



Doncaster
Council

Strategic Asset Management

Community Lettings & Asset Transfer Policy



Introduction

The Voluntary, Community, and Social Enterprise (VCSE) sector in Doncaster is an invaluable resource that does a huge amount to enable the citizens in the borough to thrive. Doncaster Council recognises this, and firmly believes it is in our best interests as a local authority to ensure that VCSE organisations benefit from Council-owned assets. This document outlines our approach to Community Lettings and Asset Transfer, providing a robust framework to ensure that leases and transfers of property occupation are undertaken in a consistent, fair, and transparent manner, providing the utmost benefit to VCSE groups, the Council, and the people of Doncaster.

Definitions and Terms

VCSE organisations/groups for the purposes of this policy are defined as one of the following:

- Voluntary and community organisations who are representative of the community, have the aims and objectives of the Voluntary, Community, and Faith sector, and are committed to providing inclusive social value and contributing to Council priorities
- Town and parish councils

National Background and Local Context

The government commissioned the Quirk review ('Making Assets Work') in 2007 to establish the case for community asset transfer, which determined that asset transfer could produce substantial benefits for local authorities, VCSE groups, and citizens provided risks were mitigated and stakeholders worked collaboratively.

Since 2010 there has been a renewed impetus for local authorities to embrace asset transfer and community lettings, serving to empower communities whilst also allowing for asset rationalisation to take place in a context of reduced local government budgets. The Localism Act 2011 established a statutory 'Community Right to Bid', empowering communities to express an interest in the acquisition of assets of community value.

The Localism Act 2011 spurred Doncaster Council to establish a Community Lettings policy, enabling suitable assets to be leased to VCSE groups on a short term basis. Since the adoption of this policy, the Council has experienced a number of successes with local VCSE groups.

Note that while the majority of Doncaster's community libraries have been operated on a volunteer-run basis for a number of years now, the physical assets are still maintained by the Council and therefore would not constitute a community asset transfer.

The success of our Community Lettings policy has encouraged us to further build upon this by establishing a means for more established VCSE groups with a demonstrable record of experience in asset management to apply for asset transfer.

Similarly, introducing a short term licence arrangement for temporary occupation will enable smaller VCSE organisations to occupy assets and learn the basics of asset management in a more supportive environment. A continuum will therefore be established, with newer organisations able to continue benefit from short-term community lets, which can then function as a stepping stone to a longer-term asset transfer.

Benefits

Benefits to the people of Doncaster...

A new Community Lettings and Asset Transfer policy will entail an increase in opportunities for the people of Doncaster, with better, more responsive services that engage and empower communities. Communities will be enabled to thrive and become more self-sufficient, as well as building upon community resilience by giving hope to disadvantaged areas and promoting social cohesion.

Benefits to VCSE groups...

By building upon our existing Community Lettings policy and introducing Asset Transfer, VCSE groups will be able to further build a robust presence and strengthen their provision for local people. It will provide the opportunity for income generation (although only where ancillary commercial use is permitted as part of the business model agreed with Doncaster Council) as well as enabling groups to bid for capital funding to assist with building maintenance that we would be ineligible for as a local authority. The long-term acquisition of an asset will raise the profile and strengthen the credibility of the community organisation, as well as giving them a greater sense of permanence that will allow for longer-term strategic planning.

Benefits to Doncaster Council...

Reviewing our Community Lettings policy and introducing Asset Transfer aligns with our corporate commitment to empower communities to do more to help themselves in a challenging financial environment for local government, as well complementing our aspiration to move towards integrated locality-based working. It further aligns with our strategic asset management ambition to rationalise our estate where appropriate in harmony with the principle of our assets being owned by the people of Doncaster, not by our service areas.

As well as discreet benefits to the citizens of Doncaster, VCSE organisations, and the Council, the new Community Lettings/Asset Transfer policy will strengthen ties between all three elements enabling all stakeholders to thrive.

Connection to Doncaster Council's Strategic Priorities

VCSE groups are often the lifeblood of communities, providing invaluable services to citizens from all age groups and all walks of life. They are fundamental to building community resilience whilst also ensuring that Council resources are effectively distributed and are delivering value for money. Reviewing and implementing an improved Community Lettings and Asset Transfer policy is therefore intrinsically linked to the Doncaster Living, Learning, Caring, and Connected Council priorities outlined in the Doncaster Growing Together strategy. Doncaster Council's Asset Management Strategy 2017-2022 outlined the principle that land and buildings are

owned by the people of Doncaster, not the services that occupy them. This new Community Lettings and Asset Transfer policy is therefore in firm alignment with our priorities as a local authority.

