

Item: 14

Development and Infrastructure Committee: 10 November 2020.

Policy on Industrial Estates.

Report by Executive Director of Development and Infrastructure.

1. Purpose of Report

To review policy in respect of the provision and disposal of industrial land and property.

2. Recommendations

The Committee is invited to note:

2.1.

That the Council has historically developed industrial estates and business parks for the purpose of economic development.

2.2.

That industrial estate properties are held as investment properties within the Strategic Reserve Fund.

2.3.

That a key criterion for holding investment properties is to generate a financial return for the Council.

2.4.

That all land and property on the Council's industrial estates and business parks is currently designated for lease only, with rental valuations assessed independently by the District Valuer.

2.5.

That a presumption exists in favour of leasing land and property on the industrial estates to new or existing businesses in key eligible sectors and to businesses which might assist the Council in achieving its economic objectives.

2.6.

That the current policy in respect of the provision and disposal of industrial land and property was established in 2011.

2.7.

That a review of policy has been undertaken, with an updated policy statement in respect of Industrial Estates attached as Appendix 3 to this report.

It is recommended:

2.8.

That the policy statement in respect of Industrial Estates, attached as Appendix 3 to this report, be approved.

2.9.

That the boundaries of the currently designated Food Parks at Hatston and Garson be disestablished.

3. Policy Considerations

3.1.

The HM Treasury Green Book provides guidance for officers on how to appraise policies, programmes and projects. This advises that policy development or review should consider the rationale for the policy and its intended objectives and requires an assessment of its economic, financial, social and environmental impacts.

3.2.

There are many aspects to the provision/management of commercial properties and sites for industrial use:

- To address market failure.
- To provide a return on investment to the Council.
- To control how industrial sites are used and maintained to maximise economic benefit for Orkney, protect the estate environment and avoid land-banking.
- The need to have industrial properties available to meet demand from new and existing businesses and for development by new and/or expanding businesses.
- The level of security of tenure required by businesses to secure development capital.
- A preference of business owners to secure full control of their premises once established, including the opportunity for capital appreciation.
- The revenue and capital costs of maintaining and repairing leased buildings.
- The requirement for policy to avoid distortion of local property markets.

3.3.

Whilst a policy of maintaining vacant land and property in order to meet economic development objectives may not necessarily maximise the financial return on the Council's investment, if vacant property is not available when required by businesses, then a business development opportunity may be lost, along with the potential for new or increased economic activity.

3.4.

There is also a requirement to manage the estates along commercial lines by ensuring they are well maintained and improved/adapted to meet changing needs, as a means of maximising occupancy levels and, therefore, revenues.

3.5.

There is little evidence that the private sector is prepared to invest in the speculative development of industrial sites but, if it was thought to be a viable commercial activity, it is reasonable to expect that the private sector would be making that provision. However, land acquisition and development costs are often substantial and a commercial return on investment required by a private developer might not be readily achieved. There are private sector landowners at Hatston Industrial Estate who currently lease land and/or buildings to businesses operating in a range of sectors. The provision of property by the Council to key areas of economic activity, however, addresses market failure.

3.6.

In addition to the revenue generated from leased properties, property provision as an intervention can be justified by offering opportunities to realise local economic benefits that exceed the investment cost to the Council, and which benefits would otherwise have been unlikely to be realised. The return on the investment is also recognition of the risk that the Council has carried. Clearly, vacant property attracts no revenue and, although vacant buildings incur the usual associated property costs, vacant sites are relatively inexpensive to maintain.

4. Review of Policy

4.1.

The current policy in respect of the provision and disposal of industrial land and property was established in 2011. A further policy in respect of land and property situated within the designated Enterprise Areas at Hatston Terminal and Lyness was established in 2014. Further details are set out in Appendix 1 to this report.

4.2.

Several requests to purchase sites on industrial estates have recently been submitted by local businesses with the requests supported by claims that they are unable to invest in leased sites due to the lack of security that is offered by a lease. In terms of the security benefits of ownership versus leasehold, confirmation was therefore sought from managers of two local high street banks and the following views were obtained:

4.2.1.

In terms of the policy of the first bank, in the absence of ownership of a development site, or other assets being offered as security, commercial loans may only be secured over the term of a lease in excess of the first 21 years, ie a loan repayable over a 15 year term requires a minimum of 36 years remaining on the borrower's lease.

