

Report to:	EXECUTIVE CABINET
Date:	23 June 2021
Executive Member:	Councillor Oliver Ryan – Executive Member for Finance and Growth
Reporting Officer:	Jayne Traverse – Director of Growth Paul Smith – Assistant Director, Strategic Property
Subject:	COMMUNITY ASSET TRANSFER POLICY
Report Summary:	<p>This report:</p> <ul style="list-style-type: none"> • Provides the Council with a proposed policy for the implementation of a Community Asset Transfer Policy • Seeks approval to formally implement this Policy
Recommendations:	<p>That Executive Cabinet be recommended to:</p> <ul style="list-style-type: none"> • Approve the Policy for the Community Asset Transfer of Council owned Land and Property Assets (as attached in Appendix 1). • Note that any Community Asset Transfer that does not strictly adhere to the Policy attached to be referred for further consideration via an Executive Decision. • To note that all proposed Community Asset Transfers have been subject to a Ward Member Consultation process in conjunction with the Executive Member for Finance and Growth.
Corporate Plan:	The proposed Community Asset Transfer will deliver Corporate Priorities – nurturing our communities, improving the wellbeing of our population.
Policy Implications:	A formal Community Asset Transfer Policy aligned to the Councils Disposals Policy is required in order to ensure a consistent and transparent approach to Community Asset Transfer.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>The report and supporting appendices provide details of the proposed Community Asset Transfer Policy.</p> <p>Any asset proposed for transfer via this policy will be subject to the necessary due diligence on the related financial impact on the Council associated with the transfer. This will also include the impact on any existing savings proposals for the rationalisation of the Council estate.</p> <p>The due diligence will need to include savings that will be realised on the related asset's existing annual expenditure, the avoidance of any future building maintenance related expenditure, the loss of any annual income that is or may be realised and also the loss of the potential capital receipt that would be realised if the asset is approved as surplus for disposal.</p> <p>In addition the community based economic benefits that will be realised by the Council and wider public services across the borough will also need to be evaluated for any such transfer.</p> <p>It is essential these details are included within the business case for any proposed transfer in advance of consideration by the relevant Executive Member for approval.</p>

Legal Implications:
(Authorised by the
Borough Solicitor)

It is perhaps important to note that this policy does not relate to Assets of Community Value, which are land or property of importance to a local community which are subject to additional protection from development under the Localism Act 2011; and which are recorded on the Council's register of assets of community value.

This Policy sets out a framework for identifying Council owned land which could be used by voluntary and/or community organisations to deliver services which would benefit the community, whilst delivering savings for the Council, but which might be at less than market value.

This Policy must of course comply with all necessary laws, but significantly it sits alongside the Council's Policy adopted in September 2020 "Disposal of Council Owned Land", so any decisions taken under this Policy must always be consistent with that overarching policy and the impact of any revisions to that policy must be considered in the context of this Policy.

Community Asset Transfers are now well established in Local Government and there are a wealth of information resources on the internet setting out the benefits and challenges associated with such transfers. Having a formal Policy is significant in helping to maximise the benefits whilst reducing and mitigating the challenges in what can be complex transactions.

It is noted that alongside any property transfer agreement, there is proposed a separate performance monitoring agreement. This is an additional layer of administration that is not actively used at present by the Council. Monitoring of performance will be critical in ensuring that any assets transferred under this Policy are properly used.

Procurement legislation will need to be considered when entering into performance monitoring agreements.

Cabinet need to ensure they are happy with the proposed decision making framework and in particular as set out in the policy at para

12.3.7 The decision to enter into a Lease as part of a Community Asset Transfer sits with the Director of Growth as described in the Constitution agreed 25 July 2019, Part 3a – Terms of Reference and Scheme of Delegation; F. Director (Growth), and any subsequent revision thereof. The Director shall exercise this power in consultation with the Executive Member for Finance and Economic Growth.

12.3.8 Any deviation from this policy, including any amendments to an existing Community Asset Transfer agreement, will be considered on their own merits and will be subject to obtaining further approval by the Executive Member for Finance and Economic Growth in conjunction with the Director of Growth

12.3.9 If the Executive Member for Finance and Economic Growth or Ward Members are not in agreement with the recommendation, the matter will be referred to Board before requesting Director and Executive Member Approval.

Note:

Any recommendation fully supported by the Executive Member and Ward Members will not be reported to Board.

That said it should be noted that it is the size of the decision which will determine the route that must be undertaken so a decision affecting two or more wards or having a financial impact of more than £30K not accounted for in budget would make it an Executive Key Decision requiring a report to be published 7 days in advance of making any decision.

