

TRAFFORD BOROUGH COUNCIL

Report to: Executive
Date: 24th June 2013
Report for: Decision
Report of: Corporate Director – Economic Growth and Prosperity

Report Title

Trafford Community Asset Strategy, Community Asset Transfer Strategy and Community Right to Bid Procedure

Purpose and Summary

This report sets out proposals to :-

- (i) Improve the management of Council owned land and premises used by the voluntary and community sector by regularising property agreements and Rent Grants
- (ii) Approve the Council's proposed approach to Community Asset Transfer.
- (iii) Implement the procedure established to meet the new legal duty for the Council to manage the Community Right to Bid procedure in accordance with the Localism Act 2011.

Recommendations

Executive are requested to :-

- 1) (i) Endorse, in principle, the criteria and the process for the award of Rent Grants set out in the report
- (ii) Endorse the principles for property support in the report
- (iii) Note a further report will be brought to Executive with an update on Rent Grants and property agreements
- 2) Endorse, in principle, the proposed approach to Community Asset Transfer.
- 3) Delegate to the Executive Member for Economic Growth and Prosperity in conjunction with the Corporate Director for Economic Growth and Prosperity and Acting Director of Legal and Democratic Services the agreement of a process of decision making and review of applications for Community Right to Bid.
- 4) Note the potential budget implications arising from compensation payments payable under Community Right to Bid scheme

Contact person for access to background papers and further information:

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Background papers:

Appendix (i) Community Asset Transfer Position Statement

Appendix (ii) Trafford Corporate Community Asset Transfer Strategy

Appendix (iii) How to Apply for a Community Asset Transfer

Appendix (iv) List of Council property assets

SECTION 1

1. BACKGROUND

- 1.1 A wide range of partnership and commissioning arrangements are in place between the Council and voluntary and community sector organisations. There are 157 Council owned premises occupied by voluntary and community sector organisations
- 1.2 The Council provides some property directly for community use as well as through partnership arrangements. Office accommodation is provided for certain partner voluntary and community organisations, and there is also an extensive range of land which is leased to clubs, community associations, scout groups and voluntary organisations across the borough.
- 1.3 Voluntary groups traditionally used land and premises not required for the Council's own operational use. However, with the development of a wide range of partnership working and commissioning of contracts with the sector, more operational premises are now occupied by community organisations.
- 1.4 The aim of this strategy is for Council assets to provide maximum benefit for the communities they serve. This is likely to be in the context of best value in the delivery of Council and partnership objectives, rather than solely the best financial return.
- 1.5 This report sets out the principles and first steps to review the current arrangements. A further report will be brought to a meeting of Executive later in the year to update on the review and make recommendations as necessary about any adjustments that may need to be made to the proposals.

2. NATIONAL CONTEXT

- 2.1 Central Government has become increasingly focused on empowering and supporting local communities. An important element of this is to enable community groups to make best use of local assets whether land or buildings.
- 2.2 The Council has a responsibility to ensure that assets are being properly utilised. Under-utilised land or buildings could provide the asset needed for a community-based organisation to deliver services and benefits to local communities on an increasingly sustainable basis. The Localism Act 2011 also points to the importance of assets to promote community cohesion, and the need to involve the community in the management of local assets.

3 ASSET MANAGEMENT CONTEXT AND PROPERTY AGREEMENTS

- 3.1 The Corporate Landlord (where all land and buildings are held and managed centrally) approach to asset management will ensure any community use supports corporate aims and fits with corporate asset strategies.
- 3.2 In the majority of cases a group will occupy accommodation or land and be responsible for its upkeep under a lease arrangement. The Council's Asset Management service has determined a reasonable rent for the asset. In many

cases this is subject to Rent Grant (a stated rental subsidy) and will be deemed to be the Council's contribution to the work of the organisation.

- 3.3 The Council now needs to formalise occupation arrangements, not just for reasons of probity transparency and consistency but to facilitate external funding and ensure organisations have a clear understanding of the nature of partnerships they are involved in with the Council or others.
- 3.4 A key issue for community organisations is the inclusion of an obligation to pay rent in a lease. The Council's policy, is that where no rent is charged, the organisation should be made aware of the subsidy given by the Council in the form of rental foregone ie a rent grant.
- 3.5 A Rent Grant covers the rent that would be payable removing the obligation to pay rent.
- 3.6 The nature and operation of community groups will mean that their ability to pay the full costs will vary.
- 3.7 The key change proposed is that, as a minimum, all occupiers of Council land and premises will have an occupancy agreement and will cover the running costs themselves. If the group qualify for a Rent Grant then the rent will either be reduced or the obligation to pay rent removed.

4 COUNCIL OWNED COMMUNITY CENTRES

- 4.1 The Council has encouraged community engagement in the management and operation of centres.
- 4.2 There are eight community centres managed by community associations and each community association have a lease in place for the centres.

- § Sale Moor Community Centre, Sale
- § Firswood Community Centre, Old Trafford
- § Humphrey Park Community Centre, Urmston
- § Jubilee Centre, Bowdon
- § Hartford Community Centre, Davyhulme
- § Shawe Hall Community Centre, Flixton
- § Riddings Community Centre, Timperley
- § Broomwood Community Centre (subject to asset transfer)

Many are in need of renewal and the opportunity is being taken to negotiate longer leases in return for the associations taking full responsibility for repair and maintenance of the properties. Capital investment by the Council to address outstanding condition issues is likely to be needed to enable the Associations to take on this responsibility.

