

# Community Ownership: Viability not Liability

Nicky Donald

COSS Advisor













### Community Asset Transfer – what is it?

A process to allow a community organisation to take over publicly-owned land or buildings, in a way that recognises the public benefits that the community use will bring. This could be to manage, by lease or transfer of title in to full ownership.

If the land is put up for sale or lease and a community body offers the best (or the only) bid, that is just a commercial transaction.

Assets are land and any buildings or other structures on the land, like bridges, walls or piers. (It does not include vehicles or equipment.)







## Community Ownership Support Service

- COSS is part of the Development Trusts Association for Scotland (DTAS)
- COSS is a Scottish government funded programme, adviser led across all 32 LA areas, set up to:
  - help community-based groups take ownership of assets for community benefit – asset transfer
  - support local authorities and other public agencies (relevant authorities) to transfer assets into community ownership.







### Experience: 2011 to Today

- Over 780 enquiries
- 116 Asset Transfers
- 340 ongoing cases

All this experience has led to development of support services and tools designed specifically for asset acquisition.







# Is this new?





## What do they do?

**Provide childcare**, make benches, manage office space, teach ICT, support small businesses, cook healthy food, recycle paper, support other community organisations, manage community centres, run cinemas, build, sell and rent out houses, undertake youth work, repair and sell bicycles, provide home help schemes for older people, run community transport schemes, lobby Councils for improvements on behalf of local people, undertake consultancy work, run schools for excluded young people, manage parks and play areas, own restaurants and cafes and pizzerias, have festivals & fun days & Dickensian Christmas Fairs, run credit unions, support neighbourhood management and other local initiatives, prisoner of war camps and Scottish government nuclear bunker development, set up social enterprises, homework clubs, DJ Workshops, run community energy projects, five a side football, manage Healthy Living Centres, district heating systems, support local artists, swimming pools and gyms, provide wedding and conference facilities, create web-sites, regenerate town centres, teach basic skills English and Maths, run bed and breakfasts, lend money, employ local people, run play schemes, sports days, teach construction skills, manage sports facilities, provide a refuge for women, publish community newsletters, teach catering skills, support community radio, make soap and bath stuff, run community arts projects, build footpaths and cycleways, manage renewable energy schemes, build green and affordable homes, manage grant funding, manage local markets and market halls, run community cohesion projects, manage street ranger schemes, install CCTV, own and manage shops, leisure centres, benefit advice and debt counselling, promote tourism, manage heritage sites, skills training, undertake social audits, own and run pubs and bars, build and manage BMX tracks, run Archaeology survey companies, provide sets for film and television productions, manage allotments, make chocolate (and sell it to Selfridges!), make jam (and sell it to the Co-op) from orchards providing jobs for people with learning disabilities, own hostels, build boats, run Tourist Information Centres, sheltered and special need housing, own abattoirs, provide ferry services, own cinemas and theatres and museums, event management, own a security company, run a taxi service, grow and sell food, support people to find work, own and manage harbours and pontoons, deliver high speed broadband, smokehouses, airports, doula services, make widgets for central heating, own castles and former Bishop's palaces, crofts and farms, run the Post Office, have a photography company which creates jobs for young people, employ people with special needs, community bulk-buying schemes, make films, own camping and caravan sites, run night clubs...











## The Kyle Centre









**New Deer Public Hall presents** 

#### MIRACLE ON 34TH STREET (1994)



After meeting a sceptical little girl, a department store Santa sets out to prove to her, and to the rest of the world, that he is the real Father Christmas.

New Deer Public Hall

#### Sunday 4th December @ 2pm

Tickets £5 (full) & £4 (under 16) from the Pharmacy ( 01771 644217) or Food For Thought, New Deer (01771 644366), online at neatshows.co.uk or on the door.













# Why now?

 Negative – financial downturn, squeeze on services, buildings closing

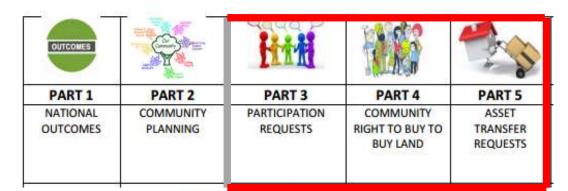
 Positive – new legislation to help communities have a say in service delivery and use assets to deliver by the community for the community

