



Llywodraeth Cymru  
Welsh Government

# National Assets Working Group – NAWG

Making Better Use of Our Public Assets

[www.gov.wales](http://www.gov.wales)

## Community Asset Transfers in Wales – A Best Practice Guide

March 2015

## Foreword

We are facing an unprecedented difficult financial climate for our public services and the third sector in Wales. To address this we will need to continue to find innovative ways to work much more efficiently with reduced resources. Finding better ways to use our public land and buildings will be critical to helping us face these challenges and will help us to deliver services in a more efficient and joined up way. Working collaboratively, innovatively and being open-minded to working in different ways will also be important.

I have Ministerial responsibility for the work of the National Asset Working Group (NAWG), whose role it is to enable and influence public sector organisations to adopt a collaborative approach in asset management. It also seeks to support and encourage the realisation of the efficiencies and benefits that can be derived from proactive, strategic estate management and its role in providing high quality support for the delivery of public services.

The overarching guidance on Community Asset Transfers (CATs) is the latest product to be developed by the Group following feedback received from a number of sectors – Local Authority, Third Sector, Town and Community Councils regarding the issues being faced in terms of budgetary pressures and the need to foster consistency in approach in terms of asset transfers.

The development of the guidance is timely as there is the clear expectation that there will be an increased number of community asset transfers taking place in the future as new models of public service delivery emerge, with a far greater emphasis on community bodies becoming involved in the delivery of local services and taking responsibility for community assets. It is therefore important that Community Asset Transfers are not seen as a route to surplus asset disposal but rather be seen as an opportunity to help public sector organisations to work in close collaboration with local people to develop and sustain a thriving and diverse locality as well as sustaining long-term use of property assets and services in communities across Wales.

This guidance will support the agenda for activist communities set out in the White Paper on *Reforming Local Government: Power to the People*. The White Paper highlights the important role that communities should play in shaping and delivering services in future and proposes giving community bodies a number of rights that can be exercised in relation to services and assets. It also supports existing more detailed guidance such as the toolkit developed by the Deputy Minister for Culture, Sport and Tourism in respect of sports and cultural facilities.

We know that successfully managing a building or service carries risks, which can be particularly challenging to community-led organisations with limited experience and funding behind them. But risk should not be seen as a barrier to transfer as long as all parties are open about the risks and willing to work together to find ways forward for managing and mitigating the risks. This guidance is intended to help support a step-change in enabling communities to take on these roles.

I want to encourage all parties engaged in community asset transfers to read and take on board this guidance. It should support a growing number of robust and successful asset transfers which in turn will enable communities to keep them in use and develop them into thriving community assets with sustainable long-term use.



*Jane Hutt*

**Jane Hutt AM**  
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# 1. Introduction

Asset transfer is not new to Wales and we already have many successful cases. However, there are equally examples where factors such as lack of experience, or insufficient research and preparatory work have turned an asset into a liability.

This Guide is intended to help manage the process and minimise the risks associated with such transfers by:

- setting out the background to land and building Community Asset Transfers (CATs);
- listing some of the more common risks and suggest ways that these can be minimised and managed;
- providing ‘sign posts’ to already published resources and organisations that can be utilised by local authorities and community-based organisations to bring forward schemes;
- highlighting some practical examples of where properly managed transfers have been successfully delivering local benefits; and
- identifying key factors for success.

The *White Paper Reforming Local Government* published in July 2014 included proposals for greater collaboration and co-operation across the public sector and third sectors to deliver community services. These themes were further developed in the *White Paper Reforming Local Government: Power to Local People* published in February 2015, which contains specific proposals to facilitate greater community participation and asset transfer to communities. This, together with the financial pressures which public services across Wales are currently facing and expect to face in the foreseeable future, leads to an expectation that the number of community asset transfers is likely to increase. It is therefore essential that there is clarity around the process of transfer and that those communities which wish to are supported to take on these assets and develop a thriving and sustainable long-term use for property assets and services.

## 1.1 Setting the Background

Public authorities in Wales are not currently obliged to undertake community asset transfers and, in relation to Local Authorities, the process of transfer has to be initiated by them. However, the *White Paper Reforming Local Government: Power to Local People* proposes that eligible community bodies should be able initiate a transfer process. These new powers, if enacted in legislation, will provide important rights for communities which wish to take on responsibility for community assets. It is also hoped that by opening the process up for positive proposals from communities, a wider range of opportunities will be taken up and there will be greater potential for innovation.

There has been interest and engagement in this agenda for some time. Many public authorities are seeking different ways of getting local services delivered, concentrating on efficiencies and cost savings as public spending is under pressure. For many Community Councils, community-based organisations, social enterprises and voluntary organisations, this will create opportunities to take on some control/management/ownership of facilities (and their maintenance) and in so doing create strong foundations for future growth by

bringing in local skills and understanding.

Public bodies may consider asset transfer due to financial pressure or changes in strategy. As with any proposed changes there are a number of risks to be mitigated, but there are also a significant number of opportunities. CAT could enable a public building to thrive or turn a marginal service into a viable community resource. But it is also important to emphasise that CAT may **not** be appropriate for all communities, as much will depend on local circumstances, but when it is appropriate, a range of benefits can be realised.

Throughout the CAT process it should be remembered that CAT is a methodology that must be centred on mutual benefit with a joined up vision to achieve a shared goal. The transfer of a property resource is therefore one where the community group and the public body need to progress together not independently of each other. In developing this approach, the ambition is that all Councils will be activist Councils engaged in delivering better services through greater levels of engagement and in conjunction with their communities opening up opportunities for communities to own and manage local services where this is appropriate, looking to the Welsh tradition of cooperatives and mutuals.

At this time there is uncertainty on the future structure of Local Government and delivery of public services, but it is likely to accelerate the current direction of travel by moving decisions closer to their local communities and empowering local people to secure better services. In terms of community asset transfers, this will simply accentuate the need for community bodies or organisations to demonstrate the viability of their proposals and their capacity and capability to appropriately manage and develop the community asset.

## 1.2 The Framework

Local Authorities have the power to dispose of land in various ways. However official guidance such as Managing Welsh Public Money and those from Cabinet Office and HM Treasury all require that a public authority disposal, by any means, is properly handled and accounted for.

The disposal of public assets will usually be done on what might be described as a commercial basis. This is because there is a general legal requirement that the public authority must achieve best value for the property, sometimes known as 'best consideration'.

However, it has been acknowledged that there will be circumstances where it is appropriate for a local authority to dispose of assets at below full market value, permitted under the 'General Disposal Consent' provisions. These circumstances are when such a disposal will secure a benefit to the community through the "promotion or improvement" of the economic, social or environmental well-being of the area. The authority can therefore evidence it has achieved best value while perhaps not obtaining the maximum capital receipt.

The National Assets Working Group has recommended that public bodies should highlight asset availability within the wider public sector prior to offering the asset to the open market. However, that would not preclude community groups proactively approaching councils if they have an interest which might lead to a business proposition. This may be through identification a specific asset in which they have an interest or by being made aware of the likelihood of disposal by way of information published on the local authority website, through local advertisements, or from information on **Available Public Property in Wales** which is made

available on Space Cymru ([www.epims.ogc.gov.uk/SpaceCymru/home.aspx](http://www.epims.ogc.gov.uk/SpaceCymru/home.aspx)).

Clearly there will still be a need to consider the legalities surrounding State Aid. State Aid is a European Commission term which refers to assistance from a publicly funded body, given selectively to organisations engaged in economic activity. However providing the parties are aware of the regulatory framework there will often be a proportionate solution on how best to proceed. The Welsh Government website provides more information and advice. [www.wales.gov.uk/topics/businessandconomy/stateaid/what-is-state-aid/](http://www.wales.gov.uk/topics/businessandconomy/stateaid/what-is-state-aid/)

### **1.3 Who is the guidance for?**

The audience for the Guide will be decision-makers in local government, the wider public sector and the third sector. However, it may also prove to be a useful reference for those responsible for property assets, right across the public sector in Wales.

Equally, the guidance is intended to provide a reference point for a wide variety of community bodies such as voluntary organisations, co operatives, mutuals, social enterprises and Community Councils who may be considering applying for a Community Asset Transfer. It will also seek to sign-post to other relevant published guidance.

The key message from this guide is that both parties to any potential transfer enter into the process with a mutual understanding of the long term implications.

## 2. What is a Community Asset Transfer (CAT)

A community asset transfer (CAT) occurs when a public sector body, usually a Local Authority, passes on the management and/or ownership of a property asset to a community council or local third sector/community group.

This is not intended as a route to surplus asset disposal but should be seen as an opportunity to help develop a thriving and diverse community and sustain long-term use in communities across Wales of property assets and services. The ultimate aim of Community Asset Transfer is community empowerment – ensuring that land, buildings or services are retained or transformed and then operated for public benefit through community asset ownership and management.

Welsh Government has published guidance on how public bodies may transfer assets between themselves (Land Transfer Protocol (LTP) ([www.assetscymru.org.uk](http://www.assetscymru.org.uk))). However, the LTP predominantly deals with processes that occur after the decision to sell/or transfer has been made. It does not deal with the wider issues that occur prior to that intent. However, parts of that Protocol may offer assistance to organisations moving forward with a CAT.

