

# The Highland Council

<b>Agenda Item</b>	<b>8</b>
<b>Report No</b>	<b>CIA/15/24</b>

**Committee:** City of Inverness Area Committee

**Date:** 27 May 2024

**Report Title:** Community Asset Transfer Request – Fort Augustus Memorial Hall

**Report By:** Assistant Chief Executive - Place

## **1 Purpose/Executive Summary**

- 1.1 The Community Empowerment (Scotland) 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. As part of this request a discount on market value can be requested. 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 Where Council assets are valued at between £10,000 and £100,000, decision on the transfer of any asset rests with the City of Inverness Area Committee. This report asks Members to consider and agree the Community Asset Transfer (CAT) request received from Fort Augustus & Glenmoriston Community Company for sale of Memorial Hall, Fort Augustus, PH32 4DJ, for £40,000.

## **2 Recommendations**

- 2.1 Members are asked to agree the sale of Memorial Hall, Fort Augustus to Fort Augustus & Glenmoriston Community Company for £40,000, based upon the terms set out in the report at 7.1.

## **3 Implications**

### **3.1 Resource**

An officer led Community Asset Transfer officer group including representatives from Legal, Finance, Property and Communities and Place has considered and scrutinised the CAT Request and supporting evidence. The request is recommended to proceed as the wider community benefits would outweigh the negligible benefit from the Council retaining the property. Fort Augustus & Glenmoriston Community Company (FAGCC) are requesting 50% discount on the market value of the property which is estimated at £80,000.

### **3.2 Legal**

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 by appeal to Scottish Ministers.

Memorial Hall, Fort Augustus is subject of a historic title discrepancy between The Highland Council (The Council) and Scottish Canals. The Council legal department are currently working with Registers of Scotland to correct the title before the disposal can be completed.

Memorial Hall, Fort Augustus is a listed building, and the applicants FAGCC are aware of this status.

### 3.3 **Community (Equality, Poverty, Rural and Island)**

Demonstrating community support for the proposed CAT is a crucial element to each asset transfer request. This is set out in the CAT assessment below. There are not considered to be any adverse implications from the CAT request contained in the paper.

One of the Council's key priorities over a number of years has been to support communities to develop their own capacity and deliver their own priorities. The CAT programme contributes towards this. 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.

### 3.4 **Climate Change / Carbon Clever**

There are not considered to be any implications associated with this transfer.

By having local services available at Memorial Hall, Fort Augustus it will reduce the travel requirements of local residents and tourists to travel to Fort William or Inverness to source these.

FAGCC will have an energy efficient assessment carried out on the building by Business Energy Scotland to identify where to improve energy efficiency.

### 3.5 **Risk**

Although any CAT assessment considers sustainability, there are risks that any group could fail in the future or choose to dispose of the transferred asset. The right of pre-emption set out for this transfer has been proposed to mitigate these risks. In addition, 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.

### 3.6 **Health and Safety (risks arising from changes to plant, equipment, process, or people) –**

There are not considered to be any implications associated with this transfer.

### 3.7 **Gaelic**

There are not considered to be any implications associated with this transfer.

## **4 Sale of Memorial Hall, Fort Augustus to Fort Augustus and Glemoriston Community Company**

### 4.1 Background

Ownership of Memorial Hall, Fort Augustus has been requested by FAGCC which is a registered company (company number - SC327824) with articles of association that the company will not have fewer than twenty members at any one time. FAGCC is also a designated Community Controlled Body.

- 4.2 Memorial Hall, Fort Augustus was previously used as a Council Service Point and Registration Office. It has been closed to the public for some time after investigations found that the building was no longer suitable in its current form for the service being provided. Customer and Registration Services confirm that they no longer require the building as footfall for transactions was low and registration services are now able to be provided remotely.
- 4.3 The proposed benefits of this transfer as presented by FAGCC is that they intend to use the building as a base for their business, also to deliver a community hub facility for services thus freeing up space at other local facilities that they currently occupy to allow use of these for other community services and activities. FAGCC also plan to invest in the improvement of the Memorial Hall for community use.
- 4.4 Increased community ownership is a Scottish national outcome and priority for Highland Council.

## **5 Summary of CAT Assessment**

### **5.1 As per Appendix A – Community Asset Transfer Approach - Framework**

## **6 Overall Summary**

- 6.1 This is a strong application from a well-established local community company which has the funding and skills to deliver on commitments for this project. FAGCC plan to develop the building into two community spaces. A community meeting space offering a warm accessible / welcoming space and community office offering a shared space to work in and engage with the community and other community organisations active in the area.

FAGCC has demonstrated a strong commitment to taking on and improving this asset for the benefit of the community.

