

Agenda Item	4i.
Report No	CP/05/20

HIGHLAND COUNCIL

Committee: Communities and Place

Date: 19 August 2020

Report Title: Community Asset Transfer Requests and Annual Community Asset Transfer Reporting to Scottish Government

Report By: ECO 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 **Acharacle Community Centre** to Acharacle Community Company;
 - approval for the sale of **land at the former Torvean Golf Course**, Inverness to Inverness Rowing Club;
 - approval for the sale of **Rosebank Playing Fields** and Pavilion to Wick Community Hub.
- 1.3 In addition, during the process of completing the legal transfer of already agreed community asset transfers issues can arise that are out with the scope of the original decision and are significant enough to require further committee approval. The issue can also present a policy issue that requires clarification. The report therefore asks Members to consider a change to the economic development burden associated with the sale of Ardnamurchan Light House and related to this, seek clarification from Scottish Government regarding the use of economic development burdens.
- 1.4 The Community Empowerment Act places a requirement on relevant authorities including local authorities to publish an annual report on community asset transfer activity for each financial year and to submit this to the Scottish Government by the end of June. Due to covid-19 restrictions, this is the first committee for this report to be considered.

The report in Appendix one contains a detailed picture of community asset transfer activity in Highland during April 19 to March 2020. Key messages include:

- In 2019/20, the Council received a total of 12 asset transfer requests.
- The Council has agreed to 10 asset transfers during the year 2019/20
 - 5 were new transfer requests received during the course of the year
 - 5 had been received during the previous year
 - 8 were for ownership of the asset and 2 for rental
 - All, except one, were transferred on the basis of a 100% discount.
- Table 2.2 in the Appendix provides a comprehensive list of 21 asset transfers agreed and at different stages in the completion process in the reporting year, with some completed and some yet to complete. This highlights a positive picture of the Council supporting the transfer of assets to community bodies and agreeing to release capital assets totalling £390,000 and annual lease payments of £12,840.

2. Recommendations

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

The **sale Acharacle Community Centre to Acharacle Community Company for £30,000**. Terms of the transfer would include:

- Acharacle Community Company (ACC) covers all reasonably incurred property and legal costs associated with the asset transfer process – both the Council's and its own.
- An 'Economic Development Burden' (EDB) will be applied in consultation with the Chair of Communities and Place and Executive Chief Officer Communities and Place: in the event the property is sold or otherwise disposed of, or should ACC cease to be a Community Transfer Body as defined by the Community Empowerment (Scotland) Act 2015, the Council will seek reimbursement of the level of discount awarded on market value of the asset, as valued at the time of the relevant event.
- 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.

2.2 The **sale of Land at Former Torvean Golf Course, Inverness - Inverness Rowing Club for £1**. Terms of the transfer would include:

- An 'Economic Development Burden' (EDB) will be applied in consultation with the Chair of Communities and Place and Executive Chief Officer Communities and Place: in the event the land is sold, or otherwise disposed of, or should

IRC cease to be a Community Transfer Body as defined by the Community Empowerment (Scotland) Act 2015, the Council will seek reimbursement of the level of discount awarded on market value of the asset, as valued at the time of the relevant event.

- In recognition of the disruption faced by the Inverness Rowing Club as part of the West Link Development, the Council will cover its property and legal costs associated with the asset transfer process. The group will meet its own costs.
- Should the Club seek to sell the property, HC reserves a right of pre-emption for £1.
- HC reserves a right of access across the site to form vehicular access to adjacent land and / or flood mitigation works for the wider Torvean site.
- 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 property for which it has title to do so.
- Any other terms to be agreed by the Executive Chief Officer Communities and Place in consultation with the Chair of Communities and Place Committee.

2.3 **The sale of land and buildings at Rosebank Playing Fields and Pavilion to Wick Community Hub for £1.** Terms of the transfer would include:

- In respect of a non-negotiable burden on the legal title for the property, successors of Highland Health Board must be offered a pre-emption (first right of refusal) to purchase the asset at market value, prior to determination of any offer for transfer through CAT.
- Subject refusal of interest in purchase from the successors of Highland Health Board, transfer of ownership of the playing fields and pavilion to Wick Community Hub (WCH) for £1, if asked, for the sole purpose of use as playing fields for public recreation and for no other purpose whatsoever. This restriction on use is included as a pre-existing burden on the legal title and is non-negotiable.
- WCH pay all reasonably incurred property and legal costs associated with the asset transfer process – both the Council's and its own.
- WCH shall be liable for a one-half (50%) share of the cost of maintaining the wall and fences along the northeast-most boundary, separating them from other Subjects.
- Highland Health Board and its successors reserve rights of access over the Subjects for the purpose of maintaining, repairing and renewing the boundary walls and fences to the north-east boundary and restoration of all damage caused to the adjoining property owned by the Health Board, to the satisfaction of them and their successors.
- 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 property for which it has title to do so.

