
ARGYLL AND BUTE COUNCIL

**BUTE AND COWAL AREA
COMMITTEE**

**DEVELOPMENT AND
INFRASTRUCTURE**

5 SEPTEMBER 2018

Dunoon Pier Waiting Room – Recommendation for Lease

1.0 EXECUTIVE SUMMARY

- 1.1 This paper asks Members to agree to the marketing of Dunoon Pier Waiting Room for commercial use; for the purposes of retail/coffee shop use and with a lease period of 3 years.
- 1.2 Members are asked to consider the viability of leasing the ground floor of the building during the Scottish Government review of its ferry tendering policy. A relatively short timeframe of 3 years is therefore proposed to allow potential for the building to easily return to its traditional purpose on conclusion of the Scottish Government exercise.
- 1.3 It is proposed to retain the upstairs office space for council use during the lease period.
- 1.4 This recommendation follows the consideration and endorsement of DMT, at their meeting of 23 July 2018.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that Members agree to:
- 2.2 Market the ground floor of Dunoon Pier Waiting Room for lease for retail/coffee shop purposes.
- 2.3 That the period of the lease is for a 3-year period.

Dunoon Pier Waiting Room – Recommendation for Lease

30 INTRODUCTION

- 3.1 The purpose of this report is to ask Members to agree to the marketing of the 'Waiting Room' building on Dunoon Pier; for a lease period of 3 years. This is in the expectation that leasing the premises would make more efficient use of the facilities, whilst generating higher revenue return than that of current arrangements.
- 3.2 The lease of the ground floor for retail/coffee shop purposes should be considered within the context of the ferry contract and its renewal, which is yet to be resolved. It is anticipated that the Scottish Government will shortly make an announcement on the way forward beyond that of the current contract, which runs until 20 January 2019.

4.0 RECOMMENDATIONS

- 4.1 It is recommended that Members agree to:
- 4.2 Market the ground floor of Dunoon Pier Waiting Room for lease for retail/coffee shop purposes.
- 4.3 That the period of the lease is for a 3-year lease period.

5.0 DETAIL

- 5.1 There remains some uncertainty over the type of ferry service likely to be

operated between Dunoon and Gourock, i.e. vehicle/passenger or passenger only. The Scottish Government is currently reviewing its ferry tendering policy. Long-term development plans for Dunoon Pier cannot therefore be finalised until the outcome of this process is fully understood. The relatively short lease proposed is therefore reflective of circumstances out with the control of the council. The existing contract has been extended until 20th January 2019, and it is anticipated that the Scottish Government will be making an announcement on the way forward shortly. The local community does not consider that the current use of the link span provides the most appropriate access to vessels, especially for those with mobility challenges and there is a desire locally to see a return to the vessels berthing at the pier, even if that should require modification of existing structures or the addition of new ones, e.g. pontoons.

- 5.2 The preferred use of the former waiting room was subject to a period of community consultation over the summer of 2017. A questionnaire asked local people for their views on what would be the most efficient short-term use and asked whether the property should be leased in part or in its entirety.
- 5.3 Over 600 responses were received, with 68% voting for food, leisure and recreation, and 96% supporting the lease of the building in its entirety.
- 5.4 Those expressing an interest in leasing the premises will be required to clearly indicate the type of retail/coffee shop business / service they wish to operate / provide and will be invited to bid to lease the rooms in an open tendering process. Tender documentation will outline rules which, those applying will be required to agree to, such as: maintenance arrangements, opening hours, rules for operating from a council pier, flood evacuation rules and planning rules for operating from a listed building etc.
- 5.5 Following the withdrawal of planning application 16/00713/PP (Change of use from pier masters office to non-residential institution (class 10) for a temporary period of 24 months (retrospective)) resulting from SEPA's objection, officers produced a Flooding Protocol document, whilst liaising with SEPA to gain endorsement for the change of use to align with the consultation response. This subsequently led to the resubmission of a planning application, which was successfully approved in May 2018 for retail and coffee shop purposes.
- 5.6 As the Waiting Room building is category 'A' listed, permission is unlikely to be forthcoming for remodeling works of a significant nature. There are also issues around economic displacement with regards to the preferred options of tea room/retail businesses. It is essential that the leasing of the former waiting room does not undermine existing local businesses. The lease applicants marketing plan would therefore be expected to offer a unique experience, not currently available in the town, which would be unlikely to result in a loss of revenue for existing businesses.
- 5.7 A detailed maintenance schedule for the waiting room building was produced by the consultants involved in the Phase 1 restoration works and would be used to support the effective management of the property during its lease period.

5.8 It is proposed that the lease would place the responsibility for general maintenance and security of the building with the tenant. Painting of the exterior of the building would however remain the responsibility of Argyll and Bute Council because of the issues around scaffolding, which would need to be erected from the sea-bed. With regard to business opening hours, this would have to coincide with the working hours of harbour staff, with the Harbour Master retaining over-arching authority for the pier structure and its access.

6.0 CONCLUSION

6.1 It is expected that through the lease of Dunoon Pier Waiting Room, more efficient use would be made of the facilities, with a higher revenue return potential than that of current arrangements. As such, it is recommended to market the property for lease, and to let the property for a 3 year period.

7.0 IMPLICATIONS

7.1 Policy

Planning approval has been given for the change of use to class 1 and 3. The active economic use of Dunoon Pier would meet the economic regeneration aims of the Bute and Cowal EDAP, and the OIP.

7.2 Financial

There would be a cost to the council for marketing the asset. There is however potential to generate additional income for the council to cover maintenance costs through the lease of the property. With regards maintenance costs, total costs for maintaining the asset in 2017 amounted to £3,000. This is estimated to increase to £6,750 in 2019.

7.3 Legal

Officer resource would be required to market the site.

7.4 HR

None

7.5 Equalities

None

7.6 Risk

There is a risk that too short a lease will result in lack of interest, however too long a lease will preclude the potential of the building returning to its former waiting room function.

7.7 Customer Service

None

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APPENDICES

None