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# Council Decision

Community Asset Transfer Policy Update

Decision to be take on: 18 September 2025

Lead Director: Matthew Wallace, Director of EBS

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## Useful information

- Ward(s) Affected: ALL
- Report authors:  
Kathryn Ellis FIRRV, Head of Strategic Property, Estates & Building Services  
Lee Warner, Head of Neighbourhood Services
- Checked by:  
Kamal Adatia, City Barrister, Legal Services
- Report Status: FINAL

### 1 Purpose

The purpose of this report is to:

- Provide an updated Community Asset Transfer (CAT) Policy, amended in light of changes to legislation, Council objectives, the Community Services & Library Needs Assessment, policy and practice since adoption of a CAT Policy in 2008 as last updated in 2022.
- Provide an overview of the recent amendments in light of the above changes.
- Agree the mechanism for bringing to full Council for approval (if necessary).

### 2 Recommended Decision

The City Mayor is formally asked to approve the adoption of the revised Community Asset Transfer Policy.

### 3 Scrutiny

- 3.1 Lead Member Briefing 10.07.2025  
CDN1:1 Briefing 29.07.2025  
CMB 14.08.2025  
Neighbourhood Services & Community Involvement Scrutiny Commission  
11.09.2025  
Full Council 18.09.2025

## **4 Detailed Background to the Community Asset Transfer (CAT) Scheme and Policy**

### **4.1 Summary**

Community Asset (Property and Land) Transfers come in many forms whether it be via a short term licence, a lease of under seven years (short-term lease), a disposal via a lease of seven years or more, or freehold disposal of an asset. These vehicles for licensing, leasing or disposal can be completed at market value or at a reduced market value/rent through an assessment of social, environmental or economic wellbeing benefit being provided on behalf of the Authority.

The circumstances for each property will be unique to the asset and the organisation benefiting from it and each is evaluated on its own merits.

Community Asset Transfers (CATs) are not mandatory in law and approximately only 50% of Council's nationally have adopted a policy. Leicester City Council has chosen to adopt a CAT policy and CATs have now been part of the Council's property portfolio since the Localism Act came into force in 2011.

#### **Historical context**

Prior to the Localism Act in 2011, the Council had leased and disposed of property to community organisations but not always in a consistent manner. Below gives the historical context.

Following the October 2006 publication of the Local Government White paper "Strong and Prosperous Communities", central government set out a new relationship between local government and its communities based on the devolution of power by granting Authorities with a greater say over local services.

From 2008, the Council adopted its own "Policy for transfer of assets for community governance" as an addition to the existing "Framework for Disposal of Property".

In 2011 it was agreed to offer community groups who had been stable, long-term tenants in council properties the opportunity to buy their premises at market value less a 20% discount.

The Localism Act 2011 sought to further empower communities to self-manage and reducing funding required Councils to consider different ways of delivering community services. With these factors in mind, the Policy was reviewed to reflect these changing circumstances.

The Community Asset Transfer (CAT) Policy is a voluntary process entered into proactively by public bodies.

The Community Asset Transfer Policy is only one way in which groups and organisations can acquire assets. Other ways include a commercial arrangement under the Local Government Act 1972 and the Community Right to Bid.

As an outcome of the Council's service transformation plans and part of its commitment to localism and community initiatives the Council produced a Policy for Council Assets of Community Governance in 2014 (revised in 2022) which detailed how surplus assets can be made available for use by community/ voluntary organisations, either through a grant of a lease or possibly a freehold transfer.

Changes in the Local Authority landscape, legislation and the Council's Community Services and Library Needs Assessment have meant this policy needs updating to reflect these changes and therefore the Draft Policy attached to this document at Appendix A sets out the Policy as proposed to be amended in 2025.

This Community Asset Transfer (CAT) policy will enable use of assets by community/voluntary organisations that are not-for-profit and are registered e.g. a registered charity, community interest company, etc. The Council will advise if an organisation has any doubt in relation to eligibility.

Over the past decade 11 Community Asset Transfer (CATs) leases were considered under the Transforming Neighbourhood Services (TNS) programme. The Council is currently consulting on proposals for libraries and communities which could release up to 8 buildings which are no longer proposed to be run by the Council for further proposed CAT opportunities.

There still remain a number of pre-CAT Policy transferred community assets which are no longer run by the Council which will require review upon renewal of lease.

Monitoring of CATs and Pre-CAT Policy-equivalents is imperative in order to continuously meet best consideration under the disposal legislation as detailed in s.123 of the Local Government Act 1972. It is therefore recommended that when a pre-CAT Policy community asset transfer lease is reviewed, these are reviewed under the latest adopted CAT Policy or are simply transferred to regularised leases (if relevant on review).

