

To: Planning & Property Policy Board

On: 24 January 2017

Report by: Director of Finance & Resources

**Heading: Clippens School, Brediland Road, Linwood
Community Asset Transfer Request
Linwood Community Development Trust**

1. Summary

- 1.1 The Council at its meeting on the 30 April 2015 approved the transfer of the surplus playing fields at Clippens School, Brediland Road, Linwood to the Linwood Community Development Trust.
 - 1.2 The Trust has now submitted a Community Asset Transfer Request for the remaining buildings, which will be vacated on completion of the new Additional Support Needs school, Riverbrae, which is scheduled to be complete to enable the transfer for the start of August 2017 term.
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2. Recommendations

- 2.1 It is recommended that the Policy Board agree to the transfer of the surplus buildings as indicated on the attached plan to Linwood Community Development Trust, subject to the terms and conditions detailed within the body of this report.
 - 2.2 Request the Head of Corporate Governance to conclude, the transfer of the site and buildings to Linwood Community Development Trust in terms of the Council's Community Asset Transfer Policy.
 - 2.3 Note that should the Linwood Community Development Trust be unable to secure the necessary funding for this project or necessary planning consents, then the ground and buildings will remain with the Council on its surplus list.
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3. Background

- 3.1. The Council at its meeting on 30 April 2015 approved the transfer of the 2.4Ha surplus playing fields to Linwood Community Development Trust for the sum of £1 and offered financial assistance of initially £50,000 match funding to assist the Trust in terms of their stage 2 submission for additional lottery funding. This funding was augmented by Council at its meeting on 25 June 2015 when it agreed to provide further match funding of £250,000 to support the Trust to secure lottery funding to progress the development of the playing fields.
- 3.2. The Trust has subsequently managed to raise the necessary funding to progress the proposed 3G pitch with Community facilities and have submitted a planning application 16/0539/pp which is well advanced in terms of the planning process and a decision is anticipated in the near future. This planning application relates purely to the 2.4ha site which the Board has already approved the transfer thereof.
- 3.3. This latest request relates to the remaining ground and buildings which are currently still being used for School purposes and are located on a 1.23Ha site, but were declared surplus with the approval of the closure of the three existing Additional Support Needs Schools, Clippens, Kersland and Hollybush to be replaced with the new build Additional Support Needs School, Riverbrae, Linwood, by Council at its meeting on the 25 April 2013.
- 3.4. In terms of the contract to build the new Additional Support Needs School, funding was set aside to meet the likely demolition costs of the existing three establishments, Clippens, Kersland and Hollybush.
- 3.5. Given that there was a known build contract, with an anticipated date of completion Property Services has been marketing the availability of the schools for over 2 years, advising that the buildings/sites will be available summer 2017, following the completion of the new Additional Support Needs School.
- 3.6. Linwood Community Development Trust had initially expressed an interest in taking a Community Asset Transfer of the existing Clippens School Buildings, once the school was vacated by the Council. However, in terms of their subsequent Community Asset Transfer request, they have advised they are keen to take ownership of the former Janitors cottage, and the site of the former school, once the Council has demolished the building.
- 3.7. This proposal primarily looks at creating a Woodland Nursery Service, utilising the former Janitors cottage at Clippens School as a drop off base, with the children being supervised externally, at the Linwood Moss woods. Children would walk to the woods and a camp would be set up and the Children would learn outdoors.

- 3.8. The Trust has submitted an appropriate business plan promoting the Woodland Nursery, and the Council's Asset Transfer Panel met on the 16 November to consider the application from the Trust.
- 3.9. This application for the remaining school grounds, is primarily based upon the creation of the Woodland Nursery, as an additional income stream for the Trust and improved service provision for the people of Linwood and the surrounding community. All profit generated would be used by the Trust to further their aims of creating a Community Village/Hub at the Clippens site.
- 3.10. The business plan advises the Trust will seek to secure additional grant funding from a "cocktail of sources" and they have suggested they will seek to secure this from the Leader Fund, employability funding, childcare funding and generated income. In addition following clarification with the Trust, they have confirmed funding will be secured from the Unity Bank, and in addition they are working with the Council in a Strategic Partnership Agreement involving employability and training. The Trust is of the opinion that the income generation from the Woodland Nursery will be sufficient to cover the business running costs.
- 3.11. In terms of the Community Asset Transfer request, the Trust is looking for the Council to transfer the remaining school grounds, including the former Janitors cottage at a transfer value of £1 if asked.
- 3.12. The current Asset value of Clippens School is specified within the Council's Asset Register as £2,701,000 while the former Janitors cottage is at £110,000 both valued in 2014. This is a valuation recognising its worth to the Council as a school, and not a market value. The early marketing of the availability of the school was undertaken to elicit interest from any interested parties, including the local community, with a hope of generating a capital receipt or community interest.
- 3.13. Since marketing began, while there has been 10 or more parties who have expressed an interest, which includes the Trust, no party has submitted an offer, other than the Trust. The other interested parties have now been notified of the Trusts continuing interest, and that a report would be presented to Board on their proposal. No parties have expressed any concern or submitted a counter offer for the property.
- 3.14. The Community Empowerment 2015 Act, and in particular the Regulations recently published by the Scottish Government on Asset Transfer, which come into force on the 23 January 2017, provide in terms of Section 84, that relevant authorities upon receiving a note of interest from a Community group over a property are precluded from disposing of the asset until such time as the Community interest has been concluded or determined that it will not be taken forward. The Council could in terms of the new regulations considered an offer from a third party, as under subsection (12), where the property has been advertised for sale or lease, it is not precluded from considering any bids from other parties. However, as this application was received prior to the date

