

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Housing, Environmental and Economic Development

Housing, Environment and Economic Development Committee: 6 April 2011

**Subject: Former Renton Early Education and Childcare Centre (EECC),
Station Street, Renton**

1. Purpose

- 1.1** The purpose of this report is to outline the process for progressing a motion to transfer the former Renton Early Education and Childcare Centre (EECC) to Renton Community Development Trust (RCDT) at nil value or less than market value.

2. Background

- 2.1** On 16 December 2009, a report by the Executive Director of Educational Services was approved by Council. The report recommended the closure of St Martin's Primary School in Alexandria due to under utilisation. It also recommended the amalgamation of Renton EECC with the Vale of Leven EECC which was already located within the St Martin's Primary School building.
- 2.2** On 24 February 2010, a further report was submitted by the Executive Director of Educational Services and the Council reversed the decision to close St Martin's Primary School. The rationale was that by merging the Renton EECC with Vale of Leven EECC into the St Martin's Primary School building it would be more cost effective to operate, thereby removing the need for the closure.
- 2.3** This proposal was progressed during 2010, resulting in the former Renton EECC amalgamating with Vale of Leven EECC in July 2010, into the St Martin's Primary School building. The nursery has been renamed Riverside EECC. Following consultations within the Council it has been confirmed that no department has an operational requirement for the former Renton EECC building and accordingly it has been declared surplus. The property is shown hatched on the attached plan (Appendix 1).
- 2.4** Subsequently at the Council meeting on 29 September 2010, a motion raised by Councillor Bollan was approved. The motion instructed that, subject to the building being surplus to the Council's requirements, an options appraisal be undertaken to assess the costs and benefits of transferring the building to RCDT at a reasonable value of (a) nil value or (b) less than market value.

3. Main Issues

- 3.1** The Disposal of Land by Local Authorities (Scotland) Regulations 2010 came into effect from 1 June 2010. A summary of the updated legal position prepared by Andrew Fraser, Head of Legal, Administrative and Regulatory Services is attached to this report as Appendix 2.
- 3.2** The Regulations make it clear that where it is proposed to sell assets at less than market value a full audit trail including cost benefit analysis / option appraisal is required.
- 3.3** As this disposal is for an asset valued at more than £10,000 and the proposed purchase price is unlikely to be more than 75% of the market value it will be necessary under the Disposal of Land by Local Authorities (Scotland) Regulations 2010 to complete an options appraisal. This will require to compare the costs and benefits of the proposal detailing how it will contribute to economic development, regeneration, health and social or environmental wellbeing. Appendix 3 to this report is taken from the Scottish Government guidance and details the type of criteria which should be considered when making an assessment in these circumstances.
- 3.4** To ensure that all potential uses of the property by community organisations can be explored details of the property will be circulated to community organisations within the Vale of Leven area together with the RCDT which has already expressed initial interest in the premises.
- 3.5** The current proposal relates to the provision of a nursery service which could also be provided by the private sector. Confirmation will be required that the proposed disposal complies with the European Commission's State Aid rules.
- 3.6** Renton EECC was built in 1970 and extends to 254 sqm. If it was available on the open market it could potentially be sold for use as a nursery or adapted for use as an office / training centre. Alternatively the building could be demolished and the site sold for alternative use such as for housing. The site extends to 0.54 acres and the Development Management and Roads Sections have advised that it could accommodate a small scale residential development. Accordingly the market value of the property as a cleared site is estimated to be £125,000.

4. People Implications

- 4.1** From the regulations and guidance it is apparent that this is a complex process which requires careful assessment and consideration of the costs and benefits many of which may be of a non financial nature. A team will be formed from Estates, Legal, Finance, Economic Development and Education to undertake the options appraisal process.

5. Financial Implications

- 5.1** The open market value of the former Renton EECC is estimated to be £125,000. Any disposal for a nominal value or at less than market value would have a direct impact on the Council's financial budget.

6. Risk Analysis

- 6.1** The main risks in this process are that the Council does not follow the correct procedures in assessing the costs and benefits of proposed disposals. This can be mitigated by providing the appropriate training for staff and setting procedures for the assessment of disposals at less than market value together with input into the options appraisal process from the team formed from Estates, Legal, Finance, Economic Development and Education. Risks for each proposed disposal will be assessed on a case by case basis as part of the options appraisal.

7. Equalities, Health and Human Rights Impact Assessment (EIA)

- 7.1** No significant issues were identified in a screening for potential equality impact of this proposal.

8. Conclusions and Recommendations

- 8.1** In conclusion the former Renton EECC is vacant and surplus to the requirements of the Council. To progress a motion to transfer the property to Renton Community Development Trust (RCDT) at nil value or less than market value it is proposed to seek expressions of interest from local community organisations. Submissions will require to demonstrate that the groups can meet the criteria detailed in the Scottish Government guidance (Appendix 3) together with other appropriate criteria as required. Thereafter an options appraisal will be completed to determine the best use of the property.
- 8.2** It is recommended that:
- (i) the Estates Section is instructed to contact Renton Community Development Trust (RCDT) and other community organisations in the Vale of Leven area to seek expressions of interest in the property; and
 - (ii) an options appraisal is carried out on the submissions received from interested groups which will be reported back to a future Committee for consideration and approval of the proposed disposal if appropriate.

Elaine Melrose
Executive Director of Housing, Environmental and Economic Development
Date: 22 March 2011

Person to Contact: David Allan - Estates Section, Council Offices, Garshake Road, Dumbarton, G82 3PU, telephone: 01389 737127, e-mail: david.allan@west-dunbarton.gov.uk

Appendices: Appendix 1 - Location plan
Appendix 2 - Legal Services briefing note
Appendix 3 - Scottish Government guidance

Background Papers: Background papers are retained within Estates Section's file

Wards Affected: 2