



TRAFFORD
COUNCIL

Appendix (ii)
COMMUNITY ASSETS STRATEGY

**A strategy for the Council's support to voluntary and community
sector's accommodation requirements**

June 2013

1. INTRODUCTION

- 1.1 This paper sets out proposals for the relationship between Trafford Council as a property owner and its partnership with the voluntary sector through use of its land and buildings. It includes a series of principles and objectives to form the basis of a strategy for developing this future relationship. The principles are set out at the appropriate sections in the report.
- 1.2 A range of partnership and commissioning arrangements are in place between the Council and voluntary and community sector organisations. These are developing in the light of support for the principles of the Localism agenda.
- 1.3 The Council provides property directly for community use, such as community centres, youth centres and libraries, as well as through partnership arrangements, for example leisure centres through the Trafford Community Leisure Trust, and certain community centres through Community Associations. Office accommodation is provided for certain partner voluntary and community organisations, and there is also an extensive range of land which is leased to many Clubs, Community Associations, Scout Groups and voluntary organisations across the Borough.
- 1.4 The land and property which voluntary groups use was traditionally in the main lands and premises not required for the Council's own operational use. However with the development of a wide range of partnership working, changes due to budget pressures, and commissioning of contracts with the sector, more operational premises are now occupied by community organisations.
- 1.5 The aim of this strategy is for Council assets to achieve maximum benefit for the communities served, and this is likely to be in the context of best value in the delivery of Council and partnership objectives, rather than best financial return. The support given must be consistent and reflect the contributions organisations make. Transparency and consistency of approach in determining why and how groups are supported, and the level of any financial contribution by the Council, are key factors.
- 1.6 Groups supported include:-
- sports clubs with junior sport sections
 - community groups and associations promoting community cohesion and interaction
 - groups delivering care and activities for children
 - social care organisations
 - organisations providing information, advice and support
 - organisations seeking to tackle youth unemployment and business development
 - organisations providing youth facilities (e.g. Scout Groups)
- 1.7 The Council will aim to support groups who will contribute to their local community through providing services that assist in improving quality of life in Trafford for people

to live, learn, work and relax. It does this by providing premises, financial support and property management services. However, it has become clear that a more transparent process for supporting groups financially is needed as part of a coherent and fair financial strategy. Decisions should be based upon clear criteria when considering applications for assistance, and performance of organisations already receiving support should be assessed.

- 1.8 The Council seeks partnership wherever it is appropriate to promote its corporate objectives and one of the underlying messages of this report is the need for the Council to continue its efforts to enable voluntary and community groups to deliver services for the community.

2. NATIONAL CONTEXT

- 2.1 Community ownership and management of assets such as village halls, community centres, libraries and recreational facilities can lead to improved service delivery. A local residents' association or voluntary body might be a more appropriate body to look after the upkeep of a centre than the local Council. The residents' association might well look after its upkeep better if assigned the responsibility which may or may not include the transfer of resource to do so, since it will be of direct benefit to their community.
- 2.2 Nationally, the importance of the growing role of the community in assisting in the delivery of services and the management of community assets has resulted in the Localism Act, encouraging community bids to run services and manage assets. 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. The Council's approach includes our response to the requirements of the Act in relation to Community Right to Bid.
- 2.3 Previous reviews of community buildings have considered how the assets were managed, rather than setting out a strategy determining whether the Council should have community buildings at all or what it was trying to achieve by owning the buildings.
- 2.4 The practicalities of embracing this movement toward community management of land and buildings are still evolving nationally as well as in Trafford. Groups may lack not only the resources to run buildings, but also the necessary skills and networks required to maximise their efforts. It is clear from recent experience that such a change will require a multi-agency approach that is both collaborative and time-consuming, and to a certain extent involves some measured risk-taking on all sides. There are examples of lengthy delays in resolving financial and governance issues in Trafford, while other examples in Trafford demonstrate the ability to achieve success. There will be particular concerns where a building is a heritage asset. In addition,

many redundant public buildings have a viable future in other uses of benefit to the community or commerce but this is not always the case.

