

Leicester City Council

Scrutiny Review

**A review of the Community Asset
Transfer Policy Implementation**

**A Review Report of the Culture and
Neighbourhoods Scrutiny Commission**

March – September 2026

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Culture and Neighbourhoods Scrutiny Commission

Commission Members:

Councillor Zaman (Chair)
Councillor Halford (Vice-Chair)
Councillor Dr Barton
Councillor Cassidy
Councillor Chauhan
Councillor Dave
Councillor Haq
Councillor Waddington

Chair's Foreword

Community Asset Transfer (CAT) enables local people to take control of the important spaces and buildings which matter to them locally, to meet the priorities and needs of the local area.

The Council recognises that community ownership of relevant land and buildings can transform neighbourhoods, support thriving communities, and unlock the power of community.

On 18 September 2025, the Council approved an updated Community Asset Transfer (CAT) Policy, amended in light of changes to legislation, Council objectives, policy and practice since adoption of a CAT Policy in 2008 as last updated in 2022.

Prior to this, at the meeting of the Culture and Neighbourhoods Scrutiny Commission on 11 September 2025, the Commission considered a report on the updated CAT Policy. At this meeting a task group was requested by members to consider the implications of the policy updates and proposals.

The task group aims to address questions around the processes of CAT and its effect on the community and community groups.

The overarching aim is to look at potential implications of the new policy and to assess whether any improvements could be made to practical application of the policy.

We hope that the recommendations from the task group will help future community groups applying for CAT to have a smooth and straightforward experience and reliable support.

Councillor Zaman

Chair, Culture and Neighbourhoods Scrutiny Commission

1 Executive Summary

1.1 Methodology

- 1.1.1. Following the initial meeting to set the scope, a further meeting was held where members were given an outline of the Community Asset Transfer (CAT) policy and were given the opportunity to ask questions and make suggestions.
- 1.1.2. It was suggested that groups who had undertaken the process could be engaged with to learn from their experience.
- 1.1.3. Following invitations to three groups being sent out, the group Team Hub who had undertaken CAT on New Parks Centre attended a meeting with the group and presented feedback on their experience of the CAT process.
- 1.1.4. Members were invited to suggest questions that could be sent out to other groups via email. The questions were sent out and responses collated.

1.2 Recommendations

The Assistant Mayor for Health, Culture, Libraries and Community Centres and the Executive are asked to consider the following recommendations:

- 1.2.1 Recommend that within guidelines we will aim to promote access to the Council's BESS capitals service for new community groups who may be interested in buying building support from the Council.
- 1.2.2 Recommend that we look to hold an annual knowledge-sharing event for all CAT community organisations
- 1.2.3 Accurate forecasting for building costings – recommend the Council publish full building-condition surveys as part of the pack for CAT buildings to ensure organisations are fully aware of building condition and likely costs.
- 1.2.4 Ensure there is third-party support to help with writing the business case.

2 Report

1.3 Background

- 1.1.5. Following the presentation of the updated Community Asset Transfer (CAT) policy at the meeting of the Culture and Neighbourhoods Scrutiny Commission on 11 September 2025, a task group was requested by members to consider the implications of the policy updates and proposals.
- 1.1.6. An initial scoping meeting was held on 30 October 2025 after which a scoping document was produced (Appendix 1).

- 1.1.7. The Task Group aimed to address questions around the processes of CAT and its effect on the community and community groups.

1.4 Current Arrangements

- 1.1.8. Slides were presented to the group showing the current arrangements for CAT (Appendix 2). Further points raised are noted below.
- 1.1.9. The previous application process has been difficult to find in the constitution. The new guidelines aim to be more user friendly, and the guide easier to take groups through.
- 1.1.10. There are exclusions regarding what is considered for CAT and what is not. The fourth change concerns updates on new exclusions in law that would allow the disposal of assets.
- 1.1.11. Independent support is given to community groups as many are not experienced in writing business cases and may benefit from the appropriate support to assess their readiness to take on the running of a building. This support also allows the groups to weigh up the opportunity to see if it is right for them. It is important the support is independent as the Council is offering the opportunity and assessing the application.
- 1.1.12. Previously a period of 12 weeks has been provided to enable community organisations to develop and submit their business case. Following this the business cases would be assessed by an officer panel.

