

# Community Asset Transfer Guide

## **Introduction**

This practical guide to Community Asset Transfers (CAT), is designed to help you understand what is involved in taking over and running a community asset and how Wirral Council makes sure the process is transparent, fair and is undertaken in a timely manner.

We know from years of experience working with communities and volunteers, the fantastic job they do managing former public buildings and continue to provide essential facilities. Transfer examples include Greasby Community Centre, Hoylake The Parade, Westbourne Hall, The Little Centre Beechwood and Delamere, Eastham Community Centre.

The CAT process allows for communities to take control of buildings and places important to them to create stronger communities and making Wirral an even better place to live, work and enjoy.

At its simplest level, a CAT is a change in management and / or ownership of land or buildings from public bodies (most commonly local authorities) to communities (community and voluntary sector groups, community enterprises, social enterprises etc.).

CATs can be a catalyst for new Not for Profit organisations of the future. Not for Profit organisations in this instance are locally rooted organisations, which may spend their money, employ people and use their land, property and financial assets to make a difference to the economic and social wellbeing of a local area.

The spectrum of transfer options can vary widely, but communities typically take over the legal responsibility and management of a community asset based on evidenced community benefit.

Any Group interested in taking on an asset would not only take legal responsibility for the building/land but also its ongoing repair, maintenance and management which includes all the financial costs and liabilities of running the asset with no support from Council after transfer. In most cases this would form the basis of a long term lease agreement.

To support you and help you identify if you are 'ready' to take over a community asset, we have produced a Guide.

The Guide is intended as a guide to help you understand what is involved in taking over and running a community asset. It is intended to provide organisations with a platform to achieve a successful community asset transfer.

## **Who is this Guide for?**

It is for Not for Profit organisations that work at a neighbourhood or community level within the Wirral area.

For example:

- Individuals or groups of people coming together to deliver activities and services for the benefit of the community from an asset which has been identified by the Council as surplus to requirements
- New or existing community, voluntary organisations and social enterprises looking to acquire premises/land surplus to Council requirements, from which to grow and develop their activities within a particular neighbourhood or community area

## **What are the benefits of Community Asset Transfer?**

We have identified a range of benefits that the asset transfer process will have for both the community and the Council.

### For the Community

- ✓ Strengthens community organisations by helping them develop their asset base
- ✓ Devolves decision-making to a local level
- ✓ Acts as a catalyst for community regeneration
- ✓ Provides new opportunities to develop and improve land and buildings
- ✓ Encourages community participation and volunteering
- ✓ Builds confidence and the capacity people have, to further improve their community
- ✓ Provides new opportunities for capacity building using new skills and knowledge within the community
- ✓ Enables greater co-location of functions
- ✓ Provides a legacy for the community

### For the Council

- ✓ Forges new partnerships with the community
- ✓ Delivers on shared outcomes and objectives for residents
- ✓ Provides more financial resource to be targeted to council priorities
- ✓ Helps the drive towards a more efficient use of council assets
- ✓ Opens doors to new sources of funding that the council could not access

## **What is the Council looking for in a Community Asset Transfer proposal?**

Proposals will be assessed on the extent to which the CAT is likely to lead to:

- ✓ improvements in local service provision as a result of active engagement by the local community
- ✓ strengthening of the financial viability and sustainability of community organisations
- ✓ social, economic or environmental benefits towards the regeneration of the area, including the development of community enterprise activities.
- ✓ improvements in the environmental design of a building, particularly concerning energy management.
- ✓ greater co-location of local service providers where appropriate

## Principles for transferring an asset

The council's guidance on community asset transfer is underpinned by the following principles.

