

Policy and Sustainability Committee

10.00am, Thursday, 20 August 2020

St Oswald's Hall, 41 Montpelier Park, Edinburgh EH10 4NH– Community Asset Transfer

Executive/routine	Executive
Wards	10 Morningside
Council Commitments	2, 3, 7, 33, 34 and 46

1. Recommendations

- 1.1 That Committee approves the disposal of St Oswald's Hall to Bruntsfield St Oswald's Ltd 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

Contact: Brian Paton, Senior Surveyor,

Property and Facilities Management Division, Resources Directorate

E-mail: brian.paton@edinburgh.gov.uk | Tel: 0131 469 5228

Report

St Oswald's Hall, 41 Montpelier Park, Edinburgh EH10 4NH– Community Asset Transfer

2. Executive Summary

- 2.1 This report seeks authority to dispose of St Oswald's Hall, 41 Montpelier Park, Edinburgh to Bruntsfield St Oswald's Ltd 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

- 3.1 St Oswald's Hall is a former annexe of Boroughmuir High School and was vacated when the school relocated to its current home at Canal View in February 2018. The site is shown outlined in red in Appendix 1. It has been vacant since the high school relocated and the current condition is poor, with significant investment required to bring it back into beneficial use.
- 3.2 Bruntsfield St Oswald's Hall Ltd (BStO) has been established as a collaboration between Bruntsfield Primary School Parent Council (BPC) and a local charity, the Eric Liddell Centre (ELC). Initially functioning from 2018 as a voluntary group, and having successfully established the feasibility of the project, they are now a company limited by guarantee.
- 3.3 BPC operate around 25 after school clubs offering around 120 places for pupils to participate in, and run a number of events to raise funds for good causes, such as building capacity for ICT, bringing yoga to all pupils, buying smart boards for classrooms etc. BPC is a voluntary organisation with an annual turnover of around £125k.
- 3.4 ELC is a core feature of the local community, with a long and successful history of acquiring, renovating and managing a historic building, and of fundraising to satisfy local demand for services, particularly for the elderly and those suffering from dementia.
- 3.5 BStO 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

- 4.1 BStO will operate the building as a new community hub for local primary school children, young people, families, the elderly and carers. Together with partners, ELC and the Bruntsfield Parent Forum (BPF), they will offer affordable, hourly, community space for a variety of groups, providing workshops and classes addressing health, well-being, education, and social isolation for diverse and multigenerational groups. Specific examples include:
- Wraparound childcare;
 - Space for clubs and activities for all members of the community;
 - Potential general-purpose space for local primary school children;
 - Easing transition, providing continuity of activity for school children;
 - Additional capacity for ELC to provide services to the elderly, particularly those suffering from dementia, disabilities, loneliness, and issues around mental health and well-being; and
 - Festival lets, whilst being sensitive to the concerns of local residents.
- 4.2 BStO was formed specifically to acquire, renovate and operate the St. Oswald's building as a community facility. Their business plan is forecast to generate in the region of £600k of income (not for profit) on an annual basis once fully operational. In addition, the applicants intend to create 23 positions made up of 1 full time manager, 2 full time assistant managers and 20 sessional play workers.
- 4.3 The building is currently in a state of disrepair and the applicant has identified capital works, split into three categories as follows:
- Immediate 0-1 Years: estimate of the cost to bring the building into working order based on proposed alterations - £463k.
 - Medium term 2-5 Years: non-immediate/essential works that will enhance the building as a proposed community facility - £496k.
 - Longer term 5-10 Years: longer term estimate the works that will ultimately be required - £263k.
- 4.4 The applicants have had discussions with potential funders and advised at the stage 2 panel meeting that broad heads of terms had been agreed with a commercial lender to cover the required capital investment.
- 4.5 BStO submitted a Community Asset Transfer request under Part Five of the Community Empowerment (Scotland) Act 2015 to purchase the property. In accordance with Council policy on Community Asset Transfers, a panel was convened to consider BStO's expression of interest. The panel's recommendation

was for BStO to develop their stage 2 (Sustainable Business Case) submission, which involved submitting a business case, valuation, refurbishment plans, and evidencing need through community consultation.

4.6 The stage 2 application was received and the proposal was assessed by the Operational Estates Team in accordance with using the Community Asset Transfer policy scoring matrix. The result was a very strong submission. The panel reconvened to consider the submission and it was decided via a unanimous vote to recommend that Committee consider approval of the application. The panel commended the applicants on the quality of their submissions.

4.7 The terms provisionally agreed for the disposal of St Oswald's Hall are as follows:

Purchaser:	Bruntsfield St Oswald's Ltd
Price	£200k
Fees	The purchaser is to meet the Council's reasonable legal fees and administration fees

5. Next Steps

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 BStO 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

6.1 Should the transfer proceed, a capital receipt of £200k will be received. The receipt would be received in financial year 2020/2021.

6.2 A joint opinion on market value was obtained in July 2019 in the amount of £465k. While the assessment took into account the condition of the property, there has been further deterioration of the fabric since that time including water ingress and an outbreak of dry rot. Given the proposed scheme's alignment to Council commitments and the significant community benefit the scheme will offer on completion it is considered that a sale price of £200k is justified in this instance.

6.3 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 BStO Business Case evidences the range of Council Commitments that will be met.

- 6.4 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.
- 6.5 The proposals align with Council commitments and contributes to these criteria therefore the proposed sale price is considered justifiable.

7. Stakeholder/Community Impact

- 7.1 Consultation was undertaken through the CAT advisory panel. Stakeholders involved in the CAT Panel comprised elected members, the South East Locality Manager and council officers involved with the project. The ward members were actively involved and took a leading role in the CAT Panel.
- 7.2 As part of the CAT Stage 2 Business Case Submission, BStO 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 BStO Business Case which is available for reading using the link at 8.1 below.
- 7.3 The results of the consultations saw the building as a way to improve the quality of life for parents and children in the area. The provision of additional space for the school, extra-curricular activities, and childcare, were priorities for the majority of residents.
- 7.4 St. Oswald's was also identified as being able to provide access to activities in the winter months when access to outdoor space was limited and many people saw the benefits of intergenerational projects where young and old could be brought together for the benefit of both groups.
- 7.5 The ward members have been informed of the recommendations contained within this report.
- 7.6 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

8.1 CAT Stage 2 Submission:

8.2 <https://www.edinburgh.gov.uk/downloads/download/14534/st-oswalds-hall>

8.3 Community Asset Transfer Policy:

<https://www.edinburgh.gov.uk/downloads/download/14374/community-asset-policy>

9. Appendices

9.1 Location Plan

