

## PROPOSED COMMUNITY ASSET TRANSFER: PLOT OF LAND, CLOSEBURN

### 1. Purpose of report

This report presents Members with a proposed Community Asset Transfer of land at Castle Crescent, Closeburn, detailed in **Appendix 1**. This piece of land sits within the Closeburn settlement boundary as defined within the current Local Development Plan.

### 2. Recommendations

Members are asked to:

2.1 consider the Nith Valley Leaf Trust (NVLТ) Business Plan at **Appendix 2** for the proposed Community Asset Transfer of land at Castle Crescent, Closeburn, as detailed in **Appendix 1**; and

2.2 note the recommendation of Nithsdale Area Committee as detailed in paragraph 3.7

2.2 agree to the Community Asset Transfer of the land detailed in **Appendix 1**, for the sum of £15,000 as proposed by Nith Valley Leaf Trust

### 3. Considerations

3.1 This plot was identified by Nith Valley Leaf Trust (NVLТ) as a potential site to build 3 energy, and environmentally efficient, homes to rent to local families at affordable rates; a small community and internet hub would be added at a later date. **Appendix 1** shows the location and land area.

3.2 NVLT is an incorporated trust, set up as a Company Limited by Guarantee with Charitable Status and focuses on undertaking community projects in the DG3 5 area. The Trust has the status of a Community Transfer Body in line with the Council's Community Asset Transfer (CAT) procedure.

3.3 Officers have been supporting NVLT through the CAT procedure and review of their Business Plan. The final business and financial plan is attached as **Appendix 2**. Key aspects of the business plan are summarised below;

- **Partnership working:** NVLT already have a house which they rent out in the village. They work in partnership with Loreburn Housing Association and Dumfries and Galloway Small Community Housing Trust to deliver this.
- **Funding Package:** NVLT have secured £68,400 from the Scottish Land Fund and £53,500 from Clyde Windfarm Community Fund as per their business plan for purchasing the land, developing the houses and to employ a part-time development officer for this project. The Charity Bank (the lender for the current community owned house) has indicated a willingness to lend around £120,000 which would enable NVLT to charge a fair rent. The rent would then service the mortgage over 25 years from the Charity Bank and provide a surplus for a sinking fund for repairs and replacements.
- **Community support:** NVLT has consulted widely within the local community and identified housing needs through their Community Plan, as detailed in

**Appendix 3.** The Closeburn Housing Needs and Demand Report and Survey (**Appendix 4**) also highlights the need for additional affordable housing. Between November 2017 and January 2018, NVLT consulted with groups in the community regarding their aspiration to develop this plot of land for affordable housing and the responses were positive, as detailed in **Appendix 5**.

- **Financial sustainability:** NVLT business plan indicates a track record of delivering affordable housing and financially feasible projects.

3.4 The Council's Property and Architectural Services undertook a valuation of the site in 2016 and have advised that the current market value would be £30,000. NVLT wish to offer a sum of £15,000 towards the Community Asset Transfer. Members should note that Community Transfer Bodies are free to offer whatever sum they wish towards a Community Asset Transfer. It is for members to decide whether the social value offered by the transfer is sufficient, along with the sum offered to add up to the market value and beyond. It has been common practice in the past for community groups to offer £1 for a Community Asset Transfer.

#### Assessment of the proposal

3.5 Assessment of the proposal suggests the benefits and disbenefits are:

#### Benefits:

- 60 local families over 100 year period will directly benefit.
- 3 energy efficient homes built for use by local people at affordable rents.
- Ownership of the land will offer greater opportunity for NVLT to attract external funding to benefit the local community.

#### Disbenefits:

- The capital receipt for this land would be below the estimated market value of £30,000
- Sale of the land would prohibit other uses by the Council.

3.6 There are requirements in the Disposal of Land by Local Authorities (Scotland) Regulations 2010, which need to be met when the capital value of the land is greater than £10,000, but the proposal is to dispose of the land for less than 75% of the capital value. In these cases the Council is required to:

- appraise and compare the costs and other disbenefits and the benefits of the proposal;
- be satisfied that the disposal for that consideration is reasonable; and
- agree that the disposal is likely to contribute to any of the purposes of economic development or regeneration; health; social wellbeing; or environmental wellbeing; in respect of the whole or any part of the area of the local authority or any persons resident or present in that area (references to "wellbeing" are to be construed as for the purposes of section 20 of the Local Government in Scotland Act 2003(2)). If the proposed terms of disposal do not meet the criteria of these Regulations, then disposal at less than best consideration is not permitted.

3.7 Nithsdale Area Committee was consulted on 2 May 2018 and agreed;

To recommend to Policy and Resources Committee to agree to the Community Asset Transfer to the Nith Valley Leaf Trust of the land detailed in Appendix 1 of the report, for the sum of £15,000.

3.8 Members are asked to agree one of the following three options. The officer's recommendation is for option 1.

**Option 1** - agree to the Community Asset Transfer of the land detailed in **Appendix 1**, for the sum of £15,000 as proposed by Nith Valley Leaf Trust. Agreeing this option implies that Members accept the value of £15,000 noting the additional social value outlined in the business plan.

**Option 2** – agree not to transfer the land detailed in **Appendix 1**. Members should offer clear reasons for refusal of the transfer request.

**Option 3** – agree that the land detailed in **Appendix 1** be advertised for sale on the open market.

#### 4. Governance Assurance

The Communities Management Team has been consulted and are in agreement with the information contained in this report.

#### 5. Impact Assessment

This report does not impose a change in policy, the formal adoption of a plan, policy or strategy it is not necessary to complete an Impact Assessment.

#### Author(s)

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#### Approved by

NAME	DESIGNATION
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Appendix 1 – Location and Land Area

Appendix 2 – NVLT Business Plan

Appendix 3 – Closeburn Community Plan

Appendix 4 – Closeburn Housing Needs Demand Report with Survey

Appendix 5 – Housing Survey 2017 - 2018

#### Background papers

[Disposal and Acquisition Policy – Full Council, 26 September 2017 \(Item 13\)](#)

[Priorities and Commitments – Full Council, 27 June 2017 \(Item 6\)](#)

[Dumfries and Galloway Community Asset Transfer Strategy – Communities Committee, 7 March 2017 \(Item 6\)](#)

[Disposal Policy – Policy and Resources Committee, 19 March 2013 \(Item 14\)](#)

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