5 SUPPORT FOR OTHER COMMUNITY ORGANISATIONS

Sports Clubs

- 5.1 The Council's policy toward sports clubs in the borough was developed over a number of years. Clubs who promote and develop sport for juniors and are affiliated to approved bodies are supported. Clubs are encouraged to achieve high standards in their particular sport. Support has been given on the understanding that the community benefits from the assistance given to clubs.
- 5.2 Support for clubs has been based upon them meeting several criteria and the Council's objectives in regard to activities for young people. When operating in line with the criteria clubs also meet many of the requirements for external funding, for example from the Football Foundation.
- 5.3 The requirements include :-
- § Open and affordable membership
 - § Facilities made available to non-members
 - § Active encouragement into sport of young people, older age groups, persons with disabilities, women and the unwaged
 - § Provision of training or education and skill training
 - § Over 51% of members resident in the borough
 - § Affiliation to a national organisation and involved in national development
 - § Facilities compliant with the Disability Discrimination Act
- 5.4 Several clubs also receive rent grant and this follows the criteria for discretionary rate relief.

Parks Bowling Clubs

- 5.5 Trafford has a number of bowling greens used by various clubs, many of which are long-established. In line with the principles of this report, Pavilions should be used for maximum community benefit.
- 5.6 Most of the clubs occupy the pavilions without written agreements and do not pay any rent or utility charges for their use. None have any management agreements with the Council to specify acceptable levels of access for casual bowling, energy conservation, or suitable regimes to enable greens to be maintained to a high level.
- 5.7 As with managed community centres, there is likely to be a requirement for continuing financial support into the medium term future, however with bowls facilities the wider public benefit is likely to be unclear unless a new management culture can be introduced. It is proposed that new agreements are put in place in line with the principles set out in this report.
- 5.8 The Council pays for all repairs to the buildings and maintains the bowling greens, but receives no income for their use.

- 5.9 Service level agreements should be introduced for all bowling pavilions to ensure that these asset management issues are addressed and that responsibilities for management are clear. All costs excluding rent should be borne by the clubs.
- 5.10 The aim of introducing service level agreements would be to enable the Council to have greater control over access to the pavilions by other community groups and to pave the way for a modernisation of facilities to complement the improvements in the award-winning parks.

Allotment Societies

- 5.12 In contrast to the position on bowling clubs, allotments societies have better arrangements in place, with the 15 relevant allotments having leases in place, incorporating self-management providing a rental income to the Council. This rental income contributes to the utility costs for the allotment sites that are leased.

Others

- 5.13 Properties in the Council's Let Estate are leased to a range of local organisations. The groups are involved in many of the activities that the Council sees as serving an important role in community life. These include scouts, arts groups, friends groups, allotment societies, bowling clubs and nursery groups.
- 5.14 Charges made vary according to the type of organisation using the premises. Private nurseries, for example, are welcomed in order to support the Council's aim of improving outcomes for children in the Borough. However, these are often run on a commercial basis where parents pay a fee for childcare and therefore a market rent should be charged. Scout groups however, pay a reduced rent reflecting their often low-income base.
- 5.16 Many of the groups occupying Council property have done so for a considerable length of time and turnover of properties used by this sector is low. The Council is likely to reduce the number of buildings it owns in the future, but will need to maximise the use and improve the condition of the remaining stock.
- 5.17 A number of groups have been allowed to occupy Council office accommodation mainly at no cost to the organisations and these arrangements will need to be documented.
- 5.18 The very positive reciprocal arrangements that are in place with the Police for occupation of each other's premises will be formalised in a Memorandum of understanding containing a schedule of accommodation.
- 5.19 Many groups request space in Council office premises and, once in place, tend not to vacate. Over time the rationale behind their occupation, in preference to other groups, is often not obvious. Occupation varies in tenure and support, and it is proposed that the approach is reviewed and appropriate occupations formalised. It is recognised that the proposed changes need to be approached with care and sensitivity.

6 FAITH GROUPS

- 6.1 The Council has worked with faith groups to develop a number of community facilities or transfer existing ones. Places of worship have had an immense historic influence in shaping society, and make significant contributions in a wide range of areas such as community development, education, social inclusion and heritage.
- 6.2 It is important that faith groups, while maintaining their distinctiveness, contribute to the wider objectives of the Council in delivering a good standard of services to the community.
- 6.3 Whilst faith groups are distinctive because of their motivation for community involvement, the Council must be sure that it can monitor the activities and standards of groups occupying its premises. Formal occupancy agreements will therefore need to be put in place

7 SUMMARY

- 7.1 To summarise, the proposal is to put formal agreements in place for all occupiers with appropriate levels of charges and all occupiers will be required to cover the running costs as a minimum. Rents charged will be appropriate for the property and the occupier.
- 7.2 Some organisations occupy Council premises with no formal agreement in place. The proposed approach will be that arrangements are put on a formal footing with an obligation for the organisation to pay the running costs. If groups are not prepared to enter into a formal arrangement then vacation of the buildings would be a considered as a last resort.
- 7.3 Discussions with occupiers will be handled with care and sensitivity, recognising that the requirement for proposed changes needs to be explained and implemented through agreements with occupiers.

7.4 Exceptions Policy

Whilst the proposal is to put formal agreements in place for all occupiers of Council assets with the obligations that they pay for all day to day repairs and running costs, there will be groups who will not be able to enter into such an agreement. In these circumstances exceptions could be made in that the Council continue to carry out repairs on the premises but the group make a contribution to the repairs.

It is proposed that each case will now be looked at individually and a further report will be taken to Executive at a later date outlining the progress made in regularising agreements and recommending any adjustments to the process that may be required following from occupiers.

7.5 Consultation

Directorates within the Council have been consulted on the proposals and they have provided input into this report. Consultations with groups where support is to change will be required at a later date and Executive will be updated on the consultation when it has been completed.

8. FINANCIAL SUPPORT

Capital funding

- 8.1 The major issues identified so far involve financial challenges particularly around the poor condition of many buildings. Capital funding is subject to prioritisation following options appraisal, and is now at a limited level.

