

Executive Report

Ward(s) affected: All Wards

Report of Director: Strategic Director - Place

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Community Asset Transfer Policy

Executive Summary

The Council currently does not have a policy outlining the approach and decision-making process governing applications for the transfer of freehold assets owned by or under stewardship of the Council deemed suitable for community asset transfer.

A new policy has been written to guide and ensure a consistent approach is taken by Council officers and Councillors when considering applications for a Community Asset Transfer by a Voluntary or Community Organisation (VCO). The policy is attached at Appendix 1 to this report.

Recommendation to Executive

That the Executive approves the adoption of the Community Asset Transfer Policy, as set out in **Appendix 1** to this report.

Reason(s) for Recommendation:

- The Council does not currently have a policy on the transfer of assets to community groups.
- To deliver community objectives.

Is the report (or part of it) exempt from publication? No

1. Purpose of Report

- 1.1 To request the Executive approve the adoption of a new Community Asset Transfer Policy.

2. Strategic Priorities

- 2.1 This policy supports the corporate priorities detailed in the Corporate Plan 2021-2025 by way of empowering communities and supporting people who need help, specifically ‘tackling inequalities in our communities’, and ‘working with communities to support those in need’.

3. Background

The Local Government and Public Involvement in Health Act 2007 and Localism Act 2011 brought about a number of public sector reforms aimed at creating strong, prosperous communities and delivering better public services through a re-balancing of the relationship between Central Government, Local Government and local people by giving residents a greater say over local services.

- 3.1 The [2007 Quirk review](#) sought to give local authorities a better understanding of how existing powers could be used to facilitate the transfer of assets and how to mitigate the risks associated with the process.
- 3.2 The Council is in the position of a trustee in relation to the land that it holds on behalf of the community. The purpose of the Community Asset Transfer policy is to set out a transparent and consistent approach to applications and a decision-making process governing the transfer of land to a Voluntary or Community Organisation (VCO). The policy defines which VCO’s are deemed suitable for consideration by the Council for a Community Asset Transfer.
- 3.3 The policy also defines the different types of land and buildings and circumstances that may be considered when a Community Asset Transfer application is received. Examples of where a transfer would be considered and supports the Council’s Strategic Asset Management Framework include where an asset:
 - Supports Council community objectives or was formerly delivering such objectives where the asset is now surplus to requirements; or
 - Contributes towards community empowerment and generates social economic or environmental benefits.
- 3.4 Waverley Borough Council has an adopted Community Asset Transfer policy. Its aims and objectives align with this policy that the Executive is being asked to approve.

- 3.5 In order to meet the criteria for transfer, VCO's will be required to provide a business case for their proposed use of the asset. This will need to demonstrate that there is a clear intention for the long-term use of the asset and provide details of the activities the VCO wishes to deliver, as well as demonstrating that they have a secure financial base to ensure long term sustainability.
- 3.6 The policy states that the transfer of an asset will be by way of a lease, with disposals of a freehold interest only being considered in exceptional circumstances. All Community Asset Transfers would be the subject of a specific report to the Council's Executive for approval.
- 3.7 This policy does not preclude the Council still having the ability to grant short-term leases to community groups either at market rent or, under prescribed conditions, at less than best consideration. Such lettings are dealt with separately in accordance with officer delegations set out in the Constitution or by way of an Executive decision.

4. Consultations

- 4.1 Cllr Tim Anderson, Lead Councillor for Assets and Property was consulted and endorses the proposed policy.
- 4.2 The Property Review Group has been consulted and agrees with the recommendation that the policy be put to the Executive for a decision on its adoption.
- 4.3 The Council's Policy Team has been consulted to ensure that the policy meets with the requirements of the Council's Corporate Policy Framework and recommended the policy be put to the Executive for a decision on its adoption.
- 4.4 All Ward Councillors were consulted. Of those that responded, all agreed that the policy was appropriate and fit for purpose, with suggestions made around softening the criteria and timescales. These suggestions have been addressed in this report.

5. Key Risks

- 5.1 The criteria laid out in the policy aims to ensure that any VCOs are clear from the outset what is required of them and on what basis the Council will grant a transfer. The detailed nature of the policy is to mitigate the risks associated with any transfer.
- 5.2 The underlying aim of this policy is to ensure that assets that transfer to a VCO do so for the long-term. This requires the Council to divest itself of ownership and control of an asset, and VCOs correspondingly being able to sustain long term ownership. Granting short term leases to newly

formed organisations would run a higher risk of the transfer failing and the Council not divesting itself of those responsibilities and obligations. This would have a negative impact on the community and on the Council in not delivering its community objectives. As such, transfers will only be granted to suitable organisations with the experience and resources in place to manage a community-based asset over the longer term.

- 5.3 The Quirk Review and guidance around Community Asset Transfer is clear that local authorities must support and work with VCOs to ensure any transfer does not fail. This could have financial and resources implications should the need arise.

6. Financial Implications

- 6.1 The Council faces many current challenges both financial and operational including the prevailing economic environment and impact of the COVID pandemic, reduced government funding leading to a funding shortfall, increased public expectation and a reduction in available resources to operate and run community buildings.
- 6.2 By divesting itself of property assets by transfer to suitable community organisations, the Council can support the economic, social or environmental wellbeing of the community, but can also achieve possible revenue, maintenance and associated operational cost savings. Savings will be dependent on the size and nature of the asset to be transferred and its proposed use.

7. Legal Implications

- 7.1 Any decisions on transfers would have to be agreed by the Executive and a formal disposal would be made either by way of a lease or transfer of the freehold ownership of the asset.,
- 7.2 If the undervalue (the difference between the market value and the proposed transaction) is £30,000 or less and, for lease transaction the lease term is 15 years or less, the Joint Executive Head, Assets and Property may consider using their delegated power under the Council constitution to authorise a disposal at less than best consideration instead of seeking a decision from the executive.

8. Human Resource Implications

- 8.1 The operation of the policy to be adopted will be carried out within existing resources.

9. Equality and Diversity Implications

- 9.1 An Equalities Impact Assessment has been carried out. Please see **Appendix 2**

10. Climate Change/Sustainability Implications

- 10.1 No Environmental Impact Assessment has been carried out as there are no risks Identified as part of the adoption of the proposed policy. However, Community Asset Transfer does promote economic, social and environmental, community well-being and the public health of communities.

11. Summary of Options

- 11.1 Do nothing – Do not adopt the policy. This would not address having a consistent decision-making process and community groups and Council officers would not have a clear procedure to follow if a group wished to submit an expression of interest.
- 11.2 Adopt the Policy – Adoption will ensure that both the Council and voluntary and community groups are clear on the process the Council will follow when considering a Community Asset Transfer. This is the recommended option.

12. Conclusion

- 12.1 Community Asset Transfer is not governed by statutory instrument and is a process agreed by local authorities based on their own community objectives. Adoption of the policy will bring clarity to a decision-making process that benefits the community, helps the Council achieve its community objectives.

13. Background Papers

None

14. Appendices

Appendix 1 – Draft Community Asset Transfer Policy
Appendix 2 – Equality Impact Assessment