- 2.5 The Council clearly 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, so providing long term value for money. Ignoring physical capital as a wider asset can lead to additional costs and missed opportunities to capture full potential value. The Localism Act also points to the importance of assets to promote community cohesion, and the need to involve the community in the management of local assets.
- 2.6 A particular concern in respect of financial sustainability, in the light of current budget constraints, is the ability of organisations to own and operate buildings using their own sources of finance. Given the level of budgets likely to be available to the Council in the coming years, transfer of budgets from the Council will impact on the sustainability of the retained assets.

3 ASSET MANAGEMENT CONTEXT AND PROPERTY AGREEMENTS

- 3.1 Nationally there is a range of different models for community management of assets, as set out below, and no nationally agreed approach to management for community use.
- 3.2 The Corporate Landlord approach to asset management whereby all property matters are centralised and property budgets are pooled then distributed according to planned expenditure, is a natural prerequisite for ensuring any community use supports corporate aims and fits with corporate asset strategies. Within this context, any community use should be supported by a sponsoring service, in recognition of the importance of the organisation to the achievement of specific objectives. This could be in the form of a service level agreement with groups who receive some form of support from the Council.
- 3.3 A mapping exercise has been undertaken to identify which groups are supported and which assets are involved. Ultimately this could be extended to include the mapping of all community venues, in all ownerships, to develop a true identification of needs and supply.
- 3.4 In the majority of cases a group will occupy accommodation or land and be responsible for the upkeep under a lease arrangement. The Council's Asset Management service has determined a reasonable rent for the asset and in many cases this is subject to Rent Grant and will be deemed to be a contribution to the work of the organisation. However, other services currently manage land for use by the community, such as for allotments, youth or parks (particularly bowls) buildings and no formal agreements for tenure or payment have been identified. In addition, the reason

for support to groups is not set out transparently, and there are no identifiable performance indicators or monitoring.

3.5 There are various forms of arrangement possible between the Council and community organisations. These involve varying degrees of control by the Council over the activities of the various groups, variable lengths of Agreement and different financial and property implications. They include :-

- § *Service Level Agreements*
- § *Management Agreements*
- § *Licences to occupy land or premises*
- § *Short term Tenancies*
- § *Leases without security of tenure*
- § *Long leases (usually 25 years or more)*

3.6 There is a clear need for the Council to seek to formalise occupation arrangements, not just for reasons of probity but to facilitate external funding and ensure organisations have a clear understanding of the nature of partnerships. Formalisation with a standard approach is a key requirement to ensure consistency of treatment across all property related arrangements across Trafford.

3.7 A key issue for community organisations is the inclusion of rent in a Lease. The Council's policy, which differs from other authorities, 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. In practice a Rent Grant has been given for 100% of the rent so that there is less pressure on revenue. This policy is has not been followed in all cases, and should be expanded across all property where rent from voluntary or community organisations is foregone.

3.8 While a rent grant may be appropriate to cover that aspect of expenditure, together with rate relief to reduce overall expenditure on the asset, the expectation in future will be that all other occupancy costs should be covered by the community occupier.

3.9 Community Matters, in its booklet "*Occupying Community premises*" sets out what it considers to be best practice for Landlords and for Community Associations. In summary these are –

- § Landlords should seek to understand the issues faced by Associations around charitable status
- § Negotiations should be open and use the Community Matters specimen lease as a basis for Lease documentation, and not seek to control the Association's activities too much
- § Local Authorities should support Associations by granting long leases where possible
- § They should charge nominal rents and grant Discretionary Rate Relief

