



## COMMUNITY COUNCIL LIAISON SUB- COMMITTEE – 11TH MARCH 2020

**SUBJECT: COMMUNITY ASSET TRANSFER – DRAFT POLICY AND PROCESS**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE  
SERVICES**

- 1.1 The attached report outlined a draft policy and process for Community Asset Transfer (CAT), the contents encompass the views of stakeholders consulted at the time of initial scrutiny committee consideration. This report was considered by the Environment and Sustainability Scrutiny Committee on 11<sup>th</sup> February 2020. Views were sought on its content, prior to further consultation with the Community Council Liaison Sub Committee on 11th March 2020 and referral to Cabinet for a decision on 25th March 2020.
- 1.2 Members were advised that publically funded assets could be transferred if they had the potential to add social value to communities, but that CAT is not a route to surplus asset disposal and cost saving.
- 1.3 Officers outlined how the draft policy is written to provide a robust but flexible staged process with an informal discussion preceding an Expression of Interest stage, followed by a full Business Case. Also, that the draft policy had been developed using Welsh Government guidance in order to provide a consistent, transparent and easily understood process that can be used to support community organisations and guide the decision-making of the Council.
- 1.4 During the course of the ensuing debate, a Member asked for examples of successful and unsuccessful CAT case studies. The Old Library in Morgan Jones Park in Caerphilly was put forward as an example of best practice, as the community café had proved very successful. As the Council does not approve business cases that do not meet certain principles, no unsuccessful examples from the county borough were provided. An example was given of an arts centre in a neighbouring authority which had failed as a CAT and was passed back to that authority due to challenges including the age of the building and subsequent liabilities. It was emphasised to Members that there needs to be a robust process in place to avoid CATs failing and the asset being transferred back to the local authority.
- 1.5 A query was raised on covenants and whether or not the site of a former school in Cwmcarn could only be used for educational purposes. Officers advised that currently in general terms the value of covenants were not as conclusive as in previous times, and that in the future each case would be judged on merits such as adding social value to local communities.
- 1.6 A Member sought clarification on the state of assets prior to being transferred to community organisations, and whether or not the Council ensured that each asset was handed over in a good condition. When Officers advised that this is not always the case but that statutory obligations are met, the Member questioned the validity of this current practice as it was deemed unfair to pass on an asset in poor condition to a community organisation which would soon be faced with considerable liability costs. Officers highlighted that under the draft

policy and process each business case would be considered on its individual merits, in this situation it would be possible in certain cases to ensure condition standards prior to transfer but it would be dependent on the business case put forward. Members were also advised that the Council will work with community groups to enable grant funding for building improvements.

- 1.7 One Member referred to the need for CATs to enable community empowerment, and as a result expressed disagreement with a sentence in the 'Guiding Principles used by the Local Authority' section of the draft Policy and Process for Community Asset Transfer as appended to the report, which stated "*Those assets which have the potential to generate significant capital receipts are not likely to be considered as suitable for transfer*". Officers advised that this has been taken from the Welsh Government's Assets Cymru Guide to Community Asset Transfer 2019, and that CAT is a local authority led process. The Member moved an additional recommendation to Cabinet in that this sentence be removed from the final version of the Council's Community Asset Transfer – Policy and Process. This was seconded and by a show of hands (and in noting there were four against and two abstentions) was agreed by the majority present.
- 1.8 Following consideration and discussion, and incorporating the aforementioned addition, the Environment and Sustainability Scrutiny Committee, by the majority present (and in noting there was one against), recommended to Cabinet that subject to the removal of the sentence "*Those assets which have the potential to generate significant capital receipts are not likely to be considered as suitable for transfer*" as set out in the "Guiding Principles used by the Local Authority" section of the draft Policy, the Community Asset Transfer – Policy and Process be adopted.
- 1.9 The Community Council Liaison Sub-Committee are asked to consider the attached report and note the above recommendations prior to submission to Cabinet on 25<sup>th</sup> March 2020.

Author: Mark Jacques, Scrutiny Officer – jacqum@caerphilly.gov.uk

Appendices:

Appendix Report to Environment and Sustainability Scrutiny Committee Report 11<sup>th</sup> February 2020 – Agenda Item 8