

PERTH AND KINROSS COUNCIL

30 July 2020

COMMUNITY ASSET TRANSFER REQUEST – KINLOCH RANNOCH OUTDOOR CENTRE

**Report by Executive Director (Housing and Environment)
(Report No. 20/127)**

This report seeks approval to the transfer of Kinloch Rannoch Outdoor Centre and associated land to a community body. It also outlines the process for the Community Asset Transfer Request following approval by full Council.

1. BACKGROUND

- 1.1 Kinloch Rannoch Outdoor Centre was acquired by the Joint County Council of the Combined County of Perth and Kinross in January 1973. Previously, this property was used as the local primary school until the new primary school was opened in 1965. Perth and Kinross Council and its predecessors have had possession of this property as proprietors since about 1840.
- 1.2 In the mid to late 1980s, the property was converted into an outdoor centre.
- 1.3 In the mid 2010s, the Council decided that it could no longer manage and operate the property and, following negotiations with Live Active Leisure (LAL), a 20 year Lease from 1 April 2016 to 31 March 2036 was entered into.
- 1.4 In May 2019, LAL wrote to the Council stating that, due to a service delivery change approved as part of the annual budget setting process between LAL and the Council, it was agreed that LAL would withdraw from the management of Kinloch Rannoch Outdoor Centre and that the property will close. The property was closed on 1 August 2019 and the lease has been terminated.

2. CURRENT SITUATION

- 2.1 A Report (19/176) was submitted to the Property Sub-Committee on 17 June 2019 requesting disposal at auction of Kinloch Rannoch Outdoor Centre. The Council received two Expressions of Interest through its Community Asset Transfer Policy ([Report 17/154](#)), and another note of interest regarding the property. As a result, the Sub-Committee decided to defer any decision on disposal through auction to allow these interests to be explored further.
- 2.2 Kinloch Rannoch Outdoor Centre was declared surplus by the Council on 20 June 2019.
- 2.3 A Report (19/216) was submitted to the Property Sub-Committee on 19 August 2019, which provided an update on the progress at Kinloch Rannoch Outdoor Centre and recommended the way forward for disposal. The Committee resolved that:

- The interest expressed in the Kinloch Rannoch property be noted
- Kinloch Rannoch Outdoor Centre be retained until the two expressions of interest have been fully investigated and progressed accordingly.
- In the event that neither expression of interest progresses to conclusion, the property be sold at Auction.

3 COMMUNITY ASSET TRANSFER

- 3.1 Community Asset Transfer is the transfer of responsibility for land or buildings from the Council to either a “Community Controlled Body” or “Community Transfer Body “ (as defined in the legislation). These assets can include village halls, greenspace, office buildings, or any other land or buildings held by the Council.
- 3.2 Part 5 of the [Community Empowerment \(Scotland\) Act 2015](#) sets out rights for Community Bodies to request the transfer of assets from identified Public Bodies. This Part of the Act, including associated secondary legislation, came into force on 23 January 2017.
- 3.3 Perth and Kinross Council’s policy on Community Asset Transfer sets out how the Council will carry out its duties under the Community Empowerment (Scotland) Act 2015. It also ensures that the Council will be able to maximise the potential benefits to communities, Community Bodies, and the Council itself.
- 3.4 The aim of Community Asset Transfer is to improve or promote economic development, regeneration, public health, social wellbeing or environmental wellbeing. A Community Body wanting to take on an asset must set out the reasons for the request, the benefits that would arise from the transfer, and the price or the rent they would pay to buy or lease the land or building. The Council must consider a range of factors in its decision, but must agree to the request unless there are reasonable grounds for refusing it. If the request is refused, the Community Body has a right to have the decision reviewed by the Council. If the original decision is upheld after review, the community body has a right of appeal to the Scottish Ministers.
- 3.5 [The Local Government \(Scotland\) Act 1973](#) places a statutory obligation on the Council to obtain the best price or the best rent when it disposes of any asset by sale or lease. However, the Disposal of Land by Local Authorities (Scotland) Regulations 2010 allow the Council to dispose of an asset for less than market value, where it has weighed up the advantages and disadvantages of the proposal and has satisfied itself that the disposal is reasonable and that the benefits accruing to the community are such that a disposal for less than market value can be justified.