- Any other terms to be agreed by the Executive Chief Officer Communities and Place in consultation with the Chair of Communities and Place Committee

2.4 Members are also asked to agree:

- The variation of the terms of the economic development burden within the previously agreed asset transfer of Ardnamurchan Lighthouse to Ardnamurchan Lighthouse Trust limiting it to 5 years in length, reflecting the level of discount applied to this decision.
- The Chair of this committee writes to the Scottish Government seeking clarity on the use of economic development burdens to safeguard the discounts given to communities in community asset transfers and how the duty on Local Authorities sits alongside the requirements of bodies such as the Scottish Land Fund.
- The annual report on Community Asset Transfer for the Scottish Government set out at Appendix 1.

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 sales/leases were achievable:

- Section 4 £170,000 – sale of Acharacle Community Centre to Acharacle Community Company
- Section 5 £50,000 – sale of land at the former Torvean Golf Course to Inverness Rowing Club
- Section 6 £40,000 – sale of Rosebank Playing Fields and Pavilion to Wick Community Hub

In all cases it is recommended to proceed as the wider community benefits would outweigh these receipts.

3.2 The strategic asset management officer group is being formed to include appropriate members of the ECO team. Going forward all CAT requests will be considered in that group for recommendations to be made to Committee. The ECO Finance and Resources has reviewed the asset transfers proposed and is supportive.

3.3 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.

3.4 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.

- 3.5 One of the Council's key strategic priorities within its Corporate Plan is:
Work to invigorate local democracy and put our communities at the heart of the design and delivery of services at a local level. We will also develop the capacity of communities to decide and deliver their local priorities.

This is supported by a number of outcomes targeted at increasing engagement, increasing and encouraging community led and run services and involving more people in local decision making. The CAT programme contributes to this strategic priority.

- 3.6 Climate Change / Carbon Clever and Gaelic - There are not considered to be any implications associated with these transfers.

- 3.7 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, and public money, 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. Sale of Acharacle Community Centre to Acharacle Community Company for £30,000.

4.1 Background

- 4.1.1 Acharacle Community Company (ACC) has requested ownership of the Acharacle Community Centre for **£30,000. This would be a discount of 85% on the valuation of the property of £200k.** ACC requires security of tenure to attract funding for renovations and upgrades necessary to sustain and extend the range of activities offered at the community 'hub'.

- 4.1.2 ACC has operated the Centre since 2012, under a lease which now renews on a monthly basis (tacit relocation) and is not an acceptable basis of tenure for most prospective funders. It was previously operated as day centre under an SLA between NHS Highland and ACC. The Community Company has subsequently diversified into a range of revenue generating activities to mitigate withdrawal of core funding by NHS Council's withdrawal of its Service Point from the Centre.

4.1.3



4.1.4 The Centre hosts an impressive range of community groups, activities and commercial offerings; including mother and toddler, inter-generational lunches, local committees and constituency surgeries, Ewen's Room (a local mental health charity), physical and mental health therapists, Friday night take-away fish and chips, and a 're-use' shop. This has included working in partnership with key local partners from the public and private sector; such as CAB, Royal Mail and sole-traders in need of a local base.

4.2 Summary of CAT Assessment

4.2.1 **Community benefit** from transfer is clearest in terms of tackling social isolation in a remote rural area: safeguarding access to facilities and services, as well as empowering the Community Company with the security of tenure necessary to sustain and grow local provision. ACC has presented a clear and plausible business plan to expand the range of activities and opportunities for social and inter-generational interaction available at the Centre. The Company regards community ownership as integral to not only sustaining the facility, but also reinforcing residents' ties to the local area and a sharing of local knowledge and skills between generations. This aspiration is supported by ACC's account of growing demand for use of the Centre by a large and diverse range of local groups. Local elected Members are supportive of the request for transfer.

ACC has taken care to justify the discount requested on market value through CAT in terms of social return on this investment in-kind. The proposed price was arrived at using NHS research and costings to predict savings to public sector partners' future service delivery for health and wellbeing, as a result of the positive impact of services accessed through the Centre.

Subject to securing necessary grant aid, the building will be renovated and improved to sustain and increase its use. Initial improvements to heating and insulation appear vital to reduce the building's environmental impact and running costs.

4.2.2 **Capacity to deliver:** ACC has a strong track record of developing and managing local assets. Staff and volunteers are well equipped with necessary skills and experience and a recently revitalised board has shown keen involvement in driving forward improvements to the Centre. The Community Company has been innovative, yet measured, in its gradual development of proposals for the Centre and associated request for CAT. This has been supported by preparation of a plausible business plan, structural surveys of the building at ACC's expense and sustained engagement with Highland Council Ward Management over a number of years.