1. Profit will not be generated from the operation of the asset to benefit any individual(s). Any profit must be re-invested into the asset or into community activity.
2. The applying organisation must:
  - (i) Be community-led, with strong links with the local community. Local people must be able to control the organisation's decision-making processes
  - (ii) Have a primary purpose to benefit the local community and be not for profit and they must understand the activities they wish to deliver
  - (iii) Demonstrate good governance by operating through open and accountable processes, with clear management and financial systems
  - (iv) Be open to and demonstrate an inclusive approach to members of the wider community
  - (v) Have the skills and capacity to safely and effectively deliver services and manage the asset to be transferred and/or have access to the necessary skills and capacity or
  - (vi) Be aware of any need to build capacity within their organisation and demonstrate how they intend to do this, e.g. by working with the Council or other partners
3. The asset must meet the circumstances of being available for a community transfer
4. The asset must not align to any circumstances when it would not be available for transfer
5. Organisations wanting to take on the asset must compete the Council's expression of interest application and if approved to progress to the next level must complete the Council's business plan application within the relevant process timeline
6. The transfer must be agreed by the relevant Council Policy and Service Committee responsible for the asset
7. The transfer must be ratified by the Council's Policy and Resources Committee
8. The transfer must take place within 6 months of the date the business plan was approved in (7)

Any application and decision made to utilise Council resources may be subject to a separate chargeable agreement

## Community Asset Transfer Process

The following roadmap provides the stages of the CAT Process to provide transparency to the applicant and allow both parties to plan and progress any applications.



The application will need to satisfy two tests, a viable Expression of Interest (EOI) and a detailed Business Plan demonstrating the reliability, credibility and viability of the organisation along with the social value they will bring to the local community.

### Determination

All decisions for community asset transfer will be taken by Councillors on the relevant policy and services committee. Where more than one organisation expresses an interest in a particular asset an officer panel will review EOIs and make recommendations to the relevant service committee to take forward either individual or collaborate EOI. An EOI will be considered in terms of the proposal and social value they bring to the area.

## **So are you ready for Community Asset Transfer?**

### **Before you start**

The motivation that you/your organisation have in first considering taking on a community asset will be important. There must be a strong fit between the potential that can be realised in the project/activity/service you have identified for the asset and the core purpose of your group or organisation.

Here are some questions before you start the asset transfer process

### **Why is your organisation interested in the asset, what are your plans and what outcomes do you hope to achieve?**

Consider the reasons you are interested in this land or building. You will need to explain to the Council and demonstrate throughout the process how you will achieve your outcomes.

### **Below are some outcomes you may want to consider:**

- Community empowerment and benefits to the local or wider community
- Capacity building through the use of local skills, experience, knowledge and time
- Retaining and improving local provision
- Delivering local services that meet local needs through community led and community controlled assets
- Extending the use of a building or land to do things in a different way, being as creative and innovative as you can
- Engage with your 'key stakeholders.' Stakeholders could include: local residents, elected members, neighbours, the existing users of the building/land. Where appropriate, talk to them to find out what they want and need. It may be that you want to involve them directly in helping you to develop your project proposals
- Delivering value for money including the ability to draw/attract other sources of funding not available to the Council
- Social enterprise and social wellbeing, including community cohesion
- Financial viability, long-term sustainability and external investment
- Working with partners to deliver the above

### **Has your organisation established clear objectives for the community asset?**

#### **Here are some tips:**

- Review existing community service delivery.
- Consider the potential to build on the existing offer and/or options for new community uses, especially those that might address an unmet need or fill a gap in local service provision.

- Go and see other similar projects elsewhere. Talk to the managers of services and facilities that offer the same kinds of activities that you have in mind for your community project.
- Identify any local organisations offering similar activities and facilities. Look for opportunities to work together and share resources.
- Set your objectives. A simple list of the things that you would like your project to deliver
- Engage with your 'key stakeholders.' Stakeholders could include: local residents, elected members, neighbours, the existing users of the building/land. Where appropriate, talk to them to find out what they want and need. It may be that you want to involve them directly in helping you to develop your project proposals

### **Does your organisation have the capacity to take on a community asset?**

This is about your organisation having the right governance in place, having the right mix of abilities, skills, knowledge and experience, together with the time and financial resources necessary to commit to taking over and maintaining a community asset

### **Has your organisation proved that the proposals for your community project are feasible?**

Taking over a community building, or land is a substantial commitment, and your organisation should therefore be sure that your well-intended ideas can stand up to scrutiny. You may want to undertake a 'Feasibility Study.'

