

City of Edinburgh Council Application for an Asset Transfer

Stage 2 – Sustainable Business Case

Introduction

Following assessment of a Stage 1 Expression of Interest by a Panel, your organisation may be invited to progress your proposals, setting out in further detail the wider community benefits, provision of services and financial aspects of your proposals that could enable the transfer of the land and/or building currently owned by the City of Edinburgh Council.

This form provides for the following:

- Section 1 - Guidance on the Council's Asset Transfer Policy and on submitting a request at Stage 2;
- Section 2 - Sources of free and specialist (with a fee) advice and support in progressing a detailed capability and financial plan;
- Section 3 – Completing the Stage 2 Form. This addresses the wider community benefits, proposed provision of services, the costs involved and how you intend to maintain ownership and revenue provision over many years. (The form can be completed and submitted electronically).

Section 1 - Guidance

You should read the [Scottish Government Guidance for Community Transfer Bodies](#) to ensure that you have included all the information required for this submission to comply as an Asset Transfer request. Specific timescales for submissions apply and you should make yourself familiar with these.

Applicants should also read the Council's Asset Transfer Policy prior to completing an initial request (Stage 1 – Expression of Interest Form) or the more detailed Stage 2 – Sustainable Business Case.

Question - Why do we need to set out our detailed proposals at Stage 2 for using the asset and how the project is to be funded?

Answer: Your application will be considered by the Council's Finance and Resources Committee. The Committee needs to know that the proposals contain a number of key factors, for example;

- Is there evidence of strong community support for your proposals for use of the asset and any related impacts taken into account?
- Is there a considered analysis of the market for the use of the asset as this lets Committee know that other services/provision has been examined within the local area and across the City?
- Have the financial aspects of acquiring and using the asset been thoroughly examined to ensure that any risk is minimised and that the prospect of returning to the Council for assistance or for requests for funding is minimal?

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Question – What is a Sustainable Business Case, what should be included and how should this be presented?

Answer: A detailed Business Case is required to cover a period of years, setting out how you intend to use and finance the asset.

The sustainability aspects relate to; (i) how you intend to continue long-term ownership, (ii) arrangements for strong governance and intended operations including financial arrangements for long-term growth, (iii) improving community benefit and (iv) minimising any harmful environmental impacts.

In relation to how your plans should be presented, this is a matter for you to decide, so long as your Stage 2 Business Case provides the level of detail required.

Question - What can be included within a sustainable business plan?

Answer: The following is provided for additional guidance only and is not comprehensive because plans for the use of an asset will be different in each case. You may wish to consider some of these elements within your plan which will help make use of the asset a success.

Part A

Market and operational environment:

- strategic fit between the business objectives of the community body and the proposed use of the asset;
- impact of taking on the asset based upon current and future capacity and capability;
- the skills of the community body that will enable sound management and productive use of the asset;
- the strength of partnership to take on and make the asset a success, in particular clear identification of the community benefits arising from the transfer of the asset;
- current capacity and what partnership arrangements exist to enhance the prospects for medium and long-term success of the use of the asset;
- is there a clear business growth plan and marketing plan in place in order to maximise the use and income generation prospects;
- why the asset is needed and its intended use - aligned to local policy, strategy and community needs;
- define the economic, social and environmental benefits of the use of the asset and the advantages in this regard of the proposal;
- demonstrate engagement with the wider community in order to ascertain usage and success of the proposal;
- management of risk, accounting for unforeseen circumstances and avoiding putting at risk the core organisation/partners;
- information on the strength of commitments by interested parties;
- the most advantageous delivery model and governance structure to manage the asset during/post transfer.

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Part B

Financial management - Budget and income, provides evidence of:

- revenue costs are known and plans take these into account;
- repairs and other improvements to the asset are taken into account to reflect the business proposition;
- projected income/expenditure plan for at least five years to identify a range of sustainable income streams;
- financial risks to both the asset and applicant organisation;
- projected utilisation and cash flow forecasts;
- market analysis and mitigation of financial risk for partners and the wider community;
- available funds to invest in the asset.

Section 2 – Sources of Advice and Support

In examining the use of an asset for the benefit for the community it may be helpful for you to request specialist help and support. The following organisations* are independent of the Council and can provide additional support if requested. Dependent upon the nature of the request, some of these will be free and some may apply a fee.

- [Development Trust Association Scotland](#)
- [Edinburgh Business Gateway](#)
- [Edinburgh Third Sector Interface](#)
- [Community Shares Scotland](#)

Also,

- Council and the Community Learning and Development Service

*Other support agencies are available and this should not be interpreted as an endorsement from the Council.

Sources of further information and reference* are also available, some of which are as follows:

- [SME Business Planning Toolkit](#)
- [Starting a Social Enterprise – Business Planning](#)
- [Business planning – 8 critical success factors](#)

*Other sources of information and advice are available and should not be interpreted as an endorsement from the Council.

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Section 3 – Completing the Stage 2 Sustainable Business Case Form

Assessment Scoring

Question: How will Stage 2 submissions be assessed?

Answer: A scoring matrix will be applied in the assessment of proposals and these will consider the proposed use and financial provisions made for the asset.

The following scoring will apply:

<u>Score</u>	<u>Criteria</u>
0 = Poor	Little or no response in regards to the submission with ill defined unrealistic ambitions
1 = Weak	The submission contains only minor detail and is not based on robust information
2 = Moderate	The submission provides a level of detail which enables understanding with acceptable projected benefits
3 = Strong	The submission provides sufficient evidence that the issue has been taken into account with sound, sustainable Best Value characteristics
4 = Very Strong	The applicant has included all the issues in the submission and has provided additional information which enables detailed understanding with strong and sustainable Best Value characteristics with robust related project benefits

Assessing Equality and Rights and Sustainability Impacts

The Council under the Equality Act 2010 and the Climate Change (Scotland) Act 2009 with the related Public Sector Duties is required to assess whether there are any detrimental impacts potentially arising within asset transfer proposals and to identify how these can or should be mitigated. Council officers will assist you in the development of these assessments which are used by the Council in the decision making process. Questions are included within the application form (see part C).

Completing the Stage 2 Form

The key questions in the form below are designed to tell Committee about the governance of your organisation, your detailed plans for the asset, support from the local community and other interested parties, financial plans, current relationship with the Council and other information. Information contained within the application will however be shared with those involved within the decision-making process and data protection and commercial confidentiality arrangements will apply on such occasions.

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The Stage 2 Form contains sections for (i) information on the key elements of the Business Case, (ii) information on how the asset relates to Council policy outcomes and/or key public strategies in Edinburgh and (iii) any additional information. Please ensure that if you have a separate Business Case that you attach it to your Stage 2 Form as this will avoid the need for any delays in the assessment of your submission.

Please note that:

- Council officers may require a number of follow-up meetings to discuss your proposals. This is with the aim of better understanding your intentions.
- The minimum timelines, whilst set out in the policy, may be extended for particularly complex submissions, for the briefing of community members and other interested parties including local elected members, or where there is a delay in submitting additional information beyond the control of those involved.

Finalising your submission and accompanying information

Please ensure that you answer all of the questions asked throughout the form. Failure to fully respond may delay your request being considered by the Council.

Please also ensure that:

- a) You attach the required documents as identified at the end of the form,
- b) Three people from your organisation sign off the application. This is to ensure that the Board of Directors/Management Group are aware of and support the submission.

Please return the form to:

Property and Facilities Management
G4 Waverley Court
4 East Market Street
Edinburgh
EH8 8BG