APPENDIX 4

CABINET

Community Asset Transfer Strategy

Joint Report of Executive Director, Economy Place & Skills & Executive Director People Communities & Society

Portfolio Holders: Cllr John McCann, Regeneration & Environment & Cllr Mark Alcock, Citizens & Neighbourhoods

9th March 2011

Officer Contact: Anne Fleming
Capacity Building Co-ordinator( Asset Transfer), PCS Ext. 8172

Officer Contact: Cath Conroy
Asset Management Team Leader, EPS Ex. 4424

Purpose of Report

The purpose of this report is to seek Cabinet approval for the draft Community Asset Transfer Strategy which has been developed jointly by EPS and PCS Directorates and inclusion of the Strategy within the Council’s Land and Property Protocols.

Recommendations

It is recommended that the Community Asset Transfer Strategy is approved and included within the Council’s Land and Property Protocols.
Community Asset Transfer Strategy

1 Background

1.1 In November 2008 an Overview and Scrutiny Task and Finish Group was established to work with other Directorates and partners to develop a policy framework for the disposal of surplus property to community groups.

1.2 The Overview and Scrutiny Task and Finish Group consulted with a number of community associations to identify the support needs and property/accommodation issues facing community centre management committees. The group also considered a recent community development and engagement needs assessment which highlighted the need to review the current policy framework.

Key findings from the Overview and Scrutiny Task and Finish group were that:

- All existing arrangements need to be reviewed to fit with this new policy framework.

- Community Groups need to demonstrate community use and long term financial viability by providing business plans to support applications to secure the transfer of assets or lease agreements for community use.

- Community Groups should demonstrate how the potential transfer of assets and leasing arrangements support Council objectives. (This will need to be set out as part of the business plan submission).

- A number of pilot projects to ‘test’ the policy framework should be developed, starting with Springhead Community Association. In due course, it was felt that it could be useful to assess other opportunities within the wider voluntary sector, where the potential gains from an initiative may encourage a broader approach.

1.3 On 9th September 2009 Cabinet approved these findings. As a result in December 2009 an officer was recruited whose remit was to lead the Community Asset Transfer programme, provide support to Springhead
Community Association in their journey towards asset transfer, write a community asset transfer strategy and policy framework and offer capacity building support to a number of other community centres and community organisations.

1.4 In January 2010 a successful application was made by this officer for inclusion on to the government funded Advancing Assets Demonstration Programme. This programme, run by the Development Trust Association (DTA) in conjunction with the Asset Transfer Unit, offered support in a number of areas. These included developing strategies and policies, supporting partnership working, offering free legal advice and commissioning specialist support for Springhead Community Association.

1.5 Work with Springhead Community Association has progressed successfully and the draft Strategy reflects the learning developed throughout the process.

1.6 The group were incorporated as a Company Ltd by Guarantee in August 2010 and have submitted an application form for asset transfer which has been assessed and approved. A robust business plan has been developed with the support of Community Matters (a charity working with Community Associations) and the Community Capacity Building Team (CCBT).

1.7 A full risk assessment has been carried out in relation to the operation of the centre.

2 Current Position

2.1.1 The draft Strategy supports the vision of enabling communities to do things for themselves, with community leadership and community based provision of services being encouraged. This is closely aligned with both the Oldham Prospectus and the Localism Bill currently progressing through Parliament.

2.1.2 Community Asset Transfer is one of the key Themes identified as part of the AGMA Collaborative Programme: Property and Asset Management, which is part of the current overall AGMA wide efficiency programme. Currently, Salford are the only AGMA authority with an approved policy, and there is an in principle agreement to secure consistency across GM in this regard.

3 Options/Alternatives

3.1.1 Do nothing is not considered to be an option as there are currently a variety of different arrangements in place across the Borough in relation to third sector occupations of Council owned premises. It is imperative that there are consistent and transparent policies in place to ensure equity in delivery, without compromising the authority’s financial integrity/fiduciary duty.
3.2 In addition, in light of the Localism Bill, it is crucial that the Council has a robust policy in place.