4.2.2.

In the case of the second bank, although in each case the circumstances are considered on the basis of risk, a lease with a remaining term in excess of 20 years is the minimum required in order for the bank to take security against any debt finance. As a lender, long leases are preferred but the repayment period and scale of any debt finance generally helps inform the risk and, hence, the degree of security required. It was understood by the bank official that in the case of development on leased sites on the scale typical of that found at the Longman Industrial Estate at Inverness, leases were generally entered into on terms of 99 years.

4.3.

In neither of the above discussions was land ownership expressed as a prerequisite to taking security over a site or an asset built thereon. In considering the needs of lenders and developers, it might however be thought appropriate to make leases of development sites available for terms of up to 99 years, and to extend or renew the term of any extant lease if required to enable development. The term of any lease offered under the Council's policy will vary depending on the type and cost of the proposed development and/or the requirements of the tenant.

4.4.

In the case of leased buildings, it might be thought that there is little justification to offer leases in excess of the useful life of any built structure. In any case, this raises a number of issues in terms of both landlord and tenant obligations, as well as accounting for long term leases of this nature. Indeed, tenants may not necessarily wish to commit to a lease which exceeds the usable life of a building even though leases will typically place a full repair and maintenance responsibility on the tenant.

4.5.

In order to avoid a scenario of long leases on undeveloped sites, it will be prudent for leases to include conditions requiring development to be completed within a specified timescale. Although rent would remain payable on an undeveloped site, there would be no additional local economic benefit and the Council should avoid facilitating land banking practices by third parties.

4.6.

Designated Food Parks were established at Hatston and Garson industrial estates in 2001 following the adoption of a strategy for Orkney Food and Drink. During the development of this strategy, the industry argued that a high standard of built environment in proximity to the processing facilities was critical to maintaining the quality reputation of Orkney Food and Drink and to the success of Orkney's food producers.

4.7.

In order to be creditable, the areas zoned exclusively for food and drink production had clearly marked boundaries, protective bunding/ screening and clearly sign-posted dedicated entrances. A limited number of vacant serviced sites within the designated food parks were intended to make provision for new food businesses to become established there, but there has been no new demand for that use for several years. Given that the number of vacant sites elsewhere on the estate is reducing, it is now appropriate to dispense with the food park boundaries and for these vacant sites to be available to lease for other uses. The regulatory planning process and lease conditions should reflect any need for adequate separation or natural screening and ensure that any new activity does not negatively impact on the food park environment. In the event of a site adjacent to a food park being sold, the Council could no longer influence what future activity takes place on that site.

4.8.

In terms of policy currently applicable to the Enterprise Areas at Hatston and Lyness, there are no restrictions on development associated with the Enterprise Area designation. Development of the Hatston Enterprise Area was however part-funded by a European Structural Fund grant on the basis that it would be used for development of the marine energy sector. As it is now more than five years since the final grant payment was received, the potential grant claw-back period has expired and, in 2018, the Scottish Government European Structural Funds and State Aid Division agreed that the area could be used for other marine related activity. In order to make provision for increasing harbour activity, an area of the Hatston Enterprise Area was subsequently transferred from the Strategic Reserve Fund to the Miscellaneous Piers and Harbours Account.

4.9.

The site of Lyness Industrial Estate, also encompassing the Lyness Enterprise Area, is considered to be of strategic importance and may be required to support future maritime activity in or around Orkney waters. The area adjacent to the Golden Wharf is held on the Miscellaneous Piers and Harbours Account while and the remainder of the site is held on the Strategic Reserve Fund and currently designated for lease only.

4.10.

A summary of Industrial Estate and Business Park assets is attached as Appendix 2 to this report.

5. Policy Recommendations

5.1.

Several requests to purchase sites on the Council's industrial estates have recently been received and reported to Elected Members for consideration. The application of an updated and unambiguous policy position would enable officers to deal with enquiries more efficiently and effectively.

5.2.

