

Wards Affected:

All Wards

ITEM 10**CABINET****9 NOVEMBER 2015****A STRATEGIC REVIEW OF THE COMMUNITY ASSET TRANSFER (CAT) PROGRAMME AND WAY FORWARD FOR THE FUTURE**

Responsible Cabinet Member: Councillor. E Gifford Cabinet Member for Community Services

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Executive Summary:

In keeping with the Localism Act of 2011, in January 2012 Cabinet considered Milton Keynes Council's (MKC) approach to Community Asset Transfer (CAT) with the development of a Toolkit whilst at the same time approved the launch of five pilot transfers to test the approach. After three months of consulting with the community, in July 2012 following delegated decision approval, the Toolkit was adopted.

The programme is now in its fourth year and the purpose of this review (Annex A) is to bring together lessons, achievements and changes into one document to be noted and confirmed as MKC's approach to CAT in 2015 and onwards, including the eligibility criteria at 2.2 in Annex A. The Review covers the origin and purpose of CAT, the modus operandi including changes, the progress to date highlighting both the merits of the process and the benefits where assets have transferred. The Review also looks to the future by outlining improvements to the process and links CAT with the other ways of managing and investing in facilities.

1. Recommendation(s)

1.1 That the progress made to date and confirm the Community Asset Transfer eligibility criteria be noted.

2. Issues**2.1 Background**

The Community Asset Transfer (CAT) programme was considered by Cabinet in January 2012 and following a pilot scheme was subject to review by the Housing and Communities Select Committee (July 2012, April and October 2013) and approved by Delegated Decision on 31st July 2012. The CAT programme is part of the Council's Strategic Board which considers Land, Property and Facilities Management and has the key objective of:

‘Enabling local community partners to take more responsibility for local assets and wishes to empower these new arrangements with those organisations that may be best-placed to achieve this.’

- 2.2 A review of progress to date on the Phase One programme (2012 – 2015) has been completed which summarises the progress and can be found at Annex B
- 2.3 Of the 50 assets that have been through the programme – 17 have completed, 23 did not transfer and a further 10 are still in progress.
- 2.4 The review provides a breakdown (asset by asset) as to the reasons why assets did not transfer, and Annex B also shows assets that have been successfully transferred since the programme began.
- 2.5 The key merits of the CAT programme remain relevant;
- Mutually beneficial, flexible, and a simple proportionate and appropriate process
 - Meets a demonstrable local community need, contributes towards community empowerment and generating social, economic or environmental benefits
 - The application is made by a local, non-profit distributing Charity/ community group/social enterprise or Parish Council
 - The asset or value of the asset is protected and preserved for continuing community benefit
 - A governing document that ensures the applicant organisations are locally controlled, open to everyone in the community, democratic and accountable
 - The applicant can prove it has the necessary skills and experience to deliver
 - There is a financial or business plan to ensure long term sustainability
- 2.6 In accordance with these merits the review outlines some of the positive community benefits that have been realised to date with some of those assets that have transferred (Annex B) and have been summarised below:
- Significant investment in repairs and maintenance and improvements
 - Enhanced programme and events
 - Increased local understanding of the possibilities for the facility
 - Local pride and confidence in the facility
 - More links with other local services
 - Ambitions for the future
- 2.7 The Toolkit

Since the approval of the toolkit policy outlining MKC’s approach to CAT a number of improvements have been made since its inception in 2012 and these have been outlined in the review:

<http://www.milton-keynes.gov.uk/assets/attach/33297/Toolkit%20Revision%20CAT%202015%20PD.doc>

For example, going forwards into Phase Two the provision of information and contact opportunities before an open/public session takes place has been revised. More detailed information on the property has historically been shared at Stage Two. Now, information will be made available on the web page in the lead up to the open /public session and this may include information on:

- Financial details of the property
- Leaseholder information
- Restrictive Covenants (if any)
- Condition Surveys (where available)
- Red line plans of area to transfer

2.8 Eligibility

2.2 in Annex A states:

Eligible assets are normally:

- modest in size
- serve identified very local communities
- not the larger assets that serve a wider area of Milton Keynes
- not assets which provide the Council with an income
- those which meet the financial tests outlined in 2.2 in Annex A

An assessment outlining the reasons why some assets are not currently under consideration for CAT in line with the eligibility is outlined at <http://www.milton-keynes.gov.uk/assets/attach/33398/List%20of%20Assets%20Not%20Currently%20Under%20CAT%20Consideration.docx>

Delegated decision approval is needed for a group of assets to be put forward for consideration. In June 2015 approval was given for 17 assets to enter the programme known as Phase Two (more info is available at <http://www.milton-keynes.gov.uk/assets/attach/33093/Phase%202%20assets.xlsx>)

There are currently no further assets expected to enter phase two at present.

3. Options

3.1 The alternative options that sit alongside CAT are outlined in more detail in Annex A and in summary could be a: long term lease; community use agreement, management contract, contract variation or a lease transfer with a Council payment.

3.2 Policy

The Council's approach to CAT was formally adopted on 31st July 2012 following a Delegated Decision. The objectives of the programme are firmly embodied within the current version of the Corporate Plan.

3.3 Resources and Risk

By taking a delegated decision on each asset entering the programme, which sets out an assessment of the appropriateness as part of the eligibility criteria, then the formal consultation process embedded within the CAT toolkit

provides the assurance that all stakeholders, users and members are informed.

The toolkit has been managed and delivered in line with the MK Approach and has a Project Board and associated risk register.

Capital related costs are concluded on a case by case basis, revenue for property and legal costs as an annual budget pressure of £60K.

Y	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

3.4 Carbon and Energy Management

No impact

3.5 Legal

Throughout, the Council's Legal team have been closely monitoring the impact of any legislation that might affect the progress of CAT and will continue to do so in the future. CAT transfers are for a nominal price of £1 or nil. Under the Local Government Act 1972 the Council is required to obtain the best price reasonably obtainable where transferring ownership of property but may dispose of property for less where (in general terms) to do so benefits the residents of the Borough, and the undervalue is less than £2 million. In each case where property is transferred for less than market value it is necessary for the Council to be satisfied that this does not amount to State Aid. The Council and its legal advisers will need to be mindful of both requirements in all cases, but generally transfers of small properties used by local residents are unlikely to contravene these legal requirements.

3.6 Other Implications

As an integral part of each transfer arrangement an Equalities Impact Assessment has been completed. (Available on request)

The programme is extensively promoted on the Council's web link applications

Y	Equalities/Diversity	N	Sustainability	N	Human Rights
Y	E-Government	Y	Stakeholders	N	Crime and Disorder

Background Papers: Delegated decision (31st July 2012) on Adoption of Milton Keynes Council's Approach to Community Asset Transfers

Annex A – A Strategic Review and Way Forward For the Future

Annex B – Asset that have transferred / Case Studies post transfer