Risk Management:

The Council is like to encounter the following risks should the Policy not be adopted:

- A loss of Community Facilities, if opportunities are not presented to the VCS by the Council
- A lack of a transparent and open process when considering the transfer of a Community Asset
- A financial risk to the Council in the ongoing maintenance of vacant buildings

Background Information:

APPENDICES

Community Asset Transfer Policy

- 6.1 (A) – CAT Process Flow Chart
- 6.1 (B) – CAT Expression of Interest Form
- 6.1 (C) – CAT Full Application Form
- 6.1 (D) – CAT Assessment Matrix
- 6.1 (E) – CAT Draft Heads of Terms

The background papers relating to this report can be inspected by contacting Georgia Cayton – Senior Surveyor



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1. PURPOSE OF THE REPORT

- 1.1 To set out a Community Asset Transfer Policy (CAT Policy) for the Council.
- 1.2 The key aims of the policy are to:
 - Support voluntary and community organisations within the Borough of Tameside;
 - Provide a fair and transparent framework for the Community Asset Transfer of Council owned property assets;
 - Help the Council to achieve savings in its costs of managing property;
 - Support continued delivery of services through transfer to voluntary and community organisation;
- 1.3 A Community Asset Transfer is at the discretion of the Council. It differs from a community organisations' statutory right to nominate assets for inclusion in the Council's register of Assets of Community Value, nor the Right to Bid to provide services introduced by the Localism Act 2011.

2. BACKGROUND

- 2.1 The Council recognises the positive contributions that Voluntary and Community Sector Organisations bring to Tameside. The purpose of this policy is to facilitate and support communities to access Council property assets for this purpose.
- 2.2 Community Asset Transfer presents local communities with the opportunity to breathe new life into public buildings, to preserve valuable community resources or develop exciting new services for local communities. It provides options for the future use of these assets to enable the continuation of services, which have been challenged because of cuts to funding.
- 2.3 Tameside Council benefits from a strong Voluntary and Community Sector with an estimated 1,167 voluntary organisations and 34,000 volunteers operating within the Borough.
- 2.4 Putting in place a Community Asset Transfer Policy is an active management step to support the communities of Tameside to reduce their reliance on Government funding and to take ownership of their own local areas.
- 2.5 Community Asset Transfer is the transfer of ownership or management of land and property at less than market value, subject to the Local Authority demonstrating that in doing so it will result in local improvements to social, economic or environmental well-being. The legislation which supports this is the General Disposal Consent (England) 2003.
- 2.6 Community Asset Transfer generally involves the grant of a lease, which can be either for a short term of 5 years or a longer term in order to support an organisation in its bid to secure external capital funding.

3. CURRENT POSITION

- 3.1 The Council currently provides property used for direct community use along with office accommodation for partner VCS organisations. In addition to occupied properties, the Council has a number of land holdings used for community purposes throughout the Borough. A number of these existing leases have or are reaching lease expiry and require a formal lease renewal with tenants in some cases requesting leases of over 25 years to enable them to secure external capital funding.

- 3.2 Although there have been a number of lettings to Community Groups and a draft policy was previously produced, the Council has no formal policy when considering the grant of a lease of a Community used asset, whether that relates to land or property.
- 3.3 The lack of a formal policy presents a risk to the Council as it lacks governance, transparency and brings uncertainty to officers and community groups when negotiating lease terms and rentals. In adopting a formal approach, approval to transactions can be obtained and concluded without unnecessary delay.
- 3.4 One of the priorities of the Councils Corporate Plan is 'Nurturing our communities' and therefore acknowledges the value of communities within the Borough and the valuable work carried out by VCS organisations. When considering the services provided by VCS organisations it is clear that they touch upon all of the priorities identified as they work with residents from birth to aged 90+. It is therefore important to recognise the value added by VCS organisations.
- 3.5 Equally important to consider is the role which VCS organisations have in supporting the delivery of services to the local community. In recent years, Local Authorities have experienced significant austerity and in many cases are no longer able to deliver the full range of services previously offered. VCS organisations have often come forward to aid in the continued delivery of these services.
- 3.6 Where there is an existing lease to a community group, then in the majority of cases it is on an internal repairing basis only with the Council remaining responsible for external repairs and maintenance. It is proposed that as part of the Community Asset Transfer policy that the tenant organisation will be responsible for all repairs & maintenance, statutory maintenance and insurance of the building.

4. COMMUNITY ASSET TRANSFER POLICY

- 4.1 The proposed Community Asset Transfer Policy is attached as **Appendix 1** to this report.
- 4.2 The proposal to transfer a property to the VCS sector will in most cases be prompted by the Council identifying a property asset that it deems surplus to its operational requirements, which it then offers for CAT. The Council will review its portfolio to identify assets suitable for transfer under the CAT policy. In some circumstances, the Council may receive a speculative approach from a VCS organisation seeking a building for community use.
- 4.3 The purpose of the policy is not to generate capital receipts but to support the delivery of community and wider services by relevant organisations.
- 4.4 Each application will be considered on its own merits. The Council will, where it can, provide assistance and will take a fair, consistent and transparent approach to each case.
- 4.5 The responsibility for the production of a Business Plan will be that of the applicant. The Business Plan must satisfy the Director of Growth or successor role and the Councils Cabinet members.

5. RECOMMENDATION

- 5.1 As stated on the report cover.