

Agenda Item	7
Report No	CP/2/20

HIGHLAND COUNCIL

Committee: Communities and Place

Date: 26 February 2020

Report Title: Community Asset Transfer Requests

Report By: Executive Chief Officer Communities and Place

1. Purpose/Executive Summary

- 1.1 The Community Empowerment Act introduces a right for community bodies to request to own, lease or use public sector assets at a discount on market value through a process known as Community Asset Transfer. Once a formal request is submitted, Local Authorities have 6 months to assess the application against a range of potential community benefits and determine whether to grant the request.
- 1.2 This report asks members to consider and agree recommendations on Community Asset Transfer (CAT) requests received and assessed over the previous 6 months. Following assessment, the report seeks:
- **approval for the sale of land to Kyle of Sutherland Hub;**
 - **approval for the sale of Kinlochewe public toilets, picnic area and attached parking to Community Out West Trust.**

2. Recommendations

Members are asked to **agree** the following Community Asset Transfer requests:

- 2.1 The **sale of land at South Bonar Industrial Estate**, Bonar Bridge to **Kyle of Sutherland Hub for £1**. Terms of the transfer are set out at paragraph 4.4 of the report.
- 2.2 The **sale of Kinlochewe public toilets, picnic area and attached parking to Community Out West Trust for £1**. Terms of the transfer are set out at paragraph 5.4 of the report.

3. Implications

- 3.1 **Resource:** the recommendations, if agreed, would mean the Council foregoes a potential capital receipt or lease payment if an open market sale/lease were achievable:
- Para 4.1 a discount of £8,000 on an open market sale;

- Para 5.1 a discount of £34,000 on an open market sale.

- 3.2 **Legal:** Community Asset Transfer (CAT) is a legislative process set out in the Community Empowerment Act. Public bodies have the right to refuse a CAT application on the grounds that greater community benefit will arise from current or alternative use. However, community bodies have the right of review, first to the public body and then to appeal to Scottish Ministers.
- 3.3 **Community (Equality, Poverty and Rural):** Demonstrating community support for the proposed CAT is a crucial element to each asset transfer request. This is set out in each of the CAT assessments below. There are not considered to be any adverse implications from these CAT requests.
- 3.4 **Climate Change / Carbon Clever and Gaelic:** - There are not considered to be any implications.
- 3.5 **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 helps protect the Council against this and the Community Empowerment Act provides a clause which stipulates how dissolution must be dealt with to ensure any transferred asset remains in community hands, for the benefit of the community, in the event of an organisation ceasing to exist.

4. **Community Asset Transfer of land at South Bonar Industrial Estate, Bonar Bridge to Kyle of Sutherland Hub**

4.1.1 **Background**

Kyle of Sutherland Hub (KoSH) requests ownership of approximately 215 square metres of land (unmarked tarmac) which adjoins the Hub's car park at South Bonar Industrial Estate, for £1 (100% discount on valuation of £8,000). The requested land is currently used informally for parking. Whilst the majority of this land is held in the Council's Industrial Investment Portfolio, a small area is held by Community Services. The requested area was not included in a prior transfer from the Council to KoSH, for development of the Hub building, due to recycling facilities being situated there. However, these have now been removed. Recent negotiations to dispose of the land on the open market did not result in sale.

4.1.2 *Request corresponds to the lighter area of land in the photo below:*



- 4.1.3 Transfer is sought for expanded car parking to meet growing demand for services delivered by the Hub. KoSH currently receives over 4,000 visits p/a and employs three

full time and four part time employees. The Hub's training delivery and activities for young people and others with additional support needs are regularly accessed by not only Kyle of Sutherland communities, but also residents from across Sutherland, Caithness and Easter Ross. KoSH also provides a café and "gym with a view" to encourage both social engagement and physical activity.

4.2 **Summary of CAT Assessment**

4.2.1 KoSH's proposal has well evidenced sound and sustainable **benefits** which are **likely to arise from transfer**. These are clearest in terms of supporting the Hub's growing service delivery, improving the social wellbeing of the Hub's many users from across a broad geographical area. The Hub's activities represent significant added value to local communities in reducing the experience of social isolation in a remote, rural area. Travel by car and therefore parking are integral to accessing these services. Transfer would also improve the centre's accessibility and the health and safety of users, by granting KoSH control over the land to prevent current nuisance parking, which regularly obstructs access to the Hub's existing parking spaces.

4.2.2 KoSH's **capacity to deliver** these benefits is also well demonstrated in its approach. The Hub has an established track record of managing local service delivery, as well as developing and maintaining its current premises. To date, the Hub has also taken informal responsibility for maintenance of the requested land.

4.2.5 Regarding the **resources** necessary for transfer and to ensure **sustainability** of the asset, the Hub has notably been able to operate at a financial surplus and has adequate unrestricted funds available for both transfer and maintenance. **Community support** for transfer has also been evidenced, in the form of a petition with sixty signatories.

4.2.6 In light of the Hub's valuable contribution to both local employment and service delivery, transfer of the asset is likely to represent value for money by supporting the Hub's growth.

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

<i>Community Benefit (outcomes):</i>	<i>Strong</i>
<i>Capacity to deliver:</i>	<i>Strong</i>
<i>Community support:</i>	<i>Strong</i>
<i>Sustainability:</i>	<i>Strong</i>
<i>Resourcing:</i>	<i>Strong</i>

4.4 **Recommendation**

The **sale of land at South Bonar Industrial Estate**, Bonar Bridge to **Kyle of Sutherland Hub for £1**. Terms of the transfer would include:

- Kyle of Sutherland Hub pay all reasonably incurred property and legal costs associated with the asset transfer process.
- The Highland Council reserves rights to install, operate and maintain electric vehicle charging points at the site, for public use – for which access (including access for servicing and maintenance of the unit and surrounding ground) is to be provided by Kyle of Sutherland Hub (The Highland Council reserves the right to include parking spaces associated with charging points for electric vehicles in its off-street parking orders, to ensure prevention of irresponsible use).

