

# Report to Cabinet

**16 October 2024**

<b>Subject:</b>	Community Asset Transfer Update
<b>Cabinet Member:</b>	Cabinet Member for Regeneration & Infrastructure Councillor Peter Hughes Cabinet Member for Neighbourhoods and Community Councillor Suzanne Hartwell
<b>Director:</b>	Executive Director - Place Alan Lunt
<b>Key Decision:</b>	Yes
<b>Contact Officer:</b>	Luke Dove Assistant Director – Property, Strategic Assets and Land <a href="mailto:Luke_Dove@sandwell.gov.uk">Luke_Dove@sandwell.gov.uk</a>

## 1 Recommendations

For the reasons set out in the report, it is recommended that Cabinet -

- 1.1 Approve the updated Community Asset Transfer (CAT) Strategy as set out in Appendix 1.

## 2 Reasons for Recommendations

- 2.1 The updated CAT Strategy provides a robust, clear and fair approach in line with current legislation and policies to ensure that we are allowing community organisations to excel, whilst ensuring that the Council's interests are sufficiently safeguarded.
- 2.2 To support the efficient management and use of Council assets through a Corporate Landlord operating model.

### 3 How does this deliver objectives of the Corporate Plan?

Growing Up in Sandwell	Adopting the new Community Asset Transfer Strategy will contribute to supporting the Council Plan objectives Thriving Economy in Sandwell, Growing Up in Sandwell and One Council One Team in Sandwell through providing a stronger and more inclusive economy by maximising local asset use. It also has the potential to contribute to the best start in life for young people and to build strong and resilient communities. by providing more activities that can improve outcomes for Sandwell's residents.
Living in Sandwell	
Thriving Economy in Sandwell	
Healthy in Sandwell	
One Council One Team	

### 4 Context and Key Issues

- 4.1 The Corporate Asset Management Strategy (CAMS) was approved by Cabinet in 2022 where it acknowledged that the Council is committed to maintaining an effective and efficient property portfolio which supports the delivery of services to residents, provides value for money, reduces our environmental impact and maximises opportunities to generate value.
- 4.2 The strategy consists of seven strategic objectives, for which one of the workstreams is the holistic review of Community Centres.
- 4.3 The Sandwell based Community and Voluntary sector operate services from a network of Council owned Assets. Over time various agreements have been put in place concerning building use, conditions of use and length of agreement. This situation brings uncertainty to the community sector and is a non-efficient use of Council resources.
- 4.4 A working group has now been established encompassing multiple Council services including Assets, Community Partnerships, Housing and Legal to holistically review and present decisions around the community centre portfolio.
- 4.5 Broadly speaking, the process that will be undertaken for community centres moving forward (subject to no repurposing of the asset having been identified) as approved by Cabinet on 18 October 2023 will be:

- Following discussions with the current groups utilising the facility /centre, a decision to be made to consider other options (including CAT) or maintain the centre, in support of the service it provides to Sandwell's residents.
- Asset advertised for expressions of interest and if suitable application(s) received it is taken forward as appropriate for CAT
- If no suitable application is received for continued community use following the above advertisement for CAT, declaring the asset surplus (subject to no alternative operational use being identified) and subject to the required approvals letting, developing for social housing or disposal on the open market.

4.6 To support the above process and the transition to a Corporate Landlord operating model, a new Community Asset Transfer Strategy has been compiled.

#### 4.7 Community Asset Transfer (CAT) Strategy

A Community Asset Transfer (CAT) is where a public body transfers the management and/or ownership of an asset, sometimes including associated services to a voluntary community organisation (VCO).

The CAT Strategy provides a clear guidance document for both the public body transferring the asset and VCO taking on the same in line with relevant legislation and policies.

In the current climate a CAT supports community empowerment and offers an opportunity for assets and/or services to be retained in areas that the Council may not be able to develop or continue to fund itself. It also allows for a more innovative approach to be explored through community led initiatives with the support of the Council

The Council currently have an existing CAT Strategy as detailed at appendix 2, however given the fluid nature of both the economic and social environments, an updated version is required to ensure all applicable outcomes are addressed in line with current Council policies and meets the needs of both the public body and VCO's.

#### 4.8 Key updates to the new strategy:

The new CAT Strategy is customer focused and is intended as a guidance document to inform its users.

It provides clear direction on what a CAT involves for all parties including highlighting associated benefits and risks so that there is complete transparency from the outset.

The incorporation of a standardised Expression of Interest Form for applications as detailed at appendix 4.

Provides a clear timeline for the CAT process which is supported by the Council's governance framework (including the Protocol for the Disposal of Council Owned Land and Buildings) to allow for more effective management of stakeholder expectation and appropriate forward planning.