4 COMMUNITY ASSET TRANSFER REQUEST

- 4.1 Kinloch Rannoch Outdoor Centre is located within the village of Kinloch Rannoch. The site and buildings are owned by Perth and Kinross Council. The site comprises of 4 separate buildings; Outdoor Centre, Boiler House & Drying Rooms, Store (old toilet block) and a large timber shed.

- 4.2 Rannoch Community Trust is a registered charity (SC047620) and company limited by guarantee (SC554361). The Trust is a membership based organisation and is considered to be an eligible Community Transfer Body.
- 4.3 On 20 April 2020, Rannoch Community Trust submitted their full Community Asset Transfer (CAT) Request. They have requested the transfer of full ownership of Kinloch Rannoch Outdoor Centre, Kinloch Rannoch, comprising all 4 buildings and associated land. The buildings were independently valued at £100,000 and an offer has been made for £75,000, with the discount being justified by the community benefit generated by the transfer.
- 4.4 Rannoch Community Trust are proposing to redevelop the asset into a multi-purpose community facility offering:
- A competitively priced bar and restaurant;
 - Bunkhouse accommodation and facilities;
 - Social and community space; and
 - Office and meeting facilities for local businesses.
- 4.5 Along with the CAT Request, the Rannoch Community Trust have supplied significant evidence to support their proposals, and to justify the discount they are seeking. This evidence includes market analysis, community surveys, business engagement and a costed business plan showing how the proposal meets an identified local need, delivers significant benefits to the local community and will be sustainable due to the income generated through their proposals.

5. ASSESSMENT PROCESS AND CONCLUSIONS

- 5.1 The CAT request was deemed to be valid and a Validation Notice was issued, as required by legislation. The Validation Notice requires Perth and Kinross Council to provide a decision on the request within 6 months of the request being received. As part of this process, the Request and supporting documentation were made available [online](#) and public notices were erected near the property, in order to allow representations to be made. No representations regarding the request were received prior to the deadline of 22 May 2020.
- 5.2 Following the passing of the representations stage, the CAT request was evaluated by the CAT Team, comprising representatives from various services within the Council, who have an interest in the Council estate and community development. Advice was sought from the Scottish Government appointed advisors, Community Ownership Support Service, in undertaking the assessment to ensure consistency with the guidance, regulations and best practice principles.
- 5.3 A scoring matrix was developed and used which considered the following elements:
- Need and end use
 - Community benefit
 - Best Value
 - Impact on Perth & Kinross Community Plan priorities
 - Business case and financial planning
 - Capability and ability to deliver
 - Financial discount

- 5.4 The request was scored by 6 Council officers representing various Council services. The outcome of the scoring exercise provided an average score of approximately 218.5 out of a possible 290 points, resulting in a score of 75.3%. The scoring has been used as a guide to support the development of the recommendations in the report. A summary of the overall scoring matrix is provided in Appendix 1.
- 5.5 It is considered that the request meets the requirements of the Asset Transfer provisions under the Community Empowerment (Scotland) Act 2015, and clearly demonstrates significant benefits to the Rannoch community. As a result, it is recommended that the Council approves the CAT request from Rannoch Community Trust.
- 5.6 In accordance with the Act, a Decision Notice, outlining the Council's decision must be given to Rannoch Community Trust no later than 9 October 2020. The CAT Team will endeavour to issue the Decision Notice as soon as possible, in order to help Rannoch Community Trust meet a funding deadline of late August 2020. Assuming Council approval, a Decision Notice will be issued to Rannoch Community Trust and published on-line, following which Rannoch Community Trust have at least 6 months to make a final formal offer for the asset. The CAT Team will continue to work with the Rannoch Community Trust to provide any support or assistance required. It is recommended that Executive Director (Housing and Environment) and Head of Legal and Governance Services be remitted to deal with the full and final offer once received, and finalise the details of transfer of the asset thereafter.

