

Finance and Resources Committee

10.00am, Friday, 6 December 2019

Land at 18b Ferry Road Avenue, Edinburgh – Proposed Disposal

Executive/routine	Routine
Wards	4 – Forth
Council Commitments	<u>2</u>

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves the disposal of land at 18b Ferry Road, Edinburgh to North Edinburgh Childcare on the terms and conditions as outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

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Report

Land at 18b Ferry Road Avenue, Edinburgh – Proposed Disposal

2. Executive Summary

- 2.1 North Edinburgh Childcare (NEC) hold a ground lease over land at 18b Ferry Road Avenue expiring in 2055. To raise funding for an extension to the facility, NEC has approached the Council to acquire the heritable title to the land. This report seeks approval to dispose of the land on the terms and conditions outlined in this report.

3. Background

- 3.1 'A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland - ELC Expansion Planning Guidance for Local Authorities' issued in March 2017 by the Scottish Government set out local authorities' responsibility for the implementation and delivery of an expanded entitlement of 1140 hours of free ELC in their area. The vision for expansion is underpinned by the principles of Quality, Flexibility, Accessibility and Affordability. The City of Edinburgh Council's Commitments 32 and 33 for this administration reflect the vision in the Blueprint:
- 3.2 *Double free early learning and child care provision, providing 1140 hours a year for all 3- and 4-year olds and vulnerable 2-year olds by 2020*
- 3.3 *33. Make early years' provision more flexible to fit families' needs and provide additional resources to families in difficulty so that no children are educationally disadvantaged when they start formal schooling*
- 3.3 A key element in the 'Blueprint for 2020' is that parents have choice in the provision available to them by making sure expansion to 1140 hours is 'provider neutral'. This requires that the Council work with its partner providers to ensure that they are meeting National Standard quality requirements and that the service they provide is sustainable.
- 3.4 North Edinburgh Childcare (NEC) operate in an area of the city that has a high level of demand for Early Learning and Childcare places and is identified by the Council as a priority in terms of providing the necessary infrastructure to meet demand for places. The Council plan to construct a new nursery as part of the redevelopment of Pennywell Town Centre to meet a significant proportion of this demand. However, the provision of further sustainable capacity through the Council's

partners will reduce pressure on the Council's infrastructure programme and provide parents with greater choice in childcare provision.

- 3.5 North Edinburgh Childcare (NEC) currently lease 0.68 hectares (1.68 acres) on a ground lease from the Council which expires in 2055 as shown shaded pink on the attached plan. The current rent is £1 per annum. The ground was leased to NEC at £1 per annum, who then constructed the building principally through grant aid. Consequently, the building is currently owned by NEC.
- 3.6 NEC operate a childcare facility and currently provide 66 spaces across a variety of age groups for children aged up to 5 years. NEC work in partnership with the Council and the centre is also an SQA accredited training centre and to date have put over 350 individuals into employment in this sector across Edinburgh and the Lothians.
- 3.7 To provide a further 87 childcare spaces, NEC are seeking to raise funds for an extension to the centre. The project is estimated to cost £1.75 million with £1.0 million having been successfully raised to date principally from the Robertson Trust and Resilient Scotland.
- 3.8 An application will be made to the National Lottery Community Grants programme for the remainder of the funding. A pre-requisite for the Lottery to consider the application is that NEC own the land, and this has been confirmed to the Council.
- 3.8 Consequently NEC has made an approach to the Council to acquire purchase their leasehold interest in the property.

4. Main report

- 4.1 The following terms have been provisionally proposed:
- **Subjects:** Land extending approximately 0.68 hectares (1.68 acres) at 18b Ferry Road Avenue;
 - **Purchaser:** North Edinburgh Childcare;
 - **Price:** £1;
 - **Overage:** Should the Purchaser dispose or develop the land within 10 years from the date of entry for any other use than childcare facilities, the Council will be entitled to receive a clawback of 75% of sale transaction;
 - **Site Investigations:** Should the purchaser's investigations uncover environmental damages or additional risks to the proposed development, the Purchaser shall have the option to continue occupation based on the existing lease for the unexpired term;

- Costs: The purchaser will pay CEC legal costs (capped at £2,500);

4.2 The Council's commercial interest in the land is the right to receive £1 per annum of the next 36 years and, as such, the land is of limited market value to the Council. An overage provision will be included within the sale agreement to compensate the Council against a future sale at a higher value based on an alternative use.

5. Next Steps

5.1 Following approval of the terms by Finance and Resources Committee, solicitors will be instructed to conclude the legal documentation.

