

Report to: *Economic Development, Culture & Leisure (ECDL) Scrutiny Panel*
Report from: *Head of HR, Legal & Performance Improvement*
Report written by: *Paddy May, Corporate Strategy Manager (paddy.may@portsmouthcc.gov.uk)*

Context and policies relating to “Making community ownership work for Portsmouth”

1) Purpose

- 1.1 To present to the EDCL Scrutiny Panel some additional evidence about Community Ownership and the Community Rights in terms of the national context and the local response to this.

2) Recommendations

- 2.1 The ECDL Scrutiny Panel is recommended to note:
- the existing Asset Transfer Policy that Cabinet approved in January 2009 which enables the transferal of assets into community ownership (see section 4.2 and Appendix 1)
 - the processes that have been put in place in response to the Community Right to Bid (see section 4.3 and Appendix 2) and the Community Right to Challenge (see section 4.4 and Appendix 3)
 - the consultation responses that have been received following a consultation on the draft Community Right to Bid Policy (see section 4.3.4)

3) Background

- 3.1 The Localism Act (2011) introduced a series of new Community Rights amongst a range of wider initiatives. The Plain English Guide to the Localism Act published in November 2011 (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5959/1896534.pdf) provides a useful summary of the Act and within this guide there is a summary of the Community Right to Challenge and the Community Right to Bid.
- 3.2 Whilst the Localism Act enshrines these rights, they were building on existing policy initiatives from the previous Government such as those contained within the Local Government & Public Involvement in Health Act (2007) which aimed to create strong, prosperous communities and deliver better public services through a re-balancing of the relationship between Central Government, Local Government and local people. The Act aimed to do this by giving residents a greater say over local services including the transfer of property assets to the community (in the belief that there are realisable benefits to be obtained from giving the community a greater say in their area). DCLG defined asset transfer as “passing ownership or management of a building or piece of land from a public sector body to a third sector organisation”.
- 3.3 Barry Quirk, Chief Executive of Lewisham Council, was invited to lead a team to review the issues around asset transfer and his report, together with the Government’s response, was published in 2007. The team examined ways to maximise the community benefits of publicly owned assets by considering options for greater transfer of asset ownership and management to community groups. The report highlighted that what is required is not legislation but guidance to assist in the understanding and use of existing powers, being clear as to the risks associated with

the process and learning to manage them effectively. Attached as Appendix 1 is a summary of the Quirk report findings and recommendations. Portsmouth City Council was selected as one of the 14 Local Authorities Pathfinder areas to support the development of the transfer of assets to third sector as part of the Government's agenda to encourage devolution to local people and communities

- 3.4 In January 2009 Portsmouth City Council Cabinet approved an Asset Transfer Policy (<http://www.portsmouth.gov.uk/yourcouncil/14907.html>) and following public consultation a final policy was produced which is still used to guide the council's approach to Asset Transfer (http://www.portsmouth.gov.uk/media/Community_Management_and_the_Ownership_of_Assets.pdf). The key elements of this policy are detailed in Section 4.2 below.
- 3.5 As stated in paragraph 3.1, the Localism Act (2011) is also aiming to pass powers to local government (e.g. through the General Power of Competence) and to local communities (through the Community Rights). The Government's intention is that the Act will pass significant new rights direct to communities and individuals, making it easier for them to get things done and to achieve their ambitions for the place where they live. The Community Right to Challenge and the Community Right to Bid are key elements of this.
- 3.6 The 'Community Right to Bid' (CRTB) was also introduced in the Localism Act (2011) and came into force on the 21st September 2012. The legislation aims to give community interest groups a window of opportunity to bid for 'community assets' when those assets are placed on the market for sale by their owners. Again it is worth stressing that it is a right to bid rather than a right to buy (further information about how the Council is approaching the Community Right to Bid is contained in section 4.3). The Planning team within the City Development & Cultural Services Service are responsible for administering the Council's approach to the Community Right to Bid.
- 3.7 The Community Right to Challenge came into force on 27th June 2012. Its aim is to make it easier for voluntary and community groups (or council employees) to bid to run council services. Portsmouth City Council must consider expressions of interest (EOI) submitted by such groups and, where we accept the EOI, run a procurement exercise for the service which anyone can compete in. So, rather than a 'right to run' a public service, it is a 'right to compete, in a procurement exercise' (further information about how the Council is approaching the Community Right to Challenge is contained in section 4.4). The Procurement Team within the HR, Legal & Performance Improvement Service are responsible for administering the Council's approach to the Community Right to Challenge.

