

Slough Borough Council

Report To:	Cabinet
Date:	16 June 2025
Subject:	Adoption of a Community Asset Transfer Policy (CATP)
Lead Member:	Councillor Chahal, Deputy Leader and Cabinet Member for Finance, Assets and Transformation
Chief Officer:	Pat Hayes – Executive Director (Regeneration, Housing and Environment)
Contact Officer:	Peter Hopkins – Director Property & Assets
Ward(s):	All
Key Decision:	YES
Exempt:	NO
Decision Subject To Call In:	YES
Appendices:	Appendix A - Community Asset Transfer Policy (CATP)

1. Summary and Recommendations

This report sets out a recommendation for the Council to adopt a Community Asset Transfer Policy (CATP) for its real estate properties as contained in Appendix A. This CATP shall be reviewed at least once every three years.

- 1.1 The CATP sets out the principles and recommended approaches for the transfer of council property assets to community groups by way of management agreement, license to occupy, short lease or long lease. A CATP is considered to be necessary to provide the most beneficial outcome for both the Council and local communities.
- 1.2 The CATP sets out the process for screening relevant assets for suitability for Community Asset Transfer. Where there is potential for transfer the policy ensures appropriate, timely and transparent judgements in each case.

Recommendations:

Cabinet is recommended to:

- a) Adopt the Community Asset Transfer Policy appended at Appendix A to deliver benefit to Slough's communities and to contribute towards the council's aims and objectives and

- b) Note that regular reports will be presented to the Cabinet Committee on the circumstances, criteria and conditions under which the council will consider the transfer of its interest in a property or land.

Reason:

- 1.3 Slough Borough Council (SBC) is currently facing significant financial challenges, necessitating a clear strategy for stabilising its budget. A key component of this strategy is the Asset Disposal Programme, which involves the disposal of council owned assets to generate capital receipts and recognise revenue savings, and by doing so, help reduce future financial commitments.
- 1.4 This programme is integral to the council's financial recovery plan and is designed to ensure that disposals are conducted on commercial terms, providing the best possible value.
- 1.5 By strategically disposing of surplus assets, the council aims to meet the requirements of the Capitalisation Direction agreed with the Department for Levelling Up, Housing and Communities (DLUHC), thereby achieving financial sustainability.
- 1.6 The purpose of this Community Asset Transfer (CAT) policy will enable the Council, as part of the assessment of complying with the Capitalisation Directive, to assess the transfer of council owned assets to community organisations which may drive more sustainable, viable and supportive programmes across the Slough community supporting the council's goal of financial sustainability and community empowerment.
- 1.7 Better use of SBC's assets can help the council achieve improved outcomes and efficiencies.
- 1.8 Slough Borough Council (SBC) recognises that Third Sector Organisations (TSOs) are often best placed to manage facilities in their local communities. They make extensive use of volunteers, and their local knowledge and hands-on management of the asset is likely to result in lower overheads and better value-for-money, as well as a more intensive use of the asset.
- 1.9 Community management and ownership of assets directly supports a devolved decision-making process. It empowers local communities, puts local organisations in control, encourages pride of place and generates wealth in Slough's communities.
- 1.10 An asset can also provide a TSO with greater financial viability and reduce its dependency on grants. The asset will enable it to apply for external funding that is not available to the council, or potentially secure financing against the value of the asset.

Commissioner Review

"Delivery of the agreed capital receipts target associated to the Asset Disposal Programme is of paramount importance to the Council's financial sustainability and 'minded to' Capitalisation Direction.

Community Asset Transfers can unlock financial savings and local innovation, enabling the community to take control in running assets to best meet local need, support resident-led solutions and the voluntary and community sector to meet their growth ambitions. It can be

a genuine route for devolution of control and resources to neighbourhoods, giving people a stake in shaping local development and the local economy.

For qualifying assets, the Council needs to ensure it is proceeding in the right way based on the best available option to sustain and revitalise the asset, independently of public funds. Each site will be unique and any decision to transfer the management and/or ownership of land and buildings for less than best consideration (except for transfers to comply with statutory obligations), will require evidence-based justification of long-term local social, economic or environmental benefit. This can be achieved by a structured assessment framework, that provides a robust consistently applied methodology, to ensure decisions are clear, transparent and have the best chance of promoting the public interest.

Commissioners are content for this report to be considered."

2. Report Introduction

2.1. SBC is committed to transferring assets to the community where that will bring benefits to our communities and contribute towards the council's aims and objectives. A framework is needed to manage such asset transfers, focusing on circumstances, conditions and criteria under which the council will consider the transfer of its interest in a property or land.

2.2. Community Asset Transfers (CAT) can be a valuable part of supporting and sustaining the third sector in Slough and we wish to ensure council assets are managed by the people who regularly use them.

2.3. We are fully committed to using suitable council assets to form long-term partnerships with TSOs that meet the council's criteria, to create and build stronger, more cohesive and more sustainable communities.

2.4. The Council will proactively investigate potential opportunities for CAT and will work within a transparent process when assessing all requests for CAT.

2.5. CAT can take place in different forms:

- management agreement
- license to occupy.
- short lease
- long lease
- Freehold transfer (by exception only)

If a Community group identifies a suitable asset for transfer and approaches the Council (or vice-versa), then the Council as per policy shall consider the request and where appropriate shall seek to declare the property as surplus (if not already designated as such). If, following due consideration, a decision is made to proceed, then the Council will follow the prescribed CAT policy.

