

# Public Document Pack

## **Supplementary Information**

Scrutiny Board (Infrastructure, Investment & Inclusive Growth)

17 July 2024

Item 8: Updated Community Asset Transfer Policy (Executive Board Report)

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## Updated Community Asset Transfer Policy

Date: 24<sup>th</sup> July 2024

Report of: Director of City Development

Report to: Executive Board

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### Brief summary

This report sets out the adoption of an updated policy for community asset transfers. The new policy appended to the report will replace the Community Asset Transfer Policy that was approved by Executive Board in September 2012.

The updated policy incorporates experience and learning acquired from managing community asset transfers over ten years and establishes revised criteria and process that aligns with current estate strategies and challenges around estate maintenance.

The introduction of the new policy is set against the backdrop of acute financial challenge and adaption of the built estate to meet that challenge.

### Recommendations

- a) Executive Board is recommended to consider and agree the new community asset transfer policy attached as Appendix 1 which will replace the previous Community Asset Transfer Policy.
- b) Agree to a list of properties suitable for Community Asset Transfer being established and presented to Executive Board in a future report.

### What is this report about?

- 1 The Council adopted its first community asset transfer policy in September 2012. The policy set out what a community asset transfer is and the criteria for when this arrangement would be considered. The community asset transfer policy has been used to consider and shape community asset transfers for ten years since its adoption in 2012 and has been the platform for the successful asset transfer of ten buildings over to community management.
- 2 Assets transferred under the previous policy include community centres, libraries, meeting halls, sports halls, a swimming pool and a former town hall. In each case, community asset transfer secured a future for assets that the council had either declared surplus to requirements or could no longer afford to run. The transfer of Bramley Baths and Yeadon Town Hall represent two of

the more ambitious transfers that have been undertaken successfully, however transfers of several community centres, meeting halls and libraries have also been achieved during this period.

- 3 Alongside the successful transfers the policy has also presented challenges during the course of the past decade. Some of these challenges have been around interpretations of the policy with proposals being presented that did not conform with the policy criteria or the purpose of community asset transfer that the national legislation intended. An example of one of the misconceptions of community asset transfer is that it has often become conflated with Community Right to Bid legislation with council's ownership of assets being challenged by interested parties as a basis for community asset transfer. Asset Management also deal with multiple approaches for community asset transfer which don't meet the criteria set out in the policy. One of the reasons and benefits of refreshing the CAT policy is to make the criteria clearer and more robust while also giving it an increased profile, both internally and amongst the voluntary and community sector.
- 4 Since the adoption of the policy in 2012 legislative changes have come into effect including The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 establish a minimum level of energy efficiency for rented property in England and Wales. This requires all commercial lettings to meet an energy performance rating of an E with the standard expected to increase to a B by the end of the decade. It is anticipated that the new legislation will apply to both new and existing lettings when it is brought in. The CAT policy needs to be updated to include reference to these legislative changes to protect the Council against the risk of non-compliance and prohibitive future maintenance obligations. In some cases this will result in community asset transfer not being viable should a building not meet the minimum EPC standard, or where there is no clear and costed plan to get the building to that minimum rating and beyond.
- 5 The timing of the review of the community asset transfer policy coincides with council-wide estate reviews that are being undertaken following the findings of the LGA peer review. With the unprecedented financial pressures and challenges being faced by local government asset transfer presents a viable option for asset release in certain cases to support the Council's budget position while also offering a solution for services to be delivered in a different way.
- 6 The refreshed policy also reflects comments and suggestions made through consultation with representatives of the voluntary and community sector in Leeds and elected members.
- 7 The report sets out the refreshed community asset policy which establishes a new process and criteria, enhancing clarity on what a CAT is, the circumstances when it will be considered and the timescales for implementation against a narrative of updated legislation and estate rationalisation. It also sets out the approach for establishing a list of properties which are suitable for Community Asset Transfer in collaboration with key internal and external stakeholders and establishing an annual programme for Executive Board to receive updates allowing properties to be added or removed from the list as necessary.

