

# Policy and Sustainability Committee

10.00am, Thursday, 20 August 2020

## Victoria Primary School, Newhaven Main St, Newhaven, Edinburgh EH6 4HY – Community Asset Transfer

Executive/routine Wards Council Commitments	Executive 4 Forth <a href="#">2, 7, 33, 34 and 35</a>
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### 1. Recommendations

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- 1.1 That Committee approves the disposal of Victoria Primary School to Heart of Newhaven (HoN) on the terms outlined in the report and on such other terms and conditions to be agreed by the Executive Director of Resources.

**Stephen S. Moir**

Executive Director of Resources

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## Victoria Primary School, Newhaven Main St, Newhaven, Edinburgh EH6 4HY – Community Asset Transfer

### 2. Executive Summary

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- 2.1 This report seeks authority to dispose of Victoria Primary School to Heart of Newhaven (HoN) on terms as specified in the Community Asset Transfer (CAT) request which are outlined in this report. The proposed sale is a Community Asset Transfer under Part Five of the Community Empowerment (Scotland) Act 2015.

### 3. Background

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- 3.1 Since the announcement of a new school at Western Harbour, there has been considerable community interest in the future of Victoria Primary School Newhaven, which will become surplus on completion of the new school, currently estimated for Quarter 3, 2021. The site is shown outlined in red in Appendix 1.
- 3.2 Newhaven Heritage Society (NH) were the main party interested in creating a community facility, and a spin off group, Heart of Newhaven (HoN), was formed to take forward a community asset transfer request for Victoria Primary School. Since the formation of HoN in 2017, there has been increasing disagreement between the groups, to the extent that competing stage 1 expressions of interest were submitted and considered by the Stage 1 panel on 13 February 2020. The panel did not approve either request and recommended that the groups work together and submit a joint proposal for the future of the property. The groups met in a facilitated meeting but were unable to agree a way forward. Accordingly, the Panel reconvened on 24 February and agreed that neither proposal could be supported.
- 3.3 HoN submitted a Stage 2 Asset Transfer Request on 20 February 2020. Under the Community Empowerment (Scotland) Act 2015, a valid application has to be considered by the Council within six months. The application was checked and validated on 17 March 2020. The request was advertised on site and on the Council's webpages and representations from the public were invited. A representation on the proposal was received from NH and this has been placed on the website together with HoN's response.

- 3.4 NH commenced work on preparing a stage 2 submission. On 26 June they advised that whilst still committed to submitting a stage 2 application, they were unable to prepare a substantive business case due to Covid-19 restrictions. Accordingly, the Council has one proposal from HoN that requires to be considered on its own merits in line with the Community Empowerment Act.
- 3.5 HoN propose to fund the purchase of the properties with grant funding from the Scottish Land Fund (SLF). Timescales for applications are tight, with the last opportunity to apply for funding on 31 August 2020, with funds requiring to be expended by 31 March 2021.

## 4. Main report

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- 4.1 HoN's business proposal is to purchase, and operate for community benefit, the old Victoria Primary School buildings – made up of the original listed primary school building, a 2014 separate extension in the grounds, known as the Anchor building, and the playground space around the buildings.
- 4.2 The principal purpose of the project is to facilitate and support greater and more active integration of the rapidly expanding Newhaven community. The project will develop and deliver activity under three themes, established through engagement with the local community, as follows:
- Culture and Heritage;
  - Learning and Enterprise; and
  - Community Activity and Wellbeing.
- 4.3 In addition, the proposed overarching approach is holistic and underpinned by a commitment to intergenerational practice so that every proposed activity will have multiple outcomes.
- 4.4 Should HoN be successful in purchasing the building, they envisage a phased approach to occupation and refurbishment of the building.
- 4.5 Phase 1 would involve establishing nursery provision in the Anchor Building which would not only meet that particular need but also presents the greatest potential as a source of income early in the redevelopment pipeline. It would also offer the opportunity for partners to begin to collaborate on small projects using intergenerational practice to bring generations together to share skills, knowledge and social interaction. This would include the use of the outside space for a range of age friendly activities including growing opportunities.
- 4.6 Phase 2 would see a phased establishment of use of the main building as follows:
- Ground Floor
- Community use, e.g.
- Café with exhibition space.