- § Community organisations should seek professional advice as much as possible, especially where taking a lease in excess of 7 years.
- 3.10 Each property and Agreement will have its own unique set of circumstances and the payment of rent, for example, can be considered in the matrix of the whole relationship. In some instances the payment of rent may act as an encouragement to develop entrepreneurship, or may be appropriate where the context of the organisation is more social than community benefit focused. Whatever the approach, it is important that those engaging with the Council are clear on the principles, and in Trafford it is intended that groups should at least cover relevant running costs.
- 3.11 The Council is obliged by the Local Government Act to obtain the best consideration in the circumstances under leases greater than seven years and this governs the ascribing of rent. The General Disposal Consent (England) 2003 allows councils to dispose of land at less than best price or lease land for more than 7 years if it considers that it will help to secure the promotion or improvement of the economic, social or environmental well-being of its area. Such a route would be open to the Council if it considered that disposal of an asset was desirable, possibly to a Development Trust by sale or long lease.
- 3.12 In considering how assets should be managed, and therefore the Agreements made, consideration will be given to the following issues:
- § Length/type of Agreement and security of tenure (having regard to future use of the land or building by the Council)
 - § Repairing and other responsibilities
 - § Opportunities to control non-property related matters through the Agreement
 - § Status of persons entering into Agreement and degree of personal liability
 - § Sub-letting or transfer
 - § Governance arrangements and Council representation on the body
 - § The impact of charity law and requirements of the Charity Commissioners or Governing Bodies of sport
 - § Responsibility for payment of Rent and Non-Domestic rates
- 3.13 The variety of property agreements (including Management Agreements within that definition) will produce a similar variety of financial arrangements. This ranges from a community organisation having significant income from the property (with say a bar) and is therefore able to provide a return to the Council, to the majority of cases where the Council contributes financially (in future mainly by foregoing rent/rates income) and the organisation covers other expenditure including repairs and maintenance).
- 3.14 Monetary return will depend on the nature of the activity, a view taken on who can best manage that activity and who should benefit from any return as recompense for the input made to achieve Best Value for the Council.

3.15 Whatever the legal arrangements, Trafford is committed to partnership with community organisations and this is likely to be reflected in a high level of financial commitment on property in the foreseeable future.

4 COUNCIL OWNED COMMUNITY CENTRES

4.1 The Council has a mixed economy approach to community centres, and has encouraged community engagement in the management and operation of centre, a number of which have been leased or transferred to Community Associations.

4.2 Community Associations are leaseholders and manage the following eight community centres:-

- Bowdon Jubilee Centre
- Riddings Centre, Timperley
- Sale Moor Community Centre, Norris Road
- Firswood Community Centre, Stretford
- Hartford Community Centre, Urmston
- Shawe Hall Community Centre, Flixton.
- Broomwood Community Centre, Timperley (subject of an Asset Transfer)

4.3 These centres are holding over on lease agreements, and renewals will need to be negotiated quickly. The leases are covered by Rent Grant, with the Associations covering most expenditure. It is intended that longer leases are offered in return for the associations taking full responsibility for repair and maintenance of the properties. Capital investment to address outstanding condition issues is likely to be needed to enable the Associations to take on this proposed wider commitment.

4.4 The remaining directly managed centres are:-

- § Old Trafford Community Centre, Shrewsbury Street
- § Sale West Community Centre, Newbury Avenue, Ashton-on-Mersey
- § Partington Community Centre.

4.5 Notable examples of transfer or assistance with the development of new community facilities and provision:

- § **Larkhill Community Centre, Timperley** - Community Association drew down over £400,000 in lottery funding for a new building on Council land.
- § **Family Contact Line Centre** in the former Darby and Joan Club building, Stamford Park, Altrincham (2003). FCL obtained Lottery monies to refurbish and extend the building, which is let on a 25 year Lease.
- § **Pownall Road Day Centre** – transfer to Altrincham Baptist Church and re-opening after refurbishment as The Hub community facility
- § **Walton Park Sports Centre** – transfer to user groups in 2010

