Written submission from Aberdeen City Council

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

Aberdeen City Council holds property assets under three accounts, our General Services Account, Common Good or Housing Revenue Account.

Aberdeen City Council has no specific property development vehicle under which assets are held.

Some previously operational assets are now operated by arms length companies notable some former social works properties, sports and some community and cultural assets. All these property types are occupied under lease or license arrangements, some with service level agreements also.

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

Assets are generally valued at market value reflecting the RICS Valuation Standards.

When considering offers a number of issues are considered including but not restricted to:-

- Timing of receipt.
- Level of receipt.
- Planning deliverability.
- Financial deliverability.
- Any impact of service delivery costs where appropriate.

3. What is the attitude of the authority to the disposal of assets? Does your authority have a policy to encourage the disposal of assets to community groups?

Aberdeen City Council have an active programme of property proposals and unlike many other local authority areas the demand for property assets over the last 5 years has been strong on the open market.

Whilst the Council has no formal policy in place we have a governance mechanism to consider requests for community asset transfer and are working towards having a policy in place. We anticipate this being influenced by the Community Empowerment bill. I attach a link to our most recent committee report on the subject.

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

As previously noted the council has to date only transferred properties through leasehold arrangements and as such we have only limited experience to call upon.

Notwithstanding a positive approach having been taken by members in the principle of transferring assets to communities we would need comfort in relation to:

- Future funding and viability
- Community capacity and capability
- Child protection issues
- Succession planning
- Clawback/ alternative development (particularly in strong markets).
- Ongoing repair and maintenance issues
- Balancing competing interests from different community groups

There are additional problems in relation to all proposals particularly in relation to the time between assets becoming surplus and a new use being undertaken in the property. Such problems include holding costs, vacant rates costs, vandalism, asset stripping etc. This is not necessarily a problem restricted to community transfer, for example sites sold subject to planning can create delays in the sale process. Any elongation of timescale to consider community approaches does add additional risks.