

Scrutiny & Overview Committee Supplementary Agenda



7. **Pre-Decision Scrutiny: Progress update on tranche 1 asset disposals, seeking approval for tranche 2 of asset for disposal and approval of the update of the Community Asset Transfer Policy (Part A)** (Pages 3 - 34)

The Scrutiny & Overview Committee is provided with the confidential (Part A) Cabinet report setting out decisions to be considered by the Executive Mayor on asset disposals and an update of the Community Asset Transfer Policy. The Committee is asked to: -

1. Review the information provided in the Part A & Part B report on Asset Disposals and updated Community Asset Transfer Policy, and
2. Decide whether there are any comments or recommendations on the scheme to bring to the attention of the Mayor during his consideration of the report.

13. **Pre-Decision Scrutiny: Progress update on tranche 1 asset disposals, seeking approval for tranche 2 of asset for disposal and approval of the update of the Community Asset Transfer Policy (Part B)** (Pages 35 - 40)

The Scrutiny & Overview Committee is provided with the confidential (Part B) Cabinet report setting out decisions to be considered by the Executive Mayor on asset disposals and an update of the Community Asset Transfer Policy.

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LONDON BOROUGH OF CROYDON

REPORT:	Scrutiny & Overview Committee	
DATE OF DECISION	21 November 2023	
REPORT TITLE:	Pre-Decision Scrutiny: Progress update on tranche 1 asset disposals, seeking approval for tranche 2 of asset for disposal and approval of the update of the Community Asset Transfer Policy	
CORPORATE DIRECTOR	Jane West, Corporate Director Of Resources And S151 Officer	
LEAD OFFICER:	Huw Rhys Lewis Interim Director Commercial Investment & Capital	
LEAD MEMBER:	Councillor Jason Cummings, Cabinet Member For Finance	
AUTHORITY TO TAKE DECISION:	The attached draft report is scheduled to be considered by the Mayor at the Cabinet meeting on 6 December 2023. The report is provided for pre-decision scrutiny by the Scrutiny & Overview Committee ahead of this meeting.	
CONTAINS EXEMPT INFORMATION?	Yes	<p style="text-align: right;">Public with exempt Part B report</p> <p style="text-align: center;">Grounds for the exemption: Exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972 as it relates to the financial or business affairs of any particular person (including the authority holding that information) and the public interest in withholding disclosure outweighs the public interest in disclosure.</p> <p style="text-align: center;">Appendix 1 Schedule of tranche 2 of proposed properties (with current book values) for disposal</p>
WARDS AFFECTED:	All	

1. **PRE-DECISION SCRUTINY: PROGRESS UPDATE ON TRANCHE 1 ASSET DISPOSALS, SEEKING APPROVAL FOR TRANCHE 2 OF ASSET FOR DISPOSAL AND APPROVAL OF THE UPDATE OF THE COMMUNITY ASSET TRANSFER POLICY**

- 1.1. Attached at Appendix A to this cover report is a draft version of a Part A report scheduled for consideration by the Mayor at the Cabinet meeting on 6 December 2023. A draft of the accompanying Part B report is also included separately on the agenda. The appended report set out for the scrutiny of the Scrutiny & Overview Committee an update on assets identified for disposal in tranche 1 and seeks approval from the Mayor for the assets for disposal in tranche 2 and an updated Community Asset Transfer Policy.

- 1.2. The report is presented to the Scrutiny & Overview Committee ahead of its consideration by the Mayor. By scheduling the report on the agenda, the Committee has the opportunity to review the content and provide feedback on the recommendations before the Mayor takes the final decision.

2. RECOMMENDATIONS

- 2.1. The Committee is asked to:
 1. Review the information provided in the Part A & Part B report on Asset Disposals and updated Community Asset Transfer Policy, and
 2. Decide whether there are any comments or recommendations on the scheme to bring to the attention of the Mayor during his consideration of the report.

CONTACT OFFICER:

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Appendix A: Cabinet Report – Progress Update on Tranche 1 Asset Disposals, Seeking Approval for Tranche 2 of Asset for Disposal and Approval of the Update of the Community Asset Transfer Policy (Part A)

Appendix B Cabinet Report – Progress Update on Tranche 1 Asset Disposals, Seeking Approval for Tranche 2 of Asset for Disposal and Approval of the Update of the Community Asset Transfer Policy (Part B)

LONDON BOROUGH OF CROYDON

REPORT:	Cabinet
DATE OF DECISION	6 December 2023
REPORT TITLE:	Progress update on tranche 1 asset disposals, seeking approval for tranche 2 of asset for disposal and approval of the update of the Community Asset Transfer Policy. PART A
CORPORATE DIRECTOR / DIRECTOR:	JANE WEST, CORPORATE DIRECTOR OF RESOURCES AND S151 OFFICER
LEAD OFFICER:	HUW RHYS LEWIS INTERIM DIRECTOR COMMERCIAL INVESTMENT & CAPITAL
LEAD MEMBER:	COUNCILLOR CUMMINGS, CABINET MEMBER FOR FINANCE
KEY DECISION?	Yes – Financial Implication Criteria - over £1m. Key Decision 7923EM – Decision incurs expenditure, or makes savings, of more than £1,000,000 or such smaller sum which the decision-taker considers is significant having regard to the Council’s budget for the service or function to which the decision relates.
CONTAINS EXEMPT INFORMATION?	<p style="text-align: right;">PART A Public</p> <p>Appendix 1 Schedule of tranche 2 of proposed properties for disposal</p> <p>Appendix 2 Equalities Impact Assessment (EQuIA)</p> <p>Appendix 3 Amended Draft Community Asset Transfer (CAT) Policy covering premises related support to the Voluntary, Community and Faith Sector</p> <p style="text-align: right;">PART B – Exempt</p> <p style="text-align: right;">Public with exempt Part B report</p> <p>Grounds for the exemption: Exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972 as it relates to the financial or business affairs of any particular person (including the authority holding that information) and the public interest in withholding disclosure outweighs the public interest in disclosure.</p> <p>Appendix 1 Schedule of tranche 2 of proposed properties (with current book values) for disposal</p>
WARDS AFFECTED:	VARIOUS

