

Agenda Item	11
Report No	EDI/73/19

HIGHLAND COUNCIL

Committee: Environment, Development and Infrastructure

Date: 7 November 2019

Report Title: Community Asset Transfer Requests

Report By: Acting Head of Policy

1. Purpose/Executive Summary

- 1.1 The Community Empowerment Act introduces a right for community bodies to request to own, lease or use public sector assets through a process known as Community Asset Transfer. Once a formal request is submitted, Local Authorities have 6 months to assess the application against a range of community benefits and determine where to grant the request.
- 1.2 This report asks members to consider and agree recommendations on community asset transfer (CAT) requests that have been received and assessed over the previous 6 months. Following assessment, the report seeks:
- **approval for the lease of land to Dingwall Men's Shed**
 - **approval of the sale of a visitor centre and connected toilet to Glenurquhart Rural Community Association.**
 - refusal of an application from **Kilmallie Community Centre Ltd. for sale of land** comprising of a car park close to the centre.

2. Recommendations

Members are asked to **agree** the following community asset transfer requests:

- 2.1 The **lease** of land at **Jubilee Park Road, Dingwall to Dingwall Men's Shed** for 30 years at £300 p.a. The terms of the transfer would include:
- evidence of planning approval for the proposed development;
 - Dingwall Men's Shed pay all reasonably incurred property and legal costs associated with the asset transfer process;
 - the premises will be for community use only;
 - the lease will be on a Full Repairing and Insuring basis (the tenant will be responsible for maintenance and insurance);
 - reinstatement of the site upon termination of the lease;
 - any transfer/lease will be subject to existing burdens/conditions in the Council's title to the property (e.g. 3rd Party access rights, etc.). The Council may also

impose further burdens/conditions if they consider this expedient (e.g. economic development burdens, 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 Transformation and Economy in consultation with the Chair of EDI.

2.2 **The sale of the Drumnadrochit Visitor Centre and connected toilets with rights to the 4 car parking spaces directly outside the building to Glenurquhart Rural Community Association for £85k.** The terms of the transfer would include-

- GURCA pay all reasonably incurred property and legal costs associated with the asset transfer process;
- any transfer/lease will be subject to existing burdens/conditions in the Council's title to the property (e.g. 3rd Party access rights, etc.). The Council may also impose further burdens/conditions if they consider this expedient (e.g. economic development burdens, 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 Transformation and Economy in consultation with the Chair of EDI.

2.3. Members are asked to **refuse** the following community asset transfer request-

The **sale of land to Kilmallie Community Centre Ltd.** comprising of a car park close to the centre. The request demonstrates very limited community benefit and would impact on current and future Council plans to develop how it manages traffic and parking.

3. Implications

3.1 Resource: The recommendations, if agreed, would mean the Council foregoes a potential capital receipt or lease payment if an open market sale/lease was achieved of:

- Para 4.1 reduction of £600 p.a. on a lease
- Para 5.1 a discount of £10k on a sale

3.2 Legal: The CAT process is a legislative process set out in the Community Empowerment Act. Public bodies have the right to refuse a CAT application however community bodies have the right of review first to the public body and then to appeal to Scottish Ministers.

3.3 Community (Equality, Poverty and Rural): Demonstrating community support for the proposed CAT is a crucial element to each asset transfer request. This is set out in each of the CAT assessments below. There are not considered to be any adverse implications of the current CATs.

3.4 Climate Change / Carbon Clever and Gaelic - There are not considered to be any implications.

3.5 Risk: although each assessment considers sustainability, there are risks that any group could fail in the future or choose to dispose of the transferred asset. The economic burden contained within the terms of transfer help to protect the Council against this and the Community Empowerment Act provides a clause which sets out how dissolution should be dealt with to ensure any transferred asset remains in

community hands for the benefit of the community in the circumstances of any organisation ceasing to exist.