Risks and Mitigation

Whilst we are optimistic and ambitious as a Council for the success of our Community Lettings and Asset Transfer policy, we nevertheless recognise that such success is dependent upon identifying and mitigating risks to the greatest possible extent.

Risk	Mitigating Factor(s)
Lack of capacity/skills/knowledge in the VCSE group to maintain the asset	For less experienced groups there will be the option of a short term licence agreement, enabling them to occupy an asset with oversight from the Council. Doncaster Council will work closely and proactively with VCSE groups to ensure that they are fully supported throughout the application process and post-transfer. A tenants' handbook will be produced to provide guidance for VCSE groups including their responsibilities under the terms of the community let/asset transfer and signposting to funding opportunities. Where VCSE groups lack the requisite capacity to fully manage an asset, options such as a short-term management agreement or licence may be explored.
The asset is inappropriate for VCSE group use	Only those assets identified by the Council as appropriate for a community let/asset transfer will be eligible for VCSE groups to apply for (further detail provided in 'Eligible Assets' section).
Tension and conflict arises when multiple VCSE groups express an interest in the acquisition of one asset	Where multiple groups express an interest in a community let/asset transfer a joint application may be encouraged by Doncaster Council where appropriate. Should an application be rejected, the group will have a right to appeal.
The asset is sublet or assigned to a third party for purposes in opposition to the ethos of Community Lettings and Asset Transfer	Licencing space within an asset is permitted, but sublets will have to be approved by Doncaster Council. Lease assignment will not be permitted under the terms of contract.
The VCSE group experiences difficulty in securing capital funds for building repairs and/or refurbishment	Doncaster Council will provide signposting to and guidance on applying for grant funding opportunities. This may

	include a bespoke funding search, support in applying to external funders, and/or access to The Doncaster Movement, the Council's own crowdfunding platform which attracts grants from the Council and other funders and includes support from a dedicated team.
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Eligible Assets

Assets eligible for either a community let or an asset transfer will be all those Council-owned buildings and areas of land that do not fall into the following categories:

- Assets essential for service delivery
- Assets identified within the Capital Disposals Programme
- Assets forming part of the investment estate for the generation of rental income or capital appreciation
- Assets bound by restrictive covenants (unless such restriction is lifted)
- Assets with grant funding attached (e.g. education provision)
- Housing Revenue Account (HRA) assets (note: HRA properties will be covered by a separate policy produced by St Leger Homes of Doncaster)
- Assets not fit for purpose due to their existing state of repair or for other reasons that would impose an unreasonable liability on the applicant(s), unless the applicant(s) can clearly demonstrate that they have access to sufficient funding to make the necessary refurbishments

Community lease information provided to VCSE groups by Doncaster Council at the commencement of the term will include statutory obligations and a record of the condition of the asset.

Lease Lengths

The asset transfer policy operates on a graduated framework enabling smaller, less established VCSE organisations to access greater support from Doncaster Council. More mature and well-established organisations may benefit from the opportunity to apply for a longer term asset transfer, taking on full operational responsibility for the asset.

The lease length will be determined on a case-by-case basis taking into consideration the VCSE group's size, its capacity to manage and maintain an asset, its financial situation, its governance arrangement, and the demand for the proposed service in the local community.

The below table outlines the lease length categories the Council uses. All leases granted by the Council will include a right to renew to provide VCSE groups security of tenure. It is not the Council's intention to ever terminate or refuse to renew a lease to a VCSE group who comply with all statutory obligations and whose work and presence is valued by the local community.

Term	Period of Lease	Definition
Management Agreement/Licence	Up to 12 months	Short-term agreement enabling new community groups to develop the capacity to manage an asset with support from Doncaster Council.
Community Let/Lease	Up to 7 years	Short-term lease agreement for community groups with a moderate amount of experience in asset management.
Community Asset Transfer	7 – 99 years	Mid to long-term lease agreement for community groups with extensive experience in successfully running and maintaining an asset.

Note that to safeguard against the sale of assets onto third parties, Doncaster Council will not transfer assets on a freehold basis.

As with any other lease of Council owned premises, guidance issued on Community Leases / Asset Transfer opportunities will recommend prospective tenants to seek their own legal advice and representation in the leasing process.