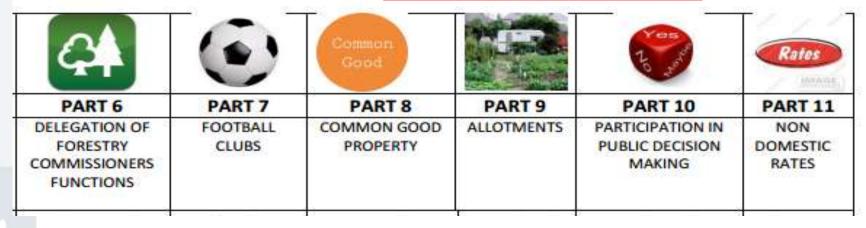






### **Community Empowerment (Scotland) Act** 2015

















#### **Relevant Authorities**

- Local authorities
- Scottish Ministers (including agencies such as Forest Enterprise Scotland and Transport Scotland)
- Crofting Commission
- Further Education colleges which are "incorporated colleges"
- Health Boards, both regional and Special Health Boards
- Highlands and Islands Enterprise
- Historic Environment Scotland
- National Park Authorities (Cairngorms and Loch Lomond and Trossachs)
- Regional Transport Partnerships
- Scottish Canals
- Scottish Courts and Tribunals Service
- Scottish Enterprise
- Scottish Environment Protection Agency
- Scottish Fire and Rescue Service
- Scottish Natural Heritage
- Scottish Police Authority (who own all land and buildings used by Police Scotland)
- Scottish Water





### Part 3 – Participation Requests

Participation in an Outcome Improvement Process with a Public Service Authority

- To help start a dialogue
- Contributing to the decision making process
- Contribute to service change
- Seek support for alternatives which improve outcomes







- Presumption in favour of community unless there are good grounds for refusal
- Currently no formal appeal process













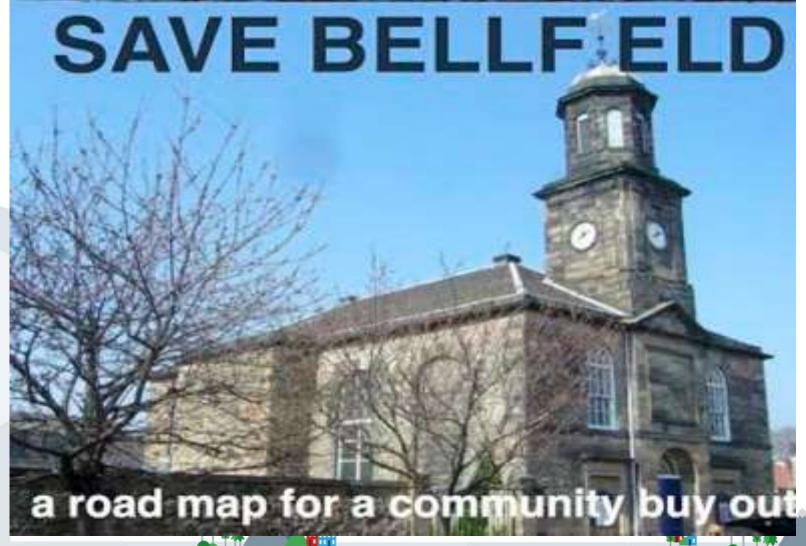


## Part 4 – Community Right to Buy

A CRtB is a **pre-emptive right to buy land** for communities throughout Scotland under Part 4 of the Land Reform (Scotland) Act 2003 - Geographically Defined Communities



#### Action Porty, Bellfield Church, Portobello

















# Part 4 – Abandoned, neglected and detrimental land

#### Eligible if:

- It is wholly or mainly abandoned or neglected or,
- The use or management of the land is such that it results in or causes harm, directly or indirectly, to the environmental wellbeing of a relevant community
- Community compulsory purchase (via LA)
- Live from June 2018









### Part 5: Key rights in CEA for asset transfer

 Communities have the right to request to purchase, lease, manage or use land and buildings belonging to local authorities and other Scottish public bodies (Relevant Authorities) – at less than best financial consideration, based on the added economic, social, health, environmental benefits the community can bring







#### More key points in CEA for asset transfer

- the assets do not have to be on a "surplus to requirements" list
- Asset Registers produced
- presumption of agreement to requests unless reasonable grounds for refusal
- clear timeframes for responses
- appeals procedure







#### Who can make a request - Community Transfer Body

- Community of geography or community of interest
- Open membership/controlled by that community
- Community benefit purpose
- Surplus applied to benefit of community







#### For transfer of full title the community body must also be:

- A limited company with a Dissolution Clause

   (i) to another community transfer body
   (ii) to a charity.
- A Scottish Charitable Incorporated Organisation (SCIO)
- A Community Benefit Society (BenComm)

All with no fewer than 20 members.