- § **Healthy Living Centre / Library** in Partington managed by blueSCI
 - § **Former Firswood Library** – long lease to the Church of God of Prophecy as a Church and community venue in 2012
 - § **LifeChurch, Raglan Road Sale** – incorporation of community facilities in a new church building, combining the former church and community centre activities
 - § **Broomwood Centre** – lease to blueSCI for the development of community and associated activities
 - § **Broadheath Community Association** – support to the Community Association for proposed community facilities using Section 106 funds on-going
 - § **Seamons Moss Community Association** – support in seeking a new site – on-going
- 4.6 It is clear that in the current economic climate, the budgets for the directly managed centres will come under pressure, and could potentially become unsustainable in the light of revenue budget pressures and the backlog of maintenance. In this context, maintaining the status quo is not an option.
- 4.7 The future strategy will therefore need to continue the pro-active approach to the transfer of property in partnership with Community Associations. Of the three remaining directly provided centres:-
- § Old Trafford – is subject to an Extra Care bid including wider facilities incorporating community space and library (2013)
 - § Sale West – is subject to feasibility studies on the potential for transfer, supported by a range of bodies including local housing associations, churches, local partnership and the Council.
- 4.8 The management of community centres is not a statutory service, and in many cases Trafford has inherited responsibilities. However, disposal of these buildings is not considered to be an option in the short term and therefore the Council will continue to require a significant revenue budget to be provided for their maintenance unless community management can be achieved. Alternative providers in the longer term can be sought to reduce the direct provision of the Council if this can be justified on the grounds that management arrangements will not suffer and there is a financial benefit to the remaining Centres through savings produced.
- 4.9 The limiting factors on the pace of improvement are likely to be -
- § The prioritisation of investment through the Capital Programme with competing demands on general expenditure

- § Urgent attention to health and safety of users and the minimisation of risk to the Council as a property owner and manager
- § The need to achieve efficiency savings year on year
- § Capacity of user groups to take on the management of buildings and staff
- § Ability of Community Associations to draw down external funds
- § The ability to assist user groups to develop self-management of buildings

Rolling out self-management

- 4.10 Self-management is the preferred aim for the Government and for local groups themselves. However, it presents a significant challenge, given the constraints outlined in the previous paragraph. The key issues are finance and capacity to manage.
- 4.11 If the Council is unable to commit further revenue expenditure on community centres in order to continue a prudent approach to the corporate budget, it must carefully prioritise the revenue budget it has now. This means in practice choosing to support some Centres to tackle issues around condition and supervision first.
- 4.12 Current negotiations on the transfer of Sale West Community Centre to the Community Association have raised the issue that fixing financial contributions to continue running these premises meant that the remainder of the Service budget will need to be prioritised on the less sustainable and more dilapidated Centres. This is a matter for negotiation, but clearly if further Centres are to become self-managing, with a Council contribution, a greater proportion of revenue expenditure will be committed long-term (to 25-year leases).

There are two major issues (a) the management of existing staff and secondment arrangements (b) the transfer of sustainable budgets for Associations to manage but without the ability to call on the larger 'pot' of revenue monies held by the Service which is transferable between buildings.

- 4.13 Condition surveys have now been carried out on all of the Community Centres, both directly managed and those that are leased. The surveys highlighted a backlog of repairs required to be carried out. As the change to greater self-management takes place it will be necessary to be identify these costs so that the embryonic local Association can form a robust business plan.

The table below highlights the current condition of the community centres and the cost of repairs :-

Community Centre	Repairs Maintenance Required (£000)	and Condition Category (A-D)
<u>Directly Managed</u>		
<i>Old Trafford</i>	£328,915	B

<i>Sale West</i>	£99,375	B
<i>Partington</i>	£173,602	C
<i>Broomwood</i>	Subject to Asset Transfer	
<u>Leased Buildings</u>		
<i>Sale Moor</i>	£15,206	B
<i>Firwood</i>	£95,312	C
<i>Humphrey Park</i>	£43,339	B
<i>Jubilee Centre, Bowdon</i>	£38,805	B
<i>Hartford</i>	£14,118	B
<i>Shawe Hall, Flixton</i>	£10,028	B
<i>Riddings (Timperley)</i>	£36,974	C

(*) Work required within 3-5 years that will prevent deterioration of the fabric or service and / or address a low risk to the health and safety of occupants and / or remedy a less serious breach of legislation

Condition Grading

Grade A – Good, performing as intended and operating efficiently

Grade B – Satisfactory, performing as intended but exhibiting minor deterioration

