

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT OF THE CORPORATE DIRECTOR - COMMUNITIES

CABINET

25 JULY 2017

COMMUNITY ASSET TRANSFER

1. Purpose of Report

1.1 The report seeks approval for changes to the Authority's Community Asset Transfer (CAT) policy to ensure that Priority 1 asset transfers can be progressed efficiently and effectively until such time as a comprehensive sports pavilion and playing fields strategy is developed which will be presented to the Cabinet for consideration in due course. These changes relate to:

- Basis of allocating £1 million of capital funding set aside to refurbish sports pavilions; and
- Mechanism for approving CAT expressions of interest, standard / complex business cases, and funding applications.

1.2 It is envisaged that the Authority's CAT policy and associated systems and processes will need to be subject to further review and updating to reflect the revised sports pavilion and playing fields strategy when this is completed, and an additional report will need to be submitted to Cabinet for approval following the acceptance of this new strategy.

1.3 The measures outlined herein are the minimum presently required to enable existing Priority 1 asset transfers to be progressed by community groups and Town and Community Councils.

2. Connection to Corporate Improvement Plan and other Corporate Priority:

To reflect the commitments in the Council's current Corporate Plan:

Priority Two - Helping people to be more self-reliant:

- Enable community groups and the third sector to have more voice and control over community assets;
- Support the third sector, town and community councils and community groups to meet local needs.

Priority Three - Smarter Use of Resources:

- To make the most of our physical assets, including school buildings;
- Review assets and services and enable the successful transfer of those most suitable to community groups and organisations.

3. Background

3.1 The Authority recognises that with significant budgetary constraints, services can no longer operate at previous levels and that there is a need to explore alternative models of service delivery where local people and community organisations play a

larger role in public life. Community owned and managed models of delivery can reinvigorate community assets and ensure that local groups can directly control what happens within the community in which they operate.

3.2 Funding of Sports Pavilion Repairs

3.2.1 The 'Refurbishment and Management of Sports Pavilions' Report was approved by Cabinet on 4 February 2014. At that time the total legacy of repair for sports pavilions was estimated to be £3.85 million, and Cabinet agreed that:

- (1) A sum of £1 million approved by Council in February 2013 for capital funding should be used to improve the condition of self-managed sports pavilions in partnership with users.
- (2) The refurbishment and repair legacy for the prioritised (fair/poor/bad group) pavilions was estimated to be circa £2 million, and therefore the allocation of £1 million would need to be capped at 40% of the estimated cost of refurbishment for each pavilion to allow the opportunity for more pavilions to be allocated repair and refurbishment funding. [Importantly at this point in time it was only envisaged that capital funding would be allocated to those pavilions in the worst state of repair, as opposed to any pavilion for which user clubs expressed an interest in community asset transfer].
- (3) The pavilions should remain in the Council's ownership with self-management lease arrangements being entered into with users.
- (4) The users under the terms of the lease would be responsible for the maintenance and repair of buildings and the payment of all service related charges. No charge would be made for use of the pavilion. The ultimate responsibility for the pavilions managed in this way would rest with the Council. It was anticipated that users as a general rule would be better placed to develop and maintain the pavilions to a standard consistent with their needs and expectations.

3.3 CAT Progress

3.3.1 Cabinet resolved in July 2015 to undertake a phased approach to Community Asset Transfer (CAT) with the first tranche focusing on the transfer of Priority 1 assets - sports pavilions, community centres, bus shelters and public conveniences.

3.3.2 The Council refreshed its Asset Management Plan (AMP) in 2015 to ensure that the policy reflected operational processes on the ground. It was recognised that although some good practice examples of CAT had been implemented, progress still remained slow and capacity to take this forward was limited. This resulted in Cabinet resolving on the 14 July 2015 to:

- Set aside up to £200,000 from the Change Management Earmarked Reserve to fund a dedicated CAT Officer, for a 3 year period, along with specific legal and property support to enable the programme to move forward focusing on Priority 1 assets.
- Present a report to Council to request approval of an additional £50,000 per annum from 2016/17 to 2018/19 to support Town and Community Councils to undertake capital projects. This is in addition to re-prioritising the £50,000

already in the Capital Programme in each of these years for community purposes to support CAT.

3.3.3 The Community Asset Transfer Officer came into post in November 2015 and since that time the following progress has been made in relation to Priority 1 assets:

- 74 community organisations have contacted Bridgend County Borough Council (BCBC) in respect of 61 different assets with sports clubs and associations continuing to be the predominant interested parties seeking self-management of pavilions and playing fields.
- 5 Town and Community Councils (Bridgend, Llangynwyd Lower, Pencoed, Porthcawl and Pyle) are progressing applications including public toilets, pavilions and playing fields, and bus shelters.
- 26 applications are currently “live” and subject to the development of formal expression of interest, business case or seeking final approval.