1 SUMMARY OF REPORT

- 1.1** The Council's challenging financial position requires it to review its assets regularly and only hold those assets in its ownership that are vital for service provision. The Council has existing targets for asset sales of £45m in 2023-24, £50m for 2024-25 and £50m for 2025-26. By increasing or bringing forward asset sales, further financial savings can be achieved within the Council's annual budget by using the capital receipts achieved to repay the Council's outstanding borrowing which in turn reduces its annual debt charges.
- 1.2** This report provides an update on progress on asset disposals against the tranche 1 schedule of properties as listed in the approved May 2023 Cabinet report. Part B of this report sets out the financial details in relation to tranche 1.
- 1.3** The report goes on to seek approval to dispose of tranche 2 of properties as listed in this report with a target disposal value of £24.8m. Part B of this report sets out the estimates sales and book values of the sites in question.
- 1.4** The tranche 1 and tranche 2 disposals schedules replace the Annual Assets Disposals Plan approved by Cabinet in November 2022.
- 1.5** A final tranche 3 disposals list is anticipated in 2024/ 2025 which is likely to identify further sites for disposals. These further sites are likely to be identified once service-based reviews have been completed as well as the review of the potential wider use of Town Hall space, which forms part of the ongoing Croydon Campus review.
- 1.6** Finally the report sets out a draft updated Community Asset Transfer (CAT) policy for the Council and recommends that a consultation is held prior to the policy being adopted. The Executive Mayor remains committed to supporting CATs where appropriate and will develop and publish a schedule of properties which may be eligible for CATs in due course. The draft updated policy aims to streamline and clarify the process for Community Asset Transfers in the borough.

2 RECOMMENDATIONS

For the reasons set out in the report [and its appendices], the Executive Mayor in Cabinet is recommended:

- 2.1** To note the progress made on tranche 1 disposals.
- 2.2** To approve tranche 2 of sites for disposals as set out in Appendix 1 of this report together with indicative values in Appendix 1 (exempt appendix) of the Part B report.

- 2.3 To delegate authority to the Corporate Director of Resources and s151 Officer to agree the terms and final price for each disposal included within tranche 2.
- 2.4 The delegations in this report shall only be exercised following:
- i. sign off of a business case/ financial assessment by the Corporate Management Team (CMT)
 - ii. formal Red Book valuation, if required, on a property to be sold; and
 - iii. formal marketing unless there is a clear special purchaser or offer made considerably in excess of the market value.
- 2.5 To note that the target value for disposals for tranche 2 is £24.8m and that disposals of tranche 2 assets will commence immediately alongside tranche 1 disposals.
- 2.7 To seek approval to commence consultation with the Voluntary Community and Faith Sector (VCFS) on the proposed amendments to the Community Asset Transfer (CAT) Policy set out in paragraphs 4.15 to 4.21 and to delegate authority to the Corporate Director of Resources and S151 Officer, in consultation with the Executive Mayor and Cabinet Member for Communities and Culture, to approve a final amended CAT Policy (Draft in Part A Appendix 3) having considered the feedback provided through the consultation with VCFS organisations.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The tranche 2 disposal list supports the requirements of the Department for Levelling Up, Housing and Communities (DLUHC) and the Improvement and Assurance Panel through the generation of capital receipts to facilitate a reduction in capital borrowing and associated annual revenue borrowing costs in line with the requirements of the Exit Strategy, recently published by the Improvement and Assurance Panel.
- 3.2 The disposal of assets in a timely fashion will reduce borrowing requirements as required by the Council's MTFs. The more commercially proactive approach for future disposals recommended in this report will assist the delivery of the required asset sales by delegating authority to officers to agree final terms so that sales are not held up with a need to return to Cabinet.
- 3.3 The decision in the 2021/22 Budget to end the Rent Subsidy and Discretionary Rate Relief (DRR) schemes, as well as the requirement for an increased number of asset disposals, have led to the Community Asset Transfers (CAT) policy needing to be amended. As a result, it is recommended that the Council consult on the draft amended policy which reflects the new circumstances of the Council and provides increased clarity to Voluntary, Community and Faith Sector partners on the process.

4 BACKGROUND AND DETAILS

- 4.1 The Council has an underlying General Fund debt of £1.4billion. One of the key focus areas for Council is to reduce this debt by seeking to dispose of non-essential assets and property held by the Council.
- 4.2 A list of potential disposals was put forward as part of the Medium-Term Financial Strategy 2023/24 to 2025/26 Update report to Cabinet in November 2022. Subsequently further assets were added to the potential disposals list culminating in the tranche 1 list of disposals which was approved by Cabinet in May 2023. Further work has been undertaken over the summer to review all assets held by the Council which has resulted in the tranche 2 disposals list which is recommended for approval in Appendix 1 Part A (and Appendix 1 of the Exempt Part B report which includes indicative values).
- 4.3 Tranche 1 has been recently reviewed and on the basis of progress to date the total value of the tranche is estimated to be £91m.
- 4.4 Tranche 2 is estimated to total £24.6m.
- 4.5 Tranche 3 will be developed over the coming months by reviewing remaining surplus operational properties that are identified through service reviews. It is anticipated this tranche will be submitted for Cabinet approval in summer 2024.
- 4.6 For all properties that have a current lease in place, the sale will be subject to the terms of that lease continuing in order to provide the existing tenants with certainty for the remaining period of the lease. All existing tenants will be contacted prior to the formal marketing of any property to ensure that they understand the process and give to them an early opportunity to consider whether they would like to bid for the property. Any sale will, however, follow a process to ensure best consideration is achieved. Where there is an outstanding lease renewal this will be completed prior to any marketing where this is considered appropriate.
- 4.7 In order to determine what additional assets the Council could potentially dispose of, the Council established an Asset Disposal and Property Transformation Board. This Board has oversight on all property and asset matters across the Council including;
- Disposals
 - Community hubs
 - Libraries service review
 - Community and Family Hubs
 - CAT opportunities
 - Operational Properties (Corporate Landlord Function)

This was to ensure that all disposal opportunities were captured across the Council.