6. Financial impact

6.1 The financial impact to the Council will be minimal as the current long lease on the property is at a rent of £1 per annum.

7. Stakeholder/Community Impact

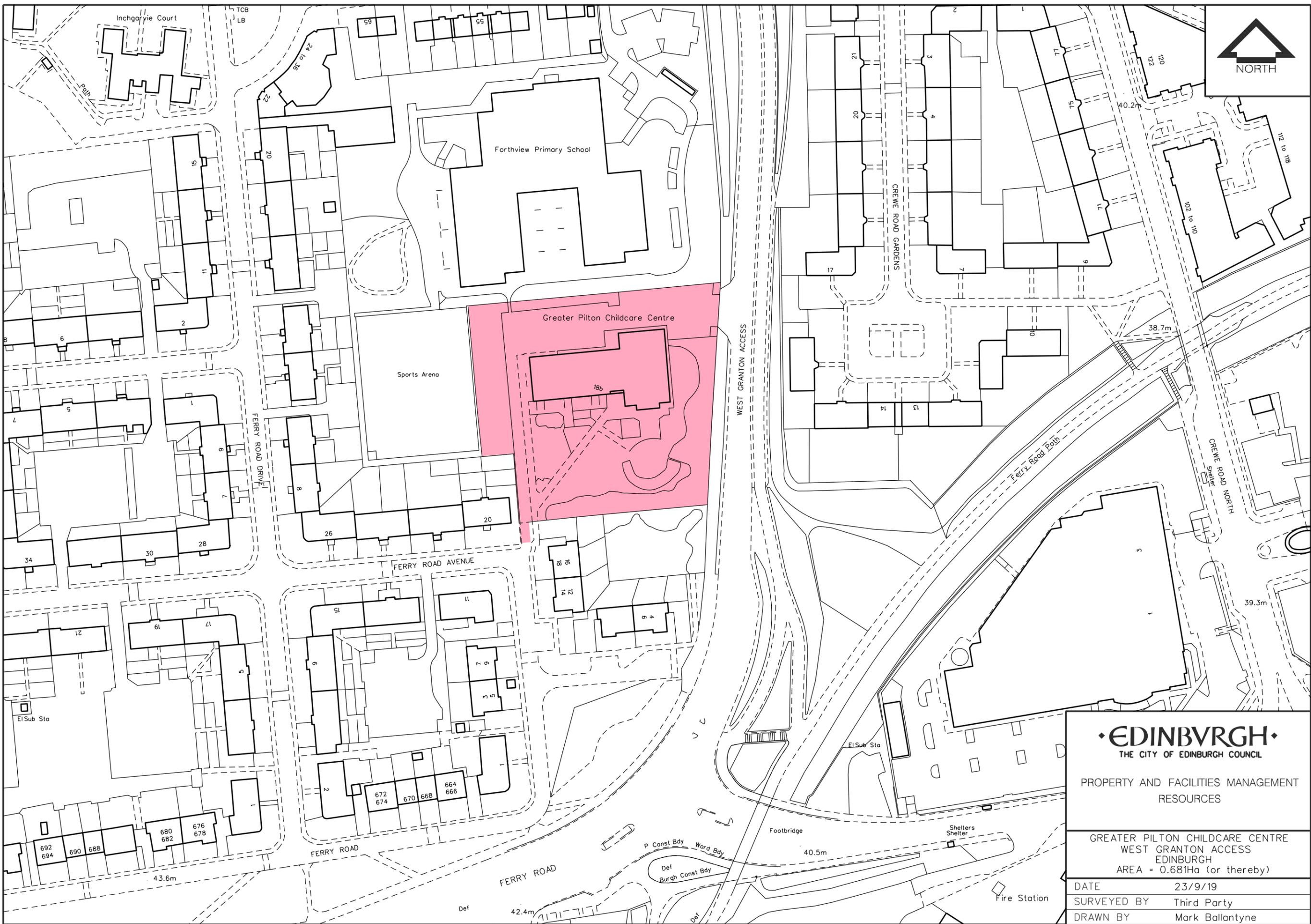
7.1 Ward elected members have been made aware of the recommendations of the report.

8. Background reading/external references

8.1 Not applicable.

9. Appendices

9.1 Appendix 1 - Location Plan



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 THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT
 RESOURCES

GREATER PILTON CHILDCARE CENTRE
 WEST GRANTON ACCESS
 EDINBURGH
 AREA = 0.681Ha (or thereby)

DATE	23/9/19
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/2180

SITE PLAN

SCALE 1:1250

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