

# **Report of the Strategic Director of Regeneration and Culture to the meeting of Governance & Audit Committee to be held on 26<sup>th</sup> June 2015.**

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**Subject:**

**F**

**Community Asset Transfer Policy and Process**

## **Summary statement:**

This report provides the Governance and Audit Committee an update on changes made to the Community Asset Transfer Policy following approval at Executive on the 10<sup>th</sup> March 2015 of the Youth Service Buildings Review and requirement for exploration of alternative estate management arrangements.

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City of Bradford  
Metropolitan District Council



## **1. SUMMARY**

This report informs the Governance and Audit Committee of the proposed changes to update the existing Community Asset Transfer Policy approved in 2012. It seeks the Committees comments and recommendations in relation to the proposed changes to the policy and inclusion of a transparent process of evaluation to support the delivery of successful community asset management transfers.

## **2. BACKGROUND**

- 2.1 The Council's Disposal Policy was approved in at Executive in 2012. This requires consultation with Ward Councillors prior to any buildings being deemed surplus to requirement. The Community Asset Transfer Policy is attached to the Disposal Policy and was approved at Executive on the same date. This policy covers all CAT enquiries for any Council owned premises (Appendix 1).
- 2.2 Following the Youth Service Buildings review the Council has actively encouraged interest from community organisations in community asset transfers.
- 2.3 The review of Youth Service Buildings identified 18 organisations who expressed interest in the buildings indicated as surplus to the Council's operational requirements. In line with the recommendations from the Governance and Audit Committee and subsequently approved at Executive opportunities for partnership with the local community and voluntary sector organisations has been explored.
- 2.4 The New Delivery Model for Bradford's Children's Centres considered by the Executive on 4<sup>th</sup> November 2014 re-designated 9 centres as delivery sites. Alternative management arrangements are being considered at these sites in addition to the Youth Service Buildings
- 2.5 The Council's Community Asset Transfer Policy was produced and published in 2012. The policy sets out Bradford Council's approach to and requirements for community asset transfers. It referred to procedures in place to transfer land and property assets often at below market value to community organisations. This document also referred to the need for a framework to provide clear guidance on the process and responsibilities of both the Council and applicant.
- 2.6 Following Executive approval of the Youth Service review recommendations. The Estate Management Service facilitated by the Youth Service provided awareness sessions to interested groups across the district on the Council's Community Asset Transfer Policy and provided information handouts.
- 2.7 This highlighted the need for a framework with a clear process, defined responsibilities, timescales and documentation. These have subsequently been created (Appendix 1 – Community Asset Transfer 2015, pg 11, Section 9) along with register of applications which is being published on line for public reference.

### **3. OTHER CONSIDERATIONS**

- 3.1 There has been more than one expression of interest and/or application for the same property. In these instances, the Council are informing all parties of the current status. In some instances groups have merged. In others, groups have not formally continued with the process.
- 3.2 The process contributes to the New Deal initiative in encouraging and inspiring community interest and activity in provision of services.

### **4. POLICY CHANGES**

- 4.1 The main change to the 2015 update is the introduction of Section 7.10 Decision Making (see Appendix 1, pg 10) . This will facilitate timely decision making.
- 4.2 The proposed changes include the addition of a framework with staged applications, a clear evaluation process with set criteria to be undertaken by officers from Estates, Finance, Legal and Neighbourhoods and timescales for both the applicant and the Council to adhere to.
- 4.3 The framework also provides a communication structure e.g. notification to Ward and Parish Councillors.
- 4.4 The purpose of these proposals is to provide transparency, fairness and consistency for all parties.
- 4.5 There have been approximately 18 expressions of interest received to date in respect of 12 of the 14 properties listed as available for transfer.
- 4.6 Benefits to be achieved from the proposed policy changes:
- The process is administered centrally through registration which provides assurance for partners and officers.
  - The process is communicated with visuals and guidance, providing clarity of responsibilities and consistency in communication.
  - Following consultation and agreements to the disposal of premises. This process ensures Members/Ward Councillors/Parish Councillors etc are updated and notified as appropriate.
  - The inclusion of an evaluation process with officers from across Service areas provides a balanced platform.
  - Timescales are provided to all parties, it is proposed this is monitored and administered centrally to provide confidence in the process.
- 4.7 The process is anticipated to take no longer than 1 year. It is possible to conclude sooner, but this is dependent upon the applicant completing the documentation in a timely manner and quality assurance of the information provided in order to meet the Council's criteria.

