

Public Asset Transfer

Joanne Forbes

South Lanarkshire Council

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Challenge

- **The challenge of Public Asset Transfer is taking a balanced approach to the issues of**
 - service needs
 - community development
 - capital receipts
 - best value
 - sustainability
- **Whilst ensuring**
 - due diligence
 - consistency of approach

- Scottish Context
- SLC Policy Development
- Case Studies
 - Eddlewood Sports Barn
 - Castlebank Park
- Lessons Learned

- Community Empowerment Action Plan 2009
- Disposal of Land by Local Authorities (Scotland) 2010 Regulations
- Asset Management Planning
- Service Review

- Public Asset Transfer will only be considered where there is a limited/restricted market.
- Disposal of the property is generally the preferred option.
- Transfer does not necessarily mean concessionary terms and conditions only that it will be off market.

- **First Stage**
 - Assessment
 - Property
 - Organisation
 - Project
 - Multi disciplined assessment panel

- **Second Stage**
 - Negotiation of terms and conditions
 - Legal Transfer

Stage 1 Process

- Property information and application pack
- Advertise for expressions of interest
- Closing date for applications
- Assessment
- Additional information requested
- Report to Executive Committee

- **To address the issue of condition, only properties that are capable of being brought back into economic use would be considered eligible for transfer. As a minimum property must be:**
 - In Council ownership
 - Surplus to operational requirements
 - Structurally sound or capable of redevelopment/improvement
 - Suitable for the proposed use
 - Capable of meeting legislative compliance such as asbestos, electrical certification etc

Organisation Assessment

- **Community organisations would have to demonstrate their links to the local community, support of Council objectives and their sustainability by:**
 - Being community led and properly constituted
 - Having articles and memoranda of association or other constituting documents which are compatible with Council priorities and objectives.
 - Demonstrating that they have the skills and capacity within or available to its management team to effectively provide services and manage an asset.
 - Demonstrating how they will build capacity within their organisation.
 - Having a clear purpose and being engaged in economic, social or environmental regeneration within the area compatible with the Council's priorities and objectives.
 - Ideally having a track record in project delivery and property management.

Project Assessment

- **In respect of the asset transfer project itself; there needs to be a robust, realistic and achievable business plan and the project must be capable of meeting funding requirements. Business Plans should clearly identify:**
 - At least 5 years revenue or capital funding plans and financial projections relating to managing and operating the asset.
 - How the group will invest in and maintain the asset, including a specific plan as to how all health and safety responsibilities will be met.
 - The planned outcomes and social, economic and environmental benefits arising from the transfer

Stage 2 Process

- District Valuer determines market value
- Negotiate Heads of Terms
- Organisation further develops business plan and secures funding
- Transfer of Asset.

Current Position

- the Council has considered a total of 15 possible public asset transfers since the process was put in place, with 10 proceeding to assessment of applications, of which;
 - 4 applications have proved unsuccessful
 - 3 applications have been progressed through long leases at concessionary rentals.
 - 3 applications have been progressed through sale generating a total capital receipt of £217,000 plus a wide range of community benefits

Eddlewood Sports Barn

- Former sports barn closed in March 2011
- Transferred to Hamilton Gymnastics Club
- Valued at £40,000
- Transfer by Sale at £1
- No clawback or title constraints

- **Organisation Assessment**
 - Established 2007 by Commonwealth Medal Holder
 - Membership grew from 10 to 400
 - Board of Parents
 - Not for profit
- **Project Assessment**
 - Increase classes to address waiting list for places
 - Introduce competitive standard training
 - Hub for organisation

- Mixed funding package
- £46,000 sports Scotland for equipment
- £33,000 for BIFFA
- £20,000 Community Energy Fund
- £10,000 Awards for All

- 300 new children involved bringing total to 700
- New classes for
 - Toddlers
 - Disabled
 - Boys only
 - Teenagers
- Separate programme for those with children at competition level
- Already winning medals.

Castlegate Park

- 2.5 hectare Public Park in rural market town
- Derelict tennis courts and former saw mill
- Lanark Community Development Trust keen to see improvements to the wider park and to establish a base for their operations
- Transfer by long lease at nominal rent
- Project in 2 phases so lease has an option to extend the lease area

- Organisational Assessment
 - Experience of delivering non property projects
 - Community Development Trust
 - Registered Charity
 - Non Profit Making
 - Strong connection to local community organisations

- Project Assessment
 - Horticulture training centre
 - Community garden
 - Community outdoor social space

- **Mixed Funding Package**
- **£10,000 Investing in Ideas**
 - to undertake feasibility
- **£135,000 Climate Challenge Fund**
 - for phase 1 community garden
- **£247,000 Big Lottery Community Space**
 - for phase 2 training centre

Castlebank Park

- Lease signed August 2013
- Phase 1 work commenced on site September 2013
- Decision on Phase 2 funding expected November 2013
- Park planting projects, walks etc. already ongoing
- Horticultural Education Officer appointed

Key Features

- One solution does not suit all
- No rigid scoring mechanism or formula
- Not solely a property decision
- Two phase approach
 - Assessment
 - Terms and conditions

- **Positive**
 - Cross service assessment panel
 - Non legal first phase reduces organisation initial costs and focus's resources on projects with most potential
 - Assessment Forms focus organisations on the practical issues
 - Non scoring assessments allow a balanced assessment
 - Organisations can be given time to address shortcomings in proposals
 - Support for Community Capacity development

- **Negative**
 - Properties Already Closed
 - Protest groups
 - Maintenance of empty buildings
 - Resource intensive for Councils
 - Organisations require business advice

- Valuation of community benefit
- Use of Clawback
 - Little discount, no title restrictions
 - Major discount, clawback provisions
- Detailed business planning needed to demonstrate sustainability – proportionate
- Projects falling at final stage as funding not achieved

Thank You!