

ORGANISATIONAL CHANGE OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Tuesday 29th March 2016
Report Subject	Community Asset Transfer
Report Author	Chief Officers Organisational Change

EXECUTIVE SUMMARY

In November 2014 the Council re-launched its Community Asset Transfer (CAT) scheme. The revised scheme has been simplified into a three stage process with expression of interest, business plan and legal completion. The purpose of the scheme is to enable communities to take on Council assets that may be at risk of future closure due to the required level of budget efficiencies the Council is having to make. It was always anticipated that community asset transfers would take 12-24 months to complete so now 15 months into the updated scheme is a good time to review progress.

Scrutiny Committee are asked to review and scrutinise the Community Asset Transfer scheme. Initially in this the first stage listening to the views of applicants who have been involved in all stages of the scheme, listening to the views of Flintshire Local Voluntary Council (FLVC) who have provided independent support to applicants and helped administer the scheme, and considering an initial Council review of the scheme as detailed in this report. The views of this committee, applicants and Flintshire Local Voluntary Council will be then formalised into a final review of the scheme.

To date 103 expressions of interest have been received and approved for 208 community assets. 12 business plans have been approved for 18 community assets. 12 completions are currently progressing at various stages with some complete, some able to complete in the next few weeks, and some aiming to complete in the next few months.

RECOMMENDATIONS

1	To consider the views of applicants to the scheme, the views of Flintshire Local Voluntary Council, and the Council's initial review of the scheme, to enable comments from the scrutiny committee to be incorporated into a final first year review of the scheme.
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REPORT DETAILS

1.00	BACKGROUND TO, AND A REVIEW OF, THE COMMUNITY ASSET TRANSFER SCHEME (CAT)
1.01	It is proposed the first part of considering this report will be listening to the views of current applicants to the scheme and Flintshire Local Voluntary Council (FLVC). Each of the applicants (Gwernymynydd Village Hall Management Committee, Cambrian Aquatics and Caffi Isa) and FLVC will give a brief overview of their project, followed by commenting on what has worked well and what could be improved with the community asset transfer scheme.
1.02	It is then proposed the second part of considering this report is taking these views and the review of the scheme detailed below to finalise scrutiny committee comments on the scheme.
1.03	The revised scheme has a simple three stage process with an application pack, supporting information, and independent support and administration of elements of the scheme provided by FLVC. Council officers also support community organisations across all three stages of the scheme.
1.04	A list of all their own community assets was provided to town and community councils to help them identify which they might want to take responsibility for, and to enable them to facilitate local conversations. These asset lists include leisure centres, swimming pools, libraries, cemeteries, community centres, youth centres, sports pavilions and associated facilities, play areas, open spaces, war memorials.
1.05	Stage 1 – Potential applicants are able to access, either electronically or by hard copy, a stage 1 information pack and expression of interest form (see appendix a). Once completed this is then considered by a panel made up of Council and FLVC staff, and if recommended to progress passes through to business planning stage.
1.06	Stage 2 – Applicants are then provided with a business planning application pack and guidance notes (see appendix b). Once completed this is then considered by a panel made up of the Council portfolio holder and a FLVC board member, supported by staff of both organisations. If recommended to progress this then comes back for formal sign off to the relevant Chief Officers and Portfolio Holders prior to legal completion.
1.07	Stage 3 – Model legal agreements are then completed with the applicant including a lease and community benefits agreement (see appendix c).
1.08	To date 103 expressions of interest have been received and approved for 208 community assets. In percentage terms this is 49% of the assets sent out on the community asset transfer list. Of these expressions of interest 12 business plans have been approved for 18 community assets. In percentage terms 12% of the expressions of interest have developed into successful and approved final applications. Of these approved business plans 12 legal agreements are currently in various stages of completion.

	<p>The assets who have business plans approved include Gwernymynydd Village Centre, Trelogan Community Centre, Connahs Quay Allotments, Gwespyr Play Area, Bagillt War Memorial, Connahs Quay Swimming Pool, Argoed Community Centre (including Mynydd Isa Library), Mancot Library, a range of Scout premises, Leeswood Bowling Club and Mold Rugby Football Club. In summary these assets will be protected for the next 27 years subject to sustainability of the community organisation who has taken the asset on. The estimated savings to the Council of transferring these assets are over £0.330m per annum revenue savings, as well as an estimated saving of £0.600m related to not having to maintain these assets in the future.</p>
1.09	<p>In summary the scheme has been a success so far in sustaining a number of community assets and providing significant savings to the Council. If the areas for improvement identified in the report are addressed then it is anticipated that the number of CATs that could be completed in the next twelve months could be doubled to between 14-26. These potentially might include Holywell Leisure Centre, Hope Library, Saltney Library which as well as protecting these assets could save the Council over £0.350m in revenue per annum.</p>
1.10	<p>Larger assets with real risk of future closure such as libraries, leisure centres and community centres have been easier to progress to stage 2 business plans. This is in part because communities see the real need to take on these assets and run them for the benefit of their local communities.</p>
1.11	<p>Smaller assets such as open spaces and play areas have been less successful. This is in part due to lack of understanding by communities of the risk of these not being provided for in the future by the Council and also due to the work required to complete a CAT.</p>
1.12	<p>As the schemes have progressed a number of policy principles have been consolidated and agreed, these are detailed below:-</p> <ul style="list-style-type: none"> • one off revenue support to be considered for set up costs where a service is being retained in addition to an asset; • capital grants to be linked to condition surveys but with flexibility for which elements of the condition survey are addressed by the community organisation; • capital grants to have a maximum amount dependent upon the type of building and the work required from the condition survey; • legal completions for any CAT to be authorised prior to signing and sealing by the Council through a delegated report from the two Chief Officers for Organisational Change, in consultation with both the Deputy Leader and the appropriate service portfolio holder; • where organisations want to retain a local asset and / or service but the Council advises this is not suitable, then consideration under the CAT scheme be given to supporting organisations to adapt an

