

Cabinet

19 May 2021



Title	Community Letting Policy (Formally Community Asset Policy)		
Purpose of the report	To make a decision		
Report Author	Nick Cummings		
Cabinet Member	Councillor Jim McIlroy	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	Cabinet to: Approve the Community Letting Policy attached at Appendix 1 and the Stage 1 Further Information Form, Stage 1 Matrix Scoring Form, Exceptional Circumstances Form and Flow Chart Approve the list of properties/sites to which the Community Lettings Policy applies Approve the named roles of the Councillors who will make the final decision (as per paragraph 1.17)		
Reason for Recommendation	The Council regularly has calls for the use of its assets by a range of organisations and community groups. It is critical that we advertise any opportunities which come up for the assets that we own and assess them in an open and transparent way. This policy sets out how we will achieve this.		

1. Key issues

- 1.1 This policy was considered at pre-decision stage by an Extraordinary Overview and Scrutiny on 22 September 2020, and then by Cabinet on 23 September. O&S recommended:
- (a) Cabinet to order a reconsideration of the policy taking into account Overview & Scrutiny Members' views and come back with a revised report and score card, to better reflect supporting organisations, including small and young organisations, of value to the community, giving Overview & Scrutiny members 10 days to make submissions
 - (b) That further work is done to collate a full list of all assets to which this policy relates and that this will be appended to the policy

- 1.2 Cabinet took these recommendations on board on the 23rd and asked officers to go away and establish whether they could accommodate these suggested changes. Officers have carefully considered the first recommendation, and whether there was a way to better reflect support for fledgling organisations. The list of assets (as per the second recommendation) is attached as an Appendix.
- 1.3 The policy applies to the grant of a lease of 5 years or more (the grant of legal interest in land which gives exclusive possession for a fixed period of time) and does not include licences and other tenancy arrangements. The organisation would need to be set up correctly to take on a lease and would need to provide a full business case evidencing their ability to sustain the asset and the service they provide. They would need to demonstrate financial stability and the ability to maintain and manage the asset to a high standard and this is only possible if the community group has a long term interest in the building. We need to be confident that the organisation can provide continued utilisation of the asset and is fully conversant with the statutory liabilities placed on a tenant.
- 1.4 The steps documented in the policy will take approximately 12 weeks to implement and officers will need to start the process approximately 12 months before the lease expiry to provide the outgoing tenant sufficient notice. It is therefore not practical from an officers time perspective nor for the tenant's security to grant a term of less than 5 years.
- 1.5 There are other options such as having a licence or block booking for space at a community hall which are a possibility if an organisation is looking for space without the long term financial commitment of a lease.
- 1.6 The remainder of the report below as considered by Cabinet in September 2020 with the exception of an additional reference to the impact of the change to a Committee-based system will have to councillor signoff.
- 1.7 The Council holds a number of municipal assets. Part and parcel of the approach moving forward will be to undertake a review of all these assets to determine whether they are still required for operational and service needs, whether they need to be re-purposed or failing that whether there is an opportunity to offer them to the wider community for their use.
- 1.8 It should be noted that this Community Letting Policy does not apply to purely commercial business operations.
- 1.9 The policy will apply to situations when the Council has properties which are coming up for lease renewal, or where we have a vacant property which is surplus to Council requirements. As an authority we do need to ensure that every opportunity is offered out to other community organisations regardless of whether or not there is a current tenant whose lease is coming up for renewal in case to ascertain which community use might be best for the premise. The only situation where this would not apply would be when there is a lease in place 'inside the Act' or there are other legal or technical reasons why this cannot be done.
- 1.10 It comes into play when the Council reaches the point of offering an asset to the wider community. Prior to doing so the assets team will have established if the building is fit for purpose and what works might need to be done in order to bring it 'up to spec' (particularly bearing in mind the need to ensure that

Council assets maximise the use of green energy and other green measures). This will be factored in (as required) as part of any lease.

