Promoting Asset Transfer

Project 2009-2011 – Final Report

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DEVELOPMENT TRUSTS ASSOCIATION SCOTLAND
the community-led regeneration network

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EXECUTIVE SUMMARY October 2011

Promoting Asset Transfer has been a well received and timely initiative by the Development Trusts Association Scotland (DTAS) which was funded by the Scottish Government, with a contribution from the Lankelly Chase Foundation.

The combined elements of the programme have:

- Established that the baseline of asset transfer policy and practice at the start of the programme in 2009 was very limited but that, over the duration of the project, in a very changed public sector context, the position is now shifting rapidly with a growing interest in asset transfer and community ownership.
- Through a programme of national and local seminars, raised awareness of the potential of asset transfer and community ownership of assets and began the dissemination of information and resources to local authorities and community organisations.
- Identified, through the seminars and demonstration projects, key learning about how asset transfer and community ownership of assets can be further developed in the future.

Asset transfer and community ownership of assets can play an important role in key policy areas including community empowerment; community based regeneration; sustainable development including renewable energy; and the re-configuration of public services. However, the new context, while positive in some respects, also carries risks that the nature, speed and scale of asset disposals will make it more difficult to build positive collaboration at a local level.

If the full benefits of asset transfer and community ownership are to be realised, the PAT programme shows the need for sustained programmes of support and funding at national and local levels to: develop strategy, policy and practice; build more effective collaboration and joint working at a local level; support the development of local authority policy and practice; build capacity in communities, offer specialist help and increase funding opportunities.
More and more this work will need to cover all public sector assets and not just those of local authorities as community interest in a wider range of assets is growing in line with interest in initiatives such as allotments, community growing and community renewables.

This programme of work should encompass not only dedicated programmes, such as the new Community Ownership Support Service being funded by the Scottish Government, but should also be reflected in the work of other relevant agencies and programmes such as the Third Sector Interfaces and social enterprise support programmes.

1. INTRODUCTION

1.1. Promoting Asset Transfer was an initiative of the Development Trusts Association Scotland which was funded by the Scottish Government, with a contribution from the Lankelly Chase Foundation. The idea for the programme was prepared in the context of the Scottish Government's and COSLA's commitment to community empowerment embodied within the Community Empowerment Action Plan (CEAP) which was launched in March 2009. The CEAP stated that the confidence and resilience that grows when people work together in their communities is never more important than in challenging economic times and when facing major social problems. It also recognised that communities owning their own land and buildings has a huge impact on their empowerment as it can provide revenue for community organisations to make them more sustainable; give local people a renewed sense of pride in their communities and a real stake in the future of the places in which they live and work. For some community organisations, the CEAP notes, that working toward asset ownership can be a powerful catalyst for the group growing and maturing. The Community Empowerment Action Plan committed the Government to:

- Highlighting examples where assets had been successfully transferred from local authorities to community groups;
- Highlighting examples where local authorities had developed a strategic approach to community asset ownership;
- Issuing revised guidance to local authorities on disposing of assets at less than best consideration;
- Developing a toolkit that helps people to assess the risks and benefits of community asset ownership.

1.2. The proposal for the programme noted that there was already considerable experience within Scotland of community ownership of assets following the introduction of the Community Right to Buy in rural areas through the Land Reform Act; the impact of the Big Lottery Fund's Scottish Land Fund and Growing Community Assets programme; and the on-going work of the development trust movement, community housing associations and other community groups. There was also the wider UK experience to draw on. In England in particular, the Quirk Review and subsequent programmes of work and support for community asset ownership and asset transfer such as Advancing Assets for Communities and the Community Asset Fund have produced a considerable body of knowledge and experience in the development trust network which could be drawn on. The proposal focused on local authority assets, but aimed to take account of the experience of transfers from other public sector agencies.

1.3. DTA Scotland's view was that experience in the UK suggested that there were three main barriers to increasing asset transfer from local authorities to communities. They were:

- Political will
- Officer imagination
- Community capacity.

Consequently, DTA Scotland concluded that a programme to increase successful asset transfer would need to address all three aspects. A key ingredient of success would be changing attitudes within local authorities and to some extent within the community sector as well. The programme was designed to focus on:

- raising awareness of the benefits of community asset ownership;
- identifying, disseminating and developing effective practice in asset transfer through targeted studies and demonstration work;
- providing key resources for those involved in asset transfers.

The key target groups for the programme were councillors, local authority officials, and community groups.

1.4. In that context, DTA Scotland's aim for the programme was:
"To increase community asset ownership by encouraging and supporting local authorities and community groups to achieve the fair and effective transfers of assets to community organisations within a wider strategy of local community asset development."

The objectives of the programme were defined as:
"To raise awareness amongst councillors, local authority officers and community groups of the benefits of community asset ownership and asset transfers.

To identify and disseminate lessons from effective practice in encouraging community ownership of assets through asset transfer, and the wider policies required to support community asset ownership.

To provide training, toolkits and develop networks for councillors, local authority officers and community groups on asset transfers.
To provide targeted support in selected local authority areas to develop a joint strategy and action plan on asset transfer.

To provide targeted development support for selected community groups to enable them to take on transferred assets."

1.5. These aims and objectives informed the design of the programme which was intended to have the following main elements:

- A review and dissemination of effective practice in asset transfer policy and practice in local authorities in Scotland.
- A programme of 11 regional seminars and development of toolkits for councillors, officials and community groups on various aspects of asset transfer.
- A demonstration programme of support for local authorities and community groups to produce local asset transfer strategies and to take forward one or two asset transfers in each area.

These elements were seen as being inter-dependent and needing to be implemented as one coherent programme to achieve significant change. Consequently, the programme would be developed and implemented sequentially. Broadly speaking the review would be undertaken as a first step to provide focus and material for the regional seminars. In parallel, a trial demonstration project would be undertaken in one local authority area to enable final planning for a series of demonstration programmes in which the technical and development support to community groups would be deployed. In practice, the timing parameters which the public expenditure cycle placed on the Scottish Government grant meant that the elements of the programme had to overlap more than originally planned, it was not possible to undertake a pilot demonstration project, and the demonstration projects had to be completed by March 2011.

'A key ingredient of success would be changing attitudes within local authorities and to some extent within the community sector as well.'

2. REVIEW & DISSEMINATION OF EFFECTIVE PRACTICE

2.1. The review and dissemination of effective practice was undertaken during the autumn and winter of 2009/2010 and concluded with the publication of a report entitled, Public Asset Transfer Empowering Communities – Policy & Practice Across Scotland, which was launched at a national symposium held in Edinburgh in May 2010. A final national conference was held in Edinburgh towards the end of the programme in March 2011.

2.2. In order to conduct a full and comprehensive review, the Director of DTA Scotland contacted the Chief Executives of all 32 local authorities with an invitation to take part and also alert them to the other elements of the PAT programme. Officers were then nominated who were involved in a series of structured interviews. The main areas of inquiry covered during the interviews were:

› Asset management policy

What is the local authority's asset management strategy/policy and does the transfer of assets to community groups feature as a discrete element?

› Asset transfer practice

What factors are taken into account when deciding whether or not to dispose of an asset to a community organisation either at full or less than market value in terms of:

a) Risks and benefits

b) Viability of the asset and any measures put in place to enhance viability

› Experience of asset transfer, and in particular:

a) Scale of transfers

b) Basis on which transfers were made (market value, less than market value, long lease)

c) Measuring successful outcomes

d) Learning points from LA experience

e) Likelihood of more or less in future

f) Barriers to increasing levels of asset transfer in future.

In addition to the interviews with Councils, a number of DTA Scotland members and other community bodies were asked to provide feedback on their experience of asset transfer in order to triangulate the validity of the review's findings. A number of case studies of successful transfers were also investigated and written up.

2.3. Each interview was introduced with a short explanation of why the review was being carried out with specific references to the Community Empowerment Action Plan, work that has been taking place in other parts of the UK and in particular the significance of the Quirk Review in terms of the Review's impact on the development of policy and practice in England. It emerged that while a significant number of Councils were broadly aware of the existence of the Community Empowerment Action Plan, only a few were aware of the references in the plan to the contribution that community ownership of assets could make, and fewer still were familiar with the findings of the Quirk Review and its report. This may explain why only a very small number of councils were found to be making a direct connection, either strategically or operationally at that time between how they managed their assets and how the communities within the local authority area could be supported to become more empowered and resilient.

2.4. The findings of the review are set out below as they are important in understanding the context and development of the programme as it was implemented.

Asset management policy – key findings

› Aim of asset management

The overarching purpose which characterised the approach of most councils towards managing their assets was to have an estate of the correct size and condition which is fit for purpose in terms of being able to meet their service delivery obligations.

› Recent increase in proactive approaches the management of assets

A significant number of councils reported that they had recently undertaken comprehensive asset reviews and were in the process of implementing newly agreed asset management strategies. The key drivers behind this increase in proactive asset management activity appears to have been a combination of the then recent Audit Scotland report, internally driven processes of service rationalisation, and external budgetary pressures. Of these, the principal driver of policy was most commonly reported as the need to rationalise assets in order to reduce the associated revenue costs. This pressure had intensified in recent months as the prospects of severe constraints in public spending were becoming more apparent. The need to generate capital receipts was also considered to be important, but current market conditions were severely restricting activity in this respect.

› Strategies not joined up

No council cited the disposal or transfer of assets to community groups as being part of, or reflected in, any formal strategy or council policy relating to community empowerment. A small number of councils reported that they were familiar with the correlation between community development and asset ownership and as a result were operating informal policies which had been informed by the experience of council officers and which had evolved over many years through local custom and practice. In general however the absence of any formal local authority strategy or policy was not necessarily considered to be a barrier to asset transfer. Most respondents viewed any barriers as being external to the council.