### **What impact will this proposal have?**

- 8 A clear policy document aids engagement and dialogue between the Council, the voluntary and community sector and ward members. The revised policy incorporates several new elements to the process including refining the criteria, incorporating new Energy Performance Certificate

(EPC) legislation and embeds the principle of working collaboratively on community asset transfers, particularly with representatives of the voluntary and community sector. The new elements that have been introduced will enhance decision-making around how the delicate balance between assets being utilised to support budget pressures and the important role assets play for the voluntary and community sector in helping the Council achieve its ambitions.

9 The revised CAT policy will:

- set out the community asset transfer criteria clearly and concisely to assist community organisations in framing business cases for transfers.
- provide a robust criteria for determining when a CAT can be considered.
- highlight the responsibilities and liabilities of community asset transfers for external organisations.
- establish clear benchmarks and timeframes associated with the submission and progression of proposals.
- Signpost external organisations to access to advice and support to explore proposals fully.
- Encourage coordination and collaboration between organisations around community asset transfer to offer a broader benefit to a local community.

10 The existing community asset transfer policy has sometimes fallen short of being a conclusive reference point for dealing with the range of approaches that are received for community asset transfer. This has sometimes resulted in a pathway where outcomes and key benchmarks have been challenging to ascertain resulting in open-ended timeframes, frustration and abortive work.. By offering a more robust criteria and clear process, the new policy will offer greater clarity to interested parties and lead to a more productive use of resources within the Council.

11 The Council is required by national legislation to give best consideration for the disposal of public assets. Community asset transfer is one of several disposal methods available to the Council, as set out in the current Estate Management Strategy. When considering the disposal of assets there is challenge to the Council of striking a balance between generating income to support the Capital Receipts Programme, dealing with the demand for buildings and land from council departments and supporting the delivery of services, both from the council and its partners. Community asset transfers are framed around the transfer of services, typically associated with a building, within a locality setting. The original policy includes the requirement for any proposed transfer of a council asset at less-than-best value to be supported or 'sponsored' by a council department. This means that there is a requirement for a council service to support a community asset transfer proposal in recognition of the value that the asset transfer will bring in terms of the delivery of services. This factor underpins a community asset transfer and provides the rationale for the council forgoing market value for the disposal of an asset.

12 This factor has been misunderstood or overlooked in some of the approaches made to the Council about community asset transfer, resulting in proposals which have been framed around the transfer of an asset for a different purpose, or as a means to acquire an asset after a decision has been taken to dispose of it. The importance of being able to demonstrate the delivery of services is central to any CAT proposal and this factor has been given additional emphasised in the refreshed policy.

13 The new elements that have been incorporated into the new policy include:

- Community Asset Transfer can only apply to assets that have been declared surplus to requirements.
- A new list will be created of assets that are suitable for community asset transfer Properties for inclusion within the list will be agreed by Executive Board. Equally if acceptable proposals do not come forward or if progress is not achieved in progressing a transfer, then Executive Board will also have the power to remove properties from the list.
- Assets that don't achieve an EPC (minimum standard currently an E-rating) and have extensive backlog maintenance schedule will require additional clarity about how they will be made compliant in order to make it possible for the council to enter into a lease.
- Nominated assets will be put out to expression of interest or offered initially to organisations that can demonstrate they act as an anchor tenant in an asset.
- Proposals will be assessed against a new scoring matrix which will determine whether they progress to the next stage (formal business plan).
- Process will be set against robust timeframes to ensure efficient progress and focus on outcomes.

14 These new elements will strengthen the policy's role as an internal and external reference point for the criteria, process and timescales for community asset transfers and provide clarity on the situations when the Council's will consider it as an option.

15 There is a perception that the previous community asset transfer policy is not widely recognised outside of the local authority. Many organisations that approach the Council about asset transfer are not aware of its existence. The policy, while on the Leeds City Council website, is not easy located. Giving it greater visibility could save time and result in more informed approaches. The new policy will be re-located within the property section on the Leeds City Council website giving it better visibility and relevance alongside other property information and opportunities.

16 The availability of and potential to access to external funding is recognised as being an essential advantage to achieving a successful asset transfer. In cases where grant funding that can be identified to support community asset transfer, or where an asset transfer can form part of a wider regeneration project backed by funding (e.g. Levelling Up Funding) this will strengthen the case for community asset transfer.

