

## Cabinet (Resources) Panel

22 March 2023

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|--|---|--|
| <b>Report title</b>                            | Community Asset Transfer – Blakenhall Community Resource Centre |  |
| <b>Decision designation</b>                    | AMBER   |  |
| <b>Cabinet member with lead responsibility</b> | Councillor Bhupinder Gakhal<br>City Assets and Housing          |  |
| <b>Key decision</b>                            | No  |  |
| <b>In forward plan</b>                         | Yes   |  |
| <b>Wards affected</b>                          | Blakenhall  |  |
| <b>Accountable Director</b>                    | Julia Nock, Deputy Director of Assets                           |  |
| <b>Originating service</b>                     | Assets  |  |
| <b>Accountable employee</b>                    | Julia Nock<br>Tel<br>Email                                      | Deputy Director of Assets<br>01902 557121<br>Julia.Nock@wolverhampton.gov.uk |
| <b>Report to be/has been considered by</b>     | City Assets Leadership Team<br>Asset Management Board           | 1 March 2023<br>8 March 2023   |

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### Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Declare Blakenhall Community Resource Centre surplus to the Council's requirements.
2. Approve the disposal method as a Community Asset Transfer of Blakenhall Community Resource Centre following advertisement of the same.
3. Delegate authority to the Cabinet Member for City Assets and Housing in consultation with the Deputy Director of Assets to approve the terms of the Community Asset Transfer and lease subject to receiving a suitable application.
4. Subject to not receiving a suitable application for Community Asset Transfer, approve disposal of the asset listed via the open market disposal methods of either auction or informal tender upon terms and conditions to be agreed.

5. Delegate authority to the Cabinet Member for City Assets and Housing in consultation with the Deputy Director of Assets to approve the terms of the disposal through an Individual Executive Decision Notice.

## **1.0 Purpose**

- 1.1 To propose that the Blakenhall Community Resource Centre be advertised initially for a Community Asset Transfer (CAT).
- 1.2 Subject to applications received for a CAT, this will either be progressed, or in the absence of a suitable application, the property will be disposed of on the open market.

## **2.0 Background**

- 2.1 In November 2020 Cabinet agreed the revised Community Asset Transfer Strategy in relation to all property transactions between the Council and Voluntary and Community Organisations (VCOs).
- 2.2 The CAT Strategy aims to achieve a fair and transparent process for asset transfer between the City of Wolverhampton Council and local community groups. The Strategy assists communities to measure their state of preparedness in taking on greater management responsibility of assets. This Strategy reflects recent experience with the Voluntary Sector to make it more responsive to the needs of the Sector and also risk manage the Landlord position of the Council should a Charity have difficulties in sourcing grant funding during the early stages of its development.
- 2.3 Community Asset Transfers are essentially the transfer of public land to a community organisation (such as a Development Trust, a Community Interest Company or a social enterprise) for less than market value – to achieve a local social, economic or environmental benefit.
- 2.4 Blakenhall Community Resource Centre is located within the Blakenhall ward. It is a two-storey, detached property with associated car park. It is currently vacant and managed as a void property by the Council's City Assets team.

## **3.0 Benefits of Proposed Community Asset Transfer**

- 3.1 A CAT of Blakenhall Community Resource Centre would ensure the building is bought back into use to the benefit of the local Blakenhall residents.
- 3.2 There has been a number of expressions of interest for the site from community organisations and the CAT process will ensure that these are considered in a fair and transparent way.
- 3.3 A CAT will only be awarded providing the successful community organisation can demonstrate a sustainable business case, and this would provide confidence that the building and site will be well maintained and offering valuable community services for many years to come.
- 3.4 The CAT will offer an opportunity to not only service local residents but to also widen the remit to include City of Wolverhampton Council and others to participate in making the asset a genuinely democratic, inclusive and strategic community asset.

- 3.5 The CAT Strategy provides a robust structure both operationally and financially that would ensure the property is correctly maintained in future and provides a valuable asset within the community that would bring excellent benefits to the local economy.
- 3.6 The transfer of the asset and putting it to productive use - would help reduce crime, anti-social behaviour, potential health hazards and fly tipping all present given the current void nature of the site.
- 3.7 The CAT would enable the successful occupier to explore securing grant funding and corporate sponsorship in order to support delivery of their community involvement. A long lease is usually required with a minimum term of 35 years.

