

Carol Scullion
Temporary Committee Secretary

Sent by e-mail: info@forganartscentre.co.uk

**Communities &
Neighbourhoods**

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Our ref: ZR/CAT/NEF

Date: 2nd June 2020

Dear Ms. Scullion

**Subject: Community Empowerment (Scotland) Act 2015 (the “Act”)
Community Asset Transfer (Leng Home) Decision Notice**

This Decision Notice relates to the asset transfer request made by Forgan Arts Centre on 13th April 2020 to purchase Leng Home, 59 Kirk Road, Newport on Tay DD6 8JB (the “Asset”).

Fife Council has decided to **agree** to the request. The reasons for this decision are that the organisation will:

- Provide increased capacity for high demand community arts classes and art space and allow expansion into music, drama and other community workshops;
- Regenerate an underused building and use the Asset and surrounding grounds to maximise use and availability;
- Contribute to economic development by providing employment and volunteering opportunities;
- Enhance health and wellbeing by providing activities and events to meet the needs of the local and wider community including older and younger people and low income families;
- Enable partnership working to create a hub where additional services can be provided including hot-desking space for third sector organisations and music and drama clubs;
- Increase community benefit and increased opportunities for local artists to build awareness of their work.
- Improve environmental wellbeing through use of green technology, waste management and provision of green solutions in running the Asset.

The attached document specifies the terms and conditions subject to which the Council would be prepared to transfer ownership of the asset to you. If you wish to proceed, you must submit an offer to the Council at the address below by 1st January 2021. The offer must reflect the terms and conditions attached and may include such other reasonable

terms and conditions as are necessary or expedient to secure the transfer within a reasonable time.

Right to review

Please note that your organisation is entitled to a Review of the Decision under S86 of the Act where:

1. The Council refuses your request;
2. The Council agrees your request but the decision notice specifies material terms or conditions which differ to a significant extent to those stated in your request; or
3. The Council does not issue a decision within 6 months of the Validation Date.

Any request for a Review should be made within 20 working days of receipt of the Decision Notice or within 20 working days of when the Decision Notice should have been issued. I enclose the Review Form for information.

The Decision Notice will be published on the Council's website www.fife.gov.uk and also notified to all parties who have made representations in terms of Regulation 11 of the Asset Transfer Request (Procedure) (Scotland) Regulations 2016.

Yours sincerely



Pp Tim Kendrick
Community Manager (Development)

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- *Review Form*

COMMUNITY EMPOWERMENT (SCOTLAND) ACT 2015 - SECTION 86

REVIEW REQUEST FORM

Name of Community Transfer Body	
Address of Community Transfer Body	
Land or asset to which the transfer request relates	
Reasons for requiring a review	
List of documents upon which you intend to rely. You do not need to re-submit previously submitted documents.	

TERMS AND CONDITIONS

The terms and conditions subject to which we would be prepared to transfer ownership of Leng Home, 59 Kirk Road, Newport on Tay DD6 8JB (the "Asset") to Forgan Arts Centre (the "Applicant") are:

1. The discounted Purchase Price is £200,000 exclusive of any fees or taxes;
2. It shall be a pre-condition of the sale that the Applicant exhibit evidence that they have confirmation of sufficient funding to undertake any redevelopment required to deliver the services as soon as it is available;
3. A Clawback Agreement will be put in place whereby (a) should the Applicant start using the Asset for a use that is not consistent with your intentions as identified in your business plan or Application (subject to any amendments agreed with the Council) and is not consistent with your constitution (as at the date of entry) or (b) the Applicant sell or otherwise dispose of the Asset, then a Clawback Payment will be made by the Applicant to the Council as follows:

"Uplift in Value" means the difference between:

A: the discounted purchase price of £200,000;

and

B: the Market Value

"Market Value" meaning the figure agreed between the Council and the Applicant (or in default of such agreement such figure as may be determined by an expert) as being the estimated amount for which the Asset should sell at the date of that sale with vacant possession between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion

100% of the Uplift in Value shall be payable for year 0-1. After that the Uplift in Value shall decrease by 6% per annum reducing to 0% on the 15th anniversary of the date of entry.

This is on the basis that the Applicant deliver the community benefit described in their application and business plan.

Consideration will be given to any resources invested by the Applicant during the Clawback period for the purposes of any further reduction in the Clawback Payment.

The Agreement will subsist for 15 years following the date of transfer;

The Applicant shall be required to grant a Standard Security in favour of the Council which, if so agreed by the Council, shall rank second to any security required by a lender or funder who is lending funds for the purposes of carrying refurbishment/improvements works to the Asset for the purposes detailed in your Application and business plan.

4. If the project fails and the Asset is to be sold as part of a winding up process then the Applicant shall, in line with their constitution, must ensure that the body who is acquiring the Asset is a charity or community body whose purposes are the same as - or which closely resemble - the purposes of the Applicant. In this event the Applicant shall first present details of the proposed transferee body and their business plan to the Council to confirm their suitability.

Partnership working requirements (not to be contained within the formal offer of purchase)

1. The Applicant shall submit annual report on the progress of the project to ensure the benefits are being delivered, to contain information on number and extent of classes, workshops and events, third party use and other services outlined in their business plan. Information should also be provided on staff numbers and volunteers.
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