17 At the time of writing this report, a time-limited opportunity to utilise some UK Shared Prosperity Funding (UKSPF) to support community asset transfer has been identified. Up to £500,000 of Capital funds have been identified to allocate as grants to successful organisations within the current financial year. to enable them to make improvements to identified buildings Organisations invited to present a business case to apply for a community asset transfer could also be invited to submit a UKSPF application to support the CAT. The outputs and outcomes associated with UKSPF are focused on improvement to buildings and the Council has stipulated that organisations are able to evidence that the fund has achieved these. The awarding of UKSPF also has the potential to act as match funding for other external grant funding opportunities, and successful organisations are therefore advised to consider exploring further funding opportunities that can be linked with it. The UKSPF funding is also being considered to be used to commission Locality to provide support to organisations who are selected to progress CATs.

18 The refreshed policy outlines a method of disposal for buildings and land vested with the Council. Considered as a stand-alone document It does not fundamentally impact on services

or people. Therefore, while the policy has been subject to a screening assessment for Equality, Diversity, Cohesion and Integration (Appendix 2), it has not been deemed necessary for it to be subject to a full impact assessment.

### How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 19 A clear and coherent community asset transfer policy is an important aspect of the council's asset management responsibilities. CATs not only provide a means for the council to implement its programme of asset rationalisation and achieve revenue savings, they also provide the means for local enterprise and the principles of localism to flourish.
- 20 Community buildings provide a space for a variety of locally-run activities, classes and advice sessions which support the needs of local residents. These activities support the health and wellbeing needs of communities. Successful community asset transfers allow community buildings to expand and flourish, providing a broader offer of activities to support a wider range of people.
- 21 Successful community asset transfers also offers an opportunity to improve the energy efficiency of buildings. The ever-increasing demands on building maintenance budgets in the council means that it is not possible to make enhancements to all Council buildings to optimise energy efficiency. Although the Council has been awarded a time-limited opportunity to invest in the energy efficiency of its buildings through the UKSPF, it is a funding condition that this funding is issued in grant form to voluntary or charitable organisations. Similarly, there are other external grants available to organisations to apply for the purpose of improving energy efficiency. Community asset transfer presents a strong opportunity to facilitate energy efficiency improvements to properties which the Council would otherwise take the decision to dispose.

### What consultation and engagement has taken place?

Wards affected: All

Have ward members been consulted?

Yes

No

- 22 Consultation has taken place with both the Executive Members for Resources and Executive Member for Communities, Customer Services and Community Safety. An online workshop where all 99 elected members were invited took place on 25<sup>th</sup> June. The workshop included a presentation on the revised CAT policy and an opportunity for elected members to comment or raise questions. Amongst the comments raised there was general support for the new, proactive approach to community asset transfer and the collaborative approach with the voluntary and community sector which was commented on in relation to providing essential support and capacity-building to organisations taking on the challenge of community asset transfer. However, the extent to which Community Asset Transfer is a solution was raised given the challenging funding position and level of commitment required from organisations taking on buildings.
- 23 Detailed discussion and engagement has also taken place with the Leeds Community Anchor Network (LCAN) to understand their views on the revised policy and process in relation to its impact on the voluntary and community sector and the Team Leeds approach to delivering the City Ambitions. An outcome of this engagement was an agreement for the Council to work

collaboratively with the sector to maximise successful community asset transfer opportunities. In addition the contribution of the policy to Asset Based Community Development is recognised.

### **What are the resource implications?**

- 24 Over time having robust CAT strategy and process is a means to save the authority running and maintenance costs on its asset base. Progressing CATs can become very resource intensive for the Council, in particular for officers within Asset Management and Legal Services. The new policy seeks to simplify the process and work is ongoing to standardise the terms of transfers and lease agreements to reduce this pressure.
- 25 The resource required to take on the responsibility of managing a building cannot be underestimated and it is recognised that the progression of CATs require substantial commitment from community organisations. In recognition of the differences between every locality area and interested organisations who come forward for a CAT, it is expected that a substantial amount of capacity building will be required in order to progress a community asset transfer. Whilst organisations such as Locality are able to support this work, this comes at a cost. Whilst there may be opportunities at a given time for the Council to apply for or signpost to grant funding, such as UKSPF grant funding, to buy in this resource, such opportunities cannot be guaranteed in the future. As such, discussions have taken place with LCAN about their capacity for mentoring and support to organisations within the network and also to encourage organisations to progress CATs collaboratively in localities where the need can be demonstrated and supported.