4. Community Asset Transfer of land at Jubilee Park Road, Dingwall to Dingwall Men's Shed

4.1 Background

Dingwall Men's Shed has requested a 30-year lease at £300 pa (66% discount) for the 'Former Skate Park' at Jubilee Park Road, Dingwall. This is for the erection of a log cabin and wood clad shipping containers, to be used as a meeting space and workshop. Raised beds and polytunnels are also proposed for the site. Land at the former skate park has, until recently, been vacant. In September 2019, 2450 sqm of the land was granted to DMS under a licence to occupy. Granting DMS' request would therefore formalise a long-term lease, giving security of tenure over the site, as required to secure future funding for the proposed developments.

4.2 Assessment of CAT

4.2.1 Throughout the Shed's approach, there is a clear and well evidenced vision of **community benefit** from reducing social isolation; both for members of the group and the local community, including the elderly and by working in partnership with schools to maintain outdoor amenity spaces. These activities clearly support achievement of Scottish Government National Outcomes around health, wellbeing, sustainable places and sustainable communities.

4.2.2 **Capacity to deliver** - sound and sustainable community benefit is well evidenced throughout the proposal. This is supported by strong leadership, the relevant skill set of members, and partnership working with other community groups and public bodies. Benefits arising from the Shed's activities appear both robust and demonstrable value for money, in terms of potential reduced costs to public agencies engaged in health and wellbeing. This conclusion is also supported by Education Scotland's 2019 report on "Community Learning and Development in the Highland Council", which highlights the Shed's service provision as 'excellent'. A strong case is also made for the benefit to members and the local community as a consequence of dedicated premises being made available for the Shed's growing membership.

4.2.3 **Community support** for both the Shed and their asset transfer request is robustly demonstrated from beneficiaries of their services, as well as a broad range of private and public sector partners from the local area, including the Mid-Ross Community Partnership. Local Members are supportive of the Shed as a group and sympathetic to their concerns over finding a suitable permanent base to sustain and expand their activities.

4.2.4 The group's proposal shows sound consideration of **resourcing** the transfer and **sustainability** of the asset. Skills and experience necessary for the group to plan, fund and deliver a base of operations at the site have been evidenced to an acceptable level, including demonstrable capacity for revenue generation, fundraising and maintenance. This is also supported by a plausible business plan, seeking to reduce the group's dependence on grant aid by developing increased income from trading activities.

4.2.5 Whilst funds required for development of the "Shedders' village" are not yet in place, the group's demonstrated success with fundraising suggests capacity to resource effective project delivery, and therefore that good value can be derived from the group taking over the asset.

4.3 The proposal has been evaluated and the scores suggest that the request should be **agreed** to-

Community Benefit (outcomes): very strong

Capacity to deliver: strong

Community support: strong

Sustainability: moderate

Resourcing: strong

4.4 **Recommendation**

The **lease** of land at **Jubilee Park Road, Dingwall to Dingwall Men's Shed** for 30 years at £300 p.a The terms of the transfer would include-

- evidence of planning approval for the proposed development;
- Dingwall Men's Shed pay all reasonably incurred property and legal costs associated with the asset transfer process;
- the premises will be for community use only;
- the lease will be on a Full Repairing and Insuring basis (the tenant will be responsible for maintenance and insurance);
- reinstatement of the site upon termination of the lease;
- any transfer/lease will be subject to existing burdens/conditions in the Council's title to the property (e.g. 3rd Party access rights, etc.). The council may also impose further burdens/conditions if they consider this expedient (e.g. economic development burdens, 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 Transformation and Economy in consultation with the Chair of EDI.

5. **Community Asset Transfer of Drumnadrochit Visitor Centre and connected toilets with rights to the 4 car parking spaces directly outside the building to Glenurquhart Rural Community Association**

5.1 **Background**

Glen Urquhart Rural Community Association (GURCA) requests ownership of the former Tourist Information Centre (TIC) and connected toilet in Drumnadrochit for £85k (10% discount on market value). GURCA wishes to use the TIC and adjoining toilets as the base of operations for a proposed social enterprise, involving retail, passenger and baggage transfer for tourists. Tourist information, with an emphasis on local knowledge, will also be offered by volunteers. The TIC is already being operated by GURCA as an informal community hub and tourist information point, under a licence to occupy.

