



Options for Property and Land

Appendix 2

National Park Authority Board Meeting
26 September 2022

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1. Background

1.1 In March 2022 the Board approved the officer recommendation to begin a process to instigate the disposal of the vacant Luss asset (the former visitor centre and associated land) based on an assessment of options, as summarised below.

2. Disposal

2.1. The Property and Land, which the National Park Authority inherited, was assessed by officers as unsuitable for current operational needs and despite significant resource being deployed to secure positive uses that benefit Luss and a return from the asset for the Authority, for over four years this has not been achieved for a variety of reasons. Prior to this, following the closure of the National Park Visitor Centre in 2009 a commercial tenant leased the building until 2018 when the lease was ended by the Park Authority following a legal process. The tenancy management proved increasingly challenging during this period taking up significant staff time and organisational resources.

2.2. Throughout the National Park Authority's ownership and management of the Property and Land there has been strong interest from the community in its use and management in respect of benefit and value to Luss.

2.3. Officers assessed the benefits that disposal of the asset would have on reallocation of resources to priority work, such as the Climate and Nature work programmes, and the programme of work across the National Park Authority's estate. In particular, disposal would result in savings in terms of staff time and budget from the responsibilities and duties due to ownership of the building and associated land. It was acknowledged that it was not an asset developed by the Authority in response to current needs and organisational requirements and had been drawing on resources for a number of years with no real return or benefit.

2.4. The lease marketing process in 2021, which was carried out with significant input from the Community Council, demonstrated the likely rental income could be up to £20,000-£30,000 p.a. This provides a low financial return overall, when it is compared against revenue budget and operating costs.

2.5. Officers also considered the potential socio-economic and environmental benefits that disposal could offer the area, the local community and visitors. National policies and examples of best practice supported this view, including:

- Community Wealth Building: aiming to retain wealth and opportunity for the benefit of local people), and
- Community Empowerment: a process where people work together to make change happen in their communities by having more power and influence over what matters to them

2.6. Officers therefore concluded that disposal was the preferred option, and Members approved the recommendation to begin a process to instigate the disposal.

3. National Park Authority Operational Use (including re-purposing the Property)

3.1. Some short and longer-term operational needs were identified which, with some necessary adjustments and associated costs, the Property could have potentially accommodated.

3.2. The only Luss-specific locational need identified was for welfare facilities for the new Luss Warden roles which are being delivered in partnership with Luss Estates and Argyll and Bute Council. This would only have required a small part of the building and a more suitable facility was available to support this. Notwithstanding the various operational needs for additional office, welfare and storage spaces, it was not considered that the Property is of suitable design or location to justify the costs of reconfiguration for operational use and ongoing running costs.

3.3. A number of other purposes for the Property were considered by officers, including ideas such as a larger public toilet, a venue at which to host pop-up events and a mixed income generating option.

3.4. These ideas would require further staff resource and considerable budget to deliver. It was concluded by officers that, on balance, resources could be better used in relation to existing National Park Authority priorities and assets.

4. Re-market the Property for a New Tenant

4.1. This option was considered to be the most resource intensive and came with significant uncertainties given our unsuccessful experiences of securing and maintaining a suitable tenant over the last 10 years. Whilst the National Park Authority manages property and this inevitably includes some tenancy management, commercial property letting and management is not the organisation's main focus.

4.2. Based on advice from our property agent, in order to appeal to the widest range of tenants the Land was not included in the marketing for a sub-lease. This is because maintenance of the Land may be a burden and not attractive to a potential tenant. This re-marketing of the Property option is unlikely to cover the Land.

4.3. The prospect of investing more resources and staff time on a further tender process was weighed against the difficulties that had been experienced by the National Park Authority in relation to this asset over the years. It was concluded that the resources required to re-market the Property, would be better allocated to managing other assets.

4.4. The lease marketing process demonstrated the potential rental income could be up to £22,000 - £30,000 p.a, which is a low financial return overall when compared against the National Park Authority's revenue budget and operating costs. The only benefits of this option were that the process and materials for marketing were in place if it were agreed to try and find a new tenant.

4.5. The commercial property market has been unsettled and challenging for the previous couple of years but was predicted to stabilise around Easter 2022. An updated statement from our property agents on the current market situation is as follows: *‘The market has been unsettled over the Covid period and it would appear we are entering into another uncertain period due to the potential stark economic climate caused by cost inflation. Rising fuel and food costs may lead to a noticeable decline in spendable income. Generally, the property market is more receptive to outright purchase by owner occupiers and investors rather than long leaseholds at the present time. All things being equal, we would anticipate good interest from occupier investors in the asset at Luss.’*