- 1.1.13. Views of Ward Councillors are taken before recommendations are made to the executive. A formal decision needs to be taken by the executive.
- 1.1.14. Following a decision to award a lease under the council's community asset transfer policy, the handover period commences. This typically takes between 6 – 9 months to complete legal and practical considerations before buildings could be transferred.
- 1.1.15. There is ongoing monitoring and support within the lease signed when the buildings were exchanged. The community group is monitored on both building compliance delivery of community benefits against their business case which is built into the lease.
- 1.1.16. The CAT policy had been introduced in 2014 as part of the Localism Act. It was then updated in 2022 and again in 2025.
- 1.1.17. There had been amendments in light of changes around MEES (Minimum Energy Efficiency Standards). A building could not be leased if it did not have a minimum Energy Performance Certificate (EPC) of E or above, this would change to EPC rating C or above from 2027 and EPC B or above from 2030. There were some exceptions to this such as listed buildings which could not be developed further, or industrial units which often had their roller shutter doors open most of the time and no heating.
- 1.1.18. If a property asset within the community is surplus to requirements it may be handed back to Estates and Buildings Services (EBS), EBS would then conduct an asset development review to see if it was suitable for repurposing back into the Local Authority for their own use. If a property asset was handed back it would be considered for the Council's priority need first.

- 1.1.19. The law since the Local Government Act 1974, has always allowed Local Authorities to dispose of properties (sell or lease over 7 years) at something called 'less than best consideration' i.e. less than the market value, however, there must be concrete reasons to allow the less than best consideration (or less than market value). In law, that 'undervalue' can only be considered if the Council assesses the 'undervalue' in monetary benefit to the Council. The undervalue can be measured through social, economic and sustainability wellbeing benefit in order to meet the law.
- 1.1.20. The starting point for disposals is always 'best consideration', a business case would be prepared by the tenant/purchaser to justify any social, economic or sustainability wellbeing provided to the citizens of Leicester. The financial stability of organisations taking on CATs is also looked at.
- 1.1.21. Any disposal of over £2m in total value (i.e. this could be a lease proposal at £100k pa for 20 years) needs Secretary of State approval.
- 1.1.22. It is necessary to understand that the Council has a fiduciary duty to its taxpayers and Council needs to consider before disposing of a property asset to external organisations if i) they need it themselves for their own service use; ii) they wish to dispose of it to raise a capital receipt to maintain their own budgetary objectives before considering disposing of it externally. However, in special circumstances, the Council may wish to prioritise these for disposal to the community for them to run. These buildings still have a capital value, and the council would always have to in law consider 'best consideration'. The CAT Policy is a local Policy and the law has precedent.
- 1.1.23. It is not mandatory to have a CAT policy, and approximately 50% of Councils nationally have not chosen to adopt a CAT policy. Full Council agreed in 2014 to adopt a CAT policy. A new Council could choose not to adopt a CAT policy. CAT is entirely a voluntary process entered into by the Local Authority and can be withdrawn from at any time.
- 1.1.24. The Localism Act 2011 sought to empower communities to self-manage and required Councils to consider different ways to deliver community services.
- 1.1.25. Many charity and community organisations are not used to maintaining buildings and do not necessarily understand the legal and compliance requirements at the outset. They are good at delivering their community aims – but not always as aware of how to maintain a property asset. Therefore, the Council inspect CAT assets annually, to ensure that Health & Safety law and compliance are met and that our property asset is being kept in good condition.

- 1.1.26. The Council's Building and Engineering Services Support (BESS) service can be offered to CAT owners. BESS is a commissioned service where property assets continue to be maintained by EBS at a maintenance cost to the organisation. Groups could buy into this if they wished. The advantage of buying into the BESS service is it provides professional services to CAT delivery partners to ensure the building is compliant and well maintained and should the leaseholder need professional advice on installation, there is a team that are there to support them.

1.5 Findings

- 1.1.27. The CAT process can arise organically from community interest or from Council-led considerations. Most recent opportunities have emerged through formal public engagement and consultation.
- 1.1.28. A recent government White Paper was referred to (published two days prior to the meeting), 'Protecting What Matters', included reference to community asset transfers and it was suggested the document would be useful for the Task Group to consider and understand any implications for the Council's approach, including how the Council's strategy aligned with any national policy direction.
- 1.1.29. The importance of ward councillor involvement was emphasised before any report is submitted to the Executive on a proposed transfer, and that councillor views should be incorporated into the report, so members views are properly reflected in the decision-making process.
- 1.1.30. It was suggested that it would be useful to have a diagram or map showing how the CAT policy works in practice, it was highlighted that a visual process map would help both members and community organisations understand the stages involved, the current point reached in a case and the likely timescales. This would be particularly useful as the group was looking at the implementation of policy. It would also be useful to support launch events with organisations. The process map in the new policy was considered a useful tool.
- 1.1.31. Land transaction rules within the constitution govern this process Officer led panels work together going through assessments line-by-line following the assessment criteria published.
- 1.1.32. The length of the lease has lately been offered initially at 5 years to provide a safety net for new CVAT leases. Subsequent leases depend on the strength of the organisation's business case and its ability to demonstrate that it could sustainably operate the building and deliver community benefits.