### **Test whether your organisation is ready for community asset transfer by completing the Expression of Interest form.**

The Council will require all organisations to have a robust expression of interest form before progressing to business planning.. Following an approval to proceed with an expression of interest, your business will build up a picture of what has and what might be achieved, supported with hard evidence drawn from market research and community consultation. Most importantly, your plan should be developed with the active involvement of your key stakeholders and should be approved and adopted by your organisation



## **Insurance and Licenses**

You will need to have insurance. The types of insurance you need may vary depending on the risks to your organisation but could include:

- Public liability insurance
- Lift insurance
- Employer's liability, only if you employ people
- Trustees' liability
- Building and contents insurance
- Vehicle insurance
- Any other insurance for specific activities e.g. if you hold a special event

## **Equality and Diversity**

Equality means ensuring that everyone has equal opportunity to participate, contribute to and benefit from the activities undertaken by your organisation. Diversity goes beyond fair and equal treatment to recognise and appreciate the benefits that people's different talents bring to an organisation or community. Society is diverse in many different ways. Embracing and celebrating diversity helps create an environment where everyone feels included and valued.

### **Things you may want to consider:**

- How will your organisation, in planning and managing this asset, actively eliminate discrimination, advance equality of opportunity and foster good relations within the community?
- How could you help new groups to form to meet community needs?
- How will the asset be managed and accessible to all sections of the community?
- How will you encourage the community to be more cohesive and the asset to be a focus to enable this to happen?
- How can you contribute to making the community feel safe and promote understanding of different issues e.g. young people needing places to meet and play rather than being perceived as a nuisance by others

## Detailed Business Plan

The business plan is the single most important document to inform a committee decision whether to proceed with a community asset transfer.

The Council will require all organisations to have a robust business plan in place.

### Appendix A

All business plans should address the following:

- Expected outcomes and proposed programme for delivery.
- Proposed impact and the social, economic, and environmental benefits for the local community.
- Arrangements for managing and operating the asset (staff, volunteers) on a daily basis, the identification of the necessary expertise and any training, capacity or skills building requirements within the organisation.
- Legislation and regulatory controls addressed – equality standards, safeguarding, health & safety, disability discrimination, and licensing requirements.
- Consideration of strengths, weaknesses, opportunities, and threats.
- Market needs – the local needs that the activities will be responding to and the beneficiaries.
- Demand from users for the asset.
- Projected utilisation rates and activity timetables.
- Assessment of similar activities in the same area and the response to this through collaboration or how services would be complementary.
- Pricing and charging guidance for users (individuals and groups) - maximising opportunities for income generation to ensure sustainability.
- Marketing the asset to potential users – methods and targeted groups.
- Asset - investment and maintaining the asset, including how all health and safety and compliance responsibilities will be met.
- Sources of finance that the asset transfer could attract or release.
- Financial projections - a three to five year budgeted profit & loss, a first year cashflow forecast, and any capital expenditure required to develop the asset that demonstrates the longer term financial sustainability of the proposal. The assumptions in the financial plan should be explained and any funding arrangements e.g. grants, loans, should be supported by evidence.
- Risk assessment - identification of the different risks and what would be done to prevent the risk from occurring or mitigating it.

In addition, the organisation will be expected to submit copies of governing documents, any evidence of external advice provided, expressions of support from financiers, partners, customers, and users, and where available copies of accounts.

## **Useful signposting for support and advice:**

**Community Action Wirral** – provide an organisational diagnostic, business planning, cashflow forecasting, funding advice, online resource and support

[Zel.Rodgers@communityactionwirral.org.uk](mailto:Zel.Rodgers@communityactionwirral.org.uk)  
<https://communityactionwirral.org.uk/>

**Wirral Chamber of Commerce** – help and advice for your business planning, financial management, marketing, sales & HR

<https://wirralchamber.co.uk/support/>

**Locality** – the national membership network for community organisations that bring local people together to meet local needs. Their mission is to help these community organisations to be strong and successful in order to build a fair society where every community thrives:

<http://locality.org.uk/>

**Business Planning** – online resources, help and advice on how to write your business plan: <https://www.gov.uk/write-business-plan>

**Plunkett Foundation** – online resources, practical advice, support and training to help communities establish and run successful community businesses with long-term survival rates.

