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**REPORT TO: POLICY & RESOURCES COMMITTEE ON 2 OCTOBER 2018**

**SUBJECT: COMMUNITY ASSET TRANSFER – GRANT LODGE, ELGIN**

**BY: CORPORATE DIRECTOR (CORPORATE SERVICES)**

**1. REASON FOR REPORT**

- 1.1 This report provides an update on progress with the Community Asset Transfer interest in Grant Lodge, Cooper Park, Elgin.
- 1.2 This report is submitted to Committee in terms of section III (B) (16) of the Council's Scheme of Administration relating to the management of Common Good and Trust property.

**2. RECOMMENDATION**

**2.1 The Committee is invited to consider and note that:-**

- (i) **Grant Lodge Trust's potential asset transfer request for Grant Lodge is now being supported by tsMoray through the provision of a dedicated project officer for a period of six months;**
- (ii) **proposals for a Heritage Visitor Attraction based in Grant Lodge are being progressed in parallel with the potential asset transfer request from Grant lodge Trust; and**
- (iii) **a report on progress will be brought to Moray Council before the end of the current financial year once the potential availability of funding is known.**

**3. BACKGROUND**

- 3.1 Grant Lodge forms part of the Cooper Park Public Trust, having been gifted to the then Town Council in the early 20<sup>th</sup> century. The building was last used as a public library in 2004, being vacated when the library service moved to its current location within the park. The Lodge, a category B listed building constructed in the late 18<sup>th</sup> century to designs by Robert Adam, is on Historic Environment Scotland's Buildings at Risk Register.
- 3.2 On 12 May 2014, Moray Council organised and facilitated a workshop for interested parties with the aim of exploring options for the future of the building. This led to the setting up of a new charitable company, Grant Lodge

Trust, whose charitable objects include the preservation, conservation and development of the building through:

- promoting, and educating the general public about, the heritage and historical significance of the building; and,
- restoring and improving the building and its associated environs in order that they may function as community assets.

- 3.3 On 20 January 2015, this Committee agreed that officer support should be provided to the newly formed trust while it developed its proposals (para 7 of the Minute refers). No time limit was set for the availability of this support, which is ongoing and provided through the Community Support Unit.
- 3.4 On 29 August 2017, this Committee noted the intention of Grant Lodge Trust to submit a formal asset transfer request for the building within the next 12 to 18 months, agreed to set a limit of 18 months on its commitment to support a potential asset transfer of the asset before considering alternative options, and agreed that a report on progress be brought back to this Committee in 12 months (para 13 of the Minute refers).
- 3.5 Grant Lodge Trust is now being supported by tsiMoray, who have agreed to provide a dedicated project officer for a period of six months from October this year. The project officer will be responsible for carrying out additional consultations and developing the trust's business case in support of its proposed asset transfer request. The Trust has confirmed that it expects to make a formal asset transfer request by 31 March 2019. The availability of dedicated support from tsiMoray should significantly reduce the requirement for ongoing support from the Council's Community Support Unit.
- 3.6 Following the August 2017 decision by this Committee, dry rot treatment works were carried out to the basement, ground and first floors of the building. This involved stripping away affected timbers and plaster, carrying out structural repairs, and treatment with a fungicide spray. Following an inspection of high-level stonework, loose and dangerous stonework was removed and set aside for future reinstatement. The roofs, gutters and downpipes were inspected and cleared of accumulated debris and arrangements for regular debris clearing put in place to help keep the building wind and watertight. The final cost for these repairs was £18,595. Due to the danger of falling ceiling plaster and other risks from trailing cables providing basic power and lighting, access to the building is strictly controlled.
- 3.7 On 28 June 2018, Moray Council authorised the submission of funding applications to the Regeneration Capital Grant Fund for a Heritage Visitor attraction to be based in Grant Lodge, which project is part of the Cultural Quarter Growth Deal proposal (para 15 of the Minute refers).
- 3.8 The opportunity presented by the Growth Deal to support the restoration of Grant Lodge has been discussed with a representative of the Trust, who is now on the project board established to progress proposals for the Cultural Quarter. It has been agreed that both proposals for the future of the building should be progressed in parallel. A further report to Council, incorporating the views of Grant Lodge Trust, will be submitted early in the New Year once the potential availability of funding has been established.

- 3.9 The arrangements set out in this report will help ensure that Grant Lodge is kept wind and watertight pending the Council making an informed decision on the future of the building by the end of the current financial year.