Revenue funding

- 8.2 The running costs (revenue repairs and utility costs) of premises need to be paid for by the occupier as a general principle.
- 8.3 The financial issues and pressures facing voluntary organisations need to be considered to ensure many groups are sustainable. There are a number of ways groups are supported currently:

- § One-off earmarked grants
- § Rent grant, where the organisation is occupying council premises
- § Mandatory Rate Relief
- § Discretionary Rate Relief (DRR)

These forms of assistance are commented upon below.

Discretionary Rate Relief (DRR)

- 8.4 Applications for Discretionary Rate Relief (to 'top up' mandatory relief) are considered by the Director of Finance. Where the Council grants relief, it must pay the remainder itself to Government. Discretionary Rate Relief is generally refused where :-

- § Mandatory relief is already given, except in the cases of Scouts and Guide HQ's, Aided schools and Citizen Advice Bureaux
- § A substantial portion of income is obtained from bar receipts
- § Membership of a club is restricted by the amount of subscription or other limiting factors
- § A club is run for political purposes
- § Housing Associations
- § A grant is already given by the authority or rate relief is already given under s48 of the LGFA 1988.

- 8.5 The amount of DRR often increases each year. This is due to the nationally prescribed increase in the rateable value multiplier and could be as a result of where property is improved, as this may increase the rateable value of the property.

- 8.6 Substantial changes in rateable value are often associated with activities or building improvements where the potential for income generation exists (to repay loans for example). Sports clubs with bars for example, may fall into this category.

Rent Grants

- 8.7 Assessment of whether or not a group qualifies for Rent Grant is currently undertaken by Asset Management in consultation with relevant directorates. This report seeks to clarify the process. Assessments for Rent Grants are based on similar criteria to those in place for Rates Relief and the rent record amended accordingly.

RENT GRANT ELIGIBILITY CRITERIA

1	Open and affordable membership
2	Charitable status or objectives as appropriate
3	Facilities available to non-members
4	Active encouragement of young people, older age groups, persons with disabilities, women and the unwaged
5	Meeting at least two of the Council's corporate objectives
6	Express commitment to an "open book" on financial matters with the Council
7	Over 51% of members resident in the Borough
8	Affiliation to a national or local organisation for the purposes of developing high quality service delivery
9	Facilities DDA compliant
10	A statement of how grant is used in development of the group or organisation when requested, for audit purposes
11	Rent grant not applicable for – scout and guide associations, private nurseries or childcare operators, allotment societies, housing associations, political clubs, places of worship and charity shops.

- 8.8 Some Councils charge peppercorn rents, even with long leases. Trafford's practice has been to include the commercial rent in the lease document with a book transfer taking place internally between budgets. This is designed to make the amount of subsidy clear to the recipient and in some instances is treated as match funding.
- 8.9 The proposal is that the approval of Rent Grant will rest with the Executive Member for Economic Growth and Prosperity who will rely on officers' recommendations regarding the eligibility of the organisation seeking support.

- 8.10 Recommendations about the suitability of an organisation as a partner supporting the Council's objectives are sought, and this is usually sufficient to recommend approval to the Executive Member. However, it is felt that a more formal and transparent application process would be helpful to evidence community benefit and justify the grant element.
- 8.11 A further audit of groups already receiving Rent Grant should be undertaken to verify that the criteria are still being met by the groups receiving support. This will require the completion of a formal application form.
- 8.12 A performance framework is appropriate where the Council gives rent grant and DRR, and a service level agreement is a suitable approach. Performance management is clearly required and it is recommended that a new corporate process is initiated.
- 8.13 All property support for voluntary and community organisations should be on the basis of the principles set out above. All arrangements should be subject to lease, with rent, and where applicable, a rent grant.
- 8.14 It is also proposed that with the exception of Rent Grant and DRR all property costs of occupation, including utility charges, repairs and maintenance costs should be borne by the occupying organisation. In appropriate cases and where lease length allows, this should extend to capital costs.

Earmarked Grants

- 8.15 The draft revenue budget for 2014-15 includes a proposal to review assistance to voluntary organisations. The intention is to combine this review with the asset strategy review.

9. PROPOSED PRINCIPLES FOR PROPERTY SUPPORT FOR COMMUNITY ACTIVITY

1	The Council's land and property assets should be used for maximum community benefit
2	Support for groups using council land and property should be transparent, fair and linked to evidence of community benefit
3	The long-term aim for all assets occupied by voluntary groups is that they are managed by and for the community where appropriate and sustainable
4	Provision of assets for community use should respond to neighbourhood needs and be reflected in asset management planning
5	Property agreements should reflect the partnership arrangements with the Council and be based on clear criteria and benefits and be the basis for improving community outcomes.
6	That where Rent Grant is given to a tenant or occupier, the amount of market rent (subsidy) should be clearly stated in the agreement
7	Financial and accommodation support for voluntary and community groups should be used for maximum community benefit, and based on evidence of financial need. As a minimum, organisations would be expected to contribute all running costs excluding rent.
8	Community benefit should be assessed and targets set. Regular monitoring of both community benefit and need should be undertaken to ensure that support is both appropriate and commensurate

10 ACTION PLAN TO IMPLEMENT THE COMMUNITY ASSET STRATEGY

- § The current position on all occupation should be formalised by putting an agreement in place
- § Criteria for support in the provision of accommodation should be applied to all relevant occupiers. This should be applied to new applicants, and to existing groups retrospectively.
- § As a principle, all groups should as a minimum, cover costs excluding rent, where rent grant should be applied if the group meets the criteria for a rent subsidy.
- § All future agreements for use of land or buildings by a third party are to be agreed by Asset Management (with the assistance of the client department) under the Corporate Landlord approach.
- § An agreed pro forma for lease or other agreements should be developed to cover reasons for support and the related financial consequences

- § A review of Rent Grants given should be carried out every two years in the light of the relevant groups' financial position and the monitoring of targets set for it by the Council.
- § Community Asset Policy shall be reviewed every six months to evaluate its effectiveness.

