

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 3 MARCH 2015

COMMUNITY ASSET TRANSFER UPDATE

REPORT BY HEAD OF PLANNING AND PLACE

ABSTRACT

This report advises the Committee of the current position in relation to applications received for Community Asset Transfer and advises of the proposed transfer of land at Ogilvy Park, Arbroath.

1. RECOMMENDATIONS

It is recommended that the Committee:

- (i) Approves the transfer of land at Ogilvy Park, Arbroath to The Arbroath Victoria Junior Football club at a discount of 50% representing a transfer value of £10,000 subject to technical and legal terms and conditions
- (ii) Approves further amendments to the Community Asset Transfer Policy as set out in section 6 below and **Appendix 2**.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

This report contributes to all of the local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016.

3. BACKGROUND

- 3.1 Reference is made to Report 111/14 – Community Asset Transfer Update, Report No 622/12 - Community Asset Transfer Policy, Report No 525/13 - Update Community Asset Transfer Policy and Report No 32/14 - Community Asset Transfer of Newtyle Pavilion.
- 3.2 Following the approval of a community asset transfer policy in November 2012, the Council established a Community Asset Transfer Group (CATG). This group meets on a monthly basis in order to assess applications. Stage One of the transfer process determines the suitability of the proposal and where successful, the CATG has delegated approval to pass applications for progression to Stage Two.
- 3.3 Stage Two is a more demanding application that requires the community group to submit a detailed business plan, cash flow projections, proposed capital spend, funding requirements and details on how the proposed asset transfer will benefit the community. The CATG assesses and scores these applications against the council's 12 local outcomes and a best consideration evaluation matrix. This takes into account the valuation of the asset, community benefits, levered capital investment such as external grant funding, savings to the council arising from the transfer and surpluses arising from the added value activities reinvested in the community. This determines the discount, if any, that can be applied to the asset value. Recommendations made by the CATG on Stage 2 applications are submitted to Committee for approval.

4. CURRENT POSITION

- 4.1 Since adoption of the asset transfer policy, a total of 12 Stage One applications have been submitted and reviewed by the CATG. To date 6 of these have been advanced to Stage Two. Four applications for transfer have been approved by the Committee whilst the remainder of projects are in the development phase. Details of these applications are listed in **Appendix 1**.

5. PROPOSALS

5.1 Ogilvy Park

Ogilvy Park is an area of land of approximately 1.54 hectares, located in the Cairnie area to the West of Arbroath. A stage one application for asset transfer of the land was submitted by the Arbroath Victoria Junior football club in May 2013 and was approved by the CATG for progression to stage 2 thereafter. Arbroath Victoria Junior club was established in 1882 and the club has leased Ogilvy Park since 1951. It has an established committee of long serving volunteers who have developed the facility over the years. This includes the development of several portakabin type outbuildings which serve as changing rooms, offices, the installation of floodlights and facilities for physiotherapy. The club has financed its activities through sponsorship, and fund raising activities such as car boot sales.

- 5.2 In June 2014, the club held a public meeting and met with the head of Angus Active Schools in order to look at ways in which the benefit to the community can be widened and access to local primary schools can be increased. Currently the club provides free use of the facility to local schools in the Watters Cup. If the club takes ownership of the asset they have set out ways in which they will provide greater access to the community and local school children. This includes offering the venue and changing rooms to other sports teams for training, hosting outdoor fitness sessions and making the facilities available to local community groups. The club has also offered free usage of the park for the Ed Smith schools football tournament.

- 5.3 The requested transfer has been assessed by the CATG in accordance with the policy and has been agreed as suitable. This is the fifth proposed Asset Transfer in Angus and Committee is asked to agree to this transfer. The land has been valued at £20,000 by the Council's retained agents, J & E Shepherd. Arbroath Vics wish to purchase the land at a discount. The proposal is to widen the scope of the club to improve the facilities and to apply for external funding.

- 5.3 In assessing the proposal against the policy and its positive contribution towards local outcomes, the CATG is of the opinion that this proposal will bring benefits to the local community and transfer of the asset will enable the leverage of some external funding into Angus. The CATG has recommended that the Club is offered a discount of 50% which takes into account the condition of the asset, including the boundary fence, and the social and economic benefits this community asset transfer will bring to the regeneration of the area, in accordance with the Disposal of Land By Local Authorities (Scotland) Regulations 2010.

- 5.4 The Club have been advised on the proposed value of the transfer and have confirmed that they would be able to proceed at a value of £10,000. They have highlighted the requirement for remedial repairs to the boundary fencing and they have also requested that payment is made on a staged basis which has yet to be agreed, but would be up to a maximum of three years.

6. AMENDMENTS TO THE COMMUNITY ASSET TRANSFER POLICY

- 6.1 From time to time in order to reflect an increase in experience in handling community asset transfer, further amendments to the policy may be recommended.

