

CABINET
TUESDAY 21 APRIL 2026

Community Asset Transfer and Community Leasing Policies

Report by Director of Property and Assets

RECOMMENDATION

1. **The Cabinet is RECOMMENDED to:**
 - a) Approve the Community Asset Transfer (Annex 1) and Community Leasing (Annex 2) Policies.

Executive Summary

2. Two policies have been developed regarding the leasing and transfer of council-owned property to voluntary and community organisations.
3. The Community Asset Transfer (CAT) Policy (Annex 1) replaces the 2019 version and distinguishes asset transfer from community leasing. It sets out the council's approach to transferring ownership of council assets to community organisations at below market value to achieve public benefit. It aims to empower local communities, ensure assets that are no longer needed by the council are used for social good.
4. The Community Leasing Policy (Annex 2) establishes a framework for leasing council-owned assets - such as buildings and land - to community organisations at below-best value to generate public benefit. Community leasing is only available to appropriately constituted community organisations and charities that can demonstrate clear social, economic or environmental benefits for local communities. The policy aims to maximise community value while safeguarding council interests and strategic objectives.
5. These policies establish the process by which community groups can apply for a CAT, the eligibility criteria of prospective groups and the assessment criteria used to assess applications.
6. These policies are on the forward plan for Performance and Corporate Services Scrutiny on 17th April 2026 and Cabinet for 21st April 2026.

Background Context – Definitions and National Policy

7. Community Asset Transfer (CAT) is defined by the Local Government Association as: 'transferring the ownership of land or buildings from a statutory

body to a Community Organisation at “less than best consideration” – that is at less than its full market value – in order to achieve a public benefit’

8. The Local Government Act 1972 s123 requires councils to obtain the “best consideration reasonably obtainable” when disposing of land or buildings.
9. However, General Disposal Consent (England) 2003 gives permission for councils to dispose at less than best consideration, provided that the undervalue is less than £2m (in capital terms), and the transfer benefits the economic, social, or environmental well-being of the area.

Community Asset Transfer at OCC

10. These policies replace the 2019 Community Asset Transfer Policy. Property and Assets officers have reported that this policy is now rarely used, having not received any applications for a new CAT since the Covid pandemic.
11. Property and Assets officers have also identified that the Council currently has very few empty properties in its portfolio. It is worth noting that with Local Government Reorganisation on the horizon, the properties and assets portfolio may change significantly which could open more opportunities.
12. The 2024 Centre for Local Economic Strategies (CLES) report “Embedding Community Wealth Building into Oxfordshire County Council” identifies this policy as being ‘under-utilised’ and identifies a knowledge gap on the topic of community asset transfer from within the council.¹
13. The April 2025 report “Oxfordshire: a County of Community Wealth Building” produced between the Council and local experts identified improving access to land and property for community groups as one of its calls to action, recommending that the council review and improve its CAT policy.²
14. The Performance and Corporate Services Overview & Scrutiny Committee, when scrutinising the Social Value Policy (24th February 2026), identified that the Council could be doing more to identify and promote opportunities for CAT. It also pointed out that with the incoming changes to the Council through Local Government Reorganisation and Fairer Funding Review, and due to policy initiatives such as Marmot and children’s centres grant funding, the Council should review how CAT could be used to meet these changing requirements.³
15. These new policies were developed after internal stakeholder workshops featuring representation of officers from Property and Assets, Economy and Place, Policy, Procurement and Legal.

¹ [\[Report Title\]](#) p22

² [Community wealth building report DRAFT 1](#) p9

³ [aebhdfh](#)

Proposal: Community Asset Transfer and Community Leasing Policies

16. In order to clarify and simplify, the Community Asset Transfer (CAT) policy (Annex 1) has been differentiated from Community Leasing (Annex 2). CAT will deal solely with the **transfer of ownership** of properties, whereas Community Leasing Policy (Annex 2) deals with the **leasing** of Council land or buildings at less than best consideration in order to achieve a public benefit.
17. These policies seek to recognise and maximise the benefits of the devolution of assets to local communities. They recognise supporting community groups in their work across Oxfordshire generates social value for residents and can alleviate cost and stress on Council statutory services.

Eligibility Criteria

18. CAT and Community Leasing are designed to support local organisations that provide a clear local public benefit. After consulting Council stakeholders and engaging VCS groups, it was decided that applicants would need to be one of:
 - constituted voluntary or community organisation
 - constituted group or club
 - registered charity
 - charitable incorporated organisation (CIO)
 - community interest company (CIC)
 - community benefit society (CBS)
19. The CAT and Community Leasing policies are intended to be used by local groups that need the Council's support the most. Therefore, for Community Leasing a yearly revenue cap of £2,500,000 for eligible groups has been implemented. By setting a revenue threshold, the Council ensures that Community Leasing will benefit those organisations most in need of financial support rather than larger, more well-resourced organisations.

