

**PERTH AND KINROSS COUNCIL****Property Sub-Committee****19 February 2018****Leasing/Licensing Venues for Sport****Report by Executive Director (Education and Children's Services)****PURPOSE OF REPORT**

This report asks the Committee to approve the licence to occupy the swimming pool at Breadalbane Community Campus and lease of the George Duncan Athletics Arena (GDAA) at Perth Grammar School to Live Active Leisure (LAL).

The leasing/licensing of these buildings to LAL will achieve Best Value in using public resources to deliver community benefits through achieving Non Domestic Rates relief.

**1. BACKGROUND/MAIN ISSUES**

- 1.1 The Council commissions Leisure, Active Sports and Sports Development Services from Live Active Leisure (LAL).
- 1.2 In order to deliver these services consistently to communities across Perth and Kinross, LAL lease a number of facilities from the Council.
- 1.3 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 into.
  - Demonstrating responsiveness to the needs of communities, citizens, customers and other stakeholders, where relevant.
- 1.4 The Council also has a statutory duty in terms of Section 74 of the Local Government (Scotland) Act 1973 to achieve best reasonable consideration when it disposes of its land and buildings, subject to the Disposal of Land by Local Authorities (Scotland) Regulations 2010, which allow the Council to sell or lease land and buildings for less than best consideration where certain criteria can be justified.

- 1.5 The Council previously transferred management responsibility for 17 cultural buildings to Culture Perth and Kinross and 2 outdoor education centres to Live Active Leisure ([Report No. 16/49 Refers](#)) in February 2016.

## **2. PROPOSALS**

- 2.1 The report proposes to grant a licence to LAL, who already operate the swimming pool at Breadalbane Academy Community Campus, on behalf of the Council as per Appendix 1.
- 2.2 This report proposes to grant a lease to LAL, who already have a management responsibility for the GDAA at Perth Grammar School as per Appendix 2.
- 2.3 There will be a recurring saving to the Council of approximately £40,000 due to the cession of Non Domestic Rates charges attributable to these facilities as a result of the leasing/licensing of the facilities to LAL. LAL, as a charitable organisation, receives 100% rates relief.
- 2.4 Both facilities have been valued for transfer which is below the £10,000 threshold which would trigger the requirement for formal appraisals in terms of the Disposal of Land by Local Authorities (Scotland) Regulations 2010. The annual market rent valuations have been assessed at a nominal level to reflect the restricted use for which the facilities are being transferred.
- 2.5 Although formal appraisals are not required, it is considered that in this case wider community benefits would be achieved by licensing/leasing the buildings to LAL. Under these circumstances the Council can transfer buildings for nil or nominal rent.
- 2.6 It is important that a clear apportionment of repair and maintenance responsibilities between the Council (as landlord) and LAL (as tenant) is determined as part of the transfer. The Heads of Terms set out in Appendices 1 and 2 require the Council to retain responsibility for maintaining the facilities. A separate Property Agreement will set out the respective responsibilities.

## **3. CONCLUSION AND RECOMMENDATIONS**

- 3.1 It is recommended that Property Sub-Committee:
- (i) Approves the proposal to licence the swimming pool at Breadalbane Academy Community Campus on terms set out in Appendix 1;
  - (ii) Approves the proposal to lease The George Duncan Athletics Arena at Perth Grammar School on terms set in Appendix 2;
  - (iii) Agrees to the recommendation that licensing/leasing these properties at a nominal rent is reasonable to enable LAL to deliver services for communities on behalf of the Council and to provide best value for the Council.

## Author

Name	Designation	Contact Details
Greg Boland	Senior Business and Resources Manager	<a href="mailto:ECSCCommittee@pkc.gov.uk">ECSCCommittee@pkc.gov.uk</a> 01738 475000

## Approved

Name	Designation	Date
Sheena Devlin	<b>Executive Director (Education and Children's Services)</b>	5 February 2018

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
<b>Resource Implications</b>	
Financial	Yes
Workforce	No
Asset Management (land, property, IST)	Yes
<b>Assessments</b>	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	No
Legal and Governance	Yes
Risk	Yes
<b>Consultation</b>	
Internal	Yes
External	Yes
<b>Communication</b>	
Communications Plan	No

### 1. Strategic Implications

#### Community Plan / Single Outcome Agreement

- 1.1 The proposals relate to the delivery of the Perth and Kinross Community Plan/Single Outcome Agreement in terms of the following priorities:

- (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; and
- (v) Creating a safe and sustainable place for future generations.

This report relates to all of these objectives.

#### Corporate Plan

- 1.2 The Perth and Kinross Community Plan 2013-2023 and Perth and Kinross Council Corporate Plan 2013/2018 set out five strategic objectives:

- (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; and
- (v) Creating a safe and sustainable place for future generations.

This report relates to all of these Objectives.

- 1.3 The report also links to the Education & Children's Services Policy Framework in respect of the following key policy area:

- Maximising Resources

## **2. Resource Implications**

### Financial

- 2.1 The Council will make recurring savings of approximately £40,000 due to this proposal as reported within the body of the main report.

- 2.2 Although the lease and property agreement for the George Duncan Athletics Arena will provide that the Council will maintain the George Duncan Athletics Arena, the Council currently bears the maintenance costs for this property. Breadalbane Campus, including the swimming pool, is maintained under a Private Finance Initiative (PFI) arrangement with Axiom Education Ltd.

### Workforce

- 2.3 There are no direct workforce implications arising from this report.

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

- 2.4 Property Services, Legal and Governance Services and Estates have contributed to the preparation of this report.

## **3. Assessments**

### Equality Impact Assessment

- 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.

- 3.1.1 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome and has been assessed as **not relevant** for the purposes of EqIA.

### Strategic Environmental Assessment

- 3.2 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

- 3.2.1 However, no action is required as the Act does not apply to the matters presented in this report. This is because these matters relate to the School Estate Strategy which is being considered under the Act as part of The Council's Asset Management Plan.

### Sustainability

- 3.3 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.

The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

### Legal and Governance

- 3.4 The Head of Legal and Governance Services has been consulted in the preparation of this report.

### Risk

- 3.5 The proposals in this paper substantially confirm the Council's existing relationship with LAL, and while terms will have to be agreed, the risk of not reaching agreement is very low.

## **4. Consultation**

### Internal

- 4.1 The Head of Democratic Services, Head of Finance, Head of Legal and Governance Services and Head of Property Services have been consulted in the preparation of this report.

### External

- 4.2 Live Active Leisure have been consulted in the preparation of this report.

## **2 BACKGROUND PAPERS**

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**

Appendix 1 – Heads of Terms Breadalbane Community Campus Swimming Pool.

Appendix 2 – Heads of Terms The George Duncan Athletics Arena