



# Doncaster Council

## Report

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Date: 4<sup>th</sup> June, 2019

To the Chair and Members of the Cabinet

**Doncaster Council Community Lettings & Asset Transfer Policy**

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Cllr. Joe Blackham Cllr. Rachael Blake Cllr. Chris McGuinness Cllr. Nuala Fennelly	All	Yes

### **EXECUTIVE SUMMARY**

1. This report sets out Doncaster Council's reviewed Community Lettings & Asset Transfer policy which is intended to better cater for the needs and capabilities of the range Voluntary, Community, and Social Enterprise (VCSE) groups operating in the borough.

### **EXEMPT REPORT**

2. The report is not exempt.

### **RECOMMENDATIONS**

3. That Cabinet approve the new Community Lettings/Asset Transfer policy attached as appendix 1.

### **WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

4. The new Community Lettings & Asset Transfer policy will ensure that VCSE groups benefit from occupational arrangements that best suit their needs and experience, enabling them to better serve the people of Doncaster. Given the range of services provided by the third sector in the borough, from leisure, to healthcare, to education, the policy will have a considerable impact upon the wellbeing of a large number of citizens in Doncaster.

## BACKGROUND

5. Doncaster Council first adopted a Community Lettings policy in 2011, and subsequently revised it in 2014 to ensure transfers of land and property to VCSE organisations were able to take place in an efficient and sustainable way.
6. The Council has experienced numerous successes with the leasing of assets to community groups. However, lease lengths are determined on an ad-hoc basis with little frame of reference. In addition, there is little defined support on offer for less-established community groups who may be interested in acquiring a space to carry out their work. Overall, it was felt that the existent policy was too assets-focused, and did not prioritise the needs and capabilities of community groups sufficiently.

## OPTIONS CONSIDERED

7. Do nothing – not recommended as the current policy does not sufficiently address the concerns of community groups.
8. Approve the renewed Community Lettings & Asset Transfer policy – this is the recommended option.

## REASONS FOR RECOMMENDED OPTION

9. The revised policy will better address the needs and capabilities of community groups and ensure that they can access the appropriate level of support and benefit from a lease length tailored to their experience and capabilities.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

10. Impacts outlined below.

	Outcomes	Implications
	<p><b>Doncaster Working:</b> Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> <li>• Better access to good fulfilling work</li> <li>• Doncaster businesses are supported to flourish</li> <li>• Inward Investment</li> </ul>	<p>An improved Community Lettings &amp; Asset Transfer policy will better support VCSE groups involved in delivering skills and employment training to the people of Doncaster.</p>
	<p><b>Doncaster Living:</b> Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> <li>• The town centres are the beating heart of Doncaster</li> </ul>	<p>An improved Community Lettings &amp; Asset Transfer policy will better support VCSE groups involved in providing health and leisure activities to the citizens of Doncaster.</p>

	<ul style="list-style-type: none"> <li>• More people can live in a good quality, affordable home</li> <li>• Healthy and Vibrant Communities through Physical Activity and Sport</li> <li>• Everyone takes responsibility for keeping Doncaster Clean</li> <li>• Building on our cultural, artistic and sporting heritage</li> </ul>	
	<p><b>Doncaster Learning:</b> Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> <li>• Every child has life-changing learning experiences within and beyond school</li> <li>• Many more great teachers work in Doncaster Schools that are good or better</li> <li>• Learning in Doncaster prepares young people for the world of work</li> </ul>	<p>An improved Community Lettings &amp; Asset Transfer policy will better support VCSE groups involved in providing educational and cultural learning activities to the citizens of Doncaster.</p>
	<p><b>Doncaster Caring:</b> Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> <li>• Children have the best start in life</li> <li>• Vulnerable families and individuals have support from someone they trust</li> <li>• Older people can live well and independently in their own homes</li> </ul>	<p>An improved Community Lettings &amp; Asset Transfer policy will better support VCSE groups involved in providing care services to the citizens of Doncaster.</p>
	<p><b>Connected Council:</b></p> <ul style="list-style-type: none"> <li>• A modern, efficient and flexible workforce</li> <li>• Modern, accessible customer interactions</li> <li>• Operating within our resources and delivering value for money</li> <li>• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents</li> <li>• Building community resilience and self-reliance by connecting community assets and strengths</li> <li>• Working with our partners and residents to provide effective leadership and governance</li> </ul>	<p>An improved Community Lettings &amp; Asset Transfer policy will better enable the Council to operate within our resources and deliver value for money by engaging with the VCSE sector to support with the co-production and delivery of services.</p>

## **RISKS AND ASSUMPTIONS**

11. The policy aims to address potential risks of community lettings and asset transfers by ensuring that community groups do not acquire properties with prohibitive repair costs or leases which they would find unmanageable. Offering more defined support to community groups will mitigate the risk of community groups struggling to manage an asset. Risks are further outlined in the policy text (appendix 1).

## **LEGAL IMPLICATIONS REP..... Date...5.4.19.....**

12. Section 1 of the Localism Act 2011 provides the Council with the general power of competence, meaning that “a local authority has power to do anything that individuals generally may do.”