### **What are the key risks and how are they being managed?**

- 26 Managing expectations – CATs need to conform to robust criteria and so will not be a solution in most cases. As also set out in this report, not all buildings will be suitable for CATs due to the level of investment required or due to other Council priorities. This will be managed by the Council taking an informed view on the suitability of assets being put forward for community asset transfer and making a recommendation to Executive Board for assets that are open to community asset transfer proposals.
- 27 Community capacity to manage assets – As set out above, the level of resource required within community organisations to progress a Community Asset Transfer is significant. This is not something that the Council can solve alone given the limited financial resources that it has at its disposal and not being best-placed to assess local need for community buildings. through discussions with LCAN opportunities for a network of support is being explored. In addition, they will encourage organisations to work together rather than compete with one another to bring forward CAT proposals.

### **What are the legal implications?**

- 28 Community Asset Transfers are made possible under by the General Disposals Consent (England) Act 2003 which permits the consideration of less-than-best disposal of local authority assets. Community Assets Transfers, will be documented by a lease. Although the general principles of CATS are well-established, local authorities have the autonomy to establish their own criteria and framework governing them. In Leeds, a Community Asset Transfer Policy was approved by Executive Board in September 2012. The updated policy appended to this report does not alter what a CAT is, however it does amend the criteria under which a CAT would be considered.



29 A standardised set of terms and lease agreement for CATs is also being formed which will not only reduce the pressure on Council services in pursuing transfers but also make the process more accessible for community organisations.

## **Options, timescales and measuring success**

### **What other options were considered?**

30 Consideration was given to the issuing of a guidance document to clarify/ streamline the 2012 community asset transfer policy. However, the impact of changes to EPC legislation and updated estate management approaches in the context of budget pressures required significant changes to the community asset transfer approach and therefore a new policy was deemed to be the more suitable option. The adoption of a revised policy is recommended as a means for the Council to take a more considered and proactive approach to community asset transfers which builds on the ten years of community asset transfer experience under the previous policy.

### **How will success be measured?**

31 The new policy will result in more structured and pro-active community asset transfer process, which will lead to stronger CAT proposals being put forward and, in cases where adequate proposals do not come forward, a more timely transition towards asset disposal to the Capital Receipts Programme.

### **What is the timetable and who will be responsible for implementation?**

32 The new policy will come into effect immediately following approval and will be used to shape a programme of community asset transfers. Implementation of this will sit within Strategic Asset Management.

## **Appendices**

- Appendix 1 - Community Asset Transfer Policy 2024
- Appendix 2 - Equality, Diversity, Cohesion and Integration Screening Assessment

## **Background papers**

- N/A

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## Introduction

The Localism Act 2011 requires local authorities to have a community asset transfer policy. In addition, the Council recognises the role of community asset transfer as an enabler for delivering services and activities in the city that are key part of the Team Leeds approach set out in the Best City Ambtion. This document is a refresh of the policy approved in 2012. The policy has been reviewed to take on board experience and learning acquired from over ten years of managing community asset transfers, to coordinate the process more closely with input from key partners and to make it reflective of current estate management strategies and challenges.

The policy establishes a revised framework for when Leeds City Council could consider the transfer of assets and how local communities could register an interest in taking over a Council owned property. It also sets out the process that will be followed.

Community Asset Transfer proposals need to be developed and considered against a potential sale or alternative disposal methods in each case. The revised policy includes a new process for identifying assets to be made available for community asset transfer and for dealing with interest from appropriately constituted organisations. It also includes scope within the community asset transfer process for the Council to work collaboratively with the voluntary and community sector representatives in the city to explore community asset transfer proposals.

Community Asset Transfer is the responsibility of the Executive Member for Resources and the process is managed by the Strategic Asset Management team within City Development Directorate. The support of a sponsoring service within the Council may be required for proposals to progress. Decision's relating to community asset transfer rest with the Director of City Development in consultation with the Executive Member for Resources.