On balance, it is recommended that the current lease-only policy is maintained, subject to adjustments to the term of leases in order to assist businesses to access development capital. As opportunities to establish new sectors may emerge, it is recommended that the presumption to offer long-term leases only to businesses in specific sectors is removed. Subject to evaluation by the Executive Director of Development and Infrastructure, and to maximise the wider economic benefits, it is considered prudent to maintain the requirement for a long lease to deliver against the Council's objectives as defined in the current policy.

5.3.

It is appropriate to restrict the term of a lease on any site within the estates portfolio where that site might be strategically important, for example if required to facilitate infrastructure development such as road widening or utilities upgrades. There may also be Council projects which may require specific sites and the policy should enable the strategic importance of relevant sites to be reflected in the Council's decision making.

5.4.

In terms of the lease of buildings, it is recommended that the term of a lease to qualifying businesses does not normally exceed the assessed useable life of the building, unless a tenant proposes a redevelopment that meets the Council's economic development objectives.

5.5.

A proposed policy statement in respect of Industrial Estates is attached as Appendix 3 to this report. The proposed policy differs from existing policy in the following key areas:

- Businesses in specific sectors are no longer prioritised.
- Subject to exclusions, the maximum term of leases offered to qualifying businesses should be increased from 25 years to 99 years.
- Food park boundaries be removed.
- Reference to Old Academy properties is deleted.

5.6.

Requests outwith policy should continue to be determined by the Asset Management Sub-committee. Should the revised policy statement be approved, the necessary amendments will be made to the Scheme of Administration and the Scheme of Delegation to Officers.

6. Equalities Impact

An Equality Impact Assessment has been undertaken and is attached as Appendix 4 to this report.

7. Corporate Governance

This report relates to governance and procedural issues 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.

8. Financial Implications

8.1.

On the basis that industrial estates are held on the Strategic Reserve Fund as an investment property and primarily for commercial gain, the Fund should not be disadvantaged for decisions that may be taken on service-related grounds and including economic development objectives.

8.2.

It is considered that the economic development objectives were discharged at the outset when the case for the original investment in the industrial estates were made and the capacity created to meet both existing identified and future forecast need for serviced sites and industrial units. Also, on the basis that surplus capacity still exists across the Council's industrial estates, then it could be said that the need for future intervention by the Council on the grounds of economic development objectives is unnecessary.

8.3.

In giving due consideration to the Council's role as a provider of industrial estates going forward, it is important to consider the business case of this function or activity as a whole rather than on a piecemeal site by site basis. For example, any investment in infrastructure is long term in nature, and therefore any financial return needs to be measured over the lifetime of the asset being the industrial estate, rather than the term of the lease for an individual site or unit. This of course can be challenging to measure, particularly where the condition and remaining useful lives of individual units can vary considerably.

8.4.

The underlying risks associated with any long term investment also need to be recognised, including for example, that it can take many years for an industrial estate to reach a position of full occupancy, and in practice it is necessary to assume a minimum level of vacant lots at any one time. On the basis that vacant lots need to be actively managed against a target, from a commercial investment perspective it is not considered good business to restrict the use of serviced sites or industrial units, for example by prioritising sectoral support on economic development grounds where vacancy levels remain high. A variation on this could, for example, include the introduction of an occupancy target of say 90% (or vacant lots of less than 10%) for each industrial estate, and only once reached would there perhaps be merit in looking to either prioritise sectoral support or restrict the duration of a lease on economic development grounds.

8.5.

In addition to recognising the need to invest over time to improve, adapt and maintain the condition of the industrial units, any business case needs to consider the sum of the parts of the industrial estate, including common areas such as green spaces and public parking, roads, lighting and drainage, all of which must be maintained by the Council as landlord. While the tenants of the serviced sites and industrial units continue to contribute financially towards the upkeep of this common infrastructure indirectly through the rent they pay, no such conditions apply to the third-party owners of property within the boundaries of the Council industrial estate. Indeed, under current arrangements it is understood that the third-party property owners' use of the common infrastructure within the industrial estates represents a burden for the Strategic Reserve Fund to be absorbed in perpetuity. On the basis that the Council's industrial estates are managed as a trading account and primary for commercial gain, non-domestic or business rates income is not attributed directly to the Strategic Reserve Fund. As such, due consideration should be given to the introduction of a levy on third-party property owners to contribute towards the upkeep of common infrastructure within the industrial estates.

8.6.

