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Council Building  
2 High Street  
Perth  
PH1 5PH

08/06/2021

A virtual meeting of **Property Sub-Committee** will be held on **Monday, 14 June 2021** at **09:00**.

If you have any queries please contact Committee Services on (01738) 475000 or email [Committee@pkc.gov.uk](mailto:Committee@pkc.gov.uk).

**BARBARA RENTON**  
Interim Chief Executive

***Those attending the meeting are requested to ensure that all notifications are silent on their device and other devices are in silent mode.***

***Please note that the meeting will be broadcast online and recorded. The recording will be publicly available on the Council's website following the meeting.***

**Members:**

Councillor Murray Lyle (Convener)  
Councillor Roz McCall (Vice-Convener)  
Councillor Alasdair Bailey  
Councillor Grant Laing  
Councillor Tom McEwan  
Councillor Caroline Shiers  
Councillor Willie Wilson



## **Property Sub-Committee**

**Monday, 14 June 2021**

### **AGENDA**

***MEMBERS ARE REMINDED OF THEIR OBLIGATION TO DECLARE ANY FINANCIAL OR NON-FINANCIAL INTEREST WHICH THEY MAY HAVE IN ANY ITEM ON THIS AGENDA IN ACCORDANCE WITH THE COUNCILLORS' CODE OF CONDUCT.***

- 1 WELCOME AND APOLOGIES/SUBSTITUTES**
- 2 DECLARATIONS OF INTEREST**
- 3 MINUTE OF MEETING OF THE PROPERTY SUB-COMMITTEE 5 - 6  
OF 19 APRIL 2021  
(copy herewith)**
- 4 REQUESTS FOR DEPUTATIONS**
- 5 CLASS 3 BUSINESS OPPORTUNITY AT RIE-ACHAN ROAD, 7 - 18  
CAR PARK, PITLOCHRY  
Report by Executive Director (Communities) (copy herewith 21/92)**

***IT IS RECOMMENDED THAT THE PUBLIC AND PRESS SHOULD BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEM(S) IN ORDER TO AVOID THE DISCLOSURE OF INFORMATION WHICH IS EXEMPT IN TERMS OF SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973***

- P1 LETHAM NEIGHBOURHOOD CENTRE, TWEEDSMUIR ROAD,  
PERTH, PH1 2HJ**
- Exempt Reason 6 - Information relating to the financial or business affairs of any particular person (other than the authority).
  - Exempt Reason 9 - Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

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## PROPERTY SUB-COMMITTEE

Minute of meeting of the Property Sub-Committee of the Strategic Policy and Resources Committee held virtually on Monday 19 April 2021 at 10.00am.

Present: Councillors M Lyle, R McCall, A Bailey, J Duff (substituting for C Shiers), G Laing, T McEwan and W Wilson.

In Attendance: G Boland and B Reid (Education and Children's Services); S Crawford, K Leer and J Janes (all Housing and Environment); C Flynn, G Fogg and C Irons and A Brown and M Pasternak (all Corporate and Democratic Services).

Apologies: Councillor C Shiers.

Councillor M Lyle, Presiding

### 1. APOLOGIES/SUBSTITUTES

An apology and substitution were noted as above.

### 2. DECLARATIONS OF INTEREST

There were no Declarations of Interest made in terms of the Councillors' Code of Conduct.

### 3. MINUTE

The minute of meeting of the Property Sub-Committee of 26 October 2020 was submitted and approved as a correct record.

### 4. SCHOOL ESTATE PROGRAMME – PROGRESS UPDATE

There was submitted a report by the Executive Director (Education and Children's Services) (21/51) (1) updating the Property Sub-Committee on the progress and proposals for delivering current projects within the Education and Children's Services School Estate Programme; and (2) detailing key milestones which had been achieved since the last update to the Property Sub-Committee on 26 October 2020 (Report 20/195 refers)

#### **Resolved:**

The significant milestones achieved since the previous report to this Sub-Committee on 26 October 2020, as detailed in Appendix A to Report 21/51, be noted.