4) The Council Approach to Community Ownership

4.1 In this section the report will look at the Council approach to Community Ownership through the prism of how the Council has set up its response to the Asset Transfer Policy and the new Community Rights in the Localism Act.

4.2 The Asset Transfer Policy

4.2.1 The Council's Property Portfolio includes land, buildings and other structures and these are held to:

- support direct service delivery

- support delivery by partners including the voluntary sector
- stimulate economic activity and regeneration
- support the Council's budget
- act as a custodian of community assets

4.2.2 As stated in paragraph 3.4 PCC approved an Asset Transfer Policy in 2009. This stated that an initial options appraisal will be carried out to inform decisions on future asset disposals and one of the options to be considered would include transfer of assets to the third sector. It recognised that the priority should always be to obtain the best outcome to help deliver the Council objectives and that this will require balancing the best price reasonably obtainable to support the Capital Programme against the benefits being offered through alternative uses including asset transfer. The Policy recognised that the "the Council does have the opportunity, under the General Disposals Consent 2003, to sell or lease general fund assets at less than best consideration in cases where it can demonstrate and attribute value to wellbeing benefits that would arise. Any disposal for less than best consideration would need to be transparent, justifiable and have the appropriate Cabinet approval".

4.2.3 The Asset Transfer Policy states that through the ownership of assets the Council achieves a variety of different economic, regeneration, social, community and public functions. For some of these assets community management and ownership could deliver:

- benefits to the local community (e.g. by building confidence and capacity; attracting new investment and reinvigorating the local economy; and securing stronger, more cohesive and sustainable communities)
- benefits to the Council and other public sector service providers (e.g. by the creation of a new partner able to tap into additional resources; the ability to engage with a more cohesive local community; new service provision complementing and augmenting statutory services)
- benefits for the organisation (e.g. by enhanced financial security; increasing recognition, management capacity and organisational development).

4.2.4 A number of principles were stated which underpinned the Community Asset Transfer policy. These were:

- Any proposed asset transfer must support the aims and priorities of the Council as set out in adopted policy e.g. Local Strategic Partnership (Sustainable Community Strategy), Community Plan and Local Area Agreements
- Recognise the Council's dual but independent roles as a supporter of the third sector but also as a steward of publicly owned assets.
- All Council departments will endorse and help to deliver this agenda
- The Council will take a strategic approach to Corporate Asset Management Planning by reviewing its portfolio and undertaking option appraisals which will include examining the transfer potential of its assets.
- The Council will adopt a transparent corporate process for asset transfer which will include a clear point of first contact and clear stages and timescales for each party.
- The Council will adopt an agreed method of assessing the benefits of the transfer (linked to corporate priorities) which allows a comparison with market disposal.
- If any disposal at less than best consideration is pursued it will be accompanied by a legally binding service level agreement (SLA) or other appropriate agreements

identifying the benefits and how these will be monitored and measured, together with the remedies available to both parties if the legally binding SLA or other mechanism is not met.

