

TITLE	Community Asset Transfer Review
FOR CONSIDERATION BY	The Executive on Thursday, 30 June 2022
WARD	None specific
LEAD OFFICER	Deputy Chief Executive - Graham Ebers
LEAD MEMBER	Leader of the Council and Executive Member for Business and Economic Development - Clive Jones

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

Extension of the term for Community Asset Transfer Leases granted to Towns, Parishes and Community Groups. The longer lease term will enable greater investment by Towns, Parishes and Community Groups as part of their management of Community assets at a local level.

RECOMMENDATION

That the Executive:

- 1) Approves an increase in the length of the Community Asset Transfer lease term from 30 to 60 years;
- 2) Delegates decisions around further lettings and detail, aligned with the agreed CAT Strategy, to the Director of Resources and Assets, in consultation with the Lead Member for Business and Economic Development.

EXECUTIVE SUMMARY

Following consultation with Towns, Parishes and Community Groups the grant of Community Asset Transfer (CAT) leases was approved by the Council in 2016 (Executive meeting 31st March 2016, 'Model For Community Asset Transfers').

The Council's Constitution was subsequently amended to delegate authority to the Director of Finance and Resources to approve the grant of CAT leases with a term of up to 30 years.

The intent behind the model for CAT is that Towns, Parishes and Community Groups take on the management and operation of community assets at a local level, investing in them where appropriate, to enhance and encourage their continued use.

Feedback from some Towns and Parishes has indicated that in order to provide the comfort and security necessary to justify and enable investment, a longer term lease of up to 60 years is required.

BACKGROUND

Community Asset Transfer is an established mechanism used to enable community ownership and management of publicly owned land and buildings. The General Disposal Consent allows a range of public bodies to transfer the ownership and management of land and buildings they own to local communities at, where appropriate, 'less than best consideration' – i.e. at less than full market value. This may be through the sale or long-term leasing of land and/or buildings.

The potential opportunities and benefits of Community Asset Transfers have been brought back into focus by more recent national policy developments which encourage community self-help and ownership through initiatives such as the Big Society, and several powers introduced via the Localism Act 2011.

Central government continues to encourage local authorities to reduce the number of assets in its control and to empower communities to deliver services at a local level. These goals can be addressed by transferring, where appropriate, community assets from Borough Council control to local Town Council and Parish Council (TC/PC) or Community Groups.

This approach has the advantage of devolving powers to attract funding, utilising CIL and section 106 funds and support at a local level, and delivering revenue savings for WBC, with a potential for shared profit for both parties.

Proposals for MCAT leases require a robust business case backed by feasibility studies and option appraisals. All bids are evaluated to establish that overall the best community and commercial value is being achieved. This information is also required to support any capital or revenue bid by the Town, Parish or Community Group in the event a financial contribution from the Council is requested.

The business case for making the recommendation contained within this report is that incremental savings will be achieved by the Council from the reduced cost of providing community facilities. There may also be the opportunity to generate income from an asset on a profit sharing basis in the future.

The Model for Community Asset Transfers current 30 year lease arrangement has been employed across 5 Community Assets since approval of the model in 2016:

- East Park Farm Pavilion and Park Charvil
- Burnmoor Allotments Finchampstead
- Church Hill open space Hurst
- Martineau Lane Park and Play Area Hurst
- Tape Lane Allotments Hurst

Whilst the Model for Community Asset Transfers has proved successful, feedback from Towns, Parishes and Community Groups has indicated that the term of 30 years is insufficient to justify investment. This has subsequently impacted on the level of interest in (and take up of) potential MCAT leases of community assets.

This report therefore proposes that the delegated authority of the Director of Finance and Resources be extended to enable the approval of the grant of MCAT leases with a term of up to 60 years.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	See Other Financial Information below.	See Other Financial Information below.	Revenue
Next Financial Year (Year 2)	See Other Financial Information below.	See Other Financial Information below.	Revenue
Following Financial Year (Year 3)	See Other Financial Information below.	See Other Financial Information below.	Revenue

Other Financial Information
The Community Asset Transfer Model is designed to create a value for money asset solution for the Council that reduces costs and has the potential to generate income.

Stakeholder Considerations and Consultation
Once approved Town and Parish Councils will be advised of the revised terms and invited to put applications and proposals to the Council for consideration

Public Sector Equality Duty
Equalities assessment will be addressed by the Town or Parish Council or Community organisation as the leasehold of a community asset.

Climate Emergency – <i>This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030</i>
This decision will encourage investment and replacement of community assets which when carried out will be in accordance with the recommendation to achieve the Council’s carbon neutral objective.

List of Background Papers
None

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