This report is public	
Voluntary and Community Sector (VCS) and Community Asset Transfer (CAT) Policy	
Committee	Executive
Date of Committee	7 September 2026
Portfolio Holder presenting the report	Portfolio Holder for Property & Assets, Councillor Rob Pattenden
Date Portfolio Holder agreed report	17 August 2026
Report of	Assistant Director Property, Mona Walsh

Purpose of report

To seek Executive approval for the Council's Voluntary and Community Sector (VCS) and Community Asset Transfer (CAT) Policy, providing a consistent corporate framework for the occupation, leasing, subsidised use and transfer of Council-owned property assets to voluntary, community and charitable organisations. The Policy also establishes the Council's approach to Community Asset Transfers and subsidised occupation whilst protecting the Council's strategic property interests.

Recommendations

The Executive resolves:

1.1 To approve the Voluntary and Community Sector (VCS) and Community Asset Transfer (CAT) Policy attached at Appendix 1.

1.2 To approve the introduction of a standard subsidy framework whereby occupation of Council assets by eligible voluntary and community organisations will normally be offered at up to a 50% discount to independently assessed market rent, for a maximum period of five years, subject to the requirements of the Policy.

1.3 To delegate authority to the Assistant Director Property, in consultation with the Portfolio Holder for Property & Assets, Chief Finance Officer and Monitoring Officer to enter into property dispositions and occupation agreements under the VCS and CAT policy and in accordance with the Scheme of Delegation under Part 3 of the Constitution.

2. Executive Summary

2.1 This report seeks approval for a new Voluntary and Community Sector (VCS) and Community Asset Transfer (CAT) Policy which establishes a consistent corporate approach to the occupation, leasing and transfer of Council-owned assets to voluntary, community and charitable organisations.

2.2 Historically, community occupation arrangements have evolved over many years with varying lease terms, differing subsidy arrangements and, in some cases, undocumented occupation. The absence of a single corporate policy has resulted in inconsistent decision making and varying governance arrangements across the Council.

2.3 The proposed Policy supports the Council's Corporate Landlord approach by establishing consistent eligibility criteria, subsidy arrangements, governance requirements and decision-making processes. It also introduces a formal framework for Community Asset Transfers where long-term community ownership is considered appropriate.

2.4 The Policy balances the Council's desire to support community organisations with its responsibility to protect public assets, manage financial risk and ensure compliance with statutory obligations.

2.5 The purpose of the Policy is not to generate additional income for the Council's General Fund, but to create a sustainable funding model that enables the Council to meet its statutory responsibilities as landlord, maintain safe and compliant community buildings, and maximise community benefit whilst continuing to provide significant financial support to the voluntary and community sector.

Implications & Impact Assessments

Implications	Commentary
Finance	This report is recommending the adoption of a new Voluntary and Community Sector (VCS) and Community Asset Transfer (CAT) policy. This will provide a long-term sustainable funding model that enables the Council to meet its statutory responsibilities as landlord, whilst continuing to provide significant financial support to community organisations. This policy will also establish a stronger financial control allowing for more accurate monitoring and forecasting of the Council’s assets. Kimberley Digweed, Finance Business Partner, 29 July 2026
Legal	The Policy provides a framework for the Council's consideration of subsidised occupation and Community Asset Transfers. This will assist the Council in demonstrating compliance with S123 of the Local Government Act 1972 and the General Disposal Consent (England) 2003, which allows disposals at an undervalue where they promote the economic, social or environmental wellbeing of the area and the undervalue does not exceed £2 million. Although leases granted for seven years or less fall outside the statutory best consideration requirements in section 123, the Council remains subject to its public law and fiduciary obligations.