› Disposal of surplus assets

For the majority of councils, asset disposal was typically considered as an option only after the council had declared the asset to be surplus to its service requirements. The most common description of council policy in these circumstances was to offer the asset, in the first instance, to community planning partners and thereafter to place it on the open market. For these purposes, the community sector was not considered to be a CP partner. Whether this reflected a wider issue of the community sector's engagement in the local community planning process was beyond the scope of the review.

Asset transfer practice – key findings

› Ad hoc and demand led

Asset transfer to community organisations was referred to by most councils as being ad hoc and in the main arising out of direct approaches to the council from local groups.

› Leases rather than title

With very few exceptions, councils viewed the concept of asset transfer as referring to the transfer of management responsibility through a lease arrangement rather than the transfer of outright ownership. The leases could vary in length from medium term (15-20 years) to long term (99 years) but in general the longest leases now available are for 25 years. Councils that expressed a preference for leases referred to the need for some assurance that these public assets could ultimately be brought back under council control if it were considered necessary. In addition, the majority of councils expressed concern that if public assets were to be disposed of, best value had to be the principal consideration and therefore consideration of disposal at less than market value would be unlikely.

› Sale at less than market valuation

However a small number of councils were willing to consider the case for disposing at less than market value where community benefit could be demonstrated. Regulations current at the time of the review required councils to seek Ministerial approval (Section 74) before making such a transfer and although the government was currently consulting on whether this requirement should be lifted, councils did not view the additional requirement as an impediment to the transfer of assets.

› Volume and value of transfers

It proved difficult to obtain definitive information on the scale and value of disposals/transfers which had taken place over the past few years and which could in any way be extrapolated to describe an accurate national picture or trends over the last three years. Overall, the scale and value of assets transferred through lease arrangements over this period appears to be relatively minimal, and with respect to the transfer of outright ownership, the level of reported activity by most councils was negligible.

› Type of asset transferred

The main asset class which councils consider in this context is what might be referred to as a "community amenity" asset: former town halls, village halls, community centres, bowling greens, golf courses etc. In many cases these were being leased at peppercorn rents and sometimes with the council retaining an element of maintenance responsibility. However, a number of councils appeared to be reviewing their approach to this asset class because many of these assets are no longer considered core to service delivery and give rise to increasing revenue costs. There is also additional pressure to be more transparent about how financial support is provided to groups. ("Following the public pound" report by Audit Scotland was cited as one reason for this). A variety of approaches were being adopted or considered including large scale transfers on a locality basis into an arm's length trust, case by case reviews, and putting leases on more commercial terms with corresponding grants from the council to offset increased costs to groups where this is consistent with council policy objectives and priorities.

› Demand or supply led?

It was difficult to determine whether the emphasis on this type of community asset reflected a general lack of demand from community groups, or a lack of an appreciation on the part of councils as to why or how different types of assets, with more obvious commercial potential, might be of interest/value to a community. For instance while many councils appeared to be reviewing other asset classes (e.g. offices, schools) with a view to rationalising their estate, there was no evidence that disposal of these assets to the community sector would typically be considered.

› Demands for ownership attributed to funders

In general, councils reported limited demand from community groups to purchase assets outright. The default position was assumed to be that most communities were content with long lease arrangements. Where interest in assuming outright ownership had been expressed, a number of councils voiced concerns that this was the result of grant conditions stipulated by certain funders rather than the result of genuine community led interest. However, a number of councils indicated that they could become more enthusiastic around sales rather than long leases in the future due to the anticipated budgetary restrictions in the short to medium term.

› Physical condition of asset

Councils would normally seek to transfer a building in its current state of repair although some refurbishment might be considered where a third sector organisation was going to use the asset in order to deliver a service as part of a service level agreement with the Council.

› The role of elected members

Elected members were described as having both a corporate and constituency role. Very few responses indicated any level of political leadership at a council-wide level in relation to promoting the asset ownership by communities but individual councillors were seen to be highly influential in making the case for particular projects in their wards. In more rural local authorities where communities are more dispersed, the local councillor appeared to have more influence and was able to argue for different terms of transfer than might exist elsewhere in the local authority area. A number of councils reported that the changing political complexion of their Councils since the last election has had an impact in terms of the overall willingness to engage in asset transfer (at the last election 50% of councillors were elected for the first time).

› Understanding the rationale for asset transfer

A number of councils appeared to acknowledge that ownership or control of assets is potentially empowering for local communities and can result in better local services (especially in areas which might not otherwise be a high priority for Council services). However there was no evidence that this perspective was formally reflected in any Council policies with the exception of one Council which had a reference to community ownership of assets in its Single Outcome Agreement.

› Inherent risks of asset transfer

Most councils consider that there were a number of significant risks involved in transferring assets to communities. Most commonly cited were concerns over the capacity of groups to manage, maintain and develop assets. This concern was linked to a unease around the longevity and sustainability of groups - the cyclical nature of the stability of community groups was often referred to. Councils were also concerned that where they had transferred buildings to community groups, there nonetheless remained an undiminished public duty to step in if things went wrong (especially where iconic local buildings were involved). In those circumstances the overriding fear was that the council would be taking an asset back in a worse condition than when it was transferred or having to operate an asset in a locality which would not necessarily be a priority for the Council. A number of examples were cited although the general view was not always supported with / by large amounts of evidence.

> Capacity building

Only a very few councils intimated that they could foresee a situation where they would commit resources towards building the capacity of groups where capacity (or lack of it) was being identified as a risk factor in a potential transfer.

> Inclusive communities

Some councils expressed concern about how representative and inclusive some community groups were and that some groups appeared unwilling to share their facilities with the wider community.

> Underlying attitudes

On a number of occasions, councils stated that they were worried that asset transfer would be seen as 'selling off the family silver' and therefore was a reason not to engage in it. This was linked to both losing control of an asset once it had been transferred as well as forgoing potential future capital receipts. The same sentiments did not seem to apply to disposals on the open market which suggests that a different approach and set of criteria are applied to transfers to the community sector. Many councils appeared to start from the assumption that there was little demand or interest from community groups to take on ownership of assets. Consequently many councils felt it unnecessary to expect or propose to communities that they should consider taking on the responsibilities and risks of running an asset in circumstances where the council was prepared to fulfil that function.

> Concerns about capacity

Many councils expressed frequent concerns at the organisational capacity of groups to own, maintain and develop assets in the long term. Whether this is a generally held perception or whether it is based on practical experience was difficult to determine as only a few concrete examples were presented.

> Funding and resources

A serious problem for all councils was the lack of external funding and different forms of finance that are available to community groups which wish to acquire assets, especially at full market values. In addition the lack of available sources of ongoing revenue support to assist in the post acquisition phase was frequently cited as a barrier. Given how few councils felt able to commit resources to build local capacity, a significant barrier to increased levels of transfer was the lack of external support available to groups.

These conclusions from the interviews were also reflected to a greater or lesser extent in the experience of the four case studies which were investigated as part of the review. The examples were:

- A transfer of community facilities between Inverclyde Council and Kilmacolm New Community Centre Company Ltd.
- A transfer of a former school site between Fife Council and Benarty Regeneration Action Group (BRAG Enterprises).
- A transfer between Argyll and Bute Council and Arrochar and Tarbet Community Development Trust of a parcel of land.
- A transfer from East Dumbartonshire Council to Twechar Community Action of a community centre.

The case studies all showed a number of key learning points and key factors contributing to the success of the transfer. These are reflected in the later section dealing with the demonstration projects.

2.5. The National Policy Symposium was held in Edinburgh in May 2010 and was co-hosted by COSLA. The event was fully subscribed with nearly 90 individuals excluding speakers and other contributors attending. The participants came from a range of backgrounds but mainly from local authorities (about half the delegates), community and other third sector organisations. Those attending were asked to complete an online survey. The main findings from this survey were:

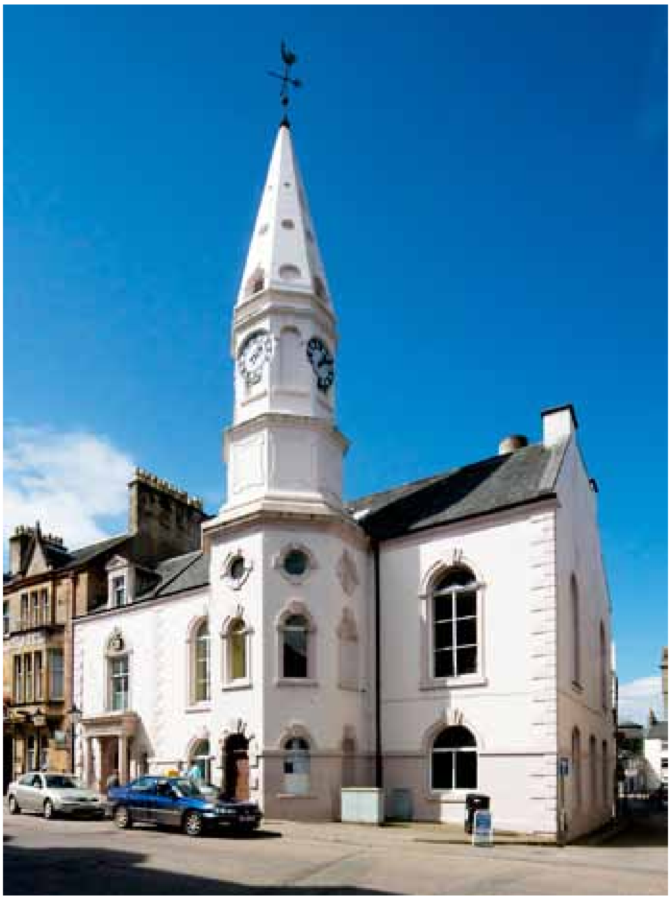
- Just over half of those responding were either planning to be or were already actively involved in an asset transfer and one quarter considered asset transfer was an area of policy and practice they needed to know more about.
- Nearly 90% described themselves as interested or enthusiastic about asset transfer.
- Despite the high proportion of individuals planning to be or already actively involved in asset transfer and interested or enthusiastic about it, a very high proportion of the respondents (83%) considered that they had gained new insights into asset transfer.
- The most useful contributions were judged to be those from local authority officers and from representatives of community groups.

