

Strategic Property

# Community Asset Transfer Policy

Little Lever  
Health Centre

**Bolton  
Council**

“ We will promote a high quality physical environment and refreshed identity to Bolton centres

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# 1.

## Introduction

The Council's CAT (Community Asset Transfer) policy is an integral part of its Strategic Asset Management Plan (SAMP)

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It is key to the process of managing assets in the community, providing a set of principles and guidance to identify underutilised or surplus assets or appraising an approach by the community or a VCO about a Council asset. In considering these matters the Council will continue to strike a balance between CAT requests and its need to act commercially and continue to generate capital receipts from assets declared surplus.

The council (BMBC) has a variety of assets and facilities under different tenure including public, voluntary and private ownership many of which are hosted and used by different groups often for community led activities such as community centres, sports venues and other recreational assets.

The Localism Act 2011 and the Governments subsequent policy agendas to create stronger links with voluntary and third or not for profit sector organisations enables local authorities to establish processes to formalise these arrangements.

In doing so one way of achieving this is for the Council to transfer the ownership of and/or management of land or buildings to a Voluntary or Community Organisation VCO through the mechanism of a Community Asset Transfer (CAT).

The following CAT policy is intended to provide an initial framework for the Council and its partners to address the transfer of assets to voluntary and community organisations.

Whilst a Community Asset Transfer is not a legal requirement and its use is at the discretion of the Council, it is however a legitimate process which the Council may employ when it recognises that the voluntary sector is best placed to host community facilities as their management is often aligned and more responsive to the day to day needs of local communities businesses and the general public, it is important to note that each individual case will be assessed on its own merits and nothing in this document binds the Council into any particular course of action when dealing with the portfolio.

# 2.

## Purpose

The CAT policy is a key enabler as part of the Council's Strategic Asset Management Plan (SAMP), ensuring property assets held by the council will be appraised and considered for use or transfer into the community

The Council's portfolio of assets is varied in tenure and use and the pace of change in how the Council meets new and challenging service needs means the asset base has to constantly evolve to respond to help improve and develop new delivery solutions. The Council sees this challenge as an opportunity. There will be instances when Council owned community assets often used by VCOs are returned to the Council, become surplus to requirements, are functionally or economically obsolete or may have the opportunity of being more effectively run by the communities themselves.

The principal aim of the Council's CAT is to ensure the efficient use of assets through community empowerment and also minimise costs through retention or transformation. The Council intends that suitable assets will be made available through the CAT process in a way that:

Ensures compliance with legislation (e.g. Section 123 of the Local Government Act)

Demonstrates a fair and transparent process

Encourages community empowerment and pride

Helps develop strong, cohesive and sustainable communities

Reduces holding costs, risks and related liabilities

Ensures sustainable CATs do not conflict with other community projects





# 3.

## Definitions

This policy provides an appendix to the councils SAMP – Strategic Asset Management Framework

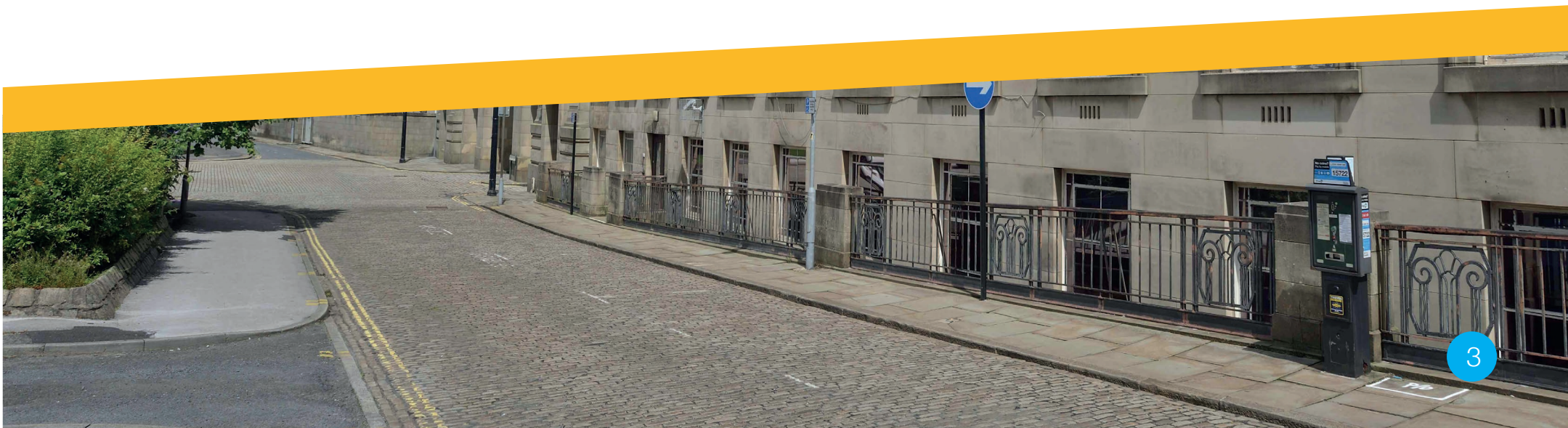
“ One Public Estate – is a programme that promotes working together across the public sector and taking a strategic approach to asset management.

