

Written submission from Comhairle nan Eilean Siar

I refer to your letter of 16 December 2014 requesting information in relation to Comhairle nan Eilean Siar's asset disposal procedures with reference to the Community Empowerment Bill.

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

No

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

The assets are generally valued by District Valuer Services (DVS) and occasionally by an Estate Agent. This is predominantly a financial valuation and a guideline of what could be obtained on the open market which is used as an element of the Comhairle's decision making in the disposal of assets.

- ***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?***

The Comhairle has adopted a procedure whereby there is a staged approach to the disposal of assets:

Stage 1 - Declare as surplus only on checking that Internal Departments have no interest in retaining for Comhairle Use.

Stage 2 - Check whether the local Registered Social Landlords have an interest in acquiring for development as affordable housing. If there is interest then terms for transfer are agreed.

Stage 3 - Advertise seeking interest from Community Groups. If there is interest then dates are set for the submission of a Business Plan which would be evaluated for compliance with the Disposal of Land by Local Authorities (Scotland) Regulations 2010. Offers in the order of 10% of the valuation have been accepted for surplus building assets.

Stage 4 - If there is no community interest then the asset is advertised on the open market.

I believe this procedure demonstrates a positive attitude by the Comhairle towards disposal to community groups.

- ***What is your experience of disposal and what difficulties has the authority encountered?***

Comhairle nan Eilean Siar has successfully disposed of a number of assets at every stage of this procedure over the past 4 years.

One of the main difficulties encountered is the time taken by community groups to compile viable business plans and funding packages. This time, usually in excess of 12 months, sometimes considerably more, means that the Comhairle is retaining the revenue costs, and the assets tend to deteriorate in condition when not occupied.

In some cases the community's desire to own the asset is more through social ties (often in the case of former school buildings) rather than a direct need. This means that community groups are looking for uses for the asset rather than having established uses which require an asset to deliver them. We have found that by offering communities the opportunity to lease the asset for a short term (1 to 2 years), at a reduced rate, the group can trial their business model and gain a direct experience of managing the asset without a commitment to purchase. The other benefit to the Comhairle is that the building is being occupied and maintained for this period. To date each of the community groups that have leased an asset have later proceeded with purchase.

In some cases there may be competing groups within one community wishing to acquire the asset. The Comhairle actively encourages groups to collaborate and submit one application to acquire the asset. To date this practice has been successful and has encouraged community collaboration and avoided the situation where multiple community applications are being evaluated against each other.

The Comhairle has adopted the procedure of offering the asset to community groups prior to advertising on the open market in the knowledge that the achievable receipt is likely to be reduced. Consideration was given to advertising on the open market and to community groups simultaneously in order to evaluate the most advantageous offer to the Comhairle, however difficulties were perceived in matching timescales as private offers would have to wait for the submission of community business plans.

Where possible the Comhairle starts the process as soon as the asset is known to become surplus to requirements rather than waiting until it is vacated. This reduces the time that the asset is vacant.

Other timescale difficulties relate to historical title issues particularly in relation to resumption from crofting tenure which may not have been completed. Concluding matters between the Crofting Commission, Landlord and Tenant can delay disposals for lengthy periods.