The qualitative comments which respondents left showed a number of ways in which delegates had gained new insights including:

- Scottish Government promotion of asset transfer as a possibility.
- The positive commitment of some local authorities to asset transfer and the possibility of benefits to both local authorities and communities from successful asset transfers.
- The complexity and length of time which asset transfers could take and the need to manage risks.
- The awareness of successful examples of asset transfers and the learning which can be gained from them.

All those who completed the survey wanted to be kept informed of the development of the Programme. The concluding conference in March 2011 was also oversubscribed reflecting a continuing and developing interest in the subject.

> ‘Despite the high proportion of individuals planning to be or already actively involved in asset transfer and interested or enthusiastic about it, a very high proportion of the respondents (83%) considered that they had gained new insights into asset transfer.’



Assessment

2.6. The baseline review and report and the national symposium gave the programme initial momentum and provided the first comprehensive national survey of the position on asset transfer in Scotland. It alerted local councils at a senior level to the programme and also gave it a wider national profile.

3. THE SEMINARS

Introduction

3.1. The objectives of the seminar element of the Programme were stated as being:

- To raise awareness of the benefits and risks of asset transfer amongst key target audiences (councillors, local authority officials and community groups).
- Produce and disseminate resources/toolkits for each target audience.
- Identify key responses and issues from seminars to inform future policy and practice.

The original proposal envisaged one national seminar run for councillors which would aim to develop and contribute materials/content on community asset ownership and asset transfer for the national training programme being developed as part of the Community Empowerment Action Plan. In addition there would be 5 regional seminars aimed primarily at council officials covering asset transfer strategies and risk management and 5 regional seminars aimed primarily at community groups focusing on achieving successful asset transfers from local authorities.

3.2. In the event, the National Symposium hosted jointly with COSLA was substituted for the national seminar for councillors; the role of councillors in asset transfer and their involvement in the Programme is considered in the assessment section. It was also judged that two principal seminars for local authorities generally were sufficient and 6 seminars for community groups were held. In addition, one final national seminar was held in Edinburgh in March 2011. DTA Scotland also responded to requests from local authorities to arrange additional seminars outwith the programme in Aberdeenshire, Moray, and Angus.

Seminars for local authorities

3.3. The two seminars for local authorities were held in Dundee on 7th October and in Glasgow on 8th October 2010. They were aimed at all elected members and council officers. The seminar topic was "The Transfer of Public Assets in to Community Ownership – from Policy to Practice: a Practical Guide" and brought together a range of speakers to look at asset transfer under three broad themes:

- The experience of asset transfer so far.
- The local authority perspective.
- Moving forward – business planning and funding.

As well as hearing from a range of speakers, the programme was designed to ensure that delegates had the opportunity to discuss their own experiences and were signposted to resources such as the CLG publication on managing risks in asset transfer.

3.4. As with the National Symposium held in May demand exceeded places available at the seminars. They attracted over 80 council delegates drawn from 27 of Scotland's 32 councils of which 4 were elected members. The delegates represented a range of council departments and included Principal Surveyors, Community Planning Officers, Directors of Neighbourhood Services, Asset Management Planning Team Leaders, Property Strategy Officers, Community Regeneration Officers and team leaders from Community Learning and Development.

3.5. An evaluation of the seminars was undertaken using Survey Monkey. There was a 33% response rate divided fairly equally between the two seminars. When asked to comment on their main reasons for attending the seminars, it is clear that the majority of respondents were already involved in asset transfer in some way or, more notably, were likely to become involved as their councils were becoming more interested in, and active in, asset transfer. Overall, delegates wanted to find out more about asset transfer, understand the process better, obtain examples of good practice elsewhere and discover how other Councils were progressing. 85% of those responding considered that the seminars had fully met or exceeded their expectations.

3.6. Discussions at the seminars and responses to the online survey also provided important information about the views of the local authority delegates on the potential advantages of asset transfer and the perceived barriers to it. In summary, the potential advantages of asset transfer and community ownership were seen as:

- The opportunity to sustain valuable local assets and services while enabling councils to achieve the challenging financial and other targets which they would increasingly be facing.
- Local services and the use of assets could be better tuned to local priorities and needs and developed more creatively.
- Community development and empowerment including capacity building of skills and confidence in local communities with a concomitant enhanced ability to influence the council and other agencies in other ways.
- Local economic benefits through employment generation.
- The opening up of new sources of funding for communities.

The barriers were perceived as being:

- Various aspects of local authority strategy and policy, including an inadequate corporate understanding and policy across departments of the potential of asset transfer and community ownership, the lack of clear political direction (and sometimes local political opposition), the lack of senior management leadership as well as a traditional reluctance of local authorities to divest themselves of assets.
- The capacity of local authorities to develop new strategy and policy, and to offer support to community organisations given the reductions in their own resources.
- The capacity of communities (including the variation of capacity between different communities) both to see through a potentially long transfer process and to manage an asset successfully in the long term.
- The risks of community ownership including community capacity (see above), the potential mismatch between existing buildings and community aspirations and the availability of money to run and maintain buildings (and the competition for funding).
- Various legal and regulatory issues such as the regulations concerning the disposal of land at less than market value, Common Good considerations, EC State Aid regulations and TUPE.

Respondents were asked what further support they would find most useful from a range of options which included constructive reviews of existing policy and practice, a specific workshop for individual councils on an introduction to asset transfer or on developing an asset transfer strategy and policy, a feasibility study of a specific asset or type of asset or a locality appraisal of the potential for asset transfer in a specific area. The most popular by some margin was the workshop on strategy and policy.

Seminars for community groups

3.7. There were 6 seminars organised and run for community groups entitled “Viability not Liability”. These were held in Blantyre (2), Maud, Dundee, and Hawick, with a further seminar being jointly organised with HIE and held at Balintore. 194 delegates attended these seminars drawn from over 100 community organisations and other groups, and including some local authority representatives. Once again the seminars were oversubscribed. The programme for the day was designed to:

- explore the benefits and risks involved in asset transfer
- offer practical advice on some of the key issues involved
- introduce a range of materials designed to facilitate asset transfer

- consider some of the financial implications
- look at the importance of a business focus
- provide information on a local case study
- give delegates an opportunity to discuss asset transfer and running a community asset with other community groups from across Scotland.

Delegates were provided with an Asset Transfer Pack which included a copy of the DTA guide to community asset ownership "To Have and To Hold", the Glass-House booklet "Making Buildings Work for Your Community" and a Funding Guide produced by DTAS for the purposes of the programme. Feedback on the seminars was obtained on the day in the form of comments about the most useful parts of the events and ways in which they could be improved.

3.8. The main points which emerged in the discussions at the community seminars were:

- Asset transfer and community ownership of assets could potentially ensure that important community facilities and services were retained and operated in a way which was locally controlled and hence more targeted and responsive to community needs
- The potential for community development and empowerment by building community spirit, involvement, volunteering, confidence and skills and also by providing the opportunity for re-investment of income in other local community projects
- Attracting additional funding and investment into the community and promoting economic regeneration through the creation of jobs.

The barriers to achieving asset transfer and the community ownership of assets were seen as being:

- The possible lack of widespread community support and the risk of over reliance on a few key individuals to provide leadership related in part both to a concern about risk and lack of knowledge about the potential of asset transfer and how to make it happen successfully
- Lack of confidence, skills and access to decision makers to enable the community to progress a transfer
- The cost of acquiring assets and difficulty of securing funds both because of the current financial and public expenditure climate and also because of lack of knowledge about the funds which were available
- The difficulty of engaging with local authorities in processes which were seen as bureaucratic and over-long in terms of timescales.

Those attending the community seminars provided very positive qualitative feedback about their value, content and the materials/resources provided. Suggestions for further work included, in particular, a strong demand for more case studies (including a broadening of the range of assets covered beyond community centres/halls), follow-up seminars and support on the later stages of asset transfers, and free support for communities from The Pool – DTAS Consultancy and other agencies on specific transfers.

Seminars: assessment and conclusions

3.9. Overall, the seminar programme succeeded in raising awareness amongst key groups, providing information and resources, and in identifying key issues for both local authorities and community organisations. The high level of demand for places at the seminars and the positive feedback from those who attended them demonstrates that they were both well conceived in meeting the needs of the target groups and well executed in their delivery. The one target group which did not figure strongly within the range of participants in the seminars was councilors, although political commitment – both corporately and to specific transfers - was identified as important at both the local authority and community seminars.

3.10. A number of other, more detailed, conclusions can be drawn from the seminars about asset transfer and the future development of policy and practice:

- The views about the potential benefits of, and barriers to, asset transfer and community ownership expressed at the local authority seminars on the one hand and the community seminars on the other were strikingly similar. This suggests that there is the potential for the development of a broadly shared understanding and agenda on asset transfer at a local level.
- There are issues relating to process, timescale and capacity which relate to how large corporate organisations like local authorities and small community organisations can engage successfully with each other in undertaking asset transfers.
- There is a strong need and demand for more practical information about policy, practice and case studies from both local authorities and community organisations and also support on asset transfer.
- Consideration should be given to whether further work should be done specifically with and for councillors and, if so, what form this would best take.

3.11. The seminar programme revealed a strong, shared desire for sustainable asset transfers by local authorities and community organisations. There were clearly benefits in initially targeting a different set of seminars at each target group but this suggests that any future seminar work should now aim to bring councils and community organisations together. It is also interesting to note that at least one of the seminars arranged for a particular local authority area brought council staff from different departments together and assisted in the development of a corporate policy on asset transfer. This may also be a useful model for work with individual authorities.