The SAMP provides a five year framework of the overall approach to property and land towards a set of five objectives (Corporate Landlord, Estates optimisation, Economic regeneration, partnerships and Housing delivery).

CAT (Community Asset Transfer) Community Asset Transfer involves the transfer of management and /or ownership of land and buildings from a public sector body like the Council to a VCO.

VCO (Voluntary or Community Organisation) providing key services within communities.

RICS Valuation – Professional Standards 2019 UK VPGA 17 – Local authority disposal for less than best consideration (updated Jan 2019) is the current professional guidance the council/nominated partners are required to use in determining objective land and property values.



# 4.

## Policy Approach and Process

### 4.1 What is a Community Asset Transfer

Community Asset Transfer involves the transfer of management and/or ownership of land and buildings from a public sector body like the Council to a VCO.

Bolton Council sees the opportunity to achieve objectives such as:

- Provision of assets for wider community and voluntary sector use
- Creation of long-term partnerships with third sector organisations
- Harnessing and optimising community benefit and positive outcomes
- Minimising future financial liability and risk for the council.
- Encouraging the growth of social capital

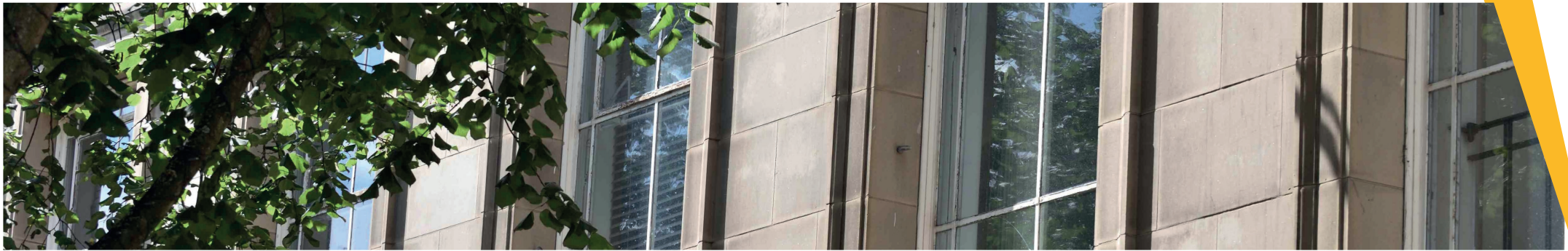
The Council seeks to encourage communities to make the best use of assets and to have the best chance of securing long-term sustainability, particularly through sharing the occupation and use of buildings, as well as ensuring that the assets continue to be used by and benefit the widest section of the local community as possible

### 4.2 Who can apply for a CAT

The focus of the CAT will be to help support VCOs. The definition for this policy is also that adopted for Mandatory Rate Relief. Therefore, a VCO is likely to be an organisation that:

- A) Falls into one of the following categories
- a registered charity
  - an Industrial and Provident Society recognised as an exempt charity
  - an unregistered body which falls within the eligibility tests below\*
- B) is formally constituted as an autonomous, democratic organisation independent of national or local government

\*An organisation with philanthropic or benevolent purposes which has the essential characteristics of a charity.



### 4.3 Key Focus

Third sector organisations or groups based and operating within the Borough of Bolton will be considered (for suitable assets) by the Council. Such organisations may take the form of parish councils, local community groups, charitable or not-for-profit organisations, co-operatives or community benefit industrial and provident societies.

When applying for a CAT, the applicant should provide a thorough business case that demonstrate how it will:

- Generate social, economic or environmental benefits which directly benefit the people of Bolton and the Borough as a whole.
- Generate a clear community or social demand which will benefit as wide and diverse a range of local people as possible.
- Implement robust systems, governance and policies, as evidenced by a recognised quality mark or business standard.

- Be managed and have directors or committee members who have the necessary experience and skills. Including details of contingency arrangements should the transfer prove unsustainable.
- Have viable proposals in place to access capital and create future revenue streams to support the ongoing management and maintenance of the asset as well as the running of the project itself.
- Contribute towards the Council's corporate objectives, community priorities and those of the Council's strategic partners, including a statement of benefits and outcomes and how performance of these will be measured.
- Not duplicate or negatively impact on other services or facilities already provided in the local community.

The establishment of this policy provides the Council and its community partners with an approach to the future use and management of such assets operated for public benefit through community asset ownership and management.

