

Agenda Item	12.
Report No	CP/15/22

THE HIGHLAND COUNCIL

Committee: Communities and Place

Date: 17 August 2022

Report Title: Annual Community Asset Transfer Report 2021/22

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). The 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.
- 1.2 In November 2021, the Communities and Place Committee agreed to adopt a broader and more streamlined approach to CAT ([CP/35/21: Increasing community ownership and the role of Community Asset Transfer](#)). The purpose of this was to increase community ownership by creating a more streamlined and proportionate approach whilst retaining the core principles of community benefit and best value. In light of this expanded approach, reporting on CAT now includes both community requests handled in terms of the Empowerment Act and those considered under general disposal regulations.
- 1.3 Individual CATs can straddle financial years. Key messages for 2021/22 include:
- The Council received a total of **12** new asset transfer requests.
 - The Council agreed to **12** asset transfer requests and refused **0** requests during the year 2021/22. This total is higher than in 2020/21, when **7** requests were received, and **5** requests agreed. Of those agreed in 2021/22:
 - **6** were for ownership; 4 for leases; 2 for rights of access or short-term occupancy agreements.
 - **8** were handled in terms of the Community Empowerment Act; 4 were handled under general property disposal regulations.
 - Discounts on potential capital value of assets released to community bodies totalled **£255,996**.
 - Discounts on potential rental income totalled **£1,999 p/a**.

- **8** Community Asset Transfers were completed during 2021/22. 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 **22 assets** and approved **45 requests** (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 which contains a detailed picture of community asset transfer activity from Highland Council during April 2021 to March 2022. This includes the proposed response to a series of questions posed on the experience of community asset transfer to help inform the review of the Community Empowerment Act recently launched by the Scottish Government.

2. Recommendations

2.1 Members are asked to:

- Note the annual community asset transfer report and the update on transfers that have taken place over the previous 12 months;
- Consider the proposed response to the questions on learning from the Community Empowerment Act outlined in section 5 and agree any additional points to be included;
- 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.

3. Implications

3.1 **Resource implications:** the report outlines the total value of discount on capital assets released to community bodies during 2021/22 as £255,996. This highlights the strong support the Council continues to demonstrate for enabling and encouraging community ownership. Total value of discounts on capital assets transferred to community ownership during 2020/21 was £599,495.

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:** Over a number of years the Council has continued to prioritise supporting community bodies to decide and deliver their own priorities and community asset transfer has been one of the key mechanisms to achieve this.

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 delivery of new and improved local

services, including visitor management facilities. Since the asset transfer legislation came into force in 2017, the Council has transferred 22 assets and approved a total of 45 requests (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 ongoing benefit to the community from effective use of the asset. There are however risks that any group could fail in the future or choose to dispose of the transferred asset. The conditions of transfer take this into account and conditions of transfer, such as an economic development burden, helps protect the Council and public money against this. 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. Background

- 4.1 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). This mechanism came into force in January 2017. However, Highland Council has a long tradition of supporting community use of land and buildings, which predates the Empowerment Act. Once a completed request is submitted from an eligible community group, the Empowerment Act stipulates that Local Authorities have six months to assess the application against a range of potential community benefits and determine whether to grant the request.
- 4.2 Community ownership of assets has an important role in supporting people to create local opportunities and transform their communities, responding to local challenges by taking control of land and buildings where they live. It can also support bringing surplus or underutilised assets back into improved use, for the benefit of the community. It is therefore a key priority for the Council to support greater community ownership.
- 4.3 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.

5. Scottish Government Annual Community Asset Transfer Report

- 5.1 The report in Appendix 1 contains a detailed picture of community asset transfer activity in Highland during April 2021 to March 2022. For the first time, this also

includes those asset transfers to community bodies where this has been taken forward under property disposal regulations. This aligns with the decision taken at the Communities and Place Committee in November 2021 to improve and strengthen the asset transfer process. Community benefit and best value continue to be central factors to any decision to transfer.

5.2 The report highlights:

- The Council received a total of **12** new asset transfer requests. Of these:
 - **7** were Community Asset Transfer requests handled in terms of the Community Empowerment Act.
 - 2 of these requests were withdrawn by the applicant group.
 - **5** were requests to lease or use land or buildings, which were handled out with the Community Empowerment Act under general property disposal regulations, or alternative approaches – e.g. a licence to occupy, or licence for works.