- 4.8 This Board, supported by the in-house property team, undertook asset reviews in order to identify all possible disposal opportunities.
- 4.9 The sites in tranche 2 are more complex than those in tranche 1 as the Council moves on from 'easy wins' to the more challenging disposals, which in some case require decants and relocation of some tenants and council staff. The complexity and therefore the level of risk is likely to increase yet further as the Council moves into tranche 3 in 2024.
- 4.10 The financial summary of progress is set out below by financial year.
- **2021-22**,
Sales completed = **£47.5m**
Including Croydon Park Hotel (£24.9m) and College Green (£22m).
 - **2022-23**
Sales completed = **£22.26m**
The Council agreed the sale of Taberner House site which is opposite Bernard Weatherill House (BWH) for the sum of **£20.26m** with a deferred payment received in December 2022.
 - **2023-24** (Forecast)
Sales completed to date = **£0.82m** (from tranche 1)
Under offer = **£51.66m**
Forecast for the year - **£52.48m minimum**
- 4.11 In addition, further assets from tranche 1 valued at £21.67m are currently being marketed.
- 4.12 The total value of disposals completed to date since the date of government intervention in 2021 is £72.9m. Other capital receipts are available to the Council e.g., from the sale of investments and from loan repayments from Brick by Brick. The Council over-achieved its £50m target for 2022-23 capital receipts and is similarly expecting to exceed the target of £45m for 2023-24. It has further targets of £50m for 2024-25 and £50m for 2025-26. Good progress is being made to achieving these future targets and a further update will be provided as part of the Council Tax Setting papers in February and March 2024.
- 4.13 By bringing forward the commencement of tranche 2 disposals – which would start immediately after Cabinet approval (subject to due diligence and any required consultation) and run in parallel with tranche 1 proposals – the Council is accelerating its delivery of asset sales. This change of approach aims to achieve the completion of tranche 1 and tranche 2 disposals by the end of March 2025. This approach increases the opportunity for the Council to reduce its borrowing costs, increasing its delivery of savings in 2024/25 and 2025/26.

- 4.14 Professional agents, auctioneers and RICS Registered Valuers are already engaged and providing advice on tranche 1 disposals and this involvement will continue into tranche 2 disposals, to ensure that the most appropriate marketing and values can be achieved for the disposal of any asset in the open market.

UPDATED COMMUNITY ASSET TRANSFER (CAT) POLICY

- 4.15 The Council has a Community Asset Transfer Policy (CAT) which sets out the process for the transfer of land or buildings from the Council to Voluntary Community and Faith Sector (VCFS) organisations. The existing CAT policy was adopted in 2020 at a point where the Council's governance and financial challenges were less well understood. The policy included significant focus on the now expired 2019-2023 VCS Strategy and the Rent Subsidy and Discretionary Rate Relief (DRR) schemes, both of which were ended as part of the 2021-22 Budget.
- 4.16 The Council undertook considerable engagement with the Voluntary, Community and Faith Sector prior to the natural end of the three year Community Fund grant funding, which ran from March 2020 to March 2023.
- 4.17 As part of these discussions VCFS organisations raised points about the impact of the withdrawal of the Rent Subsidy and Discretionary Rate Relief (DRR) schemes and the corresponding impact on CATs.
- 4.18 Since 2013 the Council has completed 7 CATs to local VCFS organisations including Harlow Hall and Croydon Youth Theatre Organisation. Currently there is one application (Play Place Wayside) in the process of being legally transferred and a further application on Shirley Community Centre under consideration. Officers are also in early negotiations on possible lease arrangements with VCFS organisations on Coulsdon Community Centre and Rowdown playing field pavilion.
- 4.19 The Executive Mayor remains committed to supporting CATs where appropriate and will develop and publish a schedule of properties which may be eligible for CATs in due course. For now, it is imperative that the CAT policy is amended to enable the Council to meet its asset disposal target in line with DLUHC's and the Improvement and Assurance Panel's expectations as set out in the published Exit Strategy. The Council's medium term financial strategy requires asset disposals to generate the capital receipts that will reduce the Council's borrowing requirement.
- 4.20 The draft amended CAT policy also includes an updated CAT application process which has been strengthened to ensure that applicants are able to demonstrate a clear business plan. This must include funding proposals covering a 3 -5 year period and set out the viability, sustainability and deliverability of the proposal without recourse to reliance on Council grant funding or business or rent relief allowances.

The draft policy for consultation also removes the presumption of a peppercorn rent for CAT properties, with rents for each CAT individually assessed taking into account:

- the geographical location of the property;
- the current and proposed use of the property and its ability to support the Council's core policies;
- the physical condition of the property;
- the scale of obligations on the tenant to be fully responsible for all property repair and maintenance;
- and, the business case submission and funding proposal from successful applicants.

4.21 Given the impact on the VCFS, consultation will be undertaken with the sector on the proposed changes to the CAT Policy. This paper seeks approval to commence consultation with the VCFS to these proposed changes.

5. CONSULTATION

5.1 The Improvement and Assurance Panel and DLUHC have been consulted on the approach being taken by the Council in managing the asset disposal programme and approach.

5.2 Any required statutory consultation for particular disposals will be undertaken, where relevant.

5.3 Consultation with the VCFS will be undertaken ahead of a final decision being taken on the draft CAT policy as set out at recommendation 2.6.

6. OPTIONS CONSIDERED AND REJECTED

6.1 Do nothing – this was rejected since it would not deliver benefits and savings to the Council's MTFs and wider requirements of the Improvement and Assurance Panel and DLUHC to deliver debt reduction by the Council. The CAT policy would still require amendments due to the removal of peppercorn rent and the need for business cases as part of the submission process.

7. CONTRIBUTION TO THE EXECUTIVE MAYOR'S BUSINESS PLAN

7.1 The disposal of assets will help deliver a key objective within the Executive Mayor's Business Plan:

Balancing the Books: One of the main priorities is to get a grip on the finances and make the Council financially sustainable. With the Council still reliant on Government support to stay afloat, getting a grip on the finances is a top priority. This will mean difficult but necessary decisions to make the Council financially sustainable for the future.

