

**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Scrutiny Committee – 7 March 2023
The Executive – 22 March 2023

Subject: Refresh of the Community Asset Transfer Policy

Report of: Deputy Chief Executive and City Treasurer

Summary

Executive last adopted a revised Voluntary and Community Sector Property Policy in December 2013. An update on these arrangements was reported to Communities and Equalities Scrutiny Committee in October 2018, including feedback from community organisations on the arrangements. Officers have been asked by the Statutory Deputy Leader, as Executive Member for the Operational Estate, to review the policy and approach. The report sets out the key points of the review and proposes a revised Community Asset Transfer Policy.

Recommendations

The Resources and Governance Scrutiny Committee is recommended to endorse the proposals to the Executive.

The Executive is recommended to:

- (1) To consider and comment on the information in the report; and
 - (2) To adopt the revised Community Asset Transfer Policy contained at Appendix 3
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Wards Affected:

All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The revised Community Asset Transfer Policy requires applicants to demonstrate that their proposal contributes towards the Council's corporate objectives, community priorities and the priorities of the Council's strategic partners, including supporting the zero-carbon target for the city. The application process includes a review of how Community Asset Transfer proposals support this objective.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments
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The revised Community Asset Transfer Policy requires applicants to provide open access to all residents, regardless of age, disability, gender, race, religion or belief,

and sexual orientation, and the application process includes an Equality Impact Assessment to ensure any potential impacts on equality, diversity and inclusion are identified and managed.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The Community Asset Transfer policy can directly contribute to the Our Manchester Strategy by supporting the strength and diversity of the Voluntary and Community Sector in Manchester.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The Community Asset Transfer policy can directly contribute to the Our Manchester Strategy by supporting the delivery of VCS services that support all our residents to learn, progress, upskill and retrain so they can access the city's current and future employment opportunities.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The Community Asset Transfer policy can directly contribute to the Our Manchester Strategy by supporting the delivery of VCS services that maintain Manchester's vibrancy and ensure that all our communities are included in the life of the city, regardless of their age, ethnicity, gender, disability, sexuality, faith or socioeconomic background.
A liveable and low carbon city: a destination of choice to live, visit, work	The Community Asset Transfer policy can directly contribute to the Our Manchester Strategy by supporting the delivery of VCS services that contribute to our zero-carbon ambition by 2038 at the latest, via green growth, sustainable design, low-carbon energy, retrofitting buildings, green infrastructure, and increasing climate resilience.
A connected city: world class infrastructure and connectivity to drive growth	The Community Asset Transfer policy can directly contribute to the Our Manchester Strategy by supporting the delivery of VCS services that create sustainable, safe, resilient and cohesive neighbourhoods, with good-quality green spaces, and accessible culture and sporting facilities.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

There are no specific revenue impacts arising from the adoption of the revised Community Asset Transfer policy or process. Individual cases of Community Asset

Transfer may have implications for revenue, for example where community organisations take on, or return, responsibilities for running costs. These will be dealt with through existing revenue management processes.

Financial Consequences – Capital

There are no specific capital impacts arising from the adoption of the revised Community Asset Transfer policy or process. Individual cases of Community Asset Transfer may have implications for capital. These will be dealt with through existing capital management processes.

Contact Officers:

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Community Asset Transfers, Communities and Equalities Scrutiny Committee – 11 October 2018.

1.0 Introduction

- 1.1 Community Asset Transfer (CAT) involves the leasing of Council land or buildings to a Voluntary and Community Sector (VCS) organisation, usually at less than market value for local social, economic or environmental benefit.
- 1.2 CAT presents local communities with the opportunity to breathe new life into surplus public buildings, to preserve valuable community resources or develop exciting new services for local communities. It is not without risks however, and should be pursued in a planned, supported way to ensure a successful transfer of responsibilities and long-lasting benefits.
- 1.3 Executive last adopted a revised Voluntary and Community Sector Property Policy in December 2013. An update on these arrangements was reported to Communities and Equalities Scrutiny Committee in October 2018, including feedback from community organisations on the arrangements. Officers have been asked by the Statutory Deputy Leader, as Executive Member for the Operational Estate, to review the policy and approach. The report sets out the key points of the review and proposes a revised Community Asset Transfer Policy.

2.0 Background

- 2.1 Manchester has a diverse, talented, thriving VCS that achieves significant impacts for the City's residents. The City's diversity is largely reflected in the VCS, both in terms of its characteristic make-up, as well as the sizes and types of organisations that make up the sector. The sector plays many important roles in helping to deliver the aims of the Our Manchester Strategy.
- 2.2 The 2021 Manchester State of the VCSE Sector report identified that in Manchester:
 - There are over 3,800 VCSE organisations in the city (up from around 3,390 in 2017)
 - The total income of the sector in 2019-20 was around £500 million, down from £540 million in 2017
 - The VCSE workforce includes over 162,000 volunteers (an increase from about 111,00 in 2017) giving over 480,000 hours each week (278,000 in 2017). This is valued at £242 million per annum, which is down from the £252 million valuation in 2017
 - 85% of organisations are bringing at least one source of non-public funds into the City (89% in 2017)
 - 66% of organisations are 'micro' (annual income of under £10k; same as in 2017), often providing support to specific communities of identity and / or geography.
- 2.3 MCC supports the VCS in a variety of ways, and one of these is through the use of its land and property assets. Community Asset Transfer, introduced in the Localism Act 2011, involves the leasing of Council land or buildings to a VCS organisation, usually at less than market value for local social, economic or environmental benefit.

