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Community Asset Transfer

1 Introduction

This covers the area of public bodies agreeing to transfer assets to communities and other third-sector organisations.

Through the Community Empowerment Action Plan (CEAP), both the Scottish Government and the Convention of Scottish Local Authorities (COSLA), have given a strong commitment to enabling communities to participate fully in the events and affairs which affect the community in which they live. It suggests that there are many different ways in which communities can become empowered and that community ownership of assets (land and buildings) can contribute to this. Asset acquisition may not be right for every community, as much will depend on local circumstances, but where it is appropriate there are a number of benefits that can be realised.

In 2009 the Scottish Government funded the Development Trusts Association Scotland (DTAS) to carry out a programme of work supporting communities to take ownership of assets. The first part of this, the report *Public Asset Transfer Empowering Communities*, looked at current activity

The report suggested that, when appropriate, community ownership of assets can:

- Generate long term sustainable revenue streams for community organisations making them more sustainable;
- Instil a heightened sense of civic pride and responsibility;
- Provide local people with a meaningful stake in the future development of the place in which they live and/or work;
- Contribute to more effective and more intensive use of local resources;
- Be used as leverage to draw in new finance and expand the level of community activity;
- Improve the quality of the relationship between the citizen, the community and the local state; and
- Provide new opportunities for local learning and community capacity building.

It also noted how:

In these ways, the community ownership of assets can make an important contribution to the range of innovative, bottom up solutions which community groups can develop to address local needs. Importantly, these solutions not only meet the need of local

people, they can also contribute to the delivery of both local government Single Outcome Agreements and central Government National Outcomes.

2 Current Developments

The Scottish Government subsequently provided funding to enable DTAS to establish the Community Ownership Support Service that provides guidance and support to both communities and public bodies in the transfer of assets. This includes information, advice, resources and practical support around asset transfer and acquisition activity, with the objective of increasing the level of sustainable asset transfer activity in Scotland. With a growing and widening interest in community-led regeneration, the availability of information and support on community asset ownership is recognised as an ever-important element of sustainable community-led regeneration.

The Scottish Government also undertook consultation on a proposed Community Empowerment Bill. The stated aims of the Bill were to make it easier for communities to take over unused and underused public sector assets and to introduce measures to help them deal more effectively with vacant and underused property in their areas. Both aims were seen as sharing the goal of increasing locally driven, enterprising community development as an important step to achieving sustainable economic growth.

The scope of the Bill falls into three sections. These range from new statutory rights and duties to smaller amendments to existing legislation that could act as a catalyst for community enterprise, community development and public service improvement:

Strengthening Participation

Services should be built around and with people and communities, paying attention to their needs, aspirations, capacities and skills. Having the right procedures, practices and organisations in place will help deliver effective community engagement. Consistent and high standards of engagement can be achieved through ensuring appropriate methods are used by those designing and delivering services to inform, monitor, evaluate and report on engagement.

Unlocking Enterprising Community Development: Communities owning assets, and being able to bring unused and underused assets in their areas back into use, can in the right circumstances be a catalyst for unlocking community empowerment, enterprise and increasing social capital.

Renewing our Communities: Vacant or unused property can blight areas, create barriers to economic development and lead to increased social costs for local authorities. Property owners can help by taking responsibility for the effect their properties have on communities. Local authorities should have the appropriate powers to step in and take action where necessary and communities can play an important role by taking action and influencing how such property is dealt with in their areas.

The consultation process was completed and, on 6 November 2013, the Minister for Local Government and Planning launched a new consultation on detailed proposals for the Community Empowerment (Scotland) Bill.¹

¹ <http://www.scotland.gov.uk/Publications/2013/11/5740>

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In England, Part 5 Chapter 3 of the Localism Act 2011 provided for a scheme brought into effect on 21 September 2012, called ‘assets of community value’. Part of the UK Government’s community empowerment agenda, it requires a local council to maintain a list of ‘community assets’. Nominations for such assets can be made by parish councils or by groups with a connection with the community. Individuals cannot nominate community assets. If the nomination is accepted, the group will be given time to come up with a bid for the asset when it is sold. There is no compulsion on the owner of an asset to sell it and the right to bid only applies when the owner decides to dispose of it. The scheme does not give first refusal to the community group as it is not a community right to buy the asset, just to bid. This means that in some instances the local community bid may not be the successful one. Certain types of land, most notably residential property, are exempt from being placed on the register. Owners of property placed on the register may appeal against its listing and can claim compensation if they can demonstrate its value has been reduced. Also, certain types of transfer of land or assets do not count as disposal for the purposes of the legislation.

In contrast, the Community Empowerment (Scotland) Bill proposes extending the provisions of community right to buy ‘land’, including property, currently enjoyed by communities of under 10,000 population to all urban areas in Scotland.

