

Name of meeting: Cabinet
Date: 22 September 2020
Title of report: Community Asset Transfer Policy 2020

Purpose of report: This report requests that Cabinet considers and approves the Community Asset Transfer Policy 2020, Appendix A of this report. The revised policy will supersede the Community Asset Transfer Policy 2017.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes This Policy will affect all wards within Kirklees.
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>?	Yes Private Report/Private Appendix – No
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	Karl Battersby - 14.09.20
Is it also signed off by the Service Director for Finance?	Eamonn Croston - 10.09.20
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft - 08.09.20
Cabinet member portfolio	Cllr Graham Turner (Corporate)

Electoral wards affected: All wards

Ward councillors consulted: All ward Councillors

Public or private: Public

Has GDPR been considered? Yes. No personal or sensitive data, or other information covered by GDPR, is included in this report.

1. Summary

- 1.1 This report seeks Cabinet approval for an updated Community Asset Transfer Policy.
- 1.2 The Community Asset Transfer Policy 2020 will supersede the 2017 policy. The updated policy has been developed to support the Councils Corporate Vision and shared outcomes.
- 1.3 It has been developed in partnership with colleagues in the Corporate Policy Team and in consultation with Elected Members, Council Services and Community Organisations including the Third Sector Leader network, Locality and the Council's asset transfer network support group.
- 1.4 The policy sets out an improved support and financial offer to community organisations that acknowledges the unique nature and complexity of each individual asset transfer. It will support the success and sustainability of asset transfers in the long term.

2. Information required to take a decision

- 2.1 Community Asset Transfer involves transferring the ownership, either freehold or long leasehold, of land or buildings from a statutory body to a community organisation at 'less than best consideration' – that is at less than its full market value – in order to further local social, economic and/or environmental objectives.
- 2.2 Kirklees Council's initial Asset Advancement Policy was developed in 2013 in response to the Quirk Review and subsequent localism agenda. The policy was superseded by the Community Asset Transfer policy 2017.
- 2.3 Transferring an asset to a local community organisation can unlock community power, encourage volunteer commitment, help utilise local intelligence, and allow these organisations to attract the necessary capital investment to create a thriving community hub. It also provides an opportunity for more efficient and effective use of buildings and land and supports the delivery of the District's shared outcomes, as set out in the Corporate Plan.
- 2.4 Since 2013 there have been a total of 21 successful community asset transfers across Kirklees. Council assets that have been transferred include community centres, civic halls, libraries and land including recreation and sport facilities.
- 2.5 The Community Asset Transfer Policy 2020 will supersede the 2017 policy. The updated policy has been developed to support the Councils Corporate Vision, shared outcomes and current best practice. The key changes within the updated policy are summarized below:
 - All transfers are by long leasehold
 - The Council used to transfer buildings differently to land, with buildings transferred freehold and land on long leaseholds.
 - The Council's default presumption will be to transfer all assets (land and buildings) by the grant of a long leasehold of up to 125 years. Freehold transfers will only be considered in exceptional circumstances and will be at the discretion of the Council.
 - Long leaseholds ensure that the asset remains available to the community whilst providing the Council with remedies in the event that the applicant does not fulfil their obligations in respect of the management of the asset, or there is a breach of the terms of the lease. The grant of long leaseholds still gives applicants the security needed to satisfy grant funders.
 - The revised policy improves the Council's financial offer to applicants thereby supporting the success and sustainability of asset transfers in the long term.
 - The Council currently offers a grant of up to £5,000 to cover professional fees and legal costs associated with the application. The Council will continue to offer grants of up to £5,000 to

support the application, but in exceptional cases the Council will now consider applications for grants of up to £10,000. This recognises that some cases require extra support due to their size and complexity.

- As part of the application process, applicants will now be able to apply to the Council for a grant in order to fund urgent condition works or physical adaptations to the asset that will improve accessibility. Any request for grant funding must be made at the Full Application stage and set out clearly within the applicant's business plan. The grant application will be considered by the Council's Cabinet in conjunction with the CAT application.
- The Council currently offers a match funding loan of up to £100,000 that groups can apply for as part of the application process. The loan can be used to support capital projects that improve the condition of the transferred asset. The match funding loan offer is retained, but can now be applied for during the application stage and post transfer in order to fund asset development.
- The Council currently offers a grant on completion equivalent to 15% of the average 2 year running costs (excluding staffing costs). The Council will now offer a grant in the first and second year post transfer. The first year grant remains 15%. The second year grant will be 5%. This revenue grant will provide extra post-transfer support that will assist with the running of the transferred asset and increase the likelihood of a sustainable asset transfer.

