

Agenda Item	6
Report No	CP/24/21

HIGHLAND COUNCIL

Committee: Communities and Place

Date: 31 August 2021

Report Title: Annual Community Asset Transfer Report 2020/21

Report By: Executive Chief Officer Communities and Place

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 at a discount on market value through a process known as Community Asset Transfer (CAT). Once a formal request is submitted, Local Authorities have 6 months to assess the application against a range of potential community benefits and determine whether to grant the request.
- 1.2 The Community Empowerment Act also places a requirement on relevant authorities including local authorities to publish an annual report on community asset transfer activity for each financial year and to submit this to the Scottish Government. The report in Appendix 1 contains a detailed picture of community asset transfer activity from Highland Council during April 2020 to March 2021.
- 1.3 Individual CATs can straddle financial years. Key messages for 2020/21 include:
 - the Council received a total of **7** new asset transfer requests.
 - the Council agreed to **5** asset transfers and refused **1** request during the year 2020/21. This total is lower than in 2019/20, when 12 requests were received, and 10 requests agreed. This reflects the Committee's prioritisation of Covid response and the deferral of some CAT requests by community transfer bodies during that time. Of those agreed:
 - all requests were for ownership;
 - discounts on transfer ranged from 81% - 100%;
 - capital value of assets released to community bodies totalled £333,500;
 - capital receipts to the Council from transfers to community ownership totalled £37,503.
 - **11** asset transfers were completed. This is the legal conclusion of a lease agreement or transfer of ownership, following prior approval of the CAT by committee.

- Since the asset transfer legislation came into force in 2017, the Council has transferred 14 assets and approved a further 33 (reflecting both withdrawals following approval and approvals for which conveyancing is ongoing).

1.4

This report asks Members to consider and agree the report at **Appendix 1** for submission to the Scottish Government.

1.5

The report also takes the opportunity to outline some insights and lessons learned regarding community asset transfer and how to develop the approach further, including the opportunities to invigorate local democracy for groups through the CAT process and the ability to facilitate transfer of surplus assets into community ownership through the CAT process.

2. Recommendations

2.1 Members are asked to:

- consider and agree the annual report on Community Asset Transfer as detailed in the report and at Appendix 1, for submission to the Scottish Government.
- consider and note the key learning points and opportunities related to asset transfer outlined in section 5.

3. Implications

3.1 **Resource implications:** the report outlines the total value of capital assets released to community bodies during 2020/21 as £333,500. This highlights the strong support the Council continues to demonstrate for enabling and encouraging community ownership. The total capital receipts to the Council from transfers to community ownership during 2020/21 was £37,503.

3.2 **Legal implications:** Community Asset Transfer (CAT) is a legislative process set out in the Community Empowerment Act. Public bodies have the right to refuse a CAT application on the grounds that greater community benefit will arise from current or alternative use. 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) impacts:** One of the Council's key strategic priorities within its Corporate Plan is:

Work to invigorate local democracy and put our communities at the heart of the design and delivery of services at a local level. We will also develop the capacity of communities to decide and deliver their local priorities.

This is supported by a number of outcomes targeted at increasing engagement, encouraging community led and run services and involving more people in local decision making. The CAT programme contributes to this strategic priority.

3.4 The CAT process in Highland continues to support community led regeneration, social enterprise, projects to increase local participation and engagement, health and wellbeing, redeveloped facilities and delivers new and improved local services, including visitor management facilities. Since the asset transfer legislation came into force in 2017, the Council has transferred 14 assets and approved a further 33 (reflecting both withdrawals following approval and approvals for which conveyancing is ongoing).

3.5 **Climate Change / Carbon Clever and Gaelic implications.** Normally when assets are transferred, they are improved by community bodies. This often makes assets more energy efficient with consequential reductions in carbon emissions.

3.6 **Risk implications:** a key consideration in the assessment of any asset transfer is the sustainability of the proposal. This is both to protect the public asset and ensure the ongoing benefit to the community of the asset. There are however 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 helps protect the Council, and public money, against this and the Community Empowerment Act provides a clause which stipulates how dissolution must be dealt with to ensure any transferred asset remains in community hands, for the benefit of the community, in the event of an organisation ceasing to exist.