### First Steps

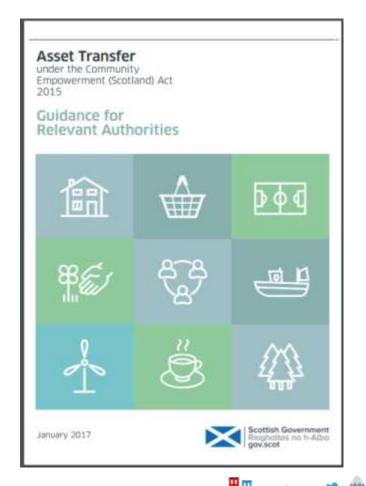
- Look up CAT policy and procedures on Relevant Authority's website
- Download Guidance
- Contact COSS or local support (TSI, Council)
- Make initial contact with RA (Expression of Interest)...... BUT NB
- Source funding for development
- Prepare full CAT application





















### How your request will be assessed

- Public benefits of the transfer proposal must be demonstrably greater than that of an alternative proposal
  - economic development; regeneration; public health; social wellbeing; environmental wellbeing
- Best value (discounting market valuation)
- Ability of the group / project to deliver
- Impact on the public body's functions & any conflict with wider obligations
- Level of community support / conflict with other community interests











## Challenges in Community Ownership

- Community capacity
- Preference to leasing assets
- Disproportionate sense of risk
  - overly bureaucratic process
  - clawback arrangements
- Securing development finance
- Developing enterprising models to sustain assets







## Just because you CAN.....

.....does it mean you SHOULD?

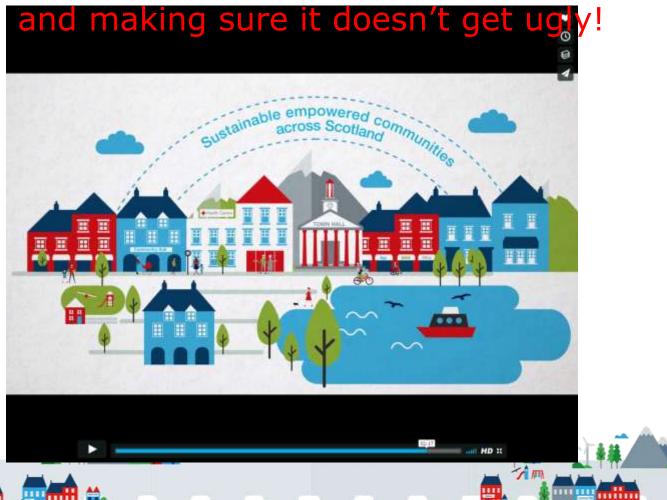






#### **Viability not Liability**

supporting the good, preventing the bad













#### **Key questions to ask before you start:**

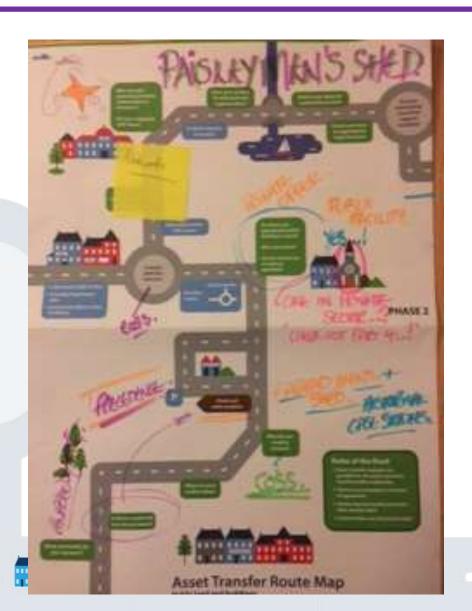
- what is the need/demand? How do you know?
- do you require an asset to deliver on the need?
- have you looked at every asset option?
- Is anyone doing it already?
- Is there anyone else you can join up with?



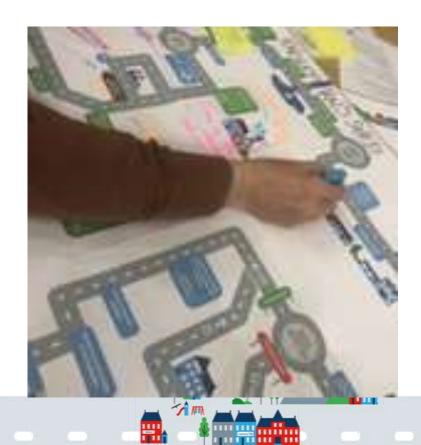




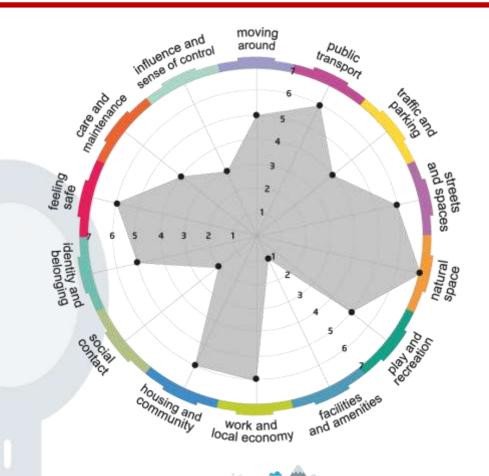
## **COSS Resources – Route Map**



...@PaisleyMensShed



#### The Place Standard



#### www.placestandard.scot

- Free online tool
- simple framework It allows you to think about the physical elements of a as well as the social aspects (for example whether people feel they have a say in decision making).







