

**ANGUS COUNCIL**

**POLICY & RESOURCES COMMITTEE – 9 OCTOBER 2018**

**COMMUNITY ASSET TRANSFER APPLICATION DECISION – ANGUS CYCLE HUB, 33 MARKET PLACE / 1 GRAVESEND, ARBROATH**

**REPORT BY IAN LORIMER, HEAD OF FINANCE & LEGAL**

**ABSTRACT**

This report seeks the Committee's views on a Community Asset Transfer (CAT) application recently submitted regarding a Council asset.

**1. RECOMMENDATIONS**

1.1 It is recommended that the Committee:-

- a. note the background to Community Asset Transfer (CAT) and the Council's policy and method of assessing applications as set out in Report 105/18;
- b. note the summary information on this CAT application contained in Appendix 1
- c. note the outcome from the assessment process and the views of the Community Asset Transfer Officer Group as outlined in Section 4 of this report regarding this application;
- d. determine whether to:-
  - (i) agree the application; **OR**
  - (ii) reject the application, giving reasons for such rejection
- e. note that if the application is approved it will be necessary to conclude formal legal agreements before the transfer formally takes place and that terms and conditions in line with the Council's agreed policy will apply; and
- f. note that if the application is rejected the applicant can appeal that decision to the Councils CAT Decision Review Committee and ultimately to Scottish Ministers.

**2. ALIGNMENT TO THE ANGUS LOCAL OUTCOMES IMPROVEMENT PLAN (LOIP) AND CORPORATE PLAN**

2.1 The proposals set out in this report will contribute to the outcomes outlined in the Local Outcomes Improvement Plan, Locality Plans and Corporate Plan, which focus on the economy, people and place. Community Asset Transfer is a core part of Community Empowerment and it is important that the Council support community groups in a manner which delivers best value.

**3. BACKGROUND**

3.1 The Community Empowerment (Scotland) Act 2015 introduces a right for community bodies to make requests to all local authorities, Scottish Ministers and a wide-ranging list of public bodies, for any land or buildings they feel they could make better use of. Community bodies can request ownership, lease or other rights, as they wish through a process known as Community Asset

Transfer (CAT). The Act requires those public authorities to assess requests transparently against specific criteria, and to agree the request unless there are reasonable grounds for refusal.

3.2 CAT applications are administered and assessed by the Community Asset Transfer Group (CATG) using the assessment model approved in Report 105/18 (Angus Council meeting of 22 March 2018).

3.3 In deciding whether to agree to or refuse the request, the Council must consider the following:-

- the reasons for the request
- any other information provided in support of the request
- whether agreeing to the request would be likely to promote or improve:-
  - economic development
  - regeneration
  - public health
  - social wellbeing
  - environmental wellbeing, or
  - whether agreeing to the request would be likely to reduce socio-economic inequalities
- any other benefits that might arise if the request were agreed to
- how the request relates to the authority's duties under Equalities legislation
- any obligations that may prevent, restrict or otherwise affect the authority's ability to agree to the request

3.4 In reaching its decision the Council must compare the benefits of the community transfer body's proposals with the benefits that might arise from any alternative proposal. Alternative proposals may be another asset transfer request; another proposal made by the Council; continuing the existing use or disposal on the open market.

3.5 As well as assessing the benefits which the proposed CAT may deliver the Council must also assess whether the community transfer body is able to successfully deliver the project, and make it sustainable.

**4. CAT APPLICATION – ANGUS CYCLE HUB, 33 MARKET PLACE / 1 GRAVESEND, ARBROATH, DD11 1RT**

4.1 The above group have applied for a Community Asset Transfer for 33 Market Place, Arbroath DD11 1RT and 1 Gravesend Arbroath (addresses make up the same building). (Grid Ref. NO 644 410, UPRN 117092957 & UPRN 117121899). The group wish to take a long term lease for 25 years of this asset. The group's application was confirmed as valid in line with the legislation on 7<sup>TH</sup> May 2018. The application has been subject to public notices and has been assessed in line with the national guidance and the Council's assessment process.

4.2 No objections were received from members of the public or other groups regarding this application.

4.3 A summary of the application and the applicant's proposals for the asset they are seeking to take on through CAT is attached as Appendix 1. Broadly, Angus Cycle Hub CIC has outgrown its current premises at 11 Gravesend, Arbroath, and is coming to the end of its current lease. To enable the project to grow and expand its current range of services they wish to relocate to larger premises in the centre of Arbroath and form a new "Community Active Travel Hub" for Arbroath.

4.4 The application has been assessed by the CAT Officer Group using the Council's agreed assessment model. The application scored as follows:-

Community Benefit (score out of 90)	62
Financial Assessment (score out of 52)	26.67
Overall Assessment/ Best Value Conclusion	Likely to represent best value

4.5 Based on the above assessment the CAT Officer Group's recommendation is to approve the CAT application but in line with Report 105/18 it is for members of the Committee to make the

final determination on whether the application is approved or rejected. In considering their position members are reminded that the Act requires public authorities to agree requests unless there are reasonable grounds for refusal. Applicants can also appeal the Council's decision.

4.6 Specific points to note in this application and its assessment include:-

The group is requesting the rights of

- 1) Use of both floors of the property in Arbroath which currently make up of both 33 Market Place and 1 Gravesend.
- 2) Angus Cycle Hub CIC wish avoid the liabilities of major upgrades, capital works or renovations needed to the building during the length of the proposed lease, including major repairs to the roof and/or building structure due to water ingress or subsidence caused by lack of maintenance or proper care prior to the group taking on the lease. They are proposing a 25 year lease to enable the group to apply for upgrade works to the building (eg. lower cost/carbon heating installation) in the future if required. This is the minimum term some funders deem necessary to be eligible for capital costs for leased buildings.

4.7 Point 2 in paragraph 4.6 above is not in line with the Council's policy for CAT leases as set out in Report 105/18 which states "*Purchasers and tenants will take on full repairing and maintenance liabilities. Tenants will have full repairing and insuring leases.*" If members are minded to approve the application it should be on the basis that the terms of that policy are applied to this application. This may have an impact on the group's willingness to pursue the CAT but given the CAT involves a rent well below market value it is reasonable that the Council does not also have to bear the burden of repair and maintenance costs.

## 5. FINANCIAL IMPLICATIONS

5.1 The financial impact on the Council has been taken into account in the assessment of the application. The main points of note are as follows:-

- Leasing the asset requested would result in income of £1,080 p.a. for the Council's General Fund but this is well below the market value rent of £15,000 p.a.
- The Council's CAT lease terms would however remove repair and maintenance liabilities for the Council for a 25 year period

## 6. RISKS

6.1 There are no significant risks beyond those outlined elsewhere in this report and those associated with a community group being sustainable over the length of the proposed lease.

## 7. CONSULTATION

7.1 The Chief Executive, Strategic Directors and Service Leader for Legal & Democratic Services have been consulted in the preparation of this report.

**NOTE:** The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

- Report 105/18 – Community Asset Transfer Policy Development & Applications Update

**REPORT AUTHOR: Ian Lorimer, Head of Finance & Legal**

**EMAIL DETAILS: FINANCE@angus.gov.uk**

List of Appendices – Appendix 1 – A summary of the application and the applicant's proposals