Councillor John Cotton

Leader of Birmingham City Council

Council House

Victoria Square

Birmingham B1 1BB

Telephone: 0121 464 4000

E-mail: john.cotton@birmingham.gov.uk

Our Ref: 1952-JC-LH

13 November 2025

To: Kathy Hopkin and the Save Birmingham Steering Group

SENT VIA E-MAIL ONLY TO: kathy@savebirmingham.org

Dear Kathy

Thank you for your letter dated 3 November 2025. I appreciate the continued engagement of the Save Birmingham campaign and the commitment you and your colleagues have shown to protecting and enhancing Birmingham's community assets.

I welcome the opportunity to respond to the concerns raised and to clarify the Council's position and actions. The Council remains committed to working collaboratively with community organisations and stakeholders to ensure that our approach to asset management is fair, transparent, and aligned with the principles we have previously agreed.

1. Commitment to Community-Led Asset Strategy

The Council continues to uphold the principles set out in our joint commitments, including empowering residents, promoting community ownership, and maximising social value. These principles underpin our asset disposal strategy and guide our decision-making processes.

We recognise the importance of community spaces in fostering cohesion, supporting local services, and enabling inclusive development. Our ambition remains to deliver a model of community asset custodianship that reflects Birmingham's values and aspirations.

To support this, the Council is currently drafting a new **Asset Management Strategy**, which will include a dedicated framework for community-facing assets. This strategy will set out clear principles for how such assets are identified, assessed, and managed, ensuring that community benefit is embedded in our long-term planning. It is intended this will be considered by Cabinet in early 2026.

2. Transparency and Process

The Council has implemented a structured and transparent approach to asset disposals. Assets are assessed and categorised based on their operational status and potential for community use. This includes:

- Prioritising community transfer where there is a clear local need and viable partner.
- Conducting option appraisals to weigh community benefit against financial return.
- Proceeding with open market disposal only where community use is not viable or appropriate.

Each asset goes through a gateway process involving officer review, member briefing, and scrutiny where necessary. This ensures that decisions are made with full awareness of financial, operational, and social implications.

To further enhance transparency and accountability, the Council has introduced **Pre-Decision Scrutiny** through the **Economy, Skills and Culture Overview & Scrutiny Committee (OSC)**. Following discussions with the Chair and members of OSC, it was agreed that the Committee would use the quarterly "looking forward" Asset Disposal Programme reports to scrutinise selected asset divestment opportunities **before** final decisions are submitted to Cabinet Committee Property (CCP). This process is particularly valuable where assets have previously served community or public-facing purposes and where proposed disposals may be contentious or involve competing interests.

Pre-Decision Scrutiny allows the Committee to consider the relative merits of commercial and non-commercial offers, including proposals involving monetary undervalue for explicit community benefit, or where the highest financial bid is not recommended. This ensures that decisions reflect a balanced consideration of financial return and social value.

Importantly, this scrutiny process is designed to align with the accelerated pace of the disposal programme and does not delay target timeframes. The Committee may also convene ad hoc meetings outside the quarterly cycle to maintain momentum where necessary.

We have also introduced improved reporting mechanisms to track disposals, forecast capital receipts, and ensure consistency across departments. These improvements are designed to support both transparency and delivery against the Council's financial recovery plan.

3. Communication and Engagement

We acknowledge that communication with community groups has not always met expectations. We are committed to responding to queries in a timely and constructive manner. Where delays have occurred, we are working to resolve them and ensure that community organisations receive clear and consistent information.

4. Community Asset Transfer (CAT) and Leasing Models

In light of the Council's financial recovery obligations under the Section 114 notice, our asset management approach must ensure both fiscal responsibility and community benefit. We continue to support Community Asset Transfer (CAT) where appropriate, alongside Full Repairing and Insuring (FRI) leases (which may be restricted to certain specific community related uses) and hybrid models that offer flexibility and sustainability. In certain circumstances the disposal of a much longer leasehold interest (or even freehold) may be considered if it will deliver external investment and stability into an asset.

Each asset is considered on a case-by-case basis, and formal negotiations can only proceed once an asset is declared surplus to operational requirements. In the interim, we welcome **expressions of interest** from community organisations, which allow us to prepare for timely engagement once surplus status is confirmed.

To support this process:

- Offers should reflect the proposed community use and be affordable to the organisation.
- Where rental proposals are below market value, they will be subject to the Council's **social worth assessment** and require formal approval.
- Organisations are encouraged to submit **financial standing information** to demonstrate their ability to meet lease obligations and manage the asset responsibly.
- In cases where capital investment is required e.g. boiler replacement, the Council may seek a **shared contribution** to ensure viability and stewardship.

We are committed to working collaboratively with community organisations and invite them to submit proposals or heads of terms, particularly where they are already in occupation. Our Corporate Landlord team is available to support these discussions and ensure alignment with both community aspirations and the Council's financial responsibilities.

5. Youth Centres and Libraries

The disposal process for Youth Centres and Libraries reflects the Council's need to meet financial targets while enabling community-led solutions. We appreciate the engagement of community organisations and recognise the effort involved in submitting Expressions of Interest (EOIs).

For example, at **Naseby Youth Centre**, the Council has invited offers from interested parties while the asset is being declared surplus. This proactive step allows for early engagement and helps ensure that once the surplus declaration is confirmed, meaningful discussions can proceed swiftly.

Key elements of the process include:

- Submission of EOIs that outline proposed use, affordability, and organisational capacity.
- Consideration of social value where rental offers are below market value, subject to formal approval.
- Requests for financial information to support lease viability.
- Shared contributions toward essential capital works, such as the boiler replacement at Naseby, where a 50% contribution has been requested to support sustainability.

Once assets are formally declared surplus, the Council will arrange direct engagement with shortlisted organisations to discuss proposals in more detail. We are committed to ensuring that lease arrangements reflect community benefit, are financially sound, and support the Council's recovery objectives.

We welcome continued dialogue and look forward to working with community partners to deliver sustainable outcomes for Birmingham's valued community spaces

6. Delays and Escalation Routes

We regret any delays experienced by community organisations. Where groups are already in occupation, we encourage them to submit proposals or heads of terms for new agreements. This can expedite discussions and provide a clearer route to resolution.

We are also working to regularise third-party occupations and ensure that all arrangements are documented and aligned with the wider asset strategy.

7. Supporting Community Funding and Delivery

We understand the importance of secure tenure for funding applications. The Council is committed to supporting community organisations in securing long-term arrangements that enable them to access grants and deliver vital services.

Our asset disposal strategy balances financial value with social outcomes, including housing, jobs, and community cohesion. Equality Impact Assessments are conducted for all disposals to ensure that no protected groups are adversely affected.

The forthcoming Asset Management Strategy will further strengthen this approach by embedding community benefit into the criteria for asset retention, transfer, and disposal.

8. Response to Your Call to Action

In response to your four-point request:

- **Public reaffirmation**: We remain committed to the principles of the Joint Statement and welcome further discussion.
- **Cabinet discussion**: The Council has a clear approach to the disposal of assets of community use and will continue to work collaboratively and cooperatively with the sector in line with the Joint Statement.
- **Written transparency**: A summary of the asset disposal process and expected timelines will be published for public reference.
- **Independent scrutiny**: The Council operates transparent governance processes including by Overview & Scrutiny Committee (see Section 2 on community assets and pre-decision scrutiny).

In closing, we would welcome continued dialogue and trust that Save Birmingham and the City Council can work together in a constructive and mutually respectful manner in order to achieve our shared goals.

Yours sincerely

Councillor John Cotton
Leader of Birmingham City Council