**IT WAS AGREED THAT THE PUBLIC AND PRESS SHOULD BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEMS IN ORDER TO AVOID THE DISCLOSURE OF INFORMATION WHICH IS EXEMPT IN TERMS OF SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973**

## **P1. PROPOSED DISPOSAL OF SITE 4, KINROSS WEST, KINROSS**

There was submitted a report by the Head of Planning and Development (21/49) seeking approval to dispose of Site 4, Kinross West, Kinross.

### **Resolved:**

The disposal of site 4, Kinross West, Kinross on the terms as detailed in Report 21/49 and otherwise on terms to be agreed by the Head of Planning and Development and the Head of Legal and Governance, be approved.

## **P2 DISPOSAL OF 0.396 HECTARES OF LAND AT STRATHTAY ROAD, PERTH**

There was submitted a report by the Executive Director (Communities) (21/50) seeking approval for the sale of 0.396 hectares of industrial land at Strathtay Road, Perth to facilitate its redevelopment and further investment for an appropriate commercial business use.

### **Resolved:**

- (i) The disposal of 0.396 hectares of land at Strathtay Road, Perth on the terms as detailed in Report 21/50 and otherwise on terms to be agreed by the Head of Planning and Development and the Head of Legal and Governance, be approved.
- (ii) In the event that the sale fails to conclude, the land be remarketed at the earliest opportunity on terms to the satisfaction of the Head of Planning and Development and Head of Legal and Governance.

# **PERTH AND KINROSS COUNCIL**

## **Property Sub-Committee**

**14 June 2021**

### **CLASS 3 BUSINESS OPPORTUNITY AT RIE-ACHAN ROAD, CAR PARK, PITLOCHRY**

**Report by Executive Director (Communities)  
(Report No. 21/92)**

This report seeks approval market a site for lease within the Council controlled car park at Rie-Achan Road, Pitlochry for a Class 3 Business use. This follows the decision of the Planning & Development Management Committee on 7 April 2021 (report 20/01967/FLL refers) to grant planning consent.

#### **1. BACKGROUND / MAIN ISSUES**

- 1.1 The Rie-Achan Rd car park in Pitlochry is a Council controlled car park which currently provides 78 income generating spaces, 12 electrical vehicle charging points, 2 disabled bays, 5 bus and 11 coach spaces, immediately adjacent to Pitlochry Railway Station (see Appendix 1).
- 1.2 In summer 2020, the Council was approached by a businessman seeking to site decommissioned and refurbished railway carriages on the Rie-Achan Road car park to establish a new restaurant.
- 1.3 A planning application for a change of use of part of the car park for a restaurant use was submitted in late December 2020 (see Appendix 2). The Planning & Development Management Committee considered the application on 7 April 2021 and voted to set aside the officer recommendation to refuse planning permission by a majority of 7 to 5.
- 1.4 The Planning & Development Management Committee decision was subject to a legal Agreement being concluded with the applicant to secure a contribution to replacement parking elsewhere in the town and compensation for the loss of spaces at Ria-Achan Road car park.
- 1.5 The car park has not previously been identified for disposal and has therefore never been marketed. In 2018, the Council allocated £150,000 in its Capital Programme to increase car park provision in the town. A parking survey was scheduled to be undertaken over the summer of 2020 to determine use patterns and pressures. However, this was not possible due to COVID which clearly restricted the normal operation of most businesses across the country and significantly impacted on tourism. The survey work is now scheduled to be undertaken by the Council by the end of Quarter 2 in 2022.
- 1.6 Whilst the Council acting as Planning Authority rightly focussed on the benefits of a change of use, as the relevant landowner, the Council now has wider obligations to consider. The compensation payable to the Council as Planning Authority, to address the impact of the proposed development on the

number of available parking spaces (a reduction of 12) , will be negotiated separately to any sum payable to the Council as landowner.