	The Policy recognises that it cannot override existing legal rights and that some assets may be subject to section 106 agreements or other legal restrictions which take precedence over the Policy. The Council's ability to vary, terminate or regularise existing occupation arrangements, implement revised rental terms, or approve transfers may be constrained by existing statutory, contractual or property rights. The implementation of the Policy will therefore require appropriate legal due diligence and consideration of the specific circumstances affecting each asset and occupier before decisions are made. The Council may wish to keep under review the impact of the proposed subsidy framework on the demand for community assets. Whilst the Policy includes provisions to support existing occupiers where occupation may become financially unsustainable, consideration should also be given to the affordability of occupation for prospective community organisations. There is a risk that in some cases, community organisations may be unable to sustain occupation at the proposed rental levels, resulting in assets remaining vacant for longer periods. This may also lead to ongoing management, maintenance and compliance liabilities remaining with the Council and reduce the level of community benefit. Rachel O’Shaughnessy, Lawyer, 7 August 2026			
Risk Management	The introduction of the Council's first VCS and CAT Policy will help ensure a consistent, transparent and equitable approach to engagement with the voluntary and community sector. The policy will contribute to the effective management of corporate risks. These risks will continue to be monitored and managed through the Council's established governance arrangements. Celia Prado-Teeling, Performance & Insight Team Leader, 12 August 2026			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact	x			The proposed Policy establishes a consistent and transparent framework for the occupation and management of community assets. It does not alter eligibility for accessing community facilities or restrict access to Council services for people with protected characteristics. By introducing a sustainable framework for the management, maintenance and statutory compliance of community buildings, the Policy supports the continued provision of safe, accessible and well-maintained community facilities across the district. The Policy also promotes the effective use of community assets by

				encouraging greater utilisation to meet identified local community needs. Community organisations seeking occupation of Council assets will be assessed using consistent and transparent criteria, ensuring that decisions are made fairly and objectively. Equality considerations will continue to be taken into account when assessing future occupation proposals and determining the most appropriate community use for each asset. No adverse impacts on people with protected characteristics have been identified as a direct consequence of this Policy.
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?	x			The proposed Policy has the potential to positively impact inequality by improving the long-term sustainability, safety and utilisation of community facilities across the district. Through a consistent approach to leasing, maintenance, statutory compliance and Community Asset Transfers, the Policy seeks to ensure that community assets remain available to support local communities, including those in areas of higher deprivation. Where community buildings and green spaces become vacant, future occupation will be determined through an open and transparent expressions of interest process. The Council's Wellness Team will assess local community need to ensure that future uses maximise community benefit and improve access to services for local residents. The Policy does not restrict access to community facilities or Council services for people with protected characteristics. Instead, it provides a consistent framework to support safe, compliant and financially sustainable community assets that continue to meet the needs of the communities they serve.
B Will the proposed decision has an impact upon the lives of people with protected characteristics, including employees and service users?	x			The proposed Policy is expected to have a positive impact on people with protected characteristics by supporting the long-term sustainability, safety and accessibility of Council-owned community facilities. Many community organisations operating from these buildings and green spaces provide activities and services that benefit older people, disabled people, young people and other protected groups. The introduction of a consistent framework for leasing, statutory compliance and asset management will help ensure that community

				buildings remain safe, well-maintained and available for continued community use. The Policy also introduces transparent governance arrangements for future occupation and Community Asset Transfers, ensuring that decisions are made fairly, consistently and with regard to the needs of local communities. No adverse impacts on employees or service users with protected characteristics have been identified as a direct consequence of this decision.
Climate & Environmental Impact		x		The proposed Policy is expected to have a positive indirect impact on the environment by supporting the continued use and improvement of existing community buildings and green spaces. Maintaining and investing in existing assets aligns with the Council's Corporate Landlord approach by extending the life of its property portfolio and reducing the need for replacement assets. By introducing a sustainable funding model, the Policy will enable the Council to undertake planned maintenance, repairs and compliance works, improving the condition and longevity of community buildings and green spaces. Increased utilisation of existing community facilities also supports more efficient use of the Council's estate and helps maximise the social value delivered from existing public assets. Where Community Asset Transfers are proposed, applicants will be encouraged to consider opportunities to improve the environmental performance of buildings as part of their business planning and future investment proposals. No adverse climate or environmental impacts have been identified as a direct consequence of this Policy.
ICT & Digital Impact				Not applicable
Data Impact				Not applicable
Procurement & subsidy				Not applicable
Council Priorities	<u>Community Leadership</u> The proposed Voluntary and Community Sector (VCS) and Community Asset Transfer (CAT) Policy directly supports the Council's Community Leadership priority by strengthening community collaboration and resilience and promoting health and wellbeing through the sustainable management of community assets.			

