

CASE STUDY EXAMPLE OF ASSET TRANSFER-OUTRIGHT OWNERSHIP:

Limavady Community Development Initiative

Limavady Community Development Initiative (LCDI) serves the community of the Borough of Limavady in NI. Founded in 1987 the focus for the organisation was on job creation. A quarter of a century old, the charity is still going strong and now employs some 60 people and is one of the largest community groups in NI; it continues to grow and work towards sustainable service delivery and in increasingly less dependent on grant funding.

The Asset: Roe Valley Hospital

One of the major factors in the growth of LCDI has been its acquisition of Roe Valley Hospital in 1997 (one of the best examples of a Union Workhouse on the island of Ireland). The availability of the asset came about, in part, because the building was in need of redevelopment which the Department of Health was not committed to supporting.

The opportunity for LCDI to acquire the Roe Valley Hospital came about at a time when it had outgrown its original premises. It was also in possession of European money that would support the organisation make a new capital purchase. The process of engaging with the asset owner (The Department for Health) began in 1997 though wasn't completed (actual purchase and move) until 1999. The complex was then subsequently regenerated with a mix of capital development grants and loans and developed as a major multifunctional community based facility. The majority of the space in the complex is rented and the income is a major contributor to the organisation's sustainability.

General Manager Damien Corr said:

The move was, for LCDI, an audacious one, we were ambitious, passionate and rash enough to believe in ourselves that we could own and manage this asset and make a major contribution to the community and borough of Limavady. That belief in ourselves was paramount to our ultimate success. When we first raised the possibility of community ownership with public sector health officials we were openly laughed at. It took commitment and effort to convince them not only to take us seriously but as to the bona fides of our business proposal. The success of our proposal was in part being able to convince the statutory health authority that what we would bring to ownership would better serve the community in the longer term. And to be fair, once we had convinced them on the merits of our proposal, which meant emphasising the social impact and longer term social return, their support became invaluable.

The Department in turn became central to what we wanted to achieve; they showed a degree of innovation not normally associated with the public sector. The extent of that willingness was revealed when they accepted our bid for purchase which was some £50,000 less than the highest bidder.

LCDI clearly understood what the benefit of owning the asset would mean: A sustainable income, an opportunity to grow as an organisation. So successful was their business plan that the building has been paid for with only residual debt on outstanding loans remaining. The building currently generates approximately £250,000 per annum from the key anchor tenants. Some of those anchor tenants are the health and social care providers that previously occupied the building when owned by its parent body the Dept. of health.

There were no conditions on sale other than those associated with those attached to the loan agreements entered into to purchase and refurbish the hospital. LCDI were not expected to continue to use the site to provide health and social care. In fact they made the case and campaigned for the retention of social care services within the facility post refurbishment to which the Local health care trust, at that time, agreed to. That confirmation and subsequent tenant lease

agreement to remain on site for 15 years, was core to LCDI acquiring matching loans from banks and other social investors.

To facilitate the new arrangement and to acquire the asset LCDI established Roe Valley Community Property Limited. It is the owner of the asset and LCDI is its sole shareholder and all profits gift aided back to LCDI.

Key Learning Points:

- Engage early and positively with the public body that is seeking to dispose of the asset
- Recognise that the public body has its own mission and objectives and bear these in mind when pursuing your own goals and look for joint wins and co-solutions to problems that may emerge
- Don't get giddy about what you might own; rather ask why you shouldn't take the asset and think through and generate solutions
- Do your homework; understand what you need to do and who you need to engage with. For example Big Lottery turned down an initial request for money from LCDI – so they engaged with BL personnel to design a solution
- Don't expect that it will happen overnight – passion is necessary but not enough, you need lots of people on your side
- Make the case for community ownership - don't expect it to be handed to you on a plate
- Negotiate, Negotiate, Negotiate