To do this we will:

- Deliver the savings in the Medium-Term Financial Strategy and increase our income.
- Reduce council debt by selling or letting more council assets and repaying capital loans.
- The Sale and letting of assets will help deliver increased income through the rental received and wider cost savings in addition to the capital receipts.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

Historic decisions regarding the capital programme mean that the Council's outstanding General Fund debt is disproportionately high compared to most councils. The revenue cost of servicing debt represented 16% of the Council's 2021-22 core spending power (and is estimated at 19% for 2023-24) when the median figure for English Councils was 8%. General Fund debt at April 2023 was £1.4bn and with interest rates rising when debt is scheduled for re-financing, the development of a disposal and lettings strategy and the subsequent sale of assets is essential to mitigate rising cost pressures and reduce the overall cost to the Council.

As part of each disposal plan the financial assessment will include the impact of the disposal on any loss of rental income alongside the impact on borrowing costs and MRP provision against each disposal site

Approved: Andrew Lord on behalf of the Corporate Director of Resources and S151 Officer

8.2. LEGAL IMPLICATIONS

- 8.2.1 There are various powers the Council may rely upon to dispose of its assets and the Council must comply with legal framework, including established public law principles, in relation to disposal of land and property. Under Section 123 of the Local Government Act 1972, it has a statutory duty to sell land at the best price reasonably obtainable ("best consideration"), unless it has the consent of the Secretary of State and subject to exceptions set out in the General Disposal Consent (England) 2003. Each individual disposal decision will require an analysis of the Council's legal powers to dispose of the relevant piece of land and any other legal requirements prior to disposal, such as any consultation requirements or other restrictions relevant to the particular asset.
- 8.2.2 Where land includes open space, the Council must place an advertised notice in a newspaper circulating in the area for two consecutive weeks and must consider any objections received, pursuant to Section 123 (2A) of the Local Government Act 1972.
- 8.2.3 Where land or property is used to deliver services, the Council must take a decision on changing or maintaining its existing service provision before disposing of assets that are used to provide these services. This could engage the public law duty to consult service users and other affected stakeholders.
- 8.2.4 It is government policy that local authorities should dispose of surplus and under-used land and property wherever possible. Under the Local Government Transparency Code

2015, the Council is required to publish details of land/property which it has declared surplus to requirements or deems to be under-used.

- 8.2.5 The report proposes to consult the Voluntary Community and Faith Sector (VCFS) organisations on proposals to amend the Community Asset Transfer (CAT) policy. The law has recognised that there are four main circumstances where a duty to consult may arise. First, where there is a statutory duty to consult. Second, where there has been a promise to consult. Third, where there has been an established practice of consultation. Fourth, where, in exceptional cases, a failure to consult would lead to conspicuous unfairness. In the circumstances, the Council has previously undertaken consultation with the VCFS regarding the current CAT policy and has therefore established a practice of consultation.
- 8.2.6 The key features of a lawful consultation process, commonly referred to as the “Gunning” requirements are set out in R v Brent LBC ex part Gunning (1985) 84 LGR 168 QBD. These principles require that consultation should:
- a) be undertaken at a time when the relevant proposal is still at a formative stage;
 - b) give sufficient reasons for particular proposals to permit for intelligent consideration and an intelligent response;
 - c) give consultees adequate time for consideration and response; and
 - d) the product of consultation must be conscientiously taken into account when finalising any proposals.
- 8.2.7 In carrying out any consultation pursuant to recommendations in this report and prior to any final decision, the Council should follow the Gunning principles set out above.
- 8.2.8 The Executive Mayor has the power to exercise executive functions pursuant to s9E of the Local Government Act 2000 and has the power to delegate those functions. This report seeks relevant delegations to exercise executive functions. At present the delegations in the Financial Regulations have been superseded by the Executive Mayor’s Scheme of Delegation following the introduction of the Mayoral Model. As such, both the Executive Mayor’s Scheme of Delegation and the Financial Regulations will require updating in order to reflect the recommended delegations in this report, if approved.
- 8.2.5 Approved by Kiri Bailey, Head of Commercial & Property and Law on behalf of the Director of Legal Services & Monitoring Officer 27/10/2023

8.3. HUMAN RESOURCES IMPLICATION

- 8.3.1 There are no immediate Human Resources implications arising from the content of this report. Should matters arise in respect of individual disposals these will be managed under the Council’s HR policies and procedures and as part of the decision process for each recommended disposal.

(Approved by Gillian Bevan Head of HR Resources and Assistant Chief Executives Directorates on behalf of the Chief People Officer) 16.10.2023.

8.4 EQUALITIES IMPLICATION

- 8.4.1 An Equalities Impact Assessment (EQulA) has been undertaken and is included as an appendix in the Cabinet papers. The EQulA reveals that there is no direct negative

impact on those protected groups. The Council remains committed to tackling inequality, recognising that there can be no fair society if some groups remain disadvantaged because of their protected characteristic. This principle also applies to how we procure services. The Council expects its service providers to adhere to the same principles of complying with the Public Sector Equality Duty ensuring that the services we procure are both fit for purpose and represent value for money.

- 8.4.2 On the CAT programme Equalities Impact Assessments will be undertaken on a case-by-case basis subject to applications being approved.

Approved by Naseer Ahmad for the Equalities Manager. (17/10/2023)

8.5 DATA PROTECTION IMPLICATIONS

WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

NO

HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

NO

(Approved by: Huw Rhys Lewis Interim Director of Commercial Investment and Capital)"

8.6 PROCUREMENT IMPLICATIONS

- 8.6.1 There are no implications or risks to be considered at this stage. The procurement of the any selling/ marketing agents or advisors used by the Council has been done using public procurement compliant frameworks.