## What is a Community Asset Transfer?

A Community Asset Transfer (CAT) is a term used to describe the transfer of public-owned land or buildings from the local authority to a community organisation on a long-term lease. CAT is typically a means for charities and social enterprises to support local communities by making the case for taking over a building or land where services or activities have been provided within a local community , either historically or in the present. This is a key distinction between a CAT and other forms of lease agreement.

Community Asset Transfer can be at full market value or at a subsidised rate depending on individual circumstances. The Council will assess the full market value of any Community Asset Transfer property so that transfer at less than best consideration is transparent with the value of the 'subsidy' known alongside the service value or gain that becomes possible as a result of the transfer. A subsidy control assessment will also be undertaken to ensure compliance with the Subsidy Control Act 2022.

Some further characteristics of Community Asset Transfers are:

- They are typically a long lease (usually between 25 and 99 years).
- The building is transferred as seen – there is no obligation for the Council to undertake any repair or maintenance works to the property to support a transfer, although the Council may be able to access or signpost to grant funding in certain circumstances.
- The local authority retains the freehold of the asset and will act as landlord.
- Under a lease, the recipient organisation takes on full responsibility for the asset, including maintenance, repair, insuring and on-going compliance with EPC legislation. The Council will usually provide the most recent condition schedule it holds for a building which provides transparent account of the state of repair of the asset being considered for transfer.
- Terms are included within the lease that guarantee the use of the asset for the purpose for which it was transferred and also allows the Council to veto future changes in use and occupation of the facilities during the lifetime of the lease, should that use no longer reflect the initial objectives of the transfer.

### **Aims and objectives of the Community Asset Transfer policy**

The Council recognises that Community Asset Transfer can be a valuable tool for supporting the contribution of the voluntary and community sector to the city and the delivery of services and activities supporting local residents. As part of the community asset transfer process the Council will work in collaboration with representatives of the voluntary and community sector to explore proposals that align closely with the criteria set out in the policy and the City Ambitions.

It is also recognised however that there is an ever-increasing pressure on the Council to generate funding year-on-year to fund services through its capital receipts programme which is generated through the sale of the land and property. A decision to make an asset available for community asset transfer must be considered alongside the value of the asset to the capital receipts programme .

### **In what circumstances is a CAT considered?**

Community Asset Transfers may be considered in the following circumstances:

- The asset must be in the ownership of the Council.
- The asset has been identified as being surplus to service requirements **and** a decision has been taken for it to be considered for community asset transfer.
- The asset has a recent history of delivering services or activities to the local community and it can be demonstrated that there remains a need for those services and activities to continue.
- Where there is strong representation from the voluntary and community sector and a viable strategic case can be presented, the Council will also listen to proposals that align with the City Ambitions for the letting of a property, but this would be outside of the CAT framework.
- Transfer of the asset is supported or 'sponsored' by a council service.
- Where the primary use of the asset will to provide a service(s) to the local community.

- The asset has been issued with an Energy Performance Certificate with a minimum rating of an E, or where there is an outline plan to get the asset to the minimum rating.
- In some cases, the Council will give consideration to community asset transfers which support or supplement wider funding or regeneration opportunities in a local community.

### **Assets suitable for community asset transfer**

For a CAT to be considered, an asset needs to be declared operationally surplus to requirements by its managing service, and a separate decision taken to make the asset available for a CAT. This would normally be achieved through a report to Executive Board.

Subject to the above, assets will subsequently be publicised for 'expressions of interest' for community asset transfer via the Leeds City Council website. This process will allow a period of time for organisations to provide an initial outline proposal. These will be assessed and organisations that submitted credible proposals will be invited to submit a full business plan within a stated timeframe. In cases where it can be demonstrated that there is an organisation who are a long-standing main user of an asset, or an anchor tenant, the Council may offer that organisation the first right of refusal for a CAT. In these circumstances, where that organisation confirm an interest in undertaking a CAT they will be invited to submit a full business case for consideration.

In the absence of any interest, or a feasible proposal that can be delivered within a reasonable timeframe, the asset it will be considered for sale in line with current procedures. The Council won't hold onto buildings indefinitely in absence of sufficient progress being demonstrated, however extensions may be granted on a case-by-case basis.

### **Eligibility for a CAT**

Transferring Council assets to the community is a legal arrangement between the leaseholder taking on the asset and the Local Authority as the freeholder. Organisations considering a CAT must therefore be appropriately constituted to hold property via a lease.