The spectrum of transfer options can vary widely, but community control of an asset or service will mean some form of register-able title, occupation agreement and/or management arrangement created in favour of the new asset holder.

### 2.1 Who can apply?

- (i) Community and town councils are the grassroots level of local governance in Wales. There are currently over 730 community and town councils throughout Wales although they do not cover the whole of the country. Some represent populations of fewer than 200 people, others populations of over 45,000 people; but they all work to improve the quality of life and environment for citizens in their area. Community and town councils are accountable to local people and have a duty to represent the interests of the different parts of the community equally. About 8,000 people in Wales give voluntary service as community and town councilors. Provision of support and advice on CATs for Community Councils is available via One Voice Wales who run bespoke training courses on service devolution.
- (ii) The third sector comprises independent, non-government organisations that are value driven and motivated by social, cultural or environmental objectives rather than to make a profit. Any surpluses are reinvested to further their social aims for the benefit of the people and communities they serve. These organisations have a myriad of different legal structures including charities, voluntary/community organisations, social enterprises and mutual associations.
- (iii) Community based groups.



It is important that in general terms guidance on CAT defines the type of organisations that applications will be accepted from, and clearly sets out minimum requirements in terms of:

- Governance structures
- Skills and capacity
- Mandatory documents required e.g. constitution, annual reports and accounts.

Whilst applicants will include well-established Community Councils or Third Sector organisations, they may also include new organisations specifically formed to take on a particular community asset. CAT policies should be sufficiently flexible and should not exclude such organisations providing they meet any required governance and sustainability criteria. If the proposals in the White Paper, *Reforming Local Government: Power to Local People*, are enacted, smaller community councils will continue to be able to participate in asset transfer where this is initiated by the principal local authority. Only larger community councils and other community organisations which meet certain eligibility criteria will be able to initiate community asset transfer themselves. The scope of the asset transfer can be tailored to reflect the relevant stage of maturity and experience of the organisation.

Third Sector organisations whether well-established or formed specifically for the purpose of taking over a specific community asset can access support and guidance for community asset transfers from their local/regional County Voluntary Council and/or from the Wales Council for Voluntary action (WCVA). This will include lessons learned from other organisations which have already taken over community assets.

### 3. Guidance for the Transferring Authority/Body

3.1 Some local authorities have a Community Asset Transfer Policy (See Appendix 4).

As a minimum, in the absence of an adopted formal policy, it is expected that as part of the asset management planning process and strategies around potential transfers or disposals, the Authority should alert local Community Council, Third Sector organisations and community groups, at an early stage, to the fact that the Authority has in mind to dispose of a Community Asset. This is necessary to give them time to consider whether or not the asset, and potentially the services which are delivered through it, are something they might wish to apply to take over and to organise accordingly. This is commensurate with the ambition to empower local people to secure better services and to strengthen decision making at a community level.

3.2 Consideration should be given to how the Policy will link to the authority's existing policy framework and planning process. This will include corporate plans such as Single Integrated Plans and property strategies including Corporate Asset Management Plans, Acquisitions and Disposals policies. Given the current uncertainty on Local Government structure, it would be expected that corporate plans developed in the future should incorporate a policy or formal guidance in respect of Community Asset transfers.

3.3 When considering an asset transfer to a Community Council, community group or third sector organisation, the Authority should ensure that it has a robust but flexible policy and that the application of that policy is relevant and consistent. It will also be the case that potential asset transfers will vary in type and scale. As an example a small community centre with little need for capital works would have different requirements to an older larger asset that requires significant work and investment by the recipient.

3.4 Although the principle of a community group taking over a service or building may appear attractive, the Authority has a duty to ensure that the proposal accords with the Authority's strategy and that any Community Council, community group or third sector organisation expressing an interest is fully aware of the liabilities and responsibilities it will face.

3.5 This section will help explain what these may be and why they are important to protect the community and the Local Authority.

#### **Strategic Context**

Ensure that any asset transfer proposal supports the transferring authority's aims and priorities, and that it accords with the financial priorities against which it will be judged.

#### **Due Diligence**

Ensure that due diligence has been carried out. This will help protect not only the transferring Authority but also the community group/Third Sector organisation, its clients and the community.

Key elements of the due diligence process is detailed below:

Is the asset one which can be CAT transferred? If not, state this at the outset.
Is there a proven need in the community for the proposed use and is there proven support from the community for the proposal? Who within and how would the community benefit?
How would a transfer impact on any future opportunities for use of adjoining Council assets?
Ensure the Community Council/ Community Group/Third Sector organisation is relevant and coherent.
<p>Check factors like governance, relevant knowledge and skills on the Community Group and experience of delivering in the community and financial resilience.</p> <ul style="list-style-type: none"> <li>• This is for guidance only as actual running costs could vary as particular groups may have the ability to reduce some outgoings such as using volunteers for cleaning/ caretaking or being entitled to a reduction in rates.</li> <li>• Any future costs should also be provided such as condition surveys information.</li> <li>• Ensure that any repairing responsibilities are clear and are fully understood by the group, particularly the legal liabilities.</li> </ul>
<p>The Transferring Authority should expect to see an outline business plan from the Community Council, community group or Third Sector organisation setting out its plans for future use management governance and funding of the venture.</p> <p>Request written documentation to demonstrate that they have considered all factors and have planned for them such as business rates, maintenance, insurances, staff payments and on-costs, utilities, vandalism risks and statutory compliance.</p> <ul style="list-style-type: none"> <li>• Ensure this is done in a way which is relevant and proportionate to the nature/size of the opportunity i.e.: EOI, full Business Case or written submission.</li> <li>• Ask that proof of funding is provided as part of any written document, and that this covers both capital and revenue outgoings, the latter for either 3 or 5 years (dependent upon the length of lease), to ensure that the community group has properly considered finances and is not, for example, relying solely on an up front capital grant.</li> </ul>
<p>Consider clearly the differences between Leasehold and Freehold options and their application.</p> <ul style="list-style-type: none"> <li>• Individual Authorities have differing approaches but must be clear about what is offered and why.</li> </ul>

Make sure that adequate time is allowed to research ownerships and any restrictions/covenants that may exist. Do not build up expectations; ensure this information is correct at the start. The Local Authority is encouraged to share this information with the applicant where feasible.

- Consider adding covenants, claw backs or restrictions to any transfers to protect the interests of the Transferring Authority and community in the future, albeit this requires careful consideration as their inclusion can have unintended consequences. In the case of projects requiring significant capital investment, asset recipients often have to assemble complex funding packages, which will often include loan finance. In these instances should the transferor place a restrictive covenant, or require first charge, the lenders are unlikely to lend because:
  - (i) In the case of restrictive covenants they would have limited disposal options should the loan default.
  - (ii) In the case where the first charge goes to the transferor, they would be unlikely to recover their capital in the case of default.

These issues would be of particular importance to social enterprises, mutuals etc.

- Consider issues such as open space advertising which will add a cost and time element to any transfer.
- Ensure that the property is not subject to any funding claw backs.
- Consider whether the proposal will require State Aid Assessment.
- There needs to be an appreciation that some transfers can take some time to be completed. This will be particularly apply to large projects, which may be subject to complex funding packages. These type of transfers could take anywhere between 12 and 24 months to resolve all issues and finalise funding packages.

The Authority must identify and deal with any staff matters such as TUPE, redundancy and management of change issues.

The authority must take a consistent approach. There are other factors that could be included here. It is important to be prepared to face potential challenges, either in application of policy or legally, if an incident occurs and someone is injured, for example or a community enterprise ends up in financial difficulties.

When a local authority is considering transferring premises or land it must satisfy itself the community group fully understands what they will be taking on in terms of:

- the likely cost;
- their ability to resource it;
- the legal liabilities that they would face in the event of failing to make the initiative financially viable;
- other legal liabilities associated with the transfer such as responsibility for compliance issues together with health and safety;

- risk assessments and mitigation should be considered for some types of assets e.g. swimming pools and playing field have a higher risk of serious injury or even death. Recipient bodies need to be aware of all their responsibilities and obligations e.g. corporate manslaughter;
- the local authority must also be satisfied that its ability to transfer the premises/land is clear; and
- that the responsibility for any service delivery (SLA/contracts for delivery) is clearly understood by all parties and appropriately documented.

### Links to Service Delivery

In these challenging times of financial pressure, Community Groups, Town or Community Councils will often consider, indeed will be encouraged to take on a service from a public body to sustain local services. There are already good examples of community led service delivery, but as with taking on an asset, a number of questions which are detailed below should be asked before community groups/organisations consider taking over the running of a particular service:

- Who is the target audience of the service?
- How will modernising and improving the service be achieved?
- Is the service statutory or non-statutory?
- Are there any legal standards for delivery of the service?
- What level of accommodation is required?
- What budget is available and how are building costs likely to be met?
- Are there any other buildings (public or privately owned) that might facilitate the service delivery more appropriately?
- How are premises costs going to be met? (provide what can be done about existing provision as a guide for the community group or Town/Community council).
- What budget savings or efficiencies, if any, will the Service achieve from the proposal?
- What property cost savings will the Council achieve, if any, from the CAT? (i.e. reduction in backlog of maintenance).