of enforcement stated, and the other parties who had previously expressed an interest in the property upon being notified of the Trusts continuing interest have not submitted any bids for the property, the Council is in a position to take this application forward in terms of its existing policy.

- 3.15. Should Board, determine that it desires to approve the Transfer of this Asset to the Trust for the sum of £1, if asked, the Council's Asset Manager is of the opinion that the Council will be foregoing a potential capital receipt in the order of £200,000 and this would be the opportunity cost.
- 3.16. This opportunity cost is based upon a potential market value of the cleared site, and recognising that ground conditions in the area are known to be challenging. While no site and soil test has been undertaken to inform this valuation, Board will be aware that for the adjacent 2.4Ha playing fields, it was determined that the ground was not suitable for residential development and as such it had a market value of £1. While the current 1.23Ha site has a school building and janitors cottage built upon the ground, the experience from the adjacent playing fields and the Council's new build Additional Support Needs School across the road, suggests the site will prove problematic for any new buildings to be constructed thereon.
- 3.17. The Council must when disposing of an asset ensure it complies with the Disposal of Land by Local Authorities (Scotland) Regulations 2010. This removed from Local Authorities the requirement to obtain Scottish Ministers consent when disposing of an asset at less than the best consideration available. However, it must continue to show it is obtaining Best Value and there are set criteria when undertaking this action in terms of assessing the costs and the disbenefits and benefits of the proposal and that the circumstances are met. The circumstances being that the disposal contributes to at least one of the following promotion or improvement of economic development or regeneration, health, social well-being or environmental well being.
- 3.18. The proposal by the Trust will meet the circumstances, as it is about regenerating Linwood, offering additional economic opportunities as well as offering health and social well being via an outdoor learning environment for the children.
- 3.19. In addition, there is a requirement to ensure the Disposal does not fall within European State Aid rules, which has a threshold of 200,000 euros in any three year period, given that the Council will be foregoing a potential £200,000 capital receipt and has already offered grant funding of £300,000 for LCDT's adjacent proposal. The Head of Corporate Governance is of the view that this would not constitute state aid as it does not meet all of the 4 relevant criteria :-
 1. There must be an intervention by the State or through State resources. The transfer of the Asset for £1 could be constituted as aid in favour of LCDT

2. It must confer an advantage on the recipient. – Possibly it will assist LCDT, but they will still have significant start up costs and revenue expenditure to take this proposal forward.
3. It must not distort or threaten to distort competition- Given this is about increasing educational opportunities within Linwood and introducing a new offering to the Nursery market there could be a discussion on this element, as it increases competition for the existing Nursery providers. But this is also about economic development and meeting the increasing educational needs of the community as early years' provision is expanded.
4. The intervention must be liable to affect trade between member states.- which this does not.

Implications of the Report

1. **Financial** – Opportunity Cost of £200,000 with the Transfer of the Asset to the Trust for £1, if asked.
2. **HR & Organisational Development** - None
3. **Community Planning**
Children and Young People – Creating additional Community facilities and Learning opportunities for the Linwood Community
Empowering our Communities – Meets the Governments aims to empower the local community by facilitating the Asset Transfer of a surplus property to Linwood Community Development Trust
Greener – Encourages learning in an outdoor environment
Safer and Stronger – Increasing resident satisfaction with neighbourhoods and communities
4. **Legal** –There will be a requirement for Legal Services to carry out conveyancing work in relation to the Community Asset Transfer.
5. **Property/Assets** – The Transfer of the Asset will be concluded following the demolition of the school, and upon the Trust meeting the necessary criteria regarding funding and statutory consents.
6. **Information Technology** – None
7. **Equality & Human Rights** -
 (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** – None
 9. **Procurement** – None
 10. **Risk** – The Trust fail to obtain the necessary statutory consents or funding for the proposed transfer.
 11. **Privacy Impact** – None
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List of Background Papers