This will help:

- Define when Community Asset Transfer is appropriate.
- Ensure the process is transparent.
- Ensure consistency in approach to assessments.
- Focus on securing social, economic, and environmental benefits.

#### 4.4 Tenure arrangements

The mechanism for transferring the council's community assets is not limited but is likely to take place through either a:

- Long lease
- Short lease
- Freehold transfer
- Licence to occupy
- Management Agreement

#### 4.5 Assets considered suitable for a CAT

The Council holds land and property assets for a variety of purposes and not all of these can be considered for Community Asset Transfer. The Council's SAMP provides further information as to how these decisions are reached.

Some assets will remain under Council ownership to support the delivery of essential services, continue to provide an income to the Council or support economic activity in an area.

The Council must also balance the needs of the community and its commitment to CAT against its need to generate capital receipts in order to invest in essential council projects. Therefore, certain assets which have the potential to generate capital receipts for the Council may not be considered suitable for transfer.

Land and property which forms part of the investment estate is held by the Council for income generation or capital growth and as such is not available for CAT.

There are also some assets that may not be considered suitable for transfer because the legal title to the land is encumbered by restrictive covenants or assets gifted to the Council for educational, leisure or other charitable purposes.

Assets no longer required by the Council for direct service delivery, together with assets already let to community groups may be considered for CAT.

Whilst not exhaustive these assets may include public halls, community centres, bowling greens, public conveniences, play areas and some areas of open space.

Other assets identified by the Council (through the Strategic Asset Management planning process) as being surplus to requirement or underperforming may also be considered.

Each application for eligible transfer will be considered on a case-by-case basis against criteria outlined in the policy. A CAT application will be prioritised in line with service/business needs and priorities of the Council; therefore, some will progress more quickly than others.





#### 4.6 Council initial review of asset

When a community asset is no longer viable, is returned to the Council or it has been assessed that there is an opportunity for the community to run and manage the facility more effectively, then the Council will conduct an initial review of future options for the asset including whether it is appropriate for transfer.

Following an option appraisal (Asset Challenge process – See Asset Management Policy) the community asset transfer will be assessed in balance against other possible outcomes, that include:-

- Disposal
- Retention/reinvestment within the council
- Change of use

When the CAT is determined as the council's preferred option, the asset will be advertised publicly for transfer.

Interested organisations will be invited to provide a business case, demonstrating their capacity and experience to manage the facility and show how they can contribute to the council's corporate objectives.

Organisations which strive to improve the wellbeing of the whole community or those which include the co-location of several organisations will be encouraged in this respect.

#### 4.7 What Criteria will the council use to consider a Community Asset Transfer?

Where a community group or voluntary organisation has a business plan for delivering activities and services from a Council owned asset, then the Council will consider the request to transfer that asset by using the agreed policy governed by the Council's Strategic Asset Management Plan (SAMP)

Each organisation that wishes to apply to the Council for a Community Asset Transfer needs to meet the following criteria.

- Be a charitable or non-for profit-private organisation.
- Generate social, economic or environmental benefits which directly impact the people of Bolton.
- Benefit a wide and diverse range of local people as far as possible.
- Have the capacity and resources to manage the asset and have directors or committee members who have the necessary experience and skill.

#### 4.8 How will community benefits be optimised

To ensure that an asset delivers optimum community benefit, the organisation concerned will need to ensure the property is used primarily for community-based activities and these directly benefit the local community and the residents of Bolton.

Where appropriate the transfer arrangements will require that the asset will be available for hire for general community use with priority been given to grass root organisations and other local groups.

#### 4.9 Legal Context

Section 123 of the Local Government Act 1972 requires the Council to obtain best consideration when disposing of land and property.

Whilst each CAT proposal will be assessed on its merits, due to the requirement to comply with Section 123 and to ensure that transferred assets continue to be used for community benefit, disposals for CAT will mostly take the form of a lease agreement transfer.

#### 4.10 State Aid

Before entering any CAT, the Council may need to satisfy itself that the transfer does not contravene State Aid legislation.



#### 4.11 Duration of agreements granted

The council will review the needs of the transferee organisation the condition of the asset to be transferred, and the requirements of any funding arrangements. The duration of any agreement will be determined with consideration to:

- Any future requirements by the council
- The organisations business plan
- Financial standing and capacity of the organisation
- Experience and capacity of organisation to manage the asset
- The condition and status of the asset.

Community Asset Transfer agreements or leases will include a service agreement that will explain the expected benefits of the community asset including any requirement for use of the asset by local neighbourhood groups or residents for other local events or lawful activities.

Agreements will be drafted to prevent the asset being assigned or sold for unintended financial gain and at expense of community agreed benefits.