Community Asset Transfer and Community Leasing Working Group

20. It is proposed that a Working Group is created. This group will have two main functions: assessing applications and identifying a pipeline of possible properties for CAT and Community Leasing.
21. The Working Group is designed to take a 'full council' approach and reflect the various objectives of the Council. The membership of the Working Group will be as follows:
 - (a) Property and Assets officer (nominated by the Director of Property and Assets)
 - (b) Economy and Place officer (nominated by the Director of Economy and Place with a focus on representing community wealth building and place shaping work)

- (c) Officers from service areas with asset-based programmes or projects (for example, Family Hubs or Community Hubs). These officers will sit on the Working Group for the duration of their programme and will help ensure close co-working and information sharing.
 - (d) When assessing applications, the Working Group will call in an officer relevant to the service area which a CAT or Community Leasing application relates to. This is to ensure that the Working Group is making informed decisions about applications.
22. When an application comes in, the Working Group will call in an officer who has knowledge of the service which the application relates to (if not already present in the Working Group). This is with the aim of ensuring that the contextual and technical knowledge to assess applications is present.
23. Following consideration of each proposal, the Working Group will make a formal recommendation to the Director of Property and Assets, who holds delegated authority under the Council's Scheme of Delegation to Officers to take decisions relating to the management, leasing, and disposal of Council property and assets.
24. The Director of Property and Assets will act as the final decision-maker, applying the Council's principles of decision-making and ensuring compliance with all relevant financial, legal and constitutional requirements. Where a proposal constitutes a Key Decision, it will be escalated in accordance with the Constitution.

The Assessment Criteria

25. It is important to note that as the context around each property is different, each application will be judged on a case-by-case basis. Factors such as the location, commercial value and possible Council needs will be taken into account.
26. In order to assess how strong an application is, or to choose between more than one application, assessment criteria have been developed to measure the value of proposed CATs or Community Leases to the Council. The factors taken into account are:
- (a) The social value created by the proposal. This could be exemplified by how the application supports the Council's Social Value Local Priorities, as set out in the [Social Value Policy 2026](#), or by supporting one of the [Marmot Place](#) objectives. The proposal can support one or more of these, but it does not have to support all. There is no hierarchy of which priority or objective is preferred.
 - (b) The proposed use of the property supports Council statutory services.
 - (c) If the application proposes to invest into the property.
 - (d) The applicants can evidence sound financial management.
 - (e) The proposal provides a benefit for local residents and is supported by its community.

27. The level of rent for a Community Lease will be determined by the Council on a case-by-case basis, reflecting the specific circumstances of the asset and the proposal. As each asset and application presents many distinct factors to be taken into account, it is not possible to prescribe fixed criteria to determine rent levels. In determining the level of rent, the Council will consider factors such as the current condition, market value and demand for the property, including whether it has remained vacant for an extended period, the level of investment the applicant proposes to make in the property, and how well the application meets the assessment criteria.

Long Term Reporting and Commitments

28. For Community Asset Transfers, the Council will have first refusal of properties should the VCS organisation choose to move on, ensuring that the property is being used for something that is generating a public benefit. However, beyond this a CAT is a transfer of ownership, and as such yearly reporting will not be required.
29. With Community Leasing, successful applicants will need to provide yearly evidence that the property is being used for its agreed use and that it is providing a public benefit. The intention is to ensure social value is being provided but not to create extra work for community tenants, so submitting a charity commission report, impact report of equivalent will suffice. These will be agreed on a case-by-case basis.
30. In general, Community Leasing tenants will be responsible for general 'wear and tear' maintenance costs. The level of repair and maintenance will be agreed with Community Leasing tenants at the point of application to reflect the individual circumstances of the property and the contract agreed. For example, applicants who propose to invest more into a property may be recognised via a larger rent concession.

Corporate Policies and Priorities

31. These policies support the Council's Strategic Plan 2025-28 objectives of working for a Greener, Fairer and Healthier Oxfordshire. They do this by empowering local community groups by supporting them to access property throughout the county.
32. Marmot Place - Oxfordshire is a Marmot Place - CAT and Community Leasing contribute towards this by empowering local communities to generate social benefits in their local spaces.
33. Property and Assets Strategy 2022 - Any CAT or Community Leasing decisions need to fit within the County Council's 2022 Property and Assets Strategy. This strategy sets out the ten-year ambition for the County Council's property portfolio to create an efficient, innovative and accessible property estate which delivers climate action objectives and generates social value for residents.

Financial Implications

34. The terms of the proposal have been assessed to be compliant with the best value requirements as set out in section 123 of the Local Government Act 1972.

