

ABERDEEN CITY COUNCIL

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| COMMITTEE | City Growth and Resources |
| DATE | 19 June 2018 |
| REPORT TITLE | Request for Community Asset Transfer – Former Cadet Hut, The Bush, Peterculter. |
| REPORT NUMBER | RES/18/053 |
| DIRECTOR | Steven Whyte |
| CHIEF OFFICER | Corporate Landlord |
| REPORT AUTHOR | Stephen Booth |
| TERMS OF REFERENCE | Purpose 4 and Remit 3.3 |

1. PURPOSE OF REPORT

- 1.1 This Report advises members of an approach from Culter and District Mens' Shed (SCIO:SC047990) for the transfer of the Former Cadet Hut in Peterculter for conversion by the community to a 'Mens Shed'. The report seeks to approve the request and requests delegated powers to undertake due diligence and conclude the transaction.

2. RECOMMENDATION(S)

That the Committee: -

- 2.1 Approves in principle the transfer of the Former Cadet Hut, the Bush, Peterculter to Culter and District Mens Shed (PDMS) at below Market Value; and
- 2.2 Provides delegated powers to the Chief Officer - Corporate Landlord to undertake the necessary due diligence and if satisfied instruct the Chief Officer - Governance to conclude the sale at the value offered by the Culter and District Mens Shed, incorporating other terms as necessary to protect the Council's interest.

3. BACKGROUND

- 3.1 The Former Cadet Hut in Peterculter was last occupied by the Territorial Army (TA) in 2010. The property was occupied by them as a meeting hut on a leased basis.
- 3.2 An approach has been made by PDMS to purchase the property under the guise of a Community Asset Transfer. The Group are a SCIO recently formed to take on this project. At the 1st May 2018 they had been successful in

attracting 62 community members and raising their profile in a number of community outlets. They have provided a letter of support from Culter Community Council. Officers are satisfied that PDMS qualify as a community transfer body in terms of the Community Empowerment (Scotland) Act 2015 ("the 2015 Act").

- 3.3 If successful in their application the group will create a mens' shed in the space. Further information on the concept and principles can be found on the following link: - <https://scottishmsa.org.uk/>.
- 3.4 The activities within a mens' shed are varied and will be led by the members as the project evolves. Activities are likely to include woodworking, metalworking, furniture restoration, cooking, model making, planting containers etc.
- 3.5 The group are working with a range of other similar projects to benefit from their knowledge and experience which has influenced their business plan.
- 3.6 The group have provided a range of information to support their application and have been working with officers for some time, leading up to their formal request. A process now requires to be followed including issuing a public notice of their request and carrying out a formal assessment of their proposal. Officers are seeking delegated powers to follow this process and approve the transfer at less than market value. They are keen that decision making is proportionate to what is a relatively low value asset and are seeking a decision in principle to transfer the asset on terms identified by the community. Should officers have future concerns whilst undertaking due diligence this would be referred to the next meeting of the committee.

4. FINANCIAL IMPLICATIONS

- 4.1 The property is currently held as an operational asset and as such is valued on a quinquennial basis at Existing Use Value. It's current book value is £41,000. It's current market value is estimated as £80,000.
- 4.2 In terms of the 2015 Act the obligation to quote an offer price for a property rests with the community transfer body, and the local authority can then decide to accept or reject that offer. The group have verbally indicated an offer of £500 but their formal submission states a negotiable price. This is to allow them to offer a higher price should they be able to attract specific grant funding for this. In the event there is no grant support available they would wish to invest as much of their funds as possible into the project as possible.
- 4.3 In transferring the property to the community the Council will save on the revenue costs for the property including vacant rates. This is relatively low numbers on an annual basis, less than £5,000. The council would also have a maintenance liability removed.
- 4.4 PDMS have been successful in generating a grant of £10,000 from the Common Good for the project and a further £1,000 from Age Scotland. They have current applications live for around £10,000 including requests for

developer's contribution funds. Any revenue budget savings realised would be reported as part of the next update of the Asset Review.

- 4.5 An initial Business Plan has been prepared which if successful will see the group invest around £25,000 in the first year with annual running costs of around £5,000 per annum thereafter.

5. LEGAL IMPLICATIONS

- 5.1 A formal application from PDMS, submitted in accordance with the procedure outlined in the 2015 Act was received on 15 May 2018. In terms of the Act, the Council have 6 months to make a decision in relation to the application. By accepting the application in principle and delegating the power to finalise the due diligence the Council should comfortably meet the timescale and allow the project to proceed.
- 5.2 Ordinarily the Council would be required to dispose of the property at market value under the Disposal of Land by Local Authorities (Scotland) Regulations 2010. A disposal at less than market value can be permitted in terms of these Regulations provided that the Council is satisfied that the disposal for the price offered is reasonable, and the disposal is likely to contribute to the promotion of (a) economic development or regeneration; (b) health; (c) social well-being; or (d) environmental well-being.

6. MANAGEMENT OF RISK

| | Risk | Low (L), Medium (M), High (H) | Mitigation |
|------------------|---|--|--|
| Financial | The council do not meet best value criteria | L | The asset is of low value. There are clear identifiable wider community benefits from the project. |
| Legal | Future enhanced site value. | L | Asset lock in terms of any upside being delivered to the community group. Protection measures can be introduced during conveyancing. |
| Employee | None | | |
| Customer | The building has been vacant for some time and will require | L | All building records |

| | Risk | Low (L), Medium (M), High (H) | Mitigation |
|---------------------|--|--|------------|
| | investment to bring it up to standard. | | |
| Environment | None | | |
| Technology | None | | |
| Reputational | | | |

7. OUTCOMES

| Local Outcome Improvement Plan Themes | |
|--|---|
| | Impact of Report |
| Prosperous Economy | The transfer of the asset to the community will bring it back into economic use to the benefit of the community and the wider economy. |
| Prosperous People | In giving the asset to the community the council are meeting a key objective in the LOIP in allowing the community to provide the facilities they require themselves. |
| Prosperous Place | The building is currently in poor condition and an investment in it by the community will have wider social and economic benefit. |
| Enabling Technology | Not applicable |

8. IMPACT ASSESSMENTS

| Assessment | Outcome |
|--|--|
| Equality & Human Rights Impact Assessment | <i>full assessment not required report deals with estates matters.</i> |
| Privacy Impact Assessment | <i>Not Required</i> |
| Duty of Due Regard / Fairer Scotland Duty | <i>Not Applicable</i> |

9. BACKGROUND PAPERS

None

10. APPENDICES

None

11. REPORT AUTHOR CONTACT DETAILS

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