

Community Assets Policy

January 2023

1. Background

Property assets are held for the delivery of Lancashire County Council's service priorities and for the benefit of the community. Equally, disposal of surplus property for capital receipts enables the council to direct and invest resource into local services and infrastructure. It is therefore important to ensure that our assets work well for all our communities, and while they remain empty and drawing on public funds, that is not the case. The Community Asset Policy seeks to balance those demands and is aligned both to our statutory requirements and our local approach.

As the council addresses its strategic priorities, work is underway to reconfigure our property portfolio with the aim of retaining a more focused and sustainable set of buildings, premises, and land. We recognise that as some assets are no longer needed for the delivery of council services the community may be well placed to take on their management where certain conditions can be met.

An active approach to community use, management and ownership of vacant accommodation or surplus assets can support the following corporate priorities:

| Priority | Support includes |
|----------------------------|--|
| Delivering better services | Enabling communities to supplement and support the services that we offer through a broad range of property uses that benefit the community |
| Protecting our environment | The council needs to review and rationalise its property portfolio to manage running costs and help reduce our carbon footprint. Re-use of buildings as a community asset can help provide facilities in the heart of communities thus reducing the need to travel and help towards regenerating existing premises |
| Supporting economic growth | Community groups often use the facilities to support cultural efforts, providing a venue for skills/learning activities, and offer opportunities for volunteering as routes into employment |
| Caring for the vulnerable | Providing a venue for meetings/community activity that can provide significant support and companionship to vulnerable people |



2. Routes to Community Ownership and Management

There are several different routes which can inform and enable community use and ownership however those considered in detail are community right to bid and community asset transfer.

2.1 Community Right to Bid

Community Right to Bid is a provision set out in the Localism Act 2011. This allows groups to nominate land or buildings to be included in the List of Assets of Community Value. In Lancashire, these lists are held by district and city councils.

The Act sets out criteria for qualifying groups, they may be:

- a voluntary or community body
- a body of persons or a trust which is established for charitable purposes only
- a parish council
- in relation to a relevant authority, two or more employees of that authority, or
- such other person or body as may be specified by the Secretary of State by regulations.

The Act also states that a building or other land in a local authority's area is land of community value if in the opinion of the authority

- an actual current use of the building or other land that is not an ancillary use furthers the social wellbeing or social interests of the local community, and
- it is realistic to think that there can continue to be non-ancillary use of the building or other land which will further (whether or not in the same way) the social wellbeing or social interests of the local community.

Once an asset is listed some duties are placed on the owner if they decide they no longer need the premises. They must notify the local authority before the asset can be sold after which there is a period of six weeks to allow groups the opportunity to register an interest in making a bid to buy the asset.

If such an interest is submitted by a qualifying group, the asset cannot be sold for six months (other than to the community interest) giving the group this time to develop a proposal and raise the funds to purchase the asset at Market Value. In the interim period the council will consider any qualifying bids which are submitted.



Listing an asset of community value provides a window of opportunity for groups, to allow them to get ready to buy the asset if this is something that they wish to take forward.

Sale of an asset of community value is at Market Value, either in a closed process during the six months moratorium or in the open market following that. Any sale normally takes place under market conditions and the owner is under no obligation to sell to a community group at any time. Groups who have registered an asset are also under no obligation to try to proceed with a bid to buy it. If groups are not interested in purchasing the property at Market Value, they can inform the borough or city councils who hold the register, which will enable a sale to proceed without further delay. Community groups which are interested in the community right to bid may wish to seek independent advice.

Regarding the county council's assets any transfer will be subject to a contribution towards the council's surveying and legal fees of £750 or 1.5% each (combined 3% or £1,500) of the Market Value whichever is the highest and subject to periodic review of fees and charges.

2.2 Community Asset Transfer

Community asset transfer involves transferring the ownership of land or buildings from the county council to a community organisation, at Market Value but with the potential for an 'at less than best consideration' sale should certain criteria be applicable and be considered relevant and applicable by the county council on a case-by-case basis e.g., at less than the market value to achieve a public benefit.