11 INDICATIVE IMPLEMENTATION TIMESCALES FOR COUNCIL ASSET STRATEGY (Rent Grant review and negotiations to run in parallel)

11.1 Rent Grant Review

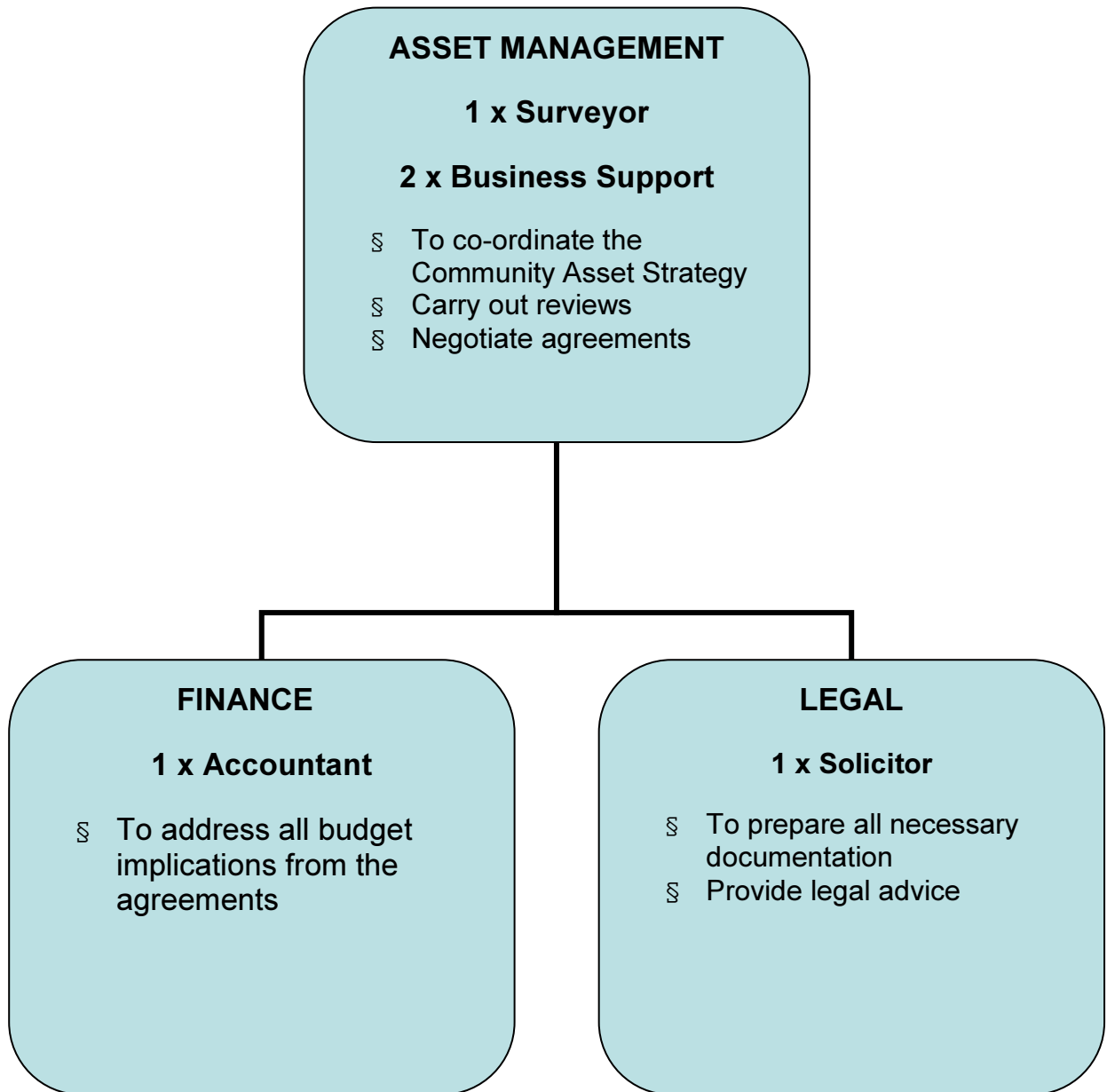
Review all existing rent grants	1 month	Total – 8 months
Rent Grant questionnaire to be sent to groups / organisation who are in receipt of a rent grant asking them to provide information that ensures that they meet the Rent Grant criteria.	3 months (to allow for groups who do not provide the information straight away)	
Rent Grant questionnaires evaluated	1 month	
Report prepared to Executive Member for Economic Growth and Prosperity with findings from questionnaire and any recommendations	1 month	
List of groups receiving rent grant updated. Any groups who no longer meet the criteria for Rent Grant informed	2 months	
Review of Rent Grant carried out again after 2 years		

11.2 Agreements

Asset Management to work with Legal to prepare an agreed pro forma of a lease and service level agreement	2 months	Total – 16 months
Prioritise the buildings where agreements are already in place and negotiate lease renewals which make the tenant liable for the running costs of the premises	4 months	
Negotiate new agreements with existing users	6 months	
Legal complete all documentation	4 months	
Agreements reviewed if and when required		

11.3 Staff Resources required for Community Asset Strategy

The following resources will need to be identified as a minimum to ensure that the reviews above can be carried out in the timescales :-



The Asset Management resource requirement will be identified as part of the imminent review of the Service. Resources will also need to be identified in the Finance and Legal departments.

