

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **ORGANISATIONAL CHANGE OVERVIEW &
SCRUTINY COMMITTEE**

DATE: **TUESDAY, 21 JULY 2015**

REPORT BY: **CHIEF OFFICER (ORGANISATIONAL CHANGE)**

SUBJECT: **COMMUNITY ASSET TRANSFER**

1.00 PURPOSE OF REPORT

1.01 To update Scrutiny on progress in relation to Community Asset Transfers (CATs).

2.00 BACKGROUND

2.01 The Council re-launched its approach to the delivery of CATs in November 2014. Public assets owned by Flintshire County Council are one of its major strengths. However, the Council must balance the requirement to dispose of surplus or underutilised assets to provide funding for its' capital programme with the need to regenerate local communities and encourage social enterprise through the alternative use of its building and land assets.

2.02 Under the Local Government Act 1972 General Disposal Consent, Local Authorities have discretion to dispose of surplus property at less than best consideration subject to Member approval (provided that the difference between the prices is less than £2million). This allows for the consideration of bids from Community and Voluntary Groups for Council owned property.

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Asset categories that are appropriate for CATs include:

- Community centres
- Youth centres
- Children's play areas
- Visitors / tourist attractions
- Public toilets
- Street lighting

- Former civic buildings
- Former schools

2.04 Flintshire County Council recognises however that community ownership can play a part in enhancing the local environment and providing opportunities for all sectors of the community. The Council has land and buildings that are used for a variety of community and public purposes. Benefits can include:

- Buildings used more frequently and effectively
- Extra funding opportunities
- Local decision making

2.05 Community Asset Transfers can also help to **promote public value** through:

- Community empowerment
- Encouraging a sustainable voluntary and community sector
- Encouraging social enterprise
- Delivery of corporate priorities
- Value for money

As noted above the process has been significantly overhauled simplified.

2.06 Since the launch of the refreshed CAT process a number of meetings have been undertaken with Town and Community Councils and other interested groups to explain the three stage process. As of the beginning of July 2015 the following EOIs have been processed:-

Number of enquiries = 255
 Expressions of Interest received = 68
 Moving to stage 2 panel July = 2
 Stage 2 panel cleared to date = 5

2.07 In re-launching its CAT strategy the Council and as explained above the Council has sought to simplify its approach and methodology into three basic stages:-

- Stage 1 – Expression of Interest: This can be made by an individual or community group.
- Stage 2 – Business Model Application: This can only be made by a community group and is the formal application stage of this process.
- Stage 3 – Completion and Transfer of Asset: The final stage in the process which will be between the Council and an appropriate organisation.

The guidance notes are located on the Councils website.

3.00 CONSIDERATIONS

3.01 In supporting the delivery of this activity Flintshire has engaged Flintshire Local Voluntary Council (FLVC) to support and lead aspects of this process. They are providing a package of flexible, tailored support delivered by FLVC staff with experience of:

- Community Development
- Third Sector Funding & Finance
- Governance
- Administration
- Charity Management

3.02 Specifically FLVCs role comprises:-

- The Administrative processes for FLVC to log, assess, signpost and report on CAT enquiries
- A team of FLVC staff to provide bespoke support to community groups in the development of potential Community Asset Transfers
- A programme of surgery/workshop-type events tailored to the needs of interested parties (at least one event per month)
- Participation and support for a multi-disciplinary panel to filter Expressions of Interest (EOI's) and assess business plans for due diligence by FCC.
- Bespoke training and support for those groups/organisations who's EOIs have sufficient merit to progress towards a detailed business plan submission.
- Partnerships with existing and potential partner organisations within the sector to provide direct and in-kind support to empower the transferee.
- Monitoring of Expressions of Interest and support for a smooth and efficient transfer process.
- Liaison with FCC to identify potential assets, issues and beneficiary groups.

3.03 The intention is to transfer assets on a 27 year lease to the local community with the Council retaining the freehold interest in the asset. Responsibility for all costs; revenue (running, repair and maintenance costs) and any capital works; would pass to the community. The asset would transfer over at a peppercorn rent, usually £1.

- 3.04 Discussions and information sharing between community groups and officers to date have included current condition surveys of the buildings, asbestos information, building plans and running costs. The intention, as part of the transfer process, is to provide groups with one off capital funding (within defined thresholds) to support the undertaking of work they may wish to carry out on the building, it may also be possible for such groups to use this funding to match other grants the group may be able to lever in and which the Council would not be in a position to access. The intention is to use capital receipts to support this 'pump priming' initiative with approximately £500,000 needed in each of the 2015/16 and 2016/17 financial years.
- 3.05 In considering the role, type size and complex nature of some assets which are currently forming part of the Councils CAT the following financial support thresholds were supported at Cabinet on the 16th June 2015.

Asset Type	Funding allocation per asset type
Sports Pavilions (bowling clubs, cricket clubs etc)	Up to a maximum of £20,000
Community and Youth Centres	Up to a maximum of £50,000
Leisure Centres, Libraries and other complex assets	Subject to negotiation and on a case by case basis

- 3.06 Expenditure that extends the useful life, increases the level of performance, or value an asset can be capitalised.

Illustrative examples:-

- Window replacement. Repair of broken / worn out windows is revenue expenditure. Upgrading a whole buildings windows to make the building more energy efficient and extend its life could be capital.
- Building refurbishment. Works to reverse the decline in an assets useful life or suspend it could also be considered as capital.

- 3.07 The Council's accounting policy includes a de-minims concept (similar to all other Councils) that expenditure under £20,000 will not be capitalised.

- 3.08 When assets are transferring to community groups under CAT with funding, the funding must be more than £20,000 and is given in the form of a capital grant with strict limitations or conditions placed on its use to ensure the Council complies with capital accounting regulations.

3.09 In the context of existing leases and joint interests the Council in progressing a CAT would seek to encourage organisations to work together to develop one business model for the asset transfer of the site or building, however, if this could not be achieved then the CAT scheme would have to consider separate business models. In normal circumstances a priority would be given to an organisation who is the current or most recent leaseholder (effectively the sitting tenant) of the site or building as they have the greatest stake. For any business model to be accepted it would need to show that plans are in place to ensure both current users of the site and stakeholders in the site can be supported through the transfer of the asset.

4.00 RECOMMENDATIONS

4.01 That Members endorse the approach to Community Asset Transfers.

5.00 FINANCIAL IMPLICATIONS

5.01 A sum of £500,000 will be allocated from the Council's capital programme in the current financial year and also in 2016/17.

6.00 ANTI POVERTY IMPACT

6.01 Will support groups within communities in the development of social enterprises and creating community based, focussed and managed facilities.

7.00 ENVIRONMENTAL IMPACT

7.01 Positive in that it seeks to retain local assets within the community.

8.00 EQUALITIES IMPACT

8.01 Will support groups within communities in the development of community based, focussed and managed activities.

9.00 PERSONNEL IMPLICATIONS

9.01 None as a direct result of this report.

10.00 CONSULTATION REQUIRED

10.01 None as a direct result of this report.

11.00 CONSULTATION UNDERTAKEN

11.01 Local communities, Town and Community Councils, public sector organisations and other key stakeholders.

11.02 Wales Audit Office

12.00 APPENDICES

12.01 None

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

Community Asset Transfer located on the County Councils web site.

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