

AGENDA ITEM 20: APPENDIX O

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 4 FEBRUARY 2014

Title:

TRANSFER OF COMMUNITY ASSETS

**[Portfolio Holders: Cllrs Mike Band, Julia Potts, Carole King, Keith Webster]
[Wards Affected: All]**

Summary and purpose:

This item sets out the background to the production of a Community Asset Transfer (CAT) Policy. By producing a policy, it is hoped that local communities interested in managing Waverley-owned land or property will have a template to follow that will streamline the process of transference and ensure that they are aware of the issues and expense of managing land and/or buildings

How this report relates to the Council's Corporate Priorities:

Value for Money – CATs are invaluable in accessing grants unavailable to local authorities and in motivating local communities to invest both time and money in their assets. A protocol for CATs will ensure that the transfers will proceed more smoothly and with less officer and member time required.

Leisure and Lives – many of the CATs are for sports facilities. These will help to ensure that the facilities are maintained to the standard required by the local community.

Understanding our residents' needs – CATs are all about involving local communities in facilities that they require and working with them to achieve the result they require.

Financial Implications:

This report advocates a Community Asset Transfer Policy be prepared to be used when considering the possible transfer of Waverley assets and there are no direct financial implications arising from this report. However, requests for transfer of specific assets will have various financial implications that will require consideration at the time, including changes in maintenance costs and revenue streams, access to more funding by the community and the transfer value of assets. A Policy would provide an appropriate framework for this consideration.

Legal Implications:

Any CAT will require some form of legal agreement, from a formal transfer to a licence. The Legal Section will be essential in producing the best format to meet the requirement of each individual CAT.

Introduction

Waverley has been transferring community assets informally for many years through leases, licences and management agreements. Following requests from two clubs to acquire the freehold of their pavilions under the terms of the Government's Transfer of Community Assets scheme, it has been considered useful to formalise the process. While the policy should have little effect on how short leases and management agreements are undertaken, the greater level of information required for long leases in the form of business plans should help both Waverley to protect its assets and the clubs to recognise the difficulties they may face and plan for the future.

Background

1. The transfer of control of community assets has been going on since before Waverley was created in 1974. Leases to sports clubs and community groups and Farnham's recreation ground committees are some examples of these. However, the process has never been systematic. In recent years a standard lease for sports clubs who manage their grounds has been developed that includes a service level agreement, but this is the exception rather than the rule. The risks and benefits of transfer are set out below:

	Benefits	Risks
Community Organisations	Access to more funding opportunities including grants and mortgages Increased revenue streams Greater local commitment Greater autonomy	Failure to plan adequate maintenance and management costs Lack of professional advice leading to inappropriate decisions Factional fighting Loss of leading figures leading to apathy
Waverley	Reduction in maintenance costs Reduction in management costs Reuse of redundant buildings* Ensures assets are continued to be used for the benefit of the community in connection with corporate priorities	Failure of community organisation leading to return of facility in worse condition requiring increased capital and revenue costs Transfer of asset at less than market value Loss of control of a potential future development site

*Waverley has far fewer legacy buildings from local government reorganisation than most other local authorities

2. In the present difficult economic climate, if Waverley is to ensure that communities retain facilities, it must ensure that it makes it easier for the communities to manage these facilities themselves. By doing this, not only

does it reduce the burden on Waverley's budget but it enables the organisations to access grants and other monies that would otherwise be denied to them. Devising a policy will help reduce the risk, both to the organisations and to Waverley of the transfer process. The Protocol will set out the basis on which CATs will be made. This will help community organisations identify the requirements they must meet when requesting a CAT. The policy should also set realistic timeframes in which any transfer could take place to manage expectations.

3. Annexe 1 to this report sets out an outline of the principles to be contained in a policy for both Waverley and interested community organisations to follow in transferring assets. It establishes the level of information required from the organisations by Waverley in order to assess the viability and appropriateness of a CAT, allowing organisations the opportunity to put together the evidence required in advance of making an application. This should help to speed up the decision process, to the advantage of all. Subject to the views of the Executive it is intended to prepare a detailed policy for formal approval.
4. The agreements that formalise CATs are the same as existing ones. It is therefore proposed that they would be authorised on the basis of existing authorities, namely;
 - Management agreements and leases under 5 years to be covered by the Scheme of Delegation;
 - Longer leases and freehold transfers to be authorised by the Executive.

This process of authorisation mirrors the risk and advantages that any CAT poses to Waverley.

Useful Background Reading

5. Central Government has established an Asset Transfer Unit (ATU) that has produced a number of excellent articles on CATs. Their main website is: www.locality.org.uk. The following are especially relevant:
 - Empowering Communities: Making the Most of Local Assets, a councillors' guide
 - Empowering Communities: Making the Most of Local Assets, an officer's guide
 - To Have and To Hold – this is a good basic guide for community organisations
6. A number of local authorities have published their Community Asset Transfer policies. Notably among them are Birmingham City Council and Bristol City Council.

Conclusion

7. In order to maintain community asset standards in future years, Waverley will need to cede a degree of control over them to local community organisations. This is required to ensure not only that funding for the asset can be obtained but also that the community has direct control over the asset. However, there are risks in the transfer. The establishment of a policy to transfer the assets is designed to minimise the risks and speed up the decision-making process.

Recommendation

It is recommended that the Executive:

1. endorse the overall principles and approach set out in the report; and
2. agree that officers prepare a detailed policy for formal adoption by the Council.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

CONTACT OFFICER:

Name: Ailsa Woodruff

Telephone: 01483 523459

E-mail: ailsa.woodruff@waverley.gov.uk