

OVERVIEW AND SCRUTINY BOARD

Extending the Co-operative Approach to the Use of Council Asset Policy – Task and Finish Group Interim Report

Report Author: Councillor McLaren, Chair

16th June 2020

Reason for Decision

For progress on the Task and Finish Group regarding the extension of the Co-operative Approach to the Use of the Council Asset Policy to be noted.

Executive Summary

The report provides an update on the progress of the Task and Finish Group addressing the extension of the Co-operative Approach to the Use of the Council Asset Policy.

Recommendations

It is recommended that the Overview and Scrutiny Board note the information contained

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1.0 Introduction

1.1 Oldham Council’s Medium Term Property Strategy (MTPS) was approved in August 2018. One of the work streams within this strategy related to increasing the number of assets to be transferred under Community Asset Transfer (CAT) in order to reduce the Council’s current “holding costs” associated with this portfolio of assets.

1.2 A further report relating to the “Proposed Revisions to the Co-operative Approach to the Use of Council assets Policy” (CAUCA) outlining the difficulties arising from the current CAT process was approved in March 2019. The report focussed on a strategy to streamline the process and included the following recommendations:

- 1) The proposed revised Co-operative Approach to the Use of Council Assets policy.
- 2) Use of an application form and assessment matrix with effect from 01/04/19.
- 3) Limiting applications to a period of twelve months in which to complete a lease or other form of occupational agreement otherwise the group has to either re-apply or the Council may withdraw and seek to dispose of the asset if substantive or meaningful progress towards a CAT is not made by the applicant/group.
- 4) Request CAT applicants where the Council has yet to receive a full business case to complete the application form and be advised of the assessment matrix, the revised process or time limits in order to progress matters.
- 5) Note that groups occupying Council assets and where no formal lease is in place that the Council will no longer be in a position to cover running costs and repairs and maintenance. Notice periods and engagement with groups will follow if this is approved.

1.3 The report also refers to a lack of resources (Section 2.1.2) as follows:

- Limited resources within Unity Partnership – currently one part time member of staff working ten hours per week.
- Lack of resources and competing work streams within Legal Service and Finance.
- Lack of resources and funding for Action Together (AT), that is, the Council’s partner in assisting groups with the CAT process.

1.4 The report also suggests (section 2.2.4) that it is clear from the MTPS (section 6.6) that:

“To support a CAT, applicants will need to prepare a business case with a robust financial plan that demonstrates a clear community and social demand for the proposed use. The business plan will also address the organisational capacity of the group that wishes to take over the asset and an appreciation of the ongoing property management responsibilities; as and when an asset is transferred, these responsibilities will pass from the Council to the organisation applying for the asset.”

In addition, it should be recognised that CAT (section 3.2):

Is not suitable for all properties or for all organisations. The Council will continue to work with local organisations to ensure that a range of tools, programmes and initiatives are in place to support the strong and sustainable voluntary and community sector within the Borough.

Consultation relating to report (section 7.1) was as follows:

The principle of adopting the preferred option was considered and approved. It was not referred to Overview and Scrutiny at any stage.

In November 2019, the Council (under rule 16 of the Constitution referred a report to the Chair of Overview and Scrutiny Management Board (O and S) for an urgent decision) endorsed a recommendation in support of the voluntary sector infrastructure as follows:

Option 5 – Increase the funding for the Voluntary Sector Infrastructure Support whilst incorporating the requirements for the provision of accommodation support for the VCSFE Sector.

This is the preferred option as it would mean that the offer of intensive and specialist organisational development for community groups is maintained without creating additional pressure on Action Together to be able to meet the demand.

An award of £271/000 is an increase in the amount allocated to the voluntary infrastructure grant. However, as a result of a contribution of £32,000 from CCG, we would still be able to achieve the required 10% reduction and contribute to the corporate savings target.

The report continues (section 4.5) as follows:

This is the preferred option as it would mean that there is a wider offer available to community groups around exploring and securing suitable accommodation, including support to apply and prefer for CAT if this was the most suitable option.

There would also be continued support for the CAT process from a Council perspective which would contribute to the achievement of the revised performance target of eight assets transferred to community groups over the lifetime of the CAUCA policy. Retaining this support for the VCSFE sector contributes to all three sectors of the Oldham Model, namely, Thriving Communities, an Inclusive Economy and Integrated Services.

It continues as follows below:

Increasing the overall infrastructure grant, which is the core funding for AT, would mean that the support around accommodation for the VCSFE sector would be retained without reliance on corporate reserves and would ensure that AT had the appropriate resources to maintain the offer to the VCSFE sector in Oldham.

At the same time, a series of attempts by elected members to find a means of promoting the re-establishment of a community café in Chadderton WBC proved fruitless. A number of meetings with Council officers, representatives of AT and Community First (PFI owners of Chadderton WBC) demonstrated that there

appeared to be no degree of co-ordination between officers and organisations to pursue any option (not to mention the cost involved).

- 1.5 At this point, O and S were asked to consider establishing a task and finish group. At their meeting on 23 July 2019, the Management Board endorsed the terms of reference as set out in the attached Appendix One.

The task and finish group consisted of Cllrs Barbara Brownridge, Martin Judd (until his resignation) and Colin McLaren who arranged meeting with various officers and a representative of AT. A meeting was also arranged with Wigan Council which took place on 30/09/19. It seems that much of their approach informed the report approved in March 2019.

However, there is one important difference. Wigan Council had established a small unit of officers with specific responsibility to liaise with community groups and organisations to provide legal advice and support for negotiating a lease, writing a business plan and preparing applications for funding etc.

The information which has come to light, so far, would suggest that many groups and organisations in Oldham can demonstrate enthusiasm and commitment. However, many of their members do not always possess the necessary background and experience to engage in any process relating to CAT (such as negotiating a lease, or developing a business plan) which are associated with the use of Council owned buildings for community activities.

- 1.6 It is suggested, therefore, that clarification is needed for some, or all, of the following:

- Is the revised policy clear as to why the Council wishes to transfer assets? If it is primarily to save money, then it is likely that some initial investment to secure sustainable transfer would be appropriate? The current policy seems to be focusing on reducing the portfolio by relying on community groups and organisations coming forward who are in possession of the necessary skills, as well as the commitment, to maintain and utilise the premises for community activities.
- Some thought needs to be given to the creation of a small centralised group of Council officers to oversee Council buildings that are to be made available for CAT. This would help to ensure that all legal requirements were met and leave the group to use the building for communal activities. It would also help to ensure that they were properly maintained. This approach would also allow the Council to retain the buildings and also allow them to be re-developed for alternative uses in the future (if that was desirable). It is suggested that this may help to secure genuine community use. It is apparent that CAT will not occur to any great extent without considerable input from the Council alongside AT.