4.2.3 **Community support:** Unusually, neither letters of support, nor any formal representations have been received regarding ACC's request for CAT. However, sustained community engagement on development of the Company's proposals is well evidenced in its business plan, having elicited support from 88% of respondents, whose feedback represents around 25% of local residents. ACC's proposals for the Centre are clearly grounded in this extended community consultation, explicitly seeking to tackle negative impressions of the building's condition and historic image as a centre for the elderly.

4.2.4 **Sustainability:** ACC's accounts indicate an operational loss across successive years, since 2016. This has been driven in part by high operating costs of the Centre, particularly heating. Highland Council Ward Management has attested to ACC's successful track record of generating funding from community and commercial activities, as well as grant aid. Although the group's proposals involve a degree of risk, in terms of the income generation necessary to turn the asset's fortunes around, considerable planning for sustainability is in evidence. This includes identifying further income generation opportunities from local and tourist markets (catering, take-away, café and hiring out accommodation under ACC's wider auspices). Planned refurbishment works appear likely to significantly improve the Company's financial position and it should be noted that this is a primary motivation for the CAT request.

4.2.5 **Resourcing:** ACC has comfortably sufficient reserves available to cover anticipated outgoings and contingencies, the costs of transfer, and to 'bridge' cash-flow until such time as it's outgoings have been reduced as a result of planned improvements. An application to the Scottish Land Fund to cover the proposed purchase price will be considered in November. Whilst this final planned round of SLF decisions on funding will be highly competitive, the strength of ACC's proposals reflects well on the group's prospects. As such, benefits from transfer are well presented and appear likely to represent good value for money.

4.3 **Overall Summary**

4.3.1 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-moderate</i>
<i>Community support:</i>	<i>Strong-moderate</i>
<i>Sustainability:</i>	<i>Moderate -weak</i>
<i>Resourcing:</i>	<i>Strong</i>

4.4 **Recommendation**

The **sale Acharacle Community Centre to Acharacle Community Company for £30,000**. Terms of the transfer would include:

- ACC covers all reasonably incurred property and legal costs associated with the asset transfer process – both the Council's and its own.
- An 'Economic Development Burden' (EDB) of appropriate length will be applied: in the event the property is sold or otherwise disposed of, or should ACC cease to be a Community Transfer Body as defined by the Community Empowerment (Scotland) Act 2015, the Council will seek reimbursement of the level of discount awarded on market value of the asset, as valued at the time of the relevant event.
- 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.

4.5 It should be noted that ACC are applying to the Scottish Land Fund for support in relation to the development of the site. It is therefore likely that the circumstances outlined in section 7 regarding Economic Development Burdens are also likely to arise in this case. However, the individual circumstances are considerably different. Officer advice, including legal and property, is that the level of discount applied in this case, 85%, does not warrant a reduction in level of EDB at this time. This can be reviewed following a response and clarification from the Scottish Government.

5. The sale of Land at Former Torvean Golf Course, Inverness - Inverness Rowing Club for £1.

5.1 Background

5.1.1 Inverness Rowing Club (IRC) requests ownership of approximately 4000sqm of land at the former Torvean Golf Course **for £1 (100% discount on market value of £50,000)**, for development of “warm, dry and comfortable” boathouse facilities and storage space. The land requested from Highland Council is adjacent to that currently leased by the Club from Scottish Canals. Current facilities let to the Club until March 2022, are not regarded as ‘fit for purpose’, and cannot adequately accommodate the Club’s growing membership, for which there is a waiting list.

5.1.2 IRC also requests exemption from legal costs incurred by Highland Council as part of the CAT request, in recognition of the disruption to its operation brought about by the West Link project. Local Members have indicated general support for the CAT request. HC Development Planning is similarly supportive, in terms of realising the spatial strategy for Inverness, as set out in the Inner Moray Firth Local Development Plan and the Torvean and Ness-side Development Brief.



5.2 Summary of CAT Assessment

5.2.1 **Community benefit (outcomes):** The Club’s proposal has been endorsed by Inverness Area Sports Council and has clear benefits to the health and wellbeing of the local community of interest in rowing. IRC has also elaborated plausible ‘social benefits’ beyond supporting members’ sporting performance. This is reflected by the Club’s efforts to foster wider community engagement with the sport, including aspirations to form partnerships with UHI, armed forces clubs and formation of an Inverness Schools’ Rowing Association. Such increased engagement is contingent upon having capacity to host more rowers. The proposed facilities would arguably also contribute to wider regeneration of the area; making effective use of land which is zoned for community use, but for which there are currently no alternative

proposals. It is anticipated construction works will include repurposing 'spoil' removed as part of the West Link development, to make the area of land level with the canal.