Will there be any on-going financial, legal or management support from the transferring authority – this is particularly important if there are any on-going liabilities linked to the transfer such as annual maintenance, depreciation costs or TUPE liabilities including future redundancy and pension liabilities.

### Strong Communities

The transfer of assets into community ownership and management is recognised as a means of investing in regeneration and delivering positive social economic and environmental change. There is no doubt that the ability and opportunity for the community to take control of the things that matter to it, is an essential and welcome step forward in delivering efficient services across Wales. Support to build strong communities comes in many forms and community asset transfers have a large part to play in this.

Appropriate due diligence by the transferring council ought not to be seen as a hindrance but a positive action to ensure long term resilience of the service and a support for stronger communities.

### **Corporate Improvement Plans**

Strong communities benefit everyone and contribute towards a sustainable and inclusive local economy. It is vital that all services within an Authority are aware of the potential benefits to a community of carrying out asset transfers and how individual transfers support the Corporate Improvement Plans or Local Plans.

This is time consuming, however if done correctly and appropriate planning and resources are provided, true workable solutions can emerge. For example, a community or Town/Community Council may extend the range of services delivered and be more able to develop links to other community events or local businesses.

A robust process is vital however, and Local Authorities should follow due process and are encouraged to work with groups where proposals maybe at early stages of development. Changes can be beneficial and now, more than ever, Local Authorities/public bodies have the ability to make radical but important changes to the way services are delivered, meeting the needs more appropriately of the communities they serve.

## 4. Community Asset Transfer Process

It is important that each Local Authority/appropriate public body either has a Community Asset Transfer Policy or at the very least has guidance that sets out a transparent framework as to how they will process community asset transfer applications.

### 4.1 Application Process

The Policy should set out clearly the application process to be followed and provide approximate timescales for each step. A two step formal application process is recommended and standard application forms should be provided to ensure consistency and transparency. A two step process is beneficial to the applicant and the Local Authority/transferring body. It ensures valuable resources are not spent on preparing and assessing a full business case that has little chance of succeeding. It also provides an early opportunity to highlight areas of weakness that could be strengthened to improve the chances of the full business case succeeding.

Pre-application discussions should be encouraged to discuss options, suitability and the potential scope of any transfer. This should be followed by submission of an initial Expression of Interest (EOI). An EOI should provide the Local Authority with enough information to enable them to make a decision as to whether the application should be taken further. It should also not involve the applicant organisation in a huge amount of work. The information requested in the EOI should include as a minimum:

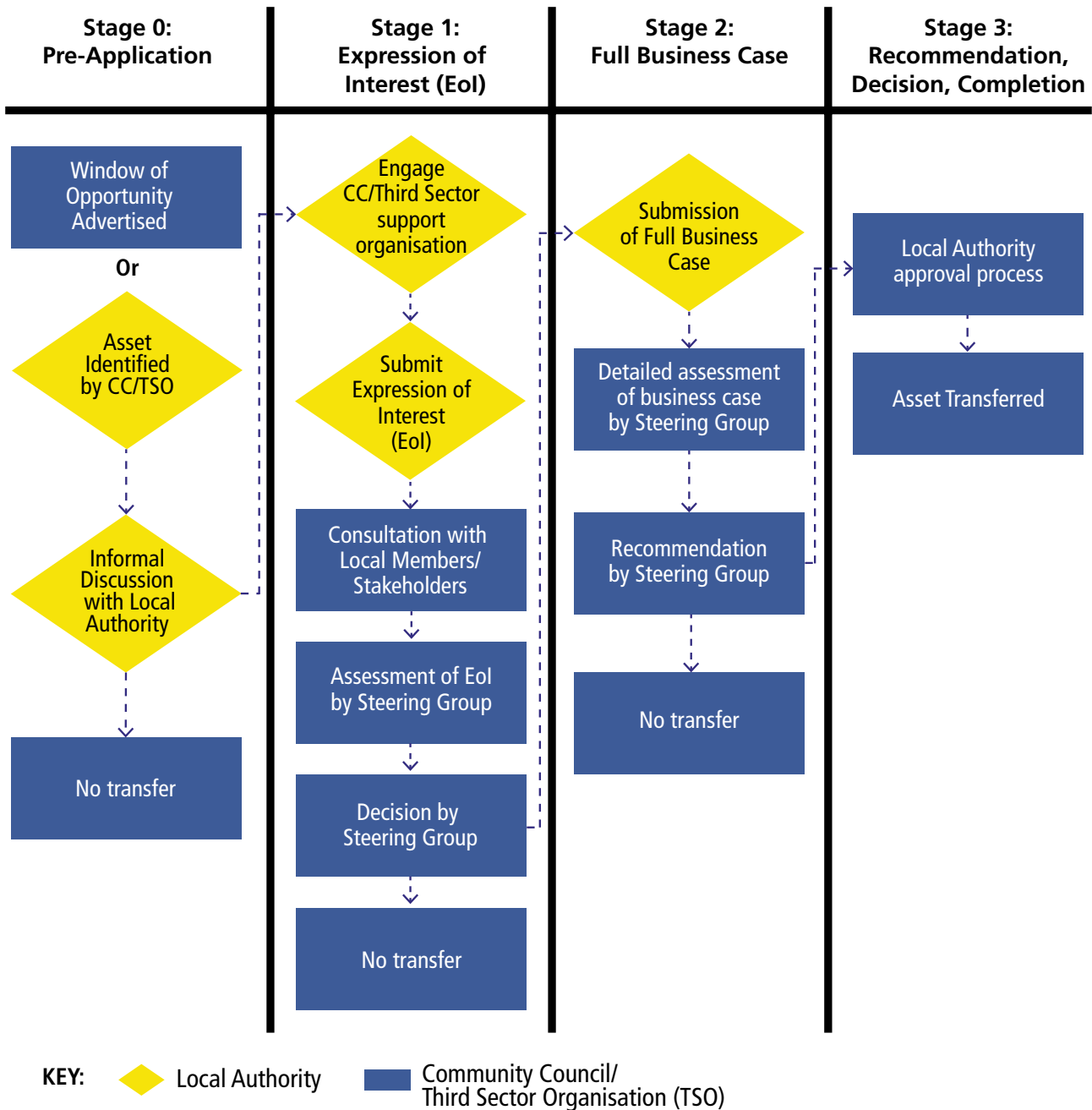
- contact details of the organisation and a nominated project lead;
- type of organisation;
- structure and purpose of organisation;
- details of the asset and type of transfer;
- proposed use of asset;
- benefits to the organisation, community and Local Authority;
- partners, collaborators and stakeholders; and
- evidence of engagement with the community.

### 4.2 Timescales

The timescales should be realistic, and provide the applicants with sufficient time to prepare any required documentation such as a business plan. Whilst not achievable in all circumstances, an overall timescale of 6 months from submission of the EOI to an Executive/ Cabinet or delegated approval decision to transfer is not unreasonable, although it is recognised this is the most ambitious timeline. Flexibility is again important, as the timescales may also link to external dependencies such as decisions on grant funding. It is acknowledged and must be recognised by all parties that large transfers can take between 12 and 24 months to resolve complex issues and develop complete funding packages.

Appendix 1 provides further detail in respect of a suggested process and indicative timescales to ensure that it is dealt with in a timely manner.

## Community Asset Transfer Process



Appendix 1 provides some more details to the various stages of the process.

The procedure will differ within each Local Authority or public body. Factors will include local property market conditions, internal resources and availability of external support from Community councils and Third Sector support organisations such as County Voluntary Councils (CVCs). The purpose of this section is not to prescribe a set process, but to highlight areas for consideration and suggest good practice in order to try and encourage consistency across authorities. The guidance also seeks to set recommendations for timescales to minimise the risk of lost opportunities due to protracted and lengthy processes.



### 4.3 Decision Making

It is important that any decision process around community asset transfer is transparent and applications are assessed against clear criteria. This is particularly important when dealing with competing applications from different organisations for the same asset. It is recommended that a dedicated Community Asset Transfer Steering Group is established within the Local Authority to make any required decisions and recommendations around Community Asset Transfer. These will of course be subject to any existing approvals process within the Acquisitions and Disposals Policy.

It is suggested that the Steering Group should be chaired by the Local Authority officer who has ultimate management responsibility for the community asset transfer process. This is often the Chief Estates Officer or equivalent. Representation should also include relevant Council officers to advise on legal, financial, HR (TUPE) and any service related issues. It is also recommended that the Steering Group includes representation from at least one of the third sector support organisations and that One Voice Wales, as a sector representative, be kept abreast of developments to enable support to be made available as necessary. The appointment of a Member “champion” for community asset transfer to the Steering Group should also be considered.

When assessing whether a Stage 1 Expression of Interest application should proceed to a Stage 2 full business case, relevant criteria should include:

- benefits for the community, the third sector organisation and how they relate to delivering Council priorities;
- governance, structure and history of the organisation;
- potential loss of capital receipt and existing income or other opportunity cost to the Council arising from the transfer;
- proposed level of discount and terms of transfer; and
- any legal issues arising such as title restrictions.