- 1.7 In addition to payment of a commercial rent, compensation will also be payable to the Council as landowner in respect of loss of car park income, the full cost of necessary works to accommodate the development and the cost of reinstatement at the end of the lease, or earlier in the event of default.

## **2. PROPOSAL**

- 2.1 The proposed use of the site will require:

- a formal ground lease to be agreed on commercial terms;
- compensation for the loss of income (until the spaces are replaced elsewhere);
- a financial deposit or bond to cover any re-instatement to the land upon termination or default of lease agreement; and
- payment to cover the cost of all necessary accommodation works.

- 2.2 Of these costs, the most significant sum relates to the necessary accommodation works. These are works which officers have assessed as being essential to the continued safe operation of the car park.

- 2.3 The detailed design and costing requires to be undertaken, however, it is estimated the cost will be in the order of £80,000. It is anticipated the works required by the Council will include:

- a new vehicular egress on to Rie-Achan Road;
- the re-siting of the 2 existing EV charging points;
- the formation of an alternative disabled parking bay;
- removal and relocation of existing landscape, lighting column and re-surfacing;
- the formation of a 2m buffer around the front of the 2 carriages; and
- new signage.

- 2.4 As these works are a direct consequence of the restaurant proposal, it is only proper that the full cost is borne by the restaurant operator notwithstanding a potentially significant impact on the viability of any Class 3 (restaurant, café, snack bar) proposal.

- 2.5 It should be noted that the cost of the accommodation works may mean that planning permission is not required as the Council has some permitted development rights as Roads Authority. However, given a potential impact on adjacent residents, consultation will be undertaken to allow their views to be fully considered.

## **3. BEST VALUE AND DISPOSAL OF LAND REGULATIONS**

- 3.1 The Council is required to fulfil its statutory duties under Best Value, as set out in Section 1 of the Local Government in Scotland Act 2003. Relevant aspects of this duty include:



- Making best use of public resources, including land and property;
- Being open and transparent in transactions;
- Ensuring sound financial controls are in place to minimise the risk of fraud and error;
- Assessing the full financial consequences of decisions at an appropriate level before major financial decisions are taken or commitments entered; and
- Demonstrating responsiveness to the needs of communities, citizens, customers, and other stakeholders, where relevant.

3.2 The Council is also required to comply with Section 74 of the Local Government (Scotland) Act 1973 and the Disposal of Land by Local Authorities (Scotland) Regulations 2010 as they relate to the duty to obtain best reasonable consideration when disposing of land and buildings. Officers believe this duty is most appropriately fulfilled by undertaking an appropriate open marketing campaign for the lease of the identified site, in which the extent and probable costs of the accommodation works would be provided to prospective tenants. Members should be aware that since the meeting of the Planning & Development Committee two additional expressions of interest in leasing this specific site have been received.

#### **4. CONCLUSION AND RECOMMENDATIONS**

4.1 The potential Class 3 business use of the site presents an interesting opportunity for the Council to consider. Whilst planning permission has been granted, there are a number of other financial, equity, governance and best value matters which the Council as the landowner must also take account of.

4.2 The Committee is therefore asked to consider marketing the site, as delineated in the planning application, as an opportunity for lease for Class 3 use (restaurant, café, snack bar) subject to the following:

- i) a lease on commercial terms is offered for a period of 10 years initially;
- ii) the lease is offered on the basis that the full cost of safely accommodating the change of use, and reinstating the site when the use ceases, is met by the tenant;
- iii) compensation equal to the income generated by the spaces is payable by the tenant until such times as the spaces are replaced elsewhere; and
- iv) all relevant bids will be submitted to the Committee for consideration and determination.