- 5.2.2 **Capacity to deliver:** IRC's proposal is well supported by appropriate evidence of thorough planning, including a Club development plan, business plan for the capital project, and detailed cost estimations based on quotes. Collectively, these present a well-considered vision for continued growth of the Club and the role of new facilities towards this end. Willingness to obtain professional input is well evidenced, as is necessary consideration of project risks and their mitigation. A skills audit of Club trustees indicates professional experience in charitable fundraising, property surveying and engineering. Development proposals include using "off the shelf" buildings to minimise design risks. The club's capacity for project planning and delivery is also supported by its experience of running Scotland's largest 'head' race twice each year, which garners around 600 attendees.
- 5.2.3 **Community Support:** The Club's proposals have been developed in ongoing consultation with Ballifeary Community Council, Scottish Canals, other sporting clubs and Rowing Scotland. In its letter of support, the Community Council highlights particular benefits to local young people's engagement with the sport, should the development proceed.
- 5.2.4 **Sustainability:** Operating costs for the proposed facility are well considered and supported by a projection of five years' income and expenditure. The Club has operated at a consistent financial surplus and anticipates adequate income from its growing membership to support ongoing costs.
- 5.2.5 **Resourcing:** The group's ability to resource the transfer and the proposed development is also well demonstrated by available unrestricted funds. The business plan for development is informed by indicative cost estimates, includes a 10% contingency and adequate consideration of risk mitigation. The Club anticipates needing to raise external funding for approximately 40% of projected capital costs over a five-year period (total cost amounts to £240k on construction and an additional £155k on boats for the growing membership). The Club has noted that support by Sport Scotland is not yet confirmed and is likely to have a significant bearing on securing grant aid for the project. Nevertheless, a plausible plan for financing the development is in evidence, alongside willingness to adapt and stagger plans for development, as necessary.

5.3 Overview Summary

- 5.3.1 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-very Strong</i>
<i>Community support:</i>	<i>Strong</i>
<i>Sustainability:</i>	<i>Strong-very strong</i>
<i>Resourcing:</i>	<i>Strong to moderate</i>

5.4 Recommendation

The sale of Land at Former Torvean Golf Course, Inverness - Inverness Rowing Club for £1. Terms of the transfer would include:

- An 'Economic Development Burden' (EDB) will be applied: in the event the land is sold, or otherwise disposed of, or should IRC cease to be a Community Transfer Body as defined by the Community Empowerment (Scotland) Act 2015, the Council will seek reimbursement of the level of discount awarded on market value of the asset, as valued at the time of the relevant event.
- In recognition of the disruption faced by the Inverness Rowing Club as part of the West Link Development, the Council will cover its own property and legal costs associated with the asset transfer process. The group will meet its own costs.
- Should the Club seek to sell the property, HC reserves a right of pre-emption for £1.
- HC reserves a right of access across the site to form vehicular access to adjacent land and / or flood mitigation works for the wider Torvean site.
- 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 property for which it has title to do so.
- Any other terms to be agreed by the Executive Chief Officer Communities and Place in consultation with the Chair of Communities and Place Committee.

6 The sale of land and buildings at Rosebank Playing Fields and Pavilion to Wick Community Hub for £1.

6.1 Background

- 6.1.1 Wick Community Hub SCIO requests ownership of Rosebank Playing Fields and Pavilion (total area 270 sqm), for **£1. This would equate to a 100% discount on the market value of £40,000.** The charity already manages the facility and is seeking security of tenure as necessary to attract funding for increased activities and capital improvements, including to energy efficiency.
- 6.1.2 Wick Community Hub (formerly known as Wick Youth Club) has operated the Rosebank Playing Fields since the HLH stopped operating them in 2013. As a not-for-profit, community-controlled charity, WCH operates a 'social pricing' approach to ensure facilities are affordable and therefore accessible to local residents. The Hub's current offering seeks to attract users of all ages; including tennis courts, a football area, crazy golf, putting, bowling, bouncy castle and various children's activities.
- 6.1.3 Highland Council currently maintains the grounds but not the bowling green. Under any transfer, the Council would no longer have responsibility for maintenance of the gardens. During the group's period of occupancy, no lease has been in place to govern liabilities, but condition of the asset has been significantly improved by the Hub, at its own expense. User numbers have also dramatically increased. Lack of demonstrable security of tenure over the asset has, however, been to the detriment of the Hub's ability to secure funding for prospective capital improvements, increased staffing, and emergency relief funds to mitigate the impact of lost revenue during the CV-19 crisis. HLH Facilities and Estates are both supportive of the Hub's request for

a transfer. All local Members have been contacted, all able to respond are supportive of the request to transfer.