Grade C – Poor, exhibiting major defects and / or not operating as intended

Grade D – Bad, life expired and / or serious risk of imminent failure

5 SPORTS CLUBS

- 5.1 The Council's policy toward sports clubs in the Borough was developed over a number of years and a set of principles were developed with a bias towards clubs who promote and develop sport for juniors and are affiliated to approved bodies. Clubs have been encouraged to achieve high standards in their particular sport and supported by Sports Development staff, now part of TCLT, in making applications for regional and national status. Support has been given on the principle that the community benefits from the assistance given to Clubs via discretionary rate relief (DRR) and other forms of assistance.
- 5.2 The support for Clubs has been based upon them meeting several criteria, in relation to meeting the Council's objectives in regard to activities for young people, and when operating in line with the criteria also meet many of the requirements for external funding for example the Football Foundation.
- 5.3 The requirements include the following:-
- § 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 DDA Act

5.4 Several Clubs also receive Rent Grant (reported separately) and this follows the criteria for DRR.

5.5 The approach to sports clubs, and the specific clubs supported, should be subject to review. Support given at present is set out in the appendix schedule.

6 PARKS BOWLING CLUBS

6.1 Trafford has a number of bowling greens in Parks and in other areas used by various Clubs, many of which are long-established, providing activity and a community resource, particularly to older persons across the Borough.

6.2 The strategy for inclusion of the Pavilions in the Council's asset management planning requires development in order to ensure that these buildings remain fit for purpose and accommodates the diversity these buildings are now used for. Many of the buildings are used throughout the year, beyond the Bowling Season from April to October, and fulfil a community function for social purposes in addition to the "Clubhouse" they were envisaged to be.

6.3 In line with the principles of this report, Pavilions should be used for maximum community benefit, and in line with the principle of local governance, management of them should transfer to the Clubs over time where clubs can be shown to meet the required access criteria. In particular the development of Friends Groups for Parks has generated a demand for meeting space within Parks which bowling clubs often control, not necessarily reaching all sectors of the community.

6.4 Most of the Clubs occupy the pavilions without written agreements and have not paid any rent or utility charges for their use. None have any Management Agreements with Clubs which determine acceptable levels of access for casual bowling, energy conservation, or suitable regimes to enable greens to be maintained to a high level. This is a fairly high risk to the Council that costs cannot be planned and that wider community benefit cannot be secured for the long term. There are 29 greens at 21 sites. While public access is allowed, clubs have priority for League fixtures or events. Pavilions are used for social activities, but not generally on an open basis. Youth bowls activities are rare, and while the Council is responsible for greens and pavilion maintenance and utility charges, do not hold a key for the majority of the buildings. .

6.5 Alongside this, the Council pays for all repairs to the buildings and maintains the bowling greens, but receives no income for their use. This has become a specific

pressure on the Council's budgets as maintenance and utility costs are rising annually but there is no commensurate income generated from the use of pavilions and greens alike. It is becoming critical that the various health and safety aspects of property management are addressed in the near future as part of the upgrading of facilities, such as dealing with disabled access, the presence of asbestos and the monitoring of Legionella. Working with the Clubs will be essential to address these issues.

- 6.6 As with managed Community Centres mentioned earlier, 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. When set against the Council's Sports Development strategy, many Clubs would not qualify for Rent Grant or rate relief (although Rates are not applicable on most pavilions if mainly used for bowling activities).
- 6.7 Implementing a series of improvements to facilities could be funded through the Council's capital programme, and if the Friends of Parks Groups were able to secure grant monies for these buildings it may be possible to reduce the overall financial requirement on the Council. However, as has already been mentioned, access to the buildings to carry out works is likely to pose a number of practical problems –
- Clubs have exclusive possession of many of the pavilions
 - Relationships between Friends Groups and Bowling Clubs specifically regarding the use and maintenance of the buildings and associated facilities which might benefit Park users generally are not well developed across the Borough and may hinder the ability of community groups to access external funding
 - Safety reports may reveal urgent action is needed which may involve the closure of facilities in order to carry out works
 - Alternative accommodation for bowlers during refurbishment works may be hard to identify within the same Park in many cases
 - No designated 'building managers' for Local Asbestos Management Plans or Legionella testing exist within any Club and training in managing these risks would need to be carried out. This may be difficult given the demographic of the users
- 6.8 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. This would seek to formalise custom and practice over many years by passing certain aspects of management over to the Clubs in line with the general principle of greater public access and local management. All costs excluding rent should be borne by the clubs.
- 6.9 6.9 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.