'Overall, the seminar programme succeeded in raising awareness amongst key groups, providing information and resources, and in identifying key issues for both local authorities and community organisations.'

4. DEMONSTRATION PROJECTS

Introduction

4.1. The objectives of the demonstration project component of the programme were stated as being:

- To support local authorities and community groups in 8 selected local authority areas to develop and implement asset transfer strategies.
- To support the transfer of 1 or 2 assets in each selected area.
- To evaluate the demonstration projects in order to identify key lessons for policy and practice.

It was originally envisaged that the approach would be piloted in one area but the constraints on the timetable for the programme meant that this was not possible. The average package of support would be likely to include: strategic support/briefings to local partnerships for strategy and action plan development, viability assessment for proposed transfers, small cash grants to community groups to buy technical expertise as required and case management support throughout the programme period. The funding from the Scottish Government was supplemented by a £24,000 grant from the Lankelly Chase Foundation to fund the small grant element. It was envisaged that the support for demonstration projects would be case management, consultancy support for specific transfers and also funding to enable community groups to access specialist professional advice – legal, surveying etc – which is where the Lankelly Chase money was directed.

4.2. A call for proposals for demonstration projects was issued in February 2010. It made clear that DTA Scotland was looking for proposals which would meet all or some of the objectives described above. It was envisaged that some proposals might concentrate more on the development of strategies, policies and partnerships from which transfers would follow later on, while others might concentrate on facilitating some specific transfers. The support available through the Promoting Asset Transfer programme was described as being:

- Up to 15 days of specialist consultancy support which could be used flexibly to achieve the objectives of the proposal, including strategy and policy development; work to strengthen and improve partnerships; and support to progress specific projects.
- Small grants for community groups of up to £3000 per area to enable them to engage additional specialist and technical support required to facilitate the specific transfer proposals
- Dedicated case management of projects of up to six days.

DTA Scotland said that it was looking for joint proposals from partnerships of councils and constituted community groups. The proposals could cover an entire local authority area or focus on a specific area or community within it.

- Holytown and Balgeddie Community Centre (North Lanarkshire Council)
- School Building Govanhill (Govanhill Community Housing Association & Glasgow City Council)
- Ardminish Mooring, Isle of Gigha (Isle of Gigha Heritage Trust & Argyll & Bute Council)

4.3. DTA Scotland received 13 proposals for demonstration projects although some contained more than one project from which a final project was selected. Following assessment and discussions of the proposals, DTA Scotland decided to undertake 8 demonstration projects but also put more limited resource (there was no detailed case management) into 8 projects as an additional secondary tier. The selected demonstration projects were:

- Aberfeldy Town Hall (Aberfeldy Town Hall Steering Group and Perth and Kinross Council)
- Braeport Centre, Dunblane (Dunblane Development Trust and Stirling Council)
- Muir of Ord Village Hall, Muir of Ord (Muir of Ord Community Association and Highland Council)
- Moffat Town Hall, Moffat (Moffat Town Hall Development Trust and Dumfries and Galloway Council)
- Portobello Community Centre (Portobello Community Centre Management Committee and Edinburgh City Council)

4.4. The selected tier 2 projects were:

- Isle of Whithorn Village Hall (Isles Futures and Dumfries and Galloway Council)
- Portree Community Centre (Portree Area Community Trust and Highland Council)
- Plean (Plean Community Trust and Stirling Council)
- Eskdalemuir (Upper Eskdale Development Group and Dumfries and Galloway Council)
- Ardoch Village Hall (Ardoch Village Development Trust and Perth & Kinross Council)
- Kilmory Home Farm (Kilmory Home Farm Heritage Trust and Argyll and Bute Council)
- Campbeltown Town Hall (Campbeltown Town Hall Group and Argyll and Bute Council)

‘DTA Scotland said that it was looking for joint proposals from partnerships of councils and constituted community groups.’

4.5. A number of both the demonstration and tier 2 projects selected for inclusion did not in the event make significant progress during the course of the programme; An initial community meeting was held by North Lanarkshire Council regarding the Holytown & Balgeddie Community Centre and although North Lanarkshire Council did seek to move this project forward, in fact few further developments took place. The lack of progress in this case was possibly due to the fact that the proposal was brought forward by the council and the community organisations and community support for transferring the assets were at a very early stage of development. The Ardoch Village Hall project did not proceed mainly because the committed and active community group were unable to obtain effective engagement with the council because of staff turnover due to retirement and varying degrees of interest within different council departments. The Campbeltown Town Hall project was initially put forward by the council where an initial public meeting indicated limited community interest and raised questions about the potential use of the building leading to no further action under PAT. More recently there has been renewed interest within the community and the project is now progressing with the new DTAS Community Ownership Support Service. Appendix A contains detailed descriptions of the demonstration projects which have achieved significant progress (those on the Govanhill and Isle of Gigha projects are less detailed because of the more limited case management input from the programme compared to the others) and Appendix B contains shorter notes on the Tier 2 projects.

Overview of the demonstration projects: range, type & impact of PAT programme

4.6. As can be seen from paragraphs 4.8 and 4.9 below the input from the PAT programme has been significant to the chosen projects. In addition, all have produced a great deal of valuable learning. Two have progressed to the point where a transfer to either lease or ownership has occurred, and a number of other transfers are potentially imminent. In another, a decision was reached not to proceed with a transfer for the time being and it should be recognised that such a decision, taken after careful consideration, is in itself a positive outcome of the programme. The benefits of some of the support for the projects will also be seen over the coming months possibly years as the assistance provided on business planning and other issues bears fruit.

4.7. The number of proposals received for demonstration projects may appear at first sight to be relatively low. Most were concerned with the potential transfer of a specific asset, typically a community centre or hall either already under community management or where the local council had decided that it wished to divest itself of the asset. (It is notable that one of the requests for further work from the community seminars was for more information and case studies for assets other than community centres). None of the proposals involved the development of a wider strategy or policy, although a number of the demonstration projects tested the policies and processes which were in place. Most of the demonstration projects were either relatively advanced in terms of discussions or at least had been under consideration for some time. In this sense, the demonstration project element of the programme impacted on a fairly specific field of asset transfer.

This may be because the timescale of the overall programme meant that the call for proposals went out in advance of the national symposium and seminars which, as recorded above, did produce a great deal of interest and demand for more work and that the momentum of interest in asset transfer on councils was only just beginning to build from the low base descried in the original survey. It may have been, although this cannot be certain, that if the overall timescale of the programme had permitted the call for proposals to go out at, or after, the seminars that a wider range of proposals would have been received. The need for the support to be deployed before March 2011 also served to limit the field of proposals.

4.8. The input from the PAT programme was also very similar across the demonstration projects: case management; consultancy support focusing on business planning or funding; and support to employ specialist professional advice including legal and surveying support and all deployed in a timeframe of less than a year. In total the support availablefor each demonstation project was typically about £10,000. This clearly was very beneficial for all of the projects but the projects which progressed most during the time of the programme tended to be those where there had already been some degree of engagement and discussion between councils and community organisations, where there was an active and confident community organisation and where the transfer was not critically dependent on securing large scale funding. The time limited support from the programme was less helpful for situations where there was a need to build relationships locally, develop a case for, and build community support for a transfer from the beginning, and where assembling secure large scale funding packages was required.

4.9. However, despite these limitations the programme has produced very important learning which should be carried forward in further work on asset transfer. This learning is summarised in the following section.

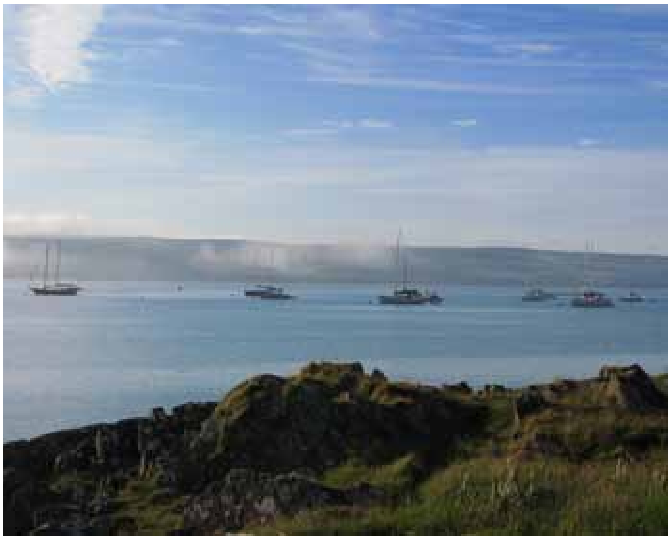
Key learning from the demonstration projects

4.10. The key learning from the demonstration projects can be summarised under the following headings:

› Timescales

In the vast majority of cases, the gestation, development and completion of an asset transfer takes a long time, possibly years. Community organisations in particular need access to support and advice over a commensurately long period. The relatively short term intervention of the PAT demonstration projects, while very beneficial for the latter stages of a transfer, is not the single model of support which should be adopted for the future.

Another dimension of timescale is that once a specific transfer is actively being considered and negotiated a timely conclusion to the process is important. Long drawn out processes and delays can undermine community confidence and commitment, lead to a reduction in the use of services because of uncertainty about their future, and cause problems with meeting funders' grant conditions about the timing of expenditure. A clear timetable which all parties are committed and working to, is important.



› Relationships between councils and community organisations

A constructive working relationship between a council and a community organisation is clearly a key ingredient to a successful asset transfer. This is most effectively established on a shared purpose, albeit one built on complementary objectives. For example, a shared purpose of placing an asset in community ownership can be established where the local authority can see advantages of saving costs while at the same time, continuing to deliver services through a Service Level Agreement with the community organisation. The community organisation's prime objective on the other hand may be to develop new services, while recognising the value of the current service and the SLA as an income stream.