It is important that any decisions are communicated to the applicant in a timely manner, and if there are insufficient grounds to proceed to Stage 2, that clear reasons are provided. The Stage 2 full business plan should also be evaluated by the Steering Group with a recommendation on whether to proceed to or not. In addition to a more detailed assessment of the criteria considered in the EOI this will include:

- risks in relation to financial and organisational ability to manage the asset;
- track record of delivering similar community services and projects;
- how far the proposed use will ensure extensive reach into the community;
- how opportunities to ensure sustainability will be maximised e.g. income generation;
- financial management arrangements;
- on larger transfers, which would include income generating schemes, there should be the availability of additional support from people/bodies with a business background to help assess the viability of the proposal;
- compliance with State Aid, Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and EU Procurement Rules if applicable;
- any legal restrictions to be imposed e.g. restrictive covenants and claw back provisions; and
- monitoring and evaluation arrangements e.g. Service Level Agreements.

## 5. Guidance for the Applicant

Any organisation or Community Group wishing to apply for a Community Asset Transfer should familiarise themselves with the sort of issues that the transferring authority will need to consider as part of the process to agree the transfer of a public asset. See section 3.

### 5.1 The Application Criteria

In the first instance the applicant will need to consider the following: –

#### a) **The Applicant must be:**

#### **A Community/Town Council (CC) or a Third Sector organisation (TSO), which satisfies the following criteria:**

- Legal entity that is incorporated and provides limited liability for the stakeholders involved, this would usually be in the form of a company, society or CIO (Charitable incorporated Organisation). It must enable the management/ownership of buildings and provision of services.
- Exist for community/social/environmental benefit.
- Non-profit distributing – any surpluses must be reinvested to further its community benefits/social aims.
- Demonstrate good governance through open and accountable processes, with appropriate financial and audit controls.
- Demonstrate engagement with the community.
- Demonstrate it has the skills and capacity within or available to effectively deliver its services and manage the asset.
- Provide services or engage in activities that deliver economic, environmental or social benefits to the community.
- Provide copies of the organisation's Annual Report and accounts if available.

#### **and be Community-led**

- Strong links with the local community and directly benefit the people of the County.
- Benefit as wide and diverse a range of local people as possible and demonstrate an inclusive approach to all members of the community.
- Decision making process influenced by local community.

#### b) **The Asset**

- A legal interest owned by the Transferring Authority from which the organisation can demonstrate community benefit.
- The asset is in the freehold/leasehold ownership of the Council.
- Applications for multi-uses and co-location of services should be encouraged. Single interest uses will only be considered where there is a significant business case to do so.

#### c) **Proposed Use**

- There is both a need and demand for the proposed activities and consideration is given as to whether or not this is being satisfactorily addressed by another organisation.

- The proposed use will support the delivery of the Council's Single Integrated Plan and corporate priorities.
- The proposed use will maximise opportunities for income generation to ensure sustainability.
- The CC or TSO has established how much space it requires to deliver its proposals, and how they will make optimum use of the asset.
- The proposed use will deliver extensive and inclusive reach into the community and will be open to all.

#### d) **Business Plan and Finance**

A robust business plan clearly stating the operation and service provision and financial and organisational capacity of the organisation to deliver the proposed services/activities and manage the asset is critical to the success of any transfer.

A Business Plan and Financial Forecast template, with guidelines, is provided at Appendix 3.

**The extent and detail of the business case will vary with the type of assets/services being transferred. The due diligence process needs to be proportionate to the proposed asset/service transfer.**

### 5.2 How can assets suitable for transfer be identified?

Third sector organisations have identified issues with understanding which assets are available within Local Authorities for asset transfer. If specific assets are to be excluded from the CAT Policy then these should be clearly identified; for example some Local Authorities specifically exclude properties held for economic development purposes such as industrial units. Expectations should also be managed within the Policy in respect of assets that have the potential to generate significant capital receipts if sold on the open market. For example, reference could be made to the Local Authority's need to generate capital receipts to help fund capital projects. Suitable assets can be identified in various ways and the Policy should be flexible enough to deal with all circumstances.

#### **Asset Management Planning Processes**

Local Authorities should have a robust asset management planning process in place including regular reviews of their property holdings. Service need for assets, including opportunities for alternative methods of service delivery, will influence their requirement for assets. The potential for assets identified as surplus to requirements to be transferred to the community should form part of the Local Authorities' disposals process.

Where appropriate, assets identified as suitable for community transfer should be flagged through a "Window of Opportunity" process to ensure fairness and transparency. The National Assets Working Group and the Welsh Government's land transfer protocol recommend highlighting availability on e-PIMS. Interested organisations should be offered the opportunity to submit an Expression of Interest (see below) within a defined time period. The time period will be dependent on the asset and nature of transfer. This may be on a restricted basis to specific organisations, particularly if an element of service delivery is to also be transferred. However, there will also be circumstances where the Local Authority wishes to engage with one organisation only such as a Town Council or Community Council and the Policy should make provision for such cases.

## Applications from Existing Tenants

Community asset transfer is not new to Local Authorities and many organisations already utilise their buildings as community assets. Applications will be received from community organisations already in occupation of a Local Authority building looking to vary their terms of occupation, for example by increasing the lease term to meet grant funding requirements or formalising licence arrangements. If the community organisation is not in sole occupation of the asset, or the use is narrow and restrictive, Local Authorities may wish to reserve the right to offer it as a restricted or general “Window of Opportunity” to encourage collaboration and co-location. An example is single use sports pavilions such as rugby, football and bowls which may offer the potential for more intensive use by creating a multi-disciplinary Sports Association.

## Exploratory Applications

Local Authorities may receive enquiries from community organisations, in relation to assets that have not been previously identified as available for transfer. The CAT Policy should be flexible enough to deal with such applications, again considering the potential for the “Window of Opportunity” process to ensure transparency and fairness.

A suggested template for a pre- application is provided at Appendix 2.

## 5.3 Terms of Transfer

Community asset transfer usually involves a transfer at less than full market value, either at a reduced cost or nominal consideration. However, there may be situations where a Local Authority will require a market value. An “asset” can include land or buildings. The type of tenure to be granted can include:

- management agreement;
- licence to occupy;
- short lease;
- long lease;
- freehold transfer.

Many organisations taking on the asset will be reliant on grant funding to support the development of the asset. Some grant funders will require a certain tenure or length of lease. They may also require that the asset transfer is at a nil consideration. Most community assets are transferred on full repairing and insuring terms and this can be included as a presumption within the CAT Policy. However, there may be circumstances whereby responsibility for some repairs, usually external, is retained by the Local Authority in exchange for a reduced rent rather than a nil consideration. It is therefore recommended that the Policy is flexible rather than prescriptive in terms of both tenure, value of the transfer and repairing obligations. This flexibility will also provide the opportunity for the Local Authority to suggest alternative terms of occupation if the applicant does not meet all their criteria. This could include for example a shorter lease term than originally requested, particularly if the organisation is newly established or there are concerns over longer term sustainability and funding.

The transferring body needs to give consideration to the length of lease or whether its appropriate to transfer the freehold. This decision should be influenced by the amount of capital that the incorporated body would need to raise to develop the building and the business idea. If a large loan is needed then the loan provider would expect to take a charge on an asset to protect its investment.

## 5.4 Engagement and Consultation

Applicants are encouraged to engage with national and/or local Third Sector support organisations to prepare their EOIs and full business plans. These organisations will have specialist staff that can advise on issues such as governance, sustainability and funding. This will help to reduce the number of applications that are unlikely to succeed and improve the quality of applications. These organisations can also help to promote opportunities for asset transfers within their membership.

Organisations providing advice and support include:

- Wales Council for Voluntary Action (WCVA)
- County Voluntary Councils (CVCs)
- Communities First
- Coalfields Regeneration Trust
- Wales Co-operative Centre
- Development Trust Association Wales.

Engagement and support of elected Members is important. They will have links with local groups and evidence of community need and demand. It is also important that they understand the consequences of community ownership of assets, particularly the importance of sustainability. It is recommended that Local Authorities involve Members in the development of their Policies, and provide training and information to explain how the process works in practice.

It is also recommended that Local Authorities consult with Town Councils and Community Councils in respect of their community asset transfer proposals. Ideally this should initially be at a strategic level as part of the Local Authorities asset management and review processes. This will enable them to better plan strategically which assets, and possibly services, they may be interested in rather than having to respond reactively to individual opportunities for transfer. They should also be consulted normally on individual EOI applications that are received within their boundaries.

## 5.5 A Partnership Approach to Community Asset Transfer

Local Authorities/public bodies are encouraged to develop a partnership approach to community asset transfer. This will support the creation of stronger, more cohesive and more sustainable communities. Officers from a wide range of services will be actively working with community groups to build capacity and provide them with the confidence and skills to take on the management of an asset. It is important that Local Authorities ensure that all relevant information on the asset is made available to interested parties. This will include details of its condition, running and maintenance costs and title deed restrictions.