The new Strategy is flexible to allow for differentiating circumstances as no two Community Asset Transfers are the same. The current strategy (Council Policy on Land and Premises for the Voluntary and Community Sector) has established the default term of an asset transfer to be 99 years. The new strategy recommends a standard term of between 25-35 years with flexibility to allow for exceptional circumstances where an alternative term may be appropriate (up to a maximum of 99 years), subject to the required authority being obtained.

Any new CAT granted will be subject to a rolling tenant only break clause based on 6 months required notice following the expiration of the first 12 months of the lease term.

It is aligned with the Council Plan 2024-27 with particular emphasis around providing correlation with the core values of the 'Sandwell Vision 2030'.

It supports delivery of the Corporate Asset Management Strategy.

It provides a robust approach to asset management moving forward in that property related transactions, including CAT's are managed centrally by Strategic Assets and Land to ensure appropriate governance around the same. This will be fully supported by the Community Partnerships Team and other Council services as appropriate but will ultimately ensure a consistent approach to property related matters.

It allows for a more innovative approach to be explored through community led initiatives with the support of the Council.

All applications will be assessed through use of a Community Asset Transfer Evaluation Matrix ensuring a consistent and transparent approach to assessment of viability.

- 4.9 A number of points were considered when updating the new strategy and through collaboration both with various Council service areas and Sandwell Council of Voluntary Organisations (SCVO), the updated Strategy as presented allows the enablement of transfers that will have a positive impact and assists in avoiding those that may have a detrimental effect through applying a systematic approach. This provides a robust and fair approach to ensure that we are allowing Community organisations to excel, whilst ensuring that the Council's interests are sufficiently safeguarded through appropriate governance.
- 4.10 To further ensure the new strategy is inclusive and meets all stakeholders needs, a public consultation was undertaken via the Council's Citizen Space platform between 15<sup>th</sup> July 2024 and 12<sup>th</sup> August 2024. A total of 22 responses were received as part of this exercise based on a number of set questions presented which has also provided a good insight into helping shape the strategy alongside its accessibility moving forward.

## 5 Alternative Options

- 5.1 The new CAT Strategy could not be adopted, however this would not be conducive to offering a flexible approach to management of the Council's asset portfolio and delivery of the Council Plan 2024-27, Sandwell Vision 2030 and the Corporate Asset Management Strategy.

## 6 Implications

<b>Resources:</b>	The Council needs to deliver £2.5m of recurring savings by 2026 from its Asset base and to transform the way it uses its assets. The recommendations in this report will support delivery of this and ensuring the Council can continue to operate effective delivery of its services and ensuring the council can continue to support the effective delivery of services by the Voluntary and Community Sector (VCS), within council buildings.
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<b>Legal and Governance:</b>	The Council will require appropriate authority to be obtained in line with the Sale of Land and Buildings Protocol alongside the Assistant Director of Legal and Assurance being authorised to enter or execute under seal where necessary any legal documentation in connection to the granting of a lease or undertaking of a freehold disposal as required.
<b>Risk:</b>	The risk of not undertaking the required recommendations is that the Council will not be able to meet its asset savings targets as part of the Medium-Term Financial Strategy requiring budget savings to be identified elsewhere.
<b>Equality:</b>	The continued review of the Council's asset portfolio will ensure all vulnerable groups such as those with mental health issues & disabilities are considered and appropriate facilities are continued to be provided across the borough in a more targeted manner. This would be a thread running through all options being considered to ensure a fully inclusive approach to future asset use and would be assessed as part of any future CAT application.
<b>Health and Wellbeing:</b>	The new Community Asset Transfer Strategy will provide the required infrastructure to support community initiatives being created and assets and places for people to go.
<b>Social Value:</b>	<p>The repurposing and regeneration of the Borough's assets will ensure that they serve as a key driver of the Borough's economy and will create more employment, education and training opportunities for the residents of Sandwell.</p> <p>This will also create more opportunities to support some of Sandwell's most vulnerable residents, the promotion of health and wellbeing initiatives, the reduction of poverty, a range of social and leisure activities and employment, education and training opportunities.</p>
<b>Climate Change:</b>	Multiple services operating from a single building will reduce fuel use and associated carbon emissions, contributing to our efforts to mitigate the effects of climate change.
<b>Corporate Parenting:</b>	The proposals do not have an impact on corporate parenting.

## **7. Appendices**

7.1 Appendix 1 – Community Asset Transfer Strategy

7.2 Appendix 2 - Council Policy on Land and Premises for the Voluntary and Community Sector

7.3 Appendix 3 – Community Asset Transfer Evaluation Matrix

7.4 Appendix 4 – Expression of Interest Form

## **8. Background Papers**

8.1 Corporate Asset Management Strategy (CAMS) – Cabinet 16 November 2022

8.2 Update and Decisions on the Asset Management Strategy Income and Savings 2023-2026 – Cabinet 18 October 2023

8.3 Implementation of a Corporate Landlord Model – Leadership Team 17 October 2023