4.2.5 The Policy also details the criteria that the Council should use for assessing requests for Community Asset Transfers. These included considering the proposed options impact on capital receipts, benefits to organisations e.g. Council or 3rd parties, loss of income and changes in retention of assets for direct service delivery. Specifically the policy states that:

- the applicant must:
 - be community led
 - be a VCS organisation
 - be appropriately constituted
 - demonstrate good governance
 - demonstrate that it has the skills and capacity to effectively deliver services and manage the asset
 - embrace diversity and work to improve community cohesion and reduce inequalities
 - abide by the principles and undertakings in the third sector compact
 - be engaged in regeneration in Portsmouth or providing a service of community benefit in line with the Council's priorities
 - demonstrate management experience or expertise
 - have a management proposal that deals with health and safety issues and compliance with legislation
 - have a clear purpose and understanding of the activities it wishes to deliver
- the asset must:
 - have a legal interest owned by the Council from which the transferee can demonstrate community benefit
 - be in the freehold / leasehold ownership of the Council
 - have had an options appraisal carried out on it which has been approved by the Corporate Asset Management group
 - not be currently needed or identified for future investment value or for use for direct service delivery
 - allow the strategic priorities of the Council to be delivered if transferred
 - be fit for purpose and not impose an unreasonable liability to the third sector organisation or the Council
 - if transferred, not create a situation which would be contrary to any obligation placed on the Council
- the proposed use should:
 - demonstrably help in the delivery of the Council's community strategy, corporate needs and facilities for the use by the people of Portsmouth
 - ensure extensive and inclusive reach into the community and will be open to all
 - maximise opportunities for income generation to ensure sustainability of use
 - be in response to both a need and a demand for a service
 - have appropriate plans that demonstrate appropriate management and the right amount of space for the delivery of the proposals as well as a clear business plan and appropriate finance in place

4.2.6 This policy has been used as the starting point to guide asset transfers that have taken place within Portsmouth, for example for Hilsea Lido and the Skate Park and more recently for Wymering Manor (http://www.portsmouth.gov.uk/HomePage/news-and-communications_28558.html). It is recognised that there are some councils, such as Bromley and Leeds, that are more advanced in their plans for asset transfer but it has been suggested this is often because there are specific issues within their locality which they are looking to resolve. Whilst taking forward asset transfers it is often considered important that the Council protects itself from potential opportunity cost associated with the profitable future sale of an asset. The Council often inserts claw-back options in the transfer agreements to cover the scenario where a transferred asset is subsequently sold for a profit. This enables the Council to retain an element of that profit.

4.3 **Community Right to Bid**

4.3.1 The City Council's Planning team (part of City Development & Cultural Services) are responsible for implementing the Community Right to Bid (CRtB). The Government's intention is that this Right will give local people and community groups the chance to bid to buy and take over the running of assets that are of value to the local community. Community groups can nominate an asset for inclusion on a register of assets of community value and if their nomination is successful, they are given a window of opportunity to bid to purchase the asset if this is placed on the market for sale by their owners. It is worth stressing that it is a right to bid rather than a right to buy. The Government made Regulations on 21st September 2012 (http://www.legislation.gov.uk/ukxi/2012/2421/pdfs/ukxi_20122421_en.pdf) and published a Statutory Advice Note on 4th October 2012 (<https://www.gov.uk/government/publications/community-right-to-bid-non-statutory-advice-note-for-local-authorities>). Alongside the draft regulations for the CRtB the Government published an Impact Assessment (<https://www.gov.uk/government/publications/community-right-to-bid-impact-assessment>). This was used to identify the potential costs to local authorities of introducing the CRtB. These costs were then covered in a grant from central government. There is some concern that the Government used the Scottish Right to Buy scheme (available for rural areas in Scotland) as the basis for working out the potential impact on local authorities. There is also a concern that the Government have only committed to meeting these costs until the next Comprehensive Spending Review (now due this year).

