



## **POLICY AND RESOURCES COMMITTEE**

**Wednesday, 19 March 2025**

<b>REPORT TITLE:</b>	<b>COMMUNITY ASSET TRANSFER</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF REGENERATION AND PLACE</b>

### **REPORT SUMMARY**

This report recommends the adoption of an updated Community Asset Transfer Policy.

This policy is aligned to the approach adopted in the Asset Strategy and directly supports the Council's Community Wealth Building Strategy by encouraging the setup of locally based initiatives in Wirral's communities. It underpins the ambition to help communities to become more independent and self-sufficient allowing them to take ownership of public buildings so they can be run in a way that provides benefits to those communities and the wider borough.

It responds to the thematic priorities set out in the Council Plan 2023 to 2027, enabling delivery of services to residents, working across various community faced organisations and partners and seeking to continue to innovate. The policy also recognises the challenges that the Council currently faces balancing the need of the Council to respond to the fiscal challenges it faces.

Positive progress in this area has happened in this area since 2022 and this is also reported on.

This is a key decision. This has implications for all wards.

### **RECOMMENDATION/S**

The Policy and Resources Committee is recommended to:

1. approve the updated Community Asset Transfer Policy in Appendix 1 to this report;  
and
2. note the Asset Transfers that have been completed since 2022 in Appendix 2.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATIONS**

- 1.1 The current Community Asset Transfer Policy was adopted in 2022, but needs to be refreshed to be reflective of the current environment the Council is operating in. Although there is no requirement to have a policy it does allow the Council to be consistent in the way it deals with this specific category of asset disposal or transfer.
- 1.2 Having a current policy allows the Council to remain consistent in its decision making. The revised policy has integrated lessons learnt from other local authorities about asset transfers and sets out improvements in terms of risks and opportunities for asset transfers. It introduces an accelerated process for straightforward asset transfers.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 Retaining the existing policy was rejected as it is now out of date and current guidance is required following budget setting decisions. The Council would not be able to progress an accelerated process within the existing asset transfer policy.

### **3.0 BACKGROUND INFORMATION**

- 3.1 The previous Community Asset Transfer Policy was principally focused on the implications of a specific set of service decisions which were impactful on a number of assets which delivered council services to communities. This update is more reflective of a general approach to asset transfers.
- 3.2 The basic approach in terms of the need for applicants to provide robust business cases remains for the general process set out in Appendix 1 of the Policy, however a more streamlined process is set out for simple transfers which does not require this step. If there is interest in a property for community asset transfer and the Council is agreeable to exploring this, the asset can be marketed openly for Community Asset Transfer to allow all potential recipients as long as they are eligible, to apply for the asset. This ensures that the process is open and transparent. This is a requirement of the accelerated process, but can be beneficial for more complex transfers.
- 3.3 The Council does reserve the right not to enter the transfer process, for example where it is not in its interests to do so. However, the Council will engage with eligible parties regarding a broad set of assets. The policy offers guidance about what uses are eligible under the policy and what organisations are eligible.
- 3.4 As the Council will be providing an asset for a particular purpose, for community benefit, this approach will be encompassed in any agreement between the applicant and the Council. The asset will also be protected to ensure the Council's fiduciary duties are protected. This will prevent sale, mortgaging or otherwise encumbering the asset in a way that would hinder this duty. This would not prevent access to grant funding applications by a recipient.
- 3.5 The benefits of community asset transfer have already been demonstrated over a long period of time. A summary of the assets that have transferred since the adoption of the previous policy is captured in Appendix 2.

