Written submission from North Ayrshire Council

Disposal of Local Authority Assets

Please find below our responses to the questions you have raised. North Ayrshire Council would be pleased to continue to engage in this discussion where appropriate.

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

The Council holds property in three different accounts: General Fund Property, HRA and Common Good Accounts. Each Council asset will be held in one of these three accounts depending on the asset's designation and in accordance with operational procedures and legislation established by Scottish/UK Government.

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

The valuation of assets to be disposed of or transferred will be valued by qualified internal valuers and/or independent valuation, usually undertaken by the District Valuer. This process seeks to determine what the 'best value' could be in any competitive situation as a result of marketing the property and it is financially driven. The extent to which any disposal of an asset is financially driven, following the valuation of that asset, will be on a case by case basis; the income received from the disposal of a 'high value' asset may be earmarked to make a contribution towards offsetting any capital project where a replacement asset is being developed to improve service delivery and thereby provide 'best value'. Where a 'lower value' asset is being disposed of 'best value' may be obtained through an asset transfer which potentially secures/retains jobs in the local area, provides additionality in service provision and/or creates further business development opportunities in the local area.

The decision will take into account local circumstances, identified need and the Council’s priorities.

The Council has a Community Asset Transfer Policy which seeks to undertake community asset transfer where it will bring benefits to communities and contribute towards achieving council aims and objectives.

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

The Council has had an active disposals programme over the past 2 years which has been relatively successful bearing in mind the current market conditions set against the global economic downturn. Local economic conditions have dictated that certain types of assets are more favourably received when marketed leading to alternative disposal strategies being considered to achieve successful disposals.
In addition the council has concluded a number of community asset transfers with further potential community transfers in various stages of discussion with community groups/organisations.

The Council takes a proactive role in working with local organisations to encourage community asset transfer. North Ayrshire Council is committed to community empowerment and builds partnerships and capacity within its communities to ensure that asset transfer is a constructive feature of community development.

The following information is also available on the Council’s website http://www.north-ayrshire.gov.uk/resident/your-community/community-asset-transfer.aspx and the documents references below are included in the response:

North Ayrshire Council

What is community asset transfer?

Community asset transfer involves the transfer of responsibility for an asset from the Council to any suitably qualified community, voluntary or social enterprise group.

What community Assets are suitable for transfer?

Suitable assets may include:

- public halls
- town halls
- community centres
- bowling greens
- public conveniences
- parks
- play areas
- small museums

There are some assets that must remain under Council ownership in order to support the delivery of essential services or to support economic activity in an area. Other assets may have restrictive covenants attached which would restrict their use to a specifically defined purpose.

What is the Council's policy on community asset transfer?

North Ayrshire Council is committed to community asset transfer where that will bring benefits to communities and contribute towards achieving the Council’s aims and objectives.
The Council recognises that community asset transfer can be a valuable part of supporting and sustaining local communities in North Ayrshire and it wishes to ensure Council assets can be owned and managed by local people, where appropriate.

Read the Community Asset Transfer policy (PDF, 359kb) for further information.

**How to apply for an asset**

We have prepared a Community Asset Transfer guidance pack (Word, 353kb) to assist community associations interested in taking responsibility of a Council asset. The pack contains step by step guidance, an application form and useful additional material.

The application process consists of five stages:

**Stage 1**

Initial application (3 months)

**Stage 2**

Detailed application (3-5 months)

**Stage 3**

Cabinet decision (1 month)

**Stage 4**

Implementation (3 months)

**Stage 5**

Handover of the asset

**Who to contact?**

If you would like further information and/or guidance please contact the Community Asset Transfer Team.

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

A range of services within the Council – including Legal, Estates, Finance and Connected Communities - all have different professional experience on Community Asset transfer. We work together through a standing working group to assess and support applications. Each case is assessed on a "localised" basis i.e. how the property or land would benefit that particular community. We are considering joint training sessions across services to reinforce the principles of Community Development and Economic Development and to understand the real value of assets
to communities beyond the economic asset value, in order that decisions can be taken in light of this.

The process is also, by necessity, fairly lengthy and complicated, both to protect community groups’ future sustainability and to protect the Council’s financial responsibilities. This can be frustrating for applicants.

The nurture and support required by many organisations also requires to be resourced; and this is a major challenge. The project management of the components of the process often falls to the Council; and the support to, or funding of, various stages in the process often also has to be addressed or funded by the local authority.

In relation to community asset transfer the challenge for the authority is managing the expectations of the community group in relation to the transfer ‘value’ of the particular asset and to ensure that in working with the community group a suitable business case is prepared to outline how the asset will be paid for, operated and managed to ensure that there is no financial liability falling to the Council in the future to step in and undertake maintenance of the transferred asset.

In all of the above, appropriate resourcing to support and build the capacity of communities to successfully achieve and sustain asset transfers is crucial.