Additionally, agreements will include clauses to ensure return of the asset to the council if service agreements and other covenants, are breached or for instance cases of the organisation becoming insolvent or facing dissolution.

#### 4.12 Asset condition

The transfer agreement will include responsibility for maintaining the asset, any repairs required conditional upon completing the agreement, insurance obligations and other outgoings for the building. Periodic site inspections will take place to ensure the terms of the agreement are being met (property condition and compliance/safety standards are satisfactory) if not the agreement may be terminated.

### 4.13 Application/Decision process

If there are several parties interested in pursuing an asset that is available for transfer, then the Council will first encourage collaboration between the different organisations. Where this may not be possible the outcome will be determined by a competitive process with the successful organisation becoming the Council's partner in the transfer.

Depending on business needs/priorities, some applications may progress faster than others, but it is still important that the applicant follows the process and provides the necessary evidence, and any additional information as and when required, to support the application at the different stages.

The Assessment of the application will be carried out using various council resources including the most appropriate method for the process e.g. a panel of relevant Council leads may be convened to discuss the application and reach consensus before making recommendations to the relevant Executive Cabinet Member.

Officers of the council will need to consult with local ward members on any proposals within their ward area.

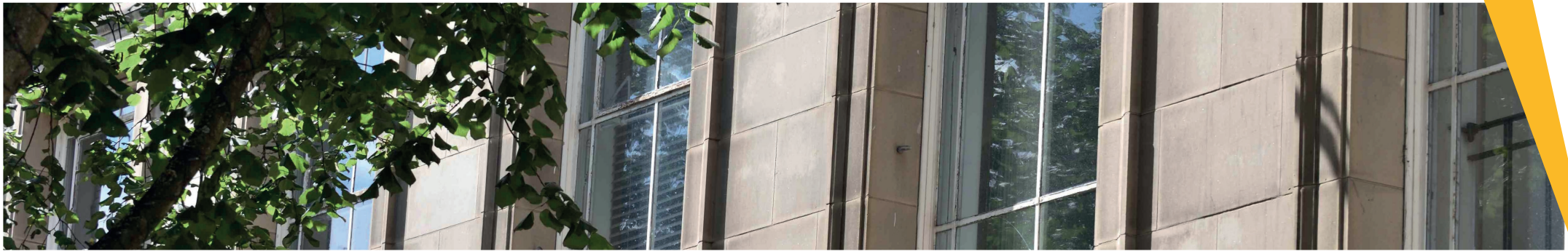
### 4.14 Stages of the Process

There are six stages to the Councils CAT application process as listed below:

- Stage 1** Advertising the opportunity and receiving informal enquiries
- Stage 2** Reviewing formal expressions of interest
- Stage 3** Selected organisations to submit business case
- Stage 4** Evaluation & Council consultation of submission/decision
- Stage 5** Instructions to Legal preparing/completion of agreements
- Stage 6** Monitoring arrangements post transfer.

All councils CAT appraisals and recommendations will be authorised under the auspices of the Council's Strategic Asset Management Plan (SAMP) and be approved by the relevant Executive Cabinet Member





If the Council is reasonably satisfied that the applicant is delaying the process without just cause, then the Council may halt the process and close the application.

The Council retains the right to manage the process to its effective conclusion to ensure the best needs of the Council and community are met.

The council will expect service level agreements to be in place and reserve the right to withdraw any lease or transfer, if the outputs, benefits and measures in the business case are not clearly evidenced.

#### 4.15 Further Information

Further information concerning CAT can be found at:

**[mycommunity.org.uk](http://mycommunity.org.uk)**

**[www.communitylandtrusts.org.uk](http://www.communitylandtrusts.org.uk)**

**[www.locality.org.uk](http://www.locality.org.uk)**

#### 4.16 Commissioning

The Council may, from time to time, commission external consultants in connection with the disposal and acquisition of land and property.

The Council will procure consultants in accordance with its CSF (Clear Sustainable Futures) contract and wherever possible will use locally based consultants in addition to utilising national and regional frameworks.

All commissions will be instructed to provide recommendations only back into the Council officers to consider and take forward via formal channels and in line with constitution and approvals governance.

# 5.

## Implementation and review



All council Community Asset recommendations, decisions and transfers will be done following the CAT policy criteria and principles

Any available CAT buildings will be made available on the councils website and shared and connected up to various voluntary and charity groups in the community

Feedback and learnings from the policy will be considered by the Corporate Landlord forums, Quarterly Asset Management committee and operational feedback from officers, Councillors and public

The policy will be circulated to all officers and partners managing the estate and will be available on the council's intranet and corporate landlord web page

Recommendations under delegated Authority, executive cabinet member or cabinet approval, will show adoption of policy principles for more consistent approach and professional rigour in substantiating recommendations and decisions

The policy will be reviewed in line with SAMP (2020- 2025)