#### **4. SUMMARY OF IMPLICATIONS**

##### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

As Grant Lodge is a trust asset, the trust purposes take precedence over the Council's Corporate Plan and the 10 Year Plan (LOIP). Nonetheless, transferring assets to the community can support the LOIP aim of creating more resilient and sustainable communities with less need for universal services provided by the public sector. It is also consistent with the Corporate Plan value of promoting community empowerment as a means of supporting communities take on more responsibility.

Both the Growth Deal and the Grant Lodge Trust proposals have the potential to support the Corporate Plan priority of promoting economic development and growth and the LOIP priority of developing a growing and sustainable economy.

##### **(b) Policy and Legal**

On 21 March 2017, this Committee approved the following policy statement in relation to Community Asset Transfer (para 5 of the Minute refers).

*"Moray Council recognises the important role that the transfer of property assets can play in empowering communities and strengthening their resilience. Where appropriate, the Council will use the transfer of assets to give more control to communities and local people, inspire them to find local solutions to community needs, and as a means of helping communities become more sustainable in the long term. In determining all asset transfer requests, the Council will have regard to the guidance provided by the Scottish Government in relation to asset transfer requests made under Part 5 of the Community Empowerment (Scotland) Act 2015, whether or not such requests are made under the provisions contained in the Act."*

Grant Lodge no longer has a strategic fit with Council priorities and is no longer serving the trust purposes. The Council's policy for such properties is to:

- (i) sell or lease the asset on the open market;
- (ii) transfer responsibility for the asset under its arrangements for community asset transfer (CAT);
- (iii) demolish the asset; or,
- (iv) if none of the above is possible, mothball the asset.

The Council will actively promote a CAT of a property that no longer has a strategic fit but which has a high community profile. However, it will consider on a case-by-case basis the length of time it will promote CAT before proceeding to exercise its other options. In the case of Grant Lodge, options (i) and (ii) require authorisation from the Court of Session

and option (iii) is not possible due to its listed status, leaving option (iv) mothballing as the only course of action currently available.

The Council, in its role as trustee, is responsible for the upkeep of Grant Lodge and cannot pass on responsibility to a third party without a change in the trust terms. While there is no legal obligation on the Council to maintain a listed building to a particular standard, it cannot demolish the building without consent. As the enforcing authority for dangerous buildings, the Council must ensure that appropriate steps are taken to ensure public safety.

**(c) Financial Implications**

The Cooper Park Trust only generates a small annual income from property rental. Consequently, any significant costs relating to the Trust assets fall to the Council. There is no budgetary provision to carry out any significant repairs. The cost of regular gutter cleaning is met from Trust income.

**(d) Risk Implications**

Steps have been taken to mitigate the risk of catastrophic failure in the building's structural elements. Any further deterioration of the building fabric could ultimately lead to the building reaching a stage where it becomes beyond economic repair; effectively eliminating any possibility of bringing it back into beneficial use.

**(e) Staffing Implications**

All work required can be accommodated within existing staffing resources.

**(f) Property**

The Council's agreed 'Make Do and Mend' approach to property maintenance limits investment as far as possible to that required to maintain resilience in the operational asset base, i.e. those buildings needed to support current service delivery. As Grant Lodge ceased to be an operational building in 2004, it now falls to be dealt with in accordance with the requirements of the public trust and the Council's policy on assets with no strategic fit.

**(g) Equalities/Socio Economic Impact**

An impact assessment report is not currently required. If the funding requests are successful, or the potential asset transfer request is agreed, a derelict building will be brought back into use.

**(h) Consultations**

Consultation has taken place with the Asset Management Working Group's CAT Sub-Group\*, Corporate Director (Economic Development, Planning & Infrastructure), Head of Housing and Property, Legal Services Manager (Property and Contracts), Property Resources Manager, Community Support Manager, Democratic Services Manager, and Equal Opportunities Officer. All comments have been incorporated in the report.

\* (Corporate Director (Corporate Services), Head of Development Services, Head of Financial Services, and Educational Resources Manager.)

Elgin City North and South Members, Councillors Brown, Coy, M McLean, Divers, Leadbitter and R McLean, have been consulted and may make their views known at Committee.

**5. CONCLUSION**

- 5.1 The dedicated support to Grant Lodge Trust from tsiMoray will replace the support currently being provided to the group from the Council's Community Support Unit.**
- 5.2 Proposals for a Heritage Visitor Attraction based in Grant Lodge are being progressed in parallel with the potential asset transfer request from Grant Lodge Trust.**
- 5.3 Progress with both projects will be reviewed in January 2019 in the light of available funding, with a report being presented to Moray Council to allow it to make an informed decision on the future of Grant Lodge.**

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| Author of Report:  | Andrew Gray, Asset Management Coordinator |
| Background Papers: | Held by author                            |
| Ref:               | CAT/055/EOI                               |