4 Consultation

4.1 A stakeholder group was set up in April 2010 to monitor the Springhead pilot community asset transfer and progress towards an asset transfer policy and strategy. The members of this group included representatives from Springhead Community Association, representatives from several Council departments including legal services, property services, finance, the neighbourhood manager for the relevant District Partnership, the capacity team, elected members, representatives from the DTA and Community Matters, Voluntary Action Oldham, the Voluntary Community and Faith Partnership and Oldham Community Accountancy Services. A further meeting took place in September 2010 in which progress was monitored and comments on the strategy sought.

4.2 Officers from Legal and Finance have been consulted on the draft Strategy.

5 Financial Implications

5.1 The financial implications of the proposed Community Asset Transfer Strategy will vary depending on many factors, such as the number of enquiries from community groups, the complexity of their proposals and the type of properties involved.

5.2 In addition to the officer time and other necessary costs in responding to enquiries through to creating legal agreements, there are also ongoing costs in respect of monitoring the agreements and annual reviews.

5.3 It is anticipated that transfer of assets to community groups will also transfer maintenance and other property holding costs from the Council to these groups.

5.4 The proposed strategy allows for the possibility of community groups being charged rent and other charges for occupying the assets. Any charges will be revenue income to the Council.

5.5 It should also be noted that the transfer of some assets, either at nil rent, reduced rent or disposal, will result in a reduction of the Council's ability to generate revenue income from these assets.

5.6 The net effect of all the above will need to be managed from within existing revenue budgets.

5.7 It is essential that the agreements protect the Council assets and the Council's position as landlord.
5.8 The financial implication of each community asset transfer will need to be detailed in the individual reports as the proposals are progressed through the strategy.

(Phillip Crossley)

6. Legal Services Comments

The Community Asset Transfer Policy anticipates that a property is leased to the Community Organisation, who will then be responsible for all costs associated with its occupation of the property, including repairs and maintenance, rates, insurance, heating, lighting etc. and the community organisation must be able to demonstrate objectively how the transfer will ‘...contribute to the achievement of the promotion or improvement of the economic, social or environmental wellbeing of the whole or any part of the area’

The contribution a community asset transfer can make to the economic, social or environmental wellbeing of an area can be demonstrated by the benefit over time to the Council in that the value of the asset is maintained and the wider community is served meeting the Council’s objectives as set out in the Corporate Plan.

The Council does recognise that certain community organisations may need support to achieve the required level of expertise and experience and that there are different levels required for community asset transfer and this will be borne out by the length of the lease a community organisation will take on and understands that this must also reflect the requirements of the community organisation with regard to future funding for projects that the community organisations will be taking on therefore the criteria that these community organisations have to meet before being able to enter into a lease with the Council should vary in accordance with the length of the lease and the level of responsibility and control being passed on to the community organisation.

If a community group is encouraged to proceed to an asset transfer the lease should be tailored to the individual circumstances of the transfer bearing in mind the financial value of the asset, the existing community facilities in the local area, and the sustainability of the group. (Doug Chisholm)

7 Human Resources Comments

7.1 N/a

8 Risk Assessments

8.1 Full risk assessments will be completed as part of any individual transfer. Consideration of risk is identified within the Strategy documents and Appendix
9 IT Implications
9.1 None

10 Property Implications
10.1 Are covered within the attached draft Strategy. (Cath Conroy)

11 Procurement Implications
11.1 None arising from this report.

12 Environmental and Health & Safety Implications
12.1 Respective responsibilities will be clarified within individual leases.

13 Equality, community cohesion and crime implications
13.1 Adoption of a Strategy will ensure that community groups across the Borough are treated in consistent, transparent manner

14 Equality Impact Assessment Completed?
14.1 No

15 Key Decision
15.1 Yes

16 Forward Plan Reference
16.1 PCS-34-10

17 Background Papers
17.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref : CC/CATS
Name of File : Community Asset Transfer Strategy
Records held in EPS Department, Civic Centre, Oldham
Officer Name : Cath Conroy/Anne Fleming
Contact No : ext. 4424/ ext. 8172

18 Appendices
18.1 Draft Community Asset Transfer Strategy
Appendices 1-6