

Steps to Successful Asset Transfer

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1. Introduction

Asset transfer; the transfer of statutory assets into community ownership by freehold or more often leasehold, has been happening for years. The 2007 'Quirk Review', confirmed that there were no legal barriers to the transfer of assets and set out the potential benefits for community ownership of assets stating quite clearly that *"...optimising the use of public assets is not the primary objective: **the over-riding goal is community empowerment**"*

The government response to the Quirk report accepted all the reports recommendations which is almost unheard of and launched a number of programmes to stimulate and support asset transfers across the country, these initiatives, the learning and continuing developments in asset transfer are collated and supported by the "**Asset Transfer Unit**", a partnership between Community Matters and Locality.

The Localism Bill 2010 further develops the vision for community ownership of assets through the 'Community Right to Buy', which allows communities the opportunity to bid for both public and private assets and facilities. . The Bill widens the scope to include private and public assets, where community ownership can allow a different business model which could make an asset viable again.

This is a short guide for communities and local authorities working together to achieve asset transfer.

2. Steps for communities

1. Consider the asset carefully

Is it an asset or liability? Make an informed decision, based on a full financial risk assessment - if the council can't make it work, can you?

You will need access to skills to conduct a feasibility study and a robust business case, which can demonstrate level of demand and the costs. It should help to establish how funds will be raised and income generated; see under "business plan".



2. Consult widely

Consider the benefits to the community - ask people what services they need locally, would people volunteer, get involved? Discuss with the council your findings and get them to share statistical data to help develop a business case.



3. Social capital

Who is in your neighbourhood, what skills, experience and knowledge do local people have to support the operation of the 'asset'?



4. Governance

Do you have a social business model? If not get advice on the most suitable model, and ensure you have robust governance procedures. Community Interest Companies, Companies Limited by Guarantee are examples for social businesses.

You will need to develop an organisation that is able to demonstrate that it can carry risk. It is vital that you work closely with the Council to a set of clearly defined objectives which you jointly agree.

There will need to be project management and professional expertise, e.g., legal,

financial, as well as the possible use of professional such as architects.



5. Business Plan

How will you finance your asset - can local private investors help? Ensure you have a clear business plan which shows your cash flow. Who will help, Lottery, Charitable Trusts? What can you do to ensure income e.g. café, bar, letting out space?



6. Working in Partnership

Develop a partnership with your local council; use their contact point and resources. Work with parish councillors and elected members to help in developing your case.

3. Steps for councils

1. Take a strategic approach

Community Buildings are strategically important for delivering on wider council aims and social outcomes. Community buildings are not just important in themselves; they are a means to achieving essential strategic social outcomes. Councils need to approach any form of asset transfer or the Community Right to Buy through a clear and consistent strategy which establishes community-driven development at the core of its business planning.



2. Joint staff ownership

It's important that all departments 'own' this area of work - not just the property department, or planners. An asset transfer framework or 'process map' could set out those assets to be considered, and the form the transfers might take, explaining how communities can bid, using plain English.



3. Asset 'Champion'

Appointing a senior officer who is responsible for championing asset issues/transfer or the Right to Buy could be used to raise awareness and promote the agenda throughout the council.



4. Prepare a comprehensive overview of all council assets

Mapping council assets will build up a picture of viable uses, and can be the start point for discussions with community groups about imaginative and suitable uses for buildings. Once the significance of an asset is understood, and interest established, options for re use can be properly assessed. transfer assets



5. Involve communities and develop new partnerships based on trust between councils and people

This demands openness about the scale and type of risks involved in taking on assets - but empowering through supporting and building local capacity and confidence. Discussions with community groups can help to establish consensus and the way forward.



6. Developing social enterprise using procurement

Councils can help make community assets financially sustainable by using the buildings as a base to deliver local services e.g. social care, community transport, neighbourhood management.



7. Clear point of contact within the council

Councils need to be clear about what specific support can be offered and who can provide it. A single contact point would enable queries to be quickly dealt

with, with further signposting to council or other partners who can provide specific support.



8. Expertise

Councils will need to ensure that they have sufficient capacity and internal expertise to manage the asset transfer planning process.

An understanding of different social business models, robust governance procedures and business planning, may demand new or different staff skills.

Business partners may usefully support them to ensure assets are transferred to the most sustainable organisations.

The Asset Transfer Unit www.atu.org.uk holds a wealth of information and support for statutory and community organisations embarking upon or continuing with Asset Transfer, including a route map through the process, legal guidance, model asset transfer strategies and case studies. Also well worth a look is the excellent publication 'To Have and To Hold' www.atu.org.uk/Document.ashx?ID=266

Community Matters www.communitymatters.org.uk can provide support with draft leases, management agreements, licenses and permissions, reducing trustee risk and ensuring legal compliance. There is a 'Practical Hints and Tips Guide' http://www.communitymatters.org.uk/resources_details.aspx?ResourceId=138&Keyword=&SubjectID=0&LevelID=0&ResourceTypeID=3&SuggestedUseID=0

They also run the VISIBLE quality standard for community facilities recommended in the Quirk review as a precursor to Asset Transfer www.visiblecommunities.org.uk

The Building Communities website www.buildingcommunity.org.uk hosts short films showing the joys and complexities of asset transfer from 15 projects across the

country, including from East Midlands, The Lenton Centre in Nottingham and The Highfields Centre in Leicester.

A number of councils have published their work on asset transfer on their websites for others to make use of, a number are worth looking at and considering including;

Ashfield <http://www.ashfield-dc.gov.uk/ccm/navigation/council--government-and-democracy/about-ashfield-district-council/strategies/community-asset-transfer-strategy/;jsessionid=E28A8C8DAE504DCED4C7A6684889A432>

Birmingham <http://communityassettransfer.com/>

Northamptonshire County Council

<http://www.northamptonshire.gov.uk/en/councilservices/community/sic/pages/catapp.aspx>

Torbay www.torbay.gov.uk/community-asset-transfer-policy.doc

Common learning throughout all the case studies shows that asset transfer is most successful when

- the statutory and community organisations are working in genuine partnership for a shared goal
- there is a transparency and consistency in approach and decision making
- the statutory organisation has an internal cross departmental working party and a single point of contact internally and externally
- the community organisation has strong governance and an early understanding of the likely revenue and capital costs

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