- 6.1.2 **Community Benefit** from transfer is acceptably demonstrated in the group's approach and could provide value for money from transfer; primarily supporting the health and social wellbeing of users from Wick and its surrounding localities, by safeguarding and expanding operation of the facility for outdoor sports and recreational activities. Building on the Hub's prior extensive refurbishment of the pavilion and improvements to the accessibility of car parking on site, security of tenure would provide the basis required to secure grant aid for improvements to energy efficiency, wheelchair accessibility of the pavilion building, and renovation of tennis courts and the football playing surface, which is currently concrete.
- 6.1.3 **Capacity to deliver:** The facility is already operated by the Hub, with support from 1.5fte staff and significant volunteering (including established links with Wick High School's summer work experience placements and Saltire Award scheme). The group's capacity to deliver increased recreational opportunities and further capital improvements is well evidenced by successful, if marginal, financial operation of the facility over recent years. Necessary changes to governance structure have been made to ensure eligibility for CAT.
- 6.1.4 **Community support:** Letters from user groups, the nearby primary school and Community Council explicitly support transfer of the asset to the Hub, as well as highlighting the Hub's role in supporting achievement of these partners' own objectives. Wick Community Council has emphasised the group's successful management of the asset for the benefit of locals and tourists.
- 6.1.5 **Sustainability** of the asset is not robustly demonstrated, due to the lack of a business plan or profit and loss forecast, such as may demonstrate long-term viability of the Hub and its commercial offering. However, the Hub's resolve and effective management of the facility to date demonstrate ability to both increase usage and remain solvent under challenging financial circumstances. Providing security of

tenure therefore appears likely to empower the group to better sustain the asset and its enjoyment by the local community and visitors into the future.

6.1.6 **Resourcing:** While transfer would divest Highland Council of revenue costs associated with upkeep of the gardens (the green is already maintained by the Hub), The Hub's ability to resource transfer is currently unclear. Accounts for the 2019/20 financial year are not yet available and accounts for previous years relate to the group's former incarnation as Wick Youth Club. These show a marginal operating surplus between 2015-18 and very limited unrestricted funds across successive years, which although arguably related to the ongoing investment in renovation of the asset, fall far short of the charity's policy of retaining six months' expenditure as unrestricted funds in liquid assets.

The Hub has, however, shown clear regard for the importance of planning for sustainable operation of the asset into the future. Since 2017/18, the facility has no longer received core funding from HC. Aspirational, but plausible plans to seek capital funds have been demonstrated in support of the CAT Request, including intentions to approach SSE regarding grant aid from its Beatrice Funds.

6.2 Overall Summary

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

<i>Community Benefit (outcomes):</i>	<i>Moderate</i>
<i>Capacity to deliver:</i>	<i>Moderate-strong</i>
<i>Community support:</i>	<i>Moderate</i>
<i>Sustainability:</i>	<i>Weak -moderate</i>
<i>Resourcing:</i>	<i>Weak</i>

6.3 Recommendation

The **sale of land and buildings at Rosebank Playing Fields and Pavilion to Wick Community Hub for £1**. Terms of the transfer would include:

- In respect of a non-negotiable burden on the legal title for the property, successors of Highland Health Board must be offered a pre-emption (first right of refusal) to purchase the asset at market value, prior to determination of any offer for transfer through CAT.
- Subject refusal of interest in purchase from the successors of Highland Health Board, transfer of ownership of the playing fields and pavilion to Wick Community Hub (WCH) for £1, if asked, for the sole purpose of use as playing fields for public recreation and for no other purpose whatsoever. This restriction on use is included as a pre-existing burden on the legal title and is non-negotiable.
- WCH pay all reasonably incurred property and legal costs associated with the asset transfer process – the Council's and its own.
- WCH shall be liable for a one-half (50%) share of the cost of maintaining the wall and fences along the northeast-most boundary, separating them from other Subjects.
- Highland Health Board and its successors reserve rights of access over the Subjects for the purpose of maintaining, repairing and renewing the boundary walls and fences to the north-east boundary and restoration of all damage

caused to the adjoining property owned by the Health Board, to the satisfaction of them and their successors.

- 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 property for which it has title to do so.
- Any other terms to be agreed by the Executive Chief Officer Communities and Place in consultation with the Chair of Communities and Place Committee

7. Ardnamurchan Lighthouse -Transfer of Ownership to Ardnamurchan Lighthouse Trust-Economic Development Burden

7.1 During the process of completing the legal transfer of already agreed Community Asset Transfers, issues can arise that are out with the scope of the original decision and are significant enough to require further committee approval. The issue can also present a policy issue that requires clarification.

