

Agenda Item	20
Report No	HC/31/22

HIGHLAND COUNCIL

Committee: Highland Council

Date: 22 September 2022

Report Title: Community Asset Transfer Request – Playing fields at Inverness Royal Academy

Report By: ECO Communities and Place
ECO Infrastructure, Environment & Economy

1. Purpose/Executive Summary

- 1.1 This report asks Members to consider and agree recommendations on a property disposal request by lease at below market value. Caledonian Thistle Community Development (a charitable company) has requested a 50-year lease of the playing fields at Inverness Royal Academy at no annual rental cost through the Council's recently expanded programme for Community Asset Transfer.
- 1.2 Requests such as this, which relate to community use of an asset with a market rental value of more than £10,000 pa, ordinarily go to Communities & Place Committee for a decision by Members. In this case, due to timing pressures for the project to secure necessary capital development funds, this is coming before the Highland Council.
- 1.3 The officer Asset Transfer board, including representatives from Legal, Finance, Property & Facilities, Estates, and Community Support & Engagement, has considered and scrutinised the evidence submitted in support of the transfer request and based upon the wider community benefits achieved as a result of the proposal, have recommended approval of the request subject to a shorter lease term and the conditions set out below in section 2. It should be noted that the conditions require to be met subject to the conclusion of any lease.

2. Recommendations

- 2.1 Members are asked to **agree** the following recommendation for transfer of the asset by lease, noting the Council would retain ownership, subject to the following conditions being met:

25 year lease for **Inverness Royal Academy Playing fields to Caledonian Thistle Community Development at £1 per annum if asked.** Conditions of the transfer would include:

- Caledonian Thistle Community Development covers all reasonably incurred property and legal costs associated with the asset transfer process – both the Council's and its own.
- The lease will be on a full repairing and insuring basis - Caledonian Thistle Community Development shall be responsible for upkeep of land and buildings to the satisfaction of Highland Council as well as all costs arising from use of the site.
- The use of the site is restricted to the purposes outlined in the asset transfer request and will be outlined in a permitted use clause.
- Evidence of Planning approval, should it be required for the proposed development.
- Provide details of proposals to manage the parking demand generated from the site.
- Evidence of funding in place from SportScotland or equivalent funding body for the proposed re-development to proceed.
- Noting the work required in identifying appropriate funding and planning permissions required, the offer of lease will remain in place for a period of 2 years from the issue of a decision notice regarding the request for transfer.
- A Memorandum of Understanding is agreed between the Council and Caledonian Thistle Community Development prior to the signing of the lease, which sets out the range of community benefits which will form part of the agreed transfer of this asset. This would be monitored on an annual basis through City of Inverness Area Committee and would include:
 - The availability of the playing fields for school use;
 - The number and type of Modern Apprenticeships which will be available;
 - Other potential opportunities to support closing the poverty related attainment gap.
- A break clause will be included within the lease should the Council require the land in future for development.
- Any transfer will be subject to existing burdens/conditions in the Council's title to the property (e.g. 3rd Party access rights, etc.). The Council will only transfer/lease property for which it has title to do so; and
- Any other terms to be agreed by the Executive Chief Officer Communities and Place and Executive Chief Officer Infrastructure, Environment and Economy in consultation with the Convener of the Council.

3. Implications

- 3.1 Resource: the recommendations, if agreed, would mean the Council foregoes a hypothetical lease payment of £25,000 pa, if an open market rental were achievable. However, there is little to no plausible demand for such an asset on the open market, as there is little prospect for any change of use through Planning. The availability of

this area for use as school playing fields in the future must be preserved in order to ensure that the Council meets its statutory obligations. It is recommended to proceed with transfer as the value of wider community benefits arising would outweigh such rental income.

