



Community Asset Transfer

What is Community Asset Transfer?

Community Asset Transfer involves the transfer of operational responsibility for an asset, including all maintenance and repair costs, from the Council to a Voluntary and Community Organisation (VCO) through either a transfer of management responsibility, short or long term lease or through the transfer of outright ownership. Consideration will also be given to a phased transfer of responsibility dependent on the nature of the proposal.

The Council has in the past generally pursued long lease arrangements but a disposal at less than market value would be considered where it is necessary to comply with the funding criteria of the proposed project; or for the sustainability of the project i.e. the project is predominantly capital funded or long-term in nature.

Council policy on community asset transfer

The Council's Community Asset Transfer Policy recognises that handing over the ownership of an asset can be a valuable tool in empowering communities, building the capacity of local citizens and to inspire others to create locally responsive solutions to community needs.

Reasons for considering community asset transfer

Community asset transfer is not about off-loading assets the Council no longer needs. Instead, it provides an opportunity to engage people in providing services in their local communities and can provide the opportunity for community groups to deliver services.

The Council's physical assets include land, buildings and other structures and these are used for a variety of different social, community and public purposes. In the past the Council has transferred assets to community groups for a variety of reasons. In considering future potential asset transfers, the Council will evaluate each proposal in terms of its ability to contribute to the following:

- Community Plan and Single Outcome Agreement
- Community benefits
- Community empowerment - building the capacity of voluntary groups and encouraging a sustainable voluntary sector.
- Economic development and social enterprise
- Improvements to local services

The community transfer of assets can make an important contribution to the range of innovative, bottom up solutions which community groups can develop to address local needs. Importantly, these solutions not only meet the needs of the local people, they can also contribute to the delivery of council and national strategic priorities.

What assets will be considered suitable for transfer?

These may include public halls, town halls, community centres, public conveniences, country parks, play areas, and small museums. Other assets identified by the Council as being surplus to requirement or under-utilised may also be considered. Each application for transfer will be considered on a case-by-case basis.

What assets will be considered unsuitable for transfer?

The Council also recognises that some assets must remain within Council ownership and management to support delivery of essential services, provide an income stream or may have restrictive covenants on their future use making them unsuitable for transfer or impact on the timescales for transfer e.g. being held in the Common Good. The Council will consider as part of the initial assessment of an application whether the asset should be retained by the Council or whether a transfer could be possible.

Who is eligible?

It is difficult to provide a comprehensive definition of the type of organisation eligible for asset transfer. In general, a group will:

- Be formally constituted
- Have sound, long-term management and governance arrangements.
- Have its own decision-making system and accountability to independent trustees or its own members or constituents.
- Be non-political
- Have an element of involvement of volunteers
- Have Charitable Status.
- Is not for private profit i.e. it does not distribute any surplus to owners or members but applies it to serving its basic purposes.

Newly formed groups may also be considered suitable for transfer provided they can demonstrate that they have the necessary expertise and experience to manage the asset and have a sound business plan in place.

How to apply for an asset

The Council is committed to processing any application for asset transfer in an open and transparent way in partnership with the organisation concerned. The undernoted table outlines the stages in the application process.

It is recognised in some circumstances that the Stage 1 Suitability of Asset assessment by the officer Working Group may come after the receipt of an Expression of Interest application.

Timescale

Stage 1 – Suitability of Assets	
	The Community Asset Transfer (CAT) Group will determine whether an asset is suitable for transfer. This will involve a consideration of community need, a review of the assets condition, current running costs and establish if there are any title restrictions. (internal process)
Stage 2 – Expressions of interest	
6 weeks for VCO to apply.	If the asset is suitable, a VCO will complete an Expression of interest form and provide a summary of the proposal identifying local support.
4 Weeks to determine application.	The CAT Group will review the information provided in support of the application to determine the strength of the proposals and the suitability of the VCO. If the assessment is satisfactory and no other interest identified, the VCO will be invited to stage 3.
Stage 3 – Detailed submission	
3 months for VCO to submit application	The VCO will require to submit a detailed application including Business Plan which should contain the key elements shown in the Guidance Notes provided to VCOs.
Stage 4 – Consideration of application	
6 Weeks	<p>The CAT Group will then assess the application against the assessment criteria. Where the CAT Group considered the application favourably, a report will be prepared for Cabinet outlining the terms and conditions of the proposed transfer.</p> <p>Where the CAT Group considers it not appropriate to proceed with an application, the VCO will be advised accordingly.</p>
Stage 5 – Cabinet approval	
6 weeks	A report will be presented to Cabinet within 6 weeks of the CAT Group recommendation.
Implementation/Transfer	
Up to maximum of 6 months	<p>Following a Cabinet decision to recommend transfer, the VCO will work to secure the necessary funding and Council officers will also work with the VCO to finalise the legal aspects of the transfer. Once funding is in place and any necessary planning consent secured, the asset can be transferred to the VCO.</p> <p>It is recognised that there may require to be ongoing support from Council officers to ensure a successful transfer.</p>

Things you need to think about before applying

The Council will be looking for evidence of community support for the transfer. This has to be obtained through consulting existing building users, other community groups and other stakeholders from within the community.

Where two or more community organisations have an interest in the asset, the Council would expect them to work together and come to an agreement on the way forward. This may involve a joint bid.

Costs

There will be costs associated with any asset transfer and voluntary and community organisations will be expected to pay their share of these. Costs may include:

- Feasibility studies
- Architects' fees
- Legal fees
- Consultancy fees

These are the costs that the community organisation may incur when calling on independent, professional advice to help them with the transfer. These must be considered when developing a plan for community asset transfer along with the ongoing costs of maintaining an asset.

Vibrant Communities Team support available

If required, a member of staff from Vibrant Communities will meet with group members to identify and agree an appropriate support programme. For further information please contact Caroline Gray, Project Support Worker, Vibrant Communities.
Telephone: 01563 578189. Email: cat@east-ayrshire.gov.uk

How to submit an Expression of Interest form

This form is available on the Council's website, along with a copy of the Community Asset Transfer policy and other relevant information, application forms and associated guidance notes at <http://cat.eac.eu>