	existing building for the uses of the original building, including potential capital grant and one off revenue start up grant if appropriate.
1.13	<p>Learning has been developing as the scheme has progressed and so far the current strengths are seen as:</p> <ul style="list-style-type: none"> • independent advice and support on offer via FLVC; • a simplified three stage application process; • the potential for capital and one off revenue support for start up costs; • model legal agreements; • the delivery of actual asset transfers with robust business models.
1.14	<p>Areas for improvement are seen as:</p> <ul style="list-style-type: none"> • the need for a lighter touch application for smaller community assets; • better communication and contact with applicants with all correspondence, phone calls and decisions being responded to in a timely fashion; • consistent advice on the most appropriate governance solution for a community organisation; • quicker completion of legal agreements with a maximum time from agreement of business plan to completion of legal agreements set as three months; • with certain types of community assets, being clear about what the Council will retain in future e.g. play areas; • additional independent support from agencies who can enable community organisations to develop external funding bids e.g. Cadwyn Clwyd are considering allocating over £0.050m to support organisations in rural areas who are progressing community asset transfers with this support

2.00	RESOURCE IMPLICATIONS
2.01	<p>Financial Implications</p> <p>CATs currently being completed will save the Council over £0.330m of revenue costs per annum as well as over £0.600m estimated as the future costs of maintenance and refurbishment of these buildings.</p>

	<p>Through future leisure centre and library transfers it is estimated that in 2016/17 CATs will be completed that save the Council over an additional £0.350m of revenue costs per annum as well as future costs of maintenance and refurbishment of these buildings.</p> <p>One off revenue has been provided to support the scheme of £0.050m to enable Flintshire Local Voluntary Council to administrate the application process and provide independent support to applicants.</p> <p>One off revenue committed to in 2015/16 to enable organisations to start up their activities is estimated to total £0.069m.</p> <p>Capital grant allocations for projects committed to in 2015/16 are estimated to amount to £0.340m.</p>
2.02	<p>Human Resource Implications</p> <p>For smaller CATs such as play areas and open space there are no human resource implications.</p> <p>For medium size CATs such as community libraries and community centres there are often implications related to librarians, caretaking and cleaning staff. As the operations proposed by communities are very different to current operations the Transfer of Undertakings Protection of Employment Regulations (TUPE) is considered, in most instances, not to apply and the Council manages through its normal processes including re-deployment and redundancy.</p> <p>For more complex CATs such as leisure centres TUPE does apply and the Council works these through with CAT applicants, trade unions and staff.</p>

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Engagement and support is provided to town and community councils and community groups where requested
3.02	Where current user groups or staff are involved in an asset formal engagement and consultation takes place.

4.00	RISK MANAGEMENT
4.01	<p>Key Risks and Mitigation specific to consideration of the plans:</p> <ul style="list-style-type: none"> (1) That the social sector is not strong enough to take on the assets – independent support provided to the sector; (2) That organisations business plans are not robust enough to ensure the CAT is sustainable – independent review by the CAT panel including FLVC is built into the process;

	<p>(3) The Council is not clear of the risks of a CAT at the point of transfer – all CATs will be signed off in consultation with portfolio holders and these reports will have a full risk assessment included;</p> <p>(4) That the organisation taking on the CAT ‘fails’ – no matter what safeguards are in place organisations may still fail and cease trading, what is in place are safeguards in the CAT legal agreements to ensure the asset returns to the Council and then it will need to be considered alongside all other community assets that are at risk again.</p>
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5.00	APPENDICES
5.01	<p>Appendix A – Stage 1 Community Asset Transfer Pack (follow link) Community Asset Transfer (CAT) Information Pack</p> <p>Appendix B – Stage 2 Business Plan Pack and Guidelines (attached)</p> <p>Appendix C – Stage 3 Model Legal Agreements (attached)</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Cabinet Report on Community Asset Transfer – 22nd March 2016</p> <p>Contact Officers: Ian Bancroft / Neal Cockerton Telephone: 01352 704511 E-mail: ian.bancroft@flintshire.gov.uk / neal.cockerton@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	Alternative Delivery Model (ADM) – A different way of providing the service ranging from shared service through to a social organisation through to external procurement
7.02	Transfer of Undertakings Protection of Employment Regulations (TUPE) – Employees transfer automatically to Cambrian Aquatics with their terms and conditions of employment and continuity of service preserved.
7.03	Community Asset Transfer (CAT) – the transfer of a community asset to a community or social organisation on the basis of a 27 year lease and peppercorn rent.