

DEPUTY LEADER OF THE COUNCIL - 7 JUNE 2012

COMMUNITY ASSET TRANSFER POLICY

Report by Director for Environment & Economy

Introduction

1. A Community Asset Transfer Policy was approved by Cabinet in June 2011 to support the 2011/12 Big Society process and particularly the transfer of youth centres to community groups and schools.
2. Over the past few months, 2 youth centres have been transferred by sale of the freehold, 3 let on short leases to community management committees and 4 transferred to schools/academies. In some instances during negotiations there was resistance to some aspects of the Policy, particularly around repairs and insurance. Therefore there is a need to revise the Policy to reflect the lessons learned during these transfers and ensure a robust policy is in place for any future transfers under the Big Society process.

Exempt Information

3. None

Community Asset Transfer Policy

4. The proposed Community Asset Transfer Policy is set out at Annex 1 to this report.
5. The changes proposed are as follows:
 - i. Clarification that Academy transfers are subject to a separate Academy Transfer Policy being considered by Capital Investment Board (1.2 and 4.6);
 - ii. Consideration of the treatment of a lease in accounting terms (operating or finance lease) is made explicit (3.2);
 - iii. The Policy now covers long leasehold as well as freehold transfers (3.3-3.8);
 - iv. Clarification that freehold sale price will be at market value for existing use and that valuation advice will be sought by the County Council for existing and alternative uses to inform the Cabinet's decision on a potential community asset transfer (3.5);
 - v. Where a property is transferred on a short lease, the County Council will remain responsible for the structure of the building. This is a change from the position in the last version of the Policy where the tenant was to have full repair and maintenance responsibility and which proved contentious during negotiations (3.13);

- vi. Reference is now made to the need for a Schedule of Conditions to accompany the lease (3.13);
- vii. Responsibility for building insurance will now sit with the County Council with the tenant responsible for content insurance only. This is in contrast to the last version of the Policy where the tenant was to have full responsibility for insurance but reflects the need for the County Council to ensure appropriate cover is in place for its assets (3.14);
- viii. Reference to the 'cooling off' period following any Cabinet agreement to a community asset transfer (3.23);
- ix. Reference to the need to consider the provisions of the Academies Act 2010 Schedule 1 Paragraph 1-2 where a proposed community asset transfer relates to land used or previously used for education purposes;
- x. Additional clarity on alienation, costs, exceptions and standard heads of agreement (5.1-5.4);
- xi. The Policy refers to a notional rent for short leases. The Standard Heads of Terms in Appendix 1 clarify this to be £3k pa as agreed with the short lease transfers to date.

Financial and Staff Implications

6. None other than those noted above.

RECOMMENDATION

7. **The Deputy Leader of the Council is RECOMMENDED to approve the revised Community Asset Transfer Policy and used to support all future Big Society community asset transfers.**

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