4.3.2 The main features of the CRtB are that:

- Parishes and community organisations may nominate local assets to the local authority to be included in their list of community assets. The local authority then has 8 weeks to make a judgment;
- If it decides that the nomination meets the relevant criteria, the local authority must list it in its list of assets that are land of community value;
- A list of unsuccessful nominations must also be kept;
- It is up to the local authority how this is published;
- The asset must be a building or land, as defined in s88 of the Act. In general, the building must further the social wellbeing or social interests of the local community, or have been used to do so in the recent past;

- Residential property is excluded from listing except where an asset that could otherwise be listed contains integral residential quarters, such as a pub or caretaker's flat;
- Once listed, the local authority must inform owners and other interested parties that it has been listed, enter this fact on the local land charges register and, in the case of registered land, apply for a restriction on the land register;
- Nominations may be made by local organisations, including parish councils and community interest groups – but not by individuals. Additionally, (principal) local authorities cannot themselves nominate assets on to a register;
- Provisions are in place to allow for appeals against the local authority's decision, and for compensation to be paid where the local authority believes listing has had a detrimental effect on the value of the property;
- The provisions only apply when the asset is being put up for sale. There is no compulsion on the owner of that asset to sell it or any restriction on the what the owner can do with the property while they own it (this is determined by planning policy);
- A moratorium will be applied when a listed asset is put up for sale. This is an initial 6 week interim period followed, if there is community interest in bidding, by a 6 month moratorium to allow a community interest group to put a bid together;
- There is no community right to buy the asset, just to bid. This means that in some instances the local community bid may not be the successful one as the owner can, at the end of the moratorium, sell to whomever they choose and at whatever price.

4.3.3 Cabinet received reports on the Community Right to Bid at their meeting on 1st October 2012 (<http://www.portsmouth.gov.uk/media/cab20121001r6.pdf>) and their meeting on 5th November 2012 (<http://www.portsmouth.gov.uk/media/cab20121105r5.pdf>). At these meetings Cabinet approved a process for deciding whether to accept nominations and also recommended that Full Council approve a policy, subject to consultation, to help assess nominations. The initial recommendations were sent forward to Full Council on 16th October 2012 as a response to the Notice of Motion "Love your Local – Protecting our Community Assets". Full Council amended this policy so that references to Portsmouth were changed to local area. A copy of the policy agreed by Council is attached as Appendix 2 (alongside the proposed policy that takes account of consultation responses).

4.3.4 The CRtB policy agreed by Council was subject to a consultation exercise. The table on the next page summarises the consultation responses that were received and the proposed City Council responses to these comments. These are due to be considered at Cabinet on 4th February alongside a proposed amended policy (see Appendix 2). Overall the Council received 3 email representations. 1 had no comment, while the other 2 sought changes and these are detailed on the next page:

Summary of the responses to the CRtB policy consultation and proposed council response

Customer reference	Comments made and changes sought	Proposed city council response and justification
Community Empowerment Ltd	<p>1. Concern expressed at the potential for paragraph 3 of the policy to 'pre-judge' the feasibility of a proposal. Any test in advance of the fact, could be out of date or out of context by the time the building/land becomes potentially available.</p> <p>2. Any tests regarding the community's ability to raise funds and the viability of their business plan, to which their bid will be considered against, should be made clear and consistent.</p> <p>3. The only criteria for approval should be whether a community group is interested in purchasing the site or property.</p>	<p>1. The requirement that there is a realistic prospect for the continued or resumed use of the nominated asset is set out under Section 88 of the Localism Act. The council considers that the commercial viability and sustainability of the use are necessary considerations in this determination.</p> <p>2. PCC notes this comment and will seek to clarify the criteria against which the viability of bids will be objectively considered against in the guidance note. PCC wishes to stress however the potential breadth and complexity of Community Right to Bid (CRtB) applications and that each case must be assessed on its own merits.</p> <p>3. The council disagrees with this suggestion as there could be interest in purchasing a site or property without any realistic prospect of it happening. In such a case, inclusion on the register would be contrary to the regulations.</p>
Friends of Old Portsmouth Association	<p>1. Request to add into the paragraph 1 of the policy that a community asset should also be defined as:</p> <p><i>iv. an open space used by residents or visitors to facilitate parking for local access or which maintains a vista.</i></p> <p>2. Request to add paragraph 4 and 5 into the policy, stating that:</p> <p><i>4. Once accepted onto the Register of Assets of Community Value the City Council will nominate a liaison person and provide guidance and assistance to the local community in pursuit of the asset.</i></p> <p><i>5. The City Council will be able to amend the Community Bid, in agreement with the Community, if this is agreed to enhance the Community Bid.</i></p>	<p>The council disagrees with this suggestion as it would not enhance the social interests of the local community.</p> <p>2. The council disagrees with the suggestion as it may not be able to provide adequate resources to provide assistance and it will be for the community group to formulate the bid rather than the council.</p>

