

## Appendix 4

### Manchester City Council

#### Community Asset Transfer Application Process – January 2023

##### 1.0 Background

This document sets out an overview of the process that applies to dealing with applications for Community Asset Transfers. The process supports the delivery of the Community Asset Transfer Policy.

##### 2.0 The Process

Applications for Community Asset Transfers will proceed through the following steps:

**Step 0 – pre-application stage**, where MCC assesses assets for suitability for CAT and publishes available assets on its website, and the application window for that asset.

**Step 1 – Expression of Interest stage**, where VCSO's complete a short application form to express their interest in a transfer of an asset. All applications received by the application closing date are assessed by the Corporate Estates Team, in consultation with other Council services, to ensure that the applicant and the proposed use complies with the CAT Policy. At the end of this stage, successful applicants are asked to proceed to the next stage (Step 2 – Full Proposal).

**Step 2 – Full proposal**, where applicants are asked to develop a full proposal and business case for the transfer. The full proposal and business case will be assessed by a panel of officers, who will consult as appropriate. Proposals may be amended and further developed following feedback until the final closing date of this stage, where the final panel review and assessment will take place. At the end of this stage officers recommend a decision to the Executive Member with responsibility for the Operational Estate to nominate a preferred applicant for the transfer.

**Step 3 – Agree Terms and Transfer**, during this step, the Council will offer Heads of Terms to the successful applicant and which may propose the transfer at less than best consideration on the basis of the economic, social or environmental benefits that the proposed CAT will provide. All disposals will be made in line with the Constitution of the Council and may be subject to other consents and approvals (e.g. government consent). Final negotiations will be completed and where terms are agreed the CAT will, subject to formal approvals under the Council's constitution and any other consents / approvals that may be required, progress into the preparation and signing of legal documentation. At the end of this stage the CAT will be completed and the VCSO will then be responsible for all matters relating to the asset in accordance with the terms and conditions of the completed CAT, including the management of the asset.

**Step 4 – Monitoring**. There will continue to be on going periodic engagement with the Corporate Estates Team to ensure that the agreement is operating as intended and all terms and conditions are being observed and performed. The CAT documentation will provide for the Council to have access to the asset for such purposes.

Indicative timescales are:

- Step 1 - Expression of Interest stage – 4 weeks
- Step 2 – Full proposal – 8 weeks (subject to extension)
- Step 3 - Agree Terms and Transfer – 6-12 weeks

Further detail of these steps is provided below.

### **2.1 Step 0 – Pre-Application Stage**

MCC are adopting a Strategic Asset Management Plan (SAMP). As part of adopting the SAMP, MCC will review its' surplus assets to determine the most appropriate use of these assets to support the Councils' objectives. Where an asset is identified as suitable for CAT, this will be recorded as such on the Councils' property management system, and a register of CAT opportunities will be published on the Councils' website.

Where a Council asset becomes surplus to requirements in the future, it will be assessed through the SAMP process as above.

Where a VCSO enquires about a specific asset which has yet to be assessed as part of the Strategic Assessment Plan, it will be assessed at the earliest available opportunity and the VCSO notified accordingly of the Council's response to the VCSO's enquiry.

The Register of CAT opportunities will be published on the Council webpages (address tbc). The Register will show each asset available for CAT (the Unique Property Reference Number and address of the asset); a brief description of the asset; and the application window associated with that asset.

The Register will only show assets available at Step 0 –Pre-application Stage.

Where the register is updated with a new asset, this information will also be communicated through Manchester Community Central, the Councils' community support partner. The Corporate Estates Team maintains contact details of VCSOs that have expressed an interest in CATs previously and will email these organisations when the register is updated.

The Executive Member with responsibility for the Operational Estate, the appropriate Ward Members, and the appropriate Neighbourhood Team will also be notified that the asset has been listed on the Register of CAT opportunities.

The usual application window for assets will be 4 weeks from the date it is published.

### **2.2 Step 1 - Expression of Interest**

During the application window, VCSOs may complete and submit a short application form to express their interest in a CAT listed on the register of CAT opportunities.

A copy of the application form is held on the Council's webpages (add link).

The application form will (by way of example) request information about:

- The VCSO – contact details, type of organisation (e.g. is it incorporated; a not for profit organisation etc.), its aims, structure, funding and previous experience of managing assets (including the management of any assets similar to the subject asset), as well as any existing relationships with MCC.
- The proposed use of the asset – the services that will be provided, the nature of the expected benefits / good that those service will bring to the community and how they will promote social, environmental or cultural objective., the fit with the Our Manchester Strategy.
- Any existing evidence supporting the need for the services that will be provided in the relevant part of the city.

All applications received by the application closing date will assessed by the Corporate Estates Team, in consultation with other Council services and as may be appropriate, to ensure that the applicant and the proposed use complies with the CAT Policy.

The consultation with other Council Services will typically include: those relevant to the service/use of the asset being proposed; those relevant to any existing relationships noted in the application form; and the relevant Neighbourhood Team; and/or the relevant Parks Team where the asset is within a park.