- The Council agreed to **12** asset transfer requests and refused **0** requests during the year 2021/22. This total is higher than in 2020/21, when **7** requests were received, and **5** requests agreed. Of those agreed in 2021/22:
 - **6** were for ownership; 4 for leases; 2 for rights of access or short-term occupancy agreements.
 - **8** were handled in terms of the Community Empowerment Act; 4 were handled under general property disposal regulations.
 - Discounts on sale through CAT ranged from 71% - 100% of market value.
 - Discounts on lease through CAT ranged from 0% - 100% of market rental value.
 - Discounts on potential capital value of assets released to community bodies totalled **£255,996**.
 - Discounts on potential rental income totalled **£1,999 p/a**.
 - Capital receipts to the Council from transfers to community ownership totalled £1004.
 - Anticipated rental income from leases transferred to community bodies totalled £3 p/a.

- **8** Community Asset Transfers were completed during 2021/22. This is the legal conclusion of a lease agreement or transfer of ownership, following prior approval of the CAT by committee.

5.3 The purpose of community asset transfer within community empowerment legislation is to enhance and increase community benefit outcomes in local communities through improved use of publicly owned assets. This can involve public bodies foregoing some or all financial value of assets to support delivery of the community benefit arising from transfer (awarding discounts on market value or market rental value). The 12 asset transfers agreed in 2021/22 present a positive picture of the Council supporting communities and agreeing to discounts on the transfer of capital assets totalling £255,996 at market value and forfeiture of potential income from leases totalling £1,999 p/a at market rental value.

5.4 The asset transfer requests agreed to in 2021/22 are typical of the type of requests seen in recent years; a mix of creating new facilities, developing or upgrading existing facilities or reinstating previous facilities/services. There is a strong focus

on visitor related facilities, health and wellbeing projects and leisure and sports related projects. Regeneration, community development and revenue generation are all key themes and a desire to improve local communities at the heart of all the requests that have been approved. The details of each request can be found at the report in appendix 1.

- 5.5 The CAT programme contributes to a continuing aim of the Council to invigorate local democracy and put 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 Community Support Co-ordinators role has provided integral to support and capacity building for community bodies seeking to take on and use assets to fulfil local aims and objectives.

6. Review of the Community Empowerment (Scotland) Act 2015

- 6.1 The Scottish Government announced a review of the Community Empowerment (Scotland) Act 2015 in July 2022. The Government have noted that the review will have a particular focus on community ownership and strengthening decision-making to improve outcomes for the local community. It is intended to complete the review in the second half of 2023.

- 6.2 As part of the Annual Asset Transfer Report, a series of initial questions have been posed on the experience of the Act and potential areas for improvement. It should be noted that there will be further opportunities to input into the review of the Empowerment Act. The proposed responses are set out below and Members are asked to consider whether there are further points they would wish to add to the response at this time.

- 6.2.1 *1. Has the legislation made things easier or more difficult to access? Please provide some comments on your experiences as a relevant authority engaging with this legislation.*

Community groups' ability to obtain use of public land and buildings has been enhanced by the introduction of a right of response to requests from eligible groups and a single point of contact at Highland Council to coordinate requests. However, the Council has moved to a position where CAT within the Act – as other Local Authorities have - is just one tool for disposal of assets and supporting community ownership. This enables the Council to be more responsive to the specific needs of groups but also reflecting that the definition of community bodies under the Act is limited and not all groups qualify under that definition. 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. Whilst the Act is welcome and important, taking this broader approach gives greater flexibility to respond to the needs of communities.

- 6.2.2 *2. Where can things be further improved, and what needs to change?*

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. Often, those bodies who have been successful in securing development officer funding from central/national funds, are already those with significant capacity. Consideration should be given to targeting national/central funding at areas and groups that are less developed and also those which do not have independent financial means e.g. windfarm funding.

Sources of post-acquisition 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. The Council has created a Community Loans Fund and supports groups through a range of local funding opportunities but a national fund for this purpose would be welcome.

Independent legal support – 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. Expert independent legal support provided through a body focused and that understands this area of work would be beneficial for groups.