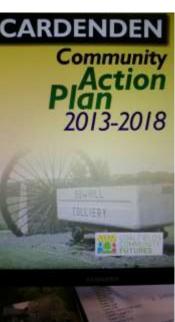




## Identify genuine community need = What do you want to do and why do you want to do it?

- Community events
- Questionnaires



















### Learning from others who have done it already

#### Community Learning Exchange Fund



- The Exchange will fund up to 100% of the costs of a visit up to a limit of £750, including a host fee.
- Learn from those who have done it before









### Working in partnership

- "We rent out office space to 2 other organisations"
- "A nursery rents the lower floor of the building and this underwrites all our fixed costs" (heating, lighting, 2 p/t staff, cleaning)
- "The gym is a partnership with the NHS and we have 430 members. This makes a profit for us."

















#### Be Realistic about the Condition of the Asset



- Closing for cost saving
- Find out costs of refurbising costs for refurbishing.
- Is it going to be cheaper to rebuild?
- Or choose another asset?











#### **Key questions to ask before you start:**

- Do you want to buy, lease or manage?
- will the project promote or improve: economic development, regeneration, public health, social wellbeing, environmental wellbeing.
- will it reduce inequalities?







# Reasons for community going for lease

### interim lease

- ✓ Phased approach to full title AT is completely legitimate
- ✓ to build up confidence and experience
- ✓ to test their business ideas
- ✓ must check heads of terms
- ✓ break clauses in favour of ownership







BUT.....

- short term lease can cause funding issues
- Usually full repairing
- Groups being offered market leases
- Burdens







# Benefits of ownership of title

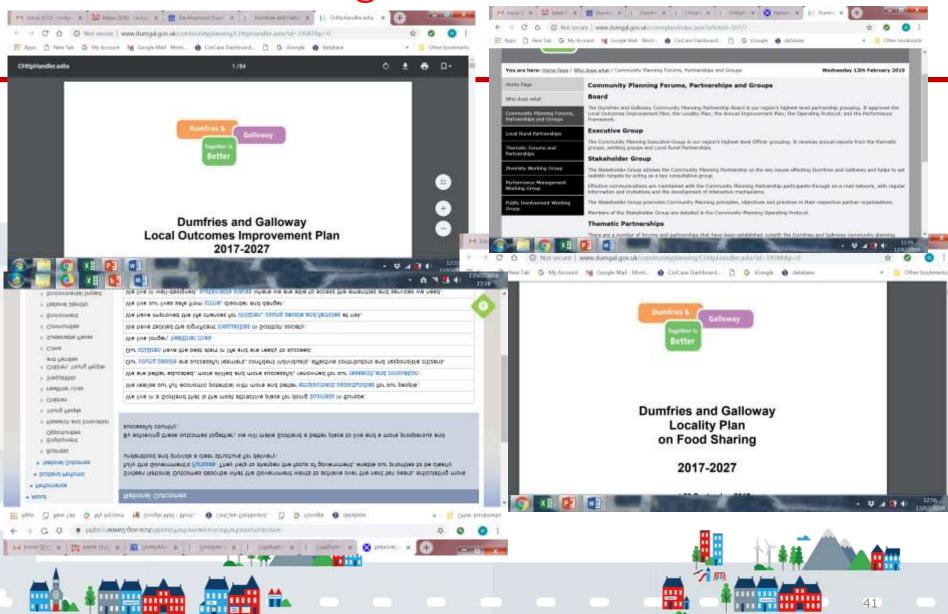
- Can make major alterations/ extend/ re-furbish
- Greater incentive to make such improvements
- Balance sheet strength can borrow against
- Control and certainty over future of asset can make long-term plans around it
- Better stewardship of local assets if community owns (and uses) them







# Demonstrating added value - PLANS!



# Demonstrating economic/social/health/environmental value – the added value

- You can make a difference
- Can you deliver services in partnership with others? LA, NHS etc.

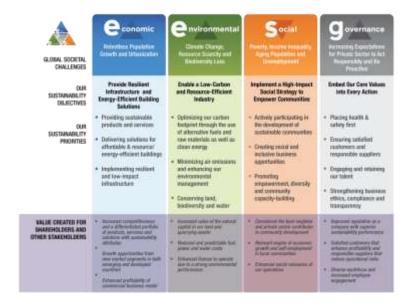


# **Demonstrating Added Value**

#### **Informal Enquiry**



#### Formal Enquiry = measurable outcomes











# But if not you then who? Don't worry – help is out there







0131 225 2080 nicky@dtascot.org.uk www.dtascommunityownership.org.uk





#### COMMUNITY OWNERSHIP: ASSETS FOR PEOPLE AND PLACE

# Viability Not Liability Enterprising Assets







## Sustainability

#### Confidence that you can be sustainable...

Sustainable growth encompasses a business model that creates value consistent with the long-term preservation and enhancement of financial, environmental and social capital...