4. **Scottish Government Annual Community Asset Transfer Report**

4.1 The Community Empowerment Act places a requirement on relevant authorities including local authorities to publish an annual report on community asset transfer activity for each financial year and to submit this to the Scottish Government by the end of June; although an extension was agreed to align with the Committee timetable. The draft report is attached as appendix 1 and Members are asked to consider and agree this for submission to the Scottish Government.

4.2 The report in Appendix 1 contains a detailed picture of community asset transfer activity in Highland during March 2020 to April 2021. The report highlights:

- In 2020/21, the Council received a total of **7** asset transfer requests.
- The Council has agreed to **5** asset transfers and refused **1** request during the year 2020/21.
 - This total is lower than in in 2019/20, when twelve requests were received, and ten requests agreed. This reflects the committee's prioritisation of Covid response and the deferral of some CAT requests by community bodies during that time.
 - All requests were for ownership.
 - The requests included transfer of community buildings, land, a car park and playing fields.
 - The 1 refusal was because the proposal was not fully developed
 - Discounts on transfer ranged from 81% - 100%.
 - Capital value of assets released to community bodies totalled £333,500.
 - Capital receipts from transfers to community ownership totalled £37,503.
- During 2020/21, **11** asset transfers which completed. This is the legal conclusion of a lease agreement or transfer of ownership, following prior approval of the CAT by committee.

4.3 The purpose of community asset transfer within community empowerment legislation is to enhance and increase community benefit outcomes in local communities through better use of assets. This involves public bodies foregoing some or all of the fiscal value in assets to do so. The 5 asset transfers agreed in 2020/21 present a positive picture of the Council supporting communities and agreeing to release capital assets totalling £333,500 at market value.

- 4.4 A broad variety of transfers through the CAT process has supported community led regeneration, social enterprise, projects to increase local participation and engagement, health and wellbeing, redevelop facilities and deliver new and improved local services, including visitor management facilities. Community led improvement of facilities for visitor management have made a particular contribution to alleviating pressure from large numbers of tourists on fragile, rural communities across Highland.
- 4.5 Community facilities remain the most common use of assets transferred through CAT. The vast majority of these proposals include a significant component of revenue generation associated with operation of the asset – e.g. rental income from sub-letting of facilities; income from toilets, parking, waste facilities, trading, borrowing against the asset.
- 4.6 The CAT programme contributes to the Council's key strategic priority within its Corporate Plan, to invigorate local democracy and put our communities at the heart of the design and delivery of services at a local level. Community engagement leading to CAT develops the capacity of communities to decide and deliver their local priorities. Transfer of assets to these engaged and aspiring communities empowers them to unlock further community benefit arising from the CAT proposal. Increasing participation and involvement is a key priority of the organisation and the role of the new Community Support Co-ordinators will include the support and capacity building of community bodies who wish to take on and use assets to fulfil their aims and objectives.

5. Supporting Community Ownership – Learning and Next Steps

- 5.1 As noted in section 4, community asset transfer can provide a wide range of benefits to support communities in addressing their priorities and aspirations. It can also make a valuable contribution to the development and improvement of community assets.
- 5.2 It is important to continue to evolve and develop our approach to asset transfer in order to better support our communities. In addition to ongoing liaison with community bodies and partners, in May 2021 the Council hosted a workshop on community ownership in advance of the Committee meeting with Community Ownership Support Service (COSS) hosted by the Development Trusts Association Scotland (DTAS), HIE and the Scottish Land Fund. It was well attended by Members. The learning and key points raised at the workshop and through other engagement are highlighted below.
- 5.3 **Support and capacity building for groups** – a partnership approach to support is crucial to enable groups to take on assets. Several ambitious projects associated with CAT requests have arisen from community groups with professional development officer capacity, but volunteer led projects have sometimes struggled with capacity to engage with the administrative demands of the CAT process. This is suggestive of underlying community capacity and CLD needed in some areas.
- 5.4 Officer support from key bodies such as COSS, HIE and HTSI partners is important but there is also potential for the new Community Support Coordinators to support the extensive engagement between community groups and Council services which is necessary for animation and conclusion of CATs.
- 5.5 **Sources of grant support** - community transfer bodies have highlighted particular challenges around limited availability of flexible financial sources to fund redevelopment of assets following transfer. This has also been highlighted as a concern at a regional level by public sector partners and nationally by DTAS-COSS

and during the recent Member workshop on community ownership. Opportunities currently being explored include:

- greater promotion and awareness of sources of funding available for local bodies – both local and national, but also lobbying for longer lead in times to enable volunteer-led groups the time required to develop proposals;
- the scope for a Council community loans fund, as highlighted in the phase 2 investment report considered at Council in June 2021. This could support groups to take on assets but require financial support to develop these prior to income generation being achieved. This could also support the Council to divest assets and communities to invest to sustain local services.

- 5.6 **Asset Transfer and Local Priorities** – opportunities to reinforce links between CAT of Council assets and community and place planning. CAT requests received during 2020/21 show an increasing co-dependency between CAT and grant aid either delivered or brokered by Highland Council: Coastal Communities Fund; Town Centre Fund; Rural Tourism Infrastructure Fund; Regeneration Capital Grant Fund; Place Based Investment Fund; and Ward Discretionary Funds. During 2020/21, a decision was taken to devolve decision making for assets below the value of £100,000 to the 11 local Area Committees. Local Committees have even more opportunities to coordinate local funds to support priorities identified by the community and support the Council's asset management planning.
- 5.7 **Developing the approach to CAT** – one of the challenges identified by community bodies is the time taken to conclude transfer requests. Whilst decisions on transfer must be agreed or refused within 6 months, the time taken between legal teams to fully conclude a transfer can take 12-18 months. These legal restraints make it more difficult for communities to respond to urgent development requests.
- 5.8 Engagement with other Scottish Local Authorities through the Community Ownership Support Service has indicated a significant trend across Local Authorities to regard CAT 'within the Act' as just one tool for disposal of assets and supporting community ownership. As well as reacting to requests for CAT, work is planned to take a more pro-active approach to offering communities ownership of surplus assets.
- 5.9 Further options for developing our approach to CAT, including making the process easier and more streamlined will be reported at a future Committee meeting.

Designation: ECO Communities and Place

Date: 13/08/2021

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Appendix 1: Scottish Government Annual Community Asset Transfer Report

Appendix 1



**Asset Transfer Request
Reporting Template 2020/21 for Relevant Authorities**

Section 95 of the Community Empowerment (Scotland) Act 2015 requires relevant authorities to produce an annual report on Asset Transfer Request activity and publish this no later than 30 June each year.

Following stakeholder feedback and in response to asset transfer evaluations, this template has been created to help gather asset transfer data for the period 1 April 2020 to 31 March 2021. Information provided will help inform policy and practice at local and national level as the data will be collated and shared by the Scottish Government's Community Empowerment Team. However, it will be for each relevant authority to make their own annual report publicly available by 30 June 2021, whether using this template or not.

Please provide information in the four sections below and email the completed template by 30 June 2021 to community.empowerment@gov.scot.

Section One – Relevant Authority Information

Organisation: Highland Council

Address: Glenurquhart Road, Inverness, IV3 5NX

Completed by: Pablo Mascarenhas

Role: Communities & Democratic Engagement Manager

Email: pablo.mascarenhas@highland.gov.uk

Telephone: 01463 702247

Date of completion: 10.07.21

Are you the Asset Transfer Lead Contact for the organisation: Yes

If not please provide the name, job title and email address for the lead contact for any queries: N/A.