- 2.4 There are currently 26 completed Community Asset Transfers in place, with a further 18 that are in the process of legal completion, in negotiation or in development. The relevant properties and organisations are shown in Appendix 1.
- 2.5 MCC employ a dedicated Community Asset Transfer Project Manager, hosted in the Corporate Estates and Facilities Service, to support VCS organisations through the Community Asset Transfer Process. The Council also provides grant funding programmes to the VCS, including the Neighbourhood Investment Fund, co-ordinated through the Neighbourhoods Service. Further advice and support to VCS organisations is provided through Manchester Community Central, the Council's community support partner, who provide voluntary and community groups with an extensive range of resources, information and tools designed to meet current and future development needs.
- 2.6 Generally, under the current arrangements, requests from VCS organisations to use Council properties come into two ways. These are either: a VCS organisation contacts the Council speculatively, asking for any surplus properties they can use to deliver services; or, a VCS organisation contacts the Council about a specific property they are aware or believe is owned by MCC, usually through local networks and connections.
- 2.7 In either case, the enquiry is managed by the CAT Project Manager, who identifies any suitable properties or assesses the specific property relating to the enquiry. Where a property is surplus to operational requirements, the CAT Project Manager will work with the Development Team to ascertain if there are other calls on the surplus property, for example for commercial letting or development to deliver housing. If the property in question is not earmarked for development, the CAT Project Manager will work with the interested VCS organisation to develop a business case for Community Asset Transfer.
- 2.8 The current Policy is attached at Appendix 2.

3.0 Policy Review

- 3.1 Officers have reviewed the existing documented policy, and current practice for Community Asset Transfers. This has including engaging with Council teams and services who have close working relationships with the VCS, and close involvement with community assets. Officers have collected comments and feedback from the Neighbourhood Teams, Parks Service, City Policy VCS Support Team, Legal Services, Estates and Facilities Management, and the Development Team. Part of this work also involved reflecting on the review of feedback from the report to Communities and Equalities Scrutiny Committee in October 2018; and also from the developing work on strategic asset management planning.
- 3.2 The key areas of feedback on potential policy and process improvements are described in the following paragraphs.

- 3.3 A recurring theme from stakeholders was that MCC should seek to increase the number of “open” processes, by which opportunities for community use are pro-actively identified and advertised to a range of community organisations, rather than waiting for groups to contact officers about specific buildings.
- 3.4 Relating to the above point, feedback included that MCC should publish a list of available assets on the corporate website.
- 3.5 Feedback was that the process feels too slow, and tighter control of timescales could speed the process up (accepting that these must be flexible where there are complex cases).
- 3.6 There was clear feedback that MCC don't have a well-publicised policy or clearly written VCS transfer process – this would increase transparency. The process and documents should all be online, there should be a CAT section of the Council's website.
- 3.7 The review feedback included that there should be more clarity on ‘the front end’ of the process - how assets become available for VCS use, and how this fits strategically with other priorities. There is currently an ad-hoc approach to availability based on when and how an asset becomes surplus, and the review highlighted that officers should strengthen the links to strategic asset management planning and assess suitability for VCS use alongside other priorities – e.g. use of land for housing or other development.
- 3.8 Other feedback included that MCC should develop a more managed process to review CATs during their life. For example, at regular intervals: is community benefit still being achieved as agreed during the application process?; does the VCS group remain suitably resourced?; is the Business Plan being achieved?; is the asset being maintained?
- 3.9 Feedback indicated the policy should be clearer about threshold for longer leases, and look in more detail at other options, for example short term leases that provide VCS organisations with time to create a stable longer term business case.
- 3.10 Feedback also included that the policy should be clearer about use of MCC funds to bring buildings up to viable condition or fund upfront development / feasibility work.
- 3.11 A revised Community Asset Transfer Policy and Process have been developed in response to this feedback, specifically to: be clear and open about policy and process; be more proactive by developing and advertising opportunities; following an open process as standard, with any opportunities advertised widely; fit with the Councils approach to Strategic Asset Management; be quicker; address issues with the current policy about leases length, terms and funding.
- 3.12 The revised policy is attached at Appendix 3. The revised process is attached at Appendix 4.

- 3.13 The intended outcomes of this policy are the successful and sustainable transfer of assets to VCS organisations to deliver community benefit in Manchester; supporting and strengthening the capacity of VCS organisations; delivering a fair and transparent process; providing clear roles and responsibilities for all parties; reduced running costs and maintenance liabilities to MCC; and to raise awareness of the need to comply with relevant Legislation to ensure a legally compliant CAT.

4.0 Next Steps

- 4.1 Subject to comments on this report, officers will: finalise the policy document, including completing a review of VAT implications; implement the necessary changes to the Council website, and finalise the associated forms and documents that support the CAT process; develop a communications plan to promote the policy; and implement the new policy and process.
- 4.2 Adopting a more detailed policy and process will support a clearer understanding of the approach to Community Asset Transfers across all stakeholders and will support more regular reviews of the approach to ensure it aligns with the Council's approach to place-based working.

5.0 Recommendations

- 5.1 The Resources and Governance Scrutiny Committee is recommended to endorse the proposals to the Executive.
- 5.2 The Executive is recommended to:
- (1) consider and comment on the information in the report; and
 - (2) adopt the revised Community Asset Transfer Policy contained at Appendix 3.

6.0 Appendices

Appendix 1 – Current Community Asset Transfers

Appendix 2 - VCS Property Policy as approved by Council Executive

18.12.2013

Appendix 3 - Community Asset Transfer Policy – January 2023

Appendix 4 - Community Asset Transfer Application Process – January 2023