Review of Enterprise and Management Studies, 2013

- "Washing your face"
- Creating a surplus saving for a 'rainy day'









## Planning for sustainability

#### When is the time to start thinking about sustainability?

## Now!

- Before you take it on
- As you develop your transfer proposals
- As you implement your plans

... there is help out there!



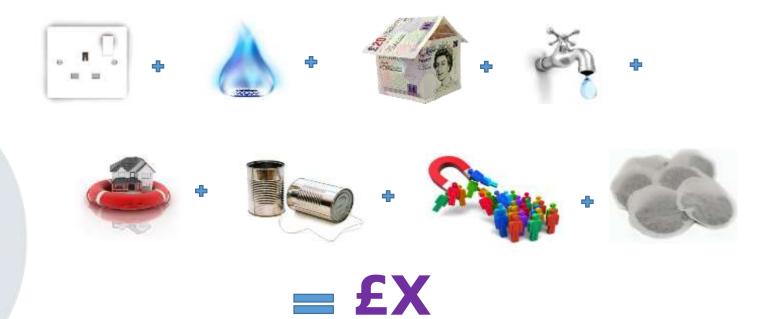








#### **Building costs**





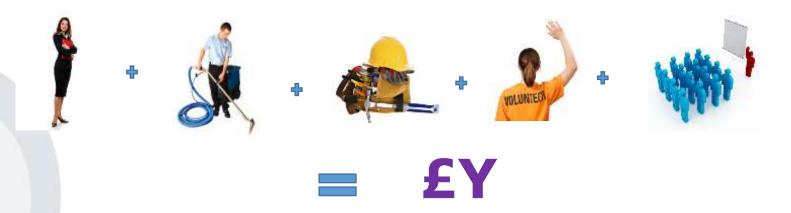








#### **Staffing & contract costs**



£X + £Y = operating costs





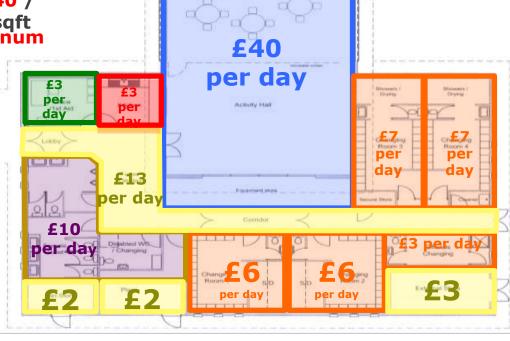






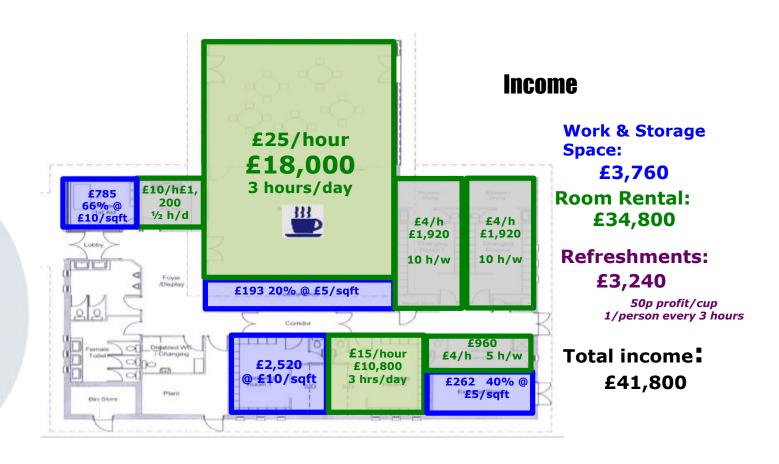


£37,840 / 4,221sqft ≈ £9/sqft/annum



















#### the Bottom Line



£41,800



- £37,840



£3,960









### Enterprise

It's all about...





...being able to support your pet kitten



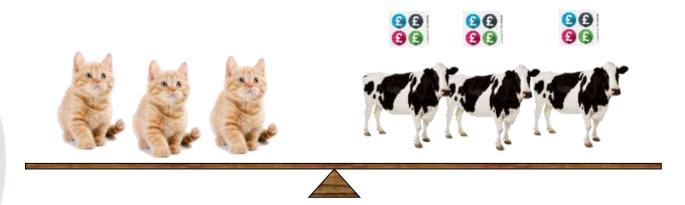






#### Enterprise

# ... with your cash cows



Income Generation - Getting the Balance Right











#### Enterprise

#### What does a cash cow look like?



It could be a contract or a Service Level Agreement (SLA)
It could be direct sales



It could be space rental



.... or any combination of those.