6. BEST VALUE

- 6.1 The Local Government (Scotland) Act 2003 requires the Council to make the best use of public resources, including land and property, and to be open and transparent in transactions.
- 6.2 The Council is required to demonstrate responsiveness to the needs of communities, citizens, customers and the other stakeholders where relevant in its assessment of best value. The aspects of this duty which are relevant to the proposals in this report are as follows:
- making the best use of land and property
 - being open and transparent in transactions
 - insuring sound financial controls are in place to minimise the risk of fraud and error
 - assessing the full financial consequences of decisions at an appropriate level before major financial decisions are taken or commitments entered into
 - demonstrating responsiveness to the needs of communities, citizens, customers and other stakeholders, where relevant.
- 6.3 The implementation of the recommendations in this report is considered to comply with the Council's requirement to fulfil its statutory duties in respect of Best Value and meets the five outcomes focused strategic objectives in the Council's Corporate Plan 2018-22. The Council's willingness in supporting this community venture is considered to justify the offer submitted by Rannoch Community Trust.




7. DISPOSAL REGULATIONS

- 7.1 The Disposal of Land by Local Authorities (Scotland) Regulations 2010 came into force on 1 June 2010. The regulations were made by the Scottish Ministers in exercise of powers conferred by Section 74 of the Local Government (Scotland) Act 1973 as amended by Section 11 of the Local Government in Scotland Act 2003. Under the 1973 Act, in its original form, a local authority required the consent of the Scottish Ministers (formerly of the Secretary of State) to dispose of land for a consideration less than the best that could reasonably be obtained.
- 7.2 The Regulations set down the procedure to follow and circumstances which allow local authorities to dispose of land (including by lease) for a consideration less than the best that can reasonably be obtained, without seeking the consent of the Scottish Ministers.
- 7.3 In this case, the value of the property has been determined in accordance with the Disposal Regulations and the marginal amount has been determined at 25% of the best consideration that can reasonably be obtained and consequently the Council can dispose of the property in accordance with the recommendation without reference to the procedures or circumstances that would otherwise apply.



8. CONCLUSION AND RECOMMENDATION(S)

- 8.1 Rannoch Community Trust have produced a strong proposal for the Community Asset Transfer, with significant evidence to support their case.
- 8.2. It is recommended that Council:
- (i) approves the Community Asset Transfer request for the disposal of Kinloch Rannoch Outdoor Centre and associated land to Rannoch Community Trust for the sum of £75,000; and
 - (ii) delegates authority to the Executive Director (Housing and Environment) and Head of Legal and Governance Services to determine terms and conditions of the transfer.

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	YES
Corporate Plan	YES
Resource Implications	
Financial	YES
Workforce	N/A
Asset Management (land, property, IST)	YES
Assessments	
Equality Impact Assessment	YES
Strategic Environmental Assessment	YES
Sustainability (community, economic, environmental)	YES
Legal and Governance	YES
Risk	N/A
Consultation	
Internal	YES
External	N/A
Communication	
Communications Plan	NO

1. Strategic Implications

Community Plan / Local Outcomes Improvement Plan (LOIP)

- 1.1 The proposals relate to the delivery of the Perth and Kinross Community Plan/LOIP in terms of the following priorities:
- (i) Giving every child the best start in life
 - (ii) Developing educated, responsible and informed citizens
 - (iii) Promoting a prosperous, inclusive and sustainable economy
 - (iv) Supporting people to lead independent, healthy and active lives
 - (v) Creating a safe and sustainable place for future generations

This report relates to all of these Objectives.

RCT intend to use the facility as a Community base that follows the same principles of the original Outdoor centre with regards to Corporate Objectives.

Corporate Plan

- 1.2 The proposals relate to the achievement of the Council's Corporate Plan Objectives:
- (i) Giving every child the best start in life;
 - (ii) Developing educated, responsible and informed citizens;

- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives;
and
- (v) Creating a safe and sustainable place for future generations.

