

Agenda Item	4
Report No	CP/01/21

## HIGHLAND COUNCIL

**Committee:** Communities and Place

**Date:** 24 February 2021

**Report Title:** Community Asset Transfer Requests

**Report By:** ECO Communities and Place

### 1. Purpose/Executive Summary

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.

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 the former **Maryburgh Primary School to Maryburgh Men's Shed for £1**
- Note the decision taken by the Chair and Executive Chief Officer of Communities and Place to a small increase in the extent of land transferred as part of the already agreed transfer to Cromarty Development Trust at **Whitedykes Industrial Estate, Cromarty**.

### 2. Recommendations

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

The sale of **the sale of the former Maryburgh Primary School to Maryburgh Men's Shed for £1**. Terms of the transfer would include:

- Transfer will be subject to confirmation of an approved Planning request for change of use.

- Transfer will be subject to conclusion of housing development in the former school grounds. This determination will be at the discretion of HC Property and Estates, in consultation with HC Housing and HC Policy & Reform. Entry to the site will not be permitted until such time as this approval is in place.
- Maryburgh Men's Shed (MMS) 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 building or land is sold, or otherwise disposed of, or should MMS 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 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.

## 2.2 Members are asked to note:

- The decision taken by the Chair of Communities and Place and the Executive Chief Officer Communities and Place to approve a small increase in the extent of land transferred as part of the already agreed transfer to Cromarty Development Trust at Whitedykes Industrial Estate, Cromarty. This was agreed as part of the terms of transfer.

## 3. Implications

### 3.1 Resource: the recommendation, if agreed, would mean the Council foregoes a potential capital receipt of up to £90,000 (estimated). This is outlined in section 4 of the report.

It is recommended to proceed as the wider community benefits would outweigh this receipt.

An officer Asset Transfer group including representatives from Legal, Finance, Property and Communities and Place have considered and scrutinised the application. The Strategic Asset Management Group, chaired by the ECO Resources and Finance, has also reviewed the asset transfer proposed and is supportive of the decision to approve the transfer.

### 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 the CAT request contained in the paper.
- 3.4 Whilst the application is from a Men's Shed group, the proposal is to create a facility for use by the whole community, irrespective of gender. One of the key aims is to reduce social isolation, specifically tackling mental health and promoting wellbeing. There is a specific focus on tackling social isolation on the older members of the community.
- 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 this transfer.
- 3.7 Risk: although any CAT 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. The sale of the former Maryburgh Primary School to Maryburgh Men's Shed**

##### **4.1 Background**

- 4.1.1 Maryburgh Men's Shed (MMS) requests ownership of the former Maryburgh Primary School for £1 (100% discount on market value of £90,000). The 'Shedders' propose to redevelop the building for use as a workshop and meeting space, as well as leasing space within to other community groups to support running costs. MMS has already secured financial commitments, in principle, for shared use of the space from Maryburgh Matters (community interest group / newsletter) and Highland Woodturners' Club (previously based in Munloch). Both groups have been actively involved in supporting and developing MMS' request for CAT.
- 4.1.2 The Primary School has been vacant since 2021 and has already been formally approved as closed with the Scottish Government (i.e. not simply 'mothballed', but

officially surplus). It is currently marketed for sale on the open market. No private offers for purchase have been received by Highland Council Property & Estates, to date. However, areas of the site are temporarily required by Highland Council Housing Development for use as a construction compound, as part of current housing development on the former school grounds. Only following completion of this development would the area requested by MMS become available for transfer. Following construction delays related to Covid-19, it is anticipated that this is likely to be in late 2021 – early 2022.

4.1.3



## 4.2 Summary of CAT Assessment

4.2.1 **Community Benefit:** In addition to regenerating a currently vacant building in need of repair, there is a clear and well evidenced vision of community benefit from reducing social isolation throughout the Shed's approach; both from social interaction among members of the group and practical support delivered by Men's Sheds to the local community. Whilst use of the facility would be open to an unrestricted adult membership from the Maryburgh and surrounding area (irrespective of gender), it is explicitly intended to support social interaction among a growing local elderly population. Although led by the newly formed Men's Shed, who would be the purchaser, the proposal has been developed in collaboration with other established local groups, membership of which includes current and former Community Councillors. Beyond providing a place for members to meet socially, share and learn new skills, the Men's Shed will also undertake "community improvement projects," in-line with Members' practical skills.

Proposed use of the asset and objectives of the Shed clearly support achievement of Scottish Government National Outcomes around health, wellbeing, sustainable places and sustainable communities. This is well supported by research and evaluation of other Sheds' activity under the auspices of the umbrella Men's Shed organisation, Age Scotland and the Scottish Government. Education Scotland has also recently praised the work of other Mid-Ross Men's Sheddens in support of wider Community Learning and Development. MMS' proposal therefore seeks to expand such benefits to the Maryburgh and wider area, which includes localities subject to sustained, multiple deprivation.