- 3.2 Legal: where the Council considers disposal of an asset at less than market value, Disposal of Land by Local Authorities (Scotland) Regulations 2010 apply and require assessment of costs, benefits and disbenefits of a proposal, including improvements to Economic development; Regeneration; Public Health; Social and Environmental Wellbeing. This assessment is summarised at section 5.
- 3.3 Continued school access to the playing field is a key consideration in this case and forms part of the proposal from CTDT. Highland Council Legal Services advise that any disposal by lease has to provide vacant possession to the tenant to be legally valid and registerable (i.e. guarantee their use and control over the site).
- 3.4 Community (Equality, Poverty and Rural): Demonstrating community engagement and support for a proposed asset transfer is a crucial element of each request for community use of a council asset. There has been positive engagement with the school and wider community as part of the development of this proposal and also with the wider footballing community within Inverness. This is set out the assessment at section 5.
- 3.5 The proposal sets out specific improvement of a current asset that would particularly benefit key groups within the population including women and girls, youth and para football provision. It also proposes to provide programmes and apprenticeships to address socio-economic disadvantage.
- 3.6 One of the Council's key strategic priorities within its Corporate Plan is:
Work to invigorate local democracy and put our communities at the heart of the design and delivery of services at a local level. We will also develop the capacity of communities to decide and deliver their local priorities.
This is supported by a number of outcomes targeted at increasing engagement, increasing and encouraging community led and run services and involving more people in local decision making. The Community Asset Transfer programme contributes to this strategic priority.
- 3.7 Climate Change / Carbon Clever and Gaelic - There are not considered to be any implications associated with this transfer.
- 3.8 Risk: Local authority ownership and management of playing fields is subject to the School Premises Regulations 1967, supported by guidance on best practice published by Sportscotland, which stipulate the minimum area of playing field required for use by school pupils. Current and projected roll numbers for Inverness Royal Academy would suggest that the Council should retain control over the entire playing field area, in addition to the artificial pitches outside the school, to continue to meet these regulations. However, the Council is not in a position to improve the asset

as proposed by Caledonian Thistle Development Trust and the school are unable to use the fields in their current condition. The proposal from CTDT would improve the asset and would set out dedicated times for the school to have access to the improved facility for curricular use. The Council would still retain ownership of the asset.

- 3.9 Any agreement to transfer the asset on a lease basis would mean control of the asset rests with CTDT. This means that continued access for the school, as set out under the terms of the proposal, would be set out in a Memorandum of Understanding. The partnership arrangement proposed by CTDT is in the interests of both organisations and the wider community. The benefits which are proposed as part of this transfer, outweigh any risk and are considered to be in the wider community interest.
- 3.10 The Council will require the inclusion of a break clause within the lease, which would enable the Council to end the tenancy should there be a requirement to develop the land in the future. A permitted use clause would be required which would restrict use of the land to that outlined in the original request. This would be monitored by the Education and Learning Service. It is also proposed that the initial period of lease is for 25 years and not 50 as requested as this would allow appropriate assessment and consideration of whether the partnership arrangement is working for both parties.

4. Lease of playing fields at Inverness Royal Academy to Caledonian Thistle Community Development

- 4.1 Request for transfer by lease: Caledonian Thistle Community Development (CTDT) (also known by the trading name 'Inverness Caledonian in the Community Trust') request a 50-year lease of the former Inverness Royal Academy playing fields (on the east side of Culduthel Road – see figure 1 at 4.5, below) at no cost (100% discount on market rental value of £25,000 p/a for the site of approximately 4 hectares / 10 acres). CTDT is a separate legal entity from Inverness Caledonian FC - a charitable company limited by guarantee, established to promote participation in football for the people of Inverness and surrounding communities.
- 4.2 Key target outcomes for the Trust include:
- Sports and participation
 - Diversionary activities
 - Physical health
 - Mental Health and wellbeing
- 4.3 A summary of the proposal from CTDT is as follows:
- Regenerate and upgrade the IRA playing fields and facilities
 - Take on full costs of maintaining and improving all surfaces within the playing fields
 - Provide IRA with dedicated daily times to use – 10am-12 noon and 1pm-3pm Monday to Friday
 - Improve and or replace the current building on site
 - Place a dedicated grounds keeper to maintain the surfaces

- Create a show pitch for the Inverness Women's Teams/ Inverness Athletic and Inverness Caledonian Thistle Football Club Academy

4.4 The site is located between Culduthel Road, the Distributor Road and Bun-sgoil Ghàidhlig Inbhir Nis. The new Inverness Royal Academy is served by two AstroTurf playing fields located on the campus and the proposed area for transfer represents a site used in the past as playing fields.

4.5 Figure 1: area requested for rental



4.6 Current and alternative use of the playing fields: Currently two-thirds of the playing fields are unusable for sport and recreation due to poor drainage and the cumulative impact of flooding. CTD T propose drainage works across an area equivalent to ten football pitches to reinstate and develop two full size pitches, a running track and twelve five-a-side pitches, or equivalent training areas. The Council has no funding to invest in regeneration of the site and is unlikely to do so in the foreseeable future. In addition, any required future extension to the school would be accommodated on land adjacent to the current school building and this land is not required for any school extension. The potential for a community group to leverage grant aid for regeneration is therefore the only currently plausible means of restoring the pitches to effective use – whether for the school, or other users - by funding necessary drainage improvements.