RCT intend to use the facility as a Community base that follows the same principles of the original Outdoor centre with regards to Corporate Objectives, the group have indicated the following directly linked to 3no. Corporate objectives.

(iii) Promoting a prosperous, inclusive and sustainable economy

The Hub will provide at least 3 permanent jobs plus seasonal employment. It will provide employment training opportunities particularly for young people and opportunities for volunteering. It will also provide meeting and office facilities including wi-fi for the self-employed, small businesses and start-ups in the area. The Hub will also provide an outlet for local crafters and the sale of local produce.

(iv) Supporting people to lead independent, healthy and active lives

The Hub will help combat social isolation by providing a space for informal social gatherings as well as events that will help bring the community together. It will also provide a potential base for local services including social care. It will help support and sustain the network of community groups and volunteers by providing meeting and office facilities. It will provide also provide a community catering facility

(v) Creating a safe and sustainable place for future generations

The community hub will provide a place for local people to socialise, eat and drink at an affordable price thereby helping Rannoch an attractive place for people of all ages to live. The provision of visitor facilities including community pub will help attract more people to visit and stay in Rannoch and thereby supporting and stimulating the visitor economy and creating further job opportunities.

2. Resource Implications

Financial

- 2.1 The proposed community asset transfer will result in a £75,000 capital receipt for the Council General Fund from the sale of the site to Rannoch Community Trust.

The proposed community asset transfer will remove the Council obligation to undertake repairs and maintenance to the property. Repair and maintenance costs for the financial years 2018/19 to 2019/20 average at £10,591 per annum and transfer of the site will result in a corresponding saving to the Council Revenue budget.

The asset transfer will also remove Council obligations to ensure the building is maintained at a Building Condition “B” or above which is estimated in excess of £50,000 from a recent Building Condition report over the next 5 years.

The Head of Finance has been consulted during the preparation of this report and has indicated agreement with the proposals.

Workforce

- 2.2 There are no direct workforce implications arising from this report.

Asset Management (land, property, IT)

- 2.3 The Executive Director (Housing & Environment) has been consulted, and has indicated agreement with the proposals.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties. The Equality Impact Assessment undertaken in relation to this report can be viewed clicking [here](#).

This section should reflect that the proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:

The information contained in this report has been considered under the Act and outcomes are further detailed within RCT Business plan section 3.3

Strategic Environmental Assessment

- 3.2 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

This section should reflect that the proposals have been considered under the Act and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

- 3.2.1 The information contained in this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Sustainability

- 3.3 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 the Council also has a general duty relating to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.3.1 The information contained in this report has been considered under the Act. However, no action is required.

Legal and Governance

- 3.4 The Head of Legal and Governance Services has been consulted in the preparation of this report.

Risk

There has been no risk identified which would alter the recommendation in this report.

4. Consultation

Internal

- 4.1 The Head of Finance, Head of Legal and Governance Services and Head of Property Services have been consulted in the preparation of this report.

External

- 4.2 There have been no external consultations, however notice of the receipt of the Community Asset Transfer Request was placed (as required in the legislation) on the Council's website at <https://www.pkc.gov.uk/article/21133/Community-Asset-Transfer-Active-cases>. This allows any interested party to comment on the Asset Transfer Request, however no comments were received.

5. Communication

- 5.1 Following Committee approval, a Decision Notice will be sent to Rannoch Community Trust, which will include the following information:
- The date on which the request was made
 - The name of the body making the request
 - The land to which the request relates
 - The authority's decision to approve or refuse the request
 - The reasons for the decision

- The terms and conditions on which the transfer would be offered
- Confirmation that the body now has a minimum of six months to make a final formal offer for the asset

5.2 A copy of the Decision Notice will be made available online.

2. BACKGROUND PAPERS

None.

3. APPENDICES

Appendix 1 – Summary of request scoring
Appendix 2 - Valuation report
Appendix 3 – Site plan