5.2 **Assessment**

5.2.1 The extent of potential direct **community benefit** from additional employment by the tourism business is slightly unclear. However, projected benefits to tourist infrastructure, other tourism businesses in the locality, and (largely seasonal) job creation appear sound and sustainable and are well demonstrated in GURCA's business plans. GURCA regards use of the building as a base of operations to be integral to the social enterprise's success. Approval of the CAT request is therefore presented as an opportunity to empower long-term reinvestment of significant projected profits from the tourism business into local development projects, under GURCA's leadership.

- 5.2.2 Following requests from THC’s Policy Team for more information on the proposed community development fund, GURCA has entered partnership with Soirbheas (a local development company specialising in environmental projects in Glen Urquhart and Strathglass) to develop plans for reinvestment of profits in local development projects. A feasibility study for a zero-emission community transport hub and “local energy plan” (to reduce carbon emissions across the locality) are currently in development and would comprise a major output, contingent upon GURCA’s revenue generating activities. Both prospective projects have the potential to reduce social inequalities and benefit the local environment.
- 5.2.3 Robust business planning is well evidenced throughout GURCA’s approach and suggestive of **capacity to deliver** both effective tourist services and a sustainable social enterprise which is commercially viable and highly profitable. GURCA is a long-established organisation with many local members and relevant experience from prior involvement in local development initiatives of a relatively high capital value. These include development of social housing and a care centre.
- 5.2.4 **Community support** has been acceptably evidenced from GURCA’s extensive community engagement during development of its proposals. This indicates a very high level of wide-ranging support for both the asset transfer and the associated business plans.
- 5.2.5 GURCA’s ability to ensure **sustainability** of the asset and associated business are well supported by robust and plausible business plans, which are well supported by market analysis. GURCA’s successful operation of the TIC as a community hub and tourist information point during the summer of 2019 further attests to the group’s capacity to effectively manage the building and deliver services from it.
- 5.2.6 Due to a lack of organisational reserves, a mixture of commercial borrowing and grant aid will be integral to **resourcing** both the requested purchase of the asset and broader business venture. Whilst plausible plans for fundraising have been presented, financial resources in support of the CAT depend upon a successful application to the Scottish Land Fund.
- 5.2.7 Due to the importance of public conveniences as a potential revenue generating asset to support THC’s service delivery, Community Services monitored use, operating costs and income from the toilets between April and August 2019. Due to significant levels of non-payment by users of the toilets and exceptionally high maintenance costs resulting from persistent vandalism and abuse of the facilities, Community Services no longer believe the toilets at this location are likely to operate at a net-profit for the Council.
- 5.2.8 Approval of transfer would therefore significantly empower both capacity building and local investment by a well-established community association. As such, asset transfer is likely to represent value for money.
- 5.3 The proposal has been evaluated and the scores suggest that the request should be **agreed** to-
- | | |
|--------------------------------------|------------------------------|
| <i>Community Benefit (outcomes):</i> | <i>Strong to Very Strong</i> |
| <i>Capacity to deliver:</i> | <i>Strong to Very Strong</i> |
| <i>Community support:</i> | <i>Moderate to Strong</i> |
| <i>Sustainability:</i> | <i>Very Strong</i> |
| <i>Resourcing:</i> | <i>Strong</i> |

5.4 Recommendation

The sale of the Drumnadrochit Visitor Centre and connected toilets with rights to the 4 car parking spaces directly outside the building to Glenurquhart Rural Community Association for £85k. The terms of the transfer would include-

- GURCA pay all reasonably incurred property and legal costs associated with the asset transfer process.
- Any transfer/lease will be subject to existing burdens/conditions in the Council's title to the property (e.g. 3rd Party access rights, etc.). The Council may also impose further burdens/conditions if they consider this expedient (e.g. economic development burdens, etc). The Council will only transfer/lease property for which it has title to do so.
- Any other terms to be agreed by the Executive Chief Officer Transformation and Economy in consultation with the Chair of EDI.

