

Overview and Scrutiny Committee
7th December 2022

Title: Community Asset Policy

Report of the Director of Economic Development and Property

1 Purpose

- 1.1 To enable engagement to take place with Overview & Scrutiny Members on the draft Community Asset Strategy, following completion of a public consultation exercise and prior to formal adoption of the Policy by the Council

2 Action required

- 2.1 To consider the contents of this report and the draft Policy and provide any further comment and feedback
- 2.2 To note the outcome of the public consultation exercise

3 Background information

- 3.1 It is understood that the management of assets by community and voluntary groups can deliver benefits to the citizens of Nottingham. Asset transfer is the way in which that can be achieved, a voluntary process of disposing of assets to community organisations
- 3.2 Up to this point the Council has not had a formal Policy in place in this respect which has led to an inconsistent approach and with the wheel frequently being reinvented. This Policy proposal serves to fill that gap, will provide clarity of approach and transparency and also serve, in an equitable way, to deliver the commitments in relation to “community” leases contained in the Together for Nottingham, Recovery and Improvement Plan refresh 2022. It will support the stated requirements to ensure that asset values are maintained, community assets are fully utilised and that underutilised assets are made available for disposal. Particularly:
- a) To reduce the council’s exposure to retained repairing responsibilities.
 - b) To consider applying fair market rents supported by grants.
- 3.3 The draft Policy is structured as follows:
- a) **Background**-sets context and shows support to the delivery of corporate priorities

- b) **Why is a Community Asset Policy required?**-sets reasons and aims, transparency and clarity and defining when asset transfer is appropriate to consider
- c) **What is a Community Asset Transfer?** Defines a transfer and describes potential mutual benefits and risks to the parties
- d) **What organisations are eligible?** - defines the types of organisations that are able to apply and their required characteristics
- e) **Assets potentially suitable for community asset transfer-** describes required tenure of council asset ownership and requirement to assist in delivery of corporate priorities
- f) **Assets excluded from community asset transfer-**describes the operational and other classes of council asset that are excluded from consideration
- g) **What is the process for a community asset transfer?** Sets the headlines of the process
- h) **What should the business case for community asset transfer contain?** –sets out the information to be submitted by the organisation to the council in support of their application for transfer.
- i) **Maximising community benefit** –sets the way in the asset should be used to deliver social benefits/value to satisfy community need. The Council will offer further guidance to applicants as part of the application/evaluation processes.
- j) **Monitoring**-sets out the requirement and need to set and monitor agreed service targets/outputs on an ongoing basis.
- k) **Appendix-detailed breakdown of the community asset process by stage** – provides further detail of the application process and timeline. Fine detail of application templates, evaluation models, related governance, social benefits assessment methodology etc. remain to be finalised. It would not be expected that detail of that nature would be included in a Policy document. The Policy is set to endure for the medium term whereas the application/evaluation methodologies etc. are likely to evolve in the short term as lessons are learnt in use.

3 Consultation

The following have been consulted in the preparation of the draft Policy now presented and their comments received have been incorporated as appropriate:

3.1 Responsible Portfolio Holders, Cllr. David Mellen and Cllr. Neghat Khan

3.2 The Chief Executive, and Corporate Directors and other senior officer colleagues in Growth & City Development and Residents Services

3.3 Community Partners - NCVS, The Renewal Trust and Locality-responders were generally supportive and made a small number of helpful suggestions where more detail might assist, e.g. the application process timeline which is now incorporated into the draft.

3.4 The draft has also now been the subject of a public consultation exercise of a six week duration and which closed on the 24th October. Council Members were notified as part of the process. Only two responses were received to that consultation as follows:

- a) “I am concerned about short leases. If these organisations are to achieve external funding, then they invariably need longer leases to access these. Also the ongoing maintenance of these buildings is a budget issue and I’d want to see how this would be resolved if organisations are paying lower than market rent”.

Response: the draft Policy does not define an exact lease length and it is felt this is right as each case needs to consider on its individual merits. The draft (at section 3) is sufficiently flexible to accommodate both short and longer term arrangements. Officers are fully cognisant of the fact that the requirements of funding bodies will be an influencing factor in this respect. The process looks to transfer repairing obligations to applicant organisations.

- b) “The strategy should ensure that present property users have the first right to acquire the property and options for local groups and communities partnerships explored first. In the event that the asset is passed to a third party, there should be clauses to ensure that those who purchase the property keep the present users and local communities using the asset as the preferred renters to prevent loss of local community groups, partnerships and services”.

Response: from a pragmatic point of view there is potentially merit in first dealing with current occupiers where assets are occupied. This would be subject to their fulfilling the eligibility and other criteria of the Policy. It is probably the case that in a small number of instances arrangements might not be working exactly as they should be and corrective action is necessary. There may also be other instances where the Council determines that it is not appropriate for a particular asset to remain in community use. It would not therefore be appropriate to give the blanket assurance that is being proposed.

3.5 A number of enquiries were also referred to officers following discussion at the Overview & Scrutiny meeting dated 3rd August. The comments and responses given are as set out below for ease of reference. These were reported back to Overview and Scrutiny on the 12th October.

- a) To provide all Councillors with the opportunity to comment on the draft Community Asset Policy as part of the consultation process.**

The policy will be sent to all ward Councillors as part of the consultation process. (Members were advised as part of the recently completed public consultation exercise)

- b) Consult with this Committee on the finalised draft Community Asset Policy prior to it being adopted**

The committee will be consulted with prior to the policy being adopted.

- c) To consider the following points for inclusion in developing the Community Assets Policy:**

A clear timeline set out for community groups expressing an interest in purchasing an asset with consideration given to the timeframe set out within the national Asset of Community Value Policy

Response: A timeline is set out within the draft policy, which suggests the process should take up to 32 weeks, this is slightly longer than the time allocated within the national Asset of Community Value Policy.

Where possible, within the constraints of the requirement to achieve best consideration, to build in measures to encourage “Sell Local” with increased time frames to allow local groups or consortiums to establish sufficient finances

The placing of voluntary restrictions on sales will affect the Council’s ability to ensure best consideration. However, marketing of assets for sale will be undertaken locally, as well as nationally. Where possible increased timescales will be built in to enable local groups to establish sufficient finances, provided it doesn’t disrupt the forecast for capital receipt income expected.

Built in controls to ensure no conflict of interest for members and officers can influence sale of assets

Once established, the terms of reference for the group to asset business cases under the community asset policy process will include the expectation for members and officers to declare conflicts of interest.

Ensure adequate consultation with relevant Ward Councillors and Community groups prior to the sale of community assets

Consultation with ward councillors on the sale of assets is already incorporated into the process for community assets. Community groups will be consulted with when taking decisions to cease local services and when an asset is identified as appropriate for continued community use.

d) To develop and maintain a public register of assets sold by private treaty

The official definition of private treaty is any sale which has undergone a negotiation, which would include every sale the council undertakes. The land registry already records and publishes property sales, therefore the sale of Council properties is already published. The property team maintain a register of those properties sold via special purchaser.

e) To consider further increasing the use of private agents to assist with current capacity issues within the property team

We already use private agents where it is considered appropriate to supplement skills and capacity.

- 3.5 Subject to the consideration of any other comments received the intention is to now seek approval to the adoption of the Policy by the Executive Board on the basis of the draft now submitted.

4 List of attached information

- 4.1 Draft community asset Policy

5 Background papers, other than published works or those disclosing exempt or confidential information

- 5.1 None

6 Published documents referred to in compiling this report

- 6.1 None

7 Wards affected

- 7.1 All

8 Contact information

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