4.7 CTD T also proposes to renovate or replace existing out buildings as part of development of a 'sports-hub' / company base of operations, with spectator and user facilities, including toilets. Improved pitches and facilities would be used during daylight hours only (no floodlighting is proposed) - made available for other community teams and user groups to hire space for games and training, as well as being used by the Trust for its commercial activity (skills courses, summer schools) and wider charitable activities. As the site currently has very limited space for parking, the Trust is in discussion with adjacent commercial premises over scope to use their parking facilities. The Trust has been encouraged by Council officers to seek Pre-Planning advice for the proposed site development.

- 4.8 The CTDT proposal has indicated to provide dedicated times for Inverness Royal Academy to use the improved facilities without charge and to enter into a Memorandum of Understanding concerning use. This includes support in principle for a commitment to deliver defined outputs relating to training and mentoring of disadvantaged or vulnerable young people.

5. Summary of CAT Assessment

5.1 Community benefit (outcomes): *strong*

- 5.1.1 The potential benefits of the transfer can be outlined as follows:

Facility Improvements - potential benefits arising from transfer are clearest in terms of regeneration and future maintenance of the playing fields, with potential for benefits to public health from sports development. Currently two thirds of the pitches are unusable due to drainage issues. The proposal would put in drainage and upgrade or replace the existing buildings on site to provide dressing rooms and showers.

- 5.1.2 *Increase Pitch Availability* - Pitch capacity in Inverness area would be increased by around 33%, with particular benefits to amateur clubs in need of a match pitch of suitable standards, as well as space necessary to accommodate increasing demand for girls' football training.

- 5.1.3 The proposal from CTDT specifically focuses on the increased capacity for women's football development across all age groups, youth football development through the ICTFC Junior Academy, and community based groups such as para football. The proposal intends to provide facilities across all age groups. A further key partner is Inverness Athletic who originally had submitted an asset transfer request for the facility but have instead opted to work directly with CTDT.

- 5.1.4 *School Use* – the proposal includes dedicated time for Inverness Royal Academy pupils to use the upgraded facility.

- 5.1.5 *Employment* - Proposals include the creation of 0.75 – 2 FTE employment of groundskeepers, depending on the ultimate scale of operations.

- 5.1.6 *Social-economic benefits* – the proposal includes potential for the operation of the site to support reduction of inequalities of health outcomes from socio-economic disadvantage through referrals to training and mentoring from statutory services. This includes developing young coach volunteers, blending football development to support education through specific schools projects and developing adult and elderly participation in football.

- 5.1.7 The proposed provision of Modern Apprenticeship opportunities for local young people in groundskeeping and sports administration.

- 5.1.8 The detailed proposal has not yet been defined and would be contained within the Memorandum of Understanding as part of any subsequent legal proceedings and

prior to concluding any lease. It is proposed that any MOU would be monitored on an annual basis through the City of Inverness Area Committee.

5.2 **Capacity to deliver: *very strong***

5.2.1 Caledonian Thistle Community Development is a charitable company limited by guarantee, with governance restricting income and property to promotion of healthy recreation and provision of football facilities for the people of Inverness and surrounding communities. The Company has a track record of generating significant net-revenue from trading (skills courses, summer-school programmes). On an annual basis, existing programmes delivered by employees and volunteers have previously engaged over 1000 community participants and over 1300 school-based participants. Internal reviews of commercial activity provision (skills schools) show very high levels of satisfaction from user group feedback.

5.2.2 The proposal for IRA playing fields builds on the Company and associated Football Club's extensive experience of operating similar schemes in other areas of Highland, including pitch maintenance and management of wider community usage (Fort Augustus), and operation of football skills sessions (numerous school and community venues across Inverness and Inner Moray Firth areas). Operation of the facility would benefit from the Company's links with prospective users from across the wider community of amateur football in the Inverness area – including amateur clubs and community user-groups, such as walking football. Scope for the Company to deliver benefits from engagement with disadvantaged young people is also supported by experience from existing schemes in the Hilton / Cauldeen areas of Inverness to remove financial barriers to young people's participation in football training sessions.

5.3 **Community support: *very strong***

5.3.1 Throughout development, the proposal for transfer has been informed by engagement with Inverness Royal Academy, parent-teacher groups and local Community Councils (Slackbuie; Lochardil & Drummond). CTD T have also engaged with football groups from across the City to gauge interest and support and several letters of support from football groups, Community Councils and national interest groups have been received (including SFA North). These highlight particular benefits to sports development, especially for women's football, as well as amateur clubs and opportunities to promote use by community users, such as para football groups.