Section 2: Asset Transfer Data in 2020/21

2.1 Please complete the following table for the 2020/21 reporting period :

Total new (validated) applications received in 2020/21	Total applications received prior to 1 April 2020 which were still to be determined at 1 April 2020	Number of successful applications agreed in 2020/21	Number of unsuccessful applications refused in 2020/21	Total applications (received in any year) still to be determined as at 31 March 2021.
7	4	5	1	5

2.2 Please provide details of Asset Transfer Requests received which resulted in transfer of ownership, lease, or rights from your relevant authority to a community transfer body in 2020/21:

- Transfers legally completed during 2020/21 - **11** highlighted in blue
- Valid transfer requests received during the year and transfer agreed by committee during 2020/21 - **1** highlighted in orange
- Transfers received in previous years but agreed to by committee in 2020/21 - **4** highlighted in green
- Requests agreed by committee in previous year but where the legal process is not yet agreed - **7** highlighted in yellow
- Requests agreed by committee in previous year and where the legal process has been agreed in 2021/22 – **1** highlighted in purple

Name of Community Transfer Body	Date request accepted	Date decision agreed to transfer	Date transfer completed	Description of the asset / area transferred	Amount Paid	Discount Given	Type of transfer	Purpose of transfer
Kyle of Sutherland Hub	20/11/2019	09/03/2020	18/02/2021	Land at South Bonar Industrial Estate	£1	100%	Ownership	Development of parking for community facility
Community Out West Trust	12/11/2019	09/03/2020	22/12/2020	Kinlochewe public toilets, car park and adjacent picnic area	£1	100%	Ownership	Development of tourist facilities, inc. toilets
Dingwall Men's Shed	18/09/2019	19/11/2019	01/12/2020	Land at the "former skate park", Jubilee Park Road, Dingwall	£300	66%	Rental	Development of meeting space and workshop.
Cromarty Community Development Trust	19/06/2019	29/08/2019	26/03/2021	Land at Whitedykes Industrial Estate, Cromarty	£1	100%	Ownership	Parking and facilities for up to 12 motorhomes

Name of Community Transfer Body	Date request accepted	Date decision agreed to transfer	Date transfer completed	Description of the asset / area transferred	Amount Paid	Discount Given	Type of transfer	Purpose of transfer
Spean Bridge Community Centre	01/03/2019	27/08/2019	09/03/2021	Spean Bridge Community Centre	£1	100%	Ownership	Security of tenure to sustain and expand community facility.
Strathpeffer Pavilion Community Trust	28/02/2019	04/06/2019	21/09/2020	Strathpeffer Spa Garden and Pump Room	£1	100%	Ownership	Security of tenure to sustain and expand venue for community use and social enterprise.
Inverness Men's Shed	06/12/2018	29/03/2019	26/05/2020	Pavilion at Millburn Academy, Inverness	£1	100%	Rental	Meeting space and workshop
Ardnamurchan Lighthouse Trust	18/09/2018	26/02/2019	28/07/2020	Site Surrounding Ardnamurchan Lighthouse	£137,500	50%	Ownership	Redevelopment and improvement of the site facilities.
Strathpeffer Resident's Association	05/05/2018	14/03/2019	15/03/2021	Playpark/land adjacent to Ord Terrace, Strathpeffer	£7,500	50%	Ownership	Development of community garden
Gairloch Area Development Ltd	15/03/2018	18/09/2018	28/08/2020	Cemetery Car Park Toilets & surrounding land	£1,000	N/A	Ownership	Development of tourist facilities, inc. toilets
Kingussie Tennis Club	07/04/2017	10/01/2018	30/03/2021	Tennis Courts and Pavilion, Kingussie	£1	100%	Rental	Renovation of facility for sporting use