## 5.6. Funding

This document is not intended to provide detailed advice on funding mechanisms. There however are a number of possible sources of funding available. Some sources of advice are detailed below:

**Big Lottery Fund** (<https://www.biglotteryfund.org.uk/>) has introduced the Community Asset Transfer Programme with a funding pot of up to £9million to support the transfer of assets to third sector organisations.

**Charity Bank** (<http://www.charitybank.org/>) is a savings and loans bank with a mission to use money for the common good. They offer loans of up to £2.5m to community enterprises and organisations with a social purpose in Wales. Loans are available to help buy property; develop community facilities; fund social projects; and assist day-to-day operations as you wait for grant funding to arrive.

**Robert Owen Community Banking** (<https://rocbf.co.uk/>) is a not-for-profit finance company working to build more resilient local economies in Wales. They provide loan and investment finance opportunities across Wales to create assets and legacies for local communities and help to unlock sustainable income streams.

**Welsh Government Community Facilities Programme** (<http://wales.gov.uk/topics/people-and-communities/communities/grants/community-facilities-programme/?lang=en>) is a £10 million capital fund to tackle poverty across Wales. The programme enables community and voluntary groups, as well as social enterprises, to bid for capital grants of up to £500,000 to improve community facilities which provide services for vulnerable local people.

**Triodos Bank** (<http://www.triodos.co.uk>) seeks to make money work for positive social, environmental and cultural change.

**Grant Finder** (<http://www.grantfinder.co.uk/>) allows you to subscribe to its services in order to find a grant that may be applicable to you.

**Unity Trust Bank** and **WCVA's Community Investment Fund (CIF)**, which is a loan scheme with Unity Trust Bank.

It is also the case that high street banks will also be a source of funding for projects, particularly when they offer strong commercial potential.

## Appendix 1 – Example of Community Asset Transfer Process

Stage	Requirements	Decision Maker
<p><b>PRE-APPLICATION EXPRESSION OF INTEREST (Eoi)</b></p> <p>Submitted to Local Authority or Local CVC, where it will be assessed and, if necessary, further advice and assistance in preparing a full and formal expression of Interest, with a comprehensive Business Plan, will be provided.</p> <p>In the interests of transparency and fair play to the entire community, the submission of an Outline Business Case will trigger the Council to advertise the availability of the relevant property for a period of no more than 4 weeks, following which Outline Business Case's from all interested parties will have to be submitted and considered and invites will be issued to acceptable organisations to proceed to the formal Stage1.</p>	<p><b>OUTLINE BUSINESS CASE</b></p> <p>(Document: Community Asset Transfer Outline Business case)</p> <ul style="list-style-type: none"> <li>• Background of the Community Council (CC) or Third Sector Organisation (TSO)</li> <li>• Why the asset is needed</li> <li>• Benefits to community, TSO and Council</li> <li>• An Organisational Health Check</li> <li>• Support from Community, Partners &amp; Stakeholders</li> </ul>	<p>Local Authority/ Local CVC</p>
	<p>If the original Outline Business Case is initially rejected the TSO will be advised as to the reasons and, if applicable, support from Local CVC Economic Development Officer will be made available in order to improve the submission to the standard required.</p> <p>The Local Authority/Local CVC will also supply the support in order to ensure the CC/TSO provides a Detailed Business Plan in the correct format including the provision of any relevant asset information available.</p>	<p><b>Timescales</b></p> <p>No more than 4-6 weeks</p>



Stage	Requirements	Decision Maker
<p><b>STAGE 1: FORMAL EXPRESSION OF INTEREST</b></p> <p>On recommendation Local Authority or Local CVC a Formal Expression of Interest will be submitted to the Head of Estates and Strategic Asset Management by the Community Council/ TSO/Community Group.</p>	<p><b>BUSINESS PLAN</b></p> <p>A detailed business plan, in the proper format, with a minimum of 3 years financial forecasts, sustainability plan and a consultation survey has to be submitted as part of the Formal Expression of Interest.</p> <p>If all the documents are in order the TSO will be invited to proceed to Stage 2. If the application is not supported a full explanation will be provided.</p>	<p>Local Authority/ Local CVC</p> <p>Head of Estates and Strategic Asset Management</p> <hr/> <p><b>Timescales</b></p> <p>No more than 1 week</p>
<p><b>STAGE 2: FULL ASSESMENT OF DETAILED BUSINESS PLAN</b></p>	<p><b>SUBMISSION AND ASSESMENT OF DETAILED BUSINESS PLAN</b></p> <p>Assessment of Detailed Business Plan with specific attention on:</p> <ul style="list-style-type: none"> <li>• Needs analysis and projected utilisation</li> <li>• Type of transfer sought and why</li> <li>• Planned outcomes and benefits and how they will be measured/monitored</li> <li>• Details of any proposed partnership/collaborative working</li> <li>• Track record for delivering service/managing property</li> <li>• Capacity to manage the asset</li> <li>• Financial Sustainability planning</li> </ul>	<p><b>Head of Estates and Strategic Asset Management</b></p> <p>In consultation with:</p> <ul style="list-style-type: none"> <li>• Head of Community Regeneration</li> <li>• Relevant Head(s) of Service</li> <li>• Ward Members</li> <li>• Executive Member</li> </ul>



Stage	Requirements	Decision Maker
	<p>Report to Corporate Strategic Asset Management Board with a detailed assessment of:</p> <ul style="list-style-type: none"> <li>• Benefits for community, the TSO and how they relate to delivering Council priorities</li> <li>• Risks in relation to financial and organisational ability to manage the asset</li> <li>• Potential loss of capital receipt and existing income or other opportunity cost to the Council arising from the transfer</li> <li>• Establish level of discount (if applicable)</li> <li>• Terms of transfer and any legal issues, including TUPE</li> <li>• Monitoring arrangements e.g. Service Level Agreement</li> </ul>	<p><b>Corporate Strategic Asset Management Board</b></p> <p>following consultation with:</p> <ul style="list-style-type: none"> <li>• Head of Community Regeneration</li> <li>• Relevant Head(s) of Service</li> <li>• Head of Legal and Corporate Compliance</li> <li>• Chief Finance Officer</li> <li>• Relevant partners</li> </ul> <hr/> <p><b>Timescales</b></p> <p>No more than 8 weeks</p>
<p><b>STAGE 3: RECOMMENDATION, DECISION AND COMPLETION</b></p>	<p>Delegated approval or report to Scrutiny Committee and Executive in line with Disposals and Acquisition Policy</p>	<p><b>Head of Legal and Corporate Compliance. Scrutiny Committee. Executive.</b></p> <hr/> <p><b>Timescales</b></p> <p>Dependent on complexity 8-16 weeks</p> <hr/> <p><b>TOTAL TIMESCALE</b></p> <p>21-31 weeks</p>

**Note:**

It is important that timelines should be realistic, and provide the applicants with sufficient time to prepare any required documentation such as a business plan. Flexibility is important, as the timescales may also link to external dependencies such as decisions on funding packages. It is acknowledged and must be recognised by all parties that large transfers can take between 12 and 24 months to resolve complex issues and develop complete funding packages.

## Appendix 2 - Community Asset Transfer Outline Business Case Pre-Application Expression of Interest (Eoi)

This is a template that can be used to capture the information needed to consider requests for the transfer of asset for community use. It can be modified or amended where considered appropriate and additional information included where relevant.

Please complete this form, attach additional information and send for appraisal, in the first instance, to:

The Local Authority/Local CVC

<b>Organisation</b>	
<b>Applicant</b>	
<b>Contact details</b>	
<b>Date</b>	

<b>1. Introduction</b>	
<b>The Outline Business Case</b>	
a.	Is this a request to take possession of a specific asset? If yes, please provide details.
b.	Have you been invited to make a request by Local Authority? If yes, please provide details.
c.	Is this an exploratory request? If yes, please provide details of your requirements.
d.	Other reason? If yes, please provide details.

## 2. Background

### Describe your organisation

a.	The services provided
b.	The area of service provision
c.	People numbers and organisational structure
d.	The accommodation you currently use
e.	How your organisation is funded

## 3. Why the asset is needed

### Is your existing accommodation

a.	Unsuitable?
b.	In the wrong location?
c.	Too costly or you have received notice to vacate?
d.	Is your service expanding?
e.	Are you providing additional services?

#### 4. Benefits

**Provide details of the benefits that you consider could be achievable.**

**You should include benefits to your organisation, to the community and to The County.**

a.	Will the asset enable service improvements?
b.	Will additional services be provided?
c.	Will the service become more visible?
d.	Will the service become more accessible?
e.	Will the asset complement other services or organisations or enable collaborative working?
f.	Will it safeguard services?
g.	Will there be any financial savings?

#### 5. Organisational Health Check

**Consider your Organisations ability to maintain services delivery and deliver benefits**

a.	Do you have a mission and objectives?
b.	What are your governance arrangements?
c.	Do you have a written constitution or Memorandum & Articles of Association Please provide Company/Society registration number and/or Charity registration number
d.	Do you publish an annual report? If yes, please provide the most recent copy.
e.	What financial package is in place to support your proposal and how secure is the funding?

