

APPENDIX 2

COMMUNITY ASSET TRANSFER POLICY

Introduction

Wirral Council believes that community asset transfer is fundamentally about giving local people and community groups greater control in the future of their area and their community.

If local groups own or manage community buildings – such as community centres or village halls – it can help foster a sense of belonging and bring together people from different backgrounds. Community ownership of buildings can also play a part in raising local people's aspirations, in enhancing the local environment and in alleviating poverty.

The Council is committed to working constructively with community groups and local people to ensure that community asset transfer in Wirral is successful.

Purpose of this policy

1. This policy describes how the Council will work with the community to support the successful transfer of Council-owned land and buildings to local people, for the benefit of the community.
2. This policy explains what is meant by the term community asset transfer; explains the background to how the concept has developed; and sets out how asset transfer will be achieved. This policy provides a clear framework to support the transfer of land and buildings from the Council to local people. Usually this will mean transfer to a formally organised group of local people (a 'community based group'). Transfer to a community based group of local people will maximise the likelihood that the transfer will be successful and sustainable in the longer term.

What is meant by Community Asset Transfer?

1. The Council owns and manages a wide variety of property 'assets': these include buildings and land.
2. Asset 'transfer' means moving the responsibility for the ownership, management and running of assets from the Council to community based groups.

The background to Community Asset Transfer

The national context

There is a clear commitment from central government to the transfer of ownership and management of public sector land and assets to community organisations. Transfer is increasingly seen as a means to achieve a range of key objectives, from promoting civil renewal, active citizenship and improving local public services to tackling poverty and promoting economic regeneration.

Appendix A to this policy contains further information on a number of sources that demonstrate this growing commitment from central government.

The local context

Wirral Council believes that community based groups are key partners in the delivery of services and provide a vital link with local people. We recognise that working in partnership with thriving community based groups can help us achieve the outcomes of our Sustainable Community Strategy and the Local Area Agreement; and help promote the social, environmental and economic well-being of the Borough. Recently we have been working closely with the Development Trust Association to assist us engage constructively with community based groups to progress community asset transfer.

The Council endorses the emerging national framework to support community asset transfer. It recognises that:

- the way its physical assets are managed can have a very positive impact on the long-term strength of local communities and the third sector more generally.
- through asset ownership, community based groups can grow and become more secure, gaining access to sources of additional investment that the Council itself may not be able to access.
- successful asset transfer requires a long-term partnership approach between the Council and the community based groups that take over the management of an asset.

Aims of Community Asset Transfer

1. The Council's land and buildings are used for a variety of different social, community and public purposes. For some of these assets community management and ownership could deliver benefits to the local community; benefits for the community based group; and benefits to the Council and other public sector service providers
2. Public assets could often be used more frequently and more effectively. Changing ownership or management offers opportunities to extend the use of a building or piece of land, increasing its social value in relation to the numbers of local people that benefit and the range of opportunities it offers. Community-led ownership offers additional opportunities to secure resources within a local area and to empower local citizens and communities.
3. Where the Council transfers assets to community based groups it will work to promote the greatest public value. This may include:
 - Community empowerment
 - Area-wide benefits
 - Building the capacity of the third sector and encouraging a sustainable third-sector
 - Economic development and economic well-being
 - Social enterprise and social well-being
 - Environmental improvements and environmental well-being
 - Improvements to local services
 - Value for money

Links to other policies

Community asset transfer is one of the mechanisms the Council can use to support the delivery of the Sustainable Community Plan and its Corporate Plan. This policy forms part of the Council's wider policy framework and should also be read in conjunction with

- The Local Development Framework, which guides statutory land use planning within the borough
- The Asset Management Plan, which explains how the Council uses and manages its land and buildings, and
- The Disposals Policy, which explains the Council's approach to the disposal of assets

The framework for asset transfer on Wirral - Key principles

The Council's policy on community asset transfer is underpinned by the following principles:

- Any proposed asset transfer must promote social, economic or environmental wellbeing and/or support the aims and priorities of the Council;
- We will not guarantee exclusivity' on a first come first served basis when considering asset transfer and will consider other expressions of interest, as appropriate, in relation to any proposed asset transfer;
- We will encourage collaboration between community based groups and the sharing of assets to optimise social value and value for money across Wirral;
- Asset transfers to community based groups will be in exchange for agreement by the community based groups to deliver agreed benefits for local people.
- Opportunities will be explored to extend this approach to asset transfer to other public bodies through the Wirral Strategic Partnership and Community Networks.