#### **4.0 Supporting Delivery of the Strategic Asset Plan**

- 4.1 Corporate Landlord have developed a Strategic Asset Plan that was completed and approved by Cabinet on 17 October 2018. This provides the structure and management of the Council's land and property portfolio over following five years, to 2023, and incorporates the Our Assets principle. The plan is structured into three parts:
- Asset Management Policy
  - Asset Management Strategy
  - Asset Management Action Plan
- 4.2 The Asset Management Policy establishes a clear mission with supporting principles for the management of land and buildings, ensuring it is fit for purpose and benefits the people of the City of Wolverhampton and to use land and buildings following rationalisation and disposal of land and buildings, that will enable a financial return to stimulate development and growth, support and encourage local businesses and promote joint-working.
- 4.3 The transfer of Blakenhall Community Resource Centre supports the policy as outlined and in particular delivery of items A3, A5 and A9 of the Action Plan.

#### **5.0 Evaluation of alternative options**

- 5.1 Should the Community Asset Transfer not be approved or following approval and advertisement not find a suitable applicant, the Council would look to dispose of the property on the open market.
- 5.2 If the asset was retained as a void property, further revenue costs would be incurred by the Council including, security, insurance and statutory compliance costs. In addition, vacant buildings continue to attract negative public comments and their condition will continue to deteriorate further.
- 5.3 The asset could be re-let on commercial terms, however this would limit the Community facility's ability to attract grant funding to support the ongoing use.

## **6.0 Reasons for decision**

- 6.1 The transfer of the asset provides the opportunity for a successful applicant to enhance the building and service delivery of their organisation improving the local community and environment.
- 6.2 The CAT of the Blakenhall Community Resource Centre supports delivery of the Council Plan in ensuring that a successful, local organisation are empowered to actively improve community facilities in an inclusive manner to support the wellbeing of those it serves.
- 6.3 The transfer of the asset provides the Council the opportunity to bring the asset back into beneficial use thereby improving the local community and environment meeting the needs of the same.

## **7.0 Financial implications**

- 7.1 The granting of a full repairing lease transfers the future responsibility for maintenance costs, running costs and future investment costs to the successful applicant under the CAT.  
[AI/27022023/R]

## **8.0 Legal implications**

- 8.1 A Community Asset Transfer involves the transfer of ownership and /or management of land or building from a statutory body. In this case, the proposed of Blakenhall Community Resource Centre from the Council to a community based organisation such as a charity or community group. It is advisable that there are appropriate restrictions about future use and consideration should be given to any restriction imposed on the land. In accordance with Section 2 of the Local Government Act 200 the Council has power, subject to certain exceptions to do anything which it considers is likely to achieve the promotion or improvement of the economic, social or environmental well-being of its area.
- 8.2 The Council must comply with S.123 Local Government Act 1972 which states that local authorities may dispose of its land in any manner it wishes. A disposal includes a lease for a term of seven years or more and a sale of land. In respect of the disposal the Council it is obliged to obtain the best consideration reasonably obtainable unless the Secretary of State consent has been given. It is acknowledged that there may be circumstances where a local authority considers it appropriate to dispose of land at less than best consideration. There is a general consent that allows disposals at an undervalue of a sum less than £2.0 million and also where the disposal promotes that social, economic or environmental wellbeing of the area. It is advisable that there is a proper purpose, a robust and consistent decision making process.
- 8.3 Prior to any dispose the requirements of the UK subsidy control regime should also be considered.

- 8.4 The Council's Legal Service will be able to advise on the appropriate legal agreements, draft and deal with the negotiations.  
[JA/03032023/H]

## **9.0 Equalities implications**

- 9.1 All development plans will consider and meet the needs of all people within the local community and an all-inclusive approach will be taken by City of Wolverhampton Council.

## **10.0 All other implications**

- 10.1 The approval of a Community Asset Transfer of the asset listed in this report will prevent it falling into disrepair and avoid anti-social behaviour.
- 10.2 The transfer of the asset will provide an inclusive and positive impact on health and wellbeing within the local community.

## **11.0 Schedule of Background Papers**

- 11.1 [Strategic Asset Plan 2018-2023](#) – Report to Cabinet on 17 October 2018 including:

- Asset Management Policy 2018-2023
- Asset Management Strategy 2018-2023
- Asset Management Action Plan

- 11.2 Community Asset Transfer Strategy - [Community Asset Transfer | City Of Wolverhampton Council](#)

## **12.0 Appendices**

- 12.1 Appendix 1 – Blakenhall Community Resource Centre Location Plan