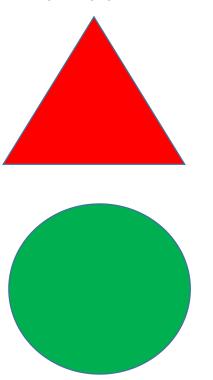


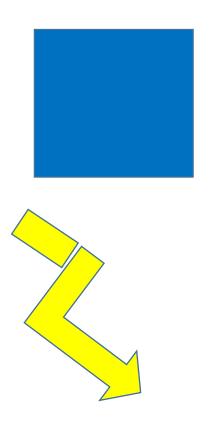






# Personality types















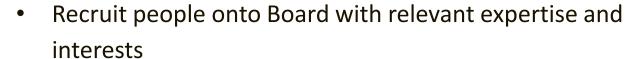




## Capacity

## **Organising yourself:**

- As a committee
- As a subgroup



- Professional experts/fundraising consultants
- **Partnerships**















#### COMMUNITY OWNERSHIP: ASSETS FOR PEOPLE AND PLACE

# COSS Support for Asset Transfer Requests







## Support

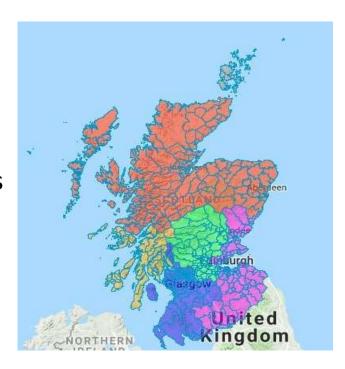
#### One to One

- Whole of Scotland
- Advisors on the phone, via email and face to face support for groups

#### **Training Events**

- Awareness raising
- Relevant topics and themes

Publications and online resources













#### **Networks**

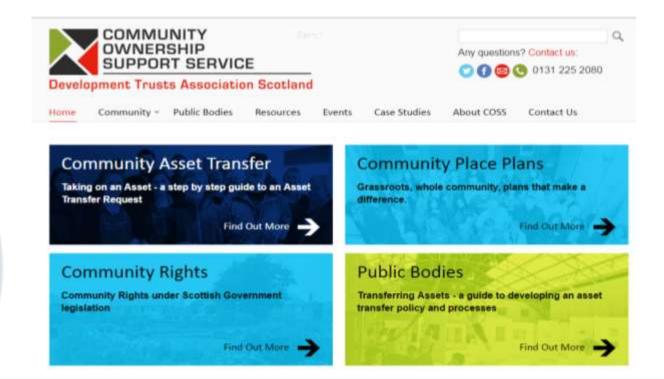
- Part of Development Trusts Association Scotland (<a href="www.dtascot.org.uk">www.dtascot.org.uk</a>)
- There are over 268 DT members across Scotland
- Links to community asset projects across UK
- Scottish Community Alliance specialist community intermediaries
- Community Learning Exchange Fund up to £750 for visits







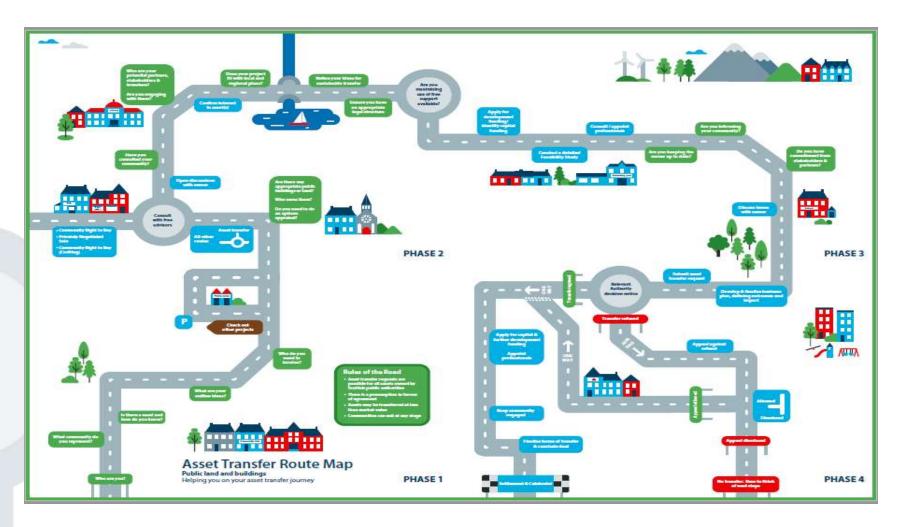
#### www.dtascommunityownership.org.uk



































#### **Support for Relevant Authorities**

- Staff and Councillor Training on Part 5: Asset Transfer
- Assist with development of Asset Transfer policies
- Respond to general queries about the SG guidance
- Relationship brokering when requested