Assets covered by the policy

An asset is land or buildings in the ownership of the Council. The policy does not specifically include or exclude any asset from potential transfer to a community group, allowing each case to be considered on its own merits and in the context of the disposal policy. For example, the Council would welcome expressions of interest from community based groups in relation to redundant library buildings that will be surplus to the Council's requirements following its recent Strategic Asset Review. The Council's Head of Asset Management will make recommendations to the Council as whether a property is appropriate for asset transfer.

Who can apply?

Expressions of interest will be welcomed from Community and Voluntary sector groups. Appropriate groups may be area- based, based around particular social groups or have some other shared interest. Ideally, applicants should meet the following criteria:

- They must be community-led, with strong links with the local community. Local people must be able to control the organisation's decision-making processes;
- Their primary purpose must be non-commercial and they must have an understanding of the activities they wish to deliver;

- They must demonstrate good governance by operating through open and accountable processes, with clear management and financial systems
- They must be open to and demonstrate an inclusive approach to members of the wider community.

In addition, applicants should either:

- Have the skills and capacity to effectively deliver services and manage the asset to be transferred and/or have access to the necessary skills and capacity; **OR**
- Be aware of any need to build capacity within their organisation and demonstrate how they intend to do this, perhaps by working with the Council or other partners.

The assessment process will require applicants to provide information to enable the Council to assess how they satisfy these detailed criteria.

Where applicants have shortcomings in any of these areas the Council may be able to offer advice and support to help them prepare for asset transfer.

The basis of transfer

1. 'Transfer' may take a number of legal forms. At one extreme, a transfer of the 'freehold' of a property would mean the entire ownership of the building would pass from the Council to the community based group. However, restrictions (called 'covenants') would normally ensure the property remained available to local people to use and prevent it being sold for development.
2. At the other end of the spectrum, a 'licence' would allow a community based group to use a building, but sharing its use with other groups or individuals. In between these extremes, a 'lease' will give a community based group the exclusive right to use the property for the duration of the lease. A lease can run for any period - commonly from a few months, up to 999 years. At the end of the lease or licence the building will return to Council control.
3. The Council will discuss with community based groups what sort of transfer will be most suitable to meet the needs and expectations of the groups and local people. Whilst the Council will normally wish to retain the freehold of the property and grant a lease to the community based group, we will consider other options if it is in the best interest of local people. For example, funding bodies may have requirements that must be met if a community based group is to be eligible to receive grant monies.
4. During the lease period 'Rent' may be payable. During a licence period a 'fee' may be payable. Because the Council is committed to making community asset transfer successful we will not normally seek any payment from community based groups, unless substantial commercial use of buildings generates large profits in excess of the running costs of the property. However, the Council will normally expect community based groups to be responsible for the running costs of the building, including repairs, maintenance and all insurance.