5.4 **Sustainability: *very strong***

5.4.1 Financial projections have been provided which make a plausible case for a self-sustaining facility, dependant on ongoing fundraising and revenue generation by the Company. Revenue generating potential of the asset is entirely subject to its regeneration and not therefore currently realisable by the Council in the its current state. The costs of upgrading are outlined in section 5.5.

5.4.2 Proposals model the ongoing operating costs of initial grounds maintenance and facilities management (c.£41k p/a with 0.75 FTE employment) as well as potential for site management to 'show-pitch' standards (c.£97k p/a with 2 FTE employment).

- 5.4.3 Initial running costs are anticipated to be covered by fundraising from an ICT Club lottery (£10k p/a) and revenues arising from use of the playing fields (£42.5k p/a):
- Pitch-side advertising (CTDT est. £12.5k)
 - Venue sponsorship (CTDT est. £10k)
 - Sub-lets (CTDT est. £20k)
 - Other clubs / users paying to play – intended pitch fees are not made clear in the proposal.
 - Trading: after-school skills courses, summer school academies.

5.4.4 The Business Plan for operating still requires to be finalised and provided prior to concluding the lease.

5.5 **Resourcing: moderate**

5.5.1 CTDT has provided cost estimates for regeneration of the pitch and development of facilities which vary significantly depending upon options for the quality of modular buildings and pitch standards:

- Total estimate: £294k - £938k
 - Pitch improvement / formation: £150k - £450k
 - Building development: £135k - £475k
 - Plant machinery for pitch maintenance: £9k - £13k

5.5.2 Preparatory support from the SFA has been identified to advance consideration of site planning. The Company has also undertaken a thorough, but preliminary review of potential sources of capital grant aid for the project, indicating support in principle from various funders including the SFA and Sport Scotland. Subject to successful applications, identified sources of funds could support initial development costs at the lower end of estimated costs. A more ambitious development would depend on significant further fundraising of approximately £600k.

5.5.3 The recommendation to approve transfer is subject to satisfactory funding being in place.

6. **Overall Summary**

6.1 The proposal from Caledonian Thistle Community Development includes plausible high-level business planning necessary to provide an improved playing field and facilities which enable effective use of a currently neglected asset. There are wide community benefits proposed in enabling greater access to facilities to promote youth, women's and para football provision within the City. The potential of increased participation in sport as a result of redeveloped facilities such as proposed, can be evidenced through the increase of participation in rugby as a direct result of the new facilities at Canal Park. There are also specific benefits for pupils from Inverness Royal Academy who would have access to improved sports facilities. The proposal also includes development of apprenticeships and further training and support for disadvantaged young people. The scope of this would be subject to a Memorandum of Understanding to accompany the lease.

- 6.2 The proposals align well with both Council and community priorities for regeneration, health and wellbeing in the local area and a transfer appears highly likely to deliver increased community benefit.
- 6.3 Whilst there are risks associated with the proposal – outlined at 3.8-3.10 – it is considered that the benefits outweigh these risks. The realisation of the opportunity will also involve significant investment in the asset and the proposed conditions of transfer recognise that further work is required to take this proposal forward.
- 6.4 The proposal has been evaluated and the scores suggest that the request should be **agreed** to-

Community Benefit (outcomes): moderate/strong
Capacity to deliver: very strong
Community support: very strong
Sustainability: very strong
Resourcing: moderate

- 6.5 However, as noted at section 3.10, it is proposed that a 25 year lease is awarded initially rather than the 50 year lease as requested as this would allow both parties an opportunity to assess the success of the partnership.
- 6.6 Should agreement be given to transfer by lease, this is being made in principle, subject to the conditions of the transfer being met. The next steps would include agreeing Head of Terms, CTCD meeting the conditions of transfer and following this, agreement to the terms of the lease by both parties.

7. Recommendation:

25 year lease for **Inverness Royal Academy Playing fields to Caledonian Thistle Community Development at £1 per annum if asked.** Conditions of the transfer would include:

- Caledonian Thistle Community Development covers all reasonably incurred property and legal costs associated with the asset transfer process – both the Council's and its own.
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- Any other terms to be agreed by the Executive Chief Officer Communities and Place and Executive Chief Officer Infrastructure, Environment and Economy in consultation with the Convener of the Council.

Designation: ECO Infrastructure, Environment & Economy
ECO Communities and Place

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