

Written submission from Renfrewshire Council

Disposal of Local Authority Assets

I refer to your letter of 16 December 2014, addressed to the Chief Executive, seeking additional information as part of the evidence call on Part 4 of the draft Community Empowerment Bill, which makes changes to the Land Reform (Scotland) Act 2003.

Please find detailed below my answer to the questions raised:-

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

- Renfrewshire Council currently has a Single Asset Register for all of its property holdings. While stating this it is aware of which assets are held on the three main accounts, General Services, Housing Revenue and its Common Good Accounts for Paisley, Renfrew & Johnstone.

2. When disposing of, or transferring assets how are those assets valued?

- When disposing of an asset this is primarily undertaken by advertising the surplus assets availability on the open market and seeking bids, via the Council's website, via web hosting sites, Co-star and Nova Loca, advertisement via the local and national press and the installation of advertising boards upon the property to be sold. The size of the property to be sold will determine whether any press advertisement is required. In addition, officers seek to contact parties/companies and individuals, who have expressed a particular interest on being advised of a properties availability in the past, by analysing the Council's own property enquiry database. The asking price is not always quoted, however when quoted, it is determined by the Council's in house Asset & Estates team, who comply with the requirements of the Council's Disposal Strategy, ensuring the Council complies with the legislative requirements to seek the best price possible. In terms of the Disposal Strategy, any adjoining owner, can seek to acquire the property lying immediately adjacent to their property interest, should it be surplus to the Council's operational requirements and this will be valued by the Council's in house valuation surveyors, who are members of the Royal Institute of Chartered Surveyors (RICS) and are Registered Valuers.
- When transferring a property between holding accounts, the valuation is undertaken by the in house valuation surveyors who as stated are members of the Royal Institute of Chartered Surveyors and Registered Valuers. They would determine the appropriate market value to be met from one holding account to the other.
- I can advise that a recent change to our Disposal Strategy will require officers within the Asset & Estates team to contact the local area committees when a property is declared surplus within their particular area, in order that the Community is fully aware of the properties availability, prior to any public advertisement taking place.

2(a) To what degree is this purely a financial valuation?

- In answer to the second part of the question is this a financial valuation? Yes. However, when seeking to dispose of an asset below market value to a Community Group, officers will comply with the Disposal of Land By Local Authorities(Scotland) Regulations 2010, and take account of any of the purposes set out in paragraph 4(2) of the legislation ;

(a) economic development or regeneration;

(b) health;

(c) social well -being; or

(d) environmental well being.

3. What is the attitude of the authority to the disposal of assets?

Renfrewshire Council is like any other local authority, keen to dispose of any assets which are surplus to operational requirements to ensure that it can provide a leaner fitter Council for the community and at the same time seek to generate capital receipts to assist the Council to meet its aims. While stating this, since the property crash of 2007/08, Renfrewshire Council has adopted a cautious approach to the marketing of surplus property as it awaits the market recovery.

3.(a) Does your authority have a policy to encourage the disposal of assets to community groups?

- Renfrewshire Council has an approved Community Asset Transfer Policy which was prepared with the support of the Development Trust Association Scotland (DTAS) and Engage Renfrewshire. This policy considers all forms of transfer, lease, long and short term and or outright disposal. At this time any group which has come forward has sought to take a lease. In addition the Council originally set aside a budget of £1.5m to promote community ownership and participation in respect of its community halls and facilities. This budget has recently been boosted by a further £1.5m. This fund is to be used as match funding to assist Community groups to take a greater control in the management/ownership of its community halls and facilities. Officers will be looking to assist Community groups in this process.

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

- Primarily when speaking of disposal to community groups this can be broken down into 3 potential problem areas:
 - (a) Capacity
 - (b) Funding

(c) Sustainability

Taking each section in isolation

(a) Capacity :- Often find that the Community Group coming forward do not have all of the necessary skill sets to fully appreciate the actual requirements to prepare an outline and formal business submission to the Council to enable the Council to evaluate their proposal. In addition, the group while having positive members, keen to progress a particular project, may not have looked at its own constitution or articles of association to confirm it has the power to take on a lease or ownership of a property. They do not fully appreciate the risks, statutory, public liability etc in running a facility, and often still require or anticipate the Council will provide continuing support.

(b) Funding:- While Renfrewshire Council has set aside £3m of match funding to assist the process, quite often groups do not know where exactly they can get funding from and the steps needed to secure the funding. Often the funding is a one of capital injection at the start of a project, but groups find in later years that they do not have sufficient funding and are scrambling along looking for additional support often from the Council.

(c) Sustainability:- As per the comments on funding, the groups can find they have overestimated their likely income stream or underestimated their running costs and find they have a funding shortfall. Furthermore, the excitement of achieving a project could result in a drop in volunteers/members, people feeling they have done their bit and the facility is left with one or two stalwarts who are the bedrock of the facility. However, what has been noted within Renfrewshire is the age profile of those at the forefront of Community groups and do not see many of the younger generation coming forward to take a project on or to succeed in later years.

As a Council to resolve the 3 potential problem areas we have encouraged groups to speak with officers at an early date and with Engage Renfrewshire, a Community support agency funded by the Council. In part this is to hopefully inform the Community groups of the Council's Asset Transfer Policy, assist the groups to bring forward their outline and detailed business plans, provide guidance on funding streams and to manage expectations. The Council has also undertaken, at a significant cost to the Council, site and soil tests for one group in order that the Council can determine whether the land in question was suitable for development and has shared this information with the community group in order that it can take account of the technical information when bringing forward their proposal.