

**Bath and North East Somerset Council
Community Asset Review**

**A review by the Resources Policy Development and
Scrutiny Panel**

**Task and Finish Group Review
March 2013**

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Foreword

In the light of growing national interest in transferring property assets from Council ownership to Community ownership the Resources PDS Panel felt it was appropriate to investigate the advantages of this process and some of the pitfalls, making recommendations on how it could be best achieved to the benefit of local communities. An important coincidence of timing was the plan to transfer six BANES-owned properties as part of the Budget proposals agreed on 19th February, 2013.

We visited four other projects as comparative case studies and would like to thank the members and staff of Wiltshire Council for the opportunity to discuss their Community Hubs, the staff at Bath City Farm for allowing us to visit their project, the volunteers at the Shop@ 67 in Keynsham likewise, and Peasedown Parish Council for their useful comments and advice on the transfer of the Beacon Hall. We would also like to thank Andy Thomas for arranging the visits and for sharing his fund of knowledge on partnerships with the community and Lauren Rushen for writing the first draft of our report.

John Bull
(Chair, Resources Policy and Development Panel).

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Recommendations

Recommendation 1: Develop a Community Building Value Index which brings together the following three elements:

- Financial return on an asset
- Community benefit
- Measure of organisational sustainability

Recommendation 2: Encourage the use of flexible leases for community asset transfer projects rather than just long term leases for 25 years and over, these could be small leases of 3-6 months initially and once a project becomes established longer term leases of 6-10 years could be made available.

Recommendation 3: We suggest developing an Officer Group which brings together key representatives e.g. Property Services, Policy and Partnerships, Health and Safety, Business Continuity, to assess the feasibility of community asset proposals, similar to the way the existing Safety Advisory Group operates for events.

Recommendation 4: The existing Resources Policy Development and Scrutiny Panel could receive a regular update on progress with Asset Transfers.

Recommendation 5: Facilitate community asset projects with the creation of a self-help group. This would allow 'successful' community asset projects and newly established projects to share information and develop best practice. This could perhaps be done via the Run A Club (<http://www.runaclub.com>) website or similar

The Council should work with existing community groups to develop an 'offer' for community asset groups by working with them to identify what support groups would most benefit from e.g. flexible leases, access to legal/health and safety advice or the opportunity to seek support from other groups. A suggested self-help system of regulation and support should include:

- Empowering volunteers and allowing them to share information and best practice (see recommendation 2)
- Allowing the Council a light touch to ultimately ensure the proper use of public assets, efficiency savings for the Council, presenting advice and bringing in specialities
- Avoiding large amounts of office time and money being required to micro manage such a diverse estate
- Possibly instituting a voluntary quality standard based on self-inspection akin to the old Hallmark system

Introduction

The Localism Act 2011 introduced two new duties for local authorities, known as the 'Community Right to Bid' and the 'Community Right to Challenge' which came into force in September 2012¹. This is also linked to a wider challenge facing local government to deliver efficiency savings and demographic changes with an increasing older population.

Prior to coming into force, the Resources Policy Development and Scrutiny Panel received a presentation about the 'Community Asset Transfer' from the Divisional Director of Policy and Partnerships at their meeting on the 16th July 2012². We learnt that:

- Under the Localism Act, from September 2012, the local authority must hold a register of assets nominated by the community.
- An 'asset of community value' could be either a physical asset such as a village hall or land; individuals with specialist skills or knowledge or organisations such as social groups, private businesses or services, schools or GP surgeries
- Community Right to Challenge: Community groups, social enterprises, charities or Parish Councils the ability to express an interest in running a service. If this is accepted by the local authority, a full procurement exercise must be undertaken by the authority
- Community Right to Build: is part of the new Neighbourhood Planning approach which can allow certain developments such as community facilities or affordable housing schemes to be progressed when there is local support.

We were keen to assist in developing the Council's approach to the community asset transfer so appointed a task and finish group at the meeting who would work with service officers to undertake case study visits. The task and finish group would enable us to identify good practice and undertake a policy development role to assist the Cabinet with implementing the requirements of the Localism Act.

Purpose and Objectives

The main purpose of this review is to undertake a policy development approach to assist with the implementation of the community asset transfer policies within Bath & North East Somerset.

In order to achieve this we will:

- Receive a briefing from Offices working in Policy and Partnerships about community assets
- Identify what work is already being undertaken both within B&NES and the surrounding local area
- Visit other local authorities and existing community projects to find out the following:
 1. What makes a community asset different from all other Council buildings/estates?
 2. How does Bath & North East Somerset Council currently deal with community buildings?

¹ More information about 'Community Right to Bid' and 'Community Right to Challenge': <http://locality.org.uk/movement/policy/community-rights/community-bid/>

² Link to presentation received on 16th July 2012: <http://democracy.bathnes.gov.uk/documents/s21939/Community%20Assets.pdf>

3. Why and how could we better support Community Buildings in the future?

Methodology

After receiving the presentation about the community asset transfer, we worked with officers in Policy and Partnerships to arrange visits to four case study visits.

These visits gave us the chance to understand what existing good practice exists within the Bath & North East Somerset area and to explore how other local authorities are taking the community asset transfer forward. The four projects that we visited were:

- **Wiltshire Council** -an example of a Council which has a distinctive approach to community assets thoughts “community campuses” in local areas.

This also gave a broad perspective on a neighbouring Council’s approach to dealing with community assets. Adopting a bold strategy Wiltshire are taking very much a radical hands approach to rationalise buildings within the community

- **Bath City Farm** – an organisation which had benefited recently from attracting external funding linked to greater community control of its assets.

