

Community Asset Transfer Policy and Progress

Meeting: Communities and Housing Scrutiny Committee

Date Of Meeting: 8 October 2024

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Will the decision be open for call in?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1.0 Purpose of Report

1.1 Following the adoption of the Community Asset Transfer (CAT) Policy in early 2024, the purpose of this report is to update on progress in rolling out CATs across the Borough and to provide an opportunity to scrutinise the process and application of the policy.

2.0 Recommendations

2.1 The Committee is requested to:

RESOLVE THAT the report be noted.

3.0 Proposal & Outcome

3.1 The Committee is invited to note the progress to date in applying the Community Asset Transfer (CAT) policy to the transfer of community centres and sport pavilions.

3.2 The desired outcome is that through early scrutiny and oversight of the CAT scheme, the Council can refine its process to support future community asset transfers (as appropriate).

4.0 Background

4.1 Due to the serious financial situation faced by the Council, a Community Asset Transfer (CAT) policy was adopted at Full Council in February 2024.

4.2 By transferring a council-owned asset, the aim is for the community facility to be sustained and revitalised beyond the means of the Council at a time of increased budget pressures. This enables the community to take control in running assets to best meet local needs and supports the voluntary and community sector to meet their growth ambitions.

4.3 The community organisations would operate the asset as a way of continuing it without funding from the Council due to budget pressures on discretionary services. Therefore, the aim is to achieve local social, economic, or environmental benefit, usually by way of a long lease or in some limited circumstances a freehold transfer.

4.4 As the Council went through the 2024/25 budget setting process, a number of assets were identified for transfer to the community to ensure cost savings in future. This included five community centres and thirteen sports pavilions/ changing rooms/ storage units.

4.5 The Centres for the Community to be transferred are:

- St Mary's, located in Byfleet
- Moorcroft, located in Westfield
- The Vyne, located in Knaphill
- Parkview, located in Sheerwater
- Maybury Centre, located in Woking town centre.

4.6 The sports pavilions/changing rooms/storage units to be transferred are:

- Alpha Road
- Brookwood Country Park
- Brookwood Farm
- Byfleet
- Goldsworth Park
- Kingshead Lane
- Sheets Heath, Brookwood
- St Peters
- The Vyne Playing Fields
- Waterers Park
- West Byfleet
- Wheatsheaf Pavilion
- Woking Park

4.7 In January 2024, the Council's Executive agreed to re-allocate UK Shared Prosperity Funding (UKSPF) to six priority projects, which will directly benefit Woking residents. A total of £290,000 was agreed to implement the CAT Project to support the transition of community centres and pavilions to community organisations. The funding is being allocated to a fixed-term community broker post, condition surveys, critical and urgent repairs under health and safety, ensuring work is done on utility meters and securing additional resources to put in place lease agreements, etc.

5.0 Options Considered

5.1 The Community Asset Transfer (CAT) policy was adopted by Council in February 2024. Therefore, this is the agreed approach taken by the Council.

5.2 The 2024/25 budget setting process also identified that the community centres and sports pavilions would be subject to the CAT scheme. Additional assets could have been added to the CAT scheme (i.e. public toilets). However, given the number of assets already listed, the new process and the limited resources, it was agreed that these would need to come forward in a future phase.

Governance Process

5.3 Part of the process of implementing the Community Asset Transfer Scheme is to set up a Community Asset Transfer (CAT) Working Group to ensure the appropriate governance is in place. This group comprises of different expertise from across the council to focus on transferring Council owned assets to community groups. To adhere to the CAT process and transparency of the scheme, this group consists of representatives from Property Services, Legal, Finance and Marketing and Communication (when needed), plus relevant directorate representatives. The group meets fortnightly.

5.4 The decision to transfer an asset will be made by a member of the Executive or relevant Portfolio Holder based on recommendations from Officers once the business case has been agreed through due process. Council Members will not be involved in any aspects of the

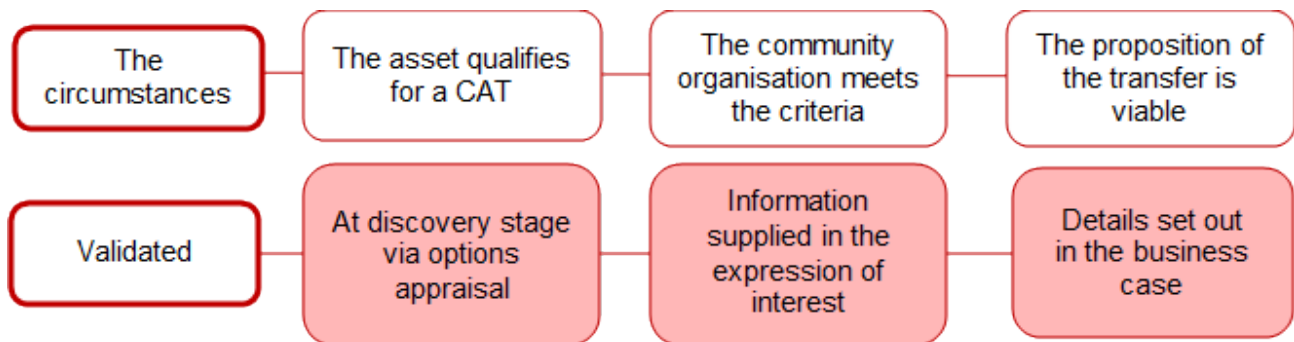
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negotiation process to transfer assets to ensure impartiality (see paragraph 6 in the CAT Policy).