- Rehearsal and performance space.
- Workshop.
- Artists' studios/SMEs.
- Community activities space; a multi-purpose space for classes and educational activities, with an intergenerational approach, plus a touch-down space for advisory and support services.
- Maximum and creative use will be made of the ground floor to tell the 'Newhaven story' with contributions curated by HoN's partners and the community members they support.

### Mezzanine Floor

These spaces are generally suitable for co-workers' office spaces or as artists' studios

### First Floor

Heritage Suite in which a 'Newhaven Museum' would be a central feature. There would be further existing heritage organisations sharing this floor ideally with few physical barriers between them, creating a seamless visitor experience.

### Second Floor

Business suite.

- 4.7 The applicants have identified in their business plan that capital funding of approximately £1.3m will be required for refurbishment of the building to provide the accommodation noted above. It is intended to meet this requirement through a combination of grant funding, business loans and fundraising.
- 4.8 In respect of timing of the purchase, the grant from SLF must be spent by 31 March 2021. Given the uncertainty over the timing of the completion of the new primary school, it is proposed that HoN purchase the property prior to the funding deadline and simultaneously enter into a lease back to the Council, allowing the school to continue in occupation at a peppercorn rent until the new primary is ready for use.
- 4.9 The stage 2 application was validated in March and was considered in accordance with the requirements of the Community Empowerment (Scotland) Act 2015, which compels the Council to consider the application within six months. The proposal was assessed by the Operational Estates Team using the Community Asset Transfer policy scoring matrix and the result was a strong submission
- 4.10 Notwithstanding the result of the Stage 1 Panel, a Stage 2 Panel was convened to consider the application. The panel met on 27 July and after deliberation made the following recommendations:

The Panel recommends that Committee considers approval of the valid community asset transfer request made by Heart of Newhaven under Part Five of the Community Empowerment (Scotland) Act 2015 and that the following is noted:

- The purchase price will be £700k, a discount of £85k on the market value of £785k;
- No further financial contributions will be made in respect of the asset transfer by the Council for capital or revenue expenditure. For the avoidance of doubt the request by Heart of Newhaven for a contribution of £154k by the Council for outstanding repair works is rejected. The applicants will confirm to the Panel that the project is still sustainable without further Council funding (confirmation is expected imminently from HoN at the time of writing).
- The detail of any lease between Heart of Newhaven and the Council for the period between 31 March 2021 and the school closing will be agreed prior to the transfer being concluded.
- The Panel recognise the opportunity for social benefits and wider community benefits as identified within the applicant's business plan on successful completion of the project.

4.11 The terms provisionally agreed for the disposal of Victoria Primary School are as follows:

Purchaser:	Heart of Newhaven
Price	£700k
Fees	The purchaser is to meet the Council's reasonable legal administration fees
Agreement	The applicant is to enter into a Lease Agreement with the Council prior to completion of the community asset transfer, allowing use of the school at a peppercorn rent until the new building at Western Harbour is ready for occupation.

## 5. Next Steps

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- 5.1 Should the Committee approve the transfer request, a decision notice will be issued in accordance with the terms of the Community Empowerment (Scotland) Act 2015, setting out the terms noted above and inviting HoN to offer to purchase the property on the agreed terms. The applicant is then afforded a minimum statutory period of at least six months in which to make their offer.
- 5.2 Should the Committee determine to reject the asset transfer request or significantly alter the terms of the request, the applicant has a statutory right to have the decision reviewed by the Council and, should the review be unsuccessful, a subsequent right of appeal to Scottish Ministers.