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Legal Implications

35. Because of Section 123 of the Local Government Act 1972, unlike private and commercial landowners, who are free to buy, sell or lease land at whatever price they choose, a local authority cannot dispose of its land for a consideration less than the best that can be reasonably obtained in the market, except with the express consent of the Secretary of State.
36. Section 123 does not apply however to short leases of under 7 years.
37. The Secretary of State has given express consent for “undervalue” disposals that local authorities consider will secure the promotion or improvement of the economic, social or environmental well-being of their areas, providing that the “undervalue” is not more than £2m (see the General Disposal Consent referred to above).
38. In practice:
- (a) Although Section 123 does not apply to short leases of under 7 years, the Council remains under a duty to maximise its revenues and so the same caution should be applied to granting such leases at an “undervalue” as those of over 7 years.
 - (b) “Subsidy Control” legislation is not overridden by the above and the Council needs to ensure that by transacting at an undervalue it is not creating an unfair subsidy (e.g. providing premises cheaply to a charity providing paid counselling services which is competing with a private sector organisation supplying similar services).
 - (c) The Council is always at risk of judicial review in the exercise of its discretions, so needs to keep a clear record of its assessment processes and criteria and for those making decisions to have a clear understanding in each case as to the extent of the “undervalue” involved (by noting the difference between the proposed consideration and the potentially achievable consideration).
 - (d) The Council needs to be aware that unrelated legislation restricts it from disposing of certain types of land it owns (eg the School Standard and Framework Act 1998 in respect of school playing fields) and that legislation still needs to be fully complied with before any disposal takes place.

- (e) Those administering the policies need to be aware that freehold transfers are fundamentally different to leases – leases are finite in length and enable the Council (as landlord) directly to manage what is done in a property and terminate them should the tenant not do what is expected. Freehold transfers involve the Council giving up ownership and control forever (although certain limited steps can be taken to try and retain control).

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Staff Implications

- 39. These policies are procedural and do not require any new or additional staffing resources. The only changes they may make would be possible extra responsibilities for officers sitting on the working group.

Equality & Inclusion Implications

- 40. An Equality Impact Assessment has been completed for these policies (Annex 3). This assessment does not identify negative impacts. Outcomes will be dependent on which VCS groups apply for a CAT or Community Lease.

Sustainability Implications

- 41. A Climate Impact Assessment has been completed for these policies (Annex 4). This assessment identifies a positive impact.

Risk Management

- 42. Key risks and mitigations include:
 - (a) Implementation risk – These policies might be implemented inconsistently. Mitigation – all CAT or Community Leasing applications will be assessed via the same assessment criteria. The Working Group, which will assess applications, will feature officers from service area relevant to the application to ensure the requisite knowledge to assess them is present.
 - (b) Financial risk – Community Leases or CATs pose a reduction of possible Council rent receipts or capital receipts. Mitigation – Property and Assets officers have to put properties onto a list for them to be eligible. Final sign off also sits with the Director for Property and Assets to ensure that all final decisions are compliant with the Property and Assets strategy. Successful applicants also have to provide in their application proof of their business plan to safeguard the proposed use of the property.

- (c) Risk of improper use of Community Leasing properties –Community Leasing tenants might change their use of the property, meaning that the public benefit / social benefit that the rent reduction was granted to recognise is no longer being generated. Mitigation – Community Leasing tenants are required to provide their charity commission report, impact report or equivalent document in order to demonstrate that through their use of the property a public benefit is being provided for the local community.
 - (d) Improper use of a Community Asset Transfer – a successful CAT applicant might look to sell the property that they were devolved via a CAT for a private profit. This would mean that the property has left the public estate, and there is no local benefit being provided through it. Mitigation – clauses will be implemented in CAT contracts that give the Council first refusal for the property.
43. These policies address the current risk of rent reductions being administered in a non-uniform manner.
44. It should also be noted that these policies only introduce the mechanism by which CATs or Community Leases can take place. Before each individual CAT or Community Lease that the council enters into, the proper and sufficient due diligence will be undertaken.

Consultations

45. Development of the policy was informed by internal workshops with colleagues from Property and Assets, Policy, Commercial and Procurement, Legal, and Economy and Place.
46. A VCS engagement period was undertaken from 08/02/2026 – 09/03/2026 through a Let's Talk Oxfordshire survey. This survey was shared with VCS organisations through our VCS infrastructure partners Oxfordshire Community and Voluntary Action (OCVA) and with Community First Oxfordshire (CFO).
47. A webinar was run on 05/03/2026 which VCS organisations could join to give feedback and ask questions. This was attended by senior Property and Assets colleagues. This webinar was also advertised through OCVA and CFO's channels.
48. Feedback and changes made included:
- (a) Expanding upon the Assessment Criteria to include specific objectives that included children 0-5. Marmot Place principles were included to reflect this, and clarification was added that applications do not have to support more than one priority.
 - (b) Clarifying that the Council is open to long-term leases (such as 10 or 20 years), which are beneficial to VCS organisations as they can enable them to access extra funding.
 - (c) Clarifying that ad-hoc hiring out of properties is permitted but clarifying that subletting requires formal consent first.