4.3.5 There is a section on the PCC website about the CRTB

(<http://www.portsmouth.gov.uk/living/27822.html>) and guidance has been produced to help people

make a nomination (http://www.portsmouth.gov.uk/media/Community_Right_to_Bid_Guidance.pdf). So far the Council has not received any nominations for listing assets on the Assets of Community Value register. Discussions have been held with one community organisation about a potential listing but as yet the actual nomination has not been submitted. Officers are also aware of other potential assets that may be listed and certainly a member of the public wrote in to suggest that an asset in the city be listed but this was submitted before the regulations came into force.

4.3.6 The CRtB clearly provides community organisations with some opportunity to protect valuable community assets. However there are limitations in that it doesn't provide a right to buy, only a right to bid, and the community organisations still have a limited time to raise the finance to make a bid to purchase the asset. From an organisational perspective there are potential risks associated with the levels of compensation that may need to be paid to landowners who lose out because of the CRtB and there are also potential risks associated with local organisations who may also want the Council to help fund the purchase of an asset.

4.4 **Community Right to Challenge**

4.4.1 The City Council's Procurement Team, which is part of the HR, Legal and Performance Improvement Service, is responsible for implementing the Community Right to Challenge (CRtC). The CRtC came into force in June 2012 and in the Ministerial Foreword to the Statutory Guidance the CLG Parliamentary Under Secretary of State (at the time) wrote:

"The community right to challenge paves the way for more communities to help shape and run excellent local services. This might include making services more responsive to local needs, offering additional social value outcomes, or delivering better value for money. It may act as a springboard for radical re-shaping of services, or simply trigger small changes that will make a big difference to the quality of service communities receive".

4.4.2 Under the CRtC a community group, a third sector organisation or 2 or more employees can submit a bid to run a Council service. If their expression of interest is accepted then the Council will need to run a procurement exercise and the organisation that submitted the expression of interest could then be considered alongside other potential providers through the normal procurement processes. This right therefore is really a right to trigger procurement activity rather than a right to provide a service.

4.4.3 Relevant organisations are able to submit an expression of interest (EOI) under the CRtC for local government services (with some exceptions) but not local government functions (although the service that enables that function to be delivered could be challenged). Services commissioned for us by the NHS can be subject to challenge from April 2014. The following lists the exclusions from the CRtC:

- A service commissioned by us on behalf of an NHS body
- A relevant service for a named person with complex individual health or social care needs or commissioned by individuals through direct payments
- Other local services provided by agencies such as the DWP and the NHS
- Temporary exclusion (until 31/3/14) for services which:

- are commissioned in conjunction with one or more health services (jointly or as part of a partnership agreement)
- a service commissioned by an NHS body on behalf of a local authority

4.4.4 An authority is only allowed to reject an expression of interest on a limited range of very specific reasons (although the interpretation of some reasons could be quite wide). It is also worth noting that there is no appeal process for CRtC but decisions could be subject to judicial review. The possible reasons for rejection are:

1. The expression of interest does not comply with any of the requirements specified in the Localism Act or in regulations.
2. The relevant body provides information in the expression of interest which in the opinion of the relevant authority, is in a material particular inadequate or inaccurate.
3. The relevant authority considers, based on the information in the expression of interest, that the relevant body or, where applicable-
 - (a) any member of the consortium of which it is a part, or
 - (b) any sub-contractor referred to in the expression of interest
 is not suitable to provide or assist in providing the relevant service.
4. The expression of interest relates to a relevant service where a decision, evidenced in writing, has been taken by the relevant authority to stop providing that service.
5. The expression of interest relates to a relevant service -
 - (a) provided, in whole or in part, by or on behalf of the relevant authority to persons who are also in receipt of a service provided or arranged by an NHS body which is integrated with the relevant service; and
 - (b) the continued integration of such services is, in the opinion of the relevant authority, critical to the well-being of those persons.
6. The relevant service is already the subject of a procurement exercise.
7. The relevant authority and a third party have entered into negotiations for provision of the service, which negotiations are at least in part conducted in writing.
8. The relevant authority has published its intention to consider the provision of the relevant service by a body that 2 or more specified employees of that authority propose to establish.
9. The relevant authority considers that the expression of interest is frivolous or vexatious.
10. The relevant authority considers that acceptance of the expression of interest is likely to lead to contravention of an enactment or other rule of law or a breach of statutory duty.

4.4.5 Once an EOI is accepted a procurement exercise has to be run in the normal way. [The Public Services \(Social Value\) Act](#) requires us to consider best value (including social, economic and environmental) in our procurement processes. It is worth remembering that the CRtC does not allow for a service to be run for a trial period. If an expression of interest is accepted, a procurement process will take place although this will take account of the Council's Best Value obligations. The Public Services (Social Value) Act could be a powerful tool for achieving social value in a local area although it has to fit within the wider procurement regulations.

- 4.4.6 Although the CRtC has been in place since June 2012 so far there has not been a single EOI submitted to PCC. Through contacts with other authorities we are only aware of 1 EOI submitted anywhere and that was for Ventnor Town Council who were bidding to run parking services in Ventnor. Hampshire County Council were invited to a meeting by CLG who have been surprised by the lack of take up for the CRtC.
- 4.4.7 Attached as Appendix 3 is a simple flow chart that shows how PCC will deal with any EOIs submitted as part of the CRtC. Other authorities (e.g. Hampshire County Council) have published review timetables which detail when reviews of particular services will take place and therefore invite EOIs at a specific time. This does have the benefit of managing the process but would be less flexible. A view has been expressed that the reviews undertaken by some authorities are designed to limit EOIs, by involving third sector organisations in the design of services, rather than encouraging submission of EOIs at a particular time.
- 4.4.8 The CRtC provides opportunities for PCC. It enables:
- new models of service delivery to be explored
 - the potential for other providers to achieve the same outcomes for less resource
 - the potential to develop a new relationship with third sector organisations
- 4.4.9 There are potential downsides as well which will need to be managed. An authority would need to watch out for the "cherry picking" of profitable services which we use to subsidise more expensive services. The CRtC process also might tie you in to contractual arrangements that give you less flexibility in the future. Some people have also expressed concern that the CRtC could be used as a "Trojan Horse" to enable externalisation of services. Whilst the EOI could be submitted by small community organisations the eventual procurement process could be won by one of the big players in the market. This might well be a satisfactory outcome but some people might have a concern that the service was not being run by a third sector organisation or by the Council. Certainly a number of the "big players" have been engaging with third sector organisations and it may well be that we will see more partnership arrangements between the third sector and the big private sector organisations that are involved in outsourcing work.
- 4.4.10 The mutuals agenda is related to this. One of the reasons for rejection is that staff are looking to run the service through a mutuals process. A mutual organisation could overcome some of the concerns about who is running the service and there is some work underway within the Council to start looking at how we might support potential mutuals.

A Summary of The Quirk Review Report

Barry Quirk, Chief Executive of Lewisham Council and the local government 'efficiency champion', was appointed to lead the review. The other members of the review team were Stephen Thake from London Metropolitan University, and Andrew Robinson from CCLA Investment Management

Conclusions

The main conclusions were as follows:

The public benefit needs to be clear

'Assets are used in service of an array of social, community and public purposes. Any sale or transfer of public assets to community ownership and management needs to realise social or community benefits without risking wider public interest concerns and without community purposes becoming overly burdened with asset management.'