5.5 As the CAT process is new to the Council, support was secured from Local Partnerships to ensure the policy and process is implemented in a transparent way. The brief given to Local Partnerships was to:

- Work with the CAT working group to troubleshoot some of the queries in process and delivery, resolving the best course of action and next steps.
- Provide objective evaluation criteria for expressions of interests and business cases. This will be especially useful when more than one bidder is involved and support transparency of decisions.
- Read through submissions to highlight any issues and considerations at evaluation.
- Support/chair the evaluation panels to reach a determination on the expressions of interests and business cases (and in so doing provide skills development on asset transfers to the panel)
- Identify the next steps from the panel meetings
- Allow for completely independent and objective advice on Woking's CAT process drawn from experience of supporting similar schemes within in the UK.

5.6 A CAT will only proceed once it satisfies the following three circumstances and validation steps:



6.0 Discovery Stage

6.1 The Community Asset Transfer Policy was adopted to ensure a transparent and consistent process was followed and to ensure community organisations had all the information needed to make informed decisions before a transfer can take place. It also ensures that the Council achieves its objectives to protect the facilities for community benefit, whilst also being viable and sustainable in the long-term.

6.2 Work was undertaken by the Head of Leisure and Communities to identify Council-owned assets for transfer in Autumn 2023 with a report submitted to the Executive in February 2024.

6.3 The Discovery phase took much longer due to staff changes and gathering of data, including historical issues dating back to when the assets were built, and the way utilities are set up. There were also gaps in the data as well as lease agreements or covenants that could not be found. As a result of this, some of the discovery phase has run concurrently with the Expression of Interest phase.

6.4 The following information has been gathered to provide community organisations with an information pack, once they were successful in the Expression of Interest phase.

- Mapping identified assets across the borough.

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- Identifying Neighbourhood Community Infrastructure Levy (CIL) money available in each ward.
- Reviewing the current usage of the assets.
- Reviewing current hire or lease agreements and covenants in place.
- Assessing current and future needs of the current hirers.
- Assessing the running cost of each asset.
- Assessing the condition of each asset and the suitability of the asset to be transferred.
- Identifying remedial work to be done before assets can be transferred, including up-to-date Energy Performance Certificates (EPC's) and Fire Risk Assessments.
- Working with partners/stakeholders and internal colleagues to provide additional information about the assets (i.e. Freedom Leisure, Green Spaces and Estates management).
- Colleagues from the WBC finance team and Freedom Leisure followed a robust process in providing accurate financial data on each asset.
- The CAT working group explored and identified funding opportunities available to support the transfer of assets to secure the future of these community buildings (i.e. Surrey Football Association, Surrey Cricket Foundation, Community Interest Levy Funding and Surrey Fund).

7.0 Expression of Interest Stage

- 7.1 Press releases and social media promotion of the assets available for transfer were launched in March 2024 and the deadline for submissions was 31 July 2024.
- 7.2 The Council provided an Expression of Interest (EOI) template for completion (Appendix B). Officers also provided guidance to the community organisations on completing the EOI form. It was followed up with a telephone call, email, or face-to-face discussion if more information was needed.
- 7.3 Following conclusion of the first phase of the Community Asset Transfer (CAT) scheme, a total of 45 expressions of interest were received from local community, charity, and voluntary groups. All the listed assets received interest with 21 received for Centres for the Community and a further 24 for sports pavilions.
- 7.4 Review of Expression of Interest applications took place on the following dates:
- 6 August 2024 – Evaluation of 21 EOI applications for Community Centres
 - 20 August 2024 – Evaluation of 24 EOI applications for Pavilions
- 7.5 An independent chair/ moderator from Local Partnerships convened the panel meetings with Council officers representing legal, estates, communities, and leisure.
- 7.6 The panel also invited experts to the evaluation panel to provide insight and advice on the assets. They did not score the applications.
- 7.7 Each member of the panel used an Evaluation Scoring template (Appendix C) to assess each expression of interest application individually ahead of the panel meeting.
- 7.8 The panel then used the CAT Policy guidelines (section 4.1 - 4.4) to discuss and agree the outcome for each asset, including:
- That the community organisation meets the criteria to operate the asset. (Section 4.2 of the policy)
 - When the asset would not be transferred to a community group (Section 4.4 of the policy)

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- Whether to proceed to the business case phase or not.
- The reasons for not proceeding to the business case phase.
- Further information required from the organisation to reach a decision to move to the business case phase.

