

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	30 th September 2014
DIRECTOR	Pete Leonard
TITLE OF REPORT	Community Asset Transfer – Policy Development
REPORT NUMBER	CHI/14/008
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

This report is intended to provide members with further information on the developing Council's process for assessing requests for community asset transfers and outlines a number of areas for further consideration in light of the Community Empowerment Bill. It identifies opportunities to establish a governance framework to develop a formal policy both internally within the Council and across the Community Planning Partnership and outlines the key principles to address in a new policy.

2. RECOMMENDATION

It is recommended that members note the content of the report and instruct officers to develop an approach to Community Asset Transfer which is as close as possible to be consistent across the organisation within the Community Partnership.

3. FINANCIAL IMPLICATIONS

There are no financial implications at this stage although asset transfer could have an impact on the Council.

Issues which will require to be investigated on an asset by asset basis include:-

- Potential loss of capital receipts and impact on capital planning.
- Savings in revenue costs to council
- Holding costs for vacant surplus building (may be positive or negative)

- A reduction in backlog maintenance if portfolio reduced and better targeting of condition and suitability improvements.
- Revenue impact of assessing community requests and supporting communities in meeting their aspirations.

4. OTHER IMPLICATIONS

At this stage the development of the policy will involve staff from a number of services to finalise a policy and to ensure that it can work for organisations across the Community Planning Partnership.

5. BACKGROUND/MAIN ISSUES

For a number of years the Council have entered into property transactions with community and charitable groups at less than Market Value. Historically such transactions were subject to the approval of the Scottish Government. At this time the Council have a number of properties / sites leased at a peppercorn rent reflecting these terms.

In addition a number of Community Centres have been transferred by lease and are now run by local management committees.

Greater discretion was given to Local authorities via *The Disposal of Land by Local Authorities (Scotland) Regulations 2010* and the impact of these regulations, and how the Council would deal with such requests was reported to and approved by the Finance and Resources Committee on 29 September 2011.

<http://councilcommittees/documents/s16039/Process%20for%20Considering%20Requests%20to%20Acquire%20Property%20at%20Less%20than%20Market%20Value.pdf>

This report link above provided a framework for the Council to consider such applications.

The Scottish Government is currently promoting the Community Empowerment Bill which, in part, will address areas highlighted by the findings of the Christie Commission, particularly in relation to community participation, developing community enterprises and community renewal. A significant section of the Bill relates to the process for community asset transfer and the establishment of a community right to buy in urban areas, similar to the rural right to buy introduced a number of years ago.

In light of the above it is considered appropriate to develop a more proactive approach to Community Asset Transfer and this would be best served through a Community Asset Transfer Policy.

Significant research has been undertaken in reviewing the policies and other guidance of other local authorities in both Scotland and England albeit many operate in different micro-economic circumstances with severely constrained property markets.

In taking forward a policy it is envisaged that this will be managed under the remit of the Head of Communities and Housing with technical input from Finance, Legal and Asset Management. Additional input would be provided when required by others as necessary depending on the nature of any requests and the outcomes anticipated from it.

Community Planning Aberdeen Management Group have already established a cross parties working group to consider the impact of the Community Empowerment Bill. If the Bill proposals are approved it will put similar responsibilities on all public sector agencies. It therefore makes sense to devise a shared/common approach to asset transfer procedure and policies across the partnership. All public sector partners will have to consider the same issues and a shared approach would both share skill-sets in the public sector and help communities. Officers from across the public sector continue to identify opportunities for joint or co-located service delivery and the advantages of being able to use assets more effectively and efficiently.

In forming the policy the following key principles or issues requiring further explanation have also been identified

1. *What are community groups?*

Consideration will be given to what constitutes a community group, what criteria will there be around governance and competence. Consideration is given to this within the Bill.

2. *What properties are available?*

The Council can be more open about the assets it holds as being surplus with a list be made available on the Council's website. The Council's surplus property procedure can be amended to reflect this.

3. *What is the assessment procedure?*

General guidance suggests that a two stage application process works best and this is identified in the Draft Community Empowerment Bill.

4. *What will be the key review criteria?*

The key assessment tool will be two fold a review of the property based on information required from the Council and information provided by the applicant.