- 6.2 A right of pre-emption is proposed on the property to ensure that in the event the property is sold or otherwise disposed of or should FAGCC cease to be a Community Transfer Body as defined by the Community Empowerment (Scotland) Act 2015, the Council will seek the option of re-purchasing the asset for the original sale price of £40,000.
- 6.3 The proposal has been evaluated and the scores suggest that the request should be **agreed**:
- *Community Benefit: Very Strong*
  - *Capacity to deliver: Very Strong*
  - *Community support: Very Strong*
  - *Sustainability: Very Strong*
  - *Resourcing: Very Strong*

## **7. Recommendation**

7.1 Sale of Memorial Hall, Fort Augustus to FAGCC for £40,000. Terms of the transfer would include:

- FAGCC will cover all reasonably incurred property and legal costs associated with the asset transfer process – both the Council's and its own.
- Community access to use of the facility must be maintained.
- Any transfer will be subject to existing burdens/conditions in the Council's title to the property (e.g., third 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.
- A right of pre-emption is proposed on the property to ensure that in the event the property is sold or otherwise disposed of, or should FAGCC cease to be a Community Transfer Body as defined by the Community Empowerment (Scotland) Act 2015, the Council will seek the option of re-purchasing the asset for the original sale price of £40,000.

Any other terms to be agreed by the Assistant Chief Executive - Place in consultation with the Chair of Communities and Place Committee.

Designation: Assistant Chief Officer - Place

Date: 3 May 2024

Author: Mark Mackay, Community Development Manager, Inverness & South

Background Papers:

Appendices: Appendix A – Community Asset Transfer Approach - Framework

## APPENDIX A

### THE HIGHLAND COUNCIL

#### Community Asset Transfer Approach

#### Assessment Framework

##### Purpose

The purpose of the assessment is to ensure that the decision making process will produce the best decision for the community, not necessarily Highland Council nor the requesting Community Asset Transfer Body.

##### Evidence

Primarily the assessment will be based on the information received within the application form and any business plan however additional representations from external parties will also be included along with internal service knowledge.

Cognisance will be taken regarding the nature of the request e.g. whether it is for lease, use or ownership. The level of assurance required will differ depending upon the nature of the request with higher level of compliance/support required for organisations wishing transfer of an asset as opposed to a leasing arrangement.

##### Structure of Assessment

The assessment will be structured under 5 key headings.

- Benefit to the community (outcomes)
- Capacity to deliver
- Level of community support
- Sustainability
- Resourcing

Consideration will also be given to the terms and conditions requested by the Community Asset Transfer Body and what equivalent terms may be appropriate.

Each of the 5 assessment areas will be assessed separately, considering evidence of best value and be given an overall rating from very strong to poor. A summary of the evidence required to achieve each rating is outlined below:

<b>Evidence</b>	<b>Overview</b>
Very strong	Governance and financial arrangements are strong and sustainable. Best value characteristics are evidenced and contained throughout the approach. Related projected benefits are very robust and demonstrate value for money.
Strong	Governance and financial arrangements are sound and sustainable. Best value characteristics are in evidence in the proposal. Related projected benefits are demonstrated well and represent value for money.
Moderate	Governance and financial arrangements are in place and acceptable. Best value characteristics have been considered as part of the proposal. Related projected benefits are acceptable and could lead to value for money.
Weak	Governance and financial arrangements are weak. Best value characteristics are not well demonstrated in the proposal. Related projected benefits are not based on robust information and demonstrates questionable value for money.
Poor	Governance and financial arrangements are poor. There is little evidence of Best Value characteristics in the proposal. Related projected benefits are ill defined and/or unrealistic and do not demonstrate value for money.

## Memorial Hall, Fort Augustus



<b>ASSESSMENT AREA:</b>	<b>BENEFIT TO THE COMMUNITY</b>		
<b>Criteria</b>	<b>Evidence from Community Asset Transfer Body</b>	<b>Additional Evidence/Information</b>	<b>Assessment of Compliance</b>
Economic benefits	Provides FAGCC a base in central Fort Augustus to deliver their services to support the economic development of the village.		Strong
Regeneration benefits	Providing additional office space to allow greater level of engagement with the community. Also, to free up office space for use by other community groups and businesses.		Strong
Health benefits	By freeing up office space FAGCC looking to attract services that the village current lacks such as a NHS dentist.		Very Strong
Social wellbeing benefits	Having a central base for FAGCC to more effectively engage with the community, understand their needs and allocate resources more effectively.		Very Strong
Environmental Benefits	By having services available in Fort Augustus such as community hub for services and dentist it will reduce the travel requirements of local residents / tourists to travel to Fort William and Inverness.FAGCC will have an energy efficient assessment carried out on the building by Business Energy Scotland to identify where to improve energy efficiency.		Strong