SECTION 2

11 COMMUNITY ASSET TRANSFER

- 11.1 The Localism Act 2011 introduced the legal process for the listing of assets of community value and enabled a process of a Community Right to Bid (see Section 3) to be administered by local authorities.
- 11.2 Councils are encouraged to adopt their own policies to allow for the transfer of their own land or property assets to the voluntary sector in appropriate circumstances on a pro-active basis.
- 11.3 While the Community Right to Bid is a legal requirement, wider transfer of community assets is not. This means when community groups and/or the Council wish to consider such an asset transfer the Council has considerable flexibility in deciding whether to do so and, if so, on what terms.

12 COMMUNITY ASSET TRANSFER STRATEGY

- 12.1 The strategy relates to Council owned assets which include both land and buildings in use by the community. Assets which are surplus to the Council's requirements are most likely to be considered suitable for transfer. However, there may be benefits in the transfer of assets of continuing use to the delivery of Council services or objectives. No assets are specifically excluded from potential transfer and decisions will be made on an individual basis to ensure that individual circumstances are considered. Assets of high value and those with high development potential are unlikely to be considered suitable for transfer.
- 12.2 Community asset transfer normally involves the sale or lease of an asset (transfers are most likely to be leases). Transfer can take place in different forms including short term and long term leases. The term and the responsibilities contained within the lease will depend on the purpose of the transfer and the size and nature of the organisation applying for the transfer.
- 12.3 Eligible organisations to which asset transfer would be considered are community groups, voluntary groups and non-profit making organisations, including registered charities, community interest companies and faith organisations.

12.4 COUNCIL ASSETS ELIGIBLE FOR CONSIDERATION FOR TRANSFER

A wide range of property assets owned and managed by the Council are summarised below. These assets have been categorised as likely to be relevant / not relevant for community asset transfer in the table below, in relation to likely community interest based on the Council's current position, and on potential changes.

The analysis of Council assets identifies categories likely to be of interest to community organisations. This does not imply that the council will transfer any specific asset:

Asset Categories	Council potential interest in transfer	Community potential interest in transfer	Interest if Council change approach	Comment / Assumption
Administrative buildings (minor)	Y	Y	Y	Where surplus, may be of interest as local bases
Community Buildings	Y	Y	Y	Enhanced use /lower cost if community owned; potential for direct management. Arrangements for leased out premises could be amended to give full transfer
Leisure and parks buildings	Y	Y	Y	
Social Care – day care	Y	Y	Y	Eg The Hub at Pownall Road, Altrincham former day care centre already transferred
Allotments	Y	Y	Y	Some with allotment societies already
Youth Centres	Y	Y	Y	
Let Estate –community lets	Y	Y	Y	Some leased to groups, some local shop units may be of interest
Administrative buildings (major)	N	N	N	Large assets – high value, unlikely to be of interest
Service Tenancies	N	N	N	Private houses
Depots	N	N	N	Operational assets – only large depots remain. Surplus depots will be disposed of as part of the Land Sales Programme
Car Parks	N	N	N	Operational assets – no changes envisaged
Social Care Properties – residential	N	N	N	Large assets – high value, unlikely to be of interest to community
Let Estate – commercial	N	N	N	Held as investment properties, unlikely to be relevant to local communities
Cemeteries	N	N	Y	No intention to divest
War Memorials	N	N	Y	No intention to divest
Leisure facilities – Trafford Community	N	N	Y	No further intention to divest

Leisure Trust				
Public Conveniences	N	N	Y	Operational asset – unlikely to be of interest
Market	N	Y	Y	commercial
Libraries	N	Y	Y	Only if any declared surplus
Parks	N	Y	Y	

Benefits of a Community Asset Transfer Strategy

- 12.5 Community Asset Transfer is aligned to the localism agenda, giving more power to local communities to manage local community assets for the benefit of the local neighbourhood. Together with the Volunteer Strategy, it can create stronger, more sustainable voluntary and community organisations which can create wider benefits for their own communities. It can stimulate partnership working between the Council and voluntary and community organisations and other partners and improve provision of services in communities.
- 12.6 Transfer of assets to community bodies can open up access to external resources which may not be available to the Council, assisting in the creation of sustainability, allowing retention of facilities in times of economic restraint and helping the council with the need to reduce budgets. It can contribute to efficiency savings by releasing surplus property, helping the Council to rationalise its estate and maximising the use of its assets with a focus on community outcomes.
- 12.7 Any transfer would be expected to generate benefits within the community, continue or create new community activity, and be aligned and contribute to Council and Trafford Partnership strategies and objectives.
- 12.8 The Community Asset Transfer Strategy and Council Position Statement are set out as appendices (i) and (ii) to this report. The Council will regularly review its potential assets for transfer and be proactive in transferring those it no longer needs.
- 12.9 Any organisation expressing an interest in the transfer of an asset will be required to meet the necessary criteria, detailed in a strong business case, demonstrating its financial position, resources, skills and organisational capacity to deliver any benefits it claims will arise from the transfer. A monitoring regime will be established to ensure continuing fit with objectives and the delivery of any targets set as part of the transfer. A guide to Community Transfer (appendix iii to this report) will be available to assist groups through the application process, and there will be an identified contact within the Council to liaise with voluntary organisations with regard to potential transfers.

