

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Infrastructure and Regeneration

Housing, Environment and Economic Development Committee: 7 May 2014

Subject: Lease of land comprising the Pier and Slipway at Balloch to The Loch Lomond Steamship Company

1. Purpose

- 1.1** The purpose of this report is to seek authority of the Committee to extend the lease of the Pier and Slipway at Balloch to the Loch Lomond Steamship Company (LLSC) for a further 12 years from its current termination date of 27 May 2032.

2. Recommendations

- 2.1** It is recommended that:

- 1) The Executive Director of Infrastructure & Regeneration be authorised to extend the lease to The Loch Lomond Steamship Company from its termination date of 27 May 2032 to 27 May 2044 and,
- 2) the Head of Legal, Democratic and Regulatory Services be authorised to conclude the lease extension subject to such legal conditions that are considered appropriate.

3. Background

- 3.1** The LLSC is the body that is responsible for the restoration of the Maid of the Loch paddle steamer at Balloch.
- 3.2** LLSC currently has a lease of the slip and pier at Balloch for £1 per year and that expires on 27 May 2032. The lease was granted by the Council on such terms in order that the vessel and the area could be developed as a tourist attraction.
- 3.3** LLSC has invested in excess of £1.7 million in the infrastructure and vessel since 1996.
- 3.4** LLSC has applied to the Heritage Lottery Fund (HLF) for funding for approximately £4.75 million to contribute to the repair of the vessel, the building of an upgraded visitor facility and the repair of the pier.
- 3.5** HLF funding is dependent on the length of lease that the grant is secured against. In this case the HLF are expecting a lease for a minimum unexpired term of 30 years.

- 3.6 LLSC anticipates investing a total of £5.70 million in the project. The main costs anticipated are £3.3 million for the vessel; £0.9 million for the visitor centre, £0.15 million for the pier repairs and £1.35 million covering fees, business development and set up costs, publicity and promotion and contingencies.
- 3.7 LLSC hope to start work on the project in January 2015 subject to the HLF Stage 2 application being approved in October 2014.

4. Main Issues

- 4.1 LLSC requires the lease to be extended to secure £4.75 million of HLF funding.
- 4.2 Without the lease extension LLSC are unlikely to secure HLF funding for the project.
- 4.3 If HLF funding is secured LLSC estimate that they will create up to 30 jobs on the vessel and the on-shore facility. This will provide opportunities for training and skills development.
- 4.4 LLSC intends that on completion of the restoration of the vessel and the creation of the visitor attraction that the facility will be an all year round visitor attraction benefitting not only the LLSC but the immediate area of Balloch and Loch Lomond generally and enhancing the West Dunbartonshire visitor offer. They anticipate through studies that annually, an additional 106,000 visitors could be attracted to the area.
- 4.5 There would be an opportunity to provide an education facility to visitors covering features such as ship design, and the geology and biodiversity of the area.
- 4.6 An extract from the LLSC HLF Stage 1 application is available as a background paper and outlines in more detail the benefits that the project can deliver by way of training, learning, schools involvement, storytelling/research facility, public volunteers, and outcomes of a fully operational vessel and shore facility.

5. People Implications

- 5.1 There are no personnel issues affecting this project other than time of staff in Asset Management and Legal, Democratic and Regulatory Services in preparing the documentation.

6. Financial Implications

- 6.1 If the Council proceeds with the proposal to extend the lease at the current nominal rental the opportunity to obtain a commercial rental from the property will be deferred.

This could have a potential impact on the future income of the Council. However, given the scale of the Heritage Lottery funding and the thousands of voluntary hours undertaken by the LLSC which operates as a charity required to progress the project it is considered that the anticipated commercial rental loss would be minimal in comparison to the potential benefits noted below. By way of a general guide the current estimated rental value for the subjects has been assessed as £300 per year taking account of the terms of the lease and the capital expenditure required by the tenant. The background to the initial decision to grant the lease at a nominal level was detailed within the Report to the Planning and Economic Development Committee on 8 December 1999.

- 6.2** If the project proceeds as planned then there will be significant economic benefit to the community as a result of the projected additional 106,000 visitors per annum, together with the added prospect of construction and project jobs.

7. Risk Analysis

- 7.1** There are no risks to the Council. The LLSC will bear a risk in not being able to deliver the full extent of the project.

8. Equalities Impact Assessment (EIA)

- 8.1** A Screening and EIA has been carried out. The policy is relevant to advancing equality of opportunity in terms of age, in terms of potential employment, training and educational opportunities for young people. There is some potential for fostering good relations. No negative impacts were identified.

A copy of the EIA has been included as Appendix 1 to this report.

9. Consultation

- 9.1** If the proposals are approved further consultation will be required with LLSC in respect of Landlords Consent for the alterations and repairs proposed.

10. Strategic Assessment

- 10.1** By agreeing to this proposal the Council will assist in the improvement to the local economic growth and employability of the area; improve life chances for children and young people in the level of educational opportunities that are available; and improve environmentally sustainable infrastructure.

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Date: 4 April 2014

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Appendices: Appendix 1 – Environmental Impact Assessment

Background Papers: Copy of extract from HLF funding application
Planning and Economic Development Committee Report
on 8 December 1999

Wards Affected: Ward 1