

Canterbury City Council

Guide to assessing community benefit for asset disposal.

Context

In order to satisfy the 'best consideration' obligations under Section 123 of the Local Government Act 1972, surplus property assets are frequently openly marketed in accordance with the Council's procedures for land disposals. This is a transparent method in which a preferred bidder can be identified.

The General Disposal Consent does however make provision for the council to dispose of land at less than market value, known as "undervalue".

Specific circumstances must apply as follows:

- the Council considers that the purpose for which the land is to be disposed of is likely to contribute to the promotion or improvement of the economic, social or environmental wellbeing of the whole or part of its area
- the difference between the unrestricted or market value of the land to be disposed of and the consideration for the disposal does not exceed £2m

In short, if the council is minded to dispose of, or grant a long lease on, one of its assets, the decision needs to consider whether the proposal demonstrates that community benefit outweighs the market value of the site.

This guide sets out some of the key considerations which should be taken into account in order to make that assessment.

The key considerations set out overleaf are not an exhaustive list and will only form part of the deliberations in relation to the decision.

Key considerations

1. Financial:

1.1 To what extent has the organisation secured or applied for capital costs?

The organisation may have already secured a proportion of any required capital costs. However, it may not be possible to secure external funding before a long lease is granted, though the organisation may be able to apply and get approval in principle from a funder.

1.2 Is there any revenue investment in the project?

This could be ongoing external revenue funding for activity which will take place in the building.

1.3 Business plan – viability

Is the business plan realistic? Are all of the running costs identified and do the income projections cover them fully? (*The council's Finance Service will assess the business plan and advise on its viability.*)

1.4 Savings to the council

Would the proposal result in savings to the council – such as building maintenance costs, ongoing revenue costs?

2. Added value – the potential benefits to the community:

2.1 Contribution to the corporate plan priorities

To what extent does the proposal fit with the council's priorities, as set out in the corporate plan?

2.2 Location – geographical community served by the proposal

Does the location of the asset mean it is easily accessible by deprived communities - is it located within (or very near) the top 20% of deprived wards nationally, according to the Index of Multiple Deprivation? Does it tackle other problems associated with a particular geographic community, e.g. rural isolation?

Is there an identified lack of other accessible community facilities? If not, there may be little value in new provision.

2.3 User groups

Who would be using the asset? How many people? Are they identified as a priority for the council? Have they access to other, similar services elsewhere?

2.4 Partner organisations

Does the proposal provide opportunities for other organisations to use the asset for the benefit of the community (e.g. health services, voluntary sector, police, probation)?

2.5 Activities and services

Assessing community value of assets.

What activities will be provided – e.g. sports, leisure, learning, cultural, help and advice?

3. Volunteering, employment and enterprise

3.1 Volunteering

Does the proposal create or protect volunteering opportunities? How many hours per week? These may be through places on a voluntary organisation's management committee and volunteers involved in the delivery of services.

A value can be attached to the volunteering associated with the proposal, by simply multiplying the number of volunteers' hours by the average hourly rate for the district (available from www.statistics.gov.uk).

3.2 Employment

How many full-time equivalent jobs are created or protected by the proposals?

3.3 Enterprise

Are there any new enterprise start-ups?

4. Impact on other sites or projects

4.1 Is there any impact on neighbouring sites?

Do the proposals affect neighbouring sites (could be positive or negative) – e.g. as a result of parking requirements, or changes to how the area looks?

4.2 Is there any impact on related projects?

Do the proposals affect another project or service? This could be as a result of the ability to work together or, conversely, there could be a negative impact if the proposed activity is in competition with an existing service.