Managing expectations – community asset transfer in itself is step one. This is the beginning of a legal process that does take time to complete. Additional factors such as the requirement for planning permission, access to external funding and business planning can all result in a transfer taking time to conclude. Whilst the Council has taken steps to assist groups to understand the complexities around this, and also put additional steps such as a title check in at an earlier stage to help pre-empt later issues, there is a need for greater national promotion around the time required for legal processes to conclude beyond the initial 6 months.

Flexibility in approach – as noted to question 1, Highland Council, as like many others, have adopted a broader approach to asset transfers than just those under the Community Empowerment Act. This is helpful and gives greater flexibility. It would be helpful to acknowledge that transfers can and do happen in different ways and that these approaches are outlined in guidance to community organisations and public bodies.

National Approach to Economic Development Burdens – it is a normal approach to seek to apply an Economic Development Burden of 20+ years to a transaction where the recipient is a community body. This is to protect the value of the asset and ensure it (or the value) remains in community control. The placing of burdens or other protections is recommended to authorities in the Scottish Government guidance offered to support Community Asset Transfer under the Community Empowerment Act. It is also key to ensuring that the Council meets its Best Value obligations and protects public resources.

However, a number of external funding bodies – some acting on behalf of the Scottish Government – will now refuse to provide funding to groups that have an EDB greater than 5 years. This places Local Authorities in a contradictory position and requires clarification at a national level.

- 6.2.3 3. *Are you aware of what support is available to you when engaging with this legislation, and how you can access this? Please provide comments where possible.*

Officer support from COSS and Highland TSI has been invaluable to Community Transfer Bodies preparing for CAT.

In relation to Local Authorities, an officer network would be beneficial to share learning and seek improvements to the CAT process.

- 6.2.4 4. *What would you like to see now, to further empower Scotland's communities?*

In relation to asset transfer specifically, please see 5.2 - enhanced availability of start-up and capital development funds to support the delivery of community projects following acquisition of land and buildings and expert legal support for community organisations.

Designation: Executive Chief Officer, Communities and Place

Date: 3 August 2022

Authors: Ewen McIntosh, Localism & Engagement Coordinator
Alison Clark, Head of Community Support & Engagement

Appendix 1: Scottish Government Annual Community Asset Transfer Report

Appendix 1

**Asset Transfer Request
Reporting Template 2021/22 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 2021 to 31 March 2022. 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 2022, whether using this template or not.

Please provide information in the sections below and email the completed template by 30 June 2022 to community.empowerment@gov.scot.

Section One – Relevant Authority Information

Organisation: Highland Council

Address: Glenurquhart Rd, Inverness, IV3 5NX

Completed by: Ewen McIntosh

Role: Localism & Engagement Coordinator

Email: CAT@Highland.gov.uk

Date of completion: 23.06.2022

Are you the Asset Transfer Lead Contact for the organisation: No

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

Pablo Mascarenhas, Communities & Democratic Engagement Manager

CAT@Highland.gov.uk

Section 2: Asset Transfer Data in 2021/22

2.1 Please complete the following table for the 2021/22 reporting period:

Total Applications Received	Number of successful applications determined	Number of unsuccessful applications determined	Number received and yet to be determined	Number received prior to 2020/21 and yet to be determined
<p style="text-align: center;">12</p> <p><i>Including requests which were ineligible due to inappropriate group governance, those subsequently withdrawn by the Community Transfer Body making the request and those for which an alternative agreement was reached out with the Empowerment Act (e.g. access agreements).</i></p>	<p style="text-align: center;">11</p> <p><i>Of which,</i></p> <p><i>-7 in terms of the Empowerment Act</i></p> <p><i>-4 out with the Act</i></p> <p><i>(Including applications received in the previous year and determined during 2021/22).</i></p>	<p style="text-align: center;">None</p>	<p style="text-align: center;">4</p> <p><i>Of which, 3 being handled in terms of the Empowerment Act and 1 under property disposal regulations.</i></p>	<p style="text-align: center;">None</p>

2.2 Asset Transfer Requests resulting in transfer of ownership, lease, or rights in 2021/22:

Key:

- 7 requests received during the year and transfer agreed during 2021/22 - highlighted in orange.
- 5 requests received in previous years but agreed in 2021/22 - highlighted in green.
- 6 requests agreed prior to 2021/22, subsequently legally completed during 2021/22 - highlighted in blue.
- 6 requests agreed prior to 2021/22, but where the legal process is not yet agreed - highlighted in yellow.

