

## **Item: 21.1**

### **Asset Management Sub-committee: 5 October 2021.**

#### **1. Recommendations**

**It is recommended:**

##### **1.1.**

That the Committee approves the attached minute as a true record.

#### **2. Appendix**

Draft Minute of the Meeting of the Asset Management Sub-committee held on 5 October 2021.

## Minute

### Asset Management Sub-committee

Tuesday, 5 October 2021, 14:00.

Microsoft Teams.



### Present

Councillors W Leslie Manson, Norman R Craigie, Robin W Crichton, Andrew Drever, Steven B Heddle, John A R Scott and James W Stockan.

### Clerk

- Sandra Craigie, Committees Officer.

### In Attendance

- John W Mundell, Interim Chief Executive (for Items 1 to 4).
- Hayley Green, Interim Executive Director of Environmental, Property and IT Services.
- Karen Greaves, Head of Executive Support (for Items 1 to 4).
- Colin Kemp, Interim Head of Finance.
- Kenny MacPherson, Interim Head of IT and Facilities.
- Garry Burton, Leisure and Culture Service Manager.
- Kerry Spence, Service Manager (Community Learning, Development and Employability).
- Michael Scott, Solicitor.
- Graeme Christie, Estates Manager.
- Hazel Flett, Senior Committees Officer.

### Observing

- Ian Rushbrook, Capital Programme Manager.
- Elizabeth Dennison, Asset Management Surveyor (for Items 1 to 3).
- Richard Smith, Community Learning Officer.
- Rebecca McAuliffe, Press Officer.
- Lorraine Stout, Press Officer.

### Declarations of Interest

- Councillor Robin W Crichton – Item 4.
- Councillor Andrew Drever – Item 4.

### Chair

- Councillor W Leslie Manson.

## **1. Form of Voting**

The Sub-committee resolved that, should a vote be required in respect of the matters to be considered at this meeting, notwithstanding Standing Order 21.4, the form of voting should be by calling the roll (recorded vote).

## **2. Disclosure of Exempt Information**

The Sub-committee noted the proposal that the public be excluded from the meeting for consideration of Appendix 1 of Item 3, as the business to be discussed involved the potential disclosure of exempt information of the classes described in the relevant paragraphs of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

## **3. Former Herring Factory, Stromness**

### **Request to Lease at Less than Market Value**

After consideration of a report by the Chief Executive, copies of which had been circulated, and after hearing a report from the Head of Executive Support, the Sub-committee:

Noted:

- 3.1.** That the former Herring Factory, known as Factory Unit (G24), Garson Industrial Estate, Stromness, had mainly been vacant since 2012, generating no rental income, but incurring annual property costs in excess of £36,000 per annum.
- 3.2.** That, at the Special General Meeting held on 14 January 2021, the Council resolved that Factory Unit (G24), Garson Industrial Estate, Stromness, be advertised for sale on the open market, with offers assessed by the Asset Management Sub-committee and a decision on disposal of the property made at that point.
- 3.3.** That the property had recently been advertised on the open market for sale and previously for lease but, to date, no offers had been received.
- 3.4.** That the Council had subsequently received three expressions of interest from charitable organisations to lease Factory Unit (G24), Garson Industrial Estate, Stromness, at below market rent.
- 3.5.** That all three charitable organisations provided a wide range of community benefit to a range of members of the community.
- 3.6.** That, in order to maximise use of the facility to ensure successful achievement of the charitable organisations' aims, some alterations or repairs were required to the building.
- 3.7.** The proposal that the Council should undertake the necessary alterations and repairs to make the building fit for purpose, at an estimated cost of £35,000, to be funded from the annual corporate asset improvement and maintenance programmes.

On the motion of Councillor Robin W Crichton, seconded by Councillor John A R Scott, the Sub-committee resolved, in terms of delegated powers:

**3.8.** That Factory Unit (G24), Garson Industrial Estate, Stromness, be transferred from the Strategic Reserve Fund to the General Fund, at market value, to be funded by a contribution from the General Fund unearmarked balances.

**3.9.** That the Chief Executive should arrange for the appropriate alterations and initial repairs to Factory Unit (G24), Garson Industrial Estate, Stromness, to be costed and thereafter instruct the works, to be funded from the annual corporate asset improvement and maintenance programmes.

**3.10.** That Factory Unit (G24), Garson Industrial Estate, Stromness, be offered for lease to Orkney Men's Shed, Orkney Historical Boat Society and Stromness Drama Club, at a rent of £1 per annum, for a period of 10 years with a 5-year break clause, on terms and conditions to be determined by the Solicitor to the Council, subject to the following:

- The alterations referred to at paragraph 3.9 above being feasible to proceed.
- Tax advice being sourced to the satisfaction of the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

## **4. Orkney Amateur Weight Lifting Club**

### **Stromness Squash Court – Request for Community Asset Transfer**

Councillor Robin W Crichton declared a non-financial interest in this item, in that he had previously been an office bearer of Stromness Squash Club, but concluded that his interest did not preclude his involvement in the discussion.