**6. Partners, Collaborators and Stakeholders**

**Are you proposing any arrangements with the council or other public or third sector organisations?**

- |    |  |
|----|--|
| a. | Provide details and state the scope of their involvement |
| b. | Are they supportive of this proposal?                    |

## Appendix 3.1 – Finance Plan Template

## Another Community Centre – Income &amp; Expenditure Forecase Years 1-5

		Phase 1	Phase 2		Phase 3		
<b>Note:</b>	<b>Income</b>	<b>Current</b>	<b>Yr 1</b>	<b>Yr 2</b>	<b>Yr 3</b>	<b>Yr 4</b>	<b>Yr 5</b>
1	Local authority 'start-up' grant						
2	Other grant aid						
3	Rent & room hire						
	Large Hall						
	Small Hall						
	MUGA						
4	Other income						
	Vending machines						
	Café & shop sales						
	Other						
5	Volunteer time in kind						
6	Own fundraising						
	<b>Total</b>						
	<b>Expenditure</b>	<b>Current</b>	<b>Yr 1</b>	<b>Yr 2</b>	<b>Yr 3</b>	<b>Yr 4</b>	<b>Yr 5</b>
7	Staff salaries & on-costs						
	Centre Manager						
	Caretaker						
	Cleaner(s)						
	Volunteer time in kind						
8	Staff & volunteer training & devt						
9	Caretaking / cleaning costs						
	Cleaning materials						
	Refuse collection						
	Security						
10	Utilities						
	Water						
	Electricity						
	Gas						
11	Rates						
12	Repairs and maintenance						
13	Transport & travel						
14	Centre supplies						
	Tools & materials						
	Equipment hire						
	Office furniture & IT						
	Medical, clothing & PPE						

14	Telephones						
	Internet						
15	Centre promotion						
	Printing & publicity material						
	Advertising						
16	Vending machine rental & supplies						
17	Insurances and professional fees						
	Property insurance						
	Public liability insurance						
	Performing rights soc. Fees						
	Accountancy fees						
	Legal fees						
	Architects fees						
	Consultancy fees						
18	Other – sundries & miscellaneous						
	<b>Total</b>						
	<b>Surplus (deficit)</b>						
						<b>Accumulated reserves</b>	

## Appendix 3.2 – Business Plan Template

### Business Plan – Contents

#### Executive summary

p.5

<b>1. Our project</b>	<b>p.7</b>
<ul style="list-style-type: none"> <li>• About ANOther Community Organisation</li> <li>• Our values and the mission of our organisation</li> <li>• The aims and objectives of our community project</li> </ul>	
<b>2. The market</b>	<b>p.9</b>
<ul style="list-style-type: none"> <li>• About our community</li> <li>• Existing &amp; target markets</li> <li>• Results of community consultations</li> <li>• Knowledge of other existing community services &amp; facilities</li> <li>• Opportunities to build partnerships</li> </ul>	
<b>3. Business growth and development</b>	<b>p.11</b>
<ul style="list-style-type: none"> <li>• A review of our organisation (SWOT Analysis)</li> <li>• Our business development strategy               <ul style="list-style-type: none"> <li>– Phase 1 – Project design (Year 0)</li> <li>– Phase 2 – Centre development (Years 1 – 3)</li> <li>– Phase 3 – Centre expansion (Years 4 &amp; 5)</li> </ul> </li> </ul>	
<b>4. Centre management</b>	<b>p.13</b>
<ul style="list-style-type: none"> <li>• Our management committee</li> <li>• Staffing and the role of community volunteers</li> <li>• Development of community activities</li> <li>• Service delivery &amp; programming</li> <li>• Policies &amp; procedures</li> <li>• Day-to-day operations</li> </ul>	
<b>5. Centre development</b>	<b>p.14</b>
<ul style="list-style-type: none"> <li>• Current facilities</li> <li>• Potential opportunities for refurbishment &amp; expansion</li> </ul>	



<b>6. Marketing plan</b>	<b>p.14</b>
<ul style="list-style-type: none"> <li>• Building our profile</li> <li>• Promoting our services</li> </ul>	
<b>7. Financial plan</b>	<b>p.15</b>
<ul style="list-style-type: none"> <li>• Five year income &amp; expenditure (cashflow projection)</li> <li>• Income generation (sales forecasts)</li> <li>• Fundraising strategy</li> </ul>	
<b>8. Risk analysis</b>	<b>p.17</b>
<ul style="list-style-type: none"> <li>• Risk log</li> <li>• Plan for minimising risks</li> </ul>	

**Appendices:****Appendix 1: Community Consultation and Engagement Plan****Appendix 2: Desk top survey of other community facilities****Appendix 3: SWOT Analysis of ANOther Community Organisation****Notes:**

The finance and business plan templates provided are extracts from 'Stepping Up: A toolkit for developing and managing services and assets'. 'The Stepping Up Toolkit has been developed by City of Cardiff Council as part of their ongoing strategic Community Asset Transfer programme'.

## Appendix 4 – Community Assets Transfer Policies by Authority

**Blaenau Gwent County Borough Council** – [http://www.blaenau-gwent.gov.uk/documents/Documents\\_Governance/CommAssetTransferPolicy.pdf](http://www.blaenau-gwent.gov.uk/documents/Documents_Governance/CommAssetTransferPolicy.pdf)

**Bridgend County Borough Council – Community Asset Transfer Guidance**  
<http://www.bridgend.gov.uk/web/groups/public/documents/report/080378.doc>

**Cardiff Council – Stepping up Toolkit**  
<http://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2015-16/Documents/Stepping%20Up%20Toolkit.pdf>

**Carmarthenshire County Council – Community Asset Transfer Procedures 2013 – 2016**  
<http://www.carmarthenshire.gov.uk/english/business/property/documents/community%20asset%20transfer%20procedures%202013-16.pdf>

**Flintshire County Council** – [http://www.flintshire.gov.uk/en/Resident/Community-Asset-Transfer-\(CAT\)/Home.aspx](http://www.flintshire.gov.uk/en/Resident/Community-Asset-Transfer-(CAT)/Home.aspx)

**Merthyr County Borough Council** – need link

**Monmouthshire County Council** – <http://www.monmouthshire.gov.uk/home/local-democracy-and-councillors/policies-and-procedures/asset-management-plan>

**Neath Port Talbot County Borough Council – Property Asset Management Plan 2011 – 2016** – [http://www.npt.gov.uk/PDF/Asset\\_Management\\_Plan\\_2011\\_16.pdf](http://www.npt.gov.uk/PDF/Asset_Management_Plan_2011_16.pdf)

**Newport City Council** – <http://www.newport.gov.uk/stellent/groups/public/documents/report/cont708620.pdf>

**Vale of Glamorgan County Borough Council** – [http://www.valeofglamorgan.gov.uk/en/our\\_council/council/minutes,\\_agendas\\_and\\_reports/reports/scrutiny\\_cr/2012/12-09-11/corporate\\_asset\\_management\\_pla.aspx](http://www.valeofglamorgan.gov.uk/en/our_council/council/minutes,_agendas_and_reports/reports/scrutiny_cr/2012/12-09-11/corporate_asset_management_pla.aspx)

## Appendix 5 – Further Information

### Community Matters

Community Matters is the national membership and support organisation for the community sector. They champion voluntary and community action at neighbourhood level, as a means of local people taking control of issues in their area and fostering community spirit.

<http://www.communitymatters.org.uk/content/583/6-Community-Asset-Transfer>

### DTA Wales

The portal is for a wide range of people and organisations who may be interested in the development of land and building assets that can be used for community or public benefit.

<http://assetsportal.dtawales.org.uk>

### Community Rights

[http://mycommunityrights.org.uk/wp-content/uploads/2012/04/LOCALITY-ASSET-TRANSFER\\_UNDERSTANDING.pdf](http://mycommunityrights.org.uk/wp-content/uploads/2012/04/LOCALITY-ASSET-TRANSFER_UNDERSTANDING.pdf)

### Locality

The Asset Transfer Unit (ATU) promotes and supports community asset transfer – the transfer of land and buildings from public bodies to community and voluntary organisations.

<http://locality.org.uk/our-work/assets/asset-transfer-unit/>

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

<http://locality.org.uk/resources/fa-guide-asset-transfers/>

<http://locality.org.uk/resources/empowering-communities-making-local-assets-officers-guide/>

<http://locality.org.uk/resources/making-local-assets-councillors-guide/>

<http://locality.org.uk/wp-content/uploads/Civic-Buildings-the-show-must-go-on.pdf>

<http://locality.org.uk/resources/pillars-community-transfer-local-authority-heritage-assets/>

<http://locality.org.uk/blog/income-generation-public-libraries-practical-guide-library-service/>

<http://locality.org.uk/resources/community-led-spaces/>

<http://locality.org.uk/resources/making-buildings-work-community/>

<http://locality.org.uk/resources/guidance-community-owned-managed-swimming-pools/>

### Wales Council for Voluntary Action

WCVA support and represent Wales' third sector. They represent and campaign for voluntary organisations, volunteers and communities.