Approved by Scott Funnell Head of Procurement (27/10/2023)

CONTACT OFFICER: Huw Rhys Lewis Interim Director Commercial Investment and Capital

APPENDICES

Appendix 1 Schedule of tranche 2 of proposed properties for disposal (Part A)

Appendix 2 Equalities Impact Assessment (EQulA) (Part A)

Appendix 3 Amended Draft Community Asset Transfer (CAT) Policy covering premises related support to the Voluntary, Community and Faith Sector (Part A)

Appendix 1 Schedule of tranche 2 of proposed properties (with current book values) for disposal (Part B)

BACKGROUND DOCUMENTS

None

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Part A Exempt Appendix 1 - Tranche 2

<u>Description</u>	<u>Current Use</u>	<u>Comments</u>	<u>Ward Description</u>
Spring Park Road-Shirley Tennis Club	Tennis Club	To be sold, with lease to current tenant in place	Shirley North
Ederline Avenue(Norbury Tennis Club)	Tennis Club	To be sold, with lease to current tenant in place	Norbury and Pollards Hill
3 Imperial Way (Crosfield)	Operational Croydon Equipment Services	To be sold, with lease to current tenant in place	Waddon
37 Tamworth Road	Community Centre/Offices	To be sold, with lease to current tenant in place	Fairfield
Cromwell Road 47A	Office/training	To be sold, with lease to current tenant in place	Selhurst
Shirley Park Golf Club	Golf Course	Extend the long lease to current tenant, or sell on a longer lease with lease to current tenant in place	Park Hill & Whitgift
Coulsdon Court Golf Course/Manor Hotel	Golf Course	Extend the current 125 year lease to current tenant	Old Coulsdon
PIP House, former All Saints School House	Community hub	To be sold, with lease to current tenant in place	West Thornton
Mind in Croydon, 26-28 Pampisford Road	Mental health charity	To be sold, with lease to current tenant in place	Purley & Woodcote
Mitcham Road 56a	Croydon BME Forum offices/training	To be sold, with lease to current tenant in place	Broad Green
Dering Place - Eldon Phab Centre	Clubhouse	To be sold, with lease to current tenant in place	Waddon
Alwyn Close (British Legion)	Former social club		New Addington North
Shrublands Avenue, 25	Pre school nursery	To be sold, with lease to current tenant in place	Shirley South
Various scout sites/huts	Scout sites/huts	To be sold, with lease to current tenant in place	Various
Waterside Centre	Community hub		South Norwood
Davidson Pre-School Nursery	Pre school nursery	To be sold, with lease to current tenant in place	Addiscombe West
Addington Court Golf Club	Golf course	Extend the long lease to current tenant, or sell on a longer lease with lease to current tenant in place	Selsdon Vale & Forestdale
Strand House	Part CALAT Centre, part vacant	To be sold in conjunction with relocation of existing services	Thornton Heath
Chatsworth Hall	Operational - Family Justice Centre	To be sold in conjunction with relocation of existing service, and no reduction in service level	Fairfield
Cavendish House, 51-55 South End (Turnaround Centre)	Operational - Youth Services	To be sold in conjunction with relocation of existing service, and no reduction in service level	South Croydon
Godstone Road Shelters	Workshop	To be sold, with lease to current tenant in place	Kenley
Coombe Wood Pond Cottage	Small cottage utilised by Conservation Charity		South Croydon
Mayfield Road Sports Ground - Stands and Club House	Football Club	To be sold, with lease to current tenant in place	West Thornton
Willis Road, 14 Cornerstone House	Community hub		Selhurst
Parsons Pightle, Rugby Club	Rugby club	To be sold, with lease to current tenant in place	Old Coulsdon

Northbrook Road Depot, Croydon, CR0 2QL	Operational - CES storage	To be sold with vacant possession	Selhurst
Waddon Way Community Centre/Nursery	Nursery (ground rent)	To be sold, with lease to current tenant in place	Waddon
Early Help North Locality, 28 Winterbourne Road, Croydon	Former early help hub	To be sold with vacant possession	Bensham Manor
Heather Way, 11	Former respite home	To be sold with vacant possession	Selsdon & Addington Village
Land at former Edgecoombe Community Centre	Vacant site	Vacant site	Selsdon & Addington Village
Ladels Day Nursery, Highbury Road, Croydon	Nursery in former pavilion	To be sold, with lease to current tenant in place	Norbury Park
Thornton Road - Mortuary Bungalow	Looking at redevelopment options for new mortuary	Part of site to be redeveloped. Remainder of site to be sold	West Thornton

1. Introduction

1.1 Purpose of Equality Analysis

The council has an important role in creating a fair society through the services we provide, the people we employ and the money we spend. Equality is integral to everything the council does. We are committed to making Croydon a stronger, fairer borough where no community or individual is held back.

Undertaking an Equality Analysis helps to determine whether a proposed change will have a positive, negative, or no impact on groups that share a protected characteristic. Conclusions drawn from Equality Analyses helps us to better understand the needs of all our communities, enable us to target services and budgets more effectively and also helps us to comply with the Equality Act 2010.

An equality analysis must be completed as early as possible during the planning stages of any proposed change to ensure information gained from the process is incorporated in any decisions made.

In practice, the term '**proposed change**' broadly covers the following: -

- Policies, strategies and plans.
- Projects and programmes.
- Commissioning (including re-commissioning and de-commissioning).
- Service review.
- Budget allocation/analysis.
- Staff restructures (including outsourcing).
- Business transformation programmes.
- Organisational change programmes.
- Processes (for example thresholds, eligibility, entitlements, and access criteria).

2. Proposed change

Directorate	Resources
Title of proposed change	Various Disposals and Lettings
Name of Officer carrying out Equality Analysis	Huw Rhys Lewis

2.1 Purpose of proposed change (see 1.1 above for examples of proposed changes)

This report sets out the details of the proposed tranche 2 of property disposals. This follows on from Tranche 1 disposals list approved by Cabinet in May 2023. A number of disposals have already taken place as part of the creation of an annual plan in Nov 2022.

This report and the May report replaces the annual disposal plan and is intent to streamline and accelerate the process of property dispels to seek to reduce the Council debt position of £1.4billion.

The VCFS bodies were also advised that the impact of the Councils planned property disposals would result in a reduction of eligible buildings being available to be included in the CAT programme.

Those properties included in the Council's disposals programme (as approved by cabinet) are excluded from the CAT programme.