3.3.4 The Rural Development Programme commissioned a review to determine the impact to date of Community Asset Transfers upon clubs and societies operating in the rural wards of Bridgend. The review was completed by the Wales Co-operative Centre in May 2016, and resulted in 4 recommendations being submitted for the Council’s consideration:

- (1) Develop a clear Policy Statement and narrative for all aspects of its CAT Policy.
- (2) Review its existing CAT Application Process for functionality and effectiveness.
- (3) Consider commissioning independent support from the Third Sector to provide detailed advice and guidance to Cat Applicants and making “seed corn” funding available to pump prime application.
- (4) Further explore opportunities to generate partnership or co-operative approaches to Community Asset Transfers.

Recommendation (3) has partly been implemented with advice and guidance being provided under the CAT Business Support contract and the remaining recommendations are presently being considered as part of a wider internal review of CAT systems and processes.

3.4 CAT Approvals

The AMP 2021: Community Asset Transfer Guidance document requires that CAT expressions of interest and business cases should be approved by either the Corporate Property Group (routine cases) or the Strong Communities Connecting Services Board (complex/larger cases) with the property transaction approval and completion of agreement being approved by either Cabinet or via Council Delegated Powers by the Group Manager Property Services.

4. **Current Situation / Proposal**

4.1 Funding of Sports Pavilion Repairs

4.1.1 To date only £110,000 has been awarded to Bryncethin RFC to assist with the upgrading of its pavilion with the Club having gone through the existing CAT process which included the submission of an acceptable business plan. This has meant that the balance of available funding has been reduced to £890,000.

- 4.1.2 The £110,000 assigned to Bryncethin RFC to support the transfer of the Bryncethin Pavilion and Playing Field was based upon 40% of the estimated building repair cost of £275,000 included in the Appendix to the 'Refurbishment and Management of Sports Pavilions' Report dated 4 February 2014. Bryncethin Pavilion was deemed to fall into the fair/poor/bad group of pavilions which were prioritised for funding.
- 4.1.3 Subsequently to the allocation of funding to Bryncethin RFC further work has been recently undertaken on estimating the repair cost required on the pavilion stock. This has found that the situation has changed since the 2014 with the majority of pavilions requiring increasingly expensive repairs across the majority of premises.
- 4.1.3 The current process for the allocation of funding to support community groups seeking to take over the management responsibility of sports pavilions does not now reflect the changing needs of the Authority. Increasingly the service area has to respond to the impact of the budget situation and in so doing is promoting all users of pavilions to seek financial support to progress a CAT to sustain facilities. The allocated funding should therefore be available to help CAT transfers for any of the Council's sports pavilions. It is therefore proposed that Bryncethin Pavilion and Playing Field should be the only CAT project to be allocated funding based upon the original 40% of the estimated cost of refurbishment for each pavilion set out under the 'Refurbishment and Management of Sports Pavilions' Report in February 2014.
- 4.1.4 An equitable basis for allocating funding from the remaining £890,000 needs be determined and approved by Cabinet as further information regarding the future of the stock of the Council's pavilions has been considered. As previously indicated option appraisals to inform the development of a comprehensive sports pavilion and playing fields strategy is presently being developed.
- 4.1.5 It is suggested that a maximum contribution of up to £50,000 towards repairs or refurbishment works per CAT transfer is set to enable individual CAT projects to be progressed, subject to business case approval, while a formal funding mechanism is established. However, where the argument for increased levels of funding is clearly presented in a strong business case then amounts in excess of £50,000 may also be considered.

4.2 CAT Approvals

- 4.2.1 CAT expressions of interest have been approved by the Corporate Property Group or the Strong Communities Connecting Services (SCCS) Board depending upon the complexity of the project under consideration. The only business case demonstrating the satisfactory sustainability of a project has been presented on behalf of Bryncethin RFC to the SCCS Board.
- 4.2.2 The SCCS Board has indicated that the detailed discussions on CAT are taking up a considerable proportion of their time and are of limited interest to partners, and the SCCS Board has requested that discussions and decisions relating to CAT should be transferred elsewhere within the Authority.