<https://plunkett.co.uk/>

**Princes' Trust** – online resources, advice, support

<https://www.princes-trust.org.uk/>

**The National Lottery Community Fund**

<https://www.tnlcommunityfund.org.uk/>

**Sport England's** - online resource and support:

[sportengland.org/facilitiesplanning/community-asset-transfer/](https://sportengland.org/facilitiesplanning/community-asset-transfer/)

**Health & Safety Executive** – online health and safety guidance

<https://www.hse.gov.uk/>

**Equality and Diversity** – online resource

<https://www.gov.uk/government/organisations/home-office/about/equality-and-diversity>

## Handover of Asset Checklist for community organisations

- ✓ Agree the heads of terms for the legal documents, e.g. lease. You will need to obtain your own legal advice before signing agreements.
- ✓ Engage a solicitor to prepare for the legal exchange. Search for qualified solicitors on the law society website.
- ✓ Agree clear roles and responsibilities within the organisation.
- ✓ Undertake an inventory of any equipment or other items to be transferred by the Council.
- ✓ Understand what is included in the handover with the Council and what information you will receive about the asset, including certifications, compliance checks, restrictions, policies and procedures and useful web links.
- ✓ Inform service providers such as utility companies that you have responsibility for the asset and agree new contracts.
- ✓ Agree a communication plan for the wider community and interested parties (this is an important element of the asset transfer process to ensure the community are aware of the new services/activities you will be offering and to provide reassurance for existing user groups).

At the point of handover, the following information may be provided which could contain documentation and information relating to the asset (where applicable):

- ✓ Your legal documents e.g. lease, contract, service level agreement
- ✓ Asset condition assessment
- ✓ Inventory of equipment
- ✓ Compliances information

## Jargon Buster

Like any technical subject, the CAT process can include some jargon. Definitions of the key terms are listed below:

**Assets** – An item of property in ownership, guardianship or lease. In terms of asset management, relates to land and buildings

**Asset development** – a process by which community organisations pursue an interest in land or buildings for the benefit of their neighbourhood or community.

**Asset base** – the amount of assets owned by an organisation.

**Business plan** – a document that describes an organisation's current status and plans. It should be included in the business case outlining the organisations intentions and justification as part of a proposed asset transfer.

**Capacity** – the ability of a group or resource to be able to do something

**Community Asset Transfer (CAT)** - this is a change in the management and/or ownership arrangements of land or buildings, from a public body, (most commonly a local authority), to a community group, (community and voluntary sector groups, community enterprises, social enterprises, etc). Terms are usually a long (25+ years – 99 years) below market value lease, but occasionally freehold sales are undertaken

**Community assets, not liabilities** - community assets can help local organisations to develop a thriving and diverse civil society and promote long-term economic resilience in their neighbourhood. However, land and buildings are only assets if their use is capable of generating an income in addition to their on-going running cost.

**Community Business** - led by local people and accountable to their community, the profit they generate delivers positive local impact.

**Feasible** – whether the project is possible.

**Feasibility study** – the basis on which a community project can achieve success.

**Financially viable** – in this context, whether or not a community project can cover its costs and set enough aside in reserve

**Maintenance** - routine work, both reactive and cyclical, necessary to keep the fabric of an asset in appropriate condition.

**Objectives** – goals, priorities and targets you intend to achieve in a particular timescale

**Power to dispose of assets** - public bodies have the necessary powers to dispose of land and buildings that they own. Normally this is for the best price obtainable. However, under the General Disposal Content (England) 2003, local authorities can dispose at less than best price where the transfer furthers local social, economic or environmental wellbeing

**Stakeholders** – all those with an interest in a community project

**Surplus** – profit

**Sustainable** – a community project that is able to carry on going in the long term.

**A charitable incorporated organisation** – a non-profit registered organisation with a limited liability, i.e. its members and trustees will not have to contribute in the event of financial loss.

**An unincorporated organisation** – an unregulated group, often with a constitution but not incorporated, Members are personally liable for debts and contractual obligations. Usually not suitable for CAT