2 Published Guidance

Community acquisition and management of assets has many challenges and the DTAS Community Ownership Support Service is active in providing and promoting published guidance for:

- Individual people or groups of people who want to organise people in their community to secure benefits from the development of land and building assets. They may want to save a local building from demolition and closure, to meet the need for housing on a site which is to be sold or redeveloped or create employment by creating space for new enterprises.
- Community and voluntary sector organisations who want to use land or buildings to give them a base for their own activities, or own or manage a property that will provide an income stream to support their activities.
- Not for profit organisations and social enterprises who deliver local services supported with volunteers, grants and contracts with local councils, government and other statutory providers of public services such as health and education.

Community Ownership Support Service

www.dtascommunityownership.org.uk

This provides a wide range of guidance notes, factsheets, templates and case studies. It also provides links to the guidance published in Lorraine Hart *To have and to hold. The Development Trusts Association guide to asset development for community and social enterprises* (Second edition), a comprehensive and useful guide published by the Development Trusts Association on asset development for community and social enterprises, but useful for Local Authorities too.

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Of some relevance to buildings at risk is the 2011 publication *Your Buildings, Your Future. A guide to commissioning sustainable architecture for community organisations* prepared by Matt Bridgestock of 55° North Architecture and edited by Richard Baynes. This initiative was funded by SUST at Architecture and Design Scotland. Principally offering advice and guidance on developing sustainable new buildings the book provides valuable information that can help build a community group's knowledge and capacity to take on a buildings related project. However, there are only limited references to existing buildings:

Refurbishment and Rehabilitation

If your project involves an existing building, the feasibility study needs to consider the following issues:

- The condition of the existing building and any constraints this places on the development;
- Any additional regulation such as listed building status or inclusion in a conservation area;
- The options for reusing or remodelling the building;
- You should also discuss the cost assumptions with the QS in detail; and
- Redeveloping an existing building often leads to unexpected costs at the construction stage, and you need to allow a sufficient 'contingency' fund for this.

The Toolkit text 6 *Property Asset Management* introduces the guidance *Pillars of the Community* on the transfer of heritage assets published by English Heritage. However, there remains a deficit of such information and guidance produced specifically for Scotland.

3 Local Authority Engagement

Some local authorities have responded to the community asset management agenda by producing their own strategies that are linked to their Property Asset Management plans.

The Moray Council has developed a *Community Asset Management Strategy* and a *Community Asset Management Policy*² to 'provide a positive, informed service to assist community organisations to access appropriate levels of support. This will require specialist input from a wide range of departments within the council'. A Community Asset Transfer Working Group has been established within the council to provide advice and information to help communities help themselves. Interested community groups are required to demonstrate organisational capacity in order to maintain and develop any assets in the long term and the council aims to support them where possible to ensure that they can independently access and manage funding to acquire any assets. Community asset transfer seminars have been held.

Aberdeenshire Council has adopted a *Community Asset Transfer Policy*³ and published guidance for voluntary and community groups and for council managers.

This small sample would suggest that such strategies are largely silent in respect to the heritage needs and qualities of many of the buildings that might be transferred as well as the challenges third sector organisations may face in handling such specialised properties. One exception is the

² http://www.moray.gov.uk/moray_standard/page_77750.html

³ <http://www.aberdeenshire.gov.uk/CAT/policy.asp>

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reference in the Aberdeenshire policy which notes among the listed benefits to the of asset transfer for the council include:

- Strengthening ‘community anchors’;
- Restoring ‘iconic’ buildings;
- Delivering social, economic and environmental benefits;
- Solving building management problems and lowering ongoing costs; and
- Bringing back into full use properties deemed surplus to requirement or under performing.

Other councils too are in the process of preparing policies, strategies and guidance and it will be interesting to consider these as they emerge. East Ayrshire Council for example has recently introduced a comprehensive Community Asset Transfer website where it lists all surplus assets, provides information on their condition and running costs and encourages communities to come forward to explore potential new futures in community ownership for these assets.⁴

Councils, Community Planning Partnerships and the Scottish Government can make use of legislation that allows councils to sell assets at below market value if it is for public benefit, where this is consistent with a published policy objective and would achieve best value for the public sector overall. In practice, however, councils tend to seek to obtain the highest possible return on any sale and the strongest arguments will require to be made by those wishing the provision to apply to a listed building case. In such circumstances effective property asset management linked to a local buildings at risk strategy would be beneficial.

The above guidance was prepared by The Architectural Heritage Fund for Historic Scotland and is published by the Buildings at Risk Register for Scotland as part of the Buildings at Risk Toolkit. <http://www.buildingsatrisk.org.uk/>

The text contains references to legislation and its interpretation that may contain inaccuracies or be out of date. Ensure you take appropriate professional advice before making decisions relating to property. Feedback, relevant case studies and suggested changes are welcomed.

Principal Author: Stuart Eydmann DipTP PhD MRTPI IHBC
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⁴ East Ayrshire Council – Community Asset Transfer - <http://cat.eac.eu>