5. The Council is committed to the successful transfer of assets to community based groups. However, we also recognise that running a building is an onerous commitment. We do not want local people to be deterred from engaging in community asset transfer because they are apprehensive about the possible risks of transfer. Therefore the Council will normally be willing to accept a transfer back of a building, without any payment or penalty, if the community based group no longer wishes to manage the facility. In these circumstances the building would then normally be sold on the open market, unless another community based group expressed an interest in its management.
6. In accepting return of an asset the Council will not normally assume any responsibilities or liabilities of the community based group. In addition the Council will not normally act as guarantor for a community based group when transferring an asset (or subsequently).
7. The Council will share with any interested community based groups all its information regarding the condition and operating costs of any asset that may be transferred. The Council may be willing to invest some money towards making the transferring asset structurally safe and sound (as set out in Appendix B). However, community based groups will also be expected to satisfy the Council that they are able to maintain the building satisfactorily after transfer. In addition, the level of any Council investment will need to be proportionate to the likely future community benefits flowing from the transfer of the asset having regard to the current physical condition of the asset and its likely economic life. It should be noted that the Council's funds are limited; that it cannot afford to pay for all repairs; and that community based group will be expected to play a fair part in putting the asset into full repair, including undertaking decoration and furnishing.
8. The Council will encourage collaboration between community based groups and the sharing of assets to optimise social value and value for money across Wirral. This may mean that the Council will refuse to transfer specific assets where alternative local premises are reasonable available to community based groups.
9. There may be competing groups interested in the same building. In such cases the Council will expect community based groups to work together and organise themselves in such a way that sharing and use of the asset is optimised between them. If a joint approach is not agreed, the Council will balance the merits of the different organisations' proposals and decide to which organisation (if any) the asset should be transferred. Failure of competing interested community based groups to collaborate on a joint approach may make it less likely that any acceptable proposal for asset transfer will be achievable.

How applications are assessed and decisions made

Community based groups applying for asset transfer will need to set out the following:

- Proposals for the use and maintenance of the asset
- Benefits to the Council, the community based group and the wider/community
- Capacity of the community based groups to manage (and insure) the asset
- A robust business plan
- Type and key terms of transfer sought
- Capacity building plan – where appropriate - and how this will be delivered
- Liabilities and how these will be addressed

Any application received will be assessed, using the Council's standard template (to be made available on its website) and must show how it demonstrates the following criteria:

- A sustainable business plan, including future investment in and maintenance of the asset (including a how health and safety responsibilities will be met).
- The planned outcomes and benefits to result from the asset transfer.
- A community governance structure (how local people will be involved in decision-making in relation to the building and its use)
- Evidence of the capability and skills within the community based group to sustain the asset transfer (and/or any capacity/skills building requirements)
- Where transfer is requested at less than market value, the benefits to the community and/or the Council to justify the subsidised transfer.
- Sources of finance that asset transfer will release or attract
- How much space is required and its potential usage
- How services and activities will be 'joined up' with those of other organisations to maximise the efficient use of the asset

Where the community based group is already long-established, evidence of a track record in delivering services and/or managing property (if available) should also be provided to the Council.

It is accepted that there are a number of risks which may arise from asset transfer. A non-exhaustive list of examples is set out below and risk assessment will form part of the overall assessment of applications.

- Potential for a negative impact on community cohesion
- Potential loss of existing community services or facilities
- Capacity of recipient to deliver promised services/outcomes
- Control of asset by unrepresentative/extremist minority
- Transfer contravenes State Aid and procurement rules
- Conflict with other legal, regulatory constraints
- Potential for ongoing Council liability
- Lack of value for money
- Conflict with other funders
- Potential unfair advantage for one group over another

The Council is determined that the concept of community asset transfer will be successful in Wirral and will provide guidance and support by way of officer time to help applicants through the transfer process. In addition the Council will need to expend monies on essential repairs in respect of some buildings that are to be transferred. The Strategic Asset Review identified funding to help support this transfer process. Provisions were identified to allow funding for community centres for up to two years whilst the transfer process progresses towards a successful outcome. Specific three month provisions were also made in relation to Eastham and Woodchurch libraries. In addition, community based groups can apply for financial assistance from the Community Fund. This Fund is jointly administered by Wirral Partnership Homes and the Council and officers are exploring how best it can be used to support capacity building, asset repairs and time-limited financial support whilst local community groups become self-sufficient. Arrangements for financial support will not normally extend beyond two years and will usually be on a tapering basis. Conversely, if at any stage it appears to the Council that there is little or no likelihood of a community based group taking over a building, the asset will be considered for disposal in line with the Council's Disposal Policy.

The table below summarises the process the Council will follow where it declares an asset surplus to its requirements, with key milestones and target timescales.

Applications may, however, be made by community organisations at any time, and there are other situations in which an asset transfer may be requested or sought before an asset has formally been declared surplus.