In addition, organisations requesting a CAT should be able to demonstrate that they:

- are an incorporated body (either charitable or non-charitable with an asset lock) with robust and open governance arrangements. have a track record of strong financial and performance management and accountable processes.
- exist for community/ social/ environmental/ benefit.
- have an inclusive approach to the wider community and do not promote faith or religion in their activities.
- are able to comply with robust monitoring requirements around performance, financial management, health and safety and equality standards.

In circumstances where the Council has identified that a CAT is viable, organisations must produce a financial plan as part of a wider business case to demonstrate the

sustainability of the asset and the capacity to deliver services (see 'Business Case' section below).

Community asset transfers are not the appropriate arrangement in the following circumstances:

- Assets which accommodate fixed or core services (e.g. schools, social care establishments, sheltered accommodation).
- Assets that haven't been identified for closure or declared surplus to operational requirements.
- Assets where an alternative disposal route has been identified.
- Assets where there is no recent history of public services (e.g. offices, residential properties, storage facilities).
- Land which has been identified for strategic, planning or redevelopment/regeneration purposes.
- Transfers to individuals.
- Transfers which facilitate purely commercial ventures.
- Where Subsidy Control or procurement rules are compromised

### **Repair, Maintenance and Energy Performance Certificates (EPC)**

Community asset transfers come with significant financial responsibilities for organisations which need to be considered carefully. Community asset transfers take place under a full repairing and insuring lease, making the leaseholder responsible for all maintenance and repair issues, both internal and external. For assets put forward for community asset transfer the Council will normally provide its most recent condition survey held, that sets out an itemised condition schedule and recommendations for improvements.

Some further examples of the costs involved include:

#### Initial

- Independent condition surveys to determine the condition of the asset and to identify any immediate or essential repairs.
- Essential repairs to make the building safe (some buildings - especially those that have not been recently occupied - will have a backlog of repairs).
- Replacement/upgrade of fixtures and fittings to reduce running costs
- Internal building work to upgrade and facilitate the desired use of the building.
- Utilities – does the building require connecting or reconnecting to gas, electric, water, or sewerage supplies?
- Internal utilities and connections may also require upgrading (e.g. electric rewiring, new heating system).
- Ground surveys where development proposals are also involved on adjoining land
- Legal costs associated with the lease transfer (e.g. solicitors fees).
- Planning fees, should an organisation consider any changes of use from a planning perspective, or make internal or external changes to the asset.

#### On-going

- On-going maintenance costs (e.g. repairs).
- Utility costs.
- Cleaning and sanitation services.
- Unforeseen major repair costs (e.g. caused by weather damage, vandalism).
- Buildings insurance to cover unexpected damage to the building or liability that stems from it.
- Public liability insurance, to cover the organisation in the event of injury of illness sustained on the premises.
- Grounds maintenance costs or charges.
- Costs relating to safety and service testing (e.g. PAT testing, water testing, electrical and lighting, asbestos management plan, if asbestos is present).
- Commercial refuse collections.
- Business rates.

This list is not exhaustive and it is recommended that organisations seek their own independent advice regarding the costs involved of running a building.

### Energy Performance Certificate

Under government legislation, local authorities cannot enter into a commercial lease without an Energy Performance Certificate (EPC) being issued. Currently, buildings need to achieve a minimum rating of an 'E' for a certificate to be issued. Proposed new legislation could see the requirement rising to a 'B' rating in the future. Any community asset transfer proposal will need to factor in how compliance with future ratings will be achieved.

Prior to a building being put forward for community asset transfer the council will commission an EPC survey to determine whether a building meets the minimum standard, or to determine whether a building is exempt from the process. As well as determining the building's EPC rating, the survey will also indicate what measures would result in a higher rating.

### **Approval for Community Asset Transfers.**

The decision to award a community asset transfer to an organisation is through the Council's delegation scheme under the Director of City Development following consultation with the Executive Member for Resources and dialogue with elected members for the ward where the asset is located. In some circumstances, approval may be required from the Council's Executive Board. Executive Board is the council's main decision-making body and comprises senior councillors and lead members of directorates. It is chaired by the Leader of the Council and meets ten times a year.