<http://www.wcva.org.uk>

### Big Lottery Fund –

<https://www.biglotteryfund.org.uk/wales>

### National Association of Local Councils in England and Wales

<http://www.nalc.gov.uk/>

### One Voice Wales

<http://www.onevoicewales.org.uk>

### **Community Land Advisory Service Cymru**

The Community Land Advisory Service in Wales (CLAS Cymru), which aims to help community growing groups, landowners – plus others involved in land access – to work together to make more land available for community growing.

<http://wl.communitylandadvice.org.uk/wl/home>

### **Welsh Government: A Toolkit for the Transfer of Community Assets for Sport, Arts and Cultural**

To assist community groups considering the acquisition of community assets for sport, arts and cultural purposes.

<http://wales.gov.uk/topics/cultureandsport/community-asset-transfer/?lang=en>

### **Wales Co-operative Centre**

The Wales Co-operative Centre supports the development and growth of social entrepreneurship, social enterprises and co-operatives in Wales.

<http://www.walescooperative.org>

## Appendix 6 – Case Studies

### Ebbw Vale Institute

Ebbw Vale Institute is the oldest Institute in Wales. It is a Grade II listed building and was built in 1849. It was in danger of being lost due to the need for extensive repair and refurbishment, which the owner, Blaenau Gwent CBC, could not commit funding. In 2007, ProMo-Cymru approached the Council to take on the major task of saving and restoring the historic Institute building and turning it into a sustainable cultural centre of community activity and learning;



which was its original function when it opened its doors as the first educational institute in Wales in The journey to restore the Institute to its former glory began with initial funding from the Heads of the Valley Project. Following the launch of the Big Lottery's Community Asset Transfer Fund, ProMo-Cymru then approached the Council for a freehold community asset transfer. The transfer was completed in May 2012 and a £750,000 Big Lottery grant secured to complete the restoration.

### Business

ProMo-Cymru Ltd, a registered charity, was established in 1982 as South Wales Co-operative Development Association to develop, train and support business, utilising co-operative principles and community development aspects wherever possible. The underpinning themes of ProMo-Cymru's work are to empower, sustain and develop young people and to sustain and work in partnership with others in the social and economic context for lifelong learning, personal and community development. The Ebbw Vale Institute & Cultural Centre Project (EVi) is a landmark initiative of ProMo-Cymru.

### Details

The Institute provides the following services:

- **Cafe** – open to the public and offering snacks and meals with free wifi access.
- **Training and Workshops** – courses include music tuition, event management, art classes and photography. Training facilities can be used for private hire.
- **Venue with Licensed Bar** – events, concerts, wedding receptions and parties.
- **Conference Facilities** – full conference facilities including boardroom meeting spaces and breakout rooms.
- **Recording Studio** – state of the art recording facilities available for tuition, workshops and private hire.
- **Rehearsal Rooms** – fully equipped music rehearsal rooms and dance studios.
- **Video Editing** – Apple based video editing suite available for training workshops and private hire.
- **Business Incubation** – providing hot desk spaces, professional facilities and support for businesses looking to develop and grow.

The building is now used for a wide variety of functions including award ceremonies, business meetings, weddings, musical events, training and education, community socialising and much more. ProMo-Cymru work in partnership with a wide range of groups and organisations including Blaenau Gwent CBC, Communities First, Princes Trust, WEA, Gwent Association of Voluntary Organisations, BRFM (community radio station), The Rotary Club, Encore Academy, Blaenau Gwent Young Stars, Ebbw Vale Operatic Society and Coleg Gwent.

## Benefits

The primary benefits of Promo Cymru taking ownership of the Ebbw Vale Institute are: –

- The building has been saved as a community facility.
- The change of ownership meant that grant funding could be applied for to not only carry out immediate and necessary work to save the building, but also to refurbish the interior to a high standard including the installation of a café restaurant, a state of the art recording studio, a Main Hall venue for events serving the community and local businesses and training rooms and facilities for educational purposes. As a charity Promo-Cymru have much more flexibility in what they can offer in terms of service. They also have the freedom to apply for grant funding to help maintain and sustain the facility. This includes the setting up and running of a wide variety of projects including music, drama, adult education and community courses both certificated and for pleasure.

## Lessons Learned

- Be flexible in respect of the tenure to transfer.
- The community asset transfer of EVi required the Council to be more flexible on the tenure they were prepared to transfer. Initially they would only consider a leasehold transfer. However, the conditions for grant funders investing significant funds such as the Big Lottery specified a freehold transfer. The Council subsequently ensured that their Community Asset Transfer Policy, whilst making a presumption that transfers would be made on a leasehold basis, still provided the flexibility for a freehold transfer in exceptional circumstances for example where significant grant funding depended on it.



### Contact:

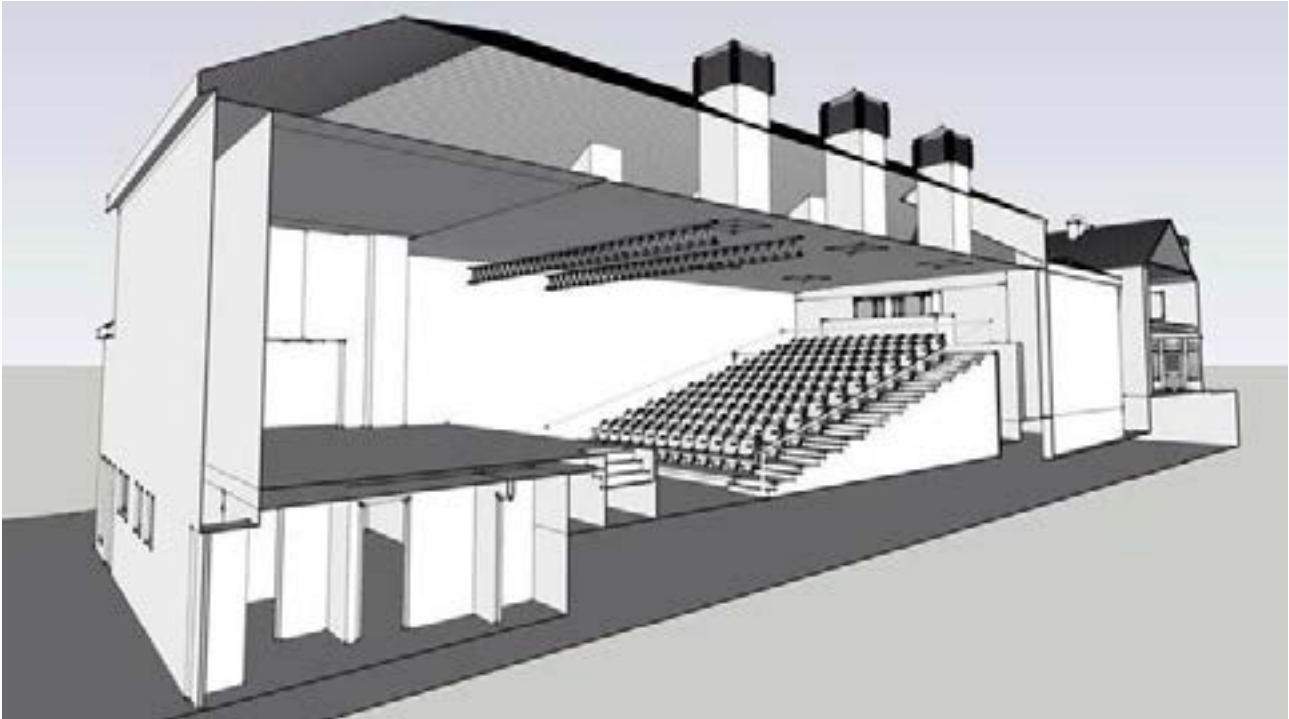
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## Neuadd Ogwen

In September 2012, Gwynedd Council, Estates Department accepted a recommendation to transfer the freehold of arts and music centre, Neuadd Ogwen, to the responsibility of a social enterprise Tabernacl (Bethesda) Cyf. The transfer included a parcel of land adjacent to the building. The purpose of the transfer was to secure finance to redevelop the centre.



### Business

Tabernacl social enterprise was established 20 years ago to celebrate the local arts scene of Bethesda, home to a number of successful Welsh artists including internationally renowned musician Gruff Rhys, the lead singer of Super Furry Animals. Tabernacl had access to funding not available to the local authority. It had secured £600k grant from the Big Lottery Fund (BLF) Community Asset Transfer programme to redevelop Neuadd Ogwen. In addition it had secured £312k from the local Môn Menai Regeneration fund for the building project.



### Details

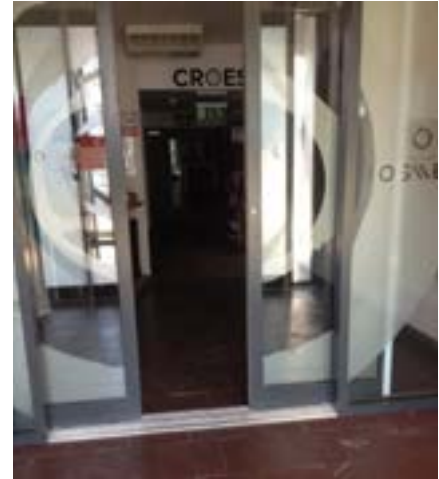
The transfer of the asset took place for a nominal sum of £1. This was due to the restriction on its use in the lease, the Council's intention to include a 'clawback clause' in the transfer terms and finally, that the building was already let to Tabernacl.