## Representation

- Collating regular issues that come up and reporting to help resolve
- Discussion on funding available
- Supporting groups with appeals to SG
- Review of RA processes to fit with Act
- Input to SG short life working groups relevant to Asset Transfer







#### Contact

Edinburgh main office –

Email - coss@dtascot.org.uk

Telephone – 0131 225 2080

South Ayrshire Advisor – David Henderson

Email – <u>david@dtascot.org.uk</u>

Telephone – 07496 957019

Dumfries and Galloway Advisor – Nicky Donald

Email – <u>nicky@dtascot.org.uk</u>

Telephone 0131 316 4706











#### COMMUNITY OWNERSHIP: ASSETS FOR PEOPLE AND PLACE



# What is a CAT?

- Council land and property can be a resource to help local communities realise their plans and aspirations.
- The Council can transfer assets to community organisations who want to own/ manage them to the benefit of their community







# **Bakers Oven Dumfries High Street**











#### Have a conversation?

- A Community Transfer Body can request any council building or land they consider suitable for their goals.
- SCIO
- Community Benefit Company
- Company liimited by Guarantee (Charitable Status)
- It starts with a conversation







# Johnson School Kirkcudbright



















#### Interested?

- Express an Interest- submit
- Think about your business plan
- 1. Community Engagement- where's the need?
- 2. Community Benefits- what good is it? SROI?
- 3. Finance- who keeps it going?







#### Saint Peters Primary Dalbeattie















#### Sources of Support?

- Ward Officers
- Third Sector D&G
- DTAS
- COSS
- Others... Anchor groups.....those who have been through the process Filming now...











#### **Decision Makers?**

- Ward Elected members
- Area Committee
- Policy and Resources Committee
- Decision notices
- What's next







#### Is it possible? Last financial year

Full Asset Transfers: 12

• No. of Stage 1s: 20

• No. of Stage 2s: 8

Short term Leases 18

Long term leases 4







#### **FAQs**

- CATs only for Council land and buildings?
- What help is available?
- How much should a building/ land cost under CAT?
- What can the Community Transfer body do if a CAT is refused?
- When should we apply for funding?
- What if more than one group applies for the same land/ property?







#### CAT or Lease?

- CAT
- 20- 25 year lease.
- Further Information:
- https://www.dumgal.gov.uk/article/16441/Community-assettransfers







Ailsa Murphy
Scottish Land Fund Adviser
Highlands and Islands Enterprise









#### Scottish Land Fund 3

Supporting Scottish communities to become more resilient and sustainable through the acquisition, ownership and management of land and land assets.







#### Communities will:

- Achieve more sustainable economic, environmental and / or social development through ownership of land and buildings
- Have a stronger role in and control over their own development
- Own well managed, financially sustainable land and buildings







#### SLF<sub>3</sub>

- Over 600 referrals to date
- Pipeline enquiries currently around 250 projects in varying stages of development.
- 110 communities have acquired assets to date
  - 51 Highlands and Islands
  - 59 Rest of Scotland







#### **Process:**

- Enquiries through Big Lottery Fund
- Referral to SLF Adviser applicant support
- 2 stage application process:
  - Stage 1 assessment by Highlands and Islands Enterprise
  - Stage 1 decision by SLF Management Group
  - Stage 2 assessment by Big Lottery Fund
  - Stage 2 decision by independent Scottish Land Fund Committee, appointed by Ministers







#### Two-stage process:

#### Stage 1 – Feasibility/ Pre-acquisition

- Information gathering;
- Business planning;
- Feasibility funding

#### **Stage 2 – Acquisition**

- Grants for acquisition;
- Limited revenue funding.

 To help investigate community aspirations, feasibility, sustainability around ownership of a particular asset

 NB acquisition only, NOT postacquisition development costs







#### Stage 1: Feasibility Funding (pre-acquisition)

#### Who can apply?

 Geographic community based organisations with a written governing document and at least three unrelated people in your management committee. Must have a UK based bank or building society account

#### How much?

£2,500-£30,000\* (\*- average is c£10,000)

#### For what?

 Valuation, conditions survey, feasibility/business planning, community consultation







#### Stage 2: Grants for Acquisition

#### Who can apply?

Organisations that are community-led, community-controlled and defined by a *geographical area* i.e. not communities of interest.