- 4.8 The Council will work with applicants to provide appropriate support during the application stages, directly or indirectly, in particular through communications with the Neighbourhood Service and the voluntary sector organisations. We want to encourage communities to make the best use of assets and have the best chance of securing long term sustainability through sharing the occupation and use of buildings as well as ensuring that the assets continue to be used by, and benefit, the widest section of the local community as possible.

## **5. FINANCIAL & RESOURCE APPRAISAL**

- 5.1 A saving of £70,400 was projected as part of Youth Service review for 2015/16.
- 5.2 Work relating to Community Assets is currently being resourced from within the existing Estate Management Service. There is a high demand due to recent property/service changes and it is questionable whether the support being currently provided can be maintained long term without additional resource if the demand does not subside.
- 5.3 Regular meetings and discussions between Estate Management, Neighbourhoods and Economic Development are taking to ensure that all Council services and support are aligned.

## **6. RISK MANAGEMENT AND GOVERNANCE ISSUES**

- 6.1 It is proposed that Community Asset Transfers will be managed through the existing governance of the Council's Property Programme to ensure compliance with Council protocols and procedures.
- 6.2 There is risk that the community organisations are not sustainable long term and as such the properties maybe reacquired by the Council.

## **7. LEGAL APPRAISAL**

- 7.1 Legal issues emerging from the policy / process will be identified and procedures put in place to ensure that all legal and statutory requirements are complied with.
- 7.2 The current government's approach to devolving power to communities and neighbourhoods (enshrined within the Localism Act, 2011), alongside a commitment to diversification of provision and a challenging spending settlement means that now, more than ever, Council's and other public bodies increasingly need to consider asset transfer as an enabler to achieve their corporate aims.
- 7.3 The Council is obliged to comply with the statutory provisions of the Local Government Act 1972 and it is good practice to have in place procedures and protocols to ensure compliance with such statutory provisions.

7.4 Local authorities are able to transfer their land and buildings to community based organisations at 'less than best consideration', i.e. below market value. Local Government can dispose of its assets at less than best consideration under the General Disposal Consent (England) 2003, where the asset to be disposed of has an 'undervalue' of less than £2million. The legislation requires that the transfer should help to secure the promotion or improvement of the economic, social or environmental well-being of an area.

## **8. OTHER IMPLICATIONS**

### **8.1 EQUALITY & DIVERSITY**

The policies seek to ensure that land and property transactions are dealt with in a consistent manner for everyone interested in acquiring property from the council.

The change to the way in which rental subsidies are assessed and monitored may affect some groups but should not affect a particular protected characteristic group more than another.

### **8.2 SUSTAINABILITY IMPLICATIONS**

The measures, policies and arising practices set out in this report aim to ensure viable and valuable whole life use and care of assets to support local and District well-being, resilience and prosperity. The Council has a democratic stewardship role not only for each asset but also for the overall portfolio under its direct control and those under its influence. The careful management of changes and impacts arising from disposal, community asset transfer or continued Council ownership are paramount in the future application of these policies upon adoption. The long-term view is to create the conditions, appropriate governance and arrangements to utilize public assets to their maximum potential for community and civic well-being.

### **8.3 GREENHOUSE GAS EMISSIONS IMPACTS**

None

### **8.4 COMMUNITY SAFETY IMPLICATIONS**

None directly arising from the changes in this policy and procedures.