#### **Authors**

<b>Name</b>	<b>Designation</b>	<b>Contact Details</b>
Kate Leer	Estates & Commercial Investment	01738 475000 <a href="mailto:ComCommitteeReports@pkc.gov.uk">ComCommitteeReports@pkc.gov.uk</a>
David Littlejohn	Head of Planning & Development	
Mark Butterworth	Head of Environmental and Consumer Services	

**Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Barbara Renton	Executive Director (Communities)	4 June 2021

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	<b>YES</b>
Corporate Plan	<b>YES</b>
<b>Resource Implications</b>	
Financial	<b>YES</b>
Workforce	<b>NONE</b>
Asset Management (land, property, IST)	<b>YES</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>YES</b>
Strategic Environmental Assessment	<b>YES</b>
Sustainability (community, economic, environmental)	<b>NONE</b>
Legal and Governance	<b>YES</b>
Risk	<b>NONE</b>
<b>Consultation</b>	
Internal	<b>YES</b>
External	<b>YES</b>
<b>Communication</b>	
Communications Plan	<b>NONE</b>

### 1. Strategic Implications

#### Community Plan/ Single Outcome Agreement

- 1.1 The Perth and Kinross Community Planning Partnership (CPP) brings together organisations to plan and deliver services for the people of Perth and Kinross. Together the CPP has developed the Perth and Kinross Community Plan which outlines the key things we think are important for Perth and Kinross:

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible, and informed citizens
- (iii) Promoting a prosperous, inclusive, and sustainable economy
- (iv) Supporting people to lead independent, healthy, and active lives
- (v) Creating a safe and sustainable place for the future

- 1.2 It is considered that the actions contained within this report contribute to objective (iii) and (v).

#### Corporate Plan

- 1.3 The Council's Corporate Plan 2018-2022 outlines the same five Objectives as those detailed above in the Community Plan. These objectives provide a clear strategic direction, inform decisions at a corporate and service level and shape resource allocation. It is considered that the actions contained in the report contribute to objective (iii) and (v) outlined in paragraph 1.1.

## 2. Resource Implications

### Financial

- 2.1 It is intended that the project will proceed at no net loss to the Council with compensation for the loss of car parking income and capital expenditure required to facilitate the proposal being demanded. The loss of revenue compensation would be paid into the Car Park Trading account and the rental of the site to the General fund account. The capital compensation received for the creation of alternatives spaces would be used to reimburse the Council's capital account for accommodation works undertaken and the re-instatement bond held in the Council's separate suspensive account.

### Revenue

- 2.2 There will be an income from this project by way of an annual ground rent. Rates may be receivable for the site in due course when fully assessed for the occupation and use of the site.

### Asset Management (land, property, IT)

- 2.3 The proposed project could achieve the objective of facilitating new business and private investment on the Council owned site.

## 3. Assessments

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 This section should reflect that the proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:

- (i) Assessed as **not relevant** for the purposes of EqIA

### Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 This section should reflect that the proposals have been considered under the Act and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

### Legal and Governance

- 3.5 The Head of Legal and Governance has been consulted on the issues contained in this report.

#### **4. Consultation**

##### Internal

- 4.1 The Head of Legal and Governance has been consulted on the contents of this report.

##### External

- 4.2 No formal external consultation.