	The Policy establishes a consistent framework that enables community organisations to continue delivering valuable services from safe, compliant and well-maintained buildings, whilst ensuring that Council assets are utilised effectively to meet local community need. By introducing transparent governance, a sustainable subsidy framework and opportunities for Community Asset Transfer where appropriate, the Policy supports the long-term resilience of the voluntary and community sector and maximises the community benefit delivered through the Council's property portfolio. The Policy also contributes to the Council's commitment to promoting health and wellbeing by protecting community facilities that support local residents and ensuring that future occupation reflects the changing needs of communities across the district.
Human Resources	Not Applicable
Property	This report has been written by the Assistant Director Property and therefore no further comments are needed. Mona Walsh, Assistant Director Property, 6 August 2026
Consultation & Engagement	Not Applicable

Supporting Information

3. Background

3.1 The Council owns a portfolio of 14 community centres and ancillary green spaces which provide an important resource for local communities across the district. These assets support a wide range of voluntary, community and charitable organisations delivering activities that contribute to health, wellbeing, social inclusion and community cohesion.

3.2 The Council has historically supported these organisations through heavily subsidised occupation of its buildings and ancillary green spaces. However, occupation arrangements have evolved over many years without a single corporate policy governing the occupation, leasing, subsidy or transfer of community assets. As a result, lease structures, responsibilities and financial arrangements vary significantly across the portfolio.

3.3 A review of the portfolio has identified that only five community centres currently operate under an in-date lease. Four organisations are holding over under the Landlord and Tenant Act 1954, two leases have expired and three organisations occupy Council-owned buildings without any formal lease in place. One property is occupied under a long ground lease. Existing rents are generally peppercorn or nominal, with the highest annual rent currently being £60.

3.4 The absence of a consistent corporate framework has resulted in differing approaches to landlord and tenant responsibilities, repairs, maintenance, statutory compliance and subsidy. Whilst community organisations have continued to provide valuable services to local residents, the current arrangements expose both the organisations and the Council to unnecessary operational, governance and financial risk.

3.5 The most significant of these risks relates to statutory compliance and health and safety. Under many of the existing lease arrangements responsibility for statutory compliance rests with community organisations. However, the Council cannot currently demonstrate that all statutory compliance inspections are being completed or that sufficient evidence is being provided to demonstrate ongoing compliance. As corporate landlord, the Council cannot continue to rely upon inconsistent compliance arrangements where the safety of community buildings is concerned.

3.6 In the absence of an approved corporate policy, proposals for discounted occupation require individual justification and consideration in accordance with the Council's statutory powers and Constitution. The Policy establishes a consistent framework against which such decisions can be assessed.

3.7 The Policy introduces a standard subsidy model whereby eligible community organisations will normally be offered occupation at 50% of independently assessed market rent for a period of up to five years. This reflects the Council's continued responsibility for statutory compliance and landlord repairs. It also recognises that community assets are subject to restrictions which ensure they continue to be used primarily for community benefit rather than commercial purposes.

3.8 The proposed approach does not seek to remove community organisations from Council-owned assets or require immediate renegotiation of existing lease arrangements. Instead, implementation will take place progressively over time, beginning with those properties where there is currently no formal legal agreement or where the greatest health and safety or governance risks have been identified. Existing organisations will be supported throughout this process, with the Council working collaboratively to regularise occupation whilst ensuring community facilities remain operational.

3.9 Where a community organisation decides that it no longer wishes to occupy a Council asset, the Council will invite expressions of interest through an open and transparent application process. The Council's Wellness Team will provide interim oversight where necessary to ensure continuity of community provision while a new occupier is identified. Future occupiers will be selected based on the needs of the local community and will be required to demonstrate financial sustainability, sound governance and the ability to deliver long-term community benefit.

3.10 The Policy also introduces, for the first time, a formal Community Asset Transfer framework. Whilst the Council's preferred position will normally be to retain ownership of community assets, the framework provides community organisations with the opportunity to acquire appropriate assets where this can be shown to deliver sustainable long-term community benefit, reduce the Council's future liabilities and protect public assets through appropriate legal safeguards.