- 1.1.33. The original CAT process had required organisations to submit business plans through a competitive process and that organisations approaching the end of an initial lease period would normally be required to submit a further business case for any extension. The community benefit outcomes needed to be evidenced as part of the process.
- 1.1.34. The incumbent group has rights so obtaining the lease at the end of the first period was not competitive. at the end of the first lease, the Council would consider building compliance and how the original business plan had been delivered on. If they were satisfied, a new lease could be offered subject to a suitable business plan.
- 1.1.35. All organisations are expected to comply with the community benefits outlined within their business plans, if there are grave concerns, these can be addressed with the organisation.
- 1.1.36. Liabilities cannot be handed over, it is necessary to ensure that buildings are fit for the period in question. It is important that organisations understanding maintenance liabilities before taking on buildings and ensuring that sufficient provision for repairs and maintenance was built into business plans. The council undertook a condition survey, and organisations often commissioned their own from an independent company.
- 1.1.37. The responsibility for ongoing maintenance transferred to the organisation with CAT. The Council could not transfer buildings with liabilities it considered unmanageable or unrealistic. Buildings would normally be assessed as fit for transfer prior to any CAT arrangement progression. While support services and guidance may be available, responsibility for the building ultimately remains with the organisation taking on the lease. There is a level of risk with CAT, but this can be mitigated through a condition survey so that groups could understand what might need doing. Reference was made to BESS which could be bought in to assist organisations in managing buildings. Many groups preferred to take on maintenance themselves as their knowledge and expertise built up and they may be able to source compliant maintenance services cheaper than the Council can.
- 1.1.38. Independent support and guidance can be commissioned to assist organisations in assessing viability and preparing business plans and full building information packs and draft lease terms are provided to assist applicants.

1.6 Evidence Gathering – Team Hub

Jo Randall, Director and Founder of Team Hub attended to provide evidence and share experiences of operating a Community Asset Transfer (CAT) and highlighted the following:

- 1.1.39. The organisation's ambition is to deliver a broad range of community services from the building and creating a sustainable community-led hub.
- 1.1.40. The group had entered into the CAT process for New Parks Centre as a place to operate from. This was achieved as a Community Interest Company (CIC).
- 1.1.41. The group took up the offer of independent support which was commissioned by the Council. This assisted with preparation of the business case and becoming a CIC.
- 1.1.42. As soon as the building opened under the CIC, it was realised as to what the community needed. When applying for funding, it was realised that whilst the group had initially been a dance academy, it had now branched out to support local people, so it was necessary to rebrand.
- 1.1.43. People from the community approached the group with more issues. The group listened to people's needs and projects were put on accordingly.
- 1.1.44. The community had supported the group and helped to get things moving.
- 1.1.45. In terms of current activities and community delivery - Jo advised that the centre currently delivers projects Monday to Saturday between 8am and 8pm and operates a nursery within the building.
- 1.1.46. The organisation delivers a range of free and supported community sessions including: Holiday programmes for children and young people, football, arts and dance sessions, Games room activities, family support provision, youth mentoring and support programmes, support for young people, empowerment groups, mental health cafes, community flower groups, court and football pitch activities delivered in partnership with the community.
- 1.1.47. The organisation currently operates 12 projects and employs 32 local people.
- 1.1.48. The organisation also works closely with schools and parents within the local area and had established partnerships with a number of local organisations through initiatives such as 'New Parks Together'. Particular work had been done with parents and schools regarding suspended pupils.
- 1.1.49. The organisation initially operated under a five-year lease which had since progressed to a ten-year lease. She explained that the organisation was now focused on strengthening governance arrangements, expanding the leadership team and developing a longer-term strategic plan.
- 1.1.50. The intention was for the centre to remain a community asset beyond the involvement of current directors, with local employment and community ownership helping to ensure sustainability and continuity.