Other key ingredients for a constructive relationship include:

- Clear local council policy and procedures on asset transfer.
- A common understanding of the requirements and constraints of each party involved in the transfer.
- Effective communication.

There appears to be an increasing number of councils working on producing asset transfer strategies and developing clear asset transfer processes, either for the whole organisation or parts of it. Further support for councils to develop strategies and to share good practice would be an effective way of developing more strategic and consistent approaches to asset transfer across Scotland.

› Process

Asset transfer involves intensive working between two very different types of organisation: on the one hand, local councils which are large corporate, public, process based organisations with considerable staff and other resources and on the other community organisations which are often small, mission focused organisations with very limited staff and other resources. Processes which accommodate these differences will be more likely to lead to successful engagement and successful outcomes in the asset transfer process.

Key ingredients for effective process include:

- Clear points of access to local councils for community organisations wishing to undertake an asset transfer.
- Consistent handling of asset transfer cases within local councils which transcend departmental boundaries, cope with changes in staff, and provide consistent and complete information to community organisations. A case management system using a single case officer is one effective approach used by one local authority.
- Clarity about the mutual responsibilities and obligations of the parties involved in an asset transfer and the capacity to fulfil them.
- The need to have a monitoring process for the timescales of key stages of an asset transfer as part of the case management system which all parties involved in a transfer can work to.

'A constructive working relationship between a council and a community organisation is clearly a key ingredient to a successful asset transfer.'

› Local councils

Local councils have the capacity to support asset transfers in many ways and the demonstration projects provide good examples of pro-active support. These include:

- Willingness to exercise their ability to dispose at less than market value, where that can be justified (which also requires community organisations to make a robust case based on community needs and Council SOA's).
- Flexibility in placing economic development burdens and other clawback arrangements on transferred assets in line with the flexibility available in government financial guidance on the issue. This makes clear that local councils should consider the need for clawback provisions and ,if they conclude that they are needed, that they should take account amongst other things of the status of the organisation acquiring the asset, the amount of clawback and whether it could be time limited and tapered.
- Deployment of business advice and community development support to assist community organisations, which could be part of corporate asset transfer strategies and policies.
- Capital investment in the asset and the provision of grants (revenue and / or capital).
- Delivery of services through transferred assets on a contractual or SLA basis to provide an income stream. Local authorities are familiar with this model when establishing arms-length organisations and they could apply it to transferred community assets.
- Advice and support from local authority staff possibly acting as a case manager and critical friend to community organisations to help them understand and respond to local authority requirements and processes.

In addition to the process issues described in the previous section, these are all positive ways in which local councils can develop and support asset transfer as part of their corporate strategies.

The priority should be not so much be to identify new ways for local councils to support asset transfer but to publicise and spread what is already happening. There is a seminal guide for community organisations to asset acquisition and ownership, "To have and to hold". There is potentially a case for a complementary guide for local councils which might be given the working title for the time being of "To Transfer and Empower". This would provide accessible information and guidance on policy topics which have been identified in the PAT programme as issues of concern. These would includedisposal at less than market value, clawback, and State Aids and on practical issues such as on how local authorities can include asset transfer as an integral part of their corporate strategy and engage effectively and pro-actively with community organisations.

› Community organisations

The effective engagement of community organisations depends on a number of critical factors including:

- The capacity of the board. Although the leadership of a small group of individuals is important, the resilience and skills needed by a community organisation can be strengthened by broadening the number, skills and experience of those involved in the asset transfer process.
- A clear and robust demonstration of community need and the benefits arising from asset transfer and the community ownership which has been built on effective community engagement. This can both build community support for and confidence in a project. It also provides councils with the evidence they require to justify investing time and resources in asset transfers and possibly disposing of assets at less than market value.
- An enterprising and a pro-active approach to acquiring and managing assets which addresses community aspirations and looks beyond the understandable desire to save local iconic buildings. The growing demand for land for allotments, community growing schemes and renewable energy are examples of this.
- The production of robust business plans which have clear objectives, are based on thorough, realistic and practical assessments of viability, demonstrate how this will be achieved and have achievable implementation plans. Access to support and advice at all stages of the process from initial options appraisals through feasibility and business planning to the professional advice required to acquire a specific asset.
- Access to funding to engage the professional support they need and to acquire and develop assets.
- A vision / plan for what they would do with the asset which is robust and sustainable, and a recognition that wanting to save an asset is not enough in itself.

At the moment, community organisations have to be exceptionally resilient and creative in pursuing the acquisition of an asset from a local council. There are very limited sources of advice available through local third sector intermediary bodies in this specialist area and both national organisations such as DTA Scotland, and regional organisations such as the HIE Community Assets Unit, have been limited in the support they can offer because of their own funding constraints.

> 'The priority should be not so much to identify new ways for local councils to support asset transfer but to publicise and spread what is already happening.'

Local third sector support agencies (including the new single third sector interfaces) and within councils Community and Learning Development (CLD) teams have historically been responsible for providing generic community capacity building and other forms of support for community organisations. However, enterprising community organisations acquiring and managing assets require more specific and specialist support. There is a case for work to build capacity within, and provide resources for, these organisations to be able to provide initial advice and support to community organisations at an early stage of considering community asset ownership. This could be a role for DTA Scotland.

Community enterprises which are acquiring and managing assets also need to benefit from the business support which is available either through generic business support programmes such as Business Gateway or through business support programmes aimed specifically at social enterprises such as Aspire to Enterprise and the Scottish Investment Fund. The asset transfer agenda would also be greatly enhanced if Highlands and Islands Enterprise positive attitude towards community enterprise, and the support which they provide, was reflected throughout Scottish Enterprise in general.

Some funding is available to support initial feasibility work, business planning and so on but in the main the size of individual grants, often limited to £10,000 or less, is not sufficient to enable a community organisation to undertake all the feasibility, business planning, design and professional work involved in an asset transfer. There are also signs that one of the most popular and relatively easily accessible grant sources – the BLF's Investing in Ideas programme – is increasingly oversubscribed. While community organisations need to recognise and accept the need to undertake proper feasibility and planning work and can undertake some of it themselves, the lack of funds to pay for professional support is likely to be an increasing problem. This may be an area where charitable foundations could develop their funding as the provision of relatively modest grants could leverage in much more substantial funds for the community sector and build its asset base in the longer term.

There is also a very limited range of funders, other than the BLF, which offer grants to support large capital projects. Even when councils transfer assets for a nominal sum the need to finance refurbishment or development of the asset means that many community organisations will face a considerable challenge in piecing together capital funding packages. The development of new combined integrated funding and support programmes, such as the former Adventure Capital Fund in England (which provided business support and a range of funding from grants through patient capital to loans), would be one way to supplement the BLF's programmes such as Growing Community Assets.

4.11. If the full value of the PAT Programme is to be realised it will be important to translate this learning into a practical programme of further work. The overall conclusions which could be drawn from the demonstration projects about future work are:

- There is a need for continuing medium term work on asset transfer to maintain the momentum created and effect the necessary cultural change within both local authorities and communities.
- Support for councils should focus more than was possible in the PAT Programme on supporting the development of asset transfer strategies, policies and processes within local authorities.
- Support for specific transfers will continue to be important. The demonstration projects have shown that targeted, limited support can be effective for certain types of projects but consideration needs to be given as to how this type of support can be made available over a longer period both, through further national initiatives and through other existing support and funding mechanisms.
- Further consideration needs to be given to whether there are any more specific means by which support can be given to promote early stage work on asset transfers to begin the initial work of developing local support and enabling community organisations and local authorities to begin constructive discussions.

There is a range of important learning about timescales, process, council and community organisations approaches and support requirements including funding which should be incorporated into further work.

'There is a case for work to build capacity within, and provide resources for, these organisations to be able to provide initial advice and support to community organisations at an early stage of considering community asset ownership.'

5. CONCLUSIONS

5.1. The initiative of the Scottish Government and DTA Scotland to undertake a significant programme of work on asset transfer was timely. Although the initial impetus to do so arose from the Community Empowerment Action Plan, the changing national context within which the PAT programme has been operating, has increased its relevance and importance.

5.2. The initial survey of local authorities showed, in the main, limited interest in asset transfer, no strong financial driver to realise capital receipts, and where it was happening this was due to community demand. The indications from the programme and elsewhere now are that more local authorities are looking at disposal of assets to generate receipts and reduce costs and some are looking at options for transferring large groups of assets to communities. In addition, a number have developed or are developing asset transfer strategies and the seminars revealed some shift in local authority understanding and approach to the community ownership of assets compared to the position revealed by the initial survey, for example a greater emphasis on community ownership rather than leasing.

5.3. This change could provide an opportunity to advance the community ownership of assets substantially but there are also significant risks, which need to be recognised. These include:

- The danger that community organisations will continue to be put in a position where they feel they have to strive to save valued local buildings and assets from closure rather than seeking to acquire assets which would fit a clear community enterprise purpose.
- The establishment by local authorities of arms length property companies such as Glasgow Property. If these have a purely commercial remit this could adversely affect community acquisitions at less than market value.
- The speed at which local authorities may seek to dispose of assets, and also the disposal of multiple or batches of assets, may also make it harder for individual community organisations to engage with disposal programmes and acquire assets.

The demonstration projects also show the considerable issues and difficulties which need to be overcome in completing specific asset transfers successfully. These can all be mitigated if a number of issues emerging from the PAT programme are dealt with.

5.4. Overall, the evidence suggests that the PAT Programme has effectively contributed to a raised level of awareness of asset transfer among local authorities and community organisations, and provided information to councils and community organisations about the risks and benefits of asset transfer. In addition, a range of key learning points have been identified from within the various elements of the PAT Programme, as well as a number of key issues which need to be addressed for asset transfer practice to be advanced and further develop in Scotland. These are:

› Collaboration

All the evidence from the PAT Programme shows that effective collaboration based on shared aspirations and trust are essential to successful asset transfer and community asset ownership. This supports the conclusions of the work which has been undertaken in England following the Quirk review.