- Transfer is subject to a pedestrian right of access in favour of the neighbouring units.
- Any transfer will be subject to existing burdens/conditions in the Council's title to the property (e.g. 3rd Party access rights, etc.). The Council may also impose further burdens/conditions if they consider this expedient (e.g. economic development burdens, etc). The Council will only transfer/lease property for which it has title to do so; and
- Any other terms to be agreed by the Executive Chief Officer Communities and Place in consultation with the Chair of Communities and Place Committee.

5. Community Asset Transfer of Kinlochewe public toilets, picnic area and attached parking to Community Out West Trust

5.1 Background

5.1.1 Community Out West Trust (COWT) requests ownership of the Kinlochewe public toilets and adjoining picnic area with parking (approximately ten unmarked spaces), for £1 (100% discount on £34,000 valuation). Since April 2019, COWT has operated the Kinlochewe public toilets 24/7, year-round, under a licence to occupy - following prior closure by the Council in 2018. Parking associated with the requested picnic area is not within scope of the Council's car park revenue generation project, due to its small size.

5.1.2 Ownership is sought to improve community amenity and develop tourist facilities (continued community operation of improved toilets; regenerated picnic area; development of a riverside wildlife habitat; water and waste disposal for campervans). The Trust has also submitted a parallel CAT application to SNH for transfer of adjoining 'scrub' woodland, to extend the picnic area and proposed riverside wildlife habitat north of the toilets.

5.1.3 *Boundary of area requested from Highland Council:*



5.2 Summary of CAT Assessment

5.2.1 Whilst the Trust's proposals for development of tourist facilities effectively demonstrate benefits to the local economy and environment, additional **community benefit** is immediately clearest in terms of proposed improvements to local amenity around the

toilets. The Trust's proposed developments would provide a central location for light recreation and social interaction within the village as a first stage of development, with the introduction of tourist facilities at the toilets (water and waste disposal) to follow, subject to securing adequate funding. Initial regeneration of the area will seek to improve habitats for wildlife, whilst also ensuring the area is accessible. The group aspires to host a reinstated annual village fete at the site, in light of the very high degree of community involvement which has arisen from the Trust's operation of the toilets.

- 5.2.2 Although the Trust was only recently formed for the purposes of 'saving' the Kinlochewe public toilets, it has rapidly shown **capacity to deliver** not only successful management of the toilets, but also fundraising for improvements. During summer 2019, the toilets received an average of 900 users per week, providing sufficient income from donations to support continued opening for local use during the tourist 'off-season'. The Trust's application also indicates a clear 'coming together' of local residents to fundraise for upkeep of the toilets and costs anticipated in the event transfer of ownership is approved. Over £5,000 has already been raised through donations and grant aid, towards **resourcing** the costs of transfer and initial improvements to the energy efficiency of the toilet block.
- 5.2.3 A plausible financial forecast for continued community operation of the toilets has also been provided. Based on the Trust's operation of the toilets during 2019, this projects an operating profit of approximately 28% over the next eighteen months. As such, the proposed benefits from transfer appear likely to be both realisable and **sustainable**.
- 5.2.4 The Trust's application for asset transfer also robustly evidences a very high degree of **community support** for their request and involvement in its development. This includes ongoing engagement with neighbouring residents over proposals for the site, as well as letters and financial donations in support of the Trust's proposals - from both local community groups and local businesses.
- 5.2.5 Approval of transfer would ensure not only continuation of the toilet service, but its improvement as a result of the Trust's management and fundraising. More than this, transfer of ownership would also support the Trust's broader plans to improve social wellbeing locally by providing improved amenity space. In this regard, transfer is likely to represent value for money, irrespective of whether aspirations for the development of tourist facilities are realised or additional land transferred from SNH.
- 5.3 The proposal has been evaluated and the scores suggest that the request should be **agreed** to-

<i>Community Benefit (outcomes):</i>	<i>Strong</i>
<i>Capacity to deliver:</i>	<i>Very Strong</i>
<i>Community support:</i>	<i>Very Strong</i>
<i>Sustainability:</i>	<i>Strong</i>
<i>Resourcing:</i>	<i>Strong to Moderate</i>

5.4 Recommendation

The **sale of Kinlochewe public toilets, picnic area and attached parking to Community Out West Trust for £1**. Terms of the transfer would include:

- Community Out West Trust pay all reasonably incurred property and legal costs associated with the asset transfer process;
- Highland Council shall retain an area of land and access rights for local recycling facilities.
- Community Out West Trust shall be responsible for maintenance and upkeep of this area of land for recycling facilities, to the satisfaction of Highland Council.
- The Highland Council reserves rights to install, operate and maintain electric vehicle charging points at the site, for public use – for which access (including access for servicing and maintenance of the unit and surrounding ground) is to be provided by Community Out West Trust (The Highland Council reserves the right to include parking spaces associated with charging points for electric vehicles in its off-street parking orders, to ensure prevention of irresponsible use).
- Any transfer will be subject to existing burdens/conditions in the Council's title to the property (e.g. 3rd Party access rights, etc.). The Council may also impose further burdens/conditions if they consider this expedient (e.g. economic development burdens, etc). The Council will only transfer/lease property for which it has title to do so; and
- Any other terms to be agreed by the Executive Chief Officer Communities and Place in consultation with the Chair of Communities and Place Committee.

Designation: Acting Head of Policy

Date: 15/01/19

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