#### **2. BACKGROUND PAPERS**

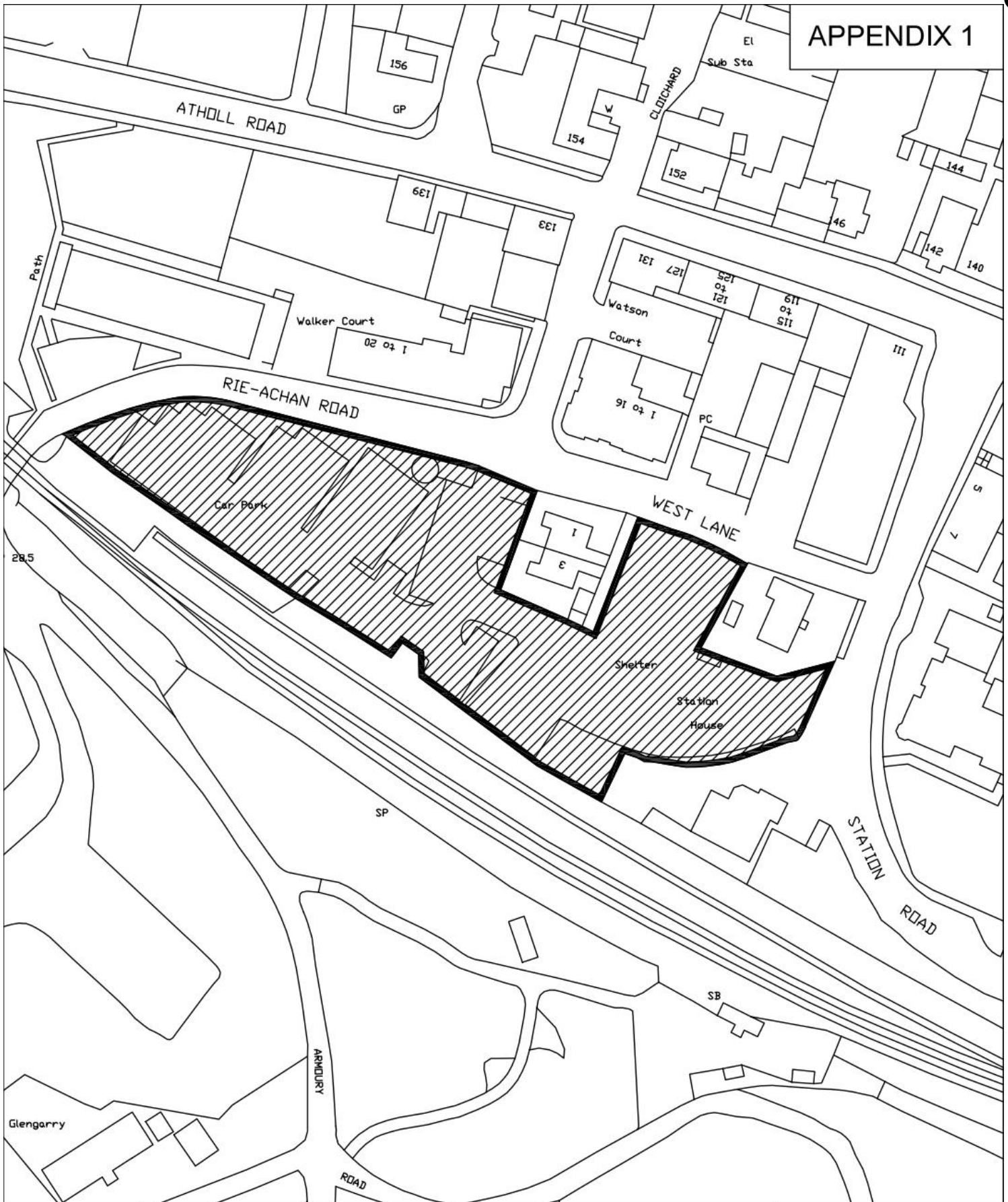
- 2.1 No background papers as defined by section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

#### **3. APPENDICES**

- 3.1 Appendix 1 – Location Plan Rie-Achan Road Car Park, Pitlochry
- 3.2 Appendix 2 – Site of Planning Application at Ria-Achan Road (20/01967/FLL)



