

ADULTS AND COMMUNITIES SCRUTINY COMMITTEE	AGENDA ITEM No. 6
13 NOVEMBER 2018	PUBLIC REPORT

Report of:	Adrian Chapman, Service Director for Communities and Safety	
Cabinet Member(s) responsible:	Cllr Irene Walsh, Cabinet Member for Communities	
Contact Officer(s):	Sarah Ferguson - Assistant Director of Housing Communities and Youth Cate Harding - Community Capacity Manager Bill Tilah - Estates Surveyor - NPS Peterborough Ltd	Tel. 01733 317497

COMMUNITY ASSET TRANSFER UPDATE REPORT

RECOMMENDATIONS	
FROM: Service Director, Communities and Safety	Deadline date: N/A
<p>It is recommended that the Adults and Communities Scrutiny Committee:</p> <ol style="list-style-type: none"> 1. Scrutinise the progress made to date regarding the properties in scope for community asset transfers, and agree the final steps required during the transition of management responsibilities through to the conclusion of the programme 	

1. ORIGIN OF REPORT

- 1.1 This report is presented to the Committee at the request of Cllr Irene Walsh, Cabinet Member for Communities.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The report is presented in order for the Committee to note the content and progress made to date regarding the properties in scope for community asset transfers, and agree the final next steps required for a period of transition of transferring management responsibilities through to the conclusion of the programme
- 2.2 This report is for the Adults and Communities Scrutiny Committee to consider under its Terms of Reference 1., Functions determined by Council
 4. Neighbourhood and Community Support
- 2.3 This report links to the following corporate priority:

Keep all our communities safe, cohesive and healthy

Community centres play a vital role within our communities, providing space for local communities to come together for social interaction and inclusion, helping to build strong, resilient and cohesive populations.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

- 4.1 Peterborough City Council has many community facilities across the city which include community centres, village halls, youth centres, former play centres and sport & leisure associations. 47 of these facilities are currently in scope for community asset transfer. This number has increased from the original 32 when the programme commenced due to additional properties coming into scope for transfer which are mainly the youth, sports and leisure facilities.
- 4.2 These building have a long and strong history within their community and play a vital role in the delivery of services and community led activities. As importantly, they play an essential role in bringing together residents and small groups for a wide range of social, cultural and physical activities. Community buildings are often at the heart of the community for helping to find out basic information, running public services and fostering a real sense of belonging and community in a local area.
- 4.3 Whilst most of the community buildings are owned by the Council, they are managed by various community organisations on a voluntary basis. The management is through a variety of different arrangements which have developed over a number of years, with leases held on a broad range of terms and conditions. Broadly speaking, the Council is responsible for the repairs and maintenance of the buildings, and in some cases, due to long standing agreements, covers the utility and rental costs to a 3rd party property owner. Peterborough City Council funds repairs which pose a health or safety risk and items which ensure the building remains wind and watertight.
- 4.4 In 2013, the Council published its Community Asset Transfer Strategy which sets out the Council's vision for securing the long term future of our community buildings into community ownership. The Council remains committed to the principle that local communities should have the opportunity to own public buildings that are of local value and provide services for that community.
- 4.5 Community organisations that own community buildings have a number of significant advantages when compared to ongoing local authority ownership:
- Able to develop greater community empowerment in local communities
 - Able to respond much more effectively to the needs of local people and provide tailored community services
 - Building the capacity and skills of individuals and organisations
 - Increasing volunteering
 - Greater commercial and funding opportunities where communities can attract money that councils are unable to apply for
 - Reducing financial liability for the Council
- 4.6 As set out within the Community Asset Transfer strategy, the council is committed to supporting existing community organisations to take over the ownership of their buildings where they wish to do so. Over the last two years, extensive consultation and engagement has taken place with each organisation to explore the options open to them.
- 4.7 The key challenge to date has been the issue of buildings not considered to be in a fit state for transfer that could then become a significant liability to the new owners. The resultant due diligence work, property by property, coupled with the increase in in-scope buildings, has added to the overall programme timescale. However, this work is vital as we remain committed to ensuring that no community organisation becomes responsible for a building which is not fit for

purpose.

4.8 The scale of this work has led to significant council staff resource being allocated to the programme, which in turn has enabled significant progress to be made in the last few months resulting in more formal agreements being reached to lead to completion of the lease. In particular, the agreement for the council's capital expenditure programme to invest up to £100k to resolve long standing issues with buildings, where possible, has helped negotiations with the groups. Additionally, our property & legal teams have been able to offer a schedule of work as part of the lease which describes the property works that Peterborough City Council is obliged to complete within a given timeframe, in order to speed up the completion of the transfer. Finally, full support is offered to each community group via a commissioned 'support package' provided by the Peterborough Council for Voluntary Services (PCVS). This package includes a minimum of an organisational health check of policies and procedures, fundraising and business and financial planning.