- 2.6 The Council will continue to provide external support to groups to help with the development of full applications and business plans. This support is currently provided under a contract with Locality. The contract, procured in 2019, includes capacity to increase support, both pre and post transfer, to groups and the Council.
- 2.7 This Policy sets out a clear and transparent framework for the asset transfer process. It sets out:
- why we transfer assets;
 - what assets will be considered for transfer;
 - the eligibility criteria;
 - the conditions of transfer; and
 - how requests will be processed.
- 2.8 The policy supports the Council's Corporate Plan and delivery of shared outcomes whilst consolidating Kirklees Council's commitment to Community Asset Transfer. The support package and financial offer has been developed to ensure that the asset transfer programme continues to be successful and open to all communities throughout the district.
- 2.9 Under the Community Asset Transfer 2020 Policy, the decision making process for determining asset transfers remains unchanged with individual transfer requests being reported to Cabinet. It is proposed that requests for post transfer loans be determined by the relevant Strategic Director or Service Director in consultation with the portfolio holder.

3 Implications for the Council

3.1 Working with People

The updated policy has been developed in direct consultation with community groups, elected members and a wide range of services across the council with specific focus on the council's shared outcomes. It will allow the council to build on the existing relationships with communities and partners to ensure the community asset transfer programme continues to be successful and sustainable.

The policy provides the platform on which Kirklees communities and residents are able to take ownership of and develop community assets.

Community asset transfers involve supporting community initiative, helping community organisations to solve their own problems. Community consultation is a key part of the asset transfer process, ensuring that the asset meets the needs of the community. Ward Members are consulted as part of

the Cabinet reporting process and given opportunity to make representations on behalf of the community.

3.2 Working with Partners

Partnership working is crucial to the success and sustainability of community asset transfers within Kirklees. Officers continue to work collaboratively with partner organisations and agencies in the delivery of asset transfers and development of policy.

This policy has been developed in partnership with Community and Third Sector Partner Organisations including Third Sector Leaders, Locality (a national charity with broad experience of developing policy in relation to community asset transfer and supporting communities at local level) and Local Services 2 You, a local social enterprise with broad experience of the management of assets within Kirklees. This consultation with partners and feedback received was fundamental to the shaping of the new policy.

Asset Transfer groups are actively encouraged and provided with necessary support to ensure that partnership opportunities are fully explored.

3.3 Place Based Working

Community Asset Transfer supports Place Based Working, providing an opportunity for a more efficient and effective use of buildings and land currently owned by the council. It gives local people and communities greater control over local assets and the services delivered from them, and provides new opportunities to develop and improve land and buildings for local social, economic and environmental benefit. The Community Asset Transfer Policy has been updated to ensure it is consistent with the Council's Vision of giving local people and communities' greater control over local assets and the services delivered from them.

Officers have consulted elected members on the development of the policy via a cross party working group. Full consultation has been carried out as part of the Cabinet reporting process.

The asset transfer process, as set out in the updated policy, requires that full community consultation and engagement is carried out as part of an asset transfer application. This ensures that local residents, stakeholders and businesses have a say and inform how community assets can help shape their places.

3.4 Climate Change and Air Quality

Asset transfer presents an opportunity for groups to attract external funding that can be used to support energy efficiency and carbon reduction initiatives.

The enhanced Council financial support through grants and loans contained within the new policy will provide groups with the opportunity to address condition issues that will directly or indirectly contribute towards the Council's carbon reduction targets as well as increasing efficiency thereby reducing the overall running costs of the asset.

Community Assets enable localised service delivery, this in turn can reduce dependency on travel in and out of the local area and contribute to the council's objective for climate change and improving air quality.

3.5 Improving outcomes for children

Community assets play a crucial role in the delivery of services to all members of the community, including young people.

The transfer of community assets can maximise their use and provide a place for children, their families, communities and services to work together to provide positive childhood experiences.

3.6 Other (e.g. Legal/Financial or Human Resources)

The revenue and capital implications from the revised CAT policy will be managed from within existing budgeted resources. Costs will be dependent on the number and complexity of assets transferred and are therefore difficult to quantify. Since introduction of the Asset Advancement Policy in 2013 a total of 21 transfers have been completed. The total cost of financial support to date is:

- Development grants £68,500
- Revenue grants £13,360
- Capital grants £200,000
- Loans options taken up £190,000

In addition to these costs, the Council commission external support to groups (currently through Locality) at an annual cost of £25,000.