Key points which could help develop effective collaboration locally are:

- Local authorities need to have a clear corporate strategy on community asset ownership and asset transfer which recognises their importance to community regeneration, empowerment, service delivery and financial management amongst others.
- This strategy needs to feed into consistent policy and practice throughout a council.
- Community organisations which tend to have limited resources of time and money at the outset of an asset transfer process need to have a clear point of entry to local authorities to discuss asset transfers and there needs to be a consistency of approach across different departments within local authorities.
- Community organisations need to develop their capacity to engage with asset transfers and to understand the importance of effective feasibility and business planning in making the case for asset transfers and for funding. They also need more support to undertake this planning.

'The indications from the programme and elsewhere now are that more local authorities are looking at disposal of assets to generate receipts and reduce costs and some are looking at options for transferring large groups of assets to communities.'

› Funding and other resources

These emerged as key issues in the seminars and the demonstration projects especially for community groups.

On funding, the key points are:

- Community groups need to fund early options appraisal, feasibility work, business planning and professional costs before committing to acquisition. This can be a challenge not only in obtaining sufficient funding but also getting it in time (especially where tight timescales are involved).
- Other than the BLF's Growing Community Assets programme there are very limited sources of funding and finance for large scale purchase, refurbishment and development capital costs.
- The condition of some local authority assets and the need to reconfigure them may mean that there will be a costly repair/refurbish bill at the outset which may act as a barrier to asset transfer especially where a long lease is involved.
- Officers within local authorities need to be consistently aware of the scope for disposing of assets at less than market value and to be flexible in applying clawback – which could reduce the funding barrier in some cases - where the achievement of other objectives and benefits can justify it.

Funding is not the only resource issue however for community groups. Other ones are:

- Their ability to access independent experienced and skilled support and advice on assets, asset development, project management etc which is currently limited and inconsistent.
- Board capacity to drive forward a complex and demanding process over an extended period.

› Looking ahead

5.5. The momentum of asset transfer and community ownership of assets is growing and there is a need and demand for further work and support. There is potentially a convergence of aspirations and objectives for community asset ownership which if developed locally could provide the foundations for stronger partnerships between local authorities and community organisations. The community ownership of assets could also be a critical element in delivering the new approach to community regeneration signalled in the Scottish Government's discussion document "Building a Sustainable Future". This work would increasingly need to cover community interest not just in local authority assets, but also in those of other public agencies including Government departments and local organisations which are part of local Community Planning Partnerships. This would raise new issues such as the lack of discretionary powers for some of those organisations to dispose of assets at less than market value.

5.6. However, the changed context noted previouslywhile offering a positive potential also has some risks. The pressures on local council budgets, and the consequent difficult decisions they have to take, could make it more difficult to build the trust at a local level which is necessary for successful asset transfer activity. The speed and scale with which local councils may want to dispose of assets may also make a positive community response more difficult. For example, one local authority has developed a disposal process for community buildings which provides an opportunity for community organisations to put forward a proposal for community acquisition. However, it only allows 8 weeks for the community organisation to produce a business plan to justify doing so. This would be a tight timescale even if the organisation already had the resources to prepare a plan, but becomes impossible if, for example, the group need to secure funding from the BLF through an Investing in Ideas grant for which work should not start for at least 12 weeks after the date of application. Work needs to be done on how these possibly competing forces can be reconciled. Building partnerships at a local level rather than just on specific transfers could be beneficial as could examination of how batches of assets could be transferred to a holding organisation prior to final community acquisition. At least three councils are already examining the options for this and the issue has already arisen within the early work of the new Community Ownership Support Service.

5.7. Local authorities need to develop a stronger corporate and more positive approach to asset transfer, and ensure that this is implemented in practice consistently across departments. There is scope for work to be done on developing effective strategies, sharing and building on developments which are already underway in some individual authorities. Community groups should also adopt a more proactive and enterprising approach in which they seek to acquire suitable assets to deliver a robust community business. They need to ensure that they have strong community support but also need better access to consistent support for themselves in asset transfer. There could be a role for building some more generic capacity on this within third sector interfaces and within Council CLD departments as a first line of support, with more dedicated intensive support from organisations such as DTA Scotland.

5.8. Funding is a critical issue, not just for the capital costs of acquisition and development, but also for pre-acquisition costs. In the present climate, this will not be solved easily but a first step would be to see how existing funding streams can be better aligned with each other and how application procedures can address the practicalities of community groups sometimes having to respond to opportunities very quickly.

APPENDIX A – Demonstration Projects

ABERFELDY TOWN HALL

Background

Aberfeldy Town Hall (*pictured next page*), build in 1889, consists of a large hall with a stage and balcony, a lesser hall with large kitchen adjoining, three committee rooms, separate ladies and gents multiple toilet facilities, two rentable flats and is set in spacious grounds with parking.

The Town Hall is part of the Common Good of Aberfeldy and is managed on behalf of Perth and Kinross Council by Perth and Kinross Leisure for the promotion of physical activities and healthy living. With the opening of the new Breadalbane Community Campus in December 2010, it was the intention of Perth and Kinross Council to close the Town Hall in March 2011.

As part of the community consultation a series of Looking to the Future forum meetings were held, and as a result, the Aberfeldy Town Hall Steering Group (ATHSG) was formed to explore the options for developing a sustainable business plan to move this historic and well used facility into community management and potentially ownership.

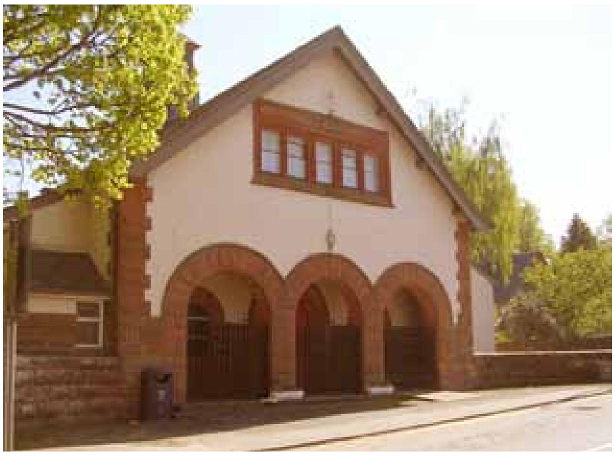
ATHSG undertook a great deal of work to progress the transfer including commissioning a survey of the building, extensive community consultation, operating a community cafe on a pilot basis to assess and developing an outline business model.

Perth and Kinross Council were supportive of this course of action and agreed, subject to the development of a business plan that demonstrated sustainability, to consider transferring the building into community ownership. The Council invested in the building as part of this process.

PAT Activity and Support

A scoping meeting was held in June 2010 to discuss the current position on the transfer and how support from the Programme could be used most effectively.

A number of actions were identified as being required by ATHSG and the Council. It was also greed that consultancy support from the Programme would be used to work on and develop the business plan with ATHSG and that the small grants element would be used to pay for technical advice for ATHSG.



Progress and outcome

As the work progressed it became clear that the timescales agreed between ATHSG and the Council were too tight for the preparation of a robust business plan, particularly given delays in information expected from a survey of community facilities being undertaken by another organisation and the uncertain impact of the new campus. As a result, ATHSG proposed that they would take an annual lease and the Council agreed to grant a 2 year License to Operate. This was taken up by Locus Breadalbane Centre, another community organisation, which owned another asset and which had been identified as the most suitable organisation to take on the operation of the Town Hall. This will allow the community to develop the business model and plan in a more realistic timescale, whilst actually running the Town Hall and developing the business.

Key Learning Points

- **A constructive working relationship between the community organisation and the Council enabled a flexible approach to be undertaken.**
- **The community organisation which began the process of asset transfer recognised that another local organisation was better placed to take over the asset and run it as a community enterprise.**
- **The process of negotiating with a Council requires considerable perseverance and capacity within a community organisation.**
- **Community groups require access to funding and support during the transfer process on matters such as business planning, surveys and legal advice which is not easily resourced**
- **A leasing arrangement may provide a useful transition period to full ownership.**
- **The support from the PAT programme helped facilitate the process and, in particular, enabled the community to begin developing a more robust business plan.**

MUIR OF ORD VILLAGE HALL

Background

The Muir of Ord Village Hall has been a community hub since 1893, and, despite substantial population growth is the only public hall in the village apart from those tied to churches.

As part of a wider policy to equalise its financial support to village halls across the region, the Council was proposing to transfer 11 village halls to community ownership for a nominal amount and before the PAT intervention, there had been a couple of issues with the process to date. Communities felt that they had not been sufficiently consulted about the proposal before it was agreed by the Council, and the Council had also decided to place an economic burden on the transferred assets after communities had agreed in principle to transfer without burdens. The burden would require the community organisations which took ownership of the hall to repay the Council its market value (at the time of acquisition) – in the case of the Muir of Ord, currently £85,000 – if there was a change of planning use from community to non-community use.

Muir of Ord Community Association was formed in the 1950s, and already owned and operated other assets in the village including the pavilion, sports field, bowling green and a large play park. Its current priority was to secure a recreational building to replace the old sports centre that had burned down (having land and £100,000 available to do so). The Association – which had attempted in the past to engage Highland Council in taking an overview of facilities in the village - was only prepared to take on the village hall because there was no other option to secure its future for the village, and even then only if a robust business plan indicated viability. It considered the proposed economic burden not only unnecessary given the asset safeguards built into its constitution as a charitable organisation but also potentially counterproductive as it would need maximum flexibility to achieve the best, sustainable solution for the village. Highland Council commissioned advice on the terms and impact of the proposed burden for the Community Association to consider.