7.9 In line with the Council's CAT policy, it is the delegated authority of the CAT panel to take forward EOI's they feel meet the criteria outlined in the policy. The panel's decision was reported to the Corporate Leadership Team on:

- 19 August 2024 – Community Centres
- 28 August 2024 – Pavilions

7.10 On 28 August 2024, the outcome was also reported to the Commercial Board.

7.11 On 2 September 2024, the Expression of Interest Applicants were informed of the outcome.

8.0 Business Case Phase

8.1 Meetings were set up by the Community Broker with all applicants between 2 September and 24 September 2024 to discuss the outcome and set a start date for the Business Case phase.

8.2 An Information Pack was provided to assist them in completing the Business Case Template. It included the following:

- The background of the asset, where it is situated, and current usage of the venue. It also includes the running costs, compliance costs and condition survey, as well as current income;
- A floor plan;
- Census information for Woking;
- The building condition survey;
- Funding opportunities;
- Business Case template;
- Budget template (Appendix D).

8.3 Under the CAT policy, the Business Case phase has an agreed timescale of 4 months from the agreed start date. The start and end dates will be the same for all community organisations for each individual asset. Where there is only one applicant for an asset, the CAT working group will try to fast-track cases where appropriate.

9.0 Next Steps

9.1 Over the coming months, the Community Broker will be available to clarify any questions and support the community groups through the business case phase. They will have one opportunity to submit a draft business case for comments before submitting a final business case.

9.2 It is anticipated that the evaluation of Business Cases for Community Centres will be in mid-January 2025 to ensure the lease agreements can be completed as close to the end of March 2025.

9.3 The CAT transfer will need to be agreed through formal governance with a published report and finalised legal agreements and monitoring regime.

9.4 With the current leisure contract running to 30 November 2025, there is more time to transfer the pavilions. This will provide officers with additional time to ensure the community groups

benefit from funding opportunities to find the best economical solutions to manage these assets in future.

10.0 Implications

Legal

10.1 None arising from this report.

Resources (including finance)

10.2 A total of £290,000 UKSPF funding was agreed to implement the CAT Project to support the transition of community centres and pavilions to community organisations. The funding is being allocated to a fixed-term community broker post, condition surveys, critical and urgent repairs under health and safety, ensuring work is done on utility meters and securing additional resources to put in place lease agreements, etc.

10.3 The UKSPF funding must be used by 31 March 2025. Therefore, there is a risk to resourcing the process beyond this date where the CAT's have not completed by this date. Both the Project Manager and Community Broker are on fixed-term contracts to this date.

Consultation, Equality Impact Assessments

10.4 During Autumn 2023, the Council consulted on the future of its discretionary services, including giving community groups the opportunity to show interest in running these assets.

10.5 Equality Impact Assessments were undertaken on the decision to cut funding to discretionary services, with the CAT process being one mitigation.

Risks and Mitigation

10.6 The main risks and mitigation around the Community Asset Transfer scheme are set out in the table below.

Risks	Mitigation
The community organisation and the council cannot reach agreements on the terms of the transfer.	Both parties operate in an open and collaborative manner with early and regular dialogue. External legal support commissioned. Information pack containing as much information as possible so that expectations are clear.
No community organisation comes forward with a viable and/or sufficiently robust business case for an asset.	Officer support in developing a detailed business case. Alternative options for assets to be considered where no viable alternative.
The Council does not have sufficient capacity to support the CAT transfer and monitoring given the UKSPF funding ends on 31 March 2025.	Early discussions with Ministry of Housing, Communities & Local Government (MHCLG) to see if extension to UKSPF can be granted to complete the project.

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Risks	Mitigation
A CAT is unsuccessful – for example, the asset is not maintained or the group folds.	Due diligence through the CAT process, including ensuring insurance is in place and financial checks/review.

11.0 Supporting Documents

Appendices

- 11.1 Community Asset Transfer Policy – Appendix A
- 11.2 Community Asset Transfer Expression of Interest Form – Appendix B
- 11.3 Community Asset Transfer EOI - Evaluation form– Appendix C
- 11.4 Community Asset Transfer Business Case Form Template – Appendix D

Background Documents

- 11.5 None

Version Control

Version Number	Author	Changes
0.1	RT	First draft 25/09/24
1.0	LS	Final, following review 27/09/24

REPORT ENDS