### **Other lease conditions**

In all cases involving transfer of ownership/occupation, appropriate legal mechanisms will be put in place to protect the Council's financial position, such as restrictions on use and break clauses. For example forfeiture/break clauses under which the asset would revert back to the Council, such as:

- in the case of bankruptcy/insolvency;

- in the case of corruption;
- in the case of non payment of rent (if applicable);
- in the case of non performance of other terms such as serious repairs and maintenance (if applicable);
- if the transfer agreement is breached;
- if the organisation wishes to develop and move into bigger premises.

While it is acknowledged that progress may vary from one proposal to another, it is expected that organisations have an indicative framework for progressing the asset transfer in line with the timeframes outlined in this document, and that a phasing schedule is included in the business case.

## **Business Case**

A critical part of any Community Asset Transfer proposal will be the scale of the project in relation to the resources of the community group and its key staff. Proposals will be subject to a rigorous assessment procedure and in cases where the financial viability of a proposal can't be convincingly demonstrated the proposal won't be supported.

In circumstances where a building has been made available for community asset transfer shortlisted organisations, or anchor tenants, will be asked to bring forward a fully costed business case within a 3 months, that sets out a robust plan to manage and sustain the asset for a minimum 3-year period. The business case should primarily:

- Set out the aims and objectives for the Community Asset Transfer with a focus on service delivery and benefits to the local community.
- Demonstrate the capacity and capability of an organisation to manage an asset, including relevant expertise and experience.
- Demonstrate an understanding of the running costs of the asset and a sustainable plan to meet them
- Identify any upfront repair work that is required and funding plans for it.
- Identify works required to the building to achieve an EPC rating of 'B' and how this work will be funded.
- Identify income that the venture will generate to offset the running costs.
- Identify sources of finance that are required to support the set-up costs of the venture.
- Identify essential works required to make the building safe and secure and compliant with energy efficiency legislation and include a plan for implementation.

Additionally, the business case should set out:

- how the asset will be used
- who the stakeholders are.
- what the core activities will be, including details of any proposed projects services and/or products and how they will be delivered.
- who the expected beneficiaries will be and what the expected outcomes will be



- how the Community Asset Transfer would contribute to Council policies and strategies, and other local priorities
- organisational management and governance (structures, numbers, portfolios, posts)
- proposals for partnership working, user and community involvement
- experience and/or track record, including expertise held by board members
- financial projections including a 3-year cash flow forecast, projecting income and expenditure and income projections
- social, economic and environmental benefits – for both the organisation and the Council
- projected demand/need from the local community
- a needs analysis for the area;
- a SWOT analysis of the proposals;
- a risk assessment for the project and the whole organisation.

It is recognised that bringing together a business case of this nature will be a challenge for organisations that are typical of the size and capacity of those that work in the voluntary and community sector. It is therefore strongly recommended that organisations seek expert advice and guidance when preparing a business case. Support and capacity in this field could be provided by larger and more established organisations in the sector, or by bodies that represent the sector.

**It is expected that organisations submit a business case within three months following being invited to do so.**

### **Support with Community Asset Transfer**

The Council may be able to share information held for its buildings, such as floor plans, running costs, any income from lettings, energy performance certification details and any relevant building surveys that it holds.

While the Council is able to offer general advice and support, it recommended that organisations seek independent advice and guidance about community asset transfer and specific projects. There are organisations who specialise in this field who can offer one to one support and who also publish free online resources. The voluntary and community sector in Leeds is represented by several organisations who have experience in the field of community asset transfer who may be able to offer advice and support.

While writing this policy, the Council have had constructive engagement with representatives of the voluntary and community sector who have offered their advice as well as capacity to provide a strategic overview of community asset transfer opportunities and proposals. The Council recognises the benefits of a collaborative approach to community asset transfer with the voluntary and community sector in Leeds in recognition that this approach could result in stronger, more inclusive proposals that align with service needs in the city and meet the City Ambitions. It is encouraged that organisations interested in community asset transfer engage with representatives of the voluntary and community sector to share experiences and bring together more robust proposals.