Tackling inequality	Availability of services locally such as community hub to support the elderly to access digital platforms and health provision such as dentist.		Very Strong
Promotion of equality	As detailed above to provide services to a rural community which are readily available in urban areas. Also to assist in identifying those who could potentially be vulnerable to provide necessary support / assistance.		Very Strong
Any other benefits detailed			
<b>Benefit to the Community Assessment Summary:</b>			<i>Rating – Very Strong</i>

<b>ASSESSMENT AREA:</b>	<b>CAPACTIY TO DELIVER</b>		
<b>Criteria</b>	<b>Evidence from Community Asset Transfer Body</b>	<b>Additional Evidence/Information</b>	<b>Assessment of Compliance</b>
Experience of organisation	Well established group with a CAT Consultant and Community Action Plan.		Very Strong
Access to appropriate advice and support	Worked with an external consultancy group experienced in supporting community development / regeneration. Also engaged with Scottish Land Fund to support funding for the application process and purchase of building.		Very Strong
Have sought advice and support during application phase	In addition to the above FAGCC have engaged with council officers and elected members during application process.		Very Strong
Appropriate skills within the organisation	FAGCC have board of directors plus the previous Chief Officer remaining as CAT Consultant with 20 years' experience in community development in Highland and Islands, also employ an office manager and bookkeeper.		Very Strong
Access and level of volunteer support	FAGCC are an established organisation embedded in the community with links into all other local community groups and organisations.		Very Strong
<b>Capacity to Deliver Assessment Summary:</b>		<i>Rating – Very Strong</i>	

<b>ASSESSMENT AREA:</b>	<b>LEVEL OF COMMUNITY SUPPORT</b>		
<b>Criteria</b>	<b>Evidence from Community Asset Transfer Body</b>	<b>Additional Evidence/Information</b>	<b>Assessment of Compliance</b>
Community involvement in developing the request	FAGCC identified the benefit purchase of Memorial Hall would provide the local community. In their Community Action Plan, they identified the need for addition community facilities such as community hub delivering improved information, communications and working together.		Very Strong
Community support for the request	Although no public representations (positive or negative) were received during the consultation phase, FAGCC carried notable engagement with the community in the development of their Community Action Plan. A petition gained 108 signatures in favour of the company taking over Memorial Hall. This consultation also involved numerous stakeholders across public, business and community sectors.		Very Strong
<b>Level of Community Support Assessment Summary:</b>		<i>Rating – Very Strong</i>	

<b>ASSESSMENT AREA:</b>	<b>SUSTAINABILITY</b>		
<b>Criteria</b>	<b>Evidence from Community Asset Transfer Body</b>	<b>Additional Evidence/Information</b>	<b>Assessment of Compliance</b>
Financial – ability to support/fund the asset in the future	FAGCC has well developed financial plans for purchase, improvement and long-term running of Memorial Hall part supported by their own central funds and projected income.		Very Strong
Governance – sustainability of the organisation	<p>FAGCC have been established since 2007 with an appropriate governance structure supported by experienced staff with knowledge of how to access external support and funding when required.</p> <p>They are a registered company (company number - SC327824) with articles of association that the company will not have fewer than twenty members at any one time. FAGCC is also a designated Community Controlled Body.</p>		Very Strong
<b>Sustainability Assessment Summary:</b>		<i>Rating – Very Strong</i>	

<b>ASSESSMENT AREA:</b>	<b>RESOURCING</b>		
<b>Criteria</b>	<b>Evidence from Community Asset Transfer Body</b>	<b>Additional Evidence/Information</b>	<b>Assessment of Compliance</b>
Value of asset	£80,000		
Legal title and relevant information	Memorial Hall is subject of a historic title discrepancy between The Highland Council and Scottish Canals. The Council legal department are currently working with Registers of Scotland to correct the title.		
Current use of the asset and potential impact	Previously used as a Highland Council service point and registration office, now closed. FAGCC do not intend any significant change of use and enhance as a community office space and community hub.		
Requested purchase/discount value	£40,000 – 50% discount		
Ability of organisation to pay	Scottish Land Fund application (£32,000 – 80%) Stage 1 granted and have submitted the stage 2 application and SLF. FAGCC have had 2 previous successful applications to SLF for other projects. FAGCC are not reliant upon the SLF bid being successful to go ahead with the acquisition as can self-finance.		Very Strong
<b>Resourcing Assessment Summary:</b>		<b>Rating – Very Strong</b>	