Benefits can outweigh risks

'The benefits of community management and ownership of public assets can outweigh the risks and often the opportunity costs in appropriate circumstances.'

Risks can be minimised and managed

'There are risks but they can be minimised and managed – there is plenty of experience to draw on. The secret is all parties working together. This needs political will, managerial imagination and a more business focused approach from the public and community sectors.'

Ownership brings greater responsibility but also greater freedom to exploit the potential of assets

'The stake that community-led organisations have in particular assets extends from short-term management agreements, through to leasehold ownership on leases of varying lengths and freehold ownership. It also stretches from small volunteer-run village halls and community centres to multi-million pound, multi-purpose community enterprises. We recognised that the greater the stake, the greater the financial and legal responsibility the organisation takes on, but also the greater the freedom to exploit the asset's potential.'

There are no substantive barriers

'If there is a rational and thorough consideration of these risks and opportunity costs, there are no substantive impediments to the transfer of public assets to communities. It can be done, indeed it has been done legitimately and successfully in very many places.'

Recommendations

The key recommendations are:

Government guidance

"The publication of comprehensive, up-to-date and authoritative guidance on all aspects of local authority asset management, including within it detailed and explicit guidance on the transfer of assets to community management and ownership."

Risk toolkit

“The publication of a toolkit for local authorities and other public bodies on risk assessment and risk management in asset transfer to communities.”

More access to expert advice

“Much greater access for local authorities and community organisations to expert advice and organisational development support relating particularly to the transfer and management by communities of land and buildings.”

Better investment

“The smarter investment of public funds designated for community-led asset-based developments, where permissible, through the involvement of specialist financial intermediaries with expertise in the field and the ability to achieve high leverage ratios.”

Promotion

“A major campaign to spread the word, through seminars, roadshows, training, use of the media, online and published information, and the dissemination of good practice, as well as promotion of “bottom up mechanisms” such as the proposed Community Call for Action and the Public Request to Order Disposal (PROD) scheme.”

Corporate approach

“It makes sense for local authorities to develop a strategy for the use of their assets which is corporate across the local authority, and integrated with other public bodies locally, including particularly the National Health Service, the police and the third sector, as well as, where appropriate, approaching this task is through area property reviews, focusing either on a locality or on a particular type of asset. An important example of this could be for local authorities to work in partnership with the local third sector on a strategy for meeting the sector’s asset needs.”

Community Right to Bid Policy **(consultation version and proposed final version)**

Consultation policy for defining social interests / well-being

When assessing nominations for inclusion on the Register of Assets of Community Value the City Council will have regard to the following criteria:-

1. The extent to which the approval of the nominated site would enhance the social interests and social wellbeing of the local community because in its absence the local community would be deprived of land or a building that is essential to the special character of the local area, and provides:
 - i. a place to meet and socialise, or
 - ii. a place to shop, or
 - iii. a recreational, sporting or cultural facility.
2. The definition of the extent of the local community will depend on the nature of the use and each case will be considered on its merits, with particular reference to the character and heritage of the local area, its community cohesion and its sense of belonging.
3. The City Council will have regard to the realistic prospect of the continued or future use of the asset, and in particular the commercial viability of the proposal (including the ability to raise funds) and the sustainability of that use.

Proposed final policy for defining social interests / well-being

When assessing nominations for inclusion on the Register of Assets of Community Value the City Council will have regard to the following criteria:-

1. The extent to which the approval of the nominated site would enhance the social interests and social wellbeing of the local community because in its absence the local community would be deprived of land or a building that is essential to the special character of the local area, and provides:
 - i. a place to meet and socialise, or
 - ii. a place to shop, or
 - iii. a recreational, sporting or cultural facility.
2. The definition of the extent of the local community will depend on the nature of the use and each case will be considered on its merits, with particular reference to the character and heritage of the local area, its community cohesion and its sense of belonging.
3. The City Council will have regard to the realistic prospect of the continued or resumed use of the asset within the next five years, and in particular and where it is a matter relevant to that use, the commercial viability of the proposal (including the ability to raise funds) and the sustainability of that use.