7 ALLOTMENT SOCIETIES

- 7.1 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 covers the utility costs for the allotment sites that are leased.

8 FAITH GROUPS

- 8.1 The Council has worked with faith groups to develop a number of community facilities, or transfer existing ones. These include:
- The Hub, Altrincham – use of former day centre as community facility
 - The Beacon Centre, Firswood – use of former library as Church and community facility
 - LifeChurch Raglan Road Sale – inclusion of former community centre facilities
 - Sale West – St Mary, Ashton-on-Mersey as lead for community transfer.
- 8.2 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. For these reasons, the faith organisations have made and continue to make a particular and distinctive contribution to the development and implementation of Government policy in certain areas.
- 8.3 Moreover, faith communities have a long tradition of working with their members and others to foster community development. Central Government is increasingly exploring ways of using the experience and resources of faith communities "on the ground" to deliver services.
- 8.4 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. Many are involved with older people and families and play a significant role in working with young people.
- 8.5 Many hold luncheon clubs for older people or may be the venue for many playgroups and childcare facilities. As, nationally, youth centres and provision for young people have come under financial pressure, reorganisation and increased regulation, faith groups play an important role in meeting the needs of young people. The important issue is that this work is professionally done and operates in a transparent and co-operative way with the Council, whatever the religious origin.

- 8.6 It may be helpful to set out a proposed code for the Council to determine how its assets should be used by faith groups, focussing on outputs such as delivery of activities for youth and as partner of the Council's Social Services. It is suggested that the "Faithworks Charter" would be a suitable basis for adopting criteria to manage the relationship with faith groups (of any faith) .This could form the basis of a Service Level Agreement approach. The full Charter (available on the website quoted) is intended for Christian Churches, and since these are likely to form the majority of approaches to the Council in the period covered by this Paper, they could be asked to sign up to the whole Charter.
- 8.7 This Charter (summarised) is set out below
- § Providing an inclusive service, respecting people of all faiths and none.
 - § Never imposing our faith or beliefs on others
 - § Developing partnerships with other providers to establish an integrated service to the community and avoid duplication
 - § Implementing best employment practices
 - § Developing a professional approach to management, practice and funding (including Health and Safety and child protection)
 - § Handling finances in a transparent way
- 8.8 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. While lease arrangements protect the property aspects of the relationship, it is important that there are clear benefits to the community from the work that is undertaken.

9 OTHER VOLUNTARY OR CHARITABLE GROUPS

- 9.1 The Council's "Let Estate", comprises of properties leased to third parties, and other assets such as the Council's Parks, facilitates an important relationship with the voluntary and charitable sector.
- 9.2 The groups are involved in many of the activities that the Council sees as playing an important role in community life. These include Scouts, Arts groups, Friends Groups, Allotment Societies, Bowling Clubs and Nursery groups. The Council is not under an obligation to provide land and premises for these groups (although in the case of allotments it may have an obligation to replace them under the Allotment Acts) but it does recognise that its land holdings enable it to use its assets to achieve its corporate objectives.
- 9.3 The Council's Let Estate Strategy embraces the principle of supporting community groups alongside the objective of maximising the assets of the Council for economic benefit. The Council seeks to obtain maximum community benefit from its assets.