- 3.6 The transfer of an asset does not automatically guarantee a recipient of success. It is their responsibility to develop a robust business model and case. The Council will test this as part of the process, however the documents are for the benefit and purpose of the recipient to fully understand their proposals.
- 3.7 The principal changes to the proposed revised policy are to provide additional information to applicants and provide a more streamlined approach to transferring some assets.
- 3.8 A key issue for organisations and the Council is the length of the existing process, where transfers for a variety of reasons can take a considerable amount of time. The time line for the general approach has been adjusted to allow the Council to process applications, but also introduces a streamlined approach to progress simple transfers.  
The proposed policy provides for this Committee to decide on a case by case basis whether to utilise the full procedure or the streamlined approach.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The market value of an asset needs to be a factor when considering whether it is appropriate to offer an asset to the community or to dispose it on commercial terms to alleviate the Council's financial position.
- 4.2 A further factor is the need to consider whether any rents would be at market value or be concessionary. This is likely to depend on the ability of the recipient's to pay, its business planning, and the Council's duties to achieve Best Consideration.
- 4.3 The extent of any financial assistance to the community group would also have to be considered on a case by case basis depending on its proven needs and the factors mentioned in paragraph above having regard to the Subsidy Control Act 2023.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 Under section 123(1) of the Local Government Act 1972 enables the Council to dispose of land held by it in any manner it wishes. This includes selling freehold interest or granting or assigning leases (with an unexpired length of 7 years or more) and granting easements. This power is limited by the duty under section 123(2) of the Act to achieve the best consideration that can reasonably be obtained unless consent has been obtained from the Secretary of State.
- 5.2 There is an exception to the duty to obtain best consideration in respect of leases of less than 7 years in length.
- 5.3 The Secretary of State has provided a general disposal consent which permits a sale at an undervalue of land if the local Council considers that:
- (a) the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;
    - a. the promotion or improvement of economic well-being;

- b. the promotion or improvement of social well-being;
- c. the promotion or improvement of environmental well-being; and

(b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 Asset transfers can be complex with matters taking longer than a normal disposal and this may have resource implications for the Council. Release of any asset will have staffing and ICT implications.

## **7.0 RELEVANT RISKS**

- 7.1 A recipient of a transfer may not have the skills and resources to operate the asset effectively for the benefit of the community, which may have Health and Safety implications for the public or may result in an asset not been used effectively or the aims of the transfer not been achieved.
- 7.2 The Council could be drawn into continuing to operate an asset whilst the transfer process takes place, or that the process is used to delay disposal of an asset the Council has concluded it does not need to deliver its functions. The transfer could be delayed, or the process is prolonged whilst recipients develop their business cases to a sufficient standard. This could harm the Council, generating additional and unplanned costs or drawing officers away from other matters to deal with a transaction.
- 7.3 In the event that the Council wishes to recover possession, due to a failure to deliver agreed benefits, of an asset that has been transferred on a long lease, this may prove difficult.
- 7.4 These risks are mitigated in part by the application of the policy objectively to each request to transfer an asset. This is to identify and reject unrealistic or risky proposals so they can be refused. This is achieved by carefully and robustly considering the business case for the use of the asset. Provision of an accelerated process should also assist the Council and recipients to progress straightforward asset transfers in a timely manner, mitigating some of these risks.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 No specific engagement has been completed on the refresh of this policy.

## **9.0 EQUALITY IMPLICATIONS**

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity. An equality impact assessment would be undertaken if required on a case by case basis if a Community Asset Transfer was considered.

## **10.0 ENVIRONMENT, BIODIVERSITY AND CLIMATE CHANGE IMPLICATIONS**

10.1 Releasing assets will reduce the carbon footprint of the Council. It generates opportunities for Community Groups to invest in their local communities and where appropriate gain access to external grant funding. A local offer and services to local communities also generates further opportunities for sustainability within the community, reducing the need to travel to access those activities provided as part of any community asset transfer.

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

11.1 The Community Asset Transfer Policy is aligned to the three strategic objectives of the Community wealth Policy. Asset Transfers can aid the financial resilience of the Council, in turn enabling services to be sure footed in the delivery of their services to the Community. It can help grow the community wealth of the borough. Achieving and striving towards the Council's future estate will in partnership with partners and services in the Council provide stability of offer to both workforce and the community.

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## **APPENDICES**

Appendix 1 Community Asset Transfer Policy  
Appendix 2 Assets transferred since 2022

## **BACKGROUND PAPERS**

Wirral Plan 2023 – 2027  
Community Wealth Building Strategy 2020-2025

## **TERMS OF REFERENCE**

This report is being considered by this Committee in accordance with sections a, b and f of its Terms of Reference

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Policy and Resources Committee (Community Asset Transfer Policy)</b>	<b>16 March 2022</b>