Community Transfer Body	Request accepted	Decision agreed	Transfer completed	Description of asset / area transferred	Amount Paid	Discount Given	Type of transfer	Purpose of transfer
Dunbeath & District Centre	06/10/2021	30/03/2022	Conveyancing not yet concluded	Land south-west of Neil Gunn Road, Dunbeath	£1	100%	Ownership	Develop a new health and wellbeing centre
Lochcarron Leisure Centre	21/12/2021	29/03/2022	Conveyancing not yet concluded	Former nursery portacabin, Lochcarron	£1,000	93%	Transfer out with Act (ownership)	Redevelopment as a fitness and training facility
Grantown Initiative	27/11/2020	23/03/2022	Conveyancing not yet concluded	Burnfield Public Toilets, Grantown	£1	100%	Ownership	Reinstate the public conveniences
Halkirk Village Council	14/03/2022	March 2022	Not applicable	Playpark, Church Lane, Halkirk	Nil	N/A	Agreement out with Act (access)	Playpark improvement
Thurso Festive Lights	09/11/2021	March 2022	Not applicable	Storage at Roads	Nil	N/A	Agreement out with Act (access)	Storage of Christmas lights
Thurso Community Development Trust	14/06/2021	09/11/2021	10/01/2022	Thurso Greenhouse Complex	£1	100%	Rental	Renovate to grow food as a social enterprise

Road to the Isles Facilities Group	26/03/2021	20/10/2021	Conveyancing not yet concluded	Tougal Car Park and Toilets	Nil	100%	Rental	Improve and extend parking
Kingussie Camanachd Club	14/06/2021	29/09/2021	Conveyancing not yet concluded	Market Stance Playing Field, Kingussie	£1	None	Rental	Upgrade facility
Raasay Development Trust	21/03/2021	30/08/2021	Conveyancing not yet concluded	Raasay New Ferry Terminal	£1	100%	Rental	Redevelopment as part of community pontoon project
Outdoor Access Trust for Scotland	01/04/2021	14/06/2021	Conveyancing not yet concluded	Stac Pollaidh Car Park	£1	100%	Transfer out with Act (lease)	Improve and extend parking
Broadford and Strath Community Company	01/03/2021	31/05/2021	18/11/2021	Elgol Public Toilets	Nil	100%	Ownership	Redevelopment of toilets & disabled parking
Maryburgh Men's Shed	17/09/2020	01/04/2021	23/06/2022	Area of former Maryburgh Primary School	£1	100%	Ownership	Development of facility for meetings & activities
Kilmallie Community Centre Ltd	07/09/2020	10/02/2021	06/09/2021	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	23/11/2021	Rosebank Playing Fields & Pavilion, Wick	£1	100%	Ownership	Improvement of leisure facility
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
Strathnaver Museum	14/06/2019	29/08/2019	23/08/2021	Land at Clachan Graveyard Extension, Bettyhill	£1	100%	Ownership	Extension of museum visitor centre
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.
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 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.
Seaboard Memorial Hall	17/11/2017	18/09/2018	Conveyancing not yet concluded	Balintore Harbour Public Toilets and Site	£1	100%	Ownership	Sustain operation of toilets following closure

2.3 Please provide details of Asset Transfer Requests that went to a relevant authority appeal or review which were concluded in 2021/22:

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		

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

The report highlights:

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 - 2 of these requests were withdrawn by the applicant group.
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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.

- Support meetings between officers and prospective applicants, to advise and support preparation of evidenced applications.
- Direct support from Community Support Co-ordinators to advice groups and build readiness and capacity to take on assets to support local aims and objectives.
- Signposting of external support services and guidance, including Development Trusts Association -Community Ownership Support Service, Highlands and Islands Enterprise, Highland Third Sector Interface.
- Promotion of successful transfer requests and benefits delivered to communities.
- Reviewed and revised the Council's approach to CAT to expedite requests and improve the process. This has been based on community group and officer learning from the CAT process. This includes a stronger Expression of Interest phase and also taking forward CAT requests outwith the terms of the Act and under Property Disposal Regulations if this is appropriate for the community group.

3.2 In particular, what action has been taken to support disadvantaged communities to engage with the asset transfer process?