PAT Activity and Support

A scoping meeting was held in July 2010. It was agreed at that meeting that the most effective use of the consultancy support would be in preparing the business case. It was further decided that a consultant who had undertaken an options appraisal for a new community hall in 2009 would be best placed to undertake the work.

The main areas of work undertaken were:

- Secure adequate and robust information from Highland Council regarding current hall usage, charges, income and running costs.

- Establish current condition of building, and compliance with current and imminent regulations, and estimate costs of bringing up to required standards.
- Establish needs and aspirations of current hall users, and investigate potential new opportunities/ uses for the facility, and the additional requirements (e.g. in terms of further improvement/development and marketing), in order to secure these – and the associated costs.
- Identify the likely financial implications of taking on ownership/management, and potential sources of funding to enable this to happen.
- Identify potential legal and management structures for the ownership and management of the facility.
- Include the preparation of a business plan detailing the feasibility of the preferred option(s).
- Reach a conclusion regarding the feasibility of taking on ownership/ management and a realistic timeframe.

Outcome

The study established that there was a reasonable business case and that the hall could be financially viable through a combination of increased income and reduced costs. On that basis the Community Association and the Council agreed to the transfer of the hall. The Association decided to set up a separate Village Hall Users Group as a company limited by guarantee to own and operate the hall.

Key Learning Points

- **As there had not been any community consultation prior to the decision by the Council to dispose of the hall.,the existence of an active, experienced local community organisation capable of taking ownership of the hall was very important factor in the transfer process. The terms of transfer changed during the process to include an economic development burden and although this will not in the end prevent the transfer taking place it would have been preferable for the terms to be clear and consistent throughout.**
- **The terms of transfer changed during the process to include an Economic Development Burden and although this did not in the end prevent the transfer taking place it would have been preferable for the terms to be clear and consistent throughout.**
- **The work to establish a robust business case for the acquisition of the hall was essential to the Community Association's decision to proceed and was enabled through funding from the PAT Programme.**
- **The Council and the Community Association had different views about the need for, and the potential effect of, the economic burden placed on the transfer which were unresolved.**
- **The Community Association established a new organisation to own and operate the hall.**

MOFFAT TOWN HALL

Background

Moffat Town Hall is an important local historic building (Grade B listed) reflecting the spa heritage of the town and is located in a prominent position on the High Street. It is owned and operated by Dumfries and Galloway Council. However, Moffat is no longer a priority area for expenditure by the Council and consequently it had no plans for investment in the building, meaning that there was a real prospect that it would close.

The Council had agreed in principle to transfer the asset to the local community for £1 and had received Scottish Government permission to do so. The actual transfer was conditional on the community having a viable business plan and the necessary finance in place. It had allocated one day per week development support to the Trust until September 2010 and had also committed to continue to provide the library and local Council services from the building after acquisition and refurbishment by the community. However it was recognised that all Council budgets were under review and that this might affect this commitment.

Moffat Town Hall Development Trust had been established to take over the building. It had developed plans to redevelop the site and manage expanded facilities so that it could be used for the long term, sustainable benefit of residents and visitors. The Trust's vision was to deliver an accessible venue with flexible space, multi-use facilities, and community services with a mix of educational, recreational and cultural activities that would appeal to all sectors.

However, the Trust's bid for funding for £1m to the BLF as part of a £3.2m capital package had been unsuccessful despite BLF having provided £127,000 to assist in the development of the proposal and the business plan. The Trust still had a conditional offer of funding from Historic Scotland for 50% of the costs of restoring the external fabric of the building (£227,000), but with the requirement to find matching funding of the same amount. In addition, it had LEADER funding approved for revenue support of £19,000 to pay for a development worker. Having secured match funding of £7,000 from the Council it still needed to find a further £12,000 to be able to access the LEADER award. The Council needed to see an alternative plan from the community which could be achieved with the funding likely to be available, and the Trust decided to investigate the feasibility and viability of a project costing £2.2m.

PAT Activity and Support

At the scoping meeting to discuss the support available from the PAT programme held in July 2010, it was recognised that the Trust needed to re-consider funding options and establish if a smaller scale scheme was financially viable. The existing plans would be reviewed by architects to investigate the potential for project phasing and reducing costs. The business plan would need to be reworked in the light of changes to take account of any rescheduling of the capital works, updating of the financial projections (income & expenditure and cash flow forecasts) and to produce a post refurbishment management plan. The PAT programme would be used to provide specialist fundraising expertise to develop a new funding strategy, an examination and re-development of the business plan and the provision of legal advice to the Trust on the details of the proposed transfer agreement.

Outcome

The work on the funding strategy funded under the PAT Programme concluded that the revised designs for a reduced project raised a number of critical issues about the business viability of the project. It also concluded that sources of funding for major capital projects were very limited and that the key funding decision going forward would be whether the Council were able to commit £250,000 to the project. Even if it did, the prospects for securing all of the remaining funding were uncertain. In the circumstances, it was suggested that a phased approach might be one option for taking the project forward.

The outcome to date is that the Trust has decided to opt for a phased approach. It has secured the LEADER funding which has enabled it to employ a development worker and is applying for HLF funding.

Key Learning Points

- **Sources for funding of major capital projects by community organisations are very limited.**
- **Major projects of this kind require a complex structure of funding which can be vulnerable to decisions of individual funders and is very difficult,time-consuming and draining for community organisations to put together.**
- **The Trust and community faced a considerable setback when the BLF decided not to award major capital funding despite their investment of £127,000 in preparatory development work; the funding environment for major capital projects places a premium on the resilience and perseverance of community groups.**
- **The Council's pro-active support for the project both in staff support and finance has been an important factor in sustaining interest in the project so far.**
- **The support from the PAT Programme, which was directed primarily at developing a revised funding strategy, demonstrated the critical and complex interaction between building design, business planning and funding strategy.**

BRAEPORT CENTRE, DUNBLANE

Background

The Braeport Centre is a former primary school, in Dunblane, a town with a population of about 9,000. The Centre is a valued community facility in Dunblane and is currently owned by Stirling Council. The Dunblane Development Trust currently manages the centre and has a 12 month lease from the Council which retains a "wind and watertight" responsibility. The Trust has invested over £12,000 in the building over the past few years and has volunteer key holders and a volunteer repairs group. This reflects the high level of community involvement in the building which is well-used, especially during the week, and the centre generates an income of £8,000 a year. The building was considered to be in generally good repair when it was last surveyed by the Council some 18 months before, although it was recognised that new toilets were needed and that there was scope to upgrade and extend the building.

Despite the minor improvements it had funded already, the Trust considered that to be fit for purpose for the future the Centre needed investment in repairs, maintenance and services. The Centre also has significant potential for extension to provide additional space for a café with modern kitchen, a small meeting room and toilets. The Trust considered that none of these improvements would be possible unless the Centre was transferred into community ownership. The question of transferring the asset dated back many years and, unsure about Stirling Council's plans for the Centre, in 2009 the Trust sought and was granted a registration of a community interest in the Centre under the Land Reform (Scotland) Act 2003. This gives the Trust an opportunity to buy the site were it to be put up for sale.

For its part, the Council had a range of facilities in addition to Braeport in Dunblane – 3 church halls, 1 youth centre, 1 council hall and a high school – and was prepared to consider asset transfer. It had an existing procedure for disposing of assets at less than best value and the Trust were informed that they would have to demonstrate (1) the need for Braeport Centre in terms of who it did and could serve (within the context of other community facilities), (2) a business case in a robust business plan and (3) that it had the capacity to deliver. The main issue for the Trust - which had other development / income generation activities (flats and a bistro) was whether taking ownership of the building would work for it financially. The Trust had also established a Community Facilities Working Group (with a wider remit than Braeport centre) and was working with the Council on undertaking a survey of existing facilities and community groups in Dunblane.

PAT Support and Activity

At the scoping meeting to discuss the input from the PAT programme, it was agreed that a number of issues needed to be addressed:

- The Trust needed further information on the physical condition of the centre.
- The strength of business case for the Trust taking ownership of the Centre needed to be established and a robust business plan prepared.
- The Trust needed to demonstrate its capacity to manage the Centre.
- The Council would need to clarify the likely cost of acquisition (which it was presumed would be a token amount if the case could be demonstrated) and any conditions which might be attached to the transfer. It was recognised that further clarification was required regarding the Council decision making process as the Council had recently undergone a re-organisation.
- The need for further community consultation and demonstration of community need.

It was agreed that the support from the PAT programme would largely be directed towards assisting the Trust in considering the business case for acquiring the Centre.

Outcome

In the event, the main focus of work was the survey of existing facilities and community groups in Dunblane and its implications for the transfer of the Braeport Centre to community ownership.

The early indications where that that there would appear to be a gap in services for less able older people – i.e. those unable to attend the many and varied activities going on in Dunblane – and that there was poor provision of health centre services. Further discussion and a wider consultation with the community would be worked on further throughout the year.

There was also discussion of how the halls could work more effectively together around matters such as caretaking arrangements, bookings, pricing, cleaning and purchasing of disposables etc. It was agreed that the 4 main halls would meet on a relatively regular basis (bi-monthly/quarterly) to explore areas where greater co-operation could be achieved.

The Trust is currently minded to take a long lease on the property rather than taking it into community ownership.

› *See next page (42):* **Key Learning Points**

Key Learning Points

- The existence of a Council policy about disposal at less than market value provided a clear context within which the consideration of the asset transfer could take place.
- The business case for community ownership of the Braeport Centre depended in part on a wider consideration of identified community need within the context of the other community facilities in Dunblane.
- Co-operation and collaboration between local community organisations may make the management of community facilities easier and more cost-effective.
- The consideration of asset ownership can legitimately lead to a decision to consider other options such as a long lease which may better meet local circumstances and the needs of the organisation.
- Support from the PAT programme enabled the Trust to consider and develop the business case.

