

**Report to the Cabinet**

Meeting to be held on Thursday, 19 January 2023

**Report of the Director of Strategy and Performance**

**Part I**

Electoral Division affected:  
(All Divisions);

**Corporate Priorities:**  
Delivering better services;

**Community Assets Policy**

(Appendix 'A' refers)

Contact for further information:

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**Brief Summary**

This report sets out a revised policy for community ownership of surplus land or buildings deemed to be 'community assets' which are either listed as Assets of Community Value or qualify for Community Asset Transfer.

If approved by Cabinet, this will replace the Community Asset Transfer Policy approved in July 2016.

This is deemed to be a Key Decision and the requirements of Standing Order C19 have been complied with.

**Recommendation**

Cabinet is asked to approve the Community Assets Policy 2023 as attached at Appendix 'A'.

**Detail**

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 council assets



work well for the community, and while they remain empty and drawing on public funds, that is not the case. The Community Assets Policy seeks to balance those demands.

As the council addresses its strategic priorities, work is underway to reconfigure its property portfolio with the aim of retaining a more focused and sustainable set of buildings, premises, and land. It is recognised that as some council 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.

This policy sets out a clear framework for how surplus assets will be identified as 'community assets', how the opportunity for interested community groups to take on the management and ownership of such assets will be managed, and the steps and evidence necessary to achieve this outcome.

## **Consultations**

N/A

## **Implications:**

This item has the following implications, as indicated:

## **Risk management**

## **Property Asset Management**

The council remains liable for the property holding costs of assets which are surplus to operational requirements. This policy seeks to put in place a clear process for the appropriate disposal of surplus property and land which has a community interest.

## **Legal**

The revised policy is in line with the provisions of the Localism Act 2011 and the Assets of Community Value (England) Regulations 2012.

The county council has a duty to obtain best value under S123 Local Government Act 1972 however, under circular 06/03 General Disposal Consent (England) 2003 1. if the local authority considers that the purpose for which the land to be disposed of 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; i) the promotion or improvement of economic well-being; ii) the promotion or improvement of social well-being; iii) 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) consent is granted.

## **Estates**

Community Asset Transfers under the policy will be considered on 125-year lease basis, with community use restrictions.



## Finance

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. This will generate a capital receipt to the council. The time taken to negotiate a transfer should be minimised where possible to allow for an open market disposal to take place to crystallise the monetary receipt to the council.

Assets which have a market value of less than, or equal to, £150,000 and are considered to be a 'community asset' (these criteria are determined by the county council and whose decision will be final) will be considered for Community Asset 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. A sale 'at less than best consideration' will reduce the value of capital receipt to the council.

Any transfer of council assets 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.

### List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A