## **6. Financial impact**

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- 6.1 Should the transfer proceed, a capital receipt of £700k will be received. The receipt would be received in financial year 2020/2021.
- 6.2 A joint opinion on market value was obtained in January 2020 at £785k. Given the proposed scheme's alignment to Council commitments, it is considered that a sale price of £700k is justified in this instance.
- 6.3 The Council's Capital Investment Programme had originally assumed a capital receipt of £800k as part of the funding package for the new Victoria PS. Therefore, this lower receipt will create a funding gap of £100k which will need to be funded through existing capital budgets.
- 6.4 An asset transfer at less than market value is justified when additional benefits empower communities and align with local and national priorities to enable the delivery of Best Value across the public sector as a whole. The benefits should also contribute to the Authority's policy objectives and local priorities. The HoN Business Case evidences the range of Council Commitments that will be met.
- 6.5 The proposed sale price has also been considered in relation to The Disposal of Land by Local Authorities (Scotland) Regulations 2010, which provides that where the disposal (or lease) is for a consideration less than the best that can reasonably be obtained, a Local Authority can dispose of the asset, provided it follows certain steps:
- It appraises and compares the costs and dis-benefits of the proposal with the benefits;
  - It satisfies itself the proposed consideration for the disposal in question is reasonable; and
  - It determines that the disposal is likely to contribute to the promotion or improvement of any one of: economic development or regeneration, health, social well-being, or environmental well-being, of the whole or any part of the area of the local authority or any person in the local authority area.
- 6.6 The proposals align with Council commitments and contributes to these criteria therefore the proposed sale price is considered justifiable.

## **7. Stakeholder/Community Impact**

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- 7.1 Consultation was undertaken through the CAT advisory panel. Stakeholders involved in the CAT Panel comprised all ward members, the North East Locality Manager and council officers involved with the project, including representatives from Property and Facilities Management, Lifelong Learning and Cultural Services.

- 7.2 As part of the CAT Stage 2 Business Case Submission, HoN have consulted widely in the community with regards to the future use of their property. Detail on the consultations undertaken can be found in the HoN Business Case which is available for reading using the link at 8.1 below.
- 7.3 Over the spring and summer of 2019, the place and active citizenship charity PAS conducted a number of engagement activities in the Newhaven area. This was done to assist the Heart of Newhaven Community Group. These activities consisted of workshops, one to one meetings, a public drop-in, and an online survey. A number of key messages emerged:
- community and key stakeholders in the area want to see the building used as an accessible, welcoming, entertaining and eco-friendly venue to facilitate activities that address key local issues such as population growth, social cohesion and isolation, unemployment, family support and life skills;
  - the sharing of knowledge and skills between generations, through intergenerational practice, is seen as a key way to address local issues and is supported by the community and partners; and,
  - the community would like a centre to promote and emphasise Newhaven as a family.
- 7.4 The ward members have been informed of the recommendations contained within this report.
- 7.5 The impact on sustainability has been considered. There is no negative impact on the environment as the result of the proposed sale.