Community Right to Challenge - PCC Process

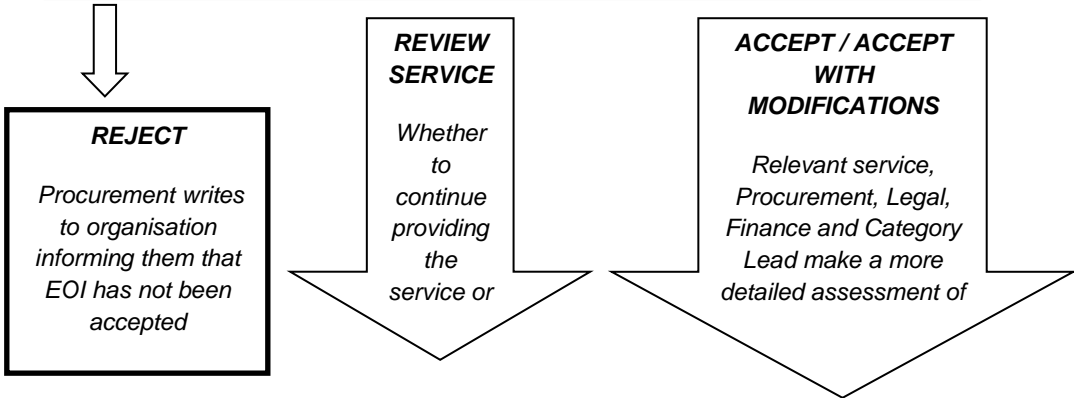
**E
N
G
A
G
E
W
I
T
H
M
E
M
B
E
R
S**

**E
N
G
A
G
E
W
I
T
H
S
T
A
F
F**

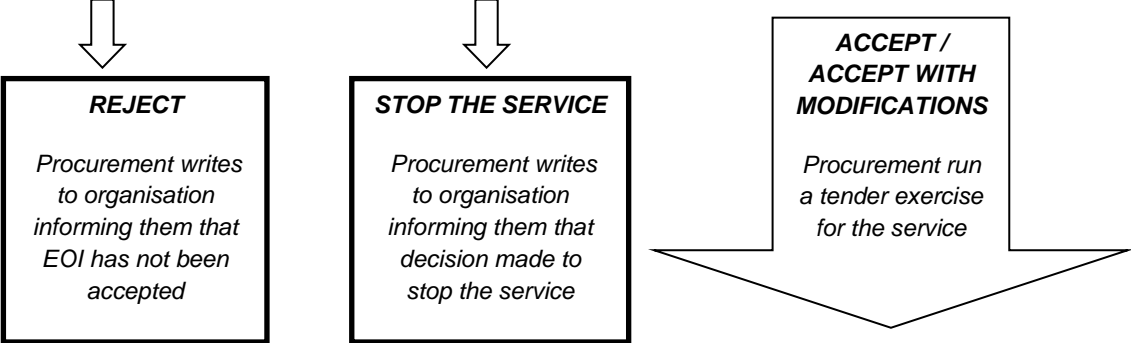
Relevant body (community group, 3rd sector organisation or 2 or more employees) submits an expression of interest (EOI), to run a service, to PCC.

Procurement, Legal and relevant service make an initial assessment of EOI

SDB consider recommendation from initial assessment and decides EOI should be rejected (because set criteria not met), modified (with agreement of community group), moved to next stage (including possibility of reviewing the service with an option of deciding to stop providing the service).



EOI and assessment considered by SDB and by members who agree to stop the service (including assessment of EIA) or whether to reject, accept with modification or accept the EOI – decision is also made about whether to allow in-house bids



SDB consider the results of the procurement exercise and decides how to respond (engaging with Members where appropriate)

DECISION

As a result of procurement exercise, and best value judgement, either:

- Outsource and award contract or
- Stay in house and abandon exercise