

Written submission from Argyll and Bute Council

Please find undernoted your questions with answers as applicable to Argyll and Bute Council;

1. Does your authority have arrangements in place to hold some or all local authority assets in a separate land holding?

If by separate arrangements to hold land it is meant that such vehicles as a Limited Liability Partnership, Trust, etc. are utilised then I can advise that Argyll and Bute Council has no specific arrangements in place. The possibility of utilising such vehicles would be examined if it would be an appropriate option to consider in relation to a specific project and each would be considered on its own merits. The Council does internally hold property under different accounts. Additionally the Council manages those assets held for common good.

2. When disposing of, or transferring assets how are those assets valued. To what degree is this purely a financial valuation?

With regard to the transfer of assets outwith the current Community Right to Buy legislation Argyll and Bute Council utilises the services of the District Valuer to place an impartial open market value on the asset. The valuation is then used as part of a business case assessment which will be undertaken by the department which has responsibility for the asset. The business case will first consider whether the asset is or can be made surplus to the Council's requirements. If the asset is or can be declared surplus the business case will look at both the financial and non-financial implications of a potential sale of the asset and relate these to national and Council policy/ strategies and in particular to the Community Plan and Single Outcome Agreement. If relevant to a particular project an assessment may also be made on whether there is scope to consider a less than market value or even nominal sale price. The assessment is therefore not purely financial but the Council is always mindful of the requirements under the Local Government etc. (S) Acts of the requirement to achieve the best consideration reasonably obtainable. The assessment criteria as contained in the Disposal of Land by Local Authorities (S) Regulations 2010 is also utilised by the Council to assess any request for a less than market value or nominal price.

3. What is the attitude of the authority to the disposal of assets? Does your authority have a policy to encourage the disposal of assets to community groups?

Argyll and Bute Council has an approved third sector asset disposal policy and accompanying procedures in place. This includes an application form and guidance which has been developed in consultation with the Scottish Government's Community Right to Buy Team, the Big Lottery Fund, Highland and Islands Enterprise and DTAS. Additionally a dedicated web site has been set up where assets will be advertised. The website also contains the application form which can be downloaded, guidance, leaflets and video presentations from the Council's launch of the third sector asset transfer process which includes presentations from John Swinney MSP and a range of funders, support organisations and Council officers.

Where a third sector group is an existing occupier and requests a transfer the authority considers the request in the usual manner but will in such cases deal directly with the occupying group rather than advertising.

Within the Council's Economic Development Service there is a Social Enterprise Team which works with community groups seeking to obtain assets. Currently there are four potential assets sales to the third sector being progressed.

4. What is your experience of disposal and what difficulties has the authority encountered?

As advised above Argyll and Bute Council is currently in the process of dealing with a number of potential sales to the third sector. Recently the Campbeltown Town Hall transferred to the South Kintyre Development Trust and is good example of the Council's commitment to working with the community and third sector to deliver a sustainable solution.

From the experience to date it is clear that for both the Council and the third sector groups there is a considerable amount of work and cost involved to clarify proposals, prepare business cases, seek valuations, obtain cost information, etc. The Council has assessed that third sector asset disposal costs could be as high as £20,000 for each party. There is also a significant resource implication for the Council to then analysis the business case to ensure the proposal is economically viable & sustainable and to assess the merits of any sale proposed for less than market value.

The expectations of communities and community organisations in relation to the community buy out process often doesn't reflect the statutory duties of local authorities in disposing of assets (particularly at less than market value) or the risks associated with state aid regulations where a commercial activity is involved.

A community organisation registering an interest in a community buy out, can extend the period during which the local authority incurs security or maintenance costs which can be in six figure terms. This is often unbudgeted additional expenditure and is not reflected in the asset valuation.

The process can by necessity be quite lengthy and in the case of the Campbeltown Town Hall discussions first commenced in December 2010. The Council is looking to refine the process with the benefit of experience but complicated projects are always going to require quite significant input from Council officers.