Taking this all into consideration, when assessing the business case for the disposal of any individual serviced site or industrial unit, the potential to generate a capital receipt needs to be considered on a like for like basis against the potential to generate a regular income stream from that unit on a net basis, namely after the deduction of direct and indirect expenses. To do this, the potential to generate a return from the capital receipt has to be notionally assessed as if the capital sum had been invested. As a general guide or rule of thumb, the market value of a commercial property is typically ten times the current rental value (equivalent to a 10% return on the capital value of the property). Therefore, if the Strategic Reserve Fund is expected to generate an average return of 5.5% per annum from its managed fund investments over the long term, a capital receipt of at least 1.8 times larger than the market value would be required to be able to invest at an average rate of 5.5% per annum and generate an equivalent return. The enhanced capital receipt requirement in part is recognition of the inherent risks that the Council has carried over the long term.

8.7.

While it is understood that any individual business owner or investor will have to weigh up their own risks and reward ratio when looking to committing resources into their own business models, this should not detract from the Council's own objective which is to generate a commercial return on the Strategic Reserve Fund by investing locally in industrial estate infrastructure to address a market failure and support local businesses as a whole rather than individually. The focus of the individual business owner or investors will however be much narrower, and predominately look to secure ownership and outright control of the serviced site or industrial unit as a means of tilting the risk and reward ratio in their favour and maximising the potential for capital appreciation. Capital appreciation is of course one of the key elements that underpins the Council's long-term investment in industrial estates as a commercial investment.

9. Legal Aspects

9.1.

When the Council leases a site in an industrial estate it can include in the lease whatever conditions are deemed necessary in order to regulate the future use of the site, or preserve the amenity of the industrial estate, and as landlord can take steps to enforce such conditions.

9.2.

In the case of leases of undeveloped sites, it can be made a condition of the lease that the site is developed within a specified time period, as the Council has done in the past.

9.3.

It is noted from sections 4.2.1 and 4.2.2 above that the high street banks contacted confirmed that a lease would provide acceptable security for bank lending, providing the remaining term of the lease concerned was sufficiently long. A lease in excess of 20 years is registrable in the Land Register of Scotland and therefore a standard security can be granted over the lease to provide security for bank lending. Although for various reasons, such as investment, some businesses may prefer ownership rather than leasing; this is not a necessity from the perspective of the high street banks contacted for the purposes of this report. If the remaining term of a particular lease is insufficient for security purposes from a bank's perspective, then the Council could consider extending the term of the lease as necessary.

9.4.

If sites are to be sold rather than leased the Council may wish to include conditions in the title deed in order to attempt to regulate future use of the site or preserve the amenity of the industrial estate. In the past, sites would have been sold by way of Feu Dispositions which would have included conditions regarding the use of the sites which the Council would have been able to enforce. However, the law changed as a result of the Abolition of Feudal Tenure etc. (Scotland) Act 2000 and the Title Conditions (Scotland) Act 2003 and such conditions in the title deeds of properties already sold by Feu Disposition have not been preserved by the Council. Although the Council can still include such conditions in future sales, these conditions will only be enforceable by the Council as long as it retains ownership of nearby property and as sites are progressively sold the Council's ability to enforce will be diminished. Although the Title Conditions (Scotland) Act 2003 allows a local authority to impose burdens for "the purpose of promoting economic development" it does not define what will constitute an economic development burden and this will no doubt be tested by the courts.

9.5.

Accordingly, once sites in an industrial estate have been sold the Council has little or no control over them.

9.6.

In terms of the Title Conditions (Scotland) Act 2003, a right of pre-emption (right to buy back a property on subsequent sale) can now only be created by the Council in extremely limited circumstances in its capacity as a Rural Housing Body and, accordingly, incorporating a right of pre-emption in the title in respect of any industrial estate property sold is not considered to be an option.

9.7.

Rental valuations are currently assessed independently by the District Valuer. Once property has been sold by the Council the availability of sites for lease and the terms of lease will be dictated by the commercial market.

9.8.

Regular review of Council policies ensures such policies remain up to date and relevant to current circumstances. However, the Council cannot refuse a request based on policy alone, and each request must still be considered carefully on its own facts and circumstances, having regard to the relevant policies. If the Council is not minded to depart from policy having regard to the merits of a particular request it must be able to demonstrate that the decision has been well reasoned and based on thorough consideration of the particular circumstances, rather than a blanket application of policy.