Alongside this impact on the CAT programme, the key change to the CAT policy centered around the CAT application process which has been expanded to ensure that applicants must demonstrate and submit a business plan and funding proposals covering a 3 -5 year period to which sets out the viability, sustainability and deliverability of their scheme without the need to be reliant on Council grant funding or business or rent relief allowances.

Given these two key changes it has become necessary to formally update the Community Asset Transfer (CAT) Policy

On the CAT program, Equalities Impact Assessments will be undertaken on a case-by-case basis subject to applications being approved

3. Impact of the proposed change

Important Note: It is necessary to determine how each of the protected groups could be impacted by the proposed change. If there is insufficient information or evidence to reach a decision you will need to gather appropriate quantitative and qualitative information from a range of sources e.g. Croydon Observatory a useful source of information such as Borough Strategies and Plans, Borough and Ward Profiles, Joint Strategic Health Needs Assessments <http://www.croydonobservatory.org/> Other sources include performance monitoring reports, complaints, survey data, audit reports, inspection reports, national research and feedback gained through engagement with service users, voluntary and community organisations and contractors.

3.1 Additional information needed to determine impact of proposed change.

Table 1 – Additional information needed to determine impact of proposed change.

If you need to undertake further research and data gathering to help determine the likely impact of the proposed change, outline the information needed in this table.

Additional information needed	Information source	Date for completion
None		

For guidance and support with consultation and engagement visit <https://intranet.croydon.gov.uk/working-croydon/communications/consultation-and-engagement/starting-engagement-or-consultation>

3.2 Deciding whether the potential impact is positive or negative.

Table 2 – Positive/Negative impact

For each protected characteristic group show whether the impact of the proposed change on service users and/or staff is positive or negative by briefly outlining the nature of the impact in the appropriate column.. If it is decided that analysis is not relevant to some groups, this should be recorded and explained. In all circumstances you should list the source of the evidence used to make this judgement where possible.

Protected characteristic group(s)	Positive impact	Negative impact	Source of evidence
Age	The Disposal Plans and delegation of any future letting will not directly impact any protected characteristic group. Decisions regarding the new flexible working styles and relocation requirements/set-ups have already been taken.		Property Management Team Please see Appendix 1 for Protected characteristic population data
Disability	The Disposal Plans and delegation of any future letting will not directly impact any protected characteristic group. Decisions regarding the new flexible working styles and		As above

	relocation requirements/set-ups have already been taken.		
Gender	The Disposal Plans and delegation of any future letting will not directly impact any protected characteristic group. Decisions regarding the new flexible working styles and relocation requirements/set-ups have already been taken.		As above.
Gender Reassignment	The Disposal Plans and delegation of any future letting will not directly impact any protected characteristic group. Decisions regarding the new flexible working styles and relocation requirements/set-ups have already been taken.		As above.
Marriage or Civil Partnership	The Disposal Plans and delegation of any future letting will not directly impact any protected characteristic group. Decisions regarding the new flexible working styles and relocation requirements/set-ups have already been taken.		As above.
Religion or belief	The Disposal Plans and delegation of any future letting will not directly impact any protected characteristic group. Decisions regarding the new flexible working styles and relocation requirements/set-ups have already been taken.		As above.
Race	The Disposal Plans and delegation of any future letting will not directly impact any protected characteristic group. Decisions regarding the new flexible working styles and relocation requirements/set-ups have already been taken.		As above.
Sexual Orientation	The Disposal Plans and delegation of any future letting will not directly impact any protected characteristic group. Decisions regarding the new flexible working styles and relocation requirements/set-ups have already been taken.		As above.
Pregnancy or Maternity	The Disposal Plans and delegation of any future letting will not directly impact any		As above.

	protected characteristic group. Decisions regarding the new flexible working styles and relocation requirements/set-ups have already been taken.		
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Important note: You must act to eliminate any potential negative impact which, if it occurred would breach the Equality Act 2010. In some situations, this could mean abandoning your proposed change as you may not be able to take action to mitigate all negative impacts.

When you act to reduce any negative impact or maximise any positive impact, you must ensure that this does not create a negative impact on service users and/or staff belonging to groups that share protected characteristics.

3.3 Impact scores

Example

If we are going to reduce parking provision in a particular location, officers will need to assess the equality impact as follows.

1. Determine the Likelihood of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the likelihood of impact score is 2 (likely to impact)
2. Determine the Severity of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the Severity of impact score is also 2 (likely to impact)
3. Calculate the equality impact score using table 4 below and the formula **Likelihood x Severity** and record it in table 5, for the purpose of this example - **Likelihood (2) x Severity (2) = 4**

Table 4 – Equality Impact Score

Severity of Impact	3	3	6	9
	2	2	4	6
	1	1	2	3
		1	2	3
	Likelihood of Impact			

Key

Risk Index	Risk Magnitude
6 – 9	High
3 – 5	Medium
1 – 3	Low

Equality Analysis

Table 5 – Impact scores

Column 1 PROTECTED GROUP	Column 2 LIKELIHOOD OF IMPACT SCORE Use the key below to score the likelihood of the proposed change impacting each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Column 3 SEVERITY OF IMPACT SCORE Use the key below to score the severity of impact of the proposed change on each of the protected groups, by inserting either 1, 2, or 3 against each protected group. 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Column 4 EQUALITY IMPACT SCORE Calculate the equality impact score for each protected group by multiplying scores in column 2 by scores in column 3. Enter the results below against each protected group. Equality impact score = likelihood of impact score x severity of impact score.
Age	1	1	1
Disability	1	1	1
Gender	1	1	1
Gender reassignment	1	1	1
Marriage / Civil Partnership	1	1	1
Race	1	1	1
Religion or belief	1	1	1
Sexual Orientation	1	1	1
Pregnancy or Maternity	1	1	1

Equality Analysis

4. Statutory duties

4.1 Public Sector Duties

Tick the relevant box(es) to indicate whether the proposed change will adversely impact the Council's ability to meet any of the Public Sector Duties in the Equality Act 2010 set out below.

Advancing equality of opportunity between people who belong to protected groups.