- 4.2.3 There is presently no approval mechanism for funding specified in the Community Asset Transfer Guidance document, and in the case of Bryncethin RFC this was approved by a Cabinet member under Council Delegated Powers.
- 4.2.4 A CAT Steering Group has been established to primarily oversee the transfer of Priority 1 assets and has responsibility for:
- Identify CAT priorities and manage enquiries, to deliver against the Medium Term Financial Strategy (MTFS) priorities;
 - Identify and allocate CAT resources;
 - Monitor CAT progress and review whether projects are on track;
 - Deal with generic issues and risks associated with the delivery of the CAT programme; and
 - Remove any barriers to effective joint working identified by the CAT Officer.
- 4.2.5 The CAT Steering Group presently meets on a monthly basis and is represented by officers from Regeneration, Neighbourhood Services, Property Services, Finance, Legal Services and Corporate Transformation Team. This forum may be best placed to assess all CAT expressions of interests by ensuring that any proposed community asset transfer meets the Council's strategic priorities, operational requirements and future direction of travel. This may also require input from the Directorates who currently hold or may have an interest in the assets to be transferred.
- 4.2.6 It is proposed that the CAT Steering Group should also have responsibility for reviewing and approving the financial assessment of the Business Case undertaken by the Finance Department and the Heads of Terms for the transaction prepared by Property Services.
- 4.2.7 Approval for a CAT transfer and associated funding should be made by the Corporate Director (Communities) in conjunction with the Section 151 Officer.
- 4.2.8 The Council does not presently have a body with all of the requisite level of expertise/experience and element of independence to provide an assessment of complex business cases that demonstrate the sustainability of CAT projects. It is therefore suggested that a dedicated CAT Advisory Panel should be established to provide ad hoc specialist advice and guidance in respect of Community Asset Transfers considered by the CAT Steering Group to be of a complex nature. The CAT Advisory Panel would have the overall aim of supporting the successful and sustainable transfer of Council assets to a group for the benefit of the community. This would be achieved by the Advisory Panel providing an objective assessment of:
- a) Complex CAT applications (including sustainability of business cases);
 - b) Funding applications and the allocation of funds to voluntary groups on the basis of applications submitted to support complex CAT projects.
- 4.2.9 The Advisory Panel would be empowered to make recommendations on the transfer of Council owned assets and associated grant funding in accordance with approved policies, e.g. Asset Management Plan, CAT and Grant Procedure guidance documents to the CAT Steering Group.

4.2.10 It is envisaged that the Advisory Panel will provide representation from a range of sectors: public; private; voluntary; social enterprise; sports governing bodies; and individuals selected for their relevant skills, knowledge and experiences that they are able to bring to the recommendation making process.

4.2.11 A flowchart showing the updated CAT approval process involving standard business cases and complex business cases have been included at **Appendix 1** and **Appendix 2** respectively. In summary this requires that the responsibility for assessing and approving CAT projects should be re-assigned as follows:

CAT Process	Delegated Body
Expressions of Interest	CAT Steering Group (input from the Directorate who currently hold or may have an interest in the asset, where appropriate).
Business Cases	CAT Steering Group based upon the recommendations of: Finance (Standard Business Cases) or the CAT Advisory Panel (Complex Business Cases); and Property Services (Heads of Terms).
Funding Applications	CAT Steering Group based upon an assessment of business plans and funding applications (Standard Business Cases) or the recommendations of the CAT Advisory Panel (Complex Business Cases).

5. Effect upon Policy Framework & Procedure Rules

5.1 The existing CAT policy will be updated to reflect the proposed changes outlined in the body of the report.

6. Equality Impact Assessment

6.1 No equalities impact assessment is necessary as part of the grant allocation process, although individual schemes that have been supported may have a positive impact on equalities groups in some instances and the Council's CAT policy and procedures seeks to ensure that facilities remain as accessible as possible to all community groups.

7. Financial Implications

7.1 The Council has already set aside an allocation of £1 million in the 2017/18 to 2026/27 MTFS Capital Programme to facilitate the Community Asset Transfer of sports pavilions. Bryncethin RFC has been assigned £110,000 towards the cost of a project estimated at £395,000 that will benefit the area by transforming the facility by refurbishment and extension into a community hub which reduces the balance of funding available to £890,000.