9.9.

Section 1 of the Local Government in Scotland Act 2003 states that it is the duty of a local authority to make arrangements which secure best value. Best value is continuous improvement in the performance of the authority's functions and necessitates the local authority maintaining an appropriate balance between cost and quality. Leasing industrial sites will assist the Council in discharging this duty.

10. Contact Officers

Gavin Barr, Executive Director of Development and Infrastructure, extension 2301, Email gavin.barr@orkney.gov.uk

Roddy MacKay, Heading of Planning, Development and Regulatory Services, extension 2530, Email rodny.mackay@orkney.gov.uk.

Hayley Green, Head of IT and Facilities, extension 2309, Email hayley.green@orkney.gov.uk

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

Jackie Thomson, Development and Regeneration Manager, Email jackie.thomson@orkney.gov.uk.

11. Appendices

Appendix 1: Previous policy decisions.

Appendix 2: Industrial Estate and Business Park assets.

Appendix 3: Industrial Estates and Business Parks: Policy Statement.

Appendix 4: Equality Impact Assessment.

Appendix 1.

Previous Council Decisions – Industrial Estates

1. Development and Regeneration Committee, 1 September 2011

1. The Committee noted:

1.1. That the Council had historically developed industrial estates and business parks for the purpose of economic development.

1.2. That industrial estate properties were held as investment properties within the Council's Strategic Reserve Fund.

1.3. That a key criterion for holding investment properties was to generate a financial return for the Council.

1.4. That, for strategic reasons, a number of self-build sites on the industrial estates were currently designated 'lease only'.

1.5. That a presumption existed in favour of leasing land and property on the industrial estates to new or existing businesses in key eligible sectors and businesses which might assist the Council in achieving its economic objectives.

1.6. That a presumption existed in favour of letting vacant property at the Old Academy, Stromness, to businesses active within the renewable energy sector.

1.7. That leases for a period beyond 25 years and up to 99 years were in excess of what was typically required by tenants to secure grant or loan finance.

1.8. That all the economic development land and property located at Lyness was designated 'for lease only'.

1.9. That development of a significant marine energy sector in Orkney could be facilitated and enhanced by the availability of appropriate accommodation and development land.

1.10. That the Council had recently received several enquiries from businesses associated with the marine renewable energy industry with regard to securing the lease of land at Lyness.

1.11. That the Council had recently received several enquiries from businesses associated with the marine renewable energy industry with regard to securing the lease of land at Lyness.

1.12. That, should the delegation referred to at paragraphs 2.6 and 2.7 below be approved, the Chief Executive would arrange for the Scheme of Administration and Delegation to be amended accordingly.

2. The Committee recommended:

2.1. That all land and property on the Council's industrial estates and business parks be designated for lease only, however, in exceptional cases, requests to purchase should be considered by the Development and Regeneration Committee.

2.2. That land and property on industrial estates should continue to be leased to the undernoted businesses:

2.2.1. New or existing businesses in the following eligible sectors:

- Manufacturing (primarily for export).
- Renewable energy.
- The business service sector where the market was primarily outwith Orkney, or where an appropriate service not currently available within Orkney was being established.

2.2.2. Businesses which might assist the Council in its objectives to:

- Diversify the economy.
- Raise average wage rates.
- Overcome barriers to export.

2.3. That, in respect of qualifying businesses, referred to at paragraph 2.2 above, leases of up to 25-year terms should be awarded as currently provided for within the Scheme of Administration and Delegation.

2.4. That vacant property at the Old Academy, Stromness, should continue to be leased to businesses active within the renewable energy sector.

2.5. That vacant property at the Old Academy, Stromness, to be leased to any individual or business for an approved use, other than businesses active within the renewable energy industry, should be restricted to short term leases, with a maximum term of twelve months.

2.6. That, in the event of demand for vacant property as described at paragraph 2.2 above failing to materialise or not being expected to materialise in the short term, powers be delegated to the Chief Executive, in consultation with the Director of Development and Environment Services and the Solicitor to the Council, to determine requests for lease from businesses in other appropriate sectors for terms of up to five years.

