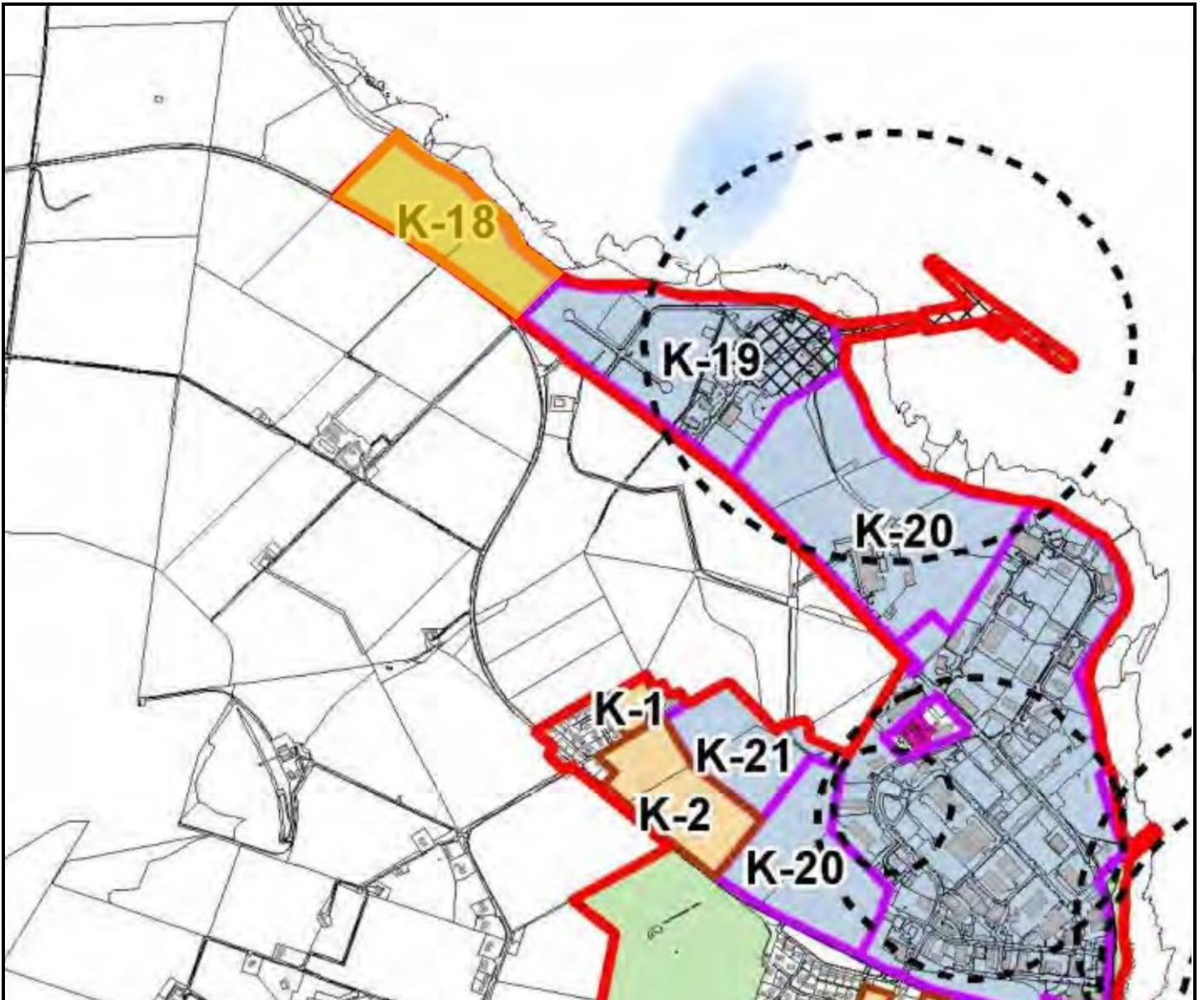
Location Plan Land at Saverock



Not to scale

Appendix 2

Orkney Local Development Plan
Site K18



Not to scale