

## Community Asset Transfer (CAT) Application – Muirhead Activity Centre (MAC)

Dundonald Gymnastics Club (DGC) are to be commended for the success they have created over the years, their contribution to their sporting community, the dedication and commitment that they have clearly demonstrated, and their growth ambitions for the future.

There is a very clear rationale and merit associated with DGC securing a dedicated space for their community of interest. Their transfer application and 'vision and objectives' and Intelligence documents give explanation for this.

However - there are significant unresolved issues and weaknesses in the DGC application for a community asset transfer of the MAC – which is an asset in use and not an unused building.

The request and the context around it raises significant concerns and leads to a personal view that it is not in the best interests of the multiple communities and stakeholders involved. It also leads to the conclusion that:

- There are reasonable and strongly justifiable grounds for refusing this application
- The justification for this conclusion is that this specific request:
  - Has significant negative consequences for current users of the MAC
  - Has high probability/highly likely risk of resulting in social division across communities
  - Has not had the required level of consultation with the geographic community negatively impacted
  - Involves one community body making representation that purports to satisfy the needs of another community – without both communities being aligned and working in collaboration
  - Provides limited/no information to assess long term financial viability
  - Provides limited information to assess how well the impacted community needs will be delivered and satisfied both short and long term
  - Risks creating an environment that is counter to the positive intent and aspiration behind the Community Empowerment Act – of facilitating and enhancing cohesion, resilience and equality for the wider community
- An alternative and more socially cohesive solution should therefore be considered and found

Having reached the above perspective – it is also worth asking the question “what is the best and right way forward?” that enables both communities to flourish within the spirit of community enhancement and empowerment. Potential options for all stakeholders to consider include:

- DGC search for an alternative location - and the status quo is maintained for the MAC
- An alternative and more cohesive solution is developed that attempts to unite the communities
- Develop a more ambitious vision that has no/much reduced negative consequences and allows both communities to come together in a way that both gain for the longer term
- Considering a joint bid that is co-developed around a vision that enables the MAC to be rejuvenated into a more vibrant multi-sport capability and community Hub serving current and future populations
- Achieving such an outcome would require pro-active intervention, facilitation and cross-community building leadership – with SAC, local councillors, DGC, Muirhead Residents association and existing users coming together – as a single community with a co-developed vision for the MAC. This may require an alternative governance structure and/or legal entity to achieve such an outcome.

A more detailed rationale for the above viewpoint is summarised below – including some questions for consideration by both DGC and SAC.

## Summary Perspective

Having looked into the positive intent, aspiration and guidelines of the Asset Transfer under the Community Empowerment (Scotland) Act 2015 – the content and the way in which the current request has been executed – there are reasonable and strongly justifiable grounds for refusal.

This conclusion is based on a number of factors and principles:

- The MAC is an asset-in-use and therefore has unique requirements (unlike a building that is not in use). A transfer request of this nature – from a dedicated community of interest (DGC) which creates negative consequences for the local geographic community is very sensitive for all stakeholders, and has to be seen to be dealt with in an open, fair, sensitive, transparent and collaborative way. The desired outcome is a win/win rather than a win/lose result. ***The current reality indicates that this has not been achieved prior to a transfer request being submitted.***
- Rather than increasing community cohesion and resilience – the opposite has been created. The approach and process has generated a significant level of opposition, dissatisfaction and petition. While recognising there may always be some resistance to change – the causal factors here are rather wider and significant. ***The community division that has been generated as a result is totally counter to the principles and intent and benefits aspired to within the community empowerment ACT.***
- When a specialised community of interest (DGC) has interest in an asset in use, there is an inherent obligation to show how they have consulted with the local community in the geographical area where the asset is located. ***There is no evidence within the transfer application that DGC has fully engaged and consulted with the local community prior to making this request.***
- When transferring an asset-in-use – it could argued there should be a clear plan for how all negatively impacted members of the community will be actively supported in having similar level access to their current equivalent facilities. The request outlines some ways in which impacted users can avail themselves of other facilities – however it is perceived that this has been given limited thought and not thoroughly analysed from the perspective of all those impacted. Without this, these displaced people – who are taxpayers who are funding the current asset - are being disadvantaged while selected others are being empowered. ***This is counter to the principles and intent behind community empowerment and improving social cohesion and equality.***
- The transfer application lists aspirations to provide on-going services and facilities for limited members of the local geographic community. The vision and objectives document (Business Plan) is however dedicated purely to the development of the gymnastics side of ‘the business’. There does not appear to be any specific mention in the ‘plan’ on how the non-gymnastics side of the MAC will be staffed and delivered. ***Without a specific goal and documented commitment, definition of additional resourcing/volunteer needs for day-to-day operational management of facilities and services that satisfy defined local geography community needs, when and how these will be made available – there is clear risk that the asset becomes and remains a single-use facility for DGC community only. Such a situation will result in long-term negative consequences.***
- The transfer application has limited data on financial projections and cash flow analysis for on-going management of the MAC. There are no supporting annual accounts currently available for DGC as a SCIO. While DGC have indicated they have sufficient funds for additional equipment – there is no additional information available to assess how well DGC has evaluated and assessed the total financial implications and long term viability. The scale of financial requirements to deliver all aspects

