

Agenda Item	12
Report No	EDI 28/19

## HIGHLAND COUNCIL

**Committee:** Environment, Development and Infrastructure

**Date:** 16 May 2019

**Report Title:** **Community Asset Transfer Requests**

**Report By:** Acting Head of Policy

### 1. **Purpose/Executive Summary**

1.1 This report asks members to consider and agree recommendations on community asset transfer (CAT) requests that have been received.

### 2. **Recommendations**

2.1 Members are asked to agree the following community asset transfer requests-

- The sale of Bettyhill Visitor Centre to the Strathnaver Museum for £1. The terms of transfer would include:
  - the applicant will cover both the Council's and their own costs associated with the transfer;
  - an economic development burden would be applied to this transaction;
  - any other terms to be agreed by the Director of Development and Infrastructure in consultation with the Chair of EDI.
- The sale of Strathpeffer Pump Room and Gardens to Strathpeffer Pavilion Community Trust for £1. The terms of transfer would include:
  - sale is conditional on SPCT successfully purchasing the Pavilion building;
  - the applicant to cover both the Council's and their own costs associated with the transfer;
  - an economic development burden would be applied to this transaction;
  - any other terms to be agreed by the Director of Development and Infrastructure in consultation with the Chair of EDI.

### 3. Community Asset Transfer of Bettyhill Visitor Centre to the Strathnaver Museum

#### 3.1 **Background**

Strathnaver Museum requests **ownership** of the Bettyhill Visitor Centre, which is located alongside the museum for **£1**. The building until recently was operated as a Visitor Centre by Visit Scotland and contained a café in addition to tourist information service. Visit Scotland withdrew from the premises. Strathnaver museum proposes to continue its operation as a café and information point. The group believes that in addition to providing a valuable service in the village that attracts and retains tourists in the area it will also increase visitors to the museum which makes an important contribution to the heritage story of the area. The building has been **valued at £70,000**.

#### 3.2 **Assessment of CAT**

The continued operation of the café and visitor centre is presented as integral to Strathnaver Museum's viability and development plans – with scope to sustain and increase visitor footfall from café customers. Potential economic benefit to the locality is considered throughout the proposal. However, **community benefit** is clearest in terms of sustaining and enhancing the Museum as a cultural heritage and community 'hub'.

A degree of **community support** has been acceptably evidenced, and its importance is clearly considered as part of the proposal. One representation was received against the proposal highlighting potential displacement. However, the risk appears minimal or non-existent, given that the visitor centre has, until very recently, operated as a café alongside other local providers for a number of years.

The Museum depends upon grant aid from Highlife Highland and plans for only very modest capital investment in the café / visitor centre. Lack of experience in owning/operating a catering establishment and whether the Museum is adequately informed and prepared for potential unforeseen maintenance liabilities could be an issue in the future.

Although **capacity to deliver catering services / manage sub-contractors** is not well demonstrated in the proposal, plausible business planning is evidenced and acceptable. Forecast operating profit from the café/visitor centre has been evidenced and attested to by Impact Hub (social enterprise support organisation). Capacity for sound and sustainable project and financial management are strongly attested to by HLH, who currently grant fund them. There is also a clear supporting network of volunteers and partner organisations in place, as well as willingness to seek expert guidance, as dictated by project needs.

3.3 The proposal has been evaluated and the scores suggest that the request should be agreed to-

<i>Community benefit (outcomes):</i>	<i>Moderate to Strong</i>
<i>Capacity to deliver:</i>	<i>Moderate to Strong</i>
<i>Level of community support:</i>	<i>Moderate</i>
<i>Sustainability:</i>	<i>Moderate</i>
<i>Resourcing:</i>	<i>Moderate to Strong</i>

Overall, the proposals appear sound. The organisation has the capacity to deliver, has a strong support network and are clear about the wider benefits which this transfer would deliver. Although there is a lack of experience in delivery within this area, the organisation's wider experience balances this and any transfer is likely to be sustainable, and lead to value for money.

3.4 The proposal is supported by local Members and the organisation has worked closely with High Life Highland who consider that they have continuously delivered high quality projects, attracted external funding and worked with a range of volunteers

3.5 **Recommendation:** Sale at £1 subject to the following conditions-

- applicant to cover both the Council's and their own costs associated with the transfer;
- an economic development burden would be applied to this transaction;
- any other terms to be agreed by the Director of Development and Infrastructure in consultation with the Chair of EDI.