Eliminating unlawful discrimination, harassment and victimisation

Fostering good relations between people who belong to protected characteristic groups.

Important note: If the proposed change adversely impacts the Council's ability to meet any of the Public Sector Duties set out above, mitigating actions must be outlined in the Action Plan in section 5 below.

5. Action Plan to mitigate negative impacts of proposed change

Table 5 – Action Plan to mitigate negative impacts.

Complete this table to show any negative impacts identified for service users and/or staff from protected groups, and planned actions mitigate them.

Protected characteristic	Negative impact	Mitigating action(s)	Action owner	Date for completion
Disability	N/A		Huw Rhys Lewis	
Race	N/A			
Sex (gender)	N/A			
Gender reassignment	N/A			
Sexual orientation	N/A			
Age	N/A			
Religion or belief	N/A			
Pregnancy or maternity	N/A			

Equality Analysis

Marriage/civil partnership	N/A		
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6. Decision on the proposed change

Based on the information outlined in this Equality Analysis enter X in column 3 (Conclusion) alongside the relevant statement to show your conclusion.		
Decision	Definition	Conclusion - Mark 'X' below
No major change	Our analysis demonstrates that the policy is robust. The evidence shows no potential for discrimination and we have taken all opportunities to advance equality and foster good relations, subject to continuing monitoring and review. If you reach this conclusion, state your reasons and briefly outline the evidence used to support your decision. The adoption of the Annual Asset Disposal Plan and delegation of decisions will have no direct impact on staff or services delivered. Where necessary individual decisions for the sale or letting of a specific building will fully consider any impact on the service delivery or staff as part of the individual report. This will be particularly pertinent where the relocation of a service is being considered.	X
Adjust the proposed change	We will take steps to lessen the impact of the proposed change should it adversely impact the Council's ability to meet any of the Public Sector Duties set out under section 4 above, remove barriers or better promote equality. We are going to take action to ensure these opportunities are realised. If you reach this conclusion, you must outline the actions you will take in Action Plan in section 5 of the Equality Analysis form	
Continue the proposed change	We will adopt or continue with the change, despite potential for adverse impact or opportunities to lessen the impact of discrimination, harassment or victimisation and better advance equality and foster good relations between groups through the change. However, we are not planning to implement them as we are satisfied that our project will not lead to unlawful discrimination and there are justifiable reasons to continue as planned. If you reach this conclusion, you should clearly set out the justifications for doing this and it must be in line with the duty to have due regard and how you reached this decision.	
Stop or amend the proposed change	Our change would have adverse effects on one or more protected groups that are not justified and cannot be mitigated. Our proposed change must be stopped or amended.	

Equality Analysis

Will this decision be considered at a scheduled meeting? e.g. Contracts and Commissioning Board (CCB) / Cabinet No.	Meeting title: Cabinet 24 May 2023
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7. Sign-Off

Officers that must approve this decision	
Equality lead	Name: Naseer Ahmad Date: 17/10/2023 Position: Interim Senior Equalities Officer
Director	Name: Huw Rhys-Lewis Date: 17/10/2023 Position: Interim Director Commercial Investment and Capital

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Appendix One: data broken down by Protected Characteristics The information below is taken from the 2011 census unless otherwise indicated.

Age groups Number of people Percentage

0-4 years 27,972 7.7%
 5-7 years 14,388 4.0%
 8-9 years 8,708 2.4%
 10-14 years 23,130 6.4%
 15 years 4,912 1.4%
 16-17 years 9,934 2.7%
 18-19 years 8,720 2.4%
 20-24 years 23,591 6.4%

Equality Analysis

25 -29 years 27,692 7.6%
30-44 years 82,439 22.7%
45-59 years 70,488 19.4%
60-64 years 17,029 4.7%
65-74 years 23,155 6.4%
75-84 years 15,318 4.2%
85-89 years 3,881 1.1%
Over 90 years 2,021 0.6%

People with long term illnesses or disabilities 363,378

Blind or visually impaired These categories were not recorded as such in the 2011 census. However, this did record that there were 24,380 people (6.7%) whose day to day activities were limited a lot by long term Deaf or hearing impaired Other communication impairment Mobility impairment Learning difficulty or disability Mental health condition 21 HIV, multiple sclerosis or cancer illness or disability and 28,733 (7.9%) whose day to day activities were limited a little (Office of National Statistics) Other (please specify)

Gender

Male 176,224 48.5%
Female 187,154 51.5%

Ethnicity

Number of people Percentage White British 171,740 47.3%
White Irish 5,369 1.5%
White Gypsy or Irish Traveller 234 0.1%
Other White background 22,852 6.3%
Black African 28,981 8.0%
Black Caribbean 31,320 8.6%
Other Black background 12,955 3.6%
Bangladeshi 2,570 0.7%
Chinese 3,925 1.1%
Indian 24,660 6.8%

Equality Analysis

Pakistani 10,865 3.0%
Other Asian background 17,607 4.8%
Mixed White and Black Caribbean 9,650 2.7%
Mixed White and Black African 3,279 0.9%
Mixed White and Asian 5,140 1.4%
Other Mixed background 5,826 1.6%
Arab 1,701 0.5%
Other ethnic group (please specify) 4,704 1.3%

Religion

Number of people Percentage Buddhist 2,381 0.70%
Christian 205,022 56.40%
Hindu 21,739 6.00%
Jewish 709 0.20%
Muslim 29,513 8.10%
Sikh 1,450 0.40%
No religion/faith 72,654 20.00%
Other (please specify) 2,153 0.60%

Sexual orientation

Lesbian There are no figures from the 2011 census. However, it is estimated that there were 20,370 lesbians, gay men, bisexual and transgender people living in Croydon in 2001. (London LGBT)
Gay Bisexual Transgender Transgender See above.

