



**Glasgow City Council**

**Executive Committee**

**Report by Bailie Aileen Colleran, Executive Member for Communities**

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**Item 5**

**13th December 2012**

## **TRANSFER OF CONTROL OF ASSETS TO THE COMMUNITY**

### **Purpose of Report:**

The purpose of this Report is to propose the policy framework for the transfer of control and/or management of community or under-used Council assets to community or third sector groups.

### **Recommendations:**

It is recommended that the committee:

- (a) notes the report;
- (b) approves the policy framework as set out in the report; and
- (c) approves the lease of the Knightswood Community Centre to the Knightswood Community Association on the terms set out in the report.

Ward No(s):

Citywide:

Local member(s) advised: Yes  No  consulted: Yes  No

#### **PLEASE NOTE THE FOLLOWING:**

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## **1 Purpose of Report**

- 1.1 The purpose of the report is to propose the policy framework for the transfer of control and/or management of community or under-used Council assets to community or third sector groups.

The report sets out:-

- the Background;
- the objective of the policy;
- the types of assets it might cover;
- the possible types of tenure;
- community capacity building and support;
- a policy framework;
- a governance process;
- a Pathfinder Project; and
- recommendations.

## **2 Background**

- 2.1 There has been a growing move towards greater community involvement in the management of particular community assets. The Council has already transferred the management of a number of community buildings such as community halls to local area management. There currently is a process in place to allow community groups to take over the management of surplus community facilities arising from the last review of these facilities as agreed by the Executive Committee on 15 March 2010. The introduction of the Social Enterprise Fund in 2011/12 and 2012/13 has complemented this by providing resources to assist in the sustainability and improvement of community facilities across the city and via GRA and Glasgow Life supporting organisations in developing their capacity to manage facilities
- 2.2 The Council has also committed to supporting residents who want to establish and manage their local community facilities.
- 2.3 The Scottish Government has been promoting a similar policy through the Development Trust Association. However, this has now moved to a different level with the publication of the consultation paper on the proposed Community Empowerment and Renewal Bill – one of the principal proposals in this Bill is the establishment of a right to purchase unused or under-used properties. Currently responses are being reviewed and a draft Bill for public consultation is expected in Summer 2013.
- 2.4 Whilst the policy framework proposed in this report may be influenced by any new legislation arising from this consultation it is considered that the Council should not postpone the establishment of its framework on empowering community control of facilities in response to current and emerging interest.

### **3 Objective of Policy**

- 3.1 The principal objective of the policy is to support residents who want to constitute themselves a group and to manage a local community facility.
- 3.2 This objective was approved as a commitment of the Council's Strategic Plan by the Executive Committee on 15 November 2012.
- 3.3 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.

### **4 Types of Assets**

- 4.1 There are essentially two types of property which would be covered by this policy:-
- (a) community assets from which services are currently provided:-
- Community facilities/halls, recreation centres;
  - Green spaces and pitches, incl. community golf;
  - Community libraries; and
  - Sports activity centres/ sports pavilions/changing facilities.
- (b) Under-used assets e.g. partially occupied buildings or vacant operational sites. In the latter instance there would be a direct link to the Stalled Spaces Policy.
- 4.2 The 2 categories of asset offer different opportunities for community control/management. The criteria for determining whether an asset is suitable for transfer of control will be:-
- (a) any such transfer is in the public interest.
- (b) the change of control will not impact the Council's ability to deliver its Single Outcome Agreement Commitments.
- (c) any new services or facilities will form part of the overall community infrastructure.
- (d) the asset is or can be made suitable for the proposed purpose.

### **5 Types of Tenure**

- 5.1 The legal basis on which community or third sector groups would occupy a building or land should reflect the purpose for which these assets are being

occupied as well as the likely costs, both capital and revenue, of sustaining their use.

- (a) **Outright sale** – In a sale the Council will permanently divest itself of its ownership of land and property. Subsequent involvement with the asset may be through grant funding or statutory processes, e.g. planning.

This may be required the case where significant capital spending is required with funding secured either by grant or through a loan.

- (b) **Long Lease** – It is likely that this will be the most popular type of tenure. The asset will remain in Council ownership and will allow the correct element of flexibility on both sides to address problems or changes that need to be made during the period of the lease including termination if considered necessary.

The lease will be on a fully repairing and insuring basis to effect transfer of liability to the tenant. It will be of sufficient length to allow the tenant to accommodate any funding requirements, both capital and revenue.

- (c) **Short term/temporary lease** – These will be used where community occupation is on a temporary basis pending a long term use of the asset. An example of this might be an unoccupied site being transformed into a community garden pending disposal and development in the future.

- (d) **Occupation Agreement** – It is envisaged that this will be an infrequent occurrence but may be appropriate if a specialist service for example, is being delivered by a group in a Council property that is partially occupied for other purposes.

## **6 Community Capacity Building and Support**

6.1 The success of this policy relies on the community having the knowledge, skills and structures to take on the liabilities that go with managing land and buildings and delivering services. Consequently, the key to its success will be the level of support provided to the community to build the skills and expertise in these areas both within existing groups and organisations and also in encouraging the establishment of new ones.

6.2 The Council through Corporate Services, Development and Regeneration Services, Glasgow's Regeneration Agency and Glasgow Life are currently refining the arrangements that will deliver these capacity building and support mechanisms (which will also include Glasgow Council for the Voluntary Sector (GCVS) and CEiS (Community Enterprise in Scotland)).

6.3 Part of this support mechanism will be to provide assistance in the development of robust business plans. These business plans will be essential

in determining whether the group and/or organisation and their proposal for delivering services is viable and acceptable to the Council. The evaluation of such proposals will be undertaken by a group comprising Corporate Services, Development and Regeneration Services, Glasgow's Regeneration Agency and Glasgow Life.