3.7 Do you need an Integrated Impact Assessment (IIA)?

An Integrated Impact Assessment has been carried out and link below refers - <https://www.kirklees.gov.uk/integratedassessments> no negative and some positive impact has been identified for protected characteristics. The new policy includes provision for funding accessibility adjustments for buildings as part of the transfer process.

The Stage 1 assessment has identified that a Stage 2 Assessment is required to ensure the policy's implementation mitigates discriminatory impact on people with protected characteristics. Following advice from the Corporate Policy Team, an action plan has been drawn up that involves consulting with the relevant stakeholders.

4 Consultees and their opinions

4.1 The following parties have been consulted through the development of the policy and their feedback incorporated into the policy document:

- Community Asset Transfer Network Group
- Third Sector Leaders
- Locality
- Council Services (Community, Finance, Legal Services, Corporate Landlord, Policy Team, and Employee Network Groups)
- All Elected Members have been consulted. Responses are set out below

Cllr Nigel Patrick (Holme Valley South) responded as follows:

On paper the new policy looks far better than the existing process and I am particularly pleased to see that grants are now offered to assist community groups with the transfer. However, the document tells me nothing about how quick the process of asset transfer will be. The current process, or certainly the procedure I dealt with when the Council transferred Holmfirth Civic Hall and the Public Toilets was slow. Very, very slow. How are you going to speed the process up? Communication between different services in the Council was bad, and getting information like the cost of running a building was impossible at times. How are you going to overcome that? Will there be timeline targets for achieving each part of the process?

I'm not entirely happy with long term leases for all assets. I think a freehold transfer with minimal strings should still be a consideration. Many of the assets be that playing fields or buildings have not been kept in the best condition by the Council, and for the Council to stipulate what is best seems a little rich. We have football pitches in my ward which are not level, and in fact they would make good mini golf courses. There is opportunity for great improvement of facilities through local community football clubs taking on and running these community facilities, but they need to have the freedom to attract money and invest in the facility without fear of losing the asset should a future Council change its mind and decide to bring the asset back in house. You could still do a freehold transfer with restrictions on changes of use, for example a football pitch becoming a housing development. There is no guarantee that playing fields

under Council control cannot be built on, so to me it seems half hearted to only allow a long lease. Is that going to be 99 years or less? And will the Council be able to stop the lease within that time?

Any community group taking on an asset needs the confidence of long term security. Any chance of losing the facility will put people off. I think you need to address that.

No other responses were received.

5 Next steps and timelines

- 5.1 Officers to implement the Policy immediately following Cabinet Approval
- 5.2 Officers from Corporate Landlord, in conjunction with the Service Director (Finance) to review and agree the required budget allocation for the Community Asset programme and associated financial support
- 5.3 Develop an application and assessment process for the grant and loan options set out in the Policy.
- 5.4 In consultation with the Portfolio Holder (Corporate) agree the process for approval of post transfer applications.

6 Officer recommendations and reasons

- 6.1 That Cabinet:
 - i. Endorse and approve the Community Asset Transfer Policy 2020
 - ii. Delegate the determination of post transfer loan applications to the relevant Strategic Director or Service Director in accordance with the Scheme of Delegation and in consultation with the relevant Portfolio Holder.

7 Cabinet Portfolio Holder's recommendations

Asset transfers are a corner stone of the council's policy of doing with and not to. They allow communities to take ownership of council land and buildings allowing residents to develop assets and ensure that they meet the needs of local people.

I welcome the introduction of the new Community Asset Transfer Policy which builds on the knowledge and experience of CATS within Kirklees since 2013. The policy has been developed to ensure the continued sustainability and success of community asset transfers within Kirklees.

I therefore recommend that Cabinet:

- i. Endorse and approve the Community Asset Transfer Policy 2020
- ii. Decisions regarding post transfer loan applications are delegated to the relevant Strategic Director or Service Director in accordance with the Scheme of Delegation and in consultation with the relevant Portfolio Holder.
- iii. All Community Asset Transfer Applications and grant requests continue to be reported to Cabinet for decision.

8 Contact officer

Giles Chappell (Asset Strategy Officer)
Mark Varley (Asset Strategy Officer)
Stephen Bonnell (Policy & Partnerships Officer)

9 Background Papers and History of Decisions

- Appendix 1 Community Asset Transfer Policy 2020
- Appendix 2 Integrated Impact Assessment

10 Service Director responsible

Angela Blake (Service Director, Economy and Skills)
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