4.2.2 **Capacity to deliver** sound and sustainable community benefit is well evidenced throughout the proposal. The group's aspirations are supported by a directorship which has evidenced clear skills in governance and project planning, as well as a practical skill set among members, necessary for the redevelopment and maintenance of a historic building in need of repair. Similarly, there is clear evidence of willingness to work in partnership with other established community groups. Establishment of the new group has been informed by a plausible three-year development plan and acceptable budgetary forecasting. These show clear awareness and understanding of the importance of group governance, fundraising, and communications with partners to promote engagement with the Shed, necessary to grow and sustain membership.

4.2.3 **Community support:** letters of support have been received from a wide range of local businesses, public sector and third sector partners, including the local GP surgery (a potential route to membership through 'social prescribing'). These explicitly endorse transfer of the former school to the group as well as MMS' aspirations to benefit the local community. Community engagement in development of the proposal has included notices in local publications and online. This awareness raising has solicited significant interest in membership, with over seventy early enquiries, alongside a further 65 members associated with the Woodturners' Club. The Shed's 'reach' within the local community is therefore likely to be extensive.

Pledges of support for redevelopment and operation of the proposed community facility from Maryburgh Matters and Highland Woodturners may also be taken as not only as indicative of future rental income necessary to sustain the building, but also support from of experienced and long established groups with a strong reputation for effective governance and community engagement within the area. This community buy-in is also reflected by the Shed's significant fundraising success, summarised below.

Whilst decision making on CAT sits with strategic committee, local Members previously indicated support for the asset to be listed for sale on the open market. It should be noted however that the listing has not attracted private interest. Local Highland Council Members are therefore supportive of the proposal to dispose through CAT given a viable proposal has come forward from the community.

4.2.4 **Sustainability:** MMS' Development Plan and Request show a scaled approach to gradually expanded membership and operation, informed by financial forecasting. Additional information on financial planning for the project was willingly provided by the group upon request and shows continuous improvement in what has been a robust approach to development of the CAT Request, throughout.

4.2.5 **Resourcing:** Financial planning shows informed awareness of necessary repairs to the building. The Shed has also demonstrated remarkable and rapid success with fundraising necessary for CAT and redevelopment of the building. This includes £16.5k Developer Contributions associated with the adjacent housing development; donation of valuable workshop machinery; pledges of rental income from prospective tenants; and online crowdfunding, which rapidly exceeded its targeted amount.

Further to this, the Shed is in discussion with local businesses regarding sponsorship and advertising opportunities (connected to MMS' planned online presence), as well as scope for modest income from the Shed's activities (crafts, repairs etc.).

Whilst the asset is currently being marketed for sale, no offers have been received. Discounted disposal at a peppercorn sum through CAT would result in forfeit of any potential capital receipt. However, disposal of the asset would also represent an ongoing revenue saving to Highland Council, in the region of £2k p/a (non-domestic rates, maintenance and significant utilities costs associated with upkeep).

#### 4.3 **Overall Summary**

4.3.1 The benefits MMS proposes will arise from CAT of the asset are based on robust information. Governance and financial arrangements are well evidenced and appear sustainable. Benefits arising from the Shed's activities therefore appear both robust and demonstrable value for money, in terms of potential reduced costs to public agencies engaged in health and wellbeing. The proposal has been evaluated and the scores suggest that the request should be **agreed**:

*Community Benefit: very strong*

*Capacity to deliver: strong*

*Community support: strong - moderate*

*Sustainability: strong*

*Resourcing: very strong*

#### 4.4 **Recommendation**

The sale of **the sale of the former Maryburgh Primary School to Maryburgh Men's Shed**. Terms of the transfer would include:

- Transfer will be subject to confirmation of an approved Planning request for change of use.
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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 Cromarty Development Trust at Whitedykes Industrial Estate, Cromarty**

6.1 At its meeting of 15<sup>th</sup> of August 2019 the Council's former Environment, Development and Infrastructure Committee agreed to transfer land at Whitedykes Industrial Estate, Cromarty to Cromarty Development Trust. The trust has been successful in being awarded Rural Tourism Infrastructure (RTIF) funding and have an approved CAT from us to create a campervan aire on the edge of the village. This is to alleviate pressure on the common links area on the seafront and create an income for the Trust.

In securing planning permission for the site, the area of land they are requesting has increased slightly by about 4 metres around the entire site. This is to enable them to meet planning conditions mainly related to roads issues.

Officers from policy, estates, tourism and legal met to consider the request. The request was deemed reasonable and has no negative impact on the surrounding area or other Council assets. The Chair of the Committee, along with the Executive Chief Officer of Communities and Place, approved this amended transfer under the terms of transfer given that it is a minor adjustment to the original request. It was agreed it would be reported to the next committee.

### **6.3 Recommendation**

Members are asked to note the decision taken by the Chair of Communities and Place and the Executive Chief Officer Communities and Place to **approve a small increase in the extent of land transferred as part of the already agreed transfer to Cromarty Development Trust at Whitedykes Industrial Estate, Cromarty. This was agreed as part of the terms of transfer.**

Designation: ECO Communities and Place

Date: 22/01/21

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