## Benefits

On paper, the transfer of Neuadd Ogwen to a social enterprise business was a straightforward process. There were a number of factors that aided the transfer process for Gwynedd Council and for Tabernacl.

- Transferring a public liability into a community asset.
- A local authority champion.
- Social enterprise peer-to-peer mentoring.

Tabernacl had not been successful in its first bid to the BLF for a Community Asset Transfer grant. In preparation for its bid to the final application round, the social enterprise was supported by a peer mentor, Promo Cymru. The mentor had previously been successful in its bid for grant money and was able to provide guidance and knowledge to Tabernacl.



## Lessons Learned

Local authorities and social enterprises considering an asset transfer should consider the following issues:

- Responsibilities of both parties involved in an asset.
- Encourage measured risk-taking and innovation.
- Appropriate and successful joint working between the stakeholders.
- Legal fees to be eligible in grant applications.

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## Life Leisure Trust

Blaenau Gwent County Borough Council began initial discussions regarding alternative models of service delivery for Leisure services during 2012. The key drivers were to sustain the delivery of Leisure's social objectives, meet the requirements of the Council's Medium Term Financial Strategy, including the achievement of NNDR savings for the Council.

In January 2013, an external consultancy company was brought in during the early stages to contribute to the development of a business case having supported the set-up of multiple charitable trusts across the UK and they later formed part of a project board which was set up in August 2013.

The project board comprised of key officers from within the Council e.g. Chief Leisure Officer, Head of Legal, Head of Estates, Finance Officer and an external consultancy partner which also included legal advice. A Scrutiny Task and Finish Group was also set up to engage with political members throughout this process.

### Details

The following timescale outlines the key decisions that were made in order to achieve a successful transfer:

- 19 December 2012 – Executive Committee approved the appointment of external consultants to identify alternative service delivery options for Leisure Services;
- January 2013 – RPT Consultants appointed to support the development of the alternative service delivery model for Leisure Services;
- Autumn 2013 – An options appraisal was presented to the Council's Executive Committee during the Autumn 2013, outlining the following options:
  - In-house model
  - New Not for Profit Distributing Organisation (NPDO)
  - Existing NPDO
  - Hybrid NPDO
  - Private Sector
- The Council's Executive Committee endorsed the recommendation to establish a new Not for Profit Distributing Organisation (N.P.D.O.);
- 18 December 2013 – Executive Committee accepted the Revenue Budget 2014/15 and Medium Term Financial Strategy 2014/15 – 2019/20 ( which included the Trust transfer proposal);
- 19 December 2013 – Council approved the Revenue Budget 2014/15 and Medium Term Financial Strategy 2014/15 – 2019/20; and
- 12 March 2014 – Council's Executive Committee endorsed the business case to establish a Non Profit Distributing Organisation (N.P.D.O.) for Leisure Services;
- Trust live date – 1 October 2014.

The original deadline for implementing the new Trust was June 1 2014, so the final Council decision made in March 2014 left a relatively short period of time to establish the new organisation and resolve some critical areas, such as the legal documentation, the funding arrangements, the estates transfer etc. It's important not to underestimate the complexity of these issues, which were addressed in a relatively short period of time. Throughout the transfer process it needs the two parties to commit to maintain their commitment to continue

to negotiate even when there is disagreement over particular issues. The parties have to be prepared to find common ground, agreement, and at times compromise during the detailed process of getting to a position of transfer.

## **Business**

Life Leisure Trust (LLT) is a charitable company limited by guarantee and consists of 350 staff, all of which transferred to the new organisation as part of a TUPE transfer. The contract between LLT and BGCBC is 20 years (2014-2034) and a 5 year business plan (2014-19) has been developed, which will be reviewed annually and renewed every 5 years. The contract is underpinned by a management fee from BGCBC, which is on a fixed sliding scale over the 5 year business plan. Whilst the management fee is fixed, the Council can request a change in service at any time throughout the contract, which can impact on the budget allocated to the new Trust.

LLT is the largest provider of leisure services in Blaenau Gwent and consists of three main services, which are traditional Leisure (Sports Centres), Culture and Learning. There are twenty one building assets which sit within these three services and operate on a peppercorn lease agreement. Services offered by LLT are;

- 3 Sports Centres
- Sports Development
- National Exercise Referral
- Parc Bryn Bach
- Bedwellty House and Park Tredegar
- Adult and Community Learning
- Libraries
- Heritage and Urban Conservation
- Arts Development and Venues (Beaufort Theatre/ Abertillery Metropole Centre)
- Brynmawr Community Centre.

The Trust has entered into a number of SLA's with the Council over a 3 year period and these will be monitored monthly for compliancy and reviewed annually. The Trust will comply with TUPE law at the end of the 3 year agreement.

## **Benefits**

Following the transfer on the 1st October 2014, there has been a great deal of energy and focus by all staff in driving the commercial aspects of the business. Considerable work has also been carried out on developing new partnerships in both the commercial and charitable sector, whilst maintaining strong links with the Council. A Retained Leisure Manager has been appointed within the Council and monthly meetings take place with the newly appointed Managing Director to monitor the contract. Trust staff have been invited to attend Council scrutiny meetings as and when required as expert witnesses, to support the presentation of Trust related reports. New contracts have been sourced during this initial trading period, which will allow the Trust to test its ability to stretch its capabilities moving forward. Like any new Trust model, a key challenge will be to identify new investment opportunities to grow the business whilst maximising existing income streams and delivering on social outcomes.

A key area for organisations seeking alternative Leisure delivery models is to ensure all governance arrangements are in place e.g. HR transactional work, payroll, financial platforms prior to the date of transfer. The success of this work will depend on whether an appropriate timescale has been considered for the transfer.

### **Lessons Learned**

- Identify high risks of the project early e.g. pension guarantor, insurance and bank set up;
- Early recruitment of the role of MD, and other key posts;
- Early recruitment of quality board members and effective Chair, so they are embedded prior to transfer;
- Two local Authority nominees as part of the Trust Board;
- The separation of advice, guidance and responsibilities between the Trust and the Council to ensure objectivity leading up to the transfer;
- Regular communication with all staff transferring (and those still in the Council) to ensure staff have a clear understanding of the direction of the transfer;
- Ensure open and honest dialogue between both the Council and Trust;
- Ensure there are clear lines of accountability between internal and external solicitors;
- Ensure all policies and governance arrangements, particularly organisational development are implemented prior to the Trust transfer;
- Ensure adequate time (12-18 months) is allowed for a successful transfer to take place; and
- Recognition that the Trust still has a close relationship with the Local Authority's funding arrangements and the on-going impact of austerity measures.

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## Hay-on-Wye Cheese Market

Hay-on-Wye Cheese Market – a Grade II listed landmark building which required substantial investment and had been declared surplus to Powys County Council (PCC) requirements.

The Hay-on-Wye Community Enterprise CIC (HCECIC) wished to be granted a lease at a nominal rent. The granting of such a lease would allow the organisation to apply for Community Asset Transfer grant under the Big Lottery Fund/Heritage Lottery Fund and restore the building into a community facility. They completed a PCC Business Case and Structural Survey. The property was acquired originally by the Urban District Council of Hay and is subject to a number of restrictive covenants limiting its use.

### Details

The HCECIC planned to renovate the building, creating community space on the ground floor whilst renovating the first floor into a holiday let which would provide vital revenue income. The initial request for a CAT was made to PCC in 2009.

The Council, having considered the Business Case, agreed to the granting of a long lease at nominal rental, this allowed the group to formalise its grant applications.

A long lease was completed in the summer of 2013 following the confirmation of funding.



### Business

In response to the public consultation carried out in 2008 there was a clear mandate by the people of Hay-on-Wye to support Powys County Council's transfer of the Cheese Market building, at a nominal amount, to Hay-on-Wye Community Enterprise CIC to ensure its continuous use for the benefit of local residents and visitors. The building will enable Hay on Wye Community Enterprise CIC to raise further inward investment that will support the local economy and job creation in the short term.

Using the Cheese Market building as a launch for the other initiatives, Hay-on-Wye Community Enterprise CIC plan will, in the medium to long term, secure further inward investment and enable a number of viable job creating enterprises to be established that, over time, will support a thriving local economy.

In addition to the economic benefits, the cheese market building will bring social benefits from the initiatives that the building will host that will benefit all the residents of Hay and visitors.

They intended to renovate the building using environmentally sustainable materials and methods and use this as an example of good practice within the constraints of renovating a Grade II listed building.

### **Benefits**

- A landmark listed building has been sensitively preserved evidencing traditional building methods.
- The scheme involved comprehensive community engagement via numerous events.
- A landmark building has been preserved for community use and enjoyment.

### **Lessons Learned**

With the challenges of dealing with a listed building requiring repair and one subject to legal restrictions, never under estimate the time it will take to reach key milestones. This project has taken over 4 years to complete and is now at a stage where the group can start to realise its goals.

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