



REPORT TO: POLICY AND RESOURCES COMMITTEE ON 10 MARCH 2020

**SUBJECT: COMMUNITY ASSET TRANSFER REQUEST (NON-ACT):
DUFFTOWN COMMUNITY CENTRE**

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

1. REASON FOR REPORT

- 1.1 This report invites the Committee to consider a community asset transfer request made for the transfer of ownership of Dufftown Community Centre.
- 1.2 This report is submitted to the committee in terms of Section III(B)(59) of the Council's Scheme of Administration relating to the consideration of community asset transfer requests.

2. RECOMMENDATION

2.1 The Committee is asked to:

- (i) **approve the request to transfer ownership of Dufftown Community Centre, Church Street, Dufftown to Dufftown Community Centre (SCIO SC048668) subject to the terms and conditions set out in section 5 of this report; and,**
- (ii) **remit the matter to the Estates Manager and the Legal Services Manager to complete the transfer of title.**

3. BACKGROUND

- 3.1 On 11 April 2018, Moray Council approved transitional arrangements aimed at enabling successful community asset transfers of seven of its town halls and community centres (paragraph 6 of the Minute refers). These arrangements included entering into short term leases with eligible groups.
- 3.2 On 1 November 2018, Dufftown Community Centre (SCIO) took entry to the Dufftown Community Centre in accordance with the agreed transitional lease arrangements. On 9 December 2019, the SCIO submitted a formal request for the transfer of the community centre.

- 3.3 The SCIO is seeking a transfer of ownership of the centre at nil consideration in order to own, manage and maintain the community centre for use by local residents. The stated intention of the proposal is to enable the community to continue accessing the building for a variety of recreational activities and allow for the future development and improvement of the facility.
- 3.4 There is no requirement that all asset transfer requests be made under the Community Empowerment (Scotland) Act 2015. However, where agreement cannot be reached voluntarily, community transfer bodies have a right to make a formal asset transfer request under the Act and to receive a decision made in line with the legislation. This request was made outside of the provisions of the Act, so its determination remains at the discretion of the council. However, as an eligible body, in the event of the request being refused Dufftown Community Centre (SCIO) retains the right to make a formal asset transfer request under Part 5 of the Act.
- 3.5 The redacted submissions in support of Dufftown Community Centre's (SCIO) request are available on the Council's Committee Management System at <https://moray.cmis.uk.com/moray/CouncilandGovernance/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/111/Committee/5/SelectedTab/Documents/Default.aspx>.

4. ASSESSMENT

- 4.1 Dufftown Community Centre's governance and financial management arrangements are considered to be strong and sustainable. Best value characteristics have been considered by the organisation in preparing its proposal. Overall, the projected benefits have been demonstrated well and are considered to represent value for money.
- 4.2 The projected benefits relate to public health and social wellbeing. They support the Local Outcome Improvement Plan priority of empowering and connecting communities. They also support the Corporate Plan priorities of ensuring caring and healthy communities and working towards a financially stable council.
- 4.3 The council's Estates Manager has advised that the estimated market value of the community centre could reasonably be stated as £86,400. The projected benefits of the proposal are considered to be commensurate with the requested 100% discount on the market value.
- 4.4 There is a low risk of the presence of State Aid as the proposed service is considered to be local and, therefore, unlikely to affect intra-community trade among EU member states.

5. TERMS OF TRANSFER

- 5.1 If the recommendations are agreed, the following terms would apply to the transfer:
- (a) Subjects – the asset comprises Dufftown Community Centre, Church Street, Dufftown, as shown outlined in red in **Appendix 1**;

- (b) Price – the price payable would be £nil.
- (c) Existing Lease – the existing concessionary lease terms would apply until the date of the transfer;
- (d) Fees/Expenses – each party would meet its own legal expenses in the processing of the transaction, including legal expenses and surveyors fees; and,
- (e) Other Terms – any other detailed terms agreed with the council's Legal Services Manager and Estates Manager.

6. SUMMARY OF IMPLICATIONS

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

Transferring assets to the community supports the 10 Year Plan (LOIP) 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 take on more responsibility. The proposed transfer has strong links to the Corporate Plan priority of ensuring caring and healthy communities.

(b) Policy and Legal

On 21 March 2017, this 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:

- (i) Economic Development,
- (ii) Regeneration,
- (iii) Public Health,
- (iv) Social Wellbeing, or
- (v) 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 council's Estates Manager has advised that, on the basis of a desktop approach incorporating a number of assumptions, the estimated market value of the community centre could reasonably be stated as £86,400. A capital receipt of this value would provide an estimated loans saving in the region of £6,000. Prior to the community taking on responsibility for the property under the interim lease arrangements, the council's annual cost of running the facility amounted to £8,000. The projected benefits of the proposal, which enables the continuation and improvement of services to the community, are considered to be commensurate with the requested 100% discount on the market value.

(d) Risk Implications

Project risks have been considered by Dufftown Community Centre (SCIO) and appropriate actions identified to mitigate these. The risks of the project failing are considered to be low. In the event of its winding up or dissolution, the SCIO's constitution provides that any remaining assets would transfer to another community or charitable body approved by the Scottish Charity Regulator.

If the proposed transfer was not to go ahead, then there is a high risk that the property would lie vacant for several years before a sale could be achieved, incurring annual costs such as empty property rates. The capital receipt obtained may differ from the desktop valuation.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

The property implications are as detailed in this report.

(g) Equalities/Socio Economic Impact

As part of the council's budget setting process, an equality impact assessment was carried out when the centre's closure was proposed. The business case submitted by Dufftown Community Centre (SCIO) reflects mitigation for the impacts identified by the council at the time.

(h) Consultations

The Depute Chief Executive (Economy, Environment and Finance), Chief Financial Officer, Head of Economic Growth and Development, Head of Education Resources and Communities, Legal Services Manager, Estates Manager, P. Connor Principal Accountant, D. Brodie Community Support Officer, T. Sutherland Committee Services Officer,

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

Speyside and Glenlivet Ward Members have been consulted and may make their views known at the meeting.

7. CONCLUSION

7.1 The proposed transfer is likely to contribute the priorities set out in the council's Corporate Plan and the Local Outcomes Improvement Plan.

7.2 Dufftown Community Centre's governance and financial management arrangements are considered to be strong and sustainable. Best value characteristics have been considered by the organisation in preparing its proposal. Overall, the projected benefits have been demonstrated well and are considered to represent value for money, providing sufficient justification to agree a disposal at less than market value.

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