Community Asset Transfers have historically been arranged via a 125-year lease, with community use restrictions, at a value of £1.

Transfer to the local community can generate local benefits that would otherwise not be delivered by the council. In the right context, community asset transfer can provide a cost-effective and responsive approach to local need where a community group can apply a different business model based on local enterprise, multi-purpose use, volunteering, and social investment.

Annex 1 sets out examples of successful asset transfers, some of which include a community library facility and digital access offer.



3. Existing community use of county council premises

Existing community use is managed through the Premises Use Policy, 2018, in the first instance. This allows for sessional use of premises for specific activities and sets out charging rates where applicable. Where sessional use is not appropriate, more formal terms are set in place. In some library settings, particularly active 'Friends' groups have licences in place to enable them to install and maintain community gardens, and more recently and in limited circumstances this permits groups to carry out low level maintenance such as painting railings as part of 'best kept village' events etc.

There are also a small number of community associations that are linked to county council premises, some of which are thriving however none of these make a financial contribution to the property holding costs of the respective premises. A review of the Premises Use Policy and associated fees and charges is underway. The starting principle being the full-cost recovery including property holding costs and administration.

4. Framework for transferring community assets

Where premises or land are identified as surplus to the operational requirements of the council, an assessment will be made to determine whether the asset is suitable to be made available for community use and designated accordingly.

Opportunities for community groups to manage or take on ownership of such designated surplus county council assets will be made available on the council's website.

Speculative requests for asset transfer are received on a regular basis where community aspirations can quickly become a bureaucratic challenge and contentious locally. By setting out a clear and transparent decision-making process the council can determine when opportunities for community management, transfer and ownership are to be made available. The following principles will guide the process:

- **How will community organisations find out about opportunities to take on responsibility for council assets?**

All opportunities will be advertised on the Lancashire County Council website.



- **Which assets will the council make available for potential community ownership?**

Where the council no longer has use for a particular asset, those premises and land which have been i) actively used by the community, by permission, up to the time of closure, or ii) which have had recent community use in the last six months, will be considered for community transfer.

- **What about the value of the assets?**

Assets which have a market value of less than or equal to £150,000 (as determined by the county council and whose decision will be final) will be considered for transfer to community ownership. The value of any transfer will be Market Value but with the potential for an 'at less than best consideration' sale should certain criteria be applicable.

- **Will the council help with repair and maintenance costs?**

Property assets are transferred as seen. Community organisations may wish to commission a detailed survey of the asset as part of their own due diligence. The council will not carry out any remedial works nor provide any contribution towards future operation or maintenance of the asset post transfer. The council will undertake a visual survey reflecting the asset's condition prior to transfer for its own purposes and records.

How the asset is transferred to any community organisation will be at the council's sole discretion. The method of transfer will vary depending on the council's nature of interest in the land holding (leasehold/freehold) and any transfer will be subject to a contribution towards the county council's surveying and legal fees of 3% of market value (1.5% each) subject to a minimum of £1,500 (£750 each) and subject to periodic review of fees and charges.

- **Which community organisations would qualify to submit a detailed application?**

Parish and town councils, voluntary organisations, community organisations, community interest companies and social enterprises that can demonstrate strong links with local communities will be eligible to apply to the council. Successful applicants must be able to demonstrate sustainability through good governance, good financial management and the capability to take on responsibility for a public asset.

- **What if there is more than one interested group?**

Community groups are encouraged to collaborate and put together a more sustainable offer which demonstrates broad community benefit. The council will not assess competing applications from several groups but will consider an application from 'groups' combining to act as a single entity for the purposes of a bid. If there are competing applications, the council will dispose of the asset in the open market following the moratorium period.



- **How does an organisation show that it is willing and able to take on responsibility for a council asset?**

Applicant groups must be able to demonstrate how their offer meets an identified community need and provides an inclusive approach to members of the wider community. They must also evidence that they have the necessary governance, skills, and budget in place to deliver their sustainable offer.

- **Commercial activity**

Organisations applying for community asset transfer must not contravene Subsidy Control legislation (formerly State Aid) i.e., they must not be, or intend to be, contracted to the county council for service delivery.