- 1.11 Assets receive regular requests from various businesses, charities, organisations and individuals on whether we have any surplus buildings or land that may be available. These range from people wanting to run a nursery or pre-school, a charity (for example Men in Sheds), a café (Lammas) to those wanting to set up a start-up company. There are many more 'calls' on our assets than there are to be let.
- 1.12 A clear and transparent process needs to be in place which allows all potential organisations to be made aware of an opportunity and to 'bid' for that. This policy seeks to do that.
- 1.13 The Council recognises that community groups provide significant support to our residents and deliver valuable services that we as an authority are not in a position to do. In addition, there is a strong ethos of encouraging small fledging businesses to grow. Key to all of this however is a focus on delivering for the residents within Spelthorne first and foremost.
- 1.14 The policy sets out a clear and transparent three stage process by which the Council will make a decision on who to lease a building or piece of land to. It will exclude licences as this is a Council permission granting a licence occupy or do something on our land, whereas a lease is the grant of legal interest in land which gives exclusive possession for a fixed period of time. Each opportunity will be advertised for a month to gauge interest. This will be done on the Council's website and via social media. At the same time as the advert is placed on the website ward councillors will be advised by email as well as residents associations and any other community groups that the Council may be aware of (via the Community Development Manager). These organisations can then pass the message out to the local community to ensure the opportunity for local community groups to bid for space is maximised.
- 1.15 The application form and scoring matrix will be appended to the advert and will form part of the advertising process so applicants will know from the outset what information will be required from them and more importantly how the Council will assess that information. The scoring matrix in particular sets out in detail what the authority will take into account and does allow the Council to evaluate a range of different types of applications.
- 1.16 Technical assessment will be undertaken by officers who will (after going through the two stage process) put a report to the Leader, the Portfolio Holder for Investment Portfolio Management, and Regeneration and the Portfolio Holder most relevant to the application with the recommendation to proceed with the lease or community asset transfer as appropriate. The final decision will rest with those councillors.
- 1.17 The Council is moving to a committee-based system at the end of May 2021 which means that the councillors responsible for signing off will change. The equivalent roles under the new committee system will be the Leader (as Chair of Corporate Policy and Resources Committee), the Vice Chair of the Corporate Policy and Resources Committee and the Chair of the Community Wellbeing Committee. All of the references to portfolio holders will be replaced with chairs and vice chairs within the policy and various appendices once the new committee system is in place.

1.18 Requests or approaches received by a Councillor relating to any municipal property will need to be referred directly to the assets team as they need to have full sight of every potential opportunity that has come to the Council no matter by what route. It will then be for the assets team to manage the process in accordance with the policy. Where a Councillor has had any involvement, this will be recorded in the assessment report considered by the Councillor panel at the end of Stage 2. Councillors with such involvement will not be party to the final decision making process.

1.19 A list of properties relating to this policy is attached for approval (Appendix 6).

2. Options analysis and proposal

2.1 The Council could decide to continue to deal with requests from organisations on an ad hoc basis as and when they come forward. This will not necessarily expose the opportunity to everyone within the wider community (it is effectively almost first come first served). As a result, it could be the case that an organisation that might otherwise have benefitted from a lease does not do so. There is also the risk that the Council may not achieve best value for money (in the context of its municipal portfolio). Continuing this approach does not maximise openness and transparency and runs the risk of potential challenge. This option is not recommended

2.2 The alternative is for the Council to adopt this proposed policy. It will allow equality of opportunity, it sets out a clear and transparent framework and ensures that the community benefits are at the heart of the decision making process for these type of assets. This option is recommended.

3. Financial implications

3.1 There are no financial implications per se with the implementation of this policy. Business cases will be considered at stage 2 of the process when we advertise individual opportunities, and will help determine the overall level of rental income required for the eventual successful applicant.

4. Other considerations

4.1 Equality and diversity will be taken into consideration as part and parcel of the process including where adaptation might be required to a building in order to ensure equal access is provided. An Equality Impact Analysis has been completed.

5. Sustainability/Climate Change Implications

5.1 The use of otherwise redundant buildings or unused land provides a sustainable re-use of assets which would otherwise cost the Council money to repair, maintain and keep secure without providing any community benefit.

6. Timetable for implementation

6.1 It is proposed that this policy comes into immediate effect upon approval. It is intended to keep the matter under active review as this is a new policy and procedure. A review will be undertaken in six months to assess its effectiveness and to ascertain if any revisions or amendments are required. It will then be reviewed on an annual basis.

Background papers:

None

Appendices:

- Appendix 1 Community Letting Policy and Procedure
- Appendix 2 Stage 1 Further Information Form
- Appendix 3 Stage 1 Matrix Scoring Form
- Appendix 4 Exceptional Circumstances Form
- Appendix 5 Flow Chart
- Appendix 6 List of Properties to which the policy applies
- Appendix 7 Equality Impact Analysis