12.10 Timescales involved in a Community Asset Transfer

Timescales will depend on the size and the value of the asset to be transferred. Generally, community assets will be divided into assets of a 'lower' and 'higher' values. The process and timescale will be dictated by the size of the asset as follows :-

Timescales involved in a Community Asset Transfer		
<p>1. Request</p> <p>Requests for a transfer could come from either a voluntary and community organisation or a Council Service.</p> <p>If the transfer request comes from a VCISO the organisation will be sent a copy of this 'Guide to how to apply for Community Asset Transfer' which summarises the process and will be directed towards completing an initial Expression of Interest (EOI) providing details about the organisation and identifying the building proposed to be transferred.</p> <p>The Single Point of Contact will liaise with the Directorate responsible for the asset to ensure they are happy for the disposal of the asset to go ahead</p> <p>If the Asset is unavailable the single point of contact will inform the voluntary and community organisation concerned as to the reasons why the transfer cannot go ahead</p> <p>At that point the request will be referred to the Strategic Lands Group for endorsement for the transfer to be taken to the next stage.</p> <p>The market / fair value of the community asset proposed to be transferred will be assessed and the next stage of the process will be dictated by the value of the asset is set out below:</p>	<p>2 months</p>	
<p>For assets of a lower values (less than £100,000) the next stage of the process will be :</p>		
<p>2. Building the case</p> <p>If the Asset is available, a business plan and feasibility study will be requested from the voluntary and community organisation identifying their plans for the building and identifying any local support for the proposal amongst local members and the local community. The voluntary and community organisation will have to demonstrate that their proposals have real community benefit and can help the Council achieve its corporate targets.</p> <p>This will be presented to the Strategic Lands Group for discussion and if approved submitted for final approval</p>	<p>3 months</p>	<p>Total – 7 months</p>
<p>3. Report to Corporate Director – Economic Growth & Prosperity</p> <p>Final report recommending transfer and outlining the terms and conditions to be approved by the Executive Members for EGP and the relevant service area, with consultation with relevant Ward Members.</p>	<p>2 months</p>	
<p>4. Transfer</p> <p>Transfer may be immediate. However, the Council recognises that there may be significant advantages to a phased handover – especially if the Council will be running it as an operational asset prior to the voluntary and community organisation taking possession.</p>	<p>2 months</p>	

Timescales involved in a Community Asset Transfer

For assets of a higher value (more than £100,000) the next stage of the process will be :

<p>2. Sponsoring Service</p> <p>The Sponsoring Service would be the Council service with most appropriate links to the organisation requesting an asset transfer.</p> <p>Work may also need to be undertaken to verify the credentials of the voluntary and community organisation.</p>	<p>2 months</p>	<p>Total – 13 -17 months</p>
<p>3. Report to Strategic Lands Group</p> <p>The report will detail relevant information which the Group will need to decide whether to proceed 'in principle'. The report will include the views of the Ward Councillors and include information on the organisation, the asset and importantly the community benefit potential of an asset transfer</p> <p>If the transfer request has been made by a Council Service the Lead Service will be seeking permission to promote the opportunity to the wider voluntary and community sector or will be seeking permission to take forward the transfer in partnership with a specific voluntary and community organisation.</p>	<p>2 months</p>	
<p>4. In principle decision</p> <p>The decision to proceed (if support for the transfer is obtained) will be 'in principle'.</p> <p>It will represent a decision to proceed with exploring the feasibility of the transfer as a voluntary and community organisation/Council partnership. Therefore is will be subject to a viable business plan and associated business development process, which will determine level of market discount, length and condition of lease, etc.</p>	<p>1 month</p>	
<p>5. Detailed development stage</p> <p>This phase will enable the substantial development work to be undertaken towards a viable business plan with the voluntary and community organisations maintaining regular contact with the Council. The Council will also provide information required to make the development process as straight forward as possible. During this time the Council and the voluntary and community organisation will also be making in principle agreements around heads of terms, levels of discount, length of lease, etc.</p>	<p>4 – 8 months</p>	
<p>6. Report to Exec Member – Economic Growth & Prosperity for decision</p> <p>The Corporate Director will produce a final report recommending transfer and outlining the terms and conditions.</p>	<p>2 months</p>	
<p>7. Legal documentation</p> <p>Transfer may be immediate. However, the Council recognises that there may be significant advantages to a phased handover – especially if the Council will be running it as an operational asset prior to the voluntary and community organisation taking possession.</p>	<p>2 months</p>	
<p>8. Transfer completed</p>		

