



# Ryedale District Council

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**REPORT TO:** Policy and Resources

**DATE:** 4 October 2007

**REPORTING OFFICER:** Corporate Policy Manager  
Clare Slater

**SUBJECT:** Community Assets

**WARDS AFFECTED:** All

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**1.0 PURPOSE OF REPORT**

1.1 To inform members of the opportunities presented to Ryedale by the recently launched national funding initiative: the Community Assets programme and to support a Ryedale bid.

**2.0 RECOMMENDATIONS**

a. That members agree to support a bid by Ryedale Voluntary Action (RVA) to the Community Assets programme.

**3.0 REASONS SUPPORTING DECISION**

3.1 Any application to this fund must be made by one partner (local authority or 3<sup>rd</sup> sector organisation) and endorsed by the other and be supported by the wider community. Therefore if RVA were to submit an application they could only do so with the full support of the Council.

**4.0 BACKGROUND**

4.1 Following the publication of the Quirk Review of Community Management and Ownership of Public Assets, the Big Lottery Fund has been asked to deliver the £30 million funding for Community Assets on behalf of the Office of the Third Sector. The Office of the Third Sector was created in May 2006 within the Cabinet Office.

4.2 This is a pilot scheme with the expectation to fund 5 or 6 projects in the Yorkshire and Humber region.

**5.0 POLICY CONTEXT**

5.1 The transfer of an asset from the ownership of the Council to a 3<sup>rd</sup> sector organisation, where the community organisation can make a business case for the transfer, would support the corporate aim "to have diverse and vibrant communities".

5.2 The transfer of any asset in the ownership of the Council, by way of a long lease, to the ownership of a 3<sup>rd</sup> sector organisation does not contradict any of the Councils asset management plans.

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- 5.3 The current asset management plan is currently under review and will incorporate the developments in this area of transferring local authority assets to community management and ownership.
- 5.4 The governments' aim, through the office of the third sector is "to develop an environment which enables the third sector to thrive, growing in its contribution to Britain's society, economy and environment."
- 5.5 Additionally, as stated in the local government white paper – strong and prosperous communities "we are determined to ensure that existing powers and policies that support community management and ownership are effective; and that practical ways are found to overcome any remaining unnecessary barriers".

## 6.0 REPORT

- 6.1 The purpose of the funding is to facilitate the transfer of an asset from a local authority to a 3<sup>rd</sup> sector organisation.

### 6.2 Timescale and application process:

4 September 2007	Community Assets fund launched
15 October 2007	If application for <£150k or >£1m < £2m then must email Big Lottery by this date
15 November 2007	Deadline for completed applications
Initial assessment by Big Lottery	
18 January 2008	Big will have told us if the project is proceeding to full assessment by now
Full assessment and England committee meeting	
31 March 2008	In-principle awards made by this date
6 months after notification of award	Capital delivery plan to be submitted

### 6.3 The Community Assets Programme:

Programme outcomes:

- Greater security and independence for local third sector organisations
- Third sector organisations better able to meet needs of local communities
- Communities have more access to better facilities that respond to their needs
- More effective partnership working between local authorities and 3<sup>rd</sup> sector.

### 6.4 How much will it fund?

- £150,000 - £1m for a single asset
- will consider up to £2m for more than one asset.
- 100% available but match funding will be viewed favourably

### 6.5 What will it fund?

- Refurbishment of local authority assets to facilitate transfer to 3<sup>rd</sup> sector, including extension, refurbishment, modernisation or conversion of the building

### 6.6 Who is eligible?

- Asset must be owned by a local authority
- Application must include a partnership between a local authority and a 3<sup>rd</sup> sector organisation
- Applicant can be either the local authority or 3<sup>rd</sup> sector organisation
- All applications must be endorsed by both partners
- Transfer must be from the local authority to one organisation only

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- Application must include an agreement to transfer
- Any local authority can only be involved in 2 applications

6.7 What will it pay for?

- Capital costs including:
  - Refurbishment
  - Associated professional fees
  - Equipment specific to project
  - Building and engineering works
  - Legal costs