- 1.1.51. The group had moved from a five-year lease to a ten-year lease, as part of this they had looked to make the team bigger and an additional director had been brought in. There was additional support in the strategic plan going forward in the next 10 years. The Centre served the community, and it was important that this continued going forward given the buildup of employment for local people), it was hoped that they could take on more ownership and build the skills for the centre to continue.
- 1.1.52. The organisation aimed not to become overly reliant on grant funding and had developed income-generating activities to support sustainability. These included the nursery, room hire income, partnerships with community organisations and delivery contracts and funded programmes.
- 1.1.53. In terms of external money, the centre applied for funding from a range of funders including the OPCC zone, and Lottery funding had also been received for the next three years.
- 1.1.54. Room hires help to pay for the running of the building and provide an important meeting space for local community groups helping to build community cohesion. All projects are ongoing, except for the community café which was not cost effective. Projects would have staff allocated, but also volunteers.
- 1.1.55. The original five-year plan had been met and exceeded within nine months.
- 1.1.56. The organisation operated with a strong focus on community impact and that staff were passionate and went above and beyond as the main objective is community impact.
- 1.1.57. The organisation had inherited a number of property-related issues including roof repairs, drainage concerns and asbestos-related matters. It was noted that obtaining approvals for building alterations and navigating landlord application processes could be lengthy and complicated, as had finding money to address the issues, also, aspects of the process and terminology could be difficult for community organisations to understand initially. It had also been necessary to know which companies could help with which issues.

Representations from other community groups based on a questionnaire are appended at Appendix 4.

1.7 Benchmarking

Members were made aware of the CAT policies of the following Councils for consideration:

- Nottinghamshire County Council - <https://www.nottinghamshire.gov.uk/policy-library/39472/community-asset-transfer-policy>

- Nottingham City Council *Note: This is a draft-* <https://committee.nottinghamcity.gov.uk/documents/s140912/Draft%20community%20asset%20policy.pdf>
- Harborough District Council - Corporate Property Strategy and Asset Register (Includes Community Transfer Policy) - [Corporate Property Strategy and Asset register | Harborough District Council](#)
- North Northamptonshire Council - <https://www.northnorthants.gov.uk/community-safety-and-emergencies/buying-community-asset/community-asset-transfer-policy>

1.8 Conclusions

From the discussions with Community Groups and between members and officers, the following was raised:

- 1.1.58. Consideration of use of the centralised contracts that the Council has could help with statutory aspects of running the buildings.
- 1.1.59. Consideration a best-practice sharing group for all CAT leaseholders could be of benefit.
- 1.1.60. There was a focus on the need for groups to have third-party support to help with writing the business case.
- 1.1.61. The need for accurate forecasting for building costings was noted.

3 Financial, Legal and Other Implications

1.9 Financial Implications

There are no significant financial implications arising from the recommendations in this report.

Stuart McAvoy - Head of Finance
16th October 2026

1.10 Legal Implications

These recommendations do not approve any building transfer or change any existing lease. Before putting them into practice, the Council will need to check the legal requirements and obtain any necessary approvals, including for charging groups for building support. Community groups should have clear information about the building's condition, likely costs and who is responsible for repairs and safety.

Kamal Adatia – City Barrister
20 October 2026

1.11 Equality Implications

In carrying out its functions, the Council must comply with the Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010. The Council must have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics under the public sector equality duty are age, disability, gender re-assignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex and sexual orientation. The recommendations are intended to improve the practical operation of the Community Asset Transfer (CAT) process.

The transfer of community assets can have positive equality implications where it enables local organisations to deliver services that respond to the needs of their communities. The evidence from Team Hub illustrates how a transferred asset can support a broad range of community activity, including provision for children and young people, families, mental-health support, employment and community cohesion. Continued monitoring of community-benefit commitments within CAT leases will help the Council understand whether these benefits are being delivered and whether any groups experience barriers to accessing the transferred facilities.

The recommendations are therefore considered likely to have a positive impact on equality of opportunity by improving transparency, support and access to information within the CAT process. The equality implications of any subsequent changes to the CAT policy, guidance or individual asset-transfer proposals should be considered as those proposals are developed.

Equalities Officer, Surinder Singh, Ext 37 4148
Dated 20 October 2026

1.12 Climate Emergency Implications

There are no significant direct climate emergency implications arising from the recommendations in this report. Improved access to building management support, building condition information and knowledge sharing may help community organisations identify and deliver future energy efficiency improvements and maintain compliance with evolving energy performance requirements, but any resulting carbon reduction impacts would be indirect and dependent on subsequent decisions by individual organisations.

Phil Ball – Sustainability Officer
20th October 2026

4 Summary of Appendices

Appendix 1 – Scoping Document

Appendix 2 – Slides Presented

Appendix 3 – Responses from Community Groups

Appendix 4 – A Guide to Community Asset Transfer

5 Officers to Contact

Ed Brown – Senior Governance Officer

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