8. Recommendation

8.1 It is recommended that Cabinet approves the changes to the process relating to Priority 1 CATs as follows:

8.1.1 Funding of Sports Pavilion Repairs – as per paragraph 4.1.5; and

8.1.2 CAT Approvals – as per paragraphs 4.2.6 and 4.2.7.

Mark Shephard
CORPORATE DIRECTOR - COMMUNITIES
July 2017

Contact Officer: Guy Smith, Community Asset Transfer Officer
Telephone: (01656) 815323

E-mail: Guy.Smith@bridgend.gov.uk

Background documents

AMP 2021: Community Asset Transfer Guidance Document

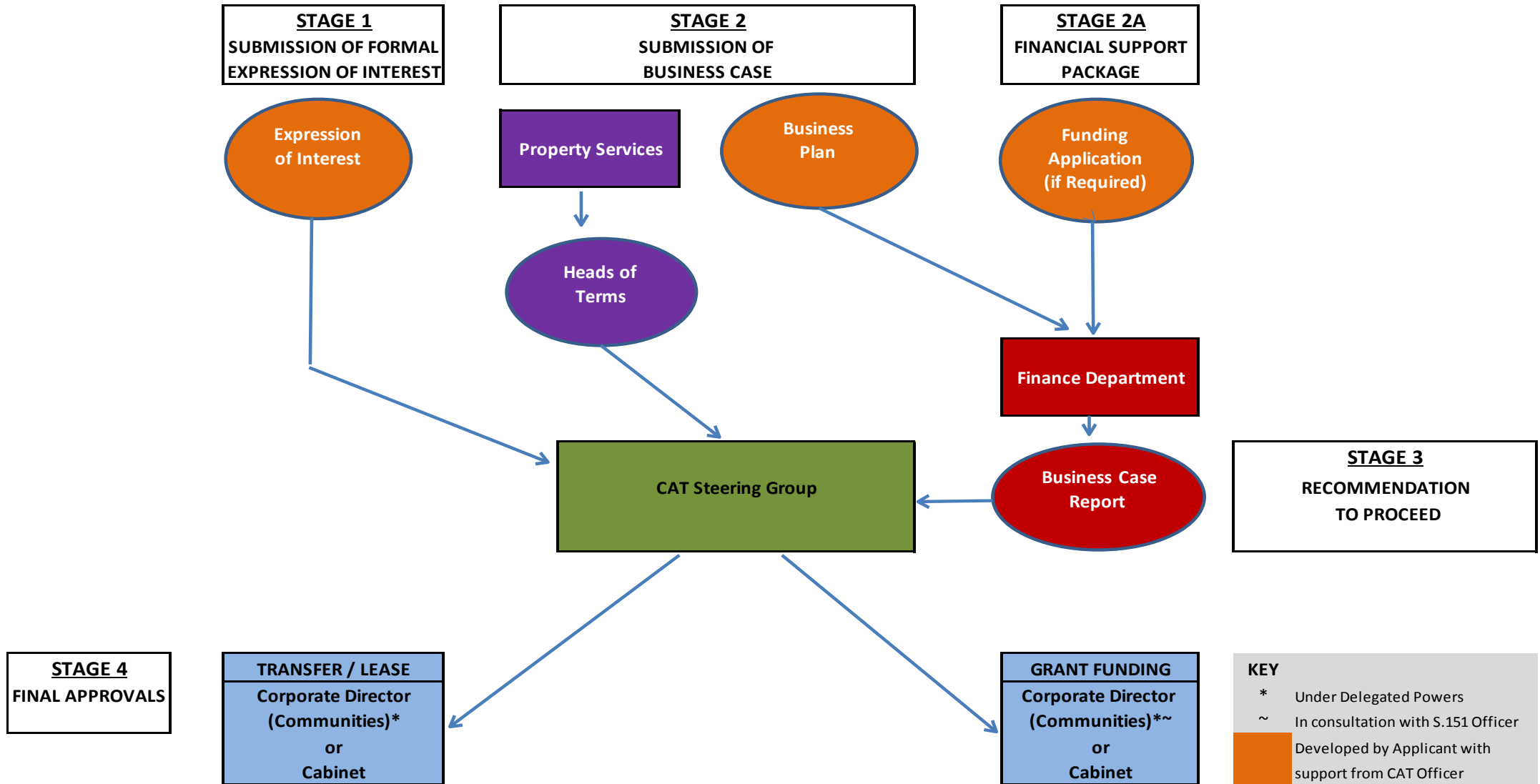
Cabinet Report 4 February 2014 - The Refurbishment and Management of Sports Pavilions

Cabinet Report 14 July 2015 – Community Asset Transfer

Terms of Reference for the CAT Steering Group

Terms of Reference for the CAT Advisory Panel

COMMUNITY ASSET TRANSFER APPROVAL PROCESS - STANDARD BUSINESS CASES



N.B. A simplified approval process will be adopted for minor land and property transfers

COMMUNITY ASSET TRANSFER APPROVAL PROCESS - COMPLEX BUSINESS CASES

