

Briefing – Place Scrutiny Commission

Meeting date: 13 February 2017

Heading: Community assets, community asset transfers (CAT) and concessionary rents	
Ward: city wide	
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Purpose of briefing:

The purpose of this briefing is to provide the Commission with relevant information about community assets and items for discussion at the meeting on 13th February.

1. This briefing paper covers:

- the process followed by BCC for concessionary lettings of 'community assets'
- the policy framework
- Community Right to Bid
- case studies of successful CATs
- examples of recent CAT decisions (2010-2016)
- a breakdown of concessionary tenancies, type of use, etc.

Key background information:

- a) All lettings at less than full market rent are subject to BCC's Community Asset Transfer (CAT) Policy, adopted by Cabinet July 2010. The policy was developed after the Quirk Review, which formed part of the Government's drive to empower communities and which was reported in 'Making Assets Work' in 2007.
- b) The policy introduced clear eligibility criteria and linked leases to defined and achievable outcomes in a Service Agreement. Prior to the CAT policy, BCC already had 120+ concessionary lettings, all granted on different terms, some going back to the 1950s and 60s, but with very little control over usage.
- c) BCC's CAT Policy requires each organisation wishing to apply for a CAT to meet the following criteria:
 - be a charitable or not-for-private-profit organisation
 - generate social, economic or environmental benefits which directly benefit the people of Bristol
 - benefit as wide and diverse a range of local people as possible
 - have robust systems, governance and policies, which may be evidenced by a recognised quality mark; have the capacity to manage the asset and have directors or committee members who have the necessary experience / skills
 - contribute towards BCC's corporate and strategic objectives and priorities
 - meet the [pre-VISIBLE quality standard](#).
- d) CATs can be let on a number of arrangements, from a short term licence to long leasehold, but not a freehold. Discounts on market rent are only granted if the lease

is linked to a Service Agreement. This provides a formally negotiated and enforceable contract, which enables BCC to specify outcomes and seeks to increase utilisation and local accountability.

- e) When existing concessionary leases come to an end, renewal will only be considered under CAT and all new lettings are subject to the eligibility criteria and a Service Agreement.
- f) The greater the security of tenure and the longer the term of the lease, the greater the opportunity for the tenant organisation to raise finance and grant funding, which may not be available to a Local Authority.
- g) CAT is entirely discretionary. There is no legal entitlement to CAT and no legislation that directs BCC to let or sell its assets to third sector organisations. The CAT process should not be confused with the separate process on Community Right to Bid ('CRtB'), also known as 'Assets of Community Value', which is one of the 'community rights' introduced by the Localism Act 2011.
- h) The CRtB uses a statutory process and criteria and can apply to any community asset, not just BCC-owned ones. It considers the "*social wellbeing or cultural, recreational or sporting interests of the local community*" and is triggered through a nomination of the asset by an eligible community group. Full details of the process and the register of nominated assets can be found at www.bristol.gov.uk/crtb
- i) Case study examples of successful CATs can be viewed at Appendix A.
- j) Examples of approved and rejected CAT applications (since the policy was adopted in July 2010) can be viewed at Appendix B.
- k) The terms 'Concessionary Lettings' and 'Community Assets' are not synonymous.. Not all lettings to third sector organisations are at nil rent and not all concessionary lettings are for typical community assets. Examples include a Park & Ride carpark, SS Great Britain, @Bristol, shops, a private health club, etc.
- l) The majority of community assets in Bristol are owned by or privately rented by third sector organisations; only approx 30% are under BCC control or ownership.
- m) The total number of BCC-owned community assets is approx 170. Of these, 137 are currently listed as being let on concessionary terms. Around 35 of these are 'community centre' type buildings. The total amount of the rental concession is in excess of £1.5M per year. 45 percent of this is made up by six high value assets, which include the SS Great Britain, The Park, Greenway Centre and Trinity Centre. A breakdown of the types of assets involved and the level of rent BCC foregoes is included in the exempt Appendices E and F (**these will be discussed during the exempt part of the meeting**).
- n) The size and vitality of Bristol's third sector means there is an insatiable demand for more properties to be available to not-for-private-profit organisations. Many organisations don't like to share premises and there is fierce competition for available properties. In addition, there is now an over-supply of competing third sector premises in some parts of the city, whilst other areas (often those with higher property values) have insufficient provision.

- o) Interest from third sector organisations in council owned assets is set to grow as BCC continues to rationalise its property estate which will generate an increasing number of assets that are surplus to its requirements. Likewise, many of the council's services are exploring alternative service delivery models which entail a greater role for third sector organisations in delivering services from BCC property.
- p) The physical condition and accessibility of BCC-owned community assets is very variable, but over the past 10 years many tenants have not been able to maintain their properties in line with their lease requirements, due to the recession. There is currently no budget to carry out condition surveys or to monitor tenants' compliance.

Next steps:

To answer any further questions and to consider what other information about 'community assets' the Place Scrutiny Commission may require.

Timescale / deadline:

None

Appendices:

- Appendix A: case studies of successful CATs
- Appendix B: examples of recent CAT decisions (2010-2016)
- Appendix C: 3 overview slides
- Appendix D: CAT Policy.

Exempt appendices:

- Appendix E: breakdown of rental concessions, type of use, other financial considerations
- Appendix F: list of concessionary tenancies.