

Report to Cabinet

Subject: Draft Community Asset Transfer Policy for Consultation
Date: 30 July 2015
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Wards Affected

All

Purpose

To agree a draft Community Asset Transfer Policy for consultation.

Key Decision

This is a key decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising two or more wards of the borough.

Background

Gedling Borough Council owned buildings, land and premises have been occupied by various local groups, organisations and sports clubs for many years. Typically this has been documented by licensing playing fields and pavilions to local community sports clubs and leasing community centres and other space to community organisations and associations. Previously there has been no clear policy for the Council to follow when undertaking these transactions, so licences and leases have often been negotiated and agreed in a reactive and ad-hoc manner.

In March 2014, the Council made a budget decision to explore the community asset transfer of its community centre portfolio as a means to achieve necessary budget efficiencies. It is proposed that the first step for embarking on a future asset transfer programme should be the development of a community asset transfer policy for the Council. Such a document sets out a framework for the Council to follow when it considers the transfer of its buildings or land to different forms of community

ownership.

The Council is also reviewing its Playing Pitch Strategy. This work will identify local need in terms of facility provision for the most popular community sports in Gedling and an up to date Strategy will mean the Council and its community partners will become eligible for Sport England and Football Foundation funding to enhance the Council's playing pitch assets.

The Parks and Street Care Service Area will be reviewing its existing licence arrangements with local sports clubs once a new Playing Pitch Strategy is agreed. An asset transfer policy will also provide guidance through this process.

Proposal

Draft Asset Transfer Policy

It is proposed that the Council adopts a community asset transfer policy to ensure as an organisation it can work in a consistent manner when embarking on community asset transfer. The purpose of the policy is to enable the Council to assess applications for community asset transfer against clear criteria that ensures any transfer meets Council objectives and is in the best interests of the community.

Appendix 1 sets out a draft Community Asset Policy for Gedling Borough Council. This Policy defines:

- what community asset transfer is
- national and local context that guides why we might pursue asset transfer
- benefits and challenges of asset transfer
- Gedling's principles of asset transfer to be adopted
- the process we will undertake when pursuing asset transfer.

Key elements of this policy are the need to define criteria to assess both the viability of an asset for transfer to a community organisation, but also the eligibility of such an organisation to take on the running of a community asset. It also defines the need for appropriate legal agreements between the Council and any community organisation taking on an asset.

Asset Management Group

It is recommended that the Council's Asset Management Group develops and oversees any options appraisal of assets when considering suitability for transfer.

Equality Impact Assessment

An initial equality impact assessment of the introduction of the policy has been carried out and is attached as Appendix 2. The Council will conduct an Equality Impact Assessment of any proposed transfer of a facility.

Final Decisions on Asset Transfer

Cabinet approval will be obtained in relation to asset transfer that involves a long lease or freehold given its significance and public interest. Delegated authority is in place for officers to make decisions regarding the granting of licences and some leases.

Consultation

Once the draft policy is agreed it is proposed to undertake a community consultation on the Policy for a six week period. This consultation will take account of relevant statutory guidance in line with the best value duty. The draft policy will be made available to all stakeholders and the wider community on the Council's website. There will also be direct consultation with specific community stakeholders, such as community centres user groups and sports clubs who licence pavilions and playing fields. Feedback from this consultation will be analysed and the findings used to shape the final Policy. The final Policy will be presented to Cabinet for adoption.

Actively Approaching Community Groups

In certain instances, it may be the case that the Council actively approaches local community organisations to take on our assets. For example regarding the Council's community centre buildings where there are currently organisations operating from these buildings who have already expressed an interest in possible asset transfer, or who already have some form of licence or lease agreement with the Council.

Leisure Centre Strategy

Although the draft Community Asset Transfer Policy refers to the Council's land and buildings, at this stage the future management of the Council's own leisure centres will be directed by the emerging Leisure Centre Strategy.

Alternative Options

The alternative is not to adopt a policy that guides how the Council undertakes its future community asset transfer. There are a number of risks associated with this:

- a thorough assessment of whether Council assets are suitable for transfer is not undertaken and potential liabilities are offered to the community
- the capacity of a community organisation is not thoroughly considered when offering an asset, posing the risk of a transfer venture failing

- the potential financial, legal and on-going support implications are not understood from the outset when pursuing any asset transfer process.

Financial Implications

Budget Council in March 2014 proposed the transfer of community centres to community organisations to achieve savings £134,100 in the operational community centre revenue budgets.

Since that decision officers and Members have discussed that the first step should be the adoption of a community asset transfer policy that defines how we proceed with such a process. As a result the proposed budget savings have been profiled in line with expected asset transfer timescales for community centres delivering £13,700 in 2016/17 and £120,400 in 2017/18.

At the heart of the proposed policy is the need to assess the viability of both an asset and community capacity before we proceed with asset transfer. Such an assessment is likely to highlight factors that will potentially have financial implications on the Council. For example, the need to undertake a condition survey for a community building. Likewise, financial resource may be required to ensure a community organisation has a robust business plan to deliver asset transfer. This could be in the form of initial legal costs, business plan development, advice or a grant to support the first few years of management.

In addition, it is likely that the Council will need to draw upon independent legal advice if there are areas of legal consideration that fall outside the expertise of the Council and where the Council does not have the current capacity to provide full legal support.

Change management costs, such as those outlined above, can be accommodated within the Council's Transformation Fund budget which was approved for this purpose.

Community Ownership and Management of Assets Programme

The Council has been successful with an application to the national Community Ownership and Management of Assets programme run by Locality. During 2015/16, this will provide the Council with access to:

- up to 10 days of dedicated relationship management support from an experienced broker from Locality to help develop multiple community asset ownership and management projects and/or a complex/ground-breaking single asset transfer project.
- up to 6 additional days of specialist/technical assistance to undertake business planning for specific transfer propositions.
- pre-feasibility grants of up to £10,000 for application by organisations within our area. The grants will be aimed at developing an organisation's capability to

take over asset ownership. However, for this element initial timescales for applications are tight and specified as the end of July 2015.

The support from Locality will result in an action plan defining the potential for pursuing community asset transfer of the Council's community centres. The minimum requirement of the programme by 31 March 2016 is for two assets to be identified for potential transfer within this plan. The programme provides an opportunity to draw upon external expertise free of charge when finalising our community asset transfer policy.

Appendices

Appendix 1: Draft Community Asset Transfer Policy for Consultation.

Appendix 2: Equality Impact Assessment.

Background Papers

Budget Council, March 2014

Recommendation(s)

- Cabinet agrees the Draft Community Asset Transfer for Consultation
- Cabinet agrees that a consultation is undertaken for six weeks to seek the views of stakeholders and the local community on the proposed policy.

Reasons for Recommendations

- To establish clear criteria for community asset transfer that ensures any future transfer meets Council objectives and is in the best interests of the community.
- To seek a view through consultation to inform the final policy.