6. Community Asset Transfer of the public car park next to Kilmallie Community Centre Ltd.

6.1 Background

Kilmallie Community Centre Ltd (KCC) requests ownership of the car park which neighbours the Centre in Corpach, for £5,000. KCC operates the neighbouring centre as a venue for community events, training delivery, music nights and other social activities. Ownership of the car park is sought in the hope this will facilitate funding for improvements to the surface and to install additional facilities (details below).

6.2 Assessment

6.2.1 **Community benefit** is clearest in terms of mitigating perceived health and safety risks to the Centre's users, among other users of the car park (remediating deterioration in the surface, which is uneven and pot holed). Proposals to install additional facilities for paint recycling, electric vehicle charging and campervan waste disposal are not well demonstrated, nor based on robust information (on e.g. demand, sustainable operation, resourcing) and are therefore regarded as speculative.

6.2.2 **Community support** for resurfacing has been well demonstrated, including a petition of 254 signatories and letter of support from the Community Council. The Community Council highlights that its support for asset transfer relates specifically to the need for car parking improvements and that the car park is important to passing trade and visitors. As such, support for ownership by KCC may be regarded as contingent upon prospects for the proposed repairs, and regard for the car park's importance to users not otherwise associated with the Centre.

6.2.3 The Centre has acceptably evidenced its **capacity to deliver** the proposed improvements. KCC has a long track record of managing the Centre's facilities, including successful fundraising to support the cost of significant maintenance work, in recent years. A volunteer board is supported by one part time member of staff, who manages the Centre. Whilst KCC has provided little evidence of how it plans to sustain the Centre and its operations into the future, the need for professional and construction services is duly considered as part of the proposal for the car park.

6.2.4 KCC has not evidenced any planning or financial forecasting to demonstrate the **sustainability** of its proposals for the car park and additional facilities. As such, proposals for the asset upon transfer are both ill-defined and not based on robust information. No succession plans are in evidence to ensure sustainability of the organisation. Published accounts indicate the Centre has operated at a modest

financial loss for three out of four years (between 2015-18). Due to the lack of acceptable evidence relating to sustainability of the asset, transfer is not considered likely to demonstrate long-term value for money.

6.2.5 KCC has adequate unrestricted funds available to **resource** the costs of asset transfer and believes ownership will enhance prospects of securing funding for the car park and additional facilities (Elsan disposal for campervans; EV charging points; paint recycling point). KCC has applied to Highland Council's Town Centre Fund, to cover the cost of both purchase and the proposed improvements. Ownership is not required for KCC to avail itself of funds from the Town Centre Fund. It is therefore doubtful that transfer of ownership is necessary to bring about the proposed community benefit and there may be no 'additionality' from the proposal, which could be delivered under existing ownership by THC or a leasing arrangement with KCC. However, other funders' requirements relating to security of tenure may vary.

6.2.6 THC is currently reviewing the scope to introduce charging at the Corpach car park, as part of an income generation project. The benefits arising from KCC's proposal must therefore be considered against those which may arise from this alternative use. If the car park were transferred to KCC, the group would not have any legal enforcement powers to regulate the site. Should the car park be transferred, the new owners would be required to negotiate a 'section 75' developer contribution from the nearby marina towards the cost of resurfacing. If the car park is not transferred, Community Services will consider making repairs in the next financial year. Given THC's priorities around revenue generation to support delivery of core services (including region-wide statutory duties), disposal of a potentially profitable public asset would be of questionable value for money.

6.3 The proposal has been evaluated and the scores suggest that the request should be **refused** -

<i>Community Benefit (outcomes):</i>	<i>Weak</i>
<i>Capacity to deliver:</i>	<i>Moderate</i>
<i>Community support:</i>	<i>Strong to moderate</i>
<i>Sustainability:</i>	<i>Poor</i>
<i>Resourcing:</i>	<i>Weak</i>

6.4 **Recommendation**

Members are asked to refuse the sale of land to **Kilmallie Community Centre Ltd.** comprising of a public car park close to the centre. The request demonstrates very limited community benefit and would impact on current and future Council plans to develop how it manages traffic and parking.

Designation: Acting Head of Policy

Date: 01/10/19

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