

PERTH AND KINROSS COUNCIL

Property Sub-Committee

14 November 2022

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

Report by Executive Director (Communities)
(Report No. 22/275)

1. PROPOSAL

- 1.1 This report seeks approval to market a site for lease within the Council owned and operated car park at Rie-Achan Road, Pitlochry, for 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 for this change of use, specifically for the siting of two railway carriages. Previous reports regarding the lease of the site were submitted to Property Sub Committee on 14 June (Report No. 21/92 refers) and on 10 January 2022 (Report No. 22/1 refers).

2. RECOMMENDATIONS	
2.1	<p>It is recommended that the Sub Committee:</p> <ul style="list-style-type: none">• agrees to market the site, as delineated in the extant planning permission, as an opportunity for lease for a Class 3 Business Use (restaurant, café, snack bar) on the following basis:<ul style="list-style-type: none">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; andiii) all compliant offers will be submitted to the Sub Committee for consideration and determination.• It is further recommended that, while marketing is underway, officers are requested to:<ul style="list-style-type: none">iv) assess how best to reconfigure the car park to increase capacity, potentially utilising under-used coach park spaces.v) investigate the re-designation of the car park for short-term parking to better manage the use of car parks across the town.

3. STRUCTURE OF REPORT

3.1 This report is structured over the following sections:

- Section 4: Background/Main Issues
- Section 5: Proposals
- Section 6: Conclusion
- Appendices

4. BACKGROUND / MAIN ISSUES

- 4.1 The Rie-Achan Road Car Park in Pitlochry is a Council owned and operated 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).
- 4.2 A planning application for a change of use of part of the car park for restaurant use was submitted in late December 2020 (see Appendix 2). The Planning & Development Management Committee considered the application on 7 April 2021 and granted planning consent for a Class 3 Business Use in the car park. This was subject to the applicant entering into a legal agreement to compensate for the loss of parking bays by contributing to the cost of replacing them elsewhere.
- 4.3 Subsequently, the Property Sub-Committee at its meeting of 14 June 2021, agreed not to proceed to lease the site for a commercial use and requested further impact information from officers. A petition was also submitted to the Council on 4 October 2021 asking for the Property Sub Committee to reconsider the decision of 14 June 2021 and to progress to advertise such an opportunity by way of a marketing campaign inviting proposals from any interested party.
- 4.4 Since then, a parking survey has been commissioned by the Council and undertaken by transport consultants Systra (Appendix 3). This was to determine use patterns and pressures and to assess adequacy, or otherwise, of parking provision in the town. The conclusion of this survey is that the Rie-Achan Road Car Park has a capacity issue during peak periods but that there was adequate alternative parking elsewhere in the town. Furthermore, at the times when the surveys were carried out, the coach parking area peaked at 56% occupancy. Therefore, there may be an opportunity to provide additional car parking spaces, and additionally lease some of the area for a Class 3 Business Use in support of local business growth.
- 4.5 Prior to the planning application being considered and a request to lease an area of the car park for a commercial use, the Council had not identified this area of land for disposal. It has not therefore been marketed in line with the Council's approach to asset disposal (by way of sale or lease). As landowner, the Council must consider both the primary operational use of the site and the existing car parking capacity issues of the Rie-Achan Car Park. Therefore, in parallel with the marketing exercise, it is recommended that officers investigate the reconfiguration of the car park to increase the car parking

capacity as identified as being required in the Systra survey and to consider designating this car park for short-term stay to ensure space turnover. This may assist local businesses, by not tying up spaces so close to the town centre with all day parking.

5. PROPOSAL

5.1 The proposed lease of part of the car park for a Class 3 Business Use will require some alteration work, and it is only reasonable that the successful lessee meets the cost of these works. Additionally, a commercial ground rent needs to be charged, and provisions made to ensure proper re-instatement at the end of the lease. In summary, officers propose:

- a two month period of marketing to establish interest and seek proposals from any interested parties;
- a formal ground lease to be agreed on commercial terms at a commercial rent;
- a financial deposit or bond held by the Council for the length of the lease or any extension to cover reinstatement to the site upon termination of the lease or default under the lease agreement; and
- payment to cover the cost of all necessary accommodation works required to enable the development to proceed. This is based on officer assessment as being essential to ensure the continued safe operation of the car park.

5.2 The detailed design and costing of the accommodation works will require to be undertaken once the detail of the preferred offer to lease is known. It is anticipated the accommodation works will include:

- a new vehicular egress onto Rie-Achan Road;
- the re-siting of two existing EV charging points;
- the formation of an alternative disabled parking bay;
- removal and relocation of existing landscape, lighting column and re-surfacing; and
- new signage.

5.3 Depending on the nature of their proposal, bidders will require to take the likely cost of these works into account when finalising their business plans.

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

6. BEST VALUE AND DISPOSAL OF LAND REGULATIONS

6.1 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.

6.2 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 and required financial deposit would be provided to prospective tenants.

7. CONCLUSION

7.1 Planning permission has been granted for a potential Class 3 Business Use of part of the Rie-Achan Road Car Park site. However, as landowner the Council must also take account of the operational use of the site and wider car parking provision across Pitlochry. The completed parking survey and analysis has provided sufficient evidence of available provision across the town to justify re-marketing a defined area of the car park for a commercial use to support local business development.

Authors

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Name	Designation	Date
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APPENDICES

- Appendix 1 – Location Plan Rie-Achan Road Car Park, Pitlochry
- Appendix 2 – Site of Planning Application at Ria-Achan Road (20/01967/FLL)
- Appendix 3 – Pitlochry Parking Surveys Summary Report 30 September 2022

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ANNEX

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

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 with no net loss of income to the Council. The specific loss of revenue from the spaces given over to a commercial use will be compensated for by the redesignation of coach parking spaces as car parking spaces, and the intensification of car park use elsewhere in the town. The capital compensation received for the creation of alternatives spaces, a condition of the extant planning permission, is a matter for the Council as Planning Authority to consider. The fund for re-instatement would be held in the Council's separate suspensive account until such times as it was required.

Revenue

- 2.2 There will be an income from this project by way of an annual ground rent payable by the lessee. Business Rates will also be receivable for the site at the proper time when fully assessed for the occupation and use.

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.