7.2 Members at the Environment, Development and Infrastructure Committee of 31/01/19 agreed to transfer ownership of Ardnamurchan Lighthouse to Ardnamurchan Lighthouse Trust. The transfer was on the basis of a 50% discount on the valuation of £275,000, with the group paying £137,500 towards the sale. During the course of negotiating the terms of the sale, The Big Lottery, who run the Scottish Land Fund on behalf of the Scottish Government, indicated that as the main funder of the purchase they were unwilling to release the funding to the group (£137,500) unless the economic development burden (EDB) the Council was seeking to place on the transaction was limited in length to 5 years.

7.3 The Council's usual approach would be to seek to apply an EDB of 20+ years to a transaction where the recipient is a community body. This is to protect the value of the asset and ensure it (or the value) remains in community control. The placing of burdens or other protections is recommended to authorities in the Scottish Government guidance offered to support Community Asset Transfer under the Community Empowerment Act. It is also key to ensuring that the Council meets its Best Value obligations and protects public resources.

7.4 The case was reviewed in light of the response from the Scottish Land Trust. In considering the request to limit the EDB, officers have noted that on this occasion:

- the group are paying 50% of the value of the asset;
- that the asset has been run for many years by the Trust;
- that it is a key asset in a remote and fragile community.

It is therefore considered low risk to limit the length of the EDB on this occasion.

7.5 The issue has, however, highlighted a wider concern regarding the use of appropriate protections for public funds as required under Scottish Government guidance for asset transfers but where an external funder (in this case acting on behalf of the Scottish Government) is contributing a large capital sum to the project and may have contradictory requirements. The Council naturally does not wish to stand in the way of groups accessing necessary funds however, it must abide by guidance and duties

under Best Value. It is recommended that the Chair of this committee writes to the Scottish Government seeking clarity around this issue.

7.6 Recommendation

Members are therefore asked to consider and agree the following update and action-

- The variation of the terms of the economic development burden within the previously agreed asset transfer of Ardnamurchan Lighthouse to Ardnamurchan Lighthouse Trust limiting it to 5 years in length, reflecting the level of discount applied to this decision.
- The Chair of this committee writes to the Scottish Government seeking clarity on the use of economic development burdens to safeguard the discounts given to communities in community asset transfers and how the duty on Local Authorities sits alongside the requirements of bodies such as the Scottish Land Fund.

8. Scottish Government Reporting -Community Asset Transfer

8.1 The Community Empowerment Act places a requirement on relevant authorities including local authorities to publish an annual report on community asset transfer activity for each financial year and to submit this to the Scottish Government by the end of June. Due to covid-19 restrictions, this is the first committee for this report to be considered.

The draft report is attached as appendix 1 and Members are asked to consider and agree this for submission to the Scottish Government.

8.2 The report in appendix one contains a detailed picture of community asset transfer activity in Highland during April 19 to March 2020.

The report highlights:

- The Council received a total of 12 asset transfer requests during 2019/20.
 - 5 of these were successful applications
 - 1 was unsuccessful
 - 6 have yet to be determined
- The Council has agreed to 10 asset transfers during the year 2019/20
 - 5 were new transfer requests received during the course of the year
 - 5 had been received during the previous year
 - 8 were for ownership of the asset and 2 for rental
 - All bar one were transferred on the basis of a 100% discount.
- There have been 4 transfers, which had been previously agreed at Committee, legally completed during 2019/20.
- There remain 7 asset transfers previously agreed by committee but where the legal process has not yet been completed.

8.3 The purpose of community asset transfer within community empowerment legislation is to enhance and increase community benefit outcomes in local communities through

better use of assets. This involves public bodies in foregoing the fiscal value in assets to do so. On the basis of 21 agreed asset transfers, table 2.2 in Appendix one highlights a positive picture of the Council supporting communities and agreeing to release capital assets totalling £390,000 and annual lease payments of £12,840

8.4 The development of asset transfer requests can be a complex and developmental process both for the community body and the Council. There are a number of reasons why the process from initial concept to formal request to completion of a transfer can encompass more than a single fiscal year. These include-

- The community body working to fully develop their ideas and proposal.
- The process of the community body working with external funders to access both capital and revenue funding.
- Business planning
- The process of gaining planning permission and other permissions such as environmental regulation.
- Governance changes a community body may need to make to comply with asset transfer legislation.
- The complexity of legal work required e.g. where legal burdens exist, or ownership requires investigation or work to resolve

Designation: ECO Communities and Place

Date: 21/07/20

Authors: Pablo Mascarenhas Community and Democratic Engagement Manager
Ewen McIntosh, Localism & Engagement Coordinator

**Asset Transfer Request
Reporting Template 2019/20 for Relevant Authorities**

Section 95 of the Community Empowerment (Scotland) Act 2015 requires relevant authorities to produce an annual report on Asset Transfer Request activity and publish this no later than 30 June each year.