Finance

The level of rent payable will be determined on a case by case basis and will be established having regard to the length of lease, the maturity of the group, and the repairing obligations within the lease.

The Communities team and the Voluntary Sector Coordinator at Doncaster Council will signpost VCSE groups to funding opportunities and provide guidance on accessing and applying for funds.

Process

When a Council-owned asset suitable for a Community Let/Asset Transfer becomes available, there will be an initial information-gathering effort spearheaded by the Council's VCF coordinator and the relevant area manager from the Communities team. Potentially interested VCSE groups will be notified of the asset's availability.

Expressions of interest will then be invited from VCSE groups, outlining their proposed plans for the asset. Of the EOIs, one will be selected as successful and then invited to prepare a detailed business case. Opportunities for joint bids between multiple VCSE organisations may be encouraged where appropriate.



The Council understands and appreciates that different VCSE groups will have different levels of experience with completing business cases and bid writing, and therefore each case will be decided on its own merits relative to the proposed impact that the group may have on its community and its alignment to the Council's strategic priorities.

The business case must address the following criteria: -

- Appropriately Constituted
 - The applicant(s) should demonstrate that they are (or are working towards) being appropriately constituted e.g. a registered charity, a community interest company or a charitable incorporated organisation, a not for profit company, or a cooperative
- Governance
 - Applicants must be able to demonstrate good governance by operative through open and accountable processes, with adequate monitoring, evaluation, and financial management systems and be able to provide copies of accounts on request
- Defined Community Objectives
 - The business case should outline community benefit objectives and the applicant(s) should demonstrate their capacity to effectively deliver services and manage the asset
- Community and Council Engagement
 - The business case should demonstrate that the applicant(s) will contribute to the economic, social, or environmental wellbeing of Doncaster and explain how the application aligns to the Council's corporate strategic priorities
- Sustainability
 - The business case should demonstrate that the applicant(s) have established how much space is required to deliver the proposed activities and services, and how any surplus spaces or gaps in building utilisation can be used to maximise opportunities
- Property Management
 - The business case should outline how the community group will meet statutory health and safety obligations arising from asset management as well as how the asset will be managed on a day to day basis
- Community cohesion
 - Applicant(s) should demonstrate commitment to diversity, inclusion, and reducing inequalities in their community

Applications will be assessed by the officers in Strategic Asset Management, with consultation sought from relevant colleagues from across the Council, including but not limited to the following teams/roles: -

- Communities
- Voluntary Sector Coordinator
- Business Doncaster
- Finance
- Ward members
- Cabinet portfolio holder for Highways, Street Scene, and Trading Services



- Cabinet portfolio holder for Communities, Voluntary Sector, and the Environment
- Cabinet portfolio holder for Adult Social Care
- Cabinet portfolio holder for Children, Young People, and Schools

In accordance with Doncaster Council's process for the disposal of assets, following ward member consultation and reporting to Assets Board, the Assets Board Strategic Decision Making group including the portfolio holder for Highways, Street Scene, and Trading Services, will determine if an application has been successful for a community lease or asset transfer.

Should an application be rejected, the VCSE group has a right to appeal this decision and act on any feedback received from the Council as to why their application has been rejected. If the application is rejected on appeal there is no further recourse for the VCSE group and the asset will be made available on the open market.

All disposals of land and buildings must comply with relevant prevailing State Aid rules – these will not apply in most circumstances. Where State Aid rules do apply the tenant will be required to pay full commercial rent.

Continuing Support

Once an asset has been successfully leased or transferred to a VCSE group, Doncaster Council will seek to provide support through a variety of means.

A tenant's handbook will be provided detailing the statutory obligations of the community group(s) under the terms of the Landlord and Tenants Act 1954, as well as safeguarding requirements.

Where a short term management lease/licence has been granted, the Council will work closely with the community group to enable them to develop the capacities to successfully manage the asset themselves in the future.

For longer term leases Doncaster Council's Strategic Asset Management team will require regular confirmation of statutory compliance.

Doncaster Council will offer a service buy-back, where interested community groups can opt to have the Council provide health and safety services for an annual fee.

Additional Information

More information about community asset transfer can be found on the Locality website here <https://locality.org.uk/services-tools/support-for-community-organisations/ownership-and-management-of-land-and-buildings/>.

Locality is a national membership network for community organisations which supports community groups to take ownership of and manage public buildings and spaces.