### **8.5 HUMAN RIGHTS ACT**

There are no direct Human Rights implications arising from the recommendations in this report.

### **8.6 TRADE UNION**

None

### **8.7 WARD IMPLICATIONS**

Members will be notified of applications for transfer in their wards.

**8.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS  
(for reports to Area Committees only)**

None

**9. NOT FOR PUBLICATION DOCUMENTS**

None.

**10. RECOMMENDATIONS**

10.1 It is recommended that:

1. Members note the proposed changes to Section 7.10 Decision Making in the Community Asset Transfer Policy 2015 (Appendix 1) in particular the final authorisation of Community Asset Transfer applications be authorised by the Strategic Director of Regeneration & Culture, following the implementation of a framework.
2. Members make comments and recommendations in relation to the proposed framework.

**11. APPENDICES**

Community Asset Transfer Policy 2015

**12. BACKGROUND DOCUMENTS**

Community Asset Transfer Policy 2012

## COMMUNITY ASSET TRANSFER POLICY

### 1. BACKGROUND

The Council has been letting/transferring land and buildings such as community halls, sports facilities and open spaces to voluntary and community groups for many years. However, in the past, transfer requests have tended to be dealt with on a property by property basis. Requests for leases have been received with little consideration to the wider benefits or impact of the transfer on either the Council or local communities.

Community Asset Transfer (CAT) Policy provides a framework against which sustainable community empowerment becomes the focus of future transfers and consistency of approach is applied to all requests. This focus has become increasingly critical as the Council faces, and continues to face, financial pressures.

We want to encourage communities to make the best use of assets and have the best chance of securing long term sustainability through sharing the occupation and use of buildings as well as ensuring that the assets continue to be used by, and benefit, the widest section of the local community as possible.

### 2. SCOPE

This policy covers all CAT enquiries for any Council owned premises.

### 3. POLICY STATEMENT

City of Bradford Metropolitan District Council will provide organisations interested in CAT with a clear understanding of the Council's approach and a fair, transparent and consistent process for such transactions.

### 4. DEFINITIONS

- 4.1. **CAT: Community Asset Transfer** - The transfer of land or buildings into the stewardship of third sector organisations by lease.

## **5. RELATED DOCUMENTS**

## **6. LEGAL CONTEXT**

S.123 of the Local Government Act 1972 requires the Council to obtain best consideration reasonably obtainable when disposing of land and property. There are two exceptions to this:

1. The Council may dispose of an interest in land and property at an undervalue up to £2 million below market value where the Council considers that the disposal will promote improvement of the economic, social or environmental well-being of an area.
2. S.123 does not apply to a disposal consisting of a grant of a lease term not exceeding 7 years.

Whilst each CAT proposal will be assessed on its own merits following a set process, due to the requirement to comply with S.123 and to ensure that transferred properties continue to be used for community benefit, disposals for CAT will usually take the form of leasehold transfers for a lease term up to 25 years with market rent assessed and recorded in the lease.

Requests for longer lease terms will be considered in exceptional circumstances.

## **7. THE POLICY**

### **7.1. Assets which may be considered**

The Council owns land and property assets for a variety of purposes and not all of these can be considered for community asset transfer.

The Council may consider applications for CAT in relation to surplus land and property not identified as being required to support other Council, district or strategic partners' priorities.

Operational assets, the Council's investment estate and land and property identified to be sold to generate capital to support the Council's capital programme are excluded from CAT.

Each application will be considered on the basis of a written business case, guidance as to what information should be provided is contained within this document and will be posted on the Council's website or may be obtained by contacting the Estate Management Service.



## 7.2. **Who can apply for a community asset transfer**

The Council will consider applications for CAT of qualifying assets from third sector organisations or groups based and operating within the District. Such organisations may take the form of Parish Councils, local community groups; charitable or not-for-profit organisations; co-operatives; or community benefit Industrial & Provident Societies with an asset lock.