Illustrative Timetable

Stage	Who is responsible	Timescale for completion
Asset declared surplus and expressions of interest invited for transfer	Wirral Council – Asset management Division	Start of process
Expression of interest submitted	Interested CBO (s)	Initial registration of interest to be made within 3 weeks of start of process Detailed expression of interest to be made within 6 weeks of start of process
Expression of interest appraised	Wirral Council – corporate group	3 weeks
Decision to proceed to next stage	Wirral Council – Cabinet	3 weeks
Detailed business case prepared for transfer	CBO	13 weeks
Appraisal of business case by Council	Wirral Council – corporate group	6 weeks
Decision to proceed with transfer	Wirral Council - Cabinet	3 weeks
Detailed terms agreed and transfer completed	Wirral Council – Asset Management and Legal Divisions CBO	13 weeks

Additional Qualifications to the Illustrative Timetable

(1) These timescales run consecutively. They will be monitored and where insufficient progress is made the Council may withdraw from the transfer process and dispose of the asset in accordance with its Disposal Policy. The Council will be prepared to consider reasonable requests for extensions of time to facilitate proposals.

(2) Whilst community based groups are expected to take their own advice the Council will try to help and support them as appropriate through the application process. It will make appropriate resources available to provide that support and to appraise applications within the target timescales. In return it expects applications for transfer to contain, at each stage, sufficient information to enable appraisals to be completed and decisions made.

- (3) The Council's assessment of an asset transfer request and any subsequent decision to proceed will take into account the physical condition of the building, the availability of other suitable premises from which the proposed activities could take place, support required from the Council to enable the transfer to proceed and the value for money offered by the proposal.
- (4) Detailed proformas and guidance set out the information necessary to enable a decision to be made. These will be made available on the Council's website or from its Asset Management division.
- (5) Where there is little or no likelihood of a community based group taking over a building, the asset will normally be considered for disposal in line with the Council's Disposal Policy.

Appendix A

Relevant sources for further reference to the government's commitment to asset transfer include the following:

The 2006 *Local Government White Paper* confirmed the Government's intention to increase opportunities for community asset ownership and management, and promoted asset transfer as part of a local authority's 'place-shaping' role.

[www.communities.gov.uk/publications/localgovernment/strongprosperous]

In May 2007 the Department for Communities and Local Government (DCLG) published "Making Assets Work" the report of an independent review led by Barry Quirk, the Chief Executive of Lewisham Council. The review found that a careful increase in the community's stake in an asset can bring a wide range of additional benefits for the community, the organisation receiving the asset and the local authority facilitating the transfer. The benefits of community ownership and management can outweigh risks and opportunity costs.

[www.communities.gov.uk/publications/communities/makingassetswork]

All the Review's recommendations were accepted by the Government and published a week later as an implementation plan in *Opening the transfer window: the government's response to the Quirk Review*.

[www.communities.gov.uk/publications/communities/openingtransfer]

The Government's Empowerment Action Plan published in 2007 includes actions relating to the transfer of assets and to a programme of support for community anchors, including the availability of funding to support the development of anchors.

[www.communities.gov.uk/publications/communities/communityempowermentactionplan]

In July 2008 the DCLG's White Paper "Communities in Control: real people real power" confirmed ongoing support for the Quirk review, announced the establishment of a national Asset Transfer Unit, extended the Advancing Assets programme by a further year and announced a £70m "Communitybuilders" fund.

[www.communities.gov.uk/publications/communities/communitiesincontrol]

All these publications are available on the websites listed above.

Appendix B

Where an asset transfer proceeds the Council will, subject to the availability of funding and the anticipated economic life of the building, carry out outstanding essential repairs to the following building elements:

The main structure to include foundations, floors, walls, roofs, guttering and rainwater goods, windows, external doors, external physical features such as car parks, paths and gates.

The Council will also assess the condition of the following internal elements of the building:

- The electrical wiring, main fuse board and fire alarm system (if any)
- The boiler, heating systems, lifts and kitchen equipment
- The toilets and plumbing
- DDA compliance and internal decoration
- Internal doors and woodwork, fixtures and fittings and decoration

The Council will normally seek a fair and reasonable contribution from the applicant to address any disrepair of these elements, as part of the transfer process.