PORTOBELLO COMMUNITY CENTRE

Background

Portobello Community Centre is an old building – previously serving as the local public laundry or 'steamie'. Owned by the Council, it is currently leased by a Management Committee. The site backs onto a Council library which had been recently refurbished, but the Council had not taken the opportunity to respond positively to considering any joining-up of the two facilities.

The Centre is well used by the local community and in terms of financial outlay from the Council's point of view, is relatively low cost in comparison with other local centres. However, the building is in serious need of upgrading and refurbishment. The Council have acknowledged that they are unlikely to be in a position in the foreseeable future to have the level of resources required to do this work. The committee and Council officers are both keenly aware of this situation and over the past 12 years there have been a succession of attempts to produce a realistic set of proposals for the redevelopment of the facility. The most recent proposal involved a housing association as a joint developer of the site, with social housing being built above the proposed new-build community centre, but this proposal was rejected by the Council. Both the current management committee and the Council officers view the current opportunity as being a final attempt to galvanise sufficient energy and momentum in order to attract the necessary investment and levels of commitment from a wider range of local stakeholders that will deliver a new, fit for purpose community facility for the area.

The Committee was concerned about the financial viability of the Centre if they were to acquire it. It is currently operating at a loss of £5,500 due to the loss of a major tenant, and the Council's annual contribution to the running and maintenance of the building is valued at around £20,000 (including salary costs). The Council also currently delivers a youth work programme in the centre to which the management committee provides some support and there was some concern over the future of this work. The Committee recognised that it would need to develop its capacity if it was to take full control and ownership of the Centre and would also need to consider its legal form, which is currently an unincorporated charitable organisation. The asset itself is an old building, and concerns exist over what work may need to be done on the building, both in the short term and longer term.

The Council is keen for the building to be retained for the community. The building is not currently under threat of closure by the Council and there is an assumption that there will be no reduction in support from the Council to the centre over the next 12 months. However, there is an interest within the Council to explore the potential for the community centre to be transferred into full community ownership. The building is currently held by the Department for Children & Families but the land is held by Services for Communities, and if an asset is to be transferred there needs to be a benefit seen to be coming back to the department that holds the asset. There would therefore be a need to clarify exactly what transfer might be on offer, and whether there would be any restrictions/burdens placed on the transfer by the Council. A key factor within this would be the actual savings, in both the short term and long term, which would be made by the Council transferring the asset.

› *See next page (44) for:*
- **PAT Support and activity**
- **Outcome**
- **Key Learning Points**

PAT support and activity

A scoping meeting was held to discuss the project in September 2010. This identified the following key issues:

- The need to clarify the asset transfer mechanisms within the Council – who would ultimately decide, what information would be required to assist in making a decision etc?
- The need to clarify what is potentially on offer from the Council – what value would be placed on the building, would there be any restrictions on the transfer?
- It was not immediately clear what the benefits to the community would be from acquisition of the asset given that they already have a lease on the building and are responsible for its management. Consideration needed to be given as to what added value would come from ownership.

It was agreed that the PAT programme should support a time-limited consultancy. There are a number of local groups based in and around Portobello which have expressed an interest in the development of a new community facility. The community centre management committee were clear that if the community centre is to be redeveloped then it should reflect the wider aspirations held within the community. The consultant would explore this demand, and how it could be coalesced with other local groups, and also seek to clarify Edinburgh Council's position.

Outcome

The work has not yet led to a definite conclusion about the centre. However, it has led to a proposed meeting where local groups will come together to discuss the future of the centre. There has been an indication from the housing association which was involved in the abortive proposal that it might still be interested in a joint venture. However it should be noted that the housing association would not be in a position to accommodate any proposal within its forward programme for some years.
In addition, Edinburgh Council has been actively engaged in the work and is keen for it to progress.

Key Learning Points

- **The development of a community supported proposal takes time and effort which requires support over a longer period of time than was available from the PAT programme.**
- **The positive engagement of the council is important and the approach of Edinburgh Council appears to have developed since its rejection of the earlier proposal for the redevelopment of the centre.**
- **The management committee recognise that its capacity will need to be developed and its legal organisational status changed to enable it to progress a proposal.**
- **The potential for developing a community hub as an asset for a range of local organisations enables a more strategic, local approach to be undertaken.**

VICTORIA PRIMARY SCHOOL, GOVANHILL

Victoria Primary School is a disused Edwardian school building owned by Glasgow City Council. The Govanhill Community Development Trust (established by the Govanhill Housing Association) wished to investigate the feasibility of using the site to establish a new elderly day care centre (to replace that currently being provided at Dixon Halls which was proving to be an unsuitable building) with ancillary housing, possibly sheltered accommodation. The Council were supportive of the idea but did not have the resources to undertake or contribute to the study.

A firm of architects were contracted to undertake a feasibility study to define the user requirements, survey the site and buildings, and undertake an options appraisal of a new build on the site / redeveloping the existing building. The total cost of the feasibility study came in at just over £18,000. The PAT programme contributed towards the cost of the study with the rest of the funding coming from the Govanhill Community Development Trust. The study is ongoing.

Key Learning Points

- **Feasibility and design work is essential, expensive and not easy to fund, even for established community anchor organisations.**

MOORINGS, ISLE OF GIGHA

The jetty and moorings at Ardminish in the Isle of Gigha (*pictured on page 24*) are currently owned and operated by Argyll and Bute Council and are important to the island's tourism. The Isle of Gigha Heritage Trust is seeking to take over ownership of the moorings from the Council (with a long lease of the seabed from the Crown Estate) and also wants to include the jetty in the transfer. However, the jetty and moorings are in a poor state of repair and would have closed in other circumstances as the Council is unable to afford to upgrade them. The Trust needed to undertake an options appraisal to assess the costs of repairing the jetty and moorings or providing floating pontoons instead, before it could commit to the transfer.

The PAT programme has contributed towards the costs of this study which is ongoing and the provision of advice on sources of funding any subsequent work on the jetty/pontoons. It is now more likely that the asset will be transferred in the not too distant future.

Key Learning Points

- **The state of repair of assets can be a key factor in the feasibility of a transfer and community organisations need to have access to professional advice on the condition of an asset and the costs of any repair or refurbishment.**

APPENDIX B – Tier 2 Projects

Eskdalemuir

The Upper Eskdale Development Group had already acquired a former primary school from Dumfries and Galloway Council. They wished to review their current business plan and further develop it. They also needed to consider how the restrictive burden placed on the building by the local authority (a former primary school) might impinge on their fundraising and business development objectives and, if it did, whether and how this could be altered.

Business consultancy and legal advice were provided through the programme. The review of the business plan concluded that the existing document needed to be developed beyond the project justification that it contained, to being a document which set out the Group's strategy and plans for achieving it. The legal advice confirmed that the economic burden could restrict the Group's business development and ability to raise finance, and suggested ways in which this could be altered.

Isle of Whithorn

Isles Futures were in the process of acquiring ownership from Dumfries and Galloway Council of the community hall they currently manage, and wished to develop it as a community resource and local tourist facility. Their plans include using the hall as a base for outreach services, extending current catering activities and developing a community cinema/film service. Isles Futures already had preliminary architect drawings for extending and developing the hall and have undertaken some community consultation about their ideas.

The PAT programme provided consultancy support to assist Isles Futures prepare its business case and plan. The plan provided two costed development options for the group and the report also resulted in the group deciding to widen the project to include a retail facility which could accommodate the village shop (the future of the shop when the current owner retires is uncertain).

Portree Community centre

Portree Area Community Trust is seeking to acquire ownership of the local community centre. The centre has been managed to date by a voluntary committee. Highland Council was willing in principle for the community to acquire ownership but for various reasons the discussions had not progressed smoothly.

Support was provided from the programme to help the Trust and the Centre's Management Committee clarify governance and organisational issues and to develop a project plan for developing the business case for transfer.

Stonehouse Development Trust

Stonehouse Development Trust wished to acquire ownership of the former Public Institute, currently owned by South Lanarkshire Council, and to develop a number of activities and services in the centre including childcare and training. The Council are willing in principle to sell the building at less than market value. The Trust has already prepared a business plan (using an 'Investing in Ideas' grant) and has also secured funding to undertake a fabric conditions survey of the asset and obtain a market valuation.

Support was provided from the PAT programme to develop the business case for the transfer and to advise on organisational structure. The immediate outcome was that the Trust received clear recommendations about necessary changes to its Memorandum and Articles and advice on the development of its organisational structure, projects plan and business plan. These will enable it to develop its business case, plan for the asset transfer and place it in a better position to secure funding.

'Support was provided from the PAT programme to develop the business case for the transfer and to advise on organisational structure.'

Plean Community Trust

Plean Community Trust wished to engage their own consultant to take forward work on the possible transfer of two pieces of land - one owned by the previous Miners' Welfare Trust and the other by the Council.

The work by the consultant enabled the Trust to develop a proposal seeking Stirling Council's approval in principle to transferring land at less than best value and setting out the work it would undertake to make the full business case.

Kilmory Home Farm

The Kilmory Home Farm Community Project is seeking to acquire the historic Kilmory Home Farm from Argyll and Bute Council and to restore it. The Council are supportive of the proposal. The Group produced an options appraisal in partnership with the Strathclyde Building Preservation Trust in 2009 and subsequently a comprehensive business plan.

Support from the PAT programme was directed at reviewing the business plan and producing an edited version to demonstrate the business case which should enable it to progress its discussions with both the Council and potential funders.

Key Learning Points

- The paramount importance of effective business planning by community organisations and the presentation of strong business cases for asset transfer.
- The importance of community organisations considering and adopting the best organisational structure for acquiring and operating an asset.
- The need for community organisations and councils to consider the need for economic development burdens and, if there is a need, for them to be applied as flexibly as possible.
- The impact which a positive and pro-active approach from a council can have in enabling asset transfer proposals to be developed.

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