2.7. That the designation of the defined food park areas at Hatston and Garson industrial estates be upheld for the future development of the food and drink industry and to protect the close environment of existing food processors.

2.8. That, notwithstanding paragraph 2.7 above and subject to unmet demand for land within the food parks for food and drink related development, powers be delegated to the Chief Executive, in consultation with the Director of Development and Environment Services and the Solicitor to the Council, to determine requests for leases from businesses for uses sympathetic to the food park environment for terms of up to five years.

Development and Infrastructure Committee, 11 November 2014

3. When considering the proposed enterprise area leasing policy, the Committee noted:

3.1. That, on 9 September 2014, the Committee deferred consideration of a proposed Enterprise Area Leasing Policy to enable the Executive Director of Development and Infrastructure to consider criteria which might be applied in respect of purchasing, rather than leasing, sites.

3.2. The examples of possible criteria which might be applied in respect of purchasing sites within the Lyness and Hatston Enterprise Area (EA), as detailed at section 7.6 of the report by the Executive Director of Development and Infrastructure.

4. The Committee recommended:

4.1. That the hardstanding laydown area within the Hatston EA be managed by the Executive Director of Development and Infrastructure and appropriate charges levied for short-to-medium term use of the facility by businesses engaged in maintenance, final assembly and manufacturing activities in respect of renewables.

4.2. That all other land within the Lyness and Hatston EA be designated 'for lease only' and leased to businesses engaged in maintenance, final assembly and manufacturing activities related to renewable energy.

4.3. That requests for leases in respect of sites within the Lyness and Hatston EA should be:

4.3.1. Supported by a business/development plan providing sufficient detail for the proposal to be assessed by officers.

4.3.2. Assessed on the basis of potential economic impact, with each request for lease being considered on its own merits.

4.4. That leases in respect of sites within the Lyness and Hatston EA should be for a period of up to 40 years.

4.5. That powers be delegated to the Executive Director of Development and Infrastructure to conclude leases in respect of sites within the Lyness and Hatston EA, on such terms and conditions as determined by the Solicitor to the Council.

4.6. That, in the event of eligible demand for vacant property on the Hatston EA failing to materialise, or not being expected to materialise in the short-term, the Executive Director of Development and Infrastructure should seek permission from the Scottish Government to lease sites to businesses in other appropriate sectors, subject to there being no loss of European Regional Development Grant (ERDF) grant.

4.7. That, should the authorisation, referred to at paragraph 4.6 above, be granted, powers be delegated to the Executive Director of Development and Infrastructure, in consultation with the Chair and Vice Chair of the Committee, the Executive Director of Corporate Services and the Solicitor to the Council, to determine requests to lease from businesses in other appropriate sectors, with each request considered on merit, subject to evidence of market failure, and without compromising ERDF grant conditions.

Industrial Estate and Business Park Assets

1. The heart of the industrial estate at Hatston comprises a number of buildings surviving from its historic role as an airbase, along with more contemporary commercial properties constructed over the past 40 years. The estate has been extended several times into adjacent land, primarily creating self-build sites. Although several properties remain in Council ownership, the majority are now privately owned. At the date of writing, five vacant self-build sites are currently advertised for lease (three of which are within the current food park area). There is currently no scope to extend the area any further.
2. The most recently developed industrial land to the west of Hatston comprises the largely developed Crowness Business Park and serviced but as-yet undeveloped land at Hatston Enterprise Area. Approximately four hectares of development land within the Hatston Enterprise Area was transferred to the Miscellaneous Piers and Harbours account in 2018 to cater for current and future harbour operational needs.
3. Garson Industrial Estate is a mixed development comprising seafood processing facilities, a Council Roads depot, a Household Waste Recycling Centre, a food wholesaler and a mix of developed and undeveloped serviced sites. Nine sites are privately owned, six are currently leased, with six undeveloped serviced sites remaining advertised for lease.
4. The site of the Lyness Industrial Estate comprises primarily brownfield development land strategically located close to the ferry terminal and the harbour. Several commercial buildings dating from its previous use as a naval base also remain but are in poor condition and scheduled for demolition when resources become available.
5. Other properties include offices at 69-73 Victoria Street in Stromness, offices and stores at Alfred Street, Stromness, a vacant processing factory at Garson Industrial Estate, and various bespoke properties.