Under s.123 of the Local Government Act 1972 the Secretary of State’s consent is required for the disposal of land (including the letting of land for a period of 7 years) for less than the best consideration reasonably obtainable.

Under Circular 06/03 the Secretary of State has given their consent to the disposal of non-housing/HRA land by local authorities for less than the best consideration reasonably obtainable provided that

- (i) The difference between the consideration being received and full open market value does not exceed £2 Million ;and
- (ii) The Council is satisfied that the purpose of the disposal will contribute to the promotion or improvement of the economic, environmental or social well-being of the area.

The Policy specifically requires that the business case supporting any application for a community letting “The should demonstrate that the applicant(s) will contribute to the economic, social, or environmental wellbeing of Doncaster” as such provided the undervalue is less than £2 Million then a letting under the policy will benefit from the general consent

The Policy relates only to General Fund land any disposal to a community group of HRA land will fall under a separate consent regime and will need to be considered individually.

The Council’s Financial Procedure Rules authorise the Council’s Property Officer to arrange the disposal of land for less than best consideration where the best consideration reasonably obtainable would not exceed £250,000. If the market value of the disposal exceeds £250,000 then the approval of Cabinet is required. Disposal to a charity will be a disposal at an undervalue as may be the case in many of these, but it is likely to fall within the provisions of Circular 06/03 and thus benefit from the general consent.

If the Council requires the building to be returned at the end of term the lease should be excluded from the terms of the Landlord and Tenant Act 1954 to ensure that the tenant does not obtain security of tenure

Specific authorisation will be required in relation to the disposal of individual lettings as the policy is adopted.

### **FINANCIAL IMPLICATIONS [MB Date 2<sup>nd</sup> April 2019]**

13. Any letting at less than full market value is a cost to the council in terms of administration and loss of potential income plus holding costs while the terms of the lease are being agreed. It also means that savings from the rationalisation of the council's property portfolio may not be achieved or capital receipts realised.

Financial Procedure rule C.17 states:-

In respect of disposals of land and property:-

- processes followed should be robust and transparent and in accordance with current legislation;
- in all cases of planned disposal of land or property, the Property Officer, the Assistant Director of Legal and Democratic Services and the CFO must be consulted.
- where the estimated disposal value is less than £1,000,000 the Property Officer, having taken financial and legal advice, may arrange for the disposal of land or property;
- where the estimated disposal value of individual property assets is equal to or greater than £1,000,000, a decision of Cabinet is required;
- in respect of disposal at less than Best Consideration where the estimated disposal value would otherwise have been at less than £250,000, the Property Officer may arrange for the disposal of land or property;
- in respect of disposal at less than the Best Consideration that can reasonably be obtained where the estimated disposal value would otherwise have been at or above £250,000, the Property Officer, shall prepare a report to Cabinet, requesting approval to proceed with the disposal in accordance with the relevant legislation (Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003;
- all arrangements for the acquisition and disposal of land and buildings shall be in accordance with Council Asset Management Policy, and be conducted by the Property Officer, including all negotiations and the preparation and certification of valuation certificates

### **HUMAN RESOURCES IMPLICATIONS [Officer Initials DK Date 05/04/2019]**

14. There are no HR implications to this report.

### **TECHNOLOGY IMPLICATIONS [Officer Initials PW Date 05/04/19]**

15. There are no technology implications in relation to this report. However, Strategic Asset Management should continue to consult with ICT prior to the transfer of any land and property to VCSE organisations to ensure that any

technology implications have been fully considered.

### **HEALTH IMPLICATIONS [Officer Initials...RS.. Date ...05/04/2019.....]**

16. Empowered communities generally have better health than other communities. Community lettings and asset transfers are necessary but not sufficient for empowered communities. Any policy that encourages community lettings and asset transfer should be supported as this will improve health assuming any governance is both sufficient and proportionate. Policy holders should also look to learn any lessons as this policy is rolled out.

### **EQUALITY IMPLICATIONS [Officer Initials GAF Date 03.04.2019]**

17. Any proposed use of Doncaster Council's land and property assets should ensure extensive reach into the community and be open to all. The new Community Lettings & Asset Transfer policy as drafted sets out how we will ensure that VCSE groups benefit from occupational arrangements that best suit their needs and experience, enabling them to better serve the people of Doncaster.

### **CONSULTATION**

18. Consultation was sought from the following:-
  - AH&Wb and LOCYP Joint Leadership Team
  - Assets Board Operational Group
  - Assets Board Strategic Decision Making Group
  - Cabinet portfolio holder for Adult Social Care
  - Cabinet portfolio holder for Communities, Voluntary Sector, and the Environment
  - Cabinet portfolio holder for Highways, Street Scene, and Trading Services
  - Chair of the Overview & Scrutiny Management Committee
  - Vice-Chair of the Overview & Scrutiny Management Committee
  - Chair of the Regeneration & Housing Overview & Scrutiny Panel
  - Communities service in AH&Wb
  - Doncaster Council VCF Coordinator
  - Legal Services
  - St Leger Homes of Doncaster
  - Third sector organisations (via the Collaborating Across Communities forum)

### **BACKGROUND PAPERS**

19. None

### **REPORT AUTHOR & CONTRIBUTORS**

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