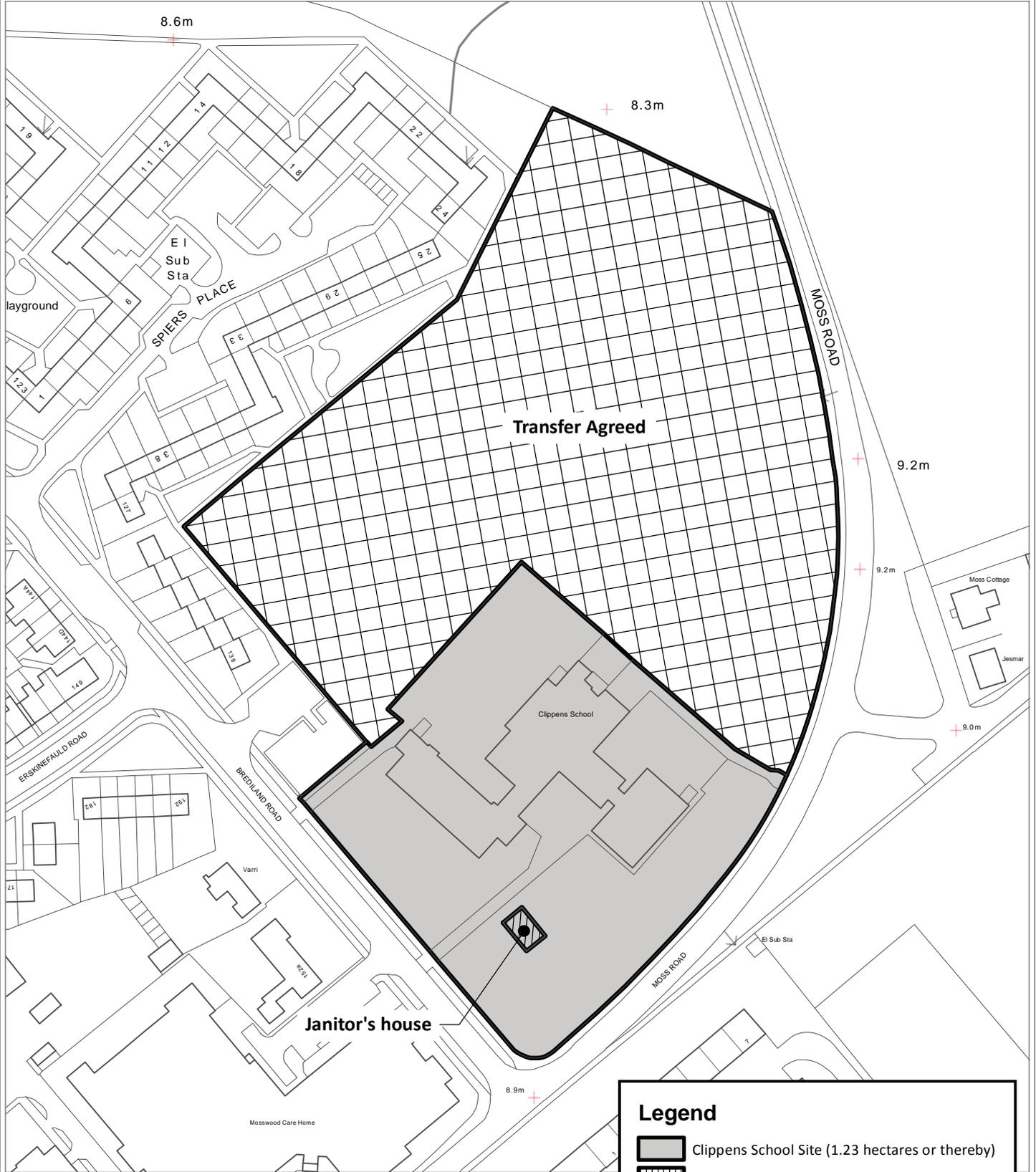
(a) Background Paper 1

- 'item 5 Council meeting 30 April 2015
- 'item 8 Council meeting 25 June 2015

- Item 5 Council meeting 25 April 2013

The foregoing background papers will be retained within Finance & Resources for inspection by the public for the prescribed period of four years from the date of the meeting.

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Legend

-  Clippens School Site (1.23 hectares or thereby)
-  Janitor's House
-  Transfer Agreed

Notes: