Written submission from Glasgow City Council

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

All Glasgow City Council assets are in the Council Asset Register.

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

Assets are valued to Market Value as defined by the RICS. However, where there is a particular reason for disposal at less than Market Value, if the particular circumstances merit it, this has to be justified to the Council’s Executive Committee – i.e. valuation foregone as a contribution to funding a particular project etc.

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?

Glasgow City Council approved its policy for transfer of control of assets to the community in December 2012. The principal objective of the policy is to support residents who wish to constitute themselves as a group and to manage a local community facility. It is anticipated that the policy will bring improvements in local services, enhance community capacity, improve value for money and create a more sustainable community and third sector. The Council has also committed to supporting residents who want to establish and manage their local community facilities.

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

Experience

Glasgow City Council has experience of this area before and since the above policy was approved. This experience informed our consultation response to the Community Empowerment (Scotland) Bill and evidence provided to the Scottish Parliament’s Local Government and Regeneration Committee.

It is clear that all parties involved need to be explicit about assumptions they are making not least in relation to the timeframes and costs involved for concluding any transfer of an asset. The engagement of professional advisers adds cost and delay and, in some instances, it could be questioned whether advisers are always acting in a timely manner and in the best interests of their client.

Difficulties

The costs associated both direct and indirect and for both the applicant organisations and local authorities in getting to a stage where they are ready to proceed should not be under-estimated. Such costs (some of which may be abortive) will require to be borne by the applicant organisation and the local authority with no re-imbursement to either party.
Local authorities may incur costs in getting assets into a state where they are transferable only for the transfer not to go ahead.

If organisations take over assets but did not wish to TUPE staff or use maintenance services previously provided then this could create difficulties.

If an organisation purchased an asset from Glasgow City Council and then, for whatever reason, the organisation failed or ceased to exist, then GCC may, for wider public interest, be compelled to buy the asset back.

Significant additional support and time may also be required to bring organisations (particularly community based organisations) to the point where they are able to effectively manage buildings.

**Positives**

The transfer of assets to organisations which are then able to secure funding to develop the asset and breathe new life into it could provide longer term savings for local authorities and more effective services targeted at local communities.

There could be longer term social and economic return on investment benefits as well as short-term capacity building and resilience for community organisations.

The transfer of community assets particularly where the assets will be used or operated to provide enhanced community facilities, has the potential to make a small but significant contribution to local community economies – for example through the provision of employment and the provision of community services.