

<b>ADULTS AND COMMUNITIES SCRUTINY COMMITTEE</b>	AGENDA ITEM No. 6
<b>16 January 2018</b>	<b>PUBLIC REPORT</b>

Report of:	Adrian Chapman, Service Director for Communities and Safety	
Cabinet Member(s) responsible:	Cllr Irene Walsh, Cabinet Member for Communities	
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<b>Community Asset Transfer Programme</b>
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<b>R E C O M M E N D A T I O N S</b>	
<b>FROM:</b> Service Director, Communities and Safety	<b>Deadline date:</b> N/A
<p>It is recommended that Adults and Communities Scrutiny Committee:</p> <p>1. Scrutinise the progress made to date regarding community asset transfers, and agree the direction of travel in regards to the future management of community buildings.</p>	

**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 review the progress made to date regarding community asset transfers, and agree the direction of travel in regards to the future management of community buildings.

2.2 This report is for Adults and Communities Scrutiny Committee to consider under its Terms of Reference 1, Functions determined by Council 4. Neighbourhood and Community Support

2.3 *How does this report link to the Corporate Priorities?*

**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

2.5 *How does this report link to the Children in care Pledge?*

N/A

**3. TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	
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#### **4. BACKGROUND AND KEY ISSUES**

- 4.1 Peterborough City Council has thirty three community centres, three youth centres and other community buildings across the city. These buildings 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, helping people from finding out basic information, to running public services and fostering a real sense of belonging and community in a local area.
- 4.2 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, Peterborough City Council covers the utility costs. Due to budget restraints and a lack of finance Peterborough City Council only covers items at present which pose a health or safety risk and items which ensure the building remains wind and watertight.
- 4.3 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.
- 4.4 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
- 4.5 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.
- 4.6 Many organisations are keen to take on more permanent arrangements, however for a variety of reasons they feel unable to take on a Community Asset Transfer for example, concerns over the stability of volunteers, the additional responsibilities in relation to the building or simply the uncertainty of change. A full summary of the position of each community building is set out in appendix 1.
- 4.7 Peterborough City Council have carried out extensive community work with organisations who currently run community buildings, to work together to make a decision on the future running of the centres. Where applicable, referrals to the Peterborough Council for Voluntary Services (PCVS) and the Future Business Centre have been made, and information for each building has been provided on the running costs and financial investment required over the next ten years.
- 4.8 The Council is currently developing a support package for groups for business and financial planning and practical advice and assistance around the operational / legislative elements of maintaining a building.

- 4.9 The progress on the programme has been substantial over the last year, with discussions and agreements on the future of the community buildings being agreed and negotiated. Financial investment to resolve long standing issues with buildings where possible has been agreed and support offered with management issues.
- 4.10 In total, eight community groups are currently agreeing community asset transfer leases or freehold transfer through Peterborough City Council's legal department and ten groups are in advanced negotiations with the property and community teams on the future of their centres in relation to a potential community asset transfer.
- 4.11 Fourteen properties have information outstanding which is required in order to progress any potential transfer for example, additional property surveys being conducted, the property is leased to Peterborough City Council or substantial work is required to be carried out with the existing tenants. Only two groups to date have advised Peterborough City Council that they do not wish to take an asset transfer of their property.
- 4.12 Due to the overwhelming support from our communities to manage their own assets, the option to develop a Trust model to hold community assets not transferring is no longer a viable option to take forward, as there will only be a small number of buildings which could fall under this model. As an alternative option, the Council is aware that there are many community groups in the city who don't currently own/occupy a community venue and have expressed a strong interest in doing so, should any sites become vacant. Where an existing community organisation does not wish to pursue a formal asset transfer, we will explore whether there are other community based organisations in the city who would be willing to do so. The case study attached in Appendix 2 demonstrates the improvements which can be made when new management takes over a community building.
- 4.13 Elected Members have a significant role to play in working with community organisations to support the Asset Transfer process. Ideally, this would be with existing management organisations, however we recognise that there may be other local groups which through the Member's connections and local knowledge could help facilitate a successful outcome. It is proposed that Ward Members will be appointed to community buildings to assist with negotiations and facilitate decisions on the future management arrangements.

### **Next Steps**

- 4.14 It is proposed that the following actions and timetable are implemented in order to progress the long term future of community buildings:
- All existing community management organisations of buildings to confirm their intentions around community asset transfer by 31st March 2018
  - Where no commitment to a community asset transfer is made by the existing community management organisation by the deadline, then the opportunity will be advertised for any other community group to submit an expression of interest in line with the Council's strategy for community asset transfers
  - The deadline for the expressions of interest will close on 30th June 2018
  - If there are no viable opportunities for community asset transfer, then the Elected Member(s) for the area where the building is located, will be asked to take an active role in working with community organisations to explore further opportunities to enable the building to transfer to community ownership
  - All community asset transfers will aim to be concluded in principle by March 2019, where there is a willing organisation
  - 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.

## **5. CONSULTATION**

- 5.1 Extensive consultation over the last two years has taken place with each community management organisation on the options available and the Council's intentions.

## **6. ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 The community based outcomes are listed in section 4. For the Council, the ongoing ownership of these buildings places a significant financial burden which has become unsustainable.

It is predicted over the ten year period from 2017 - 2027, that the 33 community centres will require a spend of £5,749,956 of investment to provide basic maintenance and ensure the buildings comply with health and safety and statutory testing.

The total investment is made up of the following:

- Each building requires statutory testing of electrical equipment, water, asbestos, etc equating to approximately £4000 per year
- The average costings of each centre in repairs and maintenance over the last five years
- The total financial cost of the condition schedules produced in 2015, which sets out costs for each centre over the next ten year period.

Whilst transferring a building could result in a liability for a community organisation, it is offset by the ability for that organisation to gain an income from commercial opportunities and external funding bids which are unavailable to the Council. When operated correctly, many community buildings are able to be run at a profit with the additional income reinvested into meeting local community needs.

## **7. REASON FOR THE RECOMMENDATION**

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

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 Establish a Trust model to manage community buildings where no asset transfer is possible.

This option has been explored in some detail and an avenue which has been actively considered for some time. Through detailed consultation with community management organisations and looking at examples around the country, this option however is no longer deemed viable. In order to establish a Trust model, an ongoing revenue stream from the Council will be required to meet the management and operational requirements for running a number of buildings. In addition, buildings which sit under the Trust would need to provide an annual management fee to the Trust, placing financial liabilities on both the Council and community organisations.

- 8.2 Dispose 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 There will be Revenue savings in both People and Communities and in Property Services. This will be in relation to the upkeep and statutory testing of the buildings. In relation to Capital, PCC will forego Capital receipts it might have received from the sale of the Centres.

### **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 Centres 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 N/a

### **Rural Implications**

9.4 N/a

## **10. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1 Peterborough City Council Community Asset Transfer Policy

## **11. APPENDICES**

11.1 Appendix 1 Community Asset Transfer Programme update (Exempt)  
Appendix Two - Case Study

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