Appendix 3.

Industrial Estates and Business Parks

Policy Statement

1. All land and property on the Council's Industrial Estates and Business Parks is designated for lease only.
2. Subject to exclusions, serviced self-build industrial sites may be leased for terms of up to 99 years to business which might assist the Council to:
 - Diversify the economy.
 - Increase employment.
 - Raise average earnings.
3. The term of any lease referred to at section 2 above will be negotiable, subject to evaluation of the development proposal.
4. Restrictions or special conditions might additionally apply to some sites of strategic importance.
5. Requests for lease of industrial sites from businesses that do not satisfy the criteria at section 2 above may be considered for terms of up to 5 years.
6. Any lease of buildings to qualifying businesses, will generally not exceed the estimated useful life of the building. Requests for lease of buildings from businesses that do not satisfy the criteria at section 2 above may be considered for terms of up to 5 years.
7. Any request outwith policy should be reported to the relevant committee for consideration by Elected Members.



Equality Impact Assessment

The purpose of an Equality Impact Assessment (EqIA) is to improve the work of Orkney Islands Council by making sure it promotes equality and does not discriminate. This assessment records the likely impact of any changes to a function, policy or plan by anticipating the consequences, and making sure that any negative impacts are eliminated or minimised and positive impacts are maximised.

1. Identification of Function, Policy or Plan	
Name of function / policy / plan to be assessed.	Industrial Estates and Business Parks
Service / service area responsible.	Development & Infrastructure/ Economic Development
Name of person carrying out the assessment and contact details.	Jackie Thomson, jackie.thomson@orkney.gov.uk
Date of assessment.	23 September 2020
Is the function / policy / plan new or existing? (Please indicate also if the service is to be deleted, reduced or changed significantly).	Existing

2. Initial Screening	
What are the intended outcomes of the function / policy / plan?	To guide the disposal of land and property on Industrial Estates and Business Parks
Is the function / policy / plan strategically important?	yes
State who is, or may be affected by this function / policy / plan, and how.	Businesses wishing to purchase/lease property on Industrial Estates and Business Parks
How have stakeholders been involved in the development of this function / policy / plan?	The review responds to various requests to purchase property. Prospective lenders have been consulted.
Is there any existing data and /	

<p>or research relating to equalities issues in this policy area? Please summarise.</p> <p>E.g. consultations, national surveys, performance data, complaints, service user feedback, academic / consultants' reports, benchmarking (see equalities resources on OIC information portal).</p>	No
<p>Is there any existing evidence relating to socio-economic disadvantage and inequalities of outcome in this policy area? Please summarise.</p> <p>E.g. For people living in poverty or for people of low income. See The Fairer Scotland Duty Interim Guidance for Public Bodies for further information.</p>	No
<p>Could the function / policy have a differential impact on any of the following equality areas?</p>	(Please provide any evidence – positive impacts / benefits, negative impacts and reasons).
1. Race: this includes ethnic or national groups, colour and nationality.	No
2. Sex: a man or a woman.	No
3. Sexual Orientation: whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.	No
4. Gender Reassignment: the process of transitioning from one gender to another.	No
5. Pregnancy and maternity.	No
6. Age: people of different ages.	No
7. Religion or beliefs or none (atheists).	No
8. Caring responsibilities.	No
9. Care experienced.	No
10. Marriage and Civil	No

Partnerships.	
11. Disability: people with disabilities (whether registered or not).	No
12. Socio-economic disadvantage.	No
13. Isles-proofing.	No

3. Impact Assessment	
Does the analysis above identify any differential impacts which need to be addressed?	No
How could you minimise or remove any potential negative impacts?	n/a
Do you have enough information to make a judgement? If no, what information do you require?	n/a

4. Conclusions and Planned Action	
Is further work required?	No.
What action is to be taken?	
Who will undertake it?	
When will it be done?	
How will it be monitored? (e.g. through service plans).	

Signature:



Name: JACKIE THOMSON

Date: 23.09.2020

(BLOCK CAPITALS).

Please sign and date this form, keep one copy and send a copy to HR and Performance. A Word version should also be emailed to HR and Performance at hrsupport@orkney.gov.uk