



**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL
SUSTAINABILITY COMMITTEE ON 16 FEBRUARY 2021**

SUBJECT: COMMUNITY ASSET TRANSFER: DUFFTOWN WOODLANDS

**BY: DEPUTE CHIEF EXECUTIVE
(ECONOMY, ENVIRONMENT AND FINANCE)**

1. REASON FOR REPORT

- 1.1 This report invites the Committee to grant delegated authority to the Chief Financial Officer to obtain specialist external valuation advice.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this committee the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (para 9 of the minute refers).

2. RECOMMENDATION

- 2.1 The Committee is invited to delegate authority to the Chief Financial Officer to obtain specialist external valuation advice in respect of five areas of woodland, including fishing rights, in Dufftown that are held on the Common Good account.**

3. BACKGROUND

- 3.1 On 27 October 2020, the Council received a formal expression of interest from a local community body in a free transfer of ownership of five areas of woodland in the Dufftown area. All of the land is held on a Dufftown Common Good title. In addition to the right to the timber, the title includes salmon and other fishing rights on the River Fiddich.
- 3.2 To properly assess the costs and benefits of an asset transfer request, fulfil the Council's duty to secure Best Value, and satisfy the requirements of the Disposal of Land by Local Authorities (Scotland) Regulations 2010, it is essential that the market value of the subject property rights is identified prior to the request being determined.

- 3.3 The specialist advice required to value these subjects is not available in-house. Informal discussions with the Valuation Office Agency (the District Valuer), have established that the likely fee for the specialist valuation advice required for these sites would lie between £2,000 and £2,500.
- 3.4 On 21 March 2017, the Policy and Resources Committee considered policy changes required following the coming into force of Part 5 of the Community Empowerment (Scotland) Act 2015 and the publication of the Scottish Government's related guidance to public authorities (para 5 of the Minute refers). The report, which also addressed the valuation implications of the Act and its associated guidance, confirmed that no external valuation incurring a cost to the Council of more than £1,000 would be instructed without prior committee approval.
- 3.5 The community body has indicated a clear intention to make a formal asset transfer request for the sites and that it intends making the necessary changes to become eligible under the CAT scheme. It has not, however, agreed to meet a share of the costs of a joint valuation instruction. Consequently, the Council would need to meet in full all costs incurred. It should be noted that the community body is under no obligation to meet a share of these costs and failure to reach agreement in this regard should be disregarded when determining any subsequent asset transfer request.
- 3.6 In cases where external valuation advice is required, it is generally sought prior to a formal asset transfer request being submitted to ensure that the request can be determined within the timescale imposed by legislation. External valuation advice would only be instructed once it becomes clear that a request is likely to be received by an eligible body.

4. SUMMARY OF IMPLICATIONS

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

Where a property is held on a Common Good title, the interests of the inhabitants of the former burgh take precedence over the Council's Corporate Plan and 10 Year Plan (LOIP). Nevertheless, transferring assets to the community supports the 10 Year Plan aim of creating more resilient and sustainable communities and is consistent with the Corporate Plan value of promoting community empowerment as a means of supporting communities to take on more responsibility.

(b) Policy and Legal

On 21 March 2017, the Policy and Resources Committee approved the following policy statement (paragraph 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.”

Assets transferred to the community at less than market value must comply with the Disposal of Land by Local Authorities (Scotland) Regulations 2010, which requires the Council to be satisfied that the proposed transfer is reasonable and that the disposal is likely to contribute to the promotion or improvement within Moray of any of the following purposes:

- a) Economic Development,
- b) Regeneration,
- c) Public Health,
- d) Social Wellbeing, or
- e) Environmental Wellbeing.

Reasonableness in this context is taken to imply that the requested discount is the minimum necessary to allow the project to proceed and that it is commensurate with the likely benefits of the project.

(c) Financial Implications

The cost to the Council of obtaining the necessary external specialist advice is estimated to lie between £2,000 and £2,500.

(d) Risk Implications

There is a low risk that no asset transfer request will be submitted. The consequences of this would be that the Council has a better understanding of the value of its assets. There is a high risk that leaving any valuation instruction until after receipt of a formal asset transfer request would leave insufficient time to obtain the necessary authority to instruct, prepare and receive the advice to allow the committee to determine the request within the timescales imposed by legislation.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

There are no property implications arising directly from this report.

(g) Equalities/Socio Economic Impact

There are no equalities or socio economic implications arising directly from this report.

(h) Consultations

The Depute Chief Executive (Economy, Environment and Finance), Chief Financial Officer, Estates Manager, L. Rowan Committee Services

Officer, and Equal Opportunities Officer have been consulted and comments incorporated in the report.

The local Ward Members, Councillors Nicol, Ross, and Wilson, are aware of the interest and may make their views known at Committee.

5. CONCLUSION

- 5.1 In order to ensure that appropriate specialist valuation advice is received in sufficient time to allow the Committee to determine a transfer request for these assets within the timescale set down in legislation, delegated authority is sought for the Chief Financial Officer to approve the necessary instructions at the appropriate time.**

Author of Report: Andrew Gray, Asset Management Coordinator
Background Papers: Held by author
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