Following stakeholder feedback and in response to summary evaluations over the last two years (final 3 year evaluation report is due to be published by end of June 2020), this template has been created to help gather asset transfer data for the period 1 April 2019 to 31 March 2020. Information provided will help inform policy and practice at local and national level as the data will be collated and shared by the Scottish Government's Community Empowerment Team. However, it will be for each relevant authority to make their own annual report publicly available by 30 June 2020, whether using this template or not.

Please provide information in the four sections below and email the completed template by 30 June 2020 to community.empowerment@gov.scot.

Section One – Relevant Authority Information

Organisation: Highland Council

Address: Glenurquhart Road, Inverness, IV3 5NX

Completed by: Pablo Mascarenhas

Role: Communities & Democratic Engagement Manager

Email: pablo.mascarenhas@highland.gov.uk

Telephone: 01463 702247

Date of completion: 12.06.20

Are you the Asset Transfer Lead Contact for the organisation: Yes

If not please provide the name, job title and email address for the lead contact for any queries: N/A.

Section 2: Asset Transfer Data in 2019/20

2.1 Please complete the following table:

Total Applications Received in 2019/20	Number of successful applications	Number of unsuccessful applications	Number received in 2019/20 and yet to be determined	Number received prior to 2019/20 and yet to be determined
12	5	1	6	0

2.2 Please provide details of Asset Transfer Requests received which resulted in transfer of ownership, lease, or rights from your relevant authority to a community transfer body in 2019/20:

Key:

- Transfers legally completed during 2019/20 - **4** highlighted in blue
- Valid transfer requests received during the year and transfer agreed by committee during 2019/20 - **5** highlighted in orange
- Transfers received in previous years but agreed to by committee in 2019/20 - **5** highlighted in green
- Requests agreed by committee in previous year but where the legal process is not yet agreed - **7** highlighted in yellow

Name of Community Transfer Body	Date request validated	Date decision agreed to transfer	Date transfer completed	Description of the asset / area transferred	Amount Paid	Discount Given	Discount Value	Value	Type of transfer	Purpose of transfer
Inverness Men's Shed	06/12/2018	29/03/2019	26/05/2020	Pavilion at Millburn Academy, Inverness	£1	100%	£3,000 pa	£3,000 pa	Rental	Meeting space and workshop
Road to the Isles Facilities Group	21/11/2018	26/02/2019	17/01/2020	Land to the South of West Bay Car Park, Mallaig	Nil	100%	Nominal	Nominal	Ownership	Development of tourist facilities, inc. toilets
Road to the Isles Facilities Group	21/11/2018	26/02/2019	26/09/2019	Traigh Beach Toilets, Arisaig	£1	100%	Nominal	Nominal	Rental	Development of tourist facilities, inc. toilets
Wick MS Centre	25/07/2017	14/08/2018	14/08/2019	Wick MS Centre	£1	100%	£30,000	£30,000	Ownership	Security of tenure to sustain and expand offering of therapy centre.
Gairloch Area Development Ltd	15/03/2018	18/09/2018	Conveyancing not yet concluded	Cemetery Car Park Toilets & surrounding land	£1,000	Nominal	N/A	N/A	Ownership	Development of tourist facilities, inc. toilets
Glen Urquhart Rural Community Association	20/12/2018	15/11/2019	Offer not yet received	Drumnadrochit Tourist Information Centre	£85,000	10%	£10,000	£95,000	Ownership	Development of tourist oriented social enterprise

Name of Community Transfer Body	Date request validated	Date decision agreed to transfer	Date transfer completed	Description of the asset / area transferred	Amount Paid	Discount Given	Discount Value	Value	Type of transfer	Purpose of transfer
Helmsdale and District Development Trust	18/09/2018	16/02/2019	Conveyancing not yet concluded	Coupers Yard, Helmsdale	Nil	100%	£30,000	£30,000	Ownership	Development of small industrial spaces; campervan aire; Glamping Pods.
Kingussie Tennis Club	07/04/2017	10/01/2018	Offer not yet received	Tennis Courts and Pavilion, Kingussie	£1	100%	Nominal	Nominal	Rental	Renovation of facility for sporting use
Ormlie Community Association, Ltd.	16/02/2019	27/08/2019	Offer not yet received	Ormlie Community Centre, Thurso	£1p.a	100%	£9,000 p.a	£9,000 p.a	Rental	Security of tenure to sustain and expand community facility.
Seaboard Community Polytunnel Group	21/09/2018	26/02/2019	Conveyancing not yet concluded	Land at Harbour Green, Balintore	£1	100%	£240 p.a	£240 p.a	Rental	Development of community garden
Seaboard Memorial Hall	17/11/2017	18/09/2018	Offer not yet received	Balintore Harbour Public Toilets and Site	£1	100%	Nominal	Nominal	Ownership	Sustained operation of toilets following closure
Spean Bridge Community Centre	01/03/2019	27/08/2019	Conveyancing not yet concluded	Spean Bridge Community Centre	£1	100%	£20,000	£20,000	Ownership	Security of tenure to sustain and expand community facility.
Strathnaver Museum	01/03/2018	12/06/2019	Offer not yet received	Bettyhill Visitor Centre	£1	100%	£70,000	£70,000	Ownership	Development of café for museum visitors
Strathnaver Museum	14/06/2019	29/08/2019	Conveyancing not yet concluded	Land at Clachan Graveyard Extension, Bettyhill	£1	100%	£1,000	£1,000	Ownership	Extension of museum visitor centre