At bath City Farm we heard about the experience of a relatively established community project negotiating and signing an asset lease with B&NES. It was illuminating to hear the good points and the not so good points of the existing process. Feedback was also gained on the practicalities of running a community project which is continually evolving.

- **Community@67** - a local community organisation which has found imaginative community uses for a former post office in Keynsham. This is also an example of joint working with Curo.

Visiting this project gave us insights into the process that a new community group goes through in forming and gaining a lease from a zero base. It was interesting to see how ordinary residents grappled with the concepts of leases and liabilities in pursuit of their ultimate community building goals.

- **Beacon Hall at Peasedown St John** - a community hall with the lease recently successfully transferred to the local parish council.

Beacon Hall provided us with the opportunity to hear about the process of a community asset transfer from the perspective of a Parish Council taking on the mantle of a community association founded in the 1970s. It was also interesting to see the differences in sustainability between the two models- volunteers versus Parish Council.

Findings

What makes a community asset different from all other Council buildings/estates?

What we saw on our tour were a range of community projects which in effect deliver services primarily harnessing the power of volunteers. This is in sharp contrast to those buildings the Council uses to a) deliver services by the Council and b) let out for pure commercial use as in the city of Bath.

We identified a number of common issues associated with community buildings including:

i) **Rental rates** –these cannot simply be judged in purely monetary terms – whilst the Council have increasingly felt an obligation to consider maximising the return from an asset, we need to find a way for Community Buildings to complement commercial value models with a community value index - such as the contribution of a project to the overall community and try to quantify the input in voluntary time being invested by the local community.

ii) **Liabilities are being taken on by individuals** – community buildings invariably rely on volunteers to set them up as organisations in the first place, manage them and ultimately serve the community over time. As a result volunteers can find themselves being asked to take on quite significant liabilities without understanding what is involved – e.g. signing a 25 year property lease and thinking you can simply resign next week and walk away.

iii) **Volunteers will probably not have the necessary skills or the funds to access them** - we cannot rely on our community building volunteers always having the necessary mix of experience and skills – such as signing leases, understanding fire safety regulations, premises licences etc. and therefore need support. Whilst a commercial organisation leasing a shop would buy in the necessary expertise, there community groups are unlikely to have the funding to do this in either cash time or officer time. Volunteers need to be able to draw on a 'community buildings self-help network to' if they are to find their way through issues from people who have 'been there'.

iv) **Volunteers organisations have life cycles** – which have important implications for sustainability. Overtime volunteer based organisations tend to go through a 'life cycle' – launch, growth, maturity and decline – with the successful ones regenerating as they go. There are no hard and fast rules but this cycle is possibly more challenging where people give their time – as compared to commercial focused organisations. However, one particular challenge is that individual volunteers can pass their 'sell by date' so that when they do finally go, they leave a massive hole and an organisation investment backlog.

How does Bath & North East Somerset Council currently deal with community buildings?

Currently Community Buildings are included within the portfolio managed by Property Services i.e. along with the commercial estate predominantly in the centre of Bath. Probably the greatest challenge for officers is judging the rental value of a community building and dealing with voluntary organisations.

How was it done in the past?

A generation ago no one would have dreamt of charging a community association running a community building owned by B&NES anything much above a peppercorn rent.

The concept of ‘full market rents’

As pressure increased on council costs through the 1990s there was no way of judging whether a community building was being used to maximum benefit. On the face of it the answer seemed to be to impose a scheme of rents across the board and in recent years there has been much talk of full market rents being applied.

In reality few community groups can afford a commercial rent because this model fails to take account of the thousands of pounds of volunteer time which don't enter the equation. This is why renting a village hall costs on average £9 per hour whereas a venue paying staff, such as a hotel, has rates starting at £30 per hour.

As a result of the call for commercial rents for community buildings, lease negotiations renewing the terms from the 1980s have stalled. Property Services have to act as a ‘neutral vendor’ when dealing with Council owned properties and community sales which can make the concept of a ‘community asset transfer’ additionally complex.

Community Buildings decision making process unclear

In practice, limbo also results when a community building is in crisis or wishes to move forward with redevelopment as there is no formal over-arching process to bring the different stakeholders together and to come up with a decision.

Why and how could we better support Community Buildings in the future?

As we enter the brave new world of localism as a Council there is a general aspiration to harness volunteer effort and encourage community engagement. In going forward, we must ensure that as a local authority we work as ‘one Council’ with clear levels of communication between departments and with our communities. This will ensure that the Council is able to deliver a financial return whilst making sure that that community asset transfers benefit the community as a whole.

Based on our case study visits and the information above, we have developed the following recommendations for the Cabinet to consider:

Recommendation 1: Develop a Community Building Value Index which brings together the following three elements:

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Conclusion

The visits we made showed a range of different solutions to the challenge of the community owning property assets. They also highlighted some possible pitfalls in the areas of trusteeship, sustainability and responsiveness to local needs. Our recommendations are aimed at making it easier for an asset to be transferred to a local community group without compromising the long term sustainability of the asset and/or its benefit to the community.

Next Steps

The Council on the 19th February noted the approach to Community Assets as set out in the budget papers. This approach highlighted that greater community involvement in community assets had the potential to deliver better community outcomes and greater support for the voluntary and community sector.

To deliver these benefits, the Council's "asset transfer" programme has been designed around progressing a series of local "quick wins" to benefit local communities and organisations, whilst also developing a framework and criteria for the programme's further development.

Following Council's decision, the "quick wins" are now being progressed and work is being undertaken on a "wider offer" to voluntary and community groups and Parish councils in relation to community assets. A report will be brought to Cabinet recommending the process and criteria for this."