When considering applications for CAT the Council has an expectation that applications and proposals put forward will demonstrate how the CAT and the applicant will;

1. Generate social, economic or environmental benefits which directly benefit the people of Bradford and its district.
2. Demonstrate a clear community or social demand for the CAT which will benefit as wide and diverse a range of local people as possible.
3. Have a well prepared business case.
4. Have robust systems, governance and policies, as evidenced by a recognised quality mark or by meeting all the basic requirements set out in the assessment criteria table.
5. Have the capacity to manage the asset and have directors or committee members who have the necessary experience and skill.
6. Have viable proposals in place to access capital and revenue streams to support the project and future management and maintenance of the asset.
7. Contribute towards the Council's corporate objectives, community priorities and the priorities of the Council's strategic partners.
8. Must not duplicate or negatively impact on services or facilities already provided in the local community.

## 7.3. **Basis of transfer and length of leases**

Transfers will take place in line with this policy, and in compliance with other relevant statutory or regulatory legislation.

Length of the lease terms will be based on the needs that are clearly outlined within the business case and the capacity of the organisation to manage the asset. As an indication, the following is a guide to the length of term that may apply to new CAT's:

- A management licence or agreement would normally be granted for up to 12 months
- A lease for up to 25 years

In exceptional circumstances, we may grant a lease exceeding 25 years if appropriate.

#### 7.4. **State Aid**

Before entering into any CAT the Council will need to satisfy itself that the transfer does not contravene State Aid legislation.

#### 7.5. **Rental Subsidy**

7.6. The Council has traditionally granted leases to third sector organisations at market rent and granted rental subsidies based on a completed application form and financial information submitted by the third sector organisation. Although rental subsidies are subject to periodic review the existing system does not readily take account of the benefits delivered to the wider community; whether the asset is being used to its full potential; whether the Council should continue to support the use of the asset, or; the value/cost of subsidy granted

7.7. A new system of assessing and reviewing applications for rental subsidy is being implemented in 2015/16. Assessments no longer focus on an organisation's ability to pay but instead is based on:

- Whether or not the Council wishes to support the use or services delivered from the asset.
- Regard given to how the use of the asset benefits the wider community.
- How it is made available for other groups to use.
- How well the asset is managed and maintained.
- The extent to which the asset is being used to deliver or support district and area priorities.
- Grant and other payments currently receivable by a group and payments received over the previous 5 years.

7.8. If a subsidy is granted then the Council will be clear about why it is granting a subsidy i.e. whether it is a short term subsidy granted to assist a group in becoming a sustainable and financially viable organisation or whether the Council wishes to provide longer term financial support through rental subsidy to a particular activity.

7.9. The subsidy granted will be based on a scale of percentage rebate to be awarded and it is anticipated that successful applicants will be required to agree target outputs with the Council in return for the subsidy. Organisations will be required to submit periodic output returns which will be monitored by officers.

#### 7.10. **Decision making**

In the case of proposals affecting a specific area Ward Members will be notified for their views at stage 1 and stage 3 of the process by appropriate officers in line with the agreed process as part of this policy.

The decision 'in principle' and final decision will be made by the Director of Regeneration who will consider the recommendation/s put forward by the assessing officers.

It will be at the Director's discretion whether a proposal requires escalation to Executive level for a final decision.

Parish Councils will be notified of proposed community asset transfers in line with the procedure set out in the Land and Property Disposal Policy.

Where a proposal is service driven, the driving service will be consulted as part of the assessment process.

If the Council is reasonably satisfied that the Applicant is delaying the process without just cause then the Council has the right to stop the process and close the application.

## **8. Application Process**

Due to the need for the Council to strategically manage all of its land and property all proposals for the community asset transfer of land and property will be managed by the Council's Strategic Estate Management Team regardless of whether the initial CAT proposal is formulated by a service department within the Council or an external body or group.