In developing a business plan to help with financial planning and management of the asset, organisations will need to consider how they will generate the necessary income to be able to maintain the property effectively and sustainably. Assignment or sub-letting of the premises will not generally be permitted. Proposals for trading and income generation will be considered as part of the detailed application process.

- **Timeline**

We know that organisations are often keen to take occupation of community assets and so it is important that agreement is reached quickly so that the asset can be safely handed over. From the date that an opportunity is advertised, and should circumstances remain unaltered, then transfers will be completed within a 12-month period. The specific date for each step in the process to be completed will be clearly set out on the council's website when an opportunity is advertised.

Should the community organisation be unable to complete the transfer, or due to circumstances outside of the council's control, and where heads of terms are agreed between the parties, then by exception the council will still work towards transfer to the community organisation on condition that the community organisation takes responsibility for property holding costs.

A sample timeline for completion as quickly as possible and in no longer than 12 months is shown below.



| | Milestone | Activity |
|---------|-------------------------------------|--|
| Day 1 | Advertise opportunity | Details of community asset posted on Lancashire County Council website |
| Day 28 | Submit expression of interest | Community organisations explain who they are, what they hope to achieve, and how this will benefit the community |
| Day 56 | Initial assessment | Council considers applications and invites qualifying organisations to develop their proposal in more detail |
| Day 84 | Invitation to make full application | Community organisations develop a sustainable business plan |
| Day 112 | Clarification & final assessment | During this period the applicant organisation will provide to the council clear evidence that: <ul style="list-style-type: none"> • they are a robust and viable organisation • the proposed community offer demonstrates how it will meet local need with clear aims, objectives, and future direction. The proposal will provide positive social, economic, and environmental impact • they have links with relevant stakeholders and groups with strong local partnerships in place • sufficient financial resources are or will be in place by the time of the transfer and show good resource planning for short, medium, and long-term sustainability • the necessary capabilities to manage the asset and deliver the offer are in place |
| | Approval in principle | Agree heads of terms between the council and community organisation |
| Day 365 | Complete | Community manages the asset |

Where a community organisation does not want to take on ownership of the asset it may instead propose an increased role in the management of the property, which in turn may also generate income and contributions towards the upkeep of premises and support a sustainable portfolio. This offer may be considered as part of a strategic review of relevant properties and under the terms of the Premises Use Policy.

Annex 1: Community Asset Transfers (2016-2021)

The following table sets out asset transfers completed between 2016 and 2021. All resulted from the Community Asset Transfer Policy (2016) except for Gannow, where agreement to transfer pre-dated the policy.

| Year (completion) | Address | District | Community Organisation | Purpose |
|-------------------|--|--------------|---|---|
| 2020/2021 | Stoops & Hargher Clough Youth & Community Centre, Venice Street | Burnley | West End CIC | Wellbeing |
| 2019/2020 | Upholland Library, Hall Green | West Lancs | Artz 4 All | Visual & performing arts, skills, community library |
| 2019/2020 | Thornton Young People's Centre c/o Royles Brook Primary School, Marsh Road | Wyre | | |
| 2018/2019 | Fleetwood Museum, Queens Terrace | Wyre | Fleetwood Museum & Fleetwood Museum Trust | Heritage |
| 2018/2019 | Crawshawbooth Library, 2 Adelaide Street | Rosendale | Crawshawbooth Community Association | Wellbeing |
| 2018/2019 | Trawden Library and Riverside Children's Centre, Church Street | Pendle | Friends of Trawden Forrest | Wellbeing, community library |
| 2018/2019 | Community Centre, Burnley Road East | Rosendale | Whitewell Community Association | Wellbeing |
| 2018/2019 | Penwortham Young People's Centre, Priory Lane | South Ribble | Penwortham Town Council | Wellbeing, community library |
| 2018/2019 | Penwortham Library, Liverpool Road | South Ribble | Penwortham Town Council | Performing arts & theatre |
| 2016/2017 | Gannow Community Centre, Adamson Street | Burnley | Gannow Community Association | Wellbeing |