4.9 At the time of writing five facilities have now fully completed the transfer process. The legal team have been instructed to complete on a further eleven. Fourteen facilities are engaged in advanced negotiations and a further fourteen are at an earlier point of their negotiations. Only one group to date has advised they do not wish to take on the additional responsibilities of the transfer, one other is yet to clarify their intentions and one other, due to their lease having been issued relatively recently, are not obligated to proceed with the change of lease terms.

4.10 **Next Steps**

4.10.1 Based on the current status of negotiations with the 47 properties now in scope, it is predicted that by the end of March 2019 the programme will be 67% completed (including those facilities with a known completion date). Completion reflects either a freehold transfer or lease in place with no on-going repairs and maintenance responsibilities for the council within the term of the lease.

4.10.2 The capital expenditure programme funding allocation is available until the end of March 2020 by which time it is anticipated all repair works will be complete and the remaining transfers fully completed.

4.10.3 With the new ability to agree a schedule of works for each of the remaining properties not predicted to have a completion date before the end of March 2019, the programme team will now be able to have a very clear indication by the end of this year of what works and associated costs will be required in 2019/20.

4.10.4 It is therefore recommended that the Committee supports a final one year period of transition to enable the completion of these works. As stated in 4.10.2 the capital funding for works is secure and the associated borrowing costs are budgeted for within the PCC property team. No further revenue liabilities will remain with the People & Communities department as the critical on-going support to the community will also continue but via the core business of the communities team and contracted services. Whilst this is not the completion rate or date predicted in the last update to the Scrutiny Committee, the process has shown that the trust and confidence within the community to take on the additional responsibilities does not come about quickly or without considerable guidance and support, and that we must resolve key building issues prior to completion.

4.10.5 It is therefore proposed that the following actions and timetable are implemented in order to see this transitional period through:

- *A forecast of property related revenue and capital expenditure expected in 19/20 for all properties with a completed lease but schedule of work commitment to be available by 21st December 2018 (costs already declared)*
- *A forecast of property related revenue and capital expenditure expected in 19/20 to enable the remaining lease completions to be available by 31st March 2019 (costs already declared)*
- *Properties for which PCC will retain corporate asset management responsibilities (those*

- with a lease), are factored into future R&M budget planning as a contingency (on-going)
- Where no commitment to a community asset transfer is likely, requests for expressions of interest will be published by end December 2018
- Where no expression of interest is received, or if a community organisation withdraws from negotiation and the community and Council deem the building surplus to requirements, it will be considered for disposal
- On-going support for community groups completing the transfer process will be put in place
- Development of an information management system to record and monitor the occupancy agreement conditions for each centre to be embedded into the council's core functions of the communities team by 31 March 2019

5. CONSULTATION

- 5.1 Extensive engagement and support is taking place with each community organisation on the options available and the Council's intentions.

Ward councillors are updated on progress with the centres in their area and active involvement and support requested where complex issues may occur.

A monthly working group, including representatives from Community Action Peterborough, receives regular updates from officers and partners. This regular meeting is Chaired by the Cabinet Member for Communities

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 The programme is anticipated to secure the sustained asset transfer of community buildings currently in council ownership.

7. REASON FOR THE RECOMMENDATION

- 7.1 To ensure the effective and sustainable completion of the asset transfer programme for community buildings.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 Two options have been considered:
- A Trust Model: It was agreed that this was not viable due to the majority of community groups entering into individual negotiations with the council.
 - Disposal of all community buildings: Whilst this option would remove the financial liability from the Council and provide a capital receipt, it has been rejected. Such an option would lose vital services in the community, increase social isolation and reduce community resilience.

9. IMPLICATIONS

Financial Implications

- 9.1 Based on the current status of negotiations, it is predicted that by the end of March 2019 the programme will be 67% completed or an expected completion date known. This will realise a saving on PCC's revenue budgets that support property maintenance.

PCC will retain corporate asset management responsibilities as property owner/landlord.

Schedules of work appended to a lease will require the property team to forecast capital expenditure into 2019/20. These funds are already secured.

Legal Implications

- 9.2 The Council is obliged to obtain best value for any land transfer pursuant to s123 Local Government Act 1972. Ordinarily this is achieved by way of a transfer by the Council to provide a capital receipt. In the case of the community facilities, the transfer is unlikely to generate a capital receipt. However, market valuation calculations are undertaken to support any transfer which take into account the ongoing cost of maintenance and management to the Council and the value to the community in keeping the building in community use to ensure that the obligations under s123 are met.

Equalities Implications

- 9.3 An Equality Impact Assessment has been completed in relation to the identified savings in the October 2018 budget proposals

Rural Implications

- 9.4 N/A

10. BACKGROUND DOCUMENTS

- 10.1 Peterborough City Council Community Asset Transfer Policy

11. APPENDICES

- 11.1 N/A

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