Consideration of local priorities through the locality planning process has assisted to identify what local communities wish to prioritise within their areas. The Council's Community Support team have been working with groups directly in areas, and with communities of interest, facing greatest disadvantage to help build capacity and readiness for taking forward CAT requests.

Section Four – Additional Information

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

Over the preceding year, Highland Council has observed an unprecedented increase in the numbers of public representations received regarding several CAT requests, during the public notice period. The broad trend appears to be one of growing community and public interest in the custodianship and future use of publicly owned land in buildings in their local area.

There has also been a marked increase in interest in asset transfer from social enterprises. This has raised significant new challenges in the assessment of wider community benefit as a basis for determination of transfer, as such groups tend to have limited membership and be oriented towards delivery of specialist services targeted at a more limited demographic, rather than a broader geographical community or broad community of interest.

Section 5 – Community Empowerment Act Review

The following questions relate to the Scottish Government review of the Community Empowerment (Scotland) Act 2015. We would value your feedback as a relevant authority concerned with part 5 (asset transfers) of the Community Empowerment (Scotland) Act 2015.

5.1 Has the legislation made things easier or more difficult to access? Please provide some comments on your experiences as a relevant authority engaging with this legislation.

Community groups' ability to obtain use of public land and buildings has been enhanced by the introduction of a right of response to requests from eligible groups and a single point of contact at Highland Council to coordinate requests. However, the Council has moved to a position where CAT within the Act – as other Local Authorities have - is just one tool for disposal of assets and supporting community ownership. This enables the Council to be more responsive to the specific needs of groups but also reflecting that the definition of community bodies under the Act is limited and not all groups qualify under that definition. 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. Whilst the Act is welcome and important, taking this broader approach gives greater flexibility to respond to the needs of communities.

5.2 Where can things be further improved, and what needs to change?

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. Often, those bodies who have been successful in securing development officer funding from central/national funds, are already those with significant capacity. Consideration should be given to targeting national/central funding at areas and

groups that are less developed and also those which do not have independent financial means e.g. windfarm funding.

Sources of post-acquisition 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. The Council has created a Community Loans Fund and supports groups through a range of local funding opportunities but a national fund for this purpose would be welcome.

Independent Legal Support - 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. Expert independent legal support provided through a body focused and that understands this area of work would be beneficial for groups.

Managing expectations – community asset transfer in itself is step one. This is the beginning of a legal process that does take time to complete. Additional factors such as the requirement for planning permission, access to external funding and business planning can all result in a transfer taking time to conclude. Whilst the Council has taken steps to assist groups to understand the complexities around this, and also put additional steps such as a title check in at an earlier stage to help pre-empt later issues, there is a need for greater national promotion around the time required for legal processes to conclude beyond the initial 6 months.

Flexibility in approach – as noted to question 1, Highland Council, as like many others, have adopted a broader approach to asset transfers than just those under the Community Empowerment Act. This is helpful and gives greater flexibility. It would be helpful to acknowledge that transfer can and do happen in different ways and that these approaches are outlined in guidance to community organisations and public bodies.

National Approach to Economic Development Burdens – it is a normal approach to seek to apply an Economic Development Burden of 20+ years to a transaction where the recipient is a community body. This is to protect the value of the asset and ensure it (or the value) remains in community control. The placing of burdens or other protections is recommended to authorities in the Scottish Government guidance offered to support Community Asset Transfer under the Community Empowerment Act. It is also key to ensuring that the Council meets its Best Value obligations and protects public resources. However, a number of external funding bodies – some acting on behalf of the Scottish Government – will now refuse to

provide funding to groups that have an EDB greater than 5 years. This places Local Authorities in a contradictory position and requires clarification at a national level.

5.3 Are you aware of what support is available to you when engaging with this legislation, and how you can access this? Please provide comments where possible.

Officer support from COSS and Highland TSI has been invaluable to Community Transfer Bodies preparing for CAT.

In relation to Local Authorities, an officer network would be beneficial to share learning and seek improvements to the CAT process.

5.4 What would you like to see now, to further empower Scotland's communities?

In relation to asset transfer specifically, please see 5.2 - enhanced availability of start-up and capital development funds to support the delivery of community projects following acquisition of land and buildings and expert legal support for community organisations.