3.11 The Council currently incurs significantly greater expenditure in maintaining, repairing and ensuring the statutory compliance of its community centre portfolio than it recovers through existing rental income. Existing rental arrangements, many of which are peppercorn or nominal, do not provide a sustainable funding model for the Council's ongoing landlord responsibilities. The proposed Policy establishes a transparent subsidy framework that continues to provide substantial financial support to community organisations whilst generating additional income will support the Council in meeting the costs of statutory compliance, repairs, maintenance and future investment in the community centre portfolio.

3.12 The portfolio review has also identified that a number of community assets are currently under-utilised or are not being used in a manner that best reflects the needs of their local communities. The proposed Policy introduces a consistent process for reviewing occupancy, managing vacancies and, where appropriate, seeking expressions of interest from alternative community organisations. This will enable the Council's Wellness Team to ensure that community assets continue to deliver the greatest possible benefit to local residents whilst remaining financially and operationally sustainable.

4. Details

4.1 The proposed Voluntary and Community Sector (VCS) and Community Asset Transfer (CAT) Policy establishes a single corporate framework for the occupation, leasing and transfer of Council-owned community assets. Once approved, the Policy will apply to all new community lettings, lease renewals and Community Asset Transfer applications. Existing occupation arrangements will continue until they are reviewed or renewed, with implementation taking place progressively in accordance with the Council's priorities.

4.2 The Policy introduces a standard approach to subsidised occupation by eligible voluntary and community organisations. Market rent will be established for each property through an internal valuation where appropriate or, where necessary, by an independent external valuer. Eligible organisations will normally be offered occupation at 50% of the assessed market rent for a period of up to five years. This provides a transparent and consistent approach to subsidy across the community estate whilst recognising the significant public benefit delivered by voluntary and community organisations.

4.3 The proposed subsidy reflects the Council retaining responsibility for key landlord obligations, including external repairs, structural maintenance, statutory electrical testing, gas safety inspections and wider corporate asset management. Community organisations will remain responsible for the day-to-day occupation of their buildings, including utilities, cleaning, internal maintenance, fire risk assessments, fire-fighting equipment, legionella management, lift maintenance where applicable, asbestos management relating to their occupation, health and safety associated with their activities and all other occupier responsibilities defined within the lease.

4.4 Alternative approaches adopted by other local authorities were considered during the development of the Policy. Whilst some authorities provide higher levels of subsidy whilst requiring tenants to undertake statutory compliance responsibilities, the Council's review of its own community portfolio identified insufficient assurance that these arrangements consistently achieve compliance. The proposed approach therefore transfers responsibility for key statutory compliance activities back to the

Council, providing greater assurance that community buildings remain safe, compliant and appropriately managed.

4.5 The Policy establishes a clear governance framework for community lettings. Decisions under this Policy will be taken in accordance with the Council's Constitution. The Assistant Director of Property, in consultation with the Portfolio Holder for Property & Assets, is authorised to approve lettings and other property transactions within the scope of this Policy. Each decision will be in accordance with the delegated decision process as set out in the scheme of delegation accompanied with the delegated decision report which will set out the market rent, level of subsidy where applicable, community benefit, legal considerations and reasons for the decision. Following approval, a Delegated Decision Notice will be published in accordance with the Council's Constitution.

4.6 The Policy also introduces, for the first time, a formal Community Asset Transfer (CAT) process. Whilst the Council's preferred position will normally be to retain ownership of community assets, the Policy provides an opportunity for eligible organisations to acquire appropriate assets where this can be demonstrated to deliver sustainable long-term community benefit, reduce future liabilities for the Council and represent the most appropriate long-term solution. Any proposed freehold Community Asset Transfer will continue to require Executive approval if above the threshold or where the Leader and/or relevant Portfolio Holder required the decision to be made by the Executive. This will be subject to appropriate legal protections, including restrictions on future use and disposal where necessary.

4.7 The maximum five-year lease term provides the Council with the opportunity to periodically review community need, community benefit, asset performance, continued eligibility and the most appropriate long-term use of the asset. Longer-term occupation arrangements fall outside the scope of the VCS Policy and will be considered separately in accordance with the Council's Constitution and relevant property policies.