2.6. CAT may involve a transfer at more or less than the market value of an asset. Any possible level of adjustment from market value will be determined by, amongst other factors, the social, economic, or environmental benefits generated by the transfer, as well as the overriding financial needs of the council, such that any CAT would not be to the significant financial detriment of the council.

2.7. A CAT can apply to council properties deemed suitable and are not used to deliver statutory services nor have a detrimental effect on SBC delivering statutory services to residents. For example, schools, care homes, or temporary accommodation would be deemed unsuitable for a CAT.

Options considered

Option A – To adopt the proposed Community Asset Transfer Policy (CATP) as per Appendix A. – Recommended

This will allow the council to work proactively with TSOs to deliver the benefits set out in the CATP and ensure that the council's financial position doesn't worsen.

This option will enable TSOs to continue building and supporting local communities, whilst protecting valued local spaces to ensure that local people can come together to address local challenges.

Option B – To continue to work with and support TSOs across the borough utilising Council properties on a non-formalised, ad-hoc basis (as is currently the case). Noting that this may not allow TSOs to flourish and reach their full value-add, operational potential. – Not recommended

This option would deliver a non-transparent process on a first come first serve basis, which may not optimise the benefits to local residents.

Assessment process for CAT Applications

Applicants should generally satisfy the following.

- have a well-prepared business case.
- demonstrate a significant track record of supporting Slough's communities and / or needs over a number of years.
- demonstrate a clear community/social demand for the proposed CAT.
- have the capacity to manage the asset and have directors or management committee members who have the necessary experience and skills.
- good governance, robust financial systems, and all necessary policies expected of a community organisation; this can be evidenced by having a recognised quality mark, or by meeting all the basic requirements for a good community organisation.
- contribute towards the council's corporate and strategic objectives.
- must not duplicate activities, services or facilities already provided for in the local community.

2.8. The length of the lease term shall be defined by the needs that are clearly supported by the TSOs business plan, and on the TSOs capacity to manage the asset.

2.9. Lease clauses will be flexible so that maximum benefit is achieved for both the TSO and the council.

2.10. Leases will be accompanied by a Service Agreement that will secure the longer-term benefits of the CAT. This will set out the agreed minimum standards, opening hours and activities, and how these will be measured and monitored.

2.11. Leases will contain suitable clauses to ensure the return of the asset to the council if the terms of the service agreement are not met, or in the case of dissolution, insolvency or corruption. However, the transfer will not normally include a provision for

the community organisation to offer the asset back to the council if it is no longer needed for community use unless there are compelling legal reasons for doing so.

- 2.12. Detailed evidence is required that the CAT is financially sustainable over the life of the business plan and will not incur future financial liabilities for the council with robust risk assessments required to support this.

3. Implications of the Recommendation

3.1.1 Financial implications

The recommendation is for the Council to adopt a Community Asset Transfer Policy (CATP) where the council transfers part of its property assets to community groups by way of management agreement, license to occupy, short lease or long lease subject to a full and viable financial assessment. The objective is to benefit the local communities, ensure better use of council's assets and support council's financial recovery plan. Each asset transfer decision will be subject to a full financial assessment, on a case-by-case basis, to ensure the proposed transfer contributes to the council's financial recovery plan.

Transferring assets to local third sector agencies and groups can have significant benefits to those organisations and communities and ensure their long-term security as community assets, providing, for example, new opportunities for mixed community and business use - but there are also risks, including financial, health and safety and reputational. If the asset requires investment and/or the organisation does not have the financial resources to maintain its upkeep, provide for capital investment and keep it safe, then it risks its closure and insolvency of the organisation. Costs and other liabilities could come back on the Council, so proper due diligence is essential.

3.2 Legal implications

- 3.2.1 HB Public Law will be instructed to act for the Council on any proposed CAT and will conduct all legal due diligence.
- 3.2.2 CAT may involve a transfer at less than market value. Any possible level of subsidy will be determined by the social, economic, or environmental benefits generated by the transfer, however this should be considered within the context of Sections 127 and 128(1) of the Local Government Act 1972 and the rules on subsidy control (i.e. whether transfer at a discounted price is anti-competitive, etc.).
- 3.2.3 Leasehold documentation shall be drafted on the basis that the use of the property will continue for the benefit of the local community and, to avoid the Council incurring future costs, that the TSO must return the asset in a good state of repair and condition (via a positive covenant in the lease document).
- 3.2.4 In the unlikely event of a freehold transfer, overage provisions applicable on a resale, and/or any future re-development, of the land by the TSO may be appropriate.

3.3 Environmental implications

- 3.3.1 No negative environmental implications have been identified as a direct result of this report.

3.4 Equality implications

- 3.4.1 The pilot project will improve equality by ensuring that properties leased align to the characteristics of those that require the homes.
- 3.4.2 The CATP recognises the value of Equalities Impact Assessments to ensure that equality issues are addressed, and necessary accommodations are made.

3.5 Procurement implications

- 3.5.1 There are no procurement implications.

3.6 Workforce implications

- 3.6.1 No workforce implications have been identified as a direct result of this report.

3.7 Property implications

- 3.7.1 There are no property implications other than these outlined in this paper, including the appendix.

4. Background Papers

- 4.1 None