#### 4 **Community Asset Transfer of Strathpeffer Pump Room & Gardens – Strathpeffer Pavilion Community Trust**

##### 4.1 **Background**

Strathpeffer Pavilion Community Trust (SPCT) is a newly formed group, **offering £1 for ownership** of the gardens and buildings surrounding Strathpeffer Pavilion (including tennis courts, bandstand, adjacent car park and 'Pump Room'). SPCT is also seeking ownership of the pavilion from Scottish Historic Buildings Trust. Both potential transfers are subject to an application to the Scottish Land Fund (SLF) for funding. SPCT has secured agreement with HLH for it to continue operation of the site as a venue, should it be successful with transfer. The proposal seeks to secure the retention of an important building and its wider site for community use through an innovative partnership with High Life Highland.

4.2 The Pump Room is valued at **£45,000**, and currently occupied by a gift shop under a Service Level Agreement with the Council's Tourism Team to provide a museum and information point. This arrangement would not prevent the consideration of the proposed transfer. The pavilion and courts are operated by HLH, and gardens maintained by the Council. The tennis court, bandstand and gardens are valued at **£25,000**.

##### 4.3 **Assessment of CAT**

**Community benefit** of the proposed transfer centres upon both protecting and expanding the operation of the pavilion and grounds, as a venue for community use and commercial events. CAT is sought to ensure integrity and community control of the whole pavilion site. As noted above, a separate process is underway to purchase the main building from SHBT. Although potential for enhanced economic benefits is speculative, benefits to regeneration of the site are well demonstrated, in terms of restoring the historical gardens, addressing a backlog of **outstanding building maintenance needs** (est. £52k over 4yrs), and retaining the site in its entirety as a cultural heritage asset. The group would intend to continue its usage as a community and commercial events venue.

SPCT is a new organisation and therefore does not have a track record of managing this type of facility. SPCT's **capacity to deliver hinges** upon securing ongoing grant aid, alongside significant local fundraising to support maintenance and repairs (over £100,000 to be sought solely from local fundraising events over the first six years). These are areas in which the group has acknowledged a need to enhance its existing skills base. The intention is to continue to use HLH to operate the venue, who have significant experience in this area.

Although **community support** is acceptably considered throughout the group's approach, its extent is often unclear, due to a lack of supporting evidence. Third-party accounts have also highlighted a perceived lack of communication between Trustees and the local community over the scope and nature of plans.

Given positive indications of support from a prospective funder (SLF), and commercial interest in the Pump Room as a pub/bar, questions may be raised as to whether the amount offered by SPCT would constitute **value for money**. Transfer would nevertheless support aspirations to safeguard current economic benefits brought to the area by the pavilion.

In response to the request a representation was received from a local business. The issues raised in this representation were considered by officers in arriving at the recommendation regarding this CAT.

4.4 The proposal is supported by local Members and has been evaluated and scores suggest that the request should be agreed to-

<i>Community benefit (outcomes):</i>	<i>Moderate to Strong</i>
<i>Capacity to deliver:</i>	<i>Moderate</i>
<i>Level of community support:</i>	<i>Weak to Moderate</i>
<i>Sustainability:</i>	<i>Moderate</i>
<i>Resourcing:</i>	<i>Moderate to Weak</i>

In conclusion, the CAT is weak in relation to resourcing and a lack of strong evidence of wider community support. The basis of any transfer in terms of wider economic benefit and community benefit hinges on the operation of the site as a whole. Therefore, whilst there are weaknesses, overall transfer is recommended but only if the group are successful in achieving ownership of the main Pavilion building.

4.5 **Recommendation:** Sale at £1 subject to the following conditions-

- sale is conditional on SPCT successfully purchasing the Pavilion building;
- applicant to cover both the Council's and their own costs associated with the transfer;
- an economic development burden would be applied to this transaction;
- any other terms to be agreed by the Director of Development and Infrastructure in consultation with the Chair of EDI.

## 5. Implications

- 5.1 Resource – The recommendations if agreed would mean the Council foregoes a potential capital receipt if an open market sale was achieved of £70k para 3.1 and £70k para 4.2.
- 5.2 Legal - There are no known considered to be any legal implications.
- 5.3 Community (Equality, Poverty and Rural) – Community support is a crucial element to each asset transfer request and the organisation's ability to demonstrate support. There are not considered to be any adverse implications.
- 5.4 Climate Change/Carbon Clever / Gaelic -There are not considered to be any implications.

- 5.5 Risk – although each assessment considers sustainability, there are risks that any group could fail in the future or choose to dispose of the transferred asset. The economic burden contained within the terms of transfer help to protect the Council against this and the Community Empowerment Act provides a clause which sets out how dissolution should be dealt with to ensure any transferred asset remains in community hands for the benefit of the community in the circumstances of any organisation ceasing to exist.

Designation: Acting Head of Policy

Date: 10 May 2019

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