

Written submission from South Lanarkshire Council

I refer to your letter of 16 December 2014 seeking evidence in connection with Part 4 of the draft Community Empowerment (Scotland) Bill and the proposed changes to the Land Reform (Scotland) Act 2003 in relation to community right to buy.

I would provide the following comments in response to the points raised:-

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

All assets are held by South Lanarkshire Council. There is a separation within the Council's records in respect of those held as General Services and Housing Revenue as well as a record of those defined as Common Good.

South Lanarkshire Leisure and Culture Limited, operate and manage some of the Council's assets under the terms of leases and operation and management agreements, but do not own any land assets.

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

Assets are valued either by the Council's in house Royal Institution of Chartered Surveyors' registered valuers and surveyors, or the District Valuer, depending upon the specific circumstances of the transaction. The valuation takes account not only of the existing use, but also the development potential of an asset for sale. This valuation is used as a benchmark for the assessment of offers and, in terms of community asset transfer requests, a basis for explaining the value of any discount arising from community benefit being offered to community organisations, as required by the Disposal of Land by Local Authorities (Scotland) Regulations 2010.

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?

The Council has a well-established asset disposal procedure, which has been adapted to respond to applications for Community Asset Transfer. This procedure commences with an assessment of the development and market potential of an asset, along with possible other public sector uses through the marketing/negotiation sales of terms, to reporting of recommendations. The Council's process fully includes elected members in that the general principle of any Community Asset Transfer is approved by the Council's Executive Committee, with the details of the terms and conditions of any transfer being considered by the Council's Housing and Technical Resources Committee.

The Council has been actively involved in Community Asset Transfer since 2011, however, has never received an application under Community Right to Buy.

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

The Council has no experience of disposal under Community Right to Buy.

Having completed a number of Community Asset Transfers through sale and lease in the past 3 years, the Council anticipate that the difficulties under Community Right to Buy will be similar, namely:-

- Organisations are generally not well prepared when they make their initial approach for a property. Often the organisations require assistance in respect of their constitution, establishing their community representativeness and in developing a sustainable project plan. As the Council has limited resources to assist with this development, it tends to enlist the assistance of the Development Trust Association, the voluntary sector and Business Gateway, to ensure community organisations receive appropriate assistance and support.
- Organisations sometimes react to a facility closure, submitting an application as a form of protest over changes to service delivery rather than because there is a viable project. This results in abortive work and can lead to tension in communities.
- Development of the organisation and the project plan can take years, making it difficult for the Council to commit to retaining a specific property. The decision to retain a property has to take into account the uniqueness of the property to the community, the security, health and safety and insurance risks, as well as the likely deterioration of the property condition if it remains vacant.

Of particular concern is the concept that organisations may in the future be able to make application to purchase authority assets under both Parts 4 and 5 of the Community Empowerment (Scotland) Bill, effectively having the right to make two applications. This will require further consideration.

I trust that the above information clarifies the Council's position with regard to this matter.