Name of Community Transfer Body	Date request validated	Date decision agreed to transfer	Date transfer completed	Description of the asset / area transferred	Amount Paid	Discount Given	Discount Value	Value	Type of transfer	Purpose of transfer
Strathpeffer Pavilion Community Trust	28/02/2019	04/06/2019	Conveyancing not yet concluded	Strathpeffer Spa Garden and Pump Room	£1	100%	£70,000	£70,000	Ownership	Security of tenure to sustain and expand venue for community use and social enterprise.
Strathpeffer Resident's Association	05/05/2018	14/03/2019	Conveyancing not yet concluded	Playpark/land adjacent to Ord Terrace	£7,500	10%	£7,500	£15,000	Ownership	Development of community garden
Kyle of Sutherland Hub	20/11/2019	09/03/2020	Offer not yet received	Land at South Bonar Industrial Estate	£1	100%	£8,000	£8,000	Ownership	Development of parking for community facility
Community Out West Trust	12/11/2019	09/03/2020	Offer not yet received	Kinlochewe public toilets, car park and adjacent picnic area	£1	100%	£34,000	£34,000	Ownership	Development of tourist facilities, inc. toilets
Dingwall Men's Shed	18/09/2019	19/11/2019	Offer not yet received	Land at the "former skate park", Jubilee Park Road, Dingwall	£300 p.a	100%	£600 p.a	£900 p.a	Rental	Development of meeting space and workshop.
Ardnamurchan Lighthouse Trust	18/09/2018	26/02/2019	Conveyancing not yet concluded	Site Surrounding Ardnamurchan Lighthouse	£137,500	100%	£137,500	£275,500	Ownership	Redevelopment and improvement of the site facilities.
Cromarty Community Development Trust	19/06/2019	29/08/2019	Conveyancing not yet concluded	Land at Whitedykes Industrial Estate, Cromarty	£1	100%	£5,000	£5,000	Ownership	Parking and facilities for up to 12 motorhomes

2.3 Please provide details of Asset Transfer Requests that were refused in 2019/20 and went to a relevant authority appeal or review including whether they were allowed or dismissed:

Name of Community Transfer Body	Appeal/Review accepted? (Y/N)	Accepted/refused?
None during this period.		

2.4 Please use this space to provide any further comments relating to the above data:

Cases for which conveyancing has not yet been concluded or a formal legal offer not yet received from the CTB have been included at 2.2 as indication of the volume of requests agreed (excluding approved requests which were subsequently withdrawn / declined by the CTB).

Section Three – Promotion and Equality

3.1 Please provide information on any action you have taken to promote the benefits of asset transfer or any support provided for communities to engage with the Asset Transfer Request process.

- Support meetings between officers and prospective applicants, to advise and support preparation of evidenced applications.
- Signposting of external support services and guidance, including Development Trusts Association -COSS, Highlands and Islands Enterprise, Highland Third Sector Interface.
- Peripatetic engagement with communities considering CAT of public conveniences.

3.2 In particular what action has been taken to support disadvantaged communities to engage with the asset transfer process?

Community asset transfer forms an integral part of Highland Council's approach to community planning and working with and involving our communities. We are developing locality plans across the communities with the highest levels of inequalities. A key part of this is understanding the asset requirements of the public, voluntary and community sectors. Local community partnerships provide a support network for communities working toward community asset transfer with central support officers providing specialist development, legal and property guidance.

Section Four – Additional Information

4.1 Please use this space to provide any further feedback not covered in the above sections.

Subject to the pressures of responding to the Covid-19 emergency situation and recovery – if possible please email the completed template by 30 June 2020 to community.empowerment@gov.scot

If you have any queries please contact Malcolm Cowie, Asset Transfer Policy Manager at Malcolm.cowie@gov.scot

Thank you!

Community Empowerment Team
Scottish Government