Pregnancy or maternity Pregnant

These categories were not recorded as such in the 2011 census. However, there were 5,720 live births in 2011 (Office of National Statistics) On compulsory maternity leave Marriage or civil partnership Married 122,013 42.9% In civil partnership 796 0.3%

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COMMUNITY ASSET TRANSFER POLICY FOR PREMISES RELATED TO SUPPORTING THE VOLUNTARY, COMMUNITY AND FAITH SECTORS

Proposed draft for consultation

Community Asset Use and Transfer - Background and Strategic Aims

A Community Asset Transfer (CAT) is defined as the transfer of land or buildings from the council to the ownership and/or management of a third sector organisation (including voluntary and community organisations, social enterprises and other not-for-profits). This CAT policy sets out the process the Council will follow for CAT applications and the criteria and conditions which will be considered as part of that process.

The CAT policy reflects the Council's commitment to enable local VCFS organisations to operate local assets where possible, whilst taking account of the significant financial challenge facing the Council and its need to dispose of non-essential assets in order to reduce debt payments and protect services for local residents as set out in the Council's Medium Term Financial Strategy and the Improvement and Assurance Panel's Intervention Exit Strategy.

1. Premises for the VCFS in Croydon

- 1.1 Securing premises can be a significant challenge for local voluntary, community and faith sector (VCFS) organisations. In addition to offering shorter term lets and venue hires, through the policies set out in this document, the council provides the opportunity for VCFS organisations to take on long leases to directly operate and manage some council owned buildings for the benefit of the local community.
- 1.2 This policy applies to properties that are excluded from the property disposals programme.
- 1.3 Those properties that are included in the Council's disposals programme are excluded from the CAT policy.

2. Allocation of council community properties

2.1 Identification of properties to be allocated.

- 2.1.1 The Council's Property Team will work with the VCFS to identify suitable future uses for vacant space within its property portfolio. Those properties that are included in

the Council's disposals programme (as approved by cabinet) are excluded from the CAT policy.

- 2.1.2 The Council will continue to consider CATs on a case-by-case basis for its properties. CATs transfer the council asset to the occupying VCFS organisation on a long lease (the rent will depend on the nature of the asset and its income generation potential as set out in section 3). The organisation takes on full responsibility for the cost of running the building. A CAT may be appropriate in specific circumstances where a council property asset is surplus to requirements, the Council considers that the VCFS organisation is better placed than itself to deliver the service in question (for example, a community hall), and the transfer would enable them to benefit from grant funding available to organisations with longer leases.

2.2 Eligibility Criteria for the allocation of a property

- 2.2.1 To be eligible, organisations should satisfy the following criteria:

a. Eligible organisations should be:

- Properly constituted, with good governance
- Capable of sustainably, legally and safely managing an asset and delivering services
- Compliant with the Equality Act 2010
- Willing to offer space (if available) and support to smaller groups.

b. Services must be delivered primarily for the benefit of Croydon residents (more than 75% of beneficiaries must be Croydon residents)

2.3 Assessment criteria of priority for a property

- 2.3.1 As the supply of properties is insufficient for all potentially eligible VCFS organisations that may need premises, the Council will consider applications according to a number of criteria including:

- The soundness of the business case for why the building or land is needed.
- The robustness of the planned income stream for the organisation
- The community benefit offered by the organisation.
- Local need for the service
- Financial management and viability: VCFS organisations will be asked to provide their most recent audited/checked accounts, a business plan or budget, and sources of funding.
- Ability for the organisation to manage an asset and comply with the lease obligations.

- 2.3.2 Leases are excluded from the security of tenure provisions of the Landlord and Tenant Act 1954. This means that tenants do not have an automatic right to renew the lease when it expires. The length of the lease granted by the Council depends on

a number of factors including the length of a commission agreement provided; the financial viability of the organisation; its ability to manage a property and comply with the terms of the lease; the initial investment required by the organisation to refurbish the property; and the Council's plans for the property.

- 2.3.3 Typically the length of a lease offered by the Council would be 10 – 25 years.
- 2.3.4 When the lease expires, organisations should not assume that the lease will be renewed automatically. The Council will assess whether the tenant organisation continues to meet the eligibility criteria as set out in its agreed business and service delivery plan. This will also consider if it is still appropriate for them to remain in occupation under a renewed lease or for the property to be offered to an alternative organisation.
- 2.3.5 In considering whether to renew the lease, the Council will take into account the means by which the lease was originally acquired, for example whether it was subject to a competitive tender, whether the priorities against which eligibility was assessed at the time the property was allocated are still relevant, and the organisation's satisfactory performance, compliance with the lease and regular use of the property for purposes agreed with the Council. The Council will also consider its needs and community needs at the time the decision is made.
- 2.3.6 If the Council decides not to renew the lease, it should give the lessee six months' notice.

3.0 Rent charging framework for council community properties

- 3.1 In order to deliver its legal duty to achieve Best Consideration, the council will operate a flexible rent charging framework to set the rents for council community properties. Rents for each CAT will be individually assessed and will take into account the:
 - the geographical location of the property
 - the current and proposed use of the property and its ability to support the Council's core policies.
 - this physical condition of the property
 - the scale of obligations on the tenant to be fully responsible for all property repair and maintenance.
 - the business case submission and funding proposal from successful applicants.
- 3.2 Rents for buildings that offer more potential for third party/commercial letting are likely to attract higher rents.
- 3.3 Where income generation by the tenant exceeds what has been declared in the submitted business plan then the Council will be seeking to share 50/50 of any income received above the business plan allowing for a 10% margin of growth.
- 3.4 Exceptions include scout sites, where, due to the restrictive nature of the use, a standard annual community rent will be applied.

- There will also be some instances where a volunteer group with no income is undertaking a service on behalf of the Council where it may be appropriate to charge a peppercorn.
- Where a VCFS organisation is investing capital to fit out premises, the Council may agree a rent-free period in recognition of this investment.

3.5 Any existing lease that expires the tenant will need to reapply through the CAT process and that any new lease rent level would be set taking into account the criteria set out in section 3.1 and 3.2.

4.0 Supporting Documents

To support this updated policy there are various forms, online application details and guidance notes which will be updated as part of the consultation process.

‘CAT Application Part 2’ (this covers those applicants who have met the base criteria for consideration but in order to progress to the next step of evaluation they are required to provide more information on their financial proposals and assumptions. Guidance notes will be provided to assist in the part 2 process.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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