- 9.4 Charges made vary according to type of organisation. 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. In this instance it is appropriate to charge a rent and treat the letting on a commercial footing. Scout Groups however, pay a rent reflecting their often low-income base and this is common practice across all Greater Manchester Authorities. This arrangement also reflects the educational and social benefits that Scout Groups provide.
- 9.5 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 also to maximise the use and improve the condition of the remaining stock. In this context it is important that a clear strategy is adopted to ensure that those groups benefiting from occupying Council assets are provided with a context within which to work with the Authority.
- 9.6 Of 11 identified Let Estate assets leased to the voluntary sector, 4 are holding over, and will be subject to review in 2013/14. The more recent leases are for longer terms with full repairing arrangements, and are therefore more in line with current thinking on local independence and ownership.
- 9.7 A number of groups have been allowed occupation of Council office accommodation, and this is mainly at no cost to the organisations. Organisations include CAB, Shopmobility, Victim Support, VCAT, and various bodies at Old Trafford and Partington community centres in particular.
- 9.8 Many groups request space in Council office premises, and once in place, tend not to vacate. The rationale behind their occupation, in preference to other groups, is often not obvious, or based on past criteria which may no longer fit with Council priorities. Occupation varies in tenure and support, and it is proposed that the approach is rationalised, with criteria as set out in the Rent Grants section being applied. In these cases it may be difficult to achieve a position where organisations contribute to running costs.
- 9.9 In the Section on Financial Strategy, the approach to supporting groups by way of Rent Grant and rate relief is set out. When the approach to lease terms generally is combined with this (from Section 2), this forms a comprehensive background for decision-making and engagement.

10 FINANCIAL SUPPORT

Capital funding

- 10.2 10.1 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

10.3 If the Council's relationship with the community is to have long-term expression, it must deal with the financial issues and pressures facing voluntary organisations, who give much of their time without financial reward, 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)

10.4 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 CAB's.
- § 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
- § Where a Club is run for political purposes
- § Housing Associations
- § Where a grant is already given by the Authority or under s48 of the LGFA 1988.

10.5 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.

10.6 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. The Council is likely to be required to give its approval both as Planning Authority and Landlord but is unable to use any discretion based on the existing policy to influence the level of NNDR payable by the Lessee. Club development may therefore have an unintended financial consequence on the Council's revenue budget. A risk assessment in this area has not been undertaken as part of this report.

Rent Grants

- 10.7 The Head of Property and Development will deal with the assessment of whether or not a group qualifies for Rent Grant in consultation with Service Heads. This report seeks to clarify the process. The Head of Property and Development will always seek views of relevant directorates before recommending to Members that a Rent Grant arrangement is approved. A book transfer is made annually at year-end.
- 10.8 Assessments for Rent Grants are based on similar lines to that in place for Rate Relief and the rent record amended accordingly.
- 10.9 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.
- 10.10 The approval of rent grant rests with Executive Members who rely on officers' recommendations regarding the worthiness of the organisation seeking support. The level of Rent Grant is 100% but no detailed "community benefit test" is applied to rent grant. Where rents are set in the Lease agreement, if Members choose to vary the amount of grant in the future, the difference between rent and grant will automatically produce a rent income. In the majority of cases, it is however implicit to the principle of partnership that the level of grant remains the same as the rent throughout the period of the Lease. Alterations to the level of grant would only be affected by changes in the groups' activities relative to the grant criteria.
- 10.11 Recommendations with regard to the suitability of an organisation as partner supporting the Council's objectives are sought, and this is usually sufficient to recommend approval to Members. However, it is felt that a more formal and transparent application process would be helpful, to evidence community benefit, and justify the grant element. A more formal process would also be helpful for audit purposes, although a lighter touch might be expected for organisations such as CAB's.

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.

- 10.12 A further audit of groups receiving Rent Grant should be undertaken to verify the that the criteria are met by the groups receiving support, to collect evidence to support future grant eligibility, giving groups who find it difficult to comply immediately an opportunity to work on developing appropriate policies. This will require the completion of a formal application form.
- 10.13 In order to protect current budgets and to minimise the impact on current arrangements with Groups, the criteria chosen reflect recent practice.
- 10.14 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 a corporate process needs to be initiated to ensure that value for the rent and rate income foregone through the support to the various Clubs and Groups is obtained. The current system is far from ideal as outputs are not measured and a more explicit link between grant and service delivery can only assist in developing a partnership that has greater meaning.
- 10.15 All property support for voluntary and community organisations should be on the basis of the principles set out above. This also implies that all such arrangements should be subject to lease, with rent, and where applicable Rent Grant being established for all such occupation.
- 10.16 It is also proposed that with the exception of Rent Grant and DRR, all property costs of occupation, including utility charges and 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.

11 PRINCIPLES FOR PROPERTY SUPPORT

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