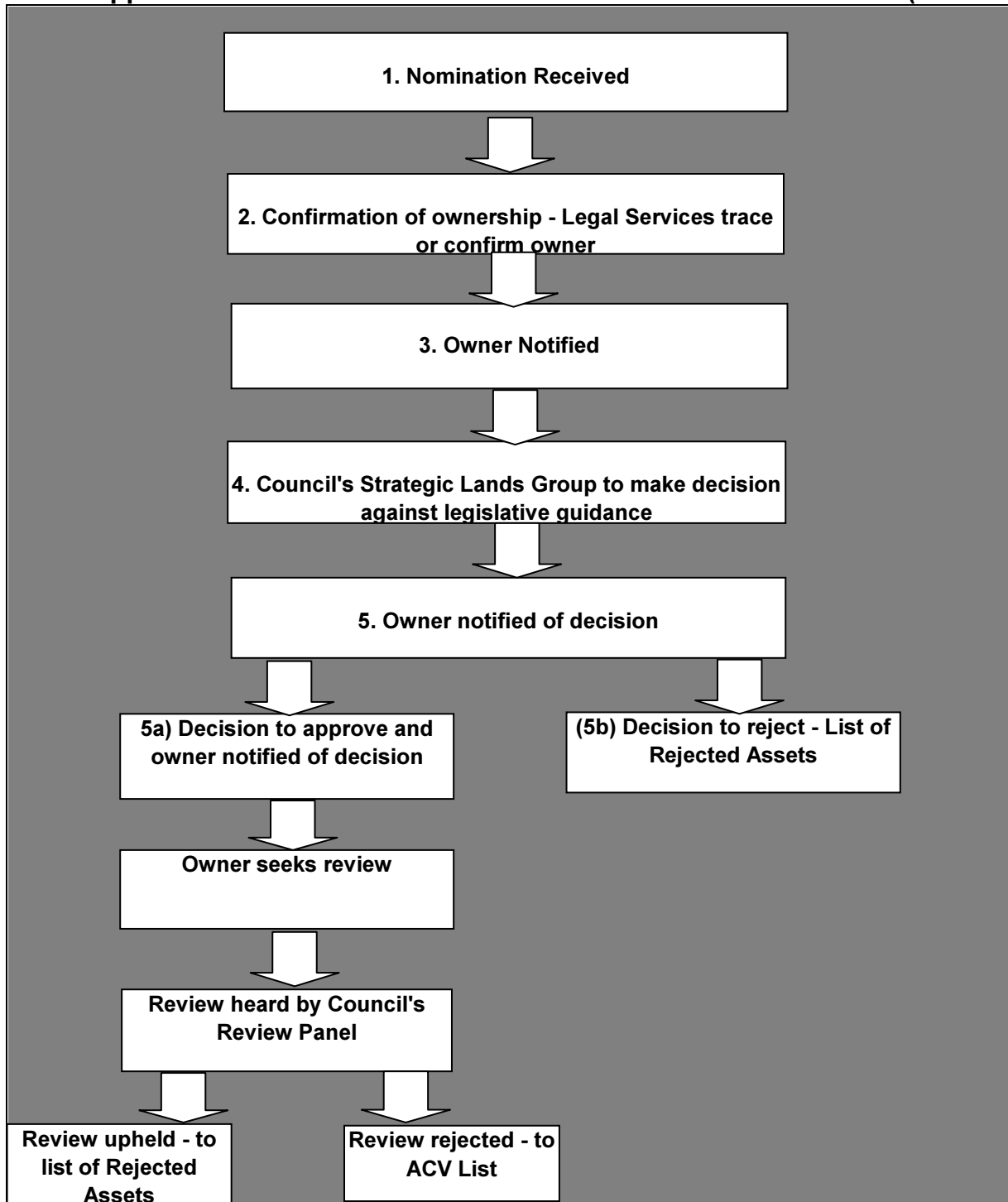
SECTION 3

13. COMMUNITY RIGHT TO BID

- 13.1 The Localism Act 2011 allows local groups such as voluntary organisations, community interest companies, parish councils or unincorporated local bodies (with at least 21 members eligible to vote locally) to nominate land or buildings of a non-residential nature to be placed on a local authority list as an asset of community value. The land or buildings can be in private or public ownership.
- 13.2 The Council has a new duty to administer the statutory process and if it receives a valid nomination it must decide if the land or building meets the definition as set out within the Act, which requires an actual current use of the building or land (not its ancillary use) which furthers the social wellbeing or social interests of the local community.
- 13.3 Once a building is listed and has met all the legal criteria, owners of the land are notified and have a right of appeal against the listing. There are also compensation provisions if the owner of the land or building has a financial loss due to potential delays that a community right to bid creates.
- 13.4 If an asset that has been placed on the formal list of assets of community value is then proposed for sale, the local organisations will have up to 6 months to raise capital and bid to buy the asset. This new right is known as the community right to bid. There is no requirement on the owner to sell the asset to the relevant nominating body or indeed any other bidding local organisation.
- 13.5 Under the 'Community Right to Bid' provisions, the Council is required to:
- § Set up the process for groups to nominate assets
 - § Determine in accordance with Government regulations whether the assets can be included on the list of assets of community value
 - § Publish the list and inform the Land Registry of properties included on it
 - § Publish the details of assets nominated but unsuccessful, including the reasons for exclusion
 - § Set up an internal review process when an owner of a nominated asset disagrees with the decision to list
 - § Set up and monitor a moratorium process for when a listed asset comes on the market allowing community groups time to register their intention to bid and raise the necessary capital, and which prevents the owner from selling the asset during this period.
 - § Operate a compensation scheme for owners for loss or expense incurred as a result of listing and complying with any of the procedures of the scheme
 - § Set up a process for the owner of a listed asset to notify the Council of the intention to dispose and for the Council to notify the original nominating body and publicise the owner's intention within the local area.
- 13.6 Arrangements for the adjudication and payment of any compensation claimed by owners for loss or expense incurred as a result of listing and complying with any of the procedures required by the scheme are to be administered by the Council. This can include costs incurred due to the moratorium period, and for legal expenses related to a successful tribunal appeal. The scheme must include an initial decision-making process and an internal review process.

13.7 The Government has reflected the estimated costs of compensation within the new burdens funding, on the basis of 40 successful claims across all administering local authorities over a year. In addition to the amount included within the new burdens assessment, the Government will meet costs of compensation payments of over £20,000 in a financial year – either on one large claim or as a combined total on a number of smaller claims. Any costs incurred by the Council up to £20,000 will not be met separately by Government.