There are four stages to the approval process. It is important that the Applicant follows the process and provides the necessary evidence to support the application at the different stages.

Whilst an indication has been given for the length of time that it is anticipated to take for the various stages of the process, it is important to note that external/unexpected factors may impact on those timeframes e.g. availability of people (applicant/Ward Members/officers) for consultation/additional information or the next available opportunity to submit information to the Executive (if escalated) for a decision.

The Council will work with applicants to provide appropriate support directly or indirectly, in particular through communications with the Neighbourhood Service and the voluntary sector organisation.<sup>1</sup>

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<sup>1</sup> The Council encourages applicants to access information advice and guidance on the process /creation of a business case which is available from a number of organisations who work independently from the Council e.g. community voluntary services.

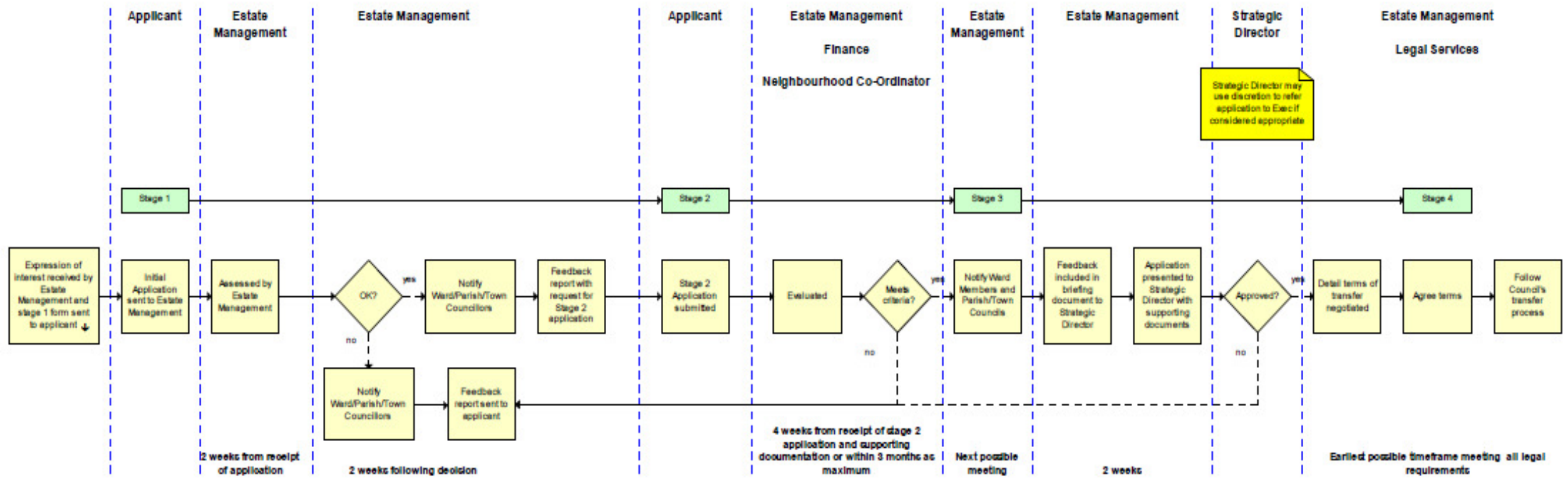
## 9. Content of submissions for stages of the process