A programme and process has been developed at the Council since 2011 to promote opportunities for local communities and organisations and to support the development of business plans. Independent support is provided for groups. There have been good lessons learned through the programme to date. The assessment criteria for business plans is well formularised through a CAT Guide and the process and programme continues to be reviewed regularly for appropriateness in light of changes to the Local Authority landscape, legislative changes and any major community service changes.

## **4.2 Main changes to the DRAFT Policy:**

The Land Transaction rules have had minor amendments to integrate the CAT Policy and the flow of the Policy in the context of those rules.

The process of application has been moved out of the Policy into a 'Guide for Community Asset Transfers' which will be added to the web page for Community Asset Transfers on the Council's main website: [www.leicester.gov.uk](http://www.leicester.gov.uk) in order to shorten the Policy and provide guidance for application, and the application process in one place. This has shortened the Policy and made it simpler.

An 'Exclusions to the Policy' section at Clause 3 has been added to aid organisations in determining whether a CAT Policy may apply to them; and other exclusions in law that disallow assets to be disposed of for any specific reason. Legal advice is sought on any application that may present specialised legal considerations at Executive Decision stage in the process.

## **5 Recommendations**

- 5.1 That this updated CAT Policy is accepted and presented to Full Council at the next available meeting.

## **6 Implications**

### **6.1 Financial implications**

This report outlines changes that are proposed to the Council's CAT policy, including simplification and clarification. There are no direct financial implications of these changes. Financial implications will need to be sought as and when any specific asset is proposed or requested for a Community Asset Transfer.

Stuart McAvoy, Head of Finance  
Date: 16 June 2025

### **6.2 Legal implications**

- 6.3 This report recommends updates to the existing Community Asset Transfer Policy. As stated in the report, the Council has no statutory obligation or duty to adopt a policy. The existing CAT Policy forms part of the Council's Constitution so the proposed amendments will require formal approval. Future CAT leases will have to be considered in line with the amendments once formally adopted.

Zoe Iliffe, Principal Lawyer (Property, Highways & Planning)  
Date: 16 June 2025

#### 6.4 Equalities implications

The Council's Public Sector Equality Duty (PSED) as set out in the Equality Act 2010 require decision makers to be aware of and take account of the impact of its proposals on those likely to be affected. Under the Equality Act 2010, public authorities have a PSED which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't. Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The aim is to empower local communities by giving them control over assets that are important to them. This allows local people to directly manage and develop facilities and services in a way that best meets their specific needs and priorities. It is important that the policy sets out clear objectives and transparent criteria for assessing applications and the information is accessible. The outcomes of asset transfers should be regularly monitored to assess their actual impact on different protected groups.

Equalities Officer Surinder Singh,  
Date: 28 May 2025

#### 6.5 Climate Emergency implications

- Where operational properties are transferred to community organisations under CAT, then the more energy efficient the property is, the lower the operating costs will be for the community group. It therefore benefits the city as a whole for the council to continue improving the energy efficiency of its operational portfolio, even where the property may be transferred under CAT in the future.
- If a property is transferred out of the Operational Estate under CAT, the carbon emissions arising from its heating and other energy use will no longer be included in reporting of the council's own carbon footprint. However, it will continue to be part of the city's footprint.
- Transfer of a property has an opportunity cost to it in carbon terms, in the sense that it removes the ability for the council to invest in energy efficiency, renewable energy and decarbonisation improvements to the building while it remains transferred. However, it does create a possibility for the community group and the community it serves to explore opportunities to make those investments themselves and secure the benefits for the duration of the lease. This is more likely to have a viable business case if the group has a long lease on the building and should therefore be considered, where applicable, in relation to applying the second paragraph of clause 4.1 of the Policy.

- In addition, clause 4.3.1 of the Policy may be applicable where energy efficiency, renewable energy or other decarbonisation improvements to the building can be made by the community group, if these measures are considered to improve the environmental wellbeing of the area.
- The Government has committed to increase local community energy projects through its Local Power Plan, to be funded through GB Energy. Community energy projects involve local individuals and/or organisations investing their own money in decarbonisation measures for a community asset, on the basis of (a) securing improvements for the community and, (b) recouping their investment, and possibly gaining a return on it, from the savings or income secured for the community organisation. The council is seeking to put Leicester in a good position to benefit from any GB Energy support by engaging with local proponents of community energy. There may be community energy project opportunities which arise relating to transferred assets, and this should be kept under review.

Duncan Bell, Change Manager (Climate Emergency). Ext 37 2249  
Date: 25 June 2025

6.6 Any other implications  
None.

## **7 Summary of Appendices**

**Appendix A** – Revised Policy

**Appendix B** – A Guide for Community Asset Transfers

**8 Is this a Private Report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

No

**9 Is this a Key Decision? If so, why?**

No