## **7 Proposed Policy**

- 7.1 The proposed policy is based on the principle that the Council will maximise the transfer of the management and/or control of community or underused assets to community or third sector groups.
- 7.2 Viable community or third sector groups will be identified through channels eg. Community Planning Partnership structure, existing Services and ALEOs.
- 7.3 Whether a group proposal is acceptable will be determined on a range of factors including:-
- the constitution of the group and its governance arrangements;
  - assessment against the criteria set out in paragraph 4.2 and a Community Impact Assessment;
  - an assessment of the group's ability to meet its property management responsibilities; and
  - the production of a viable business plan.
- 7.4 The group will accept the risks and costs around managing any asset transfer in line with the Tenure Agreement and the Business Plan. Where the property is currently operational, an assessment will be made of the operating costs, including property budgets and these will be provided to the group through the Integrated Grant Fund process. Any grants will be made subject to the Council's Standard Conditions of Funding. The availability of grant will be reviewed on a regular basis and adjusted as necessary.
- 7.5 It is envisaged that groups that come forward will be established for charitable, philanthropic or benevolent purposes and will be established on a not for profit basis. Where appropriate, the Council's Concessionary Rental policy as approved by the Executive Committee on 9 December 2010 will be considered in the assessment of the rental levels to be paid during the period of the lease.
- 7.6 The group will be expected to maximise additional external funding unavailable to the Council.

## **8 Governance**

- 8.1 The transfer process is set out in Section 7 above. It will be managed through Corporate Services, Development and Regeneration Services, Glasgow's Regeneration Agency and Glasgow Life as previously mentioned.
- 8.2 It is vital for the overall success of this policy that the performance of the community group is regularly reviewed to ensure expected outcomes as specified in the Business Plan are being met or exceeded. This will be carried out by a review team made up of officers from Corporate Services, DRS, GRA and Glasgow Life.

## **9 Pathfinder Project**

- 9.1 A project at Knightswood Community Centre has been developed whilst this policy was being devised.
- 9.2 Knightswood Community Association (KCA) have been working with Corporate Services and Glasgow Life to bring forward a proposal to take on a lease of Knightswood Community Centre with a view to providing a variety of community services. A business plan has been produced and revised in discussion with Corporate Services/Glasgow Life. It is now in a form that they are satisfied will allow the successful management and delivery of services from the building.
- 9.3 The project will convert the pool building into a sports hall to operate as a sports club and refurbish areas of the Centre to improve the overall quality of the building for existing and new customers. The capital cost of these works is estimated at £170,000 of which £91,000 is already in place.
- 9.4 The proposal is in line with the policy as set out in this report. KCA will take a 25 year lease of the facility. This lease will be on a full repairing and insuring basis and on terms set out within the Council's Standard Conditions of Grant for the Integrated Grant Fund.
- 9.5 The current consolidated operating costs of the building will be transferred into the Integrated Grant Fund. KCA will then be awarded a grant up to that level to balance the operating costs of the building with their projected costs as set out in the Business Plan. The initial indication is that the likely level of subsidy in year 1 will be £136,387, which is within the existing operating budget.
- 9.6 KCA will agree with Glasgow Life the range of services to be delivered from the facility. The review team will monitor the performance, the level of services as agreed and compliance with grant conditions.
- 9.7 A number of previous projects involving transfer of community assets are highlighted in Appendix 1. These are not an exact match to those covered by this policy but illustrate what can be achieved with community or third sector groups taking projects forward.

## 10 Council Strategic Plan Implications

*Economic Impact:* The policy will increase the opportunity for social enterprise.

*Sustainability:* N/A.

*Financial:* The policy will be financially neutral in terms of property operating costs with the expectation that subsidy will reduce overtime.

*Legal:* Lease documentation will be required to support Tenure and grant terms and conditions.

*Personnel:* Any personnel implications will be considered on a case by case basis.

*Sustainable Procurement and Article 19:* N/A.

## 11. Recommendations

11.1 It is recommended that committee:

- (a) notes the report;
- (b) approves the policy framework as set out in the report; and
- (c) approves the lease of the Knightswood Community Centre to the Knightswood Community Association on the terms set out in the report.

## **Appendix 1 – Community Based Projects**

### **1 Maryhill Burgh Halls**

- 1.1 Maryhill and Cube Housing Associations working with the Council put together a refurbishment plan for the building.
- 1.2 The Council funded the project through the planning process and allocated additional funding from the Vacant and Derelict Land fund.
- 1.3 A Trust was established and sourced funding from a number of bodies, Big Lottery, Heritage Lottery ERDF and Historic Scotland. Total investment £9m.
- 1.4 To satisfy Lottery requirements the property was sold to the Trust
- 1.5 The Trust lets out the halls to a variety of organisations. It also runs a nursery and coffee shop.

### **2 Maryhill Community Central Halls**

- 2.1 The building has been used by Maryhill Community Central Halls Ltd for a number of years.
- 2.2 It is used to provide activities, services and facilities for various sectors of the community such as employability training, youth work, and supporting social enterprise. The Council supports the organisation through grant funding.
- 2.3 The property is in the process of being sold to Maryhill Community Central Halls Ltd.

### **3 Cadder Community Centre**

- 3.1 This building has been refurbished by Cadder Housing Association. It provides community facilities and is the Association's office.
- 3.2 The Association manages the Community Centre.

### **4 Tenant's Halls**

- 4.1 The Council has previously leased 15 tenant's halls to local hall management committees.
- 4.2 The buildings are leased on a fully repairing and insuring basis.