Steps	Elements/documentation	Assessors/decision makers	Timescales
<b>Stage 1 – Application</b>			
Formal expression of interest by the Applicant	Submission of outline business case and feasibility assessment to evidence: <ul style="list-style-type: none"> <li>• Why the asset is needed</li> <li>• Aims and objectives</li> <li>• Support from others</li> </ul> Effective management of the asset (for cases where the organisation already occupies the property)	Desktop assessment by Council officers  Notify Ward Members and Parish/Town Council	2 weeks from receipt of application
<b>Stage 2 - Application</b>			
If successful at Stage 1, the Applicant to submit a detailed business plan for the whole organisation  Note: The Council encourages applicants to access information advice and guidance on the process /creation of a business case which is available from a number of organisations who work independently from the Council e.g. community voluntary services.	Evidence of appropriate or proportionate information required to include: <ul style="list-style-type: none"> <li>• Product/service delivery</li> <li>• Partnership working</li> <li>• Experience</li> <li>• Track record</li> <li>• Capacity</li> <li>• Needs analysis</li> <li>• projected utilisation</li> <li>• Cash flow forecasts</li> <li>• Projected income and expenditure</li> <li>• Risk assessment</li> <li>• SWOT analysis</li> <li>• Professional advice obtained</li> </ul>	<ol style="list-style-type: none"> <li>1. Desktop assessment by Council officers including Estate Mgt, Legal, Neighbourhoods and Finance</li> <li>2. Meetings with Applicant and/or supporters</li> <li>3. Site visit</li> <li>4. Options appraisal</li> <li>5. 'In principle' decision by Strategic Director of Regeneration</li> </ol>	6 months maximum

Steps	Elements/documentation	Assessors/decision makers	Timescales
<b>Evaluation Process to be undertaken by the Council</b>			
Steps	Elements/documentation	Assessors/decision makers	Timescales
<p>Evaluation and consultation of submission by officers</p> <p>Formal Decision by Director</p>	<p>Detailed evaluation of:</p> <ul style="list-style-type: none"> <li>• Value/worth of the CATs benefits</li> <li>• Benefit to the Council</li> <li>• Check against existing facilities (duplication)</li> <li>• Check against local policies</li> <li>• Check against any local plans</li> <li>• Check against national policies and relevant legislation including State Aid regulations and the Local Government Act etc.</li> </ul>	<ol style="list-style-type: none"> <li>1. Detailed assessment by Council officers</li> <li>2. Notify Ward Members and Parish/Town Council</li> <li>3. Briefing note to Strategic Director</li> <li>4. Formal decision by Strategic Director or escalated to Executive if exceptional circumstances which require a 'key decision'</li> <li>5. Written notification of the Council's decision</li> </ol>	<p>Within 1 month</p>
<b>Planning &amp; Implementation of CAT</b>			
<p>Planning and implementation of CAT</p>	<ul style="list-style-type: none"> <li>• Agree support plan and investment plan</li> <li>• Draft heads of terms issued</li> </ul>	<p>Applicant/organisation required to work with Council officers from Estate Management and Legal Services to</p>	<p>Approximately 6 months but dependant on external</p>

<b>Steps</b>	<b>Elements/documentation</b>	<b>Assessors/decision makers</b>	<b>Timescales</b>
	<ul style="list-style-type: none"> <li>• Draft lease and service agreement issued and Secretary of State's consent applied for (where required)</li> <li>• All funding secured</li> <li>• Completion of all agreements and documentation</li> </ul>	avoid unnecessary delays.	factors to ensure statutory, regulatory or funding compliance

# CAT APPLICATION PROCESS



## **10. Further Information**

My community rights: <http://mycommunityrights.org.uk/community-right-to-bid/>

National CLT Network: <http://www.communitylandtrusts.org.uk/>

Locality: [Locality.org.uk](http://Locality.org.uk)

## **11. OUTCOMES**

11.1. Compliance to Legislation

11.2. Fair and transparent process

11.3. Community empowerment and pride

11.4. Stronger, cohesive and sustainable communities

11.5. Reduced running costs

11.6. Sustainable CAT's not competing with other community projects within the local area



## Appendix 2 – Community Asset Transfer Policy 2012

### **DRAFT Community Asset Transfer - Policy**

The purpose of this policy is to two fold;

1) To ensure that CBMDC adopts a consistent and transparent approach to Community Asset Transfer; and

2) to provide organisations interested in Community Asset Transfer with a clear understanding of the council's approach to such transactions.