4.8 Where a community organisation vacates a Council-owned asset, or where occupation comes to an end, the Council will undertake an open expression of interest process. Applications will be assessed against the needs of the local community, the applicant's financial sustainability, governance arrangements and proposed community benefit. The Council's Wellness Team will lead on determining the most appropriate future community use for each asset and will provide interim operational oversight where necessary to ensure continuity of community provision.

4.9 Where implementation of the Policy identifies that an existing occupier would be unable to sustain continued occupation, the Council will work collaboratively with the organisation to consider appropriate options, including phased implementation, additional subsidy where justified in accordance with the Policy, or alternative occupation arrangements where appropriate.

4.10 The Policy introduces ongoing monitoring arrangements to ensure community occupation remains sustainable and continues to deliver public benefit. Community organisations will be required to provide annual accounts and participate in annual property inspections and lease reviews. These arrangements will enable the Council to monitor financial sustainability, community benefit, compliance with lease obligations and the continued suitability of occupation throughout the term of each agreement.

5. Alternative Options and Reasons for Rejection

5.1 The following alternative options have been considered:

Option 1: Continue with existing arrangements
This option has been rejected. The current arrangements have evolved over many years without a consistent corporate policy and have resulted in varying lease structures, undocumented occupation, inconsistent subsidy arrangements and differing responsibilities for repairs, maintenance and statutory compliance. The Council cannot currently demonstrate consistent compliance across its community centre portfolio and continuing with the existing arrangements would expose the Council to ongoing health and safety, governance and financial risks.

Option 2: Require all community organisations to pay full market rent and assume responsibility for statutory compliance
This option has also been rejected. Whilst this approach would reduce the Council's financial liabilities, it would place significant additional financial and operational pressures on voluntary and community organisations and could undermine the valuable services they provide to local communities. The Council also considers that retaining responsibility for key statutory compliance activities provides greater assurance that community buildings remain safe and compliant.

Option 3: Approve the proposed Voluntary and Community Sector (VCS) and Community Asset Transfer (CAT) Policy
This is the recommended option. The Policy establishes a consistent and transparent corporate framework for community occupation, subsidy and Community Asset Transfers. It enables the Council to meet its statutory responsibilities as corporate landlord, supports sustainable community provision, introduces appropriate governance arrangements and creates a long-term funding model that will enable community buildings to remain safe, compliant and well maintained whilst continuing to provide significant financial support to the voluntary and community sector.

6 Conclusion and Reasons for Recommendations

6.1 The Council's community centres provide an important resource for local communities, supporting a wide range of voluntary and community organisations that deliver significant social, health and wellbeing benefits across the district. However, the current arrangements have evolved over many years without a consistent corporate framework, resulting in varying lease arrangements, undocumented occupation, inconsistent subsidy levels and differing approaches to statutory compliance and asset management.

6.2 The proposed Voluntary and Community Sector (VCS) and Community Asset Transfer (CAT) Policy establishes a consistent, transparent and proportionate framework for the occupation, leasing and transfer of community assets. It supports the Council's Corporate Landlord approach by introducing clear governance arrangements, standardising subsidy, strengthening statutory compliance and providing a structured process for Community Asset Transfers where these deliver sustainable long-term community benefit.

6.3 The Policy balances the Council's responsibility to safeguard public assets with its commitment to supporting the voluntary and community sector. It does not seek to reduce community provision or remove existing organisations from Council-owned buildings. Instead, it establishes a sustainable funding model that enables the Council to meet its statutory responsibilities as landlord, maintain safe and compliant community buildings, and maximise community benefit whilst continuing to provide significant financial support to community organisations.

6.4 Approval of the Policy will enable the Council to progressively regularise existing occupation arrangements, prioritise those assets presenting the greatest compliance and governance risks, improve the utilisation of community assets and ensure future decisions relating to community occupation are made consistently, transparently and in accordance with an approved corporate policy framework.

Decision Information

Key Decision	No
Subject to Call in	Yes
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Voluntary and Community Sector and Community Asset Transfer Policy
Background Papers	None
Reference Papers	None
Report Author	Mona Walsh, Assistant Director of Property
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Executive Director Approval (unless Executive Director or Statutory Officer report)	Ian Boll, Executive Director for Place and Regeneration