outlined within the transfer request is not clear. The plan is dependent on securing additional long-term funding from other support organisations. There is no plan showing timescales for required future funding and when it can be expected. ***There is no information available to assess the long-term sustainability and financial viability of this request and whether the services and benefits proposed for the local geographic community (as opposed to just the DGC community) will in fact be delivered, and when.***

- DGC have offered the nominal sum of £1 for the purchase of the property and car park. (Why does this figure immediately make one think of BHS?). It could be perceived that SAC has set an expectation that this price is acceptable - with a view to the wider public benefits from enabling the asset transfer. For an authority to accept a nominal below market price for an in-use asset it has to show due diligence and demonstrate Best Value. **While the price offered clearly supports the financial viability for DGC - a valuable asset is being lost to existing users and tax payers. It is unclear how the proposal has enough information to determine**

## Questions

- Has a fully costed cash flow analysis for the transfer request, aligned to the business plan and for a timescale that reflects full implementation – been developed?  
If no – then how can a fully informed evaluation and decision be made by SAC?  
If yes – can this be shared and made public?

- Does the above plan show how the proposed additional services for the local geographic community are factored in – reflecting potential additional employment/volunteering requirements and cost to provide these services at times and availability that meet local needs?

The application states that “the support of Muirhead Residents Association and Local Councillors are also vital to the proposal. It is proposed that full consultation is undertaken with these community members throughout the process to both ensure the acceptability of the proposal and listen to feedback which may enhance the proposal for the benefit of the community the facility will serve.”

- Has this consultation taken place and what has been the outcome?
- Has the proposal been enhanced as a direct result of collaborative efforts between the stakeholders listed above – and if so – in what way?
- It would be interesting/useful to know the geographic membership of the DGC community – and the resident locality for all current and ‘known’ future members – can this be made available?

While clearly recognising that community building and empowerment should not be limited or constrained on any basis – communities of interest with widely dispersed membership can have very different characteristics to local geography communities.

Note: it is known for example for certain funding bodies that provide asset transfer related funding grants – their policy is to exclude communities of interest and grants are given only to local geography communities. There will be a reason and explanation for this.

Should there be a significant number of DGC members who are outwith the local geography of the MAC – this is a potentially significant factor to take into consideration in any decision process – and a policy may be required to be developed by SAC in relation to these types of requests.

- Does SAC have a defined policy for when a community of interest asset transfer request has negative consequences for the local geographic community?  
If yes – what is it?  
If not – should there be one?  
Can SAC define and share this policy for both DGC and the local geographic community?
- Has SAC indicated to DGC through initial conversations prior to the transfer request - that it would be prepared to accept the nominal sum of £1 for the price of the MAC.  
If yes – what is the justification for this?  
If no – what justification is required to accept the price recognising all known negative consequences within this specific request?

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