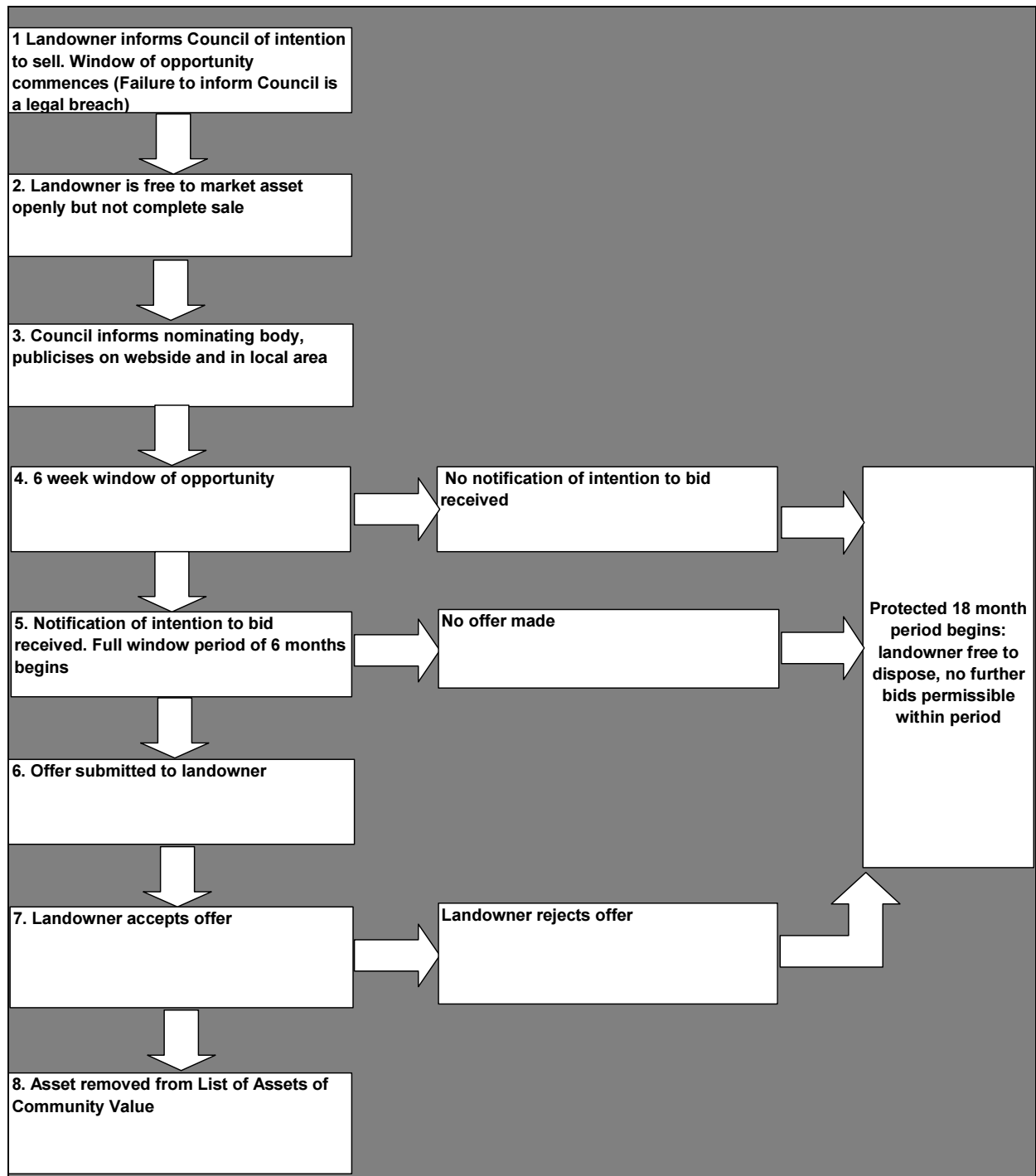
**14 (a) Assets of Community Value – Community Right to Bid
Application Process from asset nomination received to decision (8 weeks)**



§ Strategic Lands Group will make the decision on the Community Right to Bid consultation. Prior to a decision being made there will be a consultation with Ward Members.

§ Review Panel will be Executive Member for Economic Growth and Prosperity, Corporate Director for Economic Growth and Prosperity and Acting Director of Legal and Democratic Services. If the application has a direct impact on a particular service an additional officer can be co-opted onto the Review Panel.

(b) Assets of Community Value – Process for Asset Disposal



*NB The 18 month 'protected period' is applicable from the date the owner notified the Local Authority of an intention to sell. The 18 month period ensures that there is no further moratorium during this time.

Financial Impact:	<p>Revenue - Creation of full repairing leases will release the Council from revenue expenditure on property occupied by community organisations and provide Council savings on the repairing liability of approximately £200,000 and approximately £150,000 on utility costs.</p> <p>Capital - Initial capital expenditure may be required in some cases to achieve this. Avenues of funding would need to be explored from external sources.</p> <p>Capital receipts could be obtained from the asset transfer of a property.</p> <p>For compensation claims re right to bid, the Council could be liable in any one year for up to £20,000</p> <p>There are possible strategic risks associated with some transfers but overall the intention would be for there to be a reduction in premises related costs for the Council.</p>
Legal Impact:	<p>All organisations would occupy property on a formal legal basis. For transferred assets, the Council may still be liable for incidents under health and safety legislation where a community group is in breach of statutory duty. The requirements of the right to bid process are as set out in the report</p>
Human Resources Impact:	<p>Depends on the terms of transfer of Council assets ie TUPE.</p>
Asset Management Impact:	<p>These are set out in more detail in the report. The review of rent grants and agreements will be led by Asset Management with the assistance of finance and legal departments. Formal arrangements for the use of Council property by community organisations and the sale of surplus properties should allow the Council to manage its property assets more efficiently and effectively.</p>
E-Government Impact:	<p>None</p>
Risk Management Impact:	<p>Risks are as set out in the report. These concern losing control of strategic assets, possible lack of maintenance by community organisations and other operational risks regarding health and safety in the management of facilities.</p>

Health and Safety Impact:	There are potential risks from transfer if community groups lack expertise or capacity in managing property assets such as the management of asbestos or monitoring of Legionella. These obligations will be made in transfer agreements.
Equality / Diversity Impact	Each Community Asset Transfer proposal will undertake an Equality impact assessment on the proposed usage of the premises before agreeing to the transfer.

Finance Officer Clearance

ID.....

Legal Officer Clearance

JLF.....

John Jones

Corporate Directors Signature