Name of Community Transfer Body	Date request accepted	Date decision agreed to transfer	Date transfer completed	Description of the asset / area transferred	Amount Paid	Discount Given	Type of transfer	Purpose of transfer
Kilmallie Community Centre Ltd	07/09/2020	10/02/2021	Conveyancing not yet concluded	Car Park at Station Rd, Corpach	£7,500	81%	Ownership	Improved parking, tourist infrastructure, EV charging and expanded recycling facilities
Assynt Development Trust	09/03/2020	25/01/2021	11/05/2021	Mission, Lochinver	£1	100%	Ownership	Security of tenure for borrowing to fund local development project delivery
Inverness Rowing Club	07/01/2020	17/09/2020	Conveyancing not yet concluded	Land at former Torvean golf club, Inverness	£1	100%	Ownership	Clubhouse development
Acharacle Community Company	02/12/2019	08/09/2020	04/05/2021	Acharacle Community Centre	£30,000	85%	Ownership	Improvement of community facility
Wick Community Hub	29/11/2019	08/09/2020	Conveyancing not yet concluded	Rosebank Playing Fields & Pavilion, Wick	£1	100%	Ownership	Improvement of leisure facility
Strathnaver Museum	14/06/2019	29/08/2019	Conveyancing not yet concluded	Land at Clachan Graveyard Extension, Bettyhill	£1	100%	Ownership	Extension of museum visitor centre
Stratherrick and Foyers Community Trust	26/03/2019	21/08/2019	Conveyancing not yet concluded	Land at Falls of Foyers Car Park	1 pence	100%	Rental	Relocation and redevelopment of existing public toilets
Ormlie Community Association, Ltd.	16/02/2019	27/08/2019	Conveyancing not yet concluded	Ormlie Community Centre, Thurso	£1	100%	Rental	Security of tenure to sustain and expand community facility.

Name of Community Transfer Body	Date request accepted	Date decision agreed to transfer	Date transfer completed	Description of the asset / area transferred	Amount Paid	Discount Given	Type of transfer	Purpose of transfer
Seaboard Community Polytunnel Group	21/09/2018	26/02/2019	Conveyancing not yet concluded	Land at Harbour Green, Balintore	£1	100%	Rental	Development of community garden
Helmsdale and District Development Trust	18/09/2018	16/02/2019	Conveyancing not yet concluded	Coupers Yard, Helmsdale	Nil	100%	Ownership	Development of small industrial spaces; campervan aire; Glamping Pods.
Strathnaver Museum	01/03/2018	12/06/2019	Conveyancing not yet concluded	Bettyhill Visitor Centre	£1	100%	Ownership	Development of café for museum visitors
Seaboard Memorial Hall	17/11/2017	18/09/2018	Conveyancing not yet concluded	Balintore Harbour Public Toilets and Site	£1	100%	Ownership	Sustained operation of toilets following closure
Glen Urquhart Rural Community Association	20/12/2018	15/11/2019	27/04/2021	Drumnadrochit Tourist Information Centre	£85,000	10%	Ownership	Development of tourist oriented social enterprise

2.3 Please provide details of Asset Transfer Requests that went to a relevant authority appeal (internal) and/or review (Scottish Government) which were concluded in 2020/21:

Name of Community Transfer Body	Was the Asset Transfer Appeal/Review accepted? (Y/N)	Why was the Appeal/Review accepted/refused? <i>Please provide details of the asset transfer request and reasons for your decision.</i>
None during this period.		

2.4 How many assets in total have been transferred to community ownership, lease or management by your organisation since the asset transfer legislation came into force in January 2017?

14 transfers finalised of 33 transfers approved (difference reflecting both withdrawals following approval and approvals for which conveyancing is ongoing).

2.5 Please provide information on any assets transferred to community ownership *outwith* the Asset Transfer legislative process since January 2017.

No such transfers of ownership out with the CAT process.

2.6 Considering asset transfers that have completed since 2017, what do you consider to be the outcomes (benefits/challenges) for the communities that have taken ownership of the assets?

Transfers of ownership from Highland Council to communities have supported a range of outcomes targeted at increasing community engagement, increasing and encouraging community led and run services and involving more people in local decision making.

The CAT programme contributes to the Council's key strategic priority within its Corporate Plan, to invigorate local democracy and put our communities at the heart of the design and delivery of services at a local level. Community engagement leading to CAT develops the capacity of communities to decide and deliver their local priorities. Transfer of assets to these engaged and aspiring communities empowers them to unlock further community benefit arising from the CAT proposal.

A broad variety of transfers through the CAT process have supported community led regeneration, social enterprise, projects to increase local participation and engagement, health and wellbeing, redevelop facilities and deliver new and improved local services, including visitor management facilities.