#### Governing document requirements (e.g. CLG; SCIO; CBS)

- Social Purpose
- Open Membership
- Community Control
- Non Profit-Distributing







#### Stage 2: Grants for Acquisition

- Based upon independent valuation not asking price
- Up to £1 million (Up to 95% of SLF project costs average is around 80%)
  - balance through co-financing or negotiated discount
- Needs to be an asset not a liability (immediate use/meanwhile use)
- If post asset development funding is required- are you speaking with other funders? For example RCGF/Heritage Funders/LEADER/ National & Local trusts







#### SLF 3 2019 - end of current programme

For all projects we will place an increasing emphasis on the need to demonstrate:

- Added value of community ownership –additional financial investment,
   SROI, economic and environmental impact etc.
- The sustainability of community ownership e.g. post acquisition funding strategy; robust business plan demonstrating the viability of projects seeking to generate income to meet running costs.
- Robust, demonstrable community support for the project







- The highest number of referrals continues to be in Highland Council area,
   followed by Argyll & Bute and then Dumfries and Galloway
- The Dumfries & Galloway region continues to be one of the busiest areas
- Currently there are 9 active projects which are at various stages in the pipeline
- Examples of some of the projects which we've recently supported: Old Luce Development Trust, Thornhill Old School Collective, Glentrool & Bargrennan Community Trust & New Luce Community Trust







#### **Contact:**

Big Lottery Fund (all initial enquiries) 0300 123 7110

advicescotland@biglotteryfund.org.uk

ailsa.murphy@hient.co.uk

www.hie.co.uk/ten-steps









Last year, we supported communities



to deliver

1,131 projects





National Lottery players



## We fund

# all sorts

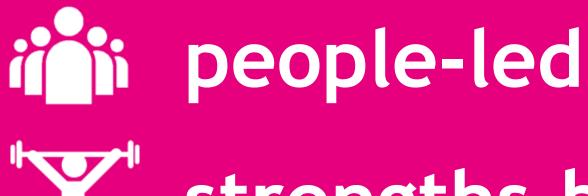
of work

## What can we fund?

- ✓ Salaries/staffing costs
- ✓ Overheads
- ✓ Travel
- ✓ Refurbishment
- ✓ Equipment
- ✓ Promotion/marketing
- ✓ Building/asset purchase

# We want projects we fund to be:





"X" strengths-based







- $\rightarrow$  Simple to apply for £300 to £10,000
- Very broad: community, sports, arts
- Events, equipment, promotion, start-up costs and more
- Involve your community in planning/delivery!

# Our larger grants broadly fall into two categories...

Themes

Local community

## What grants are available?

### **Themes**

- Improving Lives:
  Two levels of grant
  Up to £150,000
  Over £150,000
- ► Young Start: Up to £100,000

### Local community

- Community-Led
  Activity:
  Up to £150,000
- Community Assets: Up to £1M
- Scottish Land Fund:
  Up to £1M



# Themes (Improving Lives and Young Start programmes)

- Children, young people & families in challenging circumstances
- Isolation, loneliness, loss
- Surviving abuse
- Challenging discrimination
- Wider work led by young people 8-24 (Young Start)





Empower people to create strong and resilient communities by helping them to acquire, manage or develop assets such as buildings or land.



# Community Assets £10k-£1M

- Address local inequality/disadvantage via purchase/development of assets
  - For local community run/led orgs
    - Ownership not leasing
      - Capital and revenue



## This fund isn't about buildings....

it's about using buildings (or other assets) to help address specific local issues and achieve positive outcomes.



## More likely to fund if...

- It will strongly address disadvantage/inequality
- It is people led and builds on the key strengths of a community
- There is a clear link from significant social issue(s) in the area to the proposed project for example:

Lack of jobs is driving young people from our area

Redevelop the village hall to include a social enterprise that will employ local people, alongside other better facilities

Older people in our area are very isolated and lack support

Develop a combined community centre and day care for older people, with lunch club and social activities





### Unlikely to fund...

- Just sports facilities
- Single focus building (e.g. Scout hut, Men's Shed)
- Project mainly focused on heritage/conservation of a specific building
- Car park, play park or park improvements
- Place of worship
- Building for purely amenity use

Often means general refurbishment costs of a village hall or similar are unlikely to be funded.



The journey of a project



Find best option to address this

Speak to us! We visit potential projects and advise them whether to continue

Develop the project

Our decision within 4 months

Development funding, and expertise available

Submit strategic plan

You are offered a grant

Submit business plan and capital docs

**Get started!** 

## Community Led



- Everyone in the community has the opportunity to influence and get involved in community-led activity
- People in the community are better connected and work together to improve their well-being
- Grants of up to £150k for 3-5 years
- Success rates: 54% South Scotland, 57% D&G



## Our blog





latest on new funds how-tos news...

bigblogscotland.org.uk

## Monthly E-bulletin







Ever wondered how likely you are to be successful when applying to us for funding?

Read our blog

hints and tips info on funds other stories...



# Keep in touch!

## **TNLcomfundscot**

facebook.com/TNLCommunityFundScotland

advicescotland@tnlcommunityfund.org.uk

0300 123 7110