6.8 Who is not eligible:

- Individuals
- Organisations in poor financial health
- Statutory bodies – parish and town councils, schools other local authority's
- For profit organisations – except social enterprises
- Organisations not in the UK
- More than one 3<sup>rd</sup> sector partner per application

6.9 What it will not fund

- Land not associated with the refurbishment
- Equipment not associated with the refurbishment
- Housing
- Open spaces
- Assets not owned by a local authority

6.10 What it will not pay for?

- Cost incurred in developing the application
- Costs incurred or spending committed before grant awarded
- Costs someone else is paying for
- Routine repairs and maintenance
- General improvements to public areas
- Personal equipment and maintenance thereof
- Mobile facilities or modular buildings
- Purchase of freehold or leasehold
- Overheads or revenue costs

**7.0 OPTIONS**

7.1 An appraisal has been undertaken of all of the Councils' assets in relation to the eligibility criteria for Community Assets funding. As a result of this the only possible project which meets the criteria is Community House, Malton. Ryedale Voluntary Action has a development proposal for this building upon which the application will be made and has expressed an interest in making an application to this fund to finance this development. To meet the application criteria, support is required from this Council by: forming a partnership agreement with RVA; and by the Council transferring the asset to Ryedale Voluntary Action.

7.2 Option 1 - That members support the submission of an application by Ryedale Voluntary Action to the Community Assets programme and support the transfer of Community House by way of granting a long lease to RVA.

7.3 Option 2 - That members do not support the submission of any applications to the Community Assets programme at this time.

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## **8.0 RESULT OF OPTION APPRAISAL**

8.1 Option 1 – Following the appraisal of the Council's assets suitable for consideration under this programme only one potential project fits all the eligibility criteria. It is however acknowledged that, as a pilot programme, the funding is limited in this first round and as such the chances of any application being successful is necessarily low. However on balance it is suggested that it is worth making a submission with RVA as lead applicant.

8.2 Option 2  
RVA may miss the opportunity to access funding for the extension to community house.

## **9.0 FINANCIAL IMPLICATIONS**

9.1 Any asset owned by the Council carries with it liabilities, transferring an asset could reduce this financial liability.

9.2 Resources required by the council to support any application would include:

- legal support on the development of a partnership agreement and the transfer of the asset
- the development of the business case for the transfer
- project management

9.3 Match funding is not essential but will be viewed favourably during assessment. There may be cost implications in the case of community house, as the Red Cross have an equity stake in the asset. This may not be eligible as match funding.

## **10.0 LEGAL IMPLICATIONS**

10.1 Members have already agreed the principle of extending Community House see policy and resources committee minute number 111.

10.2 A formal partnership agreement needs to be included in any application.

10.3 The transfer of ownership to the 3<sup>rd</sup> sector organisation can be in the form of a registered freehold or a registered and assignable lease of at least 20 years without a break clause. Officers anticipate that a longer lease, perhaps 99 years, would be preferable and length of lease is a criteria in the assessment of applications. The detail of any transfer needs to be carefully negotiated.

## **11.0 RISK ASSESSMENT**

11.1 There is a risk of raising aspirations by supporting an application. These expectations should be carefully managed.

11.2 There may be some risk to the reputation of the Council if any application fails, conversely the Council's reputation could be enhanced if it succeeded. The relationship with the third sector in Ryedale could be enhanced through the attempt. The council could by transferring an asset to the 3<sup>rd</sup> sector, be reducing its own liabilities.

## **12.0 CONCLUSION**

12.1 This fund is intended for projects which are ready to proceed to asset transfer now – this fund provides help for the final step. Even if no applications are submitted for Ryedale or any that do not succeed, we need to watch this space for the next opportunity. This is the first initiative from the government in a 3 or 4 year journey in

transforming our relationship with the 3<sup>rd</sup> sector and clearly signals the government's intentions.

**Background Papers:**

Making Assets Work: The Quirk review of community management and ownership of public assets

<http://www.communities.gov.uk/publications/communities/makingassetswork>

Community Assets: Guidance Notes

[http://www.biglotteryfund.org.uk/prog\\_community\\_assets?regioncode=-uk&fromsearch=-uk](http://www.biglotteryfund.org.uk/prog_community_assets?regioncode=-uk&fromsearch=-uk)

**OFFICER CONTACT:**

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