#### **What is community asset transfer?**

The term community asset transfer (CAT) refers to the passing of ownership or management of a building or piece of land from a public sector body to a third sector organisation (Making Assets Work, 2007).

The council has been letting/transferring land and buildings such as community halls, sports facilities and open spaces to voluntary and community groups for many years. However, in the past transfer requests have tended to be dealt with on a property by property basis as requests for leases have been received with little consideration to the wider benefits or impact of the transfer on either the council or communities.

Moving forward, the concept of community asset transfer provides a framework against which community empowerment becomes the focus of future transfers. This focus will become increasingly critical as the council faces continued financial pressures and the way in which local services are delivered evolves. We want to encourage communities to make the best use of assets and have the best chance of securing long term sustainability through sharing the occupation and use of buildings. Asset transfer shouldn't just be about getting a

name above the door but should be about ensuring that assets continue to be used by and

benefit the widest section of community possible.

The Council wishes to support the development of high quality district wide community facilities operated by third sector organisations working jointly with the Council. To achieve this we recognise that a greater awareness of where all community facilities are not just council owned buildings, what services are being delivered from them and how they benefit communities is needed. There is a need to ensure that when transferring assets we are not setting up organisations in a community to compete against each other and it is proposed that the mapping of community facilities as part of a programme of Area Asset Reviews will provide valuable information to support decisions about CAT and rental subsidies to be granted.

### **Benefits of community asset transfer**

The starting point of any Community Asset Transfer is that such a transfer should be of benefit to both the Council and the applicant and the wider community.

The council recognises that benefits can be and are derived from successful CATs and the devolved management of facilities to communities. Key benefits of Community Asset Transfer include;

- Voluntary and community organisations often being best placed to manage facilities within their communities. Such organisation's awareness of local need and the use of volunteers can result in lower running costs and a more intensive use of the asset.
- CAT supports the council's aim for areas and communities to have greater involvement in decision making.

- Through communities managing their own facilities, CAT can be at the forefront of building stronger, cohesive and sustainable communities and developing people's sense of pride in the area within which they live.
- CAT can reduce a voluntary or community group's reliance on grant funding by providing a basis for improved financial viability and enabling the group to access new sources of funding or finance to invest in the community.
- CAT can encourage social entrepreneurship and investment in an area.
- CAT can reduce asset maintenance costs for the council and help the council to make better use of its assets.

Applications for CATs will be assessed in terms of the benefits that will be created for the economic, social and environmental well being of the community together with the benefits that a CAT will bring about to the community organisation itself and to the Council and other strategic agencies.

#### **Assets that the Council may consider suitable for CAT**

The council owns land and property assets for a variety of purposes and not all of these can be considered for community asset transfer.

The council may consider applications for CAT in relation to surplus land and property not identified as being required to support other council, district or strategic partner's priorities.

Operational assets, the council's investment estate and land and property identified to be sold to generate capital to support the council's capital programme are excluded from Community Asset Transfer.

Each application will be considered on the basis of a written business case, guidance as to what information should be provided is posted on the council's website or may be obtained by contacting the Estate Management Service.

### **Who can apply for a community asset transfer**

The council will consider applications for the community asset transfer of qualifying assets from third sector organisations or groups based and operating within the District. Such organisations may take the form of parish councils, local community groups; charitable or not-for-profit organisations; co-operatives; or community benefit Industrial & Provident Societies with an asset lock.

When considering applications for CAT the council has an expectation that applications and proposals put forward will demonstrate how the CAT and the applicant will;

1. Generate social, economic or environmental benefits which directly benefit the people of Bradford and its district.
2. Benefit as wide and diverse a range of local people as possible
3. Have robust systems, governance and policies, as evidenced by a recognised quality mark or by meeting all the basic requirements set out in the applicant guidance.
4. Have the capacity to manage the asset and have directors or committee members who have the necessary experience and skill
5. Have viable proposals in place to access capital and revenue streams to support the project and future management and maintenance of the asset.
6. Contribute toward the council's corporate objectives, community priorities and the priorities of the council's strategic partners.