## **8. Background reading/external references**

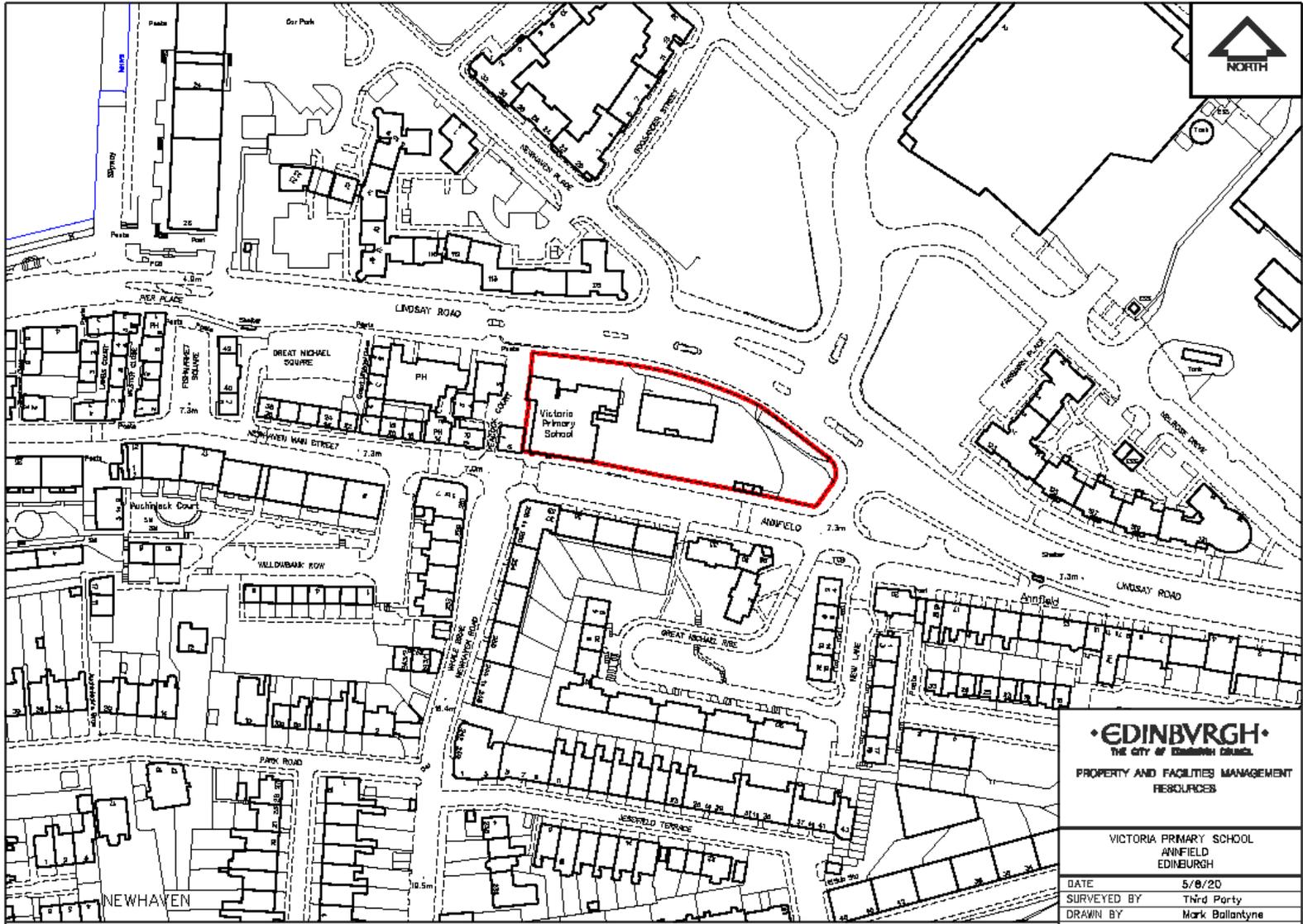
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- 8.1 CAT Stage 2 Submission:  
<https://www.edinburgh.gov.uk/downloads/download/14424/download-victoria-primary-school-newhave>
- 8.2 Community Asset Transfer Policy:  
<https://www.edinburgh.gov.uk/downloads/download/14374/community-asset-policy>

## **9. Appendices**

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- 9.1 Location Plan



**EDINBURGH**  
 THE CITY OF EDINBURGH COUNCIL  
 PROPERTY AND FACILITIES MANAGEMENT  
 RESOURCES

VICTORIA PRIMARY SCHOOL  
 ANNFIELD  
 EDINBURGH

DATE	5/8/20
SURVEYED BY	3rd Party
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
REC. NO.	A3/1711a

SITE PLAN

SCALE 1:1250

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