

Written submission from East Lothian Council

Disposal of Local Authority Assets

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

The majority of land and property assets are held by and are under the direct control of the Council.

However, some assets are held as Common Good and some by two companies that are wholly owned by the Council: East Lothian Land Ltd and Enjoy Leisure Ltd.

East Lothian Land Ltd's remit is to promote, support and/or effect the development of land and property within the area served by East Lothian Council, with a view to stimulating economic development and regeneration and so to assist in the creation of employment opportunities.

Enjoy Leisure Ltd manages and delivers leisure services on behalf of the Council.

Lastly, a very small number of assets are held on Trusts which are administered by the Council.

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

The Council is bound by statute to achieve best value and, in the current financial climate, is particularly mindful of the need to maximise financial returns from surplus assets. The financial valuation of assets for disposal is therefore necessary and is obtained from the District Valuer or undertaken by the Council's estates surveyors who have RICS Registered Valuer status. However, value to the community is also considered and opportunities for disposal or transfer to partner organisations to achieve particular outcomes, for example, day centre or residential care provision, are explored where appropriate.

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?

Where appropriate, the council has facilitated community use of some buildings by way of the grant of long leases (99 years) to community groups. The Council is currently developing a policy in relation to this area.

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

a. The Council has transferred the title of Dunbar Harbour to a Dunbar Harbour Trust. It would be fair to say that the experience was a lengthy and protracted process, although this may have been inevitable given the nature of the transfer and the liabilities the harbour community were taking on. We are working to transfer ownership of North Berwick Harbour in a similar way.

- b. The Council encountered delay in accepting an offer during a recent sale of a town centre asset when a community group made an offer for the property at the closing date but could not confirm that they could secure funding for the purchase within a timescale acceptable to the Council in terms of acting fairly to the other bidders.
- c. The Council recently made significant investment in a long lease of a community facility to a local group. The group secured money from external funders to improve the facility. However they subsequently decided to hand the building back to the Council. One of the issues they encountered was grant conditions from an external funder which they did not feel able to accept. It can be difficult to ensure that local volunteers truly understand and are well prepared for the extent of the liabilities and responsibilities they are taking on.
- d. Having to return a facility is bound to cause disappointment locally, and can dent a community's self-confidence and appetite for further ventures.
- e. The examples that have worked well for the Council in the past are where council staff are actively involved in running the facility, and the Trustees assist with programming details, raise funds and work on joint projects.
- f. As the Council has said in its various responses to consultation on community empowerment, community capacity is a real issue in ensuring the sustainable control of public assets.