### **Basis of transfer**

S.123 of the Local Government Act 1972 requires the council to obtain best consideration when disposing of land and property. There are two exceptions to this the first being that the council may dispose of an interest

in land and property at an undervalue up to £2 million below market value where the council considers that the disposal will promote improvement

of the economic, social or environmental well-being of an area. The second exception is that S.123 does not apply to a disposal consisting of a grant of a lease term not exceeding 7 years.

Whilst each CAT proposal will be assessed on its own merits, due to the requirement to comply with S.123 and to ensure that transferred properties continue to be used for community benefit disposals for community asset transfer will usually take the form of leasehold transfers for a lease term up to 25 years with market rent assessed and recorded in the lease. Requests for longer lease terms will be considered having regard to the requesting organisation's CAT proposals.

### State Aid

Before entering into any CAT the council will need to satisfy itself that the transfer does not contravene State Aid legislation.

### Rental subsidy

The council has traditionally granted leases to third sector organisations at market rent and granted rental subsidies based on a completed application form and financial information submitted by the third sector organisation. Although rental subsidies are subject to periodic review the existing system does not readily take account of the benefits delivered to the wider community; whether the asset is being used to its full potential; whether the council should continue to support the use of the asset, or; the value/cost of subsidy granted

A new system of assessing and reviewing applications for rental subsidy will be implemented

in 2013/14. Assessments will no longer focus on an organisation's ability to pay but instead will be based on whether or not the council wishes to support the use or services delivered from the asset. Regard will be had to how the use of the asset benefits the wider community and is being made available for other groups to use, how well the asset is being managed and maintained and the extent to which the asset is being used to deliver or support district and area priorities. Grant and other payments currently receivable by a group and payments received over the previous 5 years will also be taken into account. The council will be clear about why it is granting a subsidy and whether short term subsidy is granted to assist a group to become a sustainable and financially viable organisation or whether the council wishes to provide longer term financial support through rental subsidy to a particular activity

The subsidy granted will be based on a scale of percentage rebate to be awarded and it is anticipated that successful applicants will be required to agree target outputs with the council in return for the subsidy. Organisations will be required to submit periodic output returns which will be monitored by officers.

### **Decision Making**

Just as the council acknowledges that third sector organisations are often best placed to deliver community facilities and services so it acknowledges that ward members are best placed to know what facilities and services are required by the areas and constituents that they represent and when benefits are or aren't being achieved. The council supports and wishes to increase member's involvement in decision making and with this in mind;

In so far as the council's constitution permits processes will be put in place to develop the following;

In the case of proposals affecting a specific area

- a) The recommendations of Area Committees and ward members will be sought about whether or not a community asset transfer should take place with support being provided by appropriate officers.
- b) The recommendations of Area Committees and ward members will be sought with regard to the determination of rental subsidy applications with support being provided by appropriate officers.

In the case of proposals involving organisations that are active across the district CAT proposals and subsidy applications will be considered by a district wide member group.

Parish councils will be notified of proposed community asset transfers in line with the procedure set out in the Land and Property Disposal Policy.

### **Application Process**

Due to the need for the Council to strategically manage all of its land and property all proposals for the community asset transfer of land and property will be managed by the Council's Operational Estate Management Team regardless of whether the initial CAT proposal is formulated by a service department within the Council or an external body or group.

Details of the application process are provided in the CBMDC Community Asset Transfer Toolkit which can be downloaded at [www.bradford.aov.uk/communitvassets](http://www.bradford.aov.uk/communitvassets)

### **Further Information**

Further information about community asset transfer, and supporting documents for this policy can be obtained by contacting the Estate Manager (Operations) tel; 01274 434960 or by visiting the [www.bradford.gov.uk/property](http://www.bradford.gov.uk/property)