Consultation with Ward Members at this stage will be through the Neighbourhood Team.

Applications that comply with the CAT Policy will be successful; applications that do not comply with the CAT policy will be unsuccessful. Officer assessments of the applications will be reviewed with the Executive Member with responsibility for the Operational Estate before a final decision is reached.

If no applications are successful, the asset will return to Step 0, and a new application window will open. Should an asset regularly achieve no applications or unviable applications, the Head of Estates and Facilities, in consultation with the Executive Member with responsibility for the Operational Estate, may remove the asset from the register to explore other opportunities.

At the end of this stage, successful applicants will be asked to proceed to the next stage.

Unsuccessful applicants will be notified, with details of the reason(s) for the decision, and added to the list of VCSO's that have expressed an interest in CATs to be contacted if other opportunities arise.

### **2.3 Step 2 – Full proposal**

Successful applicants from the previous step will be asked to develop a full proposal and business case for the proposed CAT.

A copy of the proposal and business case is available on the Councils webpages (add link).

The application form will collect information about:

- The VCSO – further details of the organization, including their systems of governance and appropriate organisational policies (e.g. EDI Policy, Zero Carbon Policy); their capacity and skills to manage the asset.
- The service to be provided from the asset – evidence of community consultation on the proposal; the needs analysis supporting the service; commitment to open access for the facility;

- The business case – demonstrating that the organisation has sufficient funding to manage the operation and undertake repair and maintenance of the asset, and setting out any requirements and funding associated with redeveloping or investing in the asset
- Terms of agreement for the CAT – confirming the basis of the terms of the legal agreement and acceptance of key terms and conditions, including necessary insurances.
- Risk assessment demonstrating the understanding of the risks of managing the asset.

There will be a mutually agreed submission date for the application form.

The Estates Team will share any available information about the condition and running costs of the asset to assist the VCSO to prepare their business case. Site visits can also be arranged during this period.

The full proposal and business case will typically be assessed by a panel of officers, including from the Corporate Estates Team; the Development Team (where relevant); the appropriate Neighbourhood Team; and/or the relevant Parks Team where the asset is within a park. The panel will consult with other council services, for example the Legal Service or Insurance Team, as appropriate.

Assessment of works will be carried out in conjunction with the AMP team and Capital Programmes Service and as otherwise may be appropriate.

After the initial review, the Council may, at their discretion, provide interim feedback (including requesting points of clarity or further information) to applicants and may, as part of that process, extend the application window for this stage by up to 6 weeks. The intention of this is so that VCSO's are given appropriate time and support to develop the best application possible leading to the higher chance of a successful application.

If an extension is applied, it will be applied equally to all applicants. Any revised applications at the end of the extension period will be reviewed by the panel as described above.

At the end of this stage officers will recommend a decision to the Executive Member with responsibility for the Operational Estate to either nominate an applicant, with associated Heads of Terms or not to proceed with any application.

Unsuccessful applicants will be notified, with details of the reason(s) for the decision, and added to the list of VCSO's that have expressed an interest in CATs to be contacted if other opportunities arise.

### **2.4 Step 3 – Agree Terms and Transfer**

The Council will offer Heads of Terms for the CAT to the successful applicant.

After a short period of negotiation, the Heads of Terms will be signed and following which the Council will put in motion the process(es) for the seeking of any appropriate approvals and consents to the proposed CAT.

If Heads of Terms are not mutually agreed within the short period of negotiation, the process will end there and the applicant notified accordingly.

Where this happens the Council reserves the right to work with any other applicant(s) who reached the preceding step of the process and to nominate them in place of the initially successful applicant.

Where Heads of Terms are mutually agreed, both parties will instruct their lawyers to complete the CAT documentation.

Both parties will work through the CAT handover checklist to prepare for the transfer of the asset.

On completion of the legal documents the asset will transfer to the VCSO who will then be responsible for all matters relating to the asset in accordance with the terms and conditions of the completed CAT documentation, including the management of the asset.

## **2.5 Monitoring**

There will continue to be on going periodic engagement with the Corporate Estates Team to ensure that the agreement is operating as intended and all terms and conditions of the CAT documentation and any associated agreements or deeds are being observed and performed. The CAT documentation will provide for the Council to have access to the asset for such purposes.

Monitoring arrangements will be set out in the CAT documents but will typically involve an annual visit by representatives of the Council to the asset to ensure:

- The service or project is still operating and delivering benefits as set out in the proposal;
- The business case remains viable;
- The asset is being used, insured, maintained, and is compliant with health and safety requirements as set out in the CAT documentation and all terms and conditions of the CAT documentation and any associated agreements or deeds are being observed and performed;
- The VCSO retains the capacity to manage the asset.

## **2.6 Governance**

This process will be administered as set out in the Community Asset Transfer Policy, and, along with the Community Asset Transfer Policy, may be amended from time to time and without notice by review of the Estates and Assets Board in consultation with the Executive member with responsibility for the Operational Estate.