Community led improvement of facilities for visitor management have made a particular contribution to alleviating pressure from large numbers of tourists on fragile, rural communities across Highland.

Community facilities remain the most common use of assets transferred through CAT. The vast majority of these proposals include a significant component of revenue generation associated with operation of the asset – e.g. rental income from sub-letting of facilities; income from toilets, parking, waste facilities, trading, borrowing against the asset.

2.7 Please use this space to provide any further comments relating to the above data:

Section Three – Promotion and Equality

3.1 Please provide information on any action you have taken to promote the benefits of asset transfer or any support provided for communities to engage with the Asset Transfer Request process during 2020/21.

-Support meetings between officers and prospective applicants, to advise and support preparation of evidenced applications.

- Signposting of external support services and guidance, including Development Trusts Association -COSS, Highlands and Islands Enterprise, Highland Third Sector Interface.

-Online meetings to engage with communities considering CAT of public conveniences.

3.2 In particular what action has been taken to support disadvantaged communities to engage with the asset transfer process during 2020/21?

Community asset transfer forms an integral part of Highland Council's approach to community planning, community development and working with and involving our communities. We are developing locality plans across the communities with the highest levels of inequalities. A key part of this is understanding the asset requirements of the public, voluntary and community sectors. Local community partnerships provide a support network for communities working toward community asset transfer with central support officers providing specialist development, legal and property guidance.

3.3 Please provide any details of the inclusiveness and involvement of local organisations when determining asset transfer applications.

A key consideration in the assessment process is the level and nature of the support the local group requesting the transfer has from the wider community. Further information has been requested on a number of occasions to ensure that there is support for the aims and proposals of the group requesting the transfer.

In addition to this, local organisations are encouraged to submit representations to indicate their view on the published CAT proposal.

Section Four – Additional Information

4.1 Please use this space to provide any further feedback not covered in the above sections.

For example, we are interested in your reflections about what has gone well and what has gone less well in relation to Asset Transfers during 2020/21?

Is there any aspect of the process that you intend to adapt or change in the year ahead?

Have you identified any needs for guidance or support that would support the ATR process?

If you have developed any case study material or published new information about Asset Transfer Requests please share links to those with us here.

Developing understanding of community aspirations for their local land and buildings suggests there are three broadly different types of request received by Highland Council.

1. Community Asset Transfer Requests in terms of the Community Empowerment Act. Responding to a need identified by the community; delivering something additional to meet that need.
2. Continuation requests: sitting tenants, or groups seeking re-assignment of a lease to safeguard continued operation of a facility or service.
3. Social enterprise requests: groups oriented to delivery of community benefit such as youth employability or regeneration, but not eligible for CAT, such as Community Interest Companies whose directors can draw down funds.

Consideration is being given to the requirements necessary to capture and evaluate community benefit delivered by transfers of types 2 & 3, as well as to govern risks arising.

During 2020/21, a decision was taken to devolve decision making for assets below the value of £100,000 to the 11 local Area Committees. This ensures that the decision making on the transfer of any asset to the local community is being made directly by local members who understand the local context and community priorities. It also supports local coordination of Council local discretionary funds to support local priorities.

From ongoing engagement with community bodies and partners, including through a virtual seminar hosted by the Council in May 2021 involving COSS/DATS, HIE and the Scottish Land Fund, the following areas for development are currently under consideration:

- support and capacity building for community bodies – a partnership approach is required including helping groups engage with the administrative demands of the CAT process. The Council is recruiting fixed term Community Support Coordinators as one additional approach;
- supporting groups with sources of grant support to find the development of assets post transfer. This includes promotion of funding streams and considering the feasibility of a Council run community loans fund. One area for Government support is to encourage funders to provide longer lead in times so that volunteer-led groups have sufficient time to develop proposals;
- as well as responding to requests for CAT, work is planned to take a more pro-active approach to offering communities ownership of surplus assets and as part of the Council's asset management strategy;

- options are being explored to further streamline the process of supporting CAT.