The Council information will include:-

1. Market Value of asset
2. Title review
3. Current running costs of facility and saving in transfer including backlog maintenance.
4. Benefits from transfer.

The applicant will be asked to provide a business plan for their proposed use to include:-

- Structure of group/ governance and community support
- Details on proposals and use
- Ongoing viability of proposal (capital and revenue)
- Price willing to pay for asset
- Contribution made by project to Council objectives
 - o Economic development
 - o Regeneration
 - o Social well-being
 - o Environmental well-being

5. *How are benefits evaluated/ Transfer price calculated?*

Some models do exist to evaluate social benefits, such as social return on investment and LM3 however in many cases the costs to commission such studies will be difficult to justify. There is however a need to develop a qualitative analysis of proposals to compare them to the possible financial loss to the council by not selling an asset. Any sale at less than market value will require an understanding of how the discount is protected by either property title or through the structure of the community group.

6. *What type of transfers can be considered?*

Either a transfer of the outright ownership in a property, or a lease or a license to occupy could be considered as Community Transfers. The justification for each type of occupation will be dependent on the particular circumstances of any cases.

7. *Is there an appeals process?*

The current Bill has no right of appeal in relations to council assets but applicants will have a right to a full justification of any decisions.

Initial thoughts are that cases will be heard by the Property Subcommittee with a right of appeal to the Finance Policy and Resources Committee.

8. *What post transfer support is available?*

In taking forward the policy consideration will require to be given to support require and able to be made available to the community group. This may include business development support, statutory requirements, training in management and HR and networking. If asset transfer is to be successful resources will be required across the public sector to assist communities and build capacity.

The above are intended to provide an initial overview of the issues requiring further consideration in taking the policy forward.

6. IMPACT

Corporate – Further work to develop a community asset transfer policy has a significant policy impact both locally and nationally. As previously stated the development of a policy is driven by the Community Empowerment Bill although there has been increasing interest from community groups in considering the future use of surplus or underused assets. A number of assets across the city are already subject to ongoing discussions with community based organisations and would potentially be in line for applications when a policy is in place.

The implications of this will effect all members of the Community Planning Partnership. Within the 'Community Planning Aberdeen - Single Outcome Agreement 2013' some of the underlying principles of the Community Planning Partnership have a direct link to Community Asset Transfer. This includes:-

- Support the capacity of Aberdeen's citizens and communities to increase their self-sufficiency.
- A presumption for community based access to services.

Public – The transfer of assets to the communities and the policy surrounding it will be of significant interest to the public. In formulating the policy a full Equality and Human Rights Impact Assessment (EHRIA) will be required.

7. MANAGEMENT OF RISK

This section must include an assessment of risks identified with the potential to impact negatively or positively on the decision required of the Committee. You should refer to the 'Management of Risk' Guidance (<http://thezone/nmsruntime/saveasdialog.asp?IID=27520&SID=4371>) in completing this section.

8. BACKGROUND PAPERS

The Disposal of Land by Local Authorities (Scotland) Regulations 2010

http://www.legislation.gov.uk/ssi/2010/160/pdfs/ssi_20100160_en.pdf

Asset transfer from policy to practice – August 2013 by Community Ownership Support Service (COSS) and ACES.

[http://www.dtascommunityownership.org.uk/sites/default/files/0067_DTAS_COSS_BROCHURE_WEB%20\(1\)_0.pdf](http://www.dtascommunityownership.org.uk/sites/default/files/0067_DTAS_COSS_BROCHURE_WEB%20(1)_0.pdf)

Consultation on the Community empowerment and Renewal Bill

<http://www.scotland.gov.uk/Publications/2013/11/5740>

Community Empowerment and Renewal Bill – easy Read summary.

<http://www.scotland.gov.uk/Publications/2012/06/7786/downloads>

Public Asset Transfer Empowering Communities ... by Development Trusts Association Scotland (DTAS),

<http://www.scotland.gov.uk/Resource/Doc/1031/0098558.pdf>

Aberdeenshire Council – Community Asset Transfer Policy

<http://www.aberdeenshire.gov.uk/CAT/policy.asp>

Dundee City Council – Community Asset Transfer Policy

<http://www.dundee.gov.uk/communities/assettransfer>

9. REPORT AUTHOR DETAILS

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