APPENDIX 1



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**A4 LOCATION PLAN**



Printed at  
Scale: 1:1000

**Rie Achan Road Car Park  
Pitlochry**

Dwg No: D/PIT/69  
Drawn by: DS  
Date: 07/05/2021

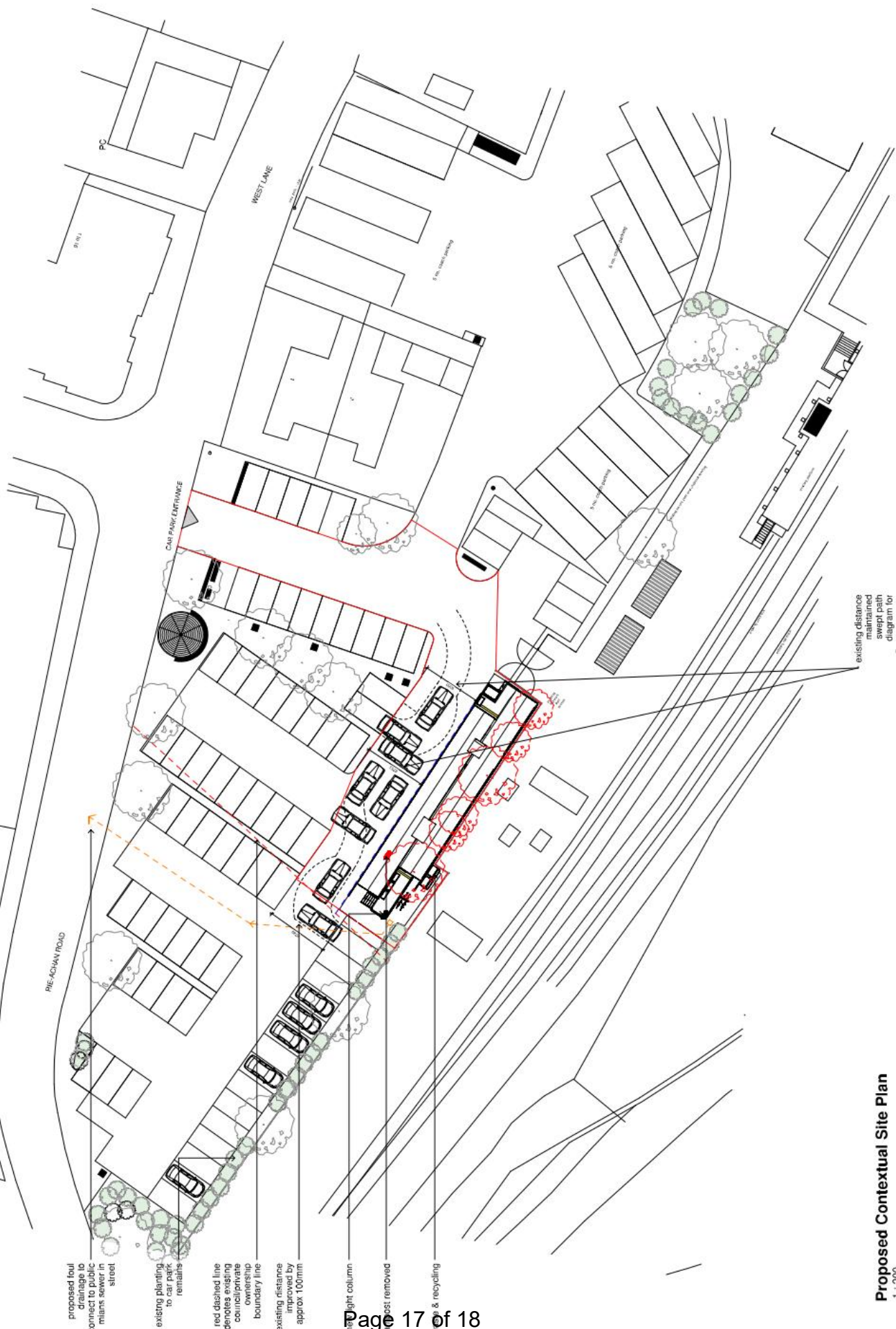
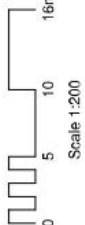






APPENDIX 2

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Drawings revised to	20.07.21
points	
Planning Consultant	21.12.20
Comments	
Layout amended	18.12.20
Client Design Changes	17.12.20
Client Design Changes	16.12.20
Layout Changes re: PC	05.10.20
comment	

No.	Description	Date
	<b>studio</b>	<b>EAST</b>

Client	Mr & Mrs McCallum
Project	PL-01
Project	Pilochry Train Project
Project	Regional Development
Sheet	PROPOSED CONTEXTUAL SITE PLAN
Scale	1 : 200
Project number	20083
Date	Dec 20
Prepared by	Planning
Drawn by	E-S-F