- 6.2 It is, therefore, proposed that where a new development is proposed, that asset transfer will solely be offered on the basis of a long term ground lease.

6.3 Additionally, it is appropriate to amend the policy to capture the Council's position in respect of requests to make payment for assets on a staged basis. In this regard however, it is important to note that an asset transfer will not be completed until full payment has been received. In respect of the Council's approach to staged payment requests, it is proposed that the following points are incorporated as an amendment to the current Community Asset Transfer policy:

- the Council is not a financing institution as it is neither a bank nor a provider of credit facilities;
- the Council's position is therefore that a single payment should be made for the full value required to allow the asset transfer to complete;
- it is however recognised that the asset transfer policy is in place to empower communities and in certain circumstances it may therefore be possible, in some instances, to agree a short term payment plan, up to a maximum of three years, where a community group has to raise a significant sum in order to allow the transfer to take place;
- community groups would have to make a case for why a single payment could not be made for the full value;
- each case would therefore require to be assessed on its own merits, with this including reviews of accounts and discussions with the community group;
- where a short term arrangement is considered appropriate, this would be expected to be completed in no more than 3 financial years; and
- legal transfer of the asset would not take place until the full payment has been received.

6.4 In respect of the above proposal re staged payments, members are asked to note that agreeing short term payment arrangements creates an administrative burden on the Council to monitor and administer those arrangements.

7. FINANCIAL IMPLICATIONS

7.1 Approved community asset transfers at less than open market value rent or capital receipt levels, reduce revenue and capital income to Angus Council, although the Council's maintenance responsibility (and associated expenditure) is also removed.

7.2 In terms of the 2010 Regulations, it is proposed that the property is disposed of at below market value. The best price that can be reasonably obtained is £20,000. It is proposed that the property is transferred to the group at a discount of 50% equating to a discount of £10,000 and a transfer value of £10,000.

7.3 However, in terms of the 2010 Regulations, the council can dispose of a property at less than the best which can be achieved by considering and comparing the benefits and disbenefits of the proposal. The council must satisfy itself that the reduced is considered reasonable and that it is likely to contribute to either economic development or regeneration, health, social wellbeing or environmental wellbeing. It is considered that these proposals contribute to the health and social wellbeing of the local community and the transfer supports individuals in their own communities with good quality services.

7.4 In respect of the Club's request for staged payments, it is proposed that this will be dealt with in line with the policy principles outlined in section 6 above.

8. OTHER IMPLICATIONS

8.1 Property Implications

Asset transfers may not achieve market value, which will affect the capital receipts or rental income received by Angus Council. This will result in reduced capital receipts and no rental payment to the Council. Transferring the asset will enable the leverage of external funding into Angus.

8.2 Risks

The following are risks for consideration:-

- Community Groups may be unsuccessful in funding applications.
- The Community Group may not develop its activities as outlined in their proposals
- Community Groups do not wish to proceed with transfer at values over £1.

When the property is sold, the Council will not be able to have the property returned to it if the owner decides to sell the property or use it for an alternative use in the future. Legal obligations will be placed on the community group to use the property for the purposes specified in this report. However, the community group or a future owner may not be bound by these obligations. Therefore, the intention is to enter into an agreement with the community group that in the event that the property is sold or used for an alternative purpose the Council would be able to share in the proceeds of such a future sale or to repay the discounted amount to the council. The final terms of this agreement will be agreed with the Head of Legal and Democratic Services.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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List of Appendices:

Appendix 1 - Applications

Appendix 2 – Updated Community Asset Transfer Policy

Appendix 1 - Applications

Name of Applicant	Name of Asset	Date of delegated approval or outcome	Status
Tealing Hall Management Committee	Tealing Village Hall	12/12/2012	Transfer completed. Handover of keys to Hall Committee in November 2014.
Muirhead & Birkhill Bowling club	Land at bowling club	15/12/2012	Transfer approved by committee August 2014. Legal matters being progressed with club
Newtyle & Eassie Playgroup	Newtyle Pavilion	10/12/2012	Development of project underway. Transfer agreed by committee in January 2014.
Friockheim Community Hub Ltd	Eastgate School	09/03/2013	Stage 2 submitted and under consideration. Submission for funding from Lottery and planning permission imminent.
Cliffburn & Hayshead community development trust	Seaton Park	19/07/2013	Stage 2 submitted on 22 May 2014. Funding applications in hand. Transfer agreed by committee in November 2014.
Montrose Playhouse	Montrose Swimming Pool	18/11/2013	Stage 2 submitted and under consideration.
Muirhead Birkhill Millennium Hall	Birkhill Park	19/05/2014	Stage 2 development phase.
Carnoustie Panmure Football Club	Pitskelly Park Synthetic football pitch	19/05/ 2014	Stage 2 Development phase
Arbroath Vics	Ogilvy Park	22/05/2013	Stage 2 application submitted.