Councillor Andrew Drever declared a non-financial interest in this item, in that a close relative was a key member of Orkney Amateur Weight Lifting Club, and left the meeting at this point.

After consideration of a joint report by the Interim Executive Director of Environmental, Property and IT Services and the Executive Director of Education, Leisure and Housing, together with an Equality Impact Assessment, copies of which had been circulated, and after hearing a report from the Interim Head of IT and Facilities, the Sub-committee:

Noted:

**4.1.** That the Community Empowerment (Scotland) Act 2015 (the Act), which came into effect on 23 January 2017, enabled community transfer bodies to request an asset transfer.

**4.2.** That a request for asset transfer must be determined on community benefits which the proposal would deliver, with the criteria set out within the Act detailed in section 4.1 of the joint report by the Interim Executive Director of Environmental, Property and IT Services and the Executive Director of Education, Leisure and Housing.

**4.3.** That, in terms of the Act, a request must be agreed unless there were reasonable grounds for refusal, however there was no guidance on what might constitute reasonable grounds for refusal.

**4.4.** That Orkney Amateur Weight Lifting Club had submitted an application for a community asset transfer in respect of part of the Stromness Squash Court premises, as detailed in Appendices 1 to 14 of the joint report by the Interim Executive Director of Environmental, Property and IT Services and the Executive Director of Education, Leisure and Housing.

**4.5.** That a public consultation exercise, as required by the Act, had been carried out in respect of the application from Orkney Amateur Weight Lifting Club, with responses generally supportive, as detailed in Appendix 15 of the joint report by the Interim Executive Director of Environmental, Property and IT Services and the Executive Director of Education, Leisure and Housing.

**4.6.** That a Community Benefit Assessment had been completed, as detailed in section 7 of the joint report by the Interim Executive Director of Environmental, Property and IT Services and the Executive Director of Education, Leisure and Housing, which demonstrated that positive outcomes would arise should the Council support the request from Orkney Amateur Weight Lifting Club.

**4.7.** The options appraisal detailed in section 11 of the joint report by the Interim Executive Director of Environmental, Property and IT Services and the Executive Director of Education, Leisure and Housing, with the preferred option being Option 2, namely to lease part of Stromness Squash Court to Orkney Amateur Weight Lifting Club for a period of 50 years at £1 per month on Full Repairing terms.

Councillor Robin W Crichton, seconded by Councillor Norman R Craigie, moved that:

- The application from Orkney Amateur Weight Lifting Club for a community asset transfer in respect of part of the Stromness Squash Club building be approved.
- Powers be delegated to the Interim Executive Director of Environmental, Property and IT Services, in consultation with the Executive Director of Education, Leisure and Housing, to negotiate and conclude, with Orkney Amateur Weight Lifting Club, the lease of part of the Stromness Squash Club building, for a period of 50 years, at a nominal rent of £1 per annum, on Internal Repairing terms, and on such other terms and conditions determined by the Solicitor to the Council, subject to the following:
  - Tax advice being sourced to the satisfaction of the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

Councillor Steven B Heddle moved an amendment that:

- The application from Orkney Amateur Weight Lifting Club for a community asset transfer in respect of part of the Stromness Squash Club building be approved.
- Powers be delegated to the Interim Executive Director of Environmental, Property and IT Services, in consultation with the Executive Director of Education, Leisure and Housing, to negotiate and conclude, with Orkney Amateur Weight Lifting Club, the lease of part of the Stromness Squash Club building, for a period of 50 years, at a nominal rent of £1 per month, on Full Repairing terms, and on such other terms and conditions determined by the Solicitor to the Council, subject to the following:
  - Tax advice being sourced to the satisfaction of the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

On receiving no seconder, his amendment fell, and the Sub-committee:

Resolved, in terms of delegated powers:

**4.8.** That the application from Orkney Amateur Weight Lifting Club for a community asset transfer in respect of part of the Stromness Squash Club building be approved.

**4.9.** That powers be delegated to the Interim Executive Director of Environmental, Property and IT Services, in consultation with the Executive Director of Education, Leisure and Housing, to negotiate and conclude, with Orkney Amateur Weight Lifting Club, the lease of part of the Stromness Squash Club building, for a period of 50 years, at a nominal rent of £1 per annum, on Internal Repairing terms, and on such other terms and conditions determined by the Solicitor to the Council, subject to the following condition:

- Tax advice being sourced to the satisfaction of the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

## **5. Conclusion of Meeting**

At 15:12 the Chair declared the meeting concluded.

Signed: W Leslie Manson.