For further information about Community Asset Transfers, contact the Strategic Asset Management service by email at [assetmanagement@leeds.gov.uk](mailto:assetmanagement@leeds.gov.uk)

# APPENDIX 2

## Equality, Diversity, Cohesion and Integration (EDCI) screening



As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions. Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being or has already been considered, and
- whether or not it is necessary to carry out an impact assessment.

<b>Directorate: City Development</b>	<b>Service area: Strategic Asset Management</b>
<b>Lead person: Neil Young</b>	<b>Contact number: 0113 5351241</b>

**1. Title: Community Asset Transfer Policy**

Is this a:

**Strategy / Policy**
                 
  **Service / Function**
                 
  **Other**

**If other, please specify**

**2. Please provide a brief description of what you are screening**

This form outlines work undertaken to assess the impact of a revised Community Asset Transfer Policy on Equality, Diversity and Inclusion.

Community Asset Transfer is the transfer of public-owned land or buildings from the local authority to a community or voluntary sector (third sector) organisation on a long-term lease. CAT is typically a means for charities and social enterprises to support local communities by making the case for taking over a building or land where services or activities have been provided within a local community, either historically or in the present.

The revised policy establishes an updated approach to community asset transfer with a particular focus on the criteria applied to a community asset transfer. The policy is

framed around buildings and land as opposed to services or people. Future decisions concerning building closure or disposal which are guided by this policy would be subject their own screening or impact assessments.

### 3. Relevance to equality, diversity, cohesion and integration

All the council's strategies and policies, service and functions affect service users, employees or the wider community – city wide or more local. These will also have a greater or lesser relevance to equality, diversity, cohesion and integration.

The following questions will help you to identify how relevant your proposals are.

When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation. Also those areas that impact on or relate to equality: tackling poverty and improving health and well-being.

Questions	Yes	No
Is there an existing or likely differential impact for the different equality characteristics?		X
Have there been or likely to be any public concerns about the policy or proposal?		X
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?		X
Could the proposal affect our workforce or employment practices?		X
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"> <li>• Eliminating unlawful discrimination, victimisation and harassment</li> <li>• Advancing equality of opportunity</li> <li>• Fostering good relations</li> </ul>		X

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity, cohesion and integration within your proposal please go to **section 4**.
- Are not already considering the impact on equality, diversity, cohesion and integration within your proposal please go to **section 5**.

#### 4. Considering the impact on equality, diversity, cohesion and integration

If you can demonstrate you have considered how your proposals impact on equality, diversity, cohesion and integration you have carried out an impact assessment.

Please provide specific details for all three areas below (use the prompts for guidance).

- **How have you considered equality, diversity, cohesion and integration?** (think about the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)

- **Key findings** (think about any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)

- **Actions** (think about how you will promote positive impact and remove/ reduce negative impact)

**5. If you are **not** already considering the impact on equality, diversity, cohesion and integration you **will need to carry out an impact assessment.****

Date to scope and plan your impact assessment:

Date to complete your impact assessment

Lead person for your impact assessment  
(Include name and job title)

**6. Governance, ownership and approval**

Please state here who has approved the actions and outcomes of the screening

<b>Name</b>	<b>Job title</b>	<b>Date</b>
Mark Mills	Head of Asset Management	28 <sup>th</sup> June 2024
<b>Date screening completed</b>		28 <sup>th</sup> June 2024

**7. Publishing**

Though **all** key decisions are required to give due regard to equality the council **only** publishes those related to **Executive Board, Full Council, Key Delegated Decisions or a Significant Operational Decision.**

A copy of this equality screening should be attached as an appendix to the decision making report:

- Governance Services will publish those relating to Executive Board and Full Council.
- The appropriate directorate will publish those relating to Delegated Decisions and Significant Operational Decisions.
- A copy of all other equality screenings that are not to be published should be sent to [equalityteam@leeds.gov.uk](mailto:equalityteam@leeds.gov.uk) for record.

Complete the appropriate section below with the date the report and attached screening was sent:

For Executive Board or Full Council – sent to <b>Governance Services</b>	Date sent: 28 <sup>th</sup> June 2024
For Delegated Decisions or Significant Operational Decisions – sent to appropriate <b>Directorate</b>	Date sent:
All other decisions – sent to <a href="mailto:equalityteam@leeds.gov.uk">equalityteam@leeds.gov.uk</a>	Date sent: