



COMMUNITY ASSET TRANSFER

A Guide for Managers

Introduction

Welcome to the revised Community Asset Transfer Guidance for Managers. This document replaces the one issued in September 2011 and takes on board amendments to the Community Asset Transfer Policy as agreed by the Policy and Resources Committee in April 2013 as well as lessons learnt in implementing the policy since it was first introduced in June 2011.

The purpose of this guidance is to assist managers across the Council who may be involved in the community asset transfer process or who may receive queries about this from employees, residents or voluntary and community groups.

The policy supports the Council's Community Engagement Strategy and its commitment to capacity building. It recognises that community groups across Aberdeenshire are at different stages of maturity and gives a commitment to promoting transfer options through awareness raising, outreach and support. Officers from a wide range of services are actively working with groups to build capacity and to provide them with the confidence and skills to take on the management of an asset.

Further information about community asset transfer can be obtained from the Council's website at www.aberdeenshire.gov.uk/cat

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Policy Statement

Aberdeenshire Council is committed to community asset transfer where that will bring benefits to communities and contribute towards achieving the Council's aims and objectives.

The Council recognises that community asset transfer can be a valuable part of supporting and sustaining local communities in Aberdeenshire and it wishes to ensure council assets can be owned and managed by the people who regularly use them.

The Council is fully committed to using council assets to form long-term partnerships with voluntary and community organisations that meet the Council's criteria, in order to create stronger, more cohesive and more sustainable communities.

The Council will react positively to all enquiries from voluntary and community organisations concerning the potential for community asset transfers and will support such groups when required to develop business plans and to put in place arrangements for managing the assets.

The Council will put in place a transparent process for community asset transfer and will adopt an agreed method of assessing requests.

The Council will consider transfer of an asset to any voluntary and community organisation (VCO) that makes a credible application (supported by an appropriate Business Plan) and demonstrates that it has the skills and capacity to manage the asset.

Whilst transfer of full responsibility for an asset either through a long term lease or outright ownership are the preferred options, the Council will consider transferring management responsibility for an asset to a community group whilst maintaining some revenue funding in support of its operation where there is merit in doing so.

Whilst fully supporting the principle of asset transfer this policy also recognises that some assets must remain under Council ownership and management in order to support delivery of essential services, continue to provide an income stream to the Council or support economic activity in an area. In addition some assets may have title conditions or burdens on them making them unsuitable for transfer whilst others may be required by the Council because of their potential to generate significant capital receipts if sold on the open market. The Council will consider as part of the initial assessment of an application whether an asset should be retained by the Council or could be transferred.

Description Of Community Asset Transfer

Types Of Transfer

For the purposes of the policy an asset shall be considered to be land or building in the ownership of Aberdeenshire Council. The policy applies to assets that are under performing or deemed surplus to requirements as well as to "community amenity assets" such as town halls, village halls, community centres, bowling greens, public conveniences, country parks, etc.

Transfer can take place in different forms, it can involve the transfer of management responsibility for an asset (land, building or structure) through a short or long term lease arrangement or it can involve transfer of outright ownership.

Lease Arrangements

These types of transfers will usually be on the basis of a long lease of between 25 and 99 years, assessed on a case-by-case basis. However, in special circumstances a lease at up to 175 years may be considered (the maximum possible under Scots law). The Council may grant an initial 3 – 5 year lease with a view to eventual transfer to allow an interested group to, for example, explore options for the management and refurbishment of the building.

The Council may consider setting a rent for the asset below what could be reasonably obtained on the open market if the interested organisation



is able to demonstrate appropriate benefits to the community, in accordance with the same criteria for a Disposal at less than Best Consideration. It will also be subject to five year rent review whereby the rent is assessed for the continued compliance for appropriateness of compliance with Disposal Of Asset At Below Best Consideration.

Transfer of asset at full market price

Where disposal involves selling the asset at open market value, the Council will consider giving the VCO 'first refusal' on the asset by protecting the asset from the open market for an agreed period of no more than six months. This could enable the group to raise the required capital to complete purchase.

Disposal Of Asset At Below Best Consideration

The Council can transfer the ownership or lease of an asset to a community group at less than market value where the organisation has been able to make a robust case showing how the transfer is likely to contribute to the promotion or improvement of the economic, social or environmental well-being of the area. If the Council wishes to dispose of an asset at a consideration less than the best that can reasonably be obtained and the consideration at which it wishes to dispose is less than 25% below the

best that can reasonably be obtained the Council can proceed with the disposal if it so wishes without having to meet any further criteria up to a cap of £10,000 e.g if value is £40,000 it could dispose of at any price between £30,000 to £40,000, however if value is £100,000, it could dispose of at any price between £90,000 to £100,000. Any discount above this cap must be justified.

Above the cap limit the percentage discount to be applied to the market value will be based on an assessment of the potential economic development or regeneration, health, environmental and social well being benefits of the transfer as set out in the business plan.

For the avoidance of doubt, if either of the above are satisfied there is no need to consider further criteria.

The Council has developed a procedure for calculating the discount that may be applied which takes into account the potential economic, development or regeneration, health, environmental and social well-being benefits generated by the proposed transfer and calculates a percentage discount to be applied. This procedure should be followed as part of the Stage 2 assessment process (See APPENDIX A).

It will be the responsibility of the VCO to set out in the business case which supports their application the reasons why they think ownership of the asset should be transferred to them at a price below best consideration.

Scope Of Policy

Not all assets will be considered suitable for transfer. There are some assets that must remain under Council ownership in order to support the delivery of essential services, continue to provide an income to the Council or to support economic activity in an area. In particular assets on the Council's commercial and industrial portfolio which have a key role in generating rental income for the Council or support the economic development of the area will not be considered suitable for transfer.

There are also some assets that may be considered unsuitable for transfer because of restrictive title conditions e.g. assets gifted to the Council for educational purposes, etc. Some conditions can be lifted but it can take time. Ownership in a trustee capacity may also be considered as a disposal that may require the consent of the Charity Commission and/or the Court of Session.

Assets held on Common Good land will require Common Good Orders to be sought before transfer can take place. The Council will bear the cost of making Common Good Orders but in circumstances where a dispute arises

which may result in significant costs further discussions will be required with the voluntary and community group involved before matters are progressed.

The Council must also balance the needs of the community and its commitment to community asset transfer against its need to generate capital receipts in order to help fund capital projects such as new schools, care homes, libraries etc. Those assets which have the potential to generate significant capital receipts will not be considered suitable for transfer either for lease or sale at below best consideration.

Assets held on the Housing Revenue Account (HRA) such as council houses, buildings (e.g. garages) and land are excluded from the community asset transfer policy.

Description Of VCOs Covered By The Policy

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 and/or the necessary expertise and experience;
- » Have its own decision-making system and accountability to independent trustees or its own members or constituents

- » Be non-political and not engaged in supporting candidates for political office
- » Have an element of involvement of volunteers

The Council may also consider the transfer of some groups of assets such as leisure facilities to arms length trusts when a valid business case has been presented. It may also consider the transfer of particular assets to an umbrella group acting on behalf of a range of local community interests.

Newly formed or less formally constituted 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.

Assets will not be transferred to individuals or businesses to be used as vehicles for commercial ventures. In addition assets will not be transferred to individuals or groups for party political use.



The Benefits Of 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 can no longer afford to provide. It may also allow a group to develop a commercial venture which will support community benefit.

Under this policy the key requirement for the transfer of any asset is that it be used primarily by VCOs to create the widest public value possible. For local communities the process of community asset transfer can:-

- » Devolve power to neighbourhoods in an effort to encourage citizen involvement and community action.
- » Contribute towards the regeneration of communities and can act as a catalyst for social, environmental and economic regeneration (including the development of community enterprise).
- » Provide opportunities to extend the use of a building or the piece of land, increasing its value in relation to the number of people benefiting and the range of opportunities it offers and ensuring more effective and more intensive use of local resources.
- » Stimulate the involvement of local people in shaping and regenerating their communities, and can be a catalyst for local volunteering and increasing community cohesion.



- » Provide new opportunities for local learning and community capacity building and can support the creation of community leaders, and inspire others to improve their community.
- » Instil a heightened sense of civic pride and responsibility.

For VCOs community ownership of assets can:-

- » Generate long term sustainable revenue streams for VCOs making them more sustainable.
- » Provide local people with a meaningful stake in the future development of the place in which they live and/or work.
- » Be used as leverage to draw in new finance and expand the level of community activity.
- » Improve the quality of the relationship between the citizen, the community and the Council.
- » Provide opportunities for the creation of new partnerships with access to resources not available to the Council.

Community ownership of assets can make an important contribution to the range of innovative, bottom up solutions which VCOs 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.

The potential benefits of asset transfer for the Council include:-

- » Providing a more accessible and responsive base from which to deliver services.
- » Strengthening “community anchors”
- » Restoring “iconic” buildings
- » Delivering social, economic and environmental benefits
- » Providing a catalyst for inward investment and local multipliers through local purchasing and employment
- » Solving building management problems and lowering ongoing costs
- » Helping to progress Community Planning priorities
- » Providing opportunities for long-term working between sectors
- » Creating the opportunity for investment in the asset that may not be possible within Council ownership
- » Bringing back into full use properties deemed surplus to requirement or under performing.

Community Asset Transfer will also support the Council to deliver some of its core outcomes as set out in the Council Plan Community Plan and Single Outcome Agreement.

The Transfer Process

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

All community asset transfer applications will be managed by the local Area Manager who will chair the steering group set up to assess each application.

Day to day contact with the community group during the application process will be provided by a representative from the user service.

During the application process the Area Manager will ensure that all relevant information the Council has available on the asset, including details of its condition, running and maintenance costs, title deed restrictions etc are shared with the applicant. The Area Manager will also inform the community group of the outcome of their application as soon as the final decision has been confirmed. If the application was unsuccessful the Area Manager will give reasons why it was refused.

In the first instance, groups are encouraged to discuss their options, their suitability and the scope of community asset transfer with their local Area Manager. These informal discussions will help to prepare for the process of making a formal application for transfer, which is set out in the following four stages:

Stage 1 - Initial application

The first stage in the process results in a decision on whether to proceed to the more detailed assessment at Stage 2. This first stage should not involve the community group in huge amounts of work.

The process starts when the community group submits the Stage 1 application form. On receipt of the application the Area Manager will notify the user service and Property and Facilities Management that an application has been received for the asset.

The user service will decide whether the asset is surplus to requirements or not. If surplus Property and Facilities will review the asset and will advise the local steering group whether the asset is suitable for transfer or should be disposed of under the Council's Disposal Policy. Factors to be taken into account will include:-

- » Overall condition of the asset;
- » Whether the Council has legal title to the property in question;
- » Whether the title contains any restrictions on ownership or development that would prevent its transfer to the group. External consents are required to effect the sale of certain types of properties, e.g. schools, playing fields, land held in trust etc.

- » Ownership in a trustee capacity must also be carefully considered as disposal may require the consent of the Charity Commission and/or the Court of Session. It may be possible to get any restrictions lifted but it could take some considerable time;
- » Current income generated by the asset or levels of income that could potentially be generated if offered for lease on the open market
- » Potential capital receipts that could be generated if offered for sale on the open market.

The local steering group will review the information provided in support of the application, including the type of transfer the group is interested in, the structure and history of the group and the benefits the transfer could bring to the local community.

Based on this evidence and information provided on the suitability of the asset for transfer a decision will be made as to whether there are sufficient grounds to invite the group to submit a Stage 2 Application.

Stage 2 – Detailed Assessment

At this stage the community group will be required to submit a Stage 2 application form. The majority of information required on the form can be taken from the group's business plan for the asset. The application should again be sent to the local Area Manager.

The amount of information required at this stage will vary depending on the

type of asset to be transferred, and the assigned officer for the group will be able to provide guidance on this.

In summary, this application must:

- » Show the group has good governance and robust financial systems
- » Provide details of any service it wishes to take over from the Council
- » Detail the type of asset transfer required and if applicable, the reasons for transfer below best consideration
- » Clearly set out what support the VCO expects from the Council, either in terms of start-up costs or on-going revenue support, including the reasons for this support
- » Clearly set out how it intends to use the asset
- » Demonstrate a clear community/ social demand for the transfer and set out the community benefits from the transfer
- » Show that there is community backing for the transfer and that consultation has taken place within the community
- » Show that the local members have been consulted over the proposed transfer
- » Demonstrate that the group has the capacity to manage the asset and has members who have the necessary skills and experience

- » They have engaged or will be engaging their own legal representation.

Appendix B sets out the assessment criteria for Stage 2

The application will then be evaluated by the local steering group with a recommendation made to the Area Committee on whether to proceed with the asset transfer or not. Where the Area Committee decision is contrary to officers' recommendations or where it does not accord with existing Council policy the decision will be referred to the Policy and Resources Committee of the Council for determination.

There will be an element of risk for both parties in any transfer and both parties will need to carry out their own risk assessments and develop plans to manage risks. As part of the assessment process the Council will look at the risks involved in the transfer process.

The decision on the outcome of the application will be conveyed in writing to the group as soon as possible.

Stage 3 – Implementation

For successful applications the local Area Manager will establish a joint project team consisting of members from the local steering group and representatives from the community group to manage the transfer of the asset.

It is recognised that each transfer will have a unique set of considerations so timescales will vary.

During this stage negotiations will take place between Council representatives and the community group on the terms and conditions of the transfer. The lease will set out the terms and conditions for using the asset and will define the responsibilities of the community group and Council with regards



management and maintenance of the asset. The conditions of sale if transferring ownership will set out what the community group can do with the asset and what restrictions may apply if the group wishes to sell on the asset.

For the outright purchase of an asset Community Groups will be given a minimum of 6 months to put the required funding in place.

Negotiations will also take place on the development of a partnership agreement between the community group and the Council setting out the support to be provided by the Council to enable the group to meet its responsibilities. Such support may include financial, business advice, or advice on management of the asset to ensure it is effectively maintained. Ideally the agreement should empower the group to take on the full legal responsibility for the asset transferred over a period of time.

If the group taking on an asset will be providing a service to the Council a Service Level Agreement will be required to safeguard the requirements of service users. This will be discussed if necessary by the joint project team.

At any stage in the process, a community group can cancel a transfer if their circumstances change and they no longer wish to pursue the issue.

Stage 4 – Handover

At this point the asset transfer will be completed and the community group will begin using the asset to deliver the benefits described in the application. The Council will monitor the performance of the project and will provide appropriate support for as long as necessary to ensure the transfer is successful.

Timescales

Indicative timescales for the application and assessment process are as follows:

Stage 1

| | |
|------------------------------------|--------------------------------|
| Acknowledge receipt of application | - 5 days |
| Assess suitability of application | - 6 weeks |
| Notify community group of outcome | - 1 week from date of decision |

Stage 2

| | |
|---------------------------------------|--------------------------------|
| Acknowledge receipt of application | - 5 days |
| Assess application | - 6 weeks |
| Seek decision from relevant Committee | - 3 – 6 weeks |
| Notify community group of outcome | - 1 week from date of decision |

Stage 3

As long as reasonably necessary to complete negotiations and put funding in place. For outright purchase VCOs will be given a minimum of six months to put the required funding in place.

Stage 4

The business case should make clear the duration of the project. The aim is for the group to be self-sustaining in managing an asset over the long term.

Appendix C provides a chart summarising the Community Asset Transfer Process.

Appeals

Stage 1

If a Stage 1 application is rejected on the grounds that the VCO is not properly constituted or that the outline proposal for the use of the asset does not appear to be well thought through, they will be given the opportunity to resubmit their application at a later date once the issues have been addressed. As required officers from the Council can provide advice and guidance on the development of a constitution and governance arrangements or on the development of an outline business case.

If a Stage 1 application is rejected on the grounds of suitability the VCO can write to the Chair of the Corporate Community Asset Transfer Steering Group asking that the decision be

reviewed. The VCO will be notified the outcome of this review within 30 working days.

Stage 2

The decision on CAT will be made by the appropriate Committee of the Council. The VCO will be informed of the decision in writing and if their application is rejected, the reasons for the refusal. The VCO will be given the opportunity to address concerns raised by Committee and resubmit their application at a later date.

Council officers will be available to assist VCOs to address these issues if required.



Other issues to be considered

Funding Available From The Council

In general the Council will not seek to recover its costs from the VCO (for example legal fees, Energy Performance Certificates, Building Surveys etc). However the group should have in place the resources to cover the costs of its own independent advice and support during the transfer process. The Council may be able to help with some of the costs associated with the transfer, however the level of support will need to be established at an early stage.

There is no specific budget available for community asset transfer. However the Council may be prepared to invest in the asset prior to any transfer with monies taken from current revenue. Such investment will be on a spend-to-save basis and will only be made if the business case for the transfer shows potential savings to the Council. The aim of this investment would be to make the asset suitable for use by the VCO as soon as the transfer takes place.

In some instances it may be the case that the business plan for a project is only viable if there is continuing revenue funding from the Council. The Council will consider transferring management responsibility for an asset to a VCO whilst maintaining some revenue funding in support of its operation where there is merit in doing so.

Community groups will be expected to be very clear at the outset what funding and support they expect from the Council. In any potential transfer preference will be given to groups that are able to fund the transfer themselves.

EU State Aid Rules

The EU State Aid rules are wide reaching and somewhat complicated to deal with. They apply to not-for-profit organisations and activities as well as commercial businesses. It is not the type of organisation which receives support that is important but the nature of the activities that they carry out. The following note tries to explain the position:-

When public funds are provided it is necessary to establish whether EU State Aid is involved. State Aid is concerned with creating a level playing field across member states with respect to trading activities and it applies to all forms of public grant assistance irrespective of who the grant recipient is whether or not their intention is to make a profit. If the assistance is deemed to be State Aid, then any public financial assistance must be compatible with EU State Aid Rules and financial limits.

State Aid can arise in the sale of land or buildings where the owner of the

land (the Council) does not get full market value for it. This can be said to be giving a competitive advantage to the community group.

Where the group carries out activities that might be the subject of competition across Europe and cannot be shown to be purely local in nature the State Aid Rules might apply – it will depend on the amount of aid involved and the nature of the activity. It is best for all concerned to take Legal Advice on this matter, in consultation with the Council's European Team, before finalising transfer.

EU Procurement Rules

This is a complicated area but it appears likely that if an asset is transferred under specific conditions that services be delivered, and there is a binding obligation on the community group receiving the asset to provide those services, then there is a strong likelihood that this would be considered a contract which should be procured using an EU-compliant procurement process. Thus where a service level agreement and an asset are, in effect, considerations for each other, it is clear that the two are inextricably linked and it is probable that such an arrangement would be deemed to be subject to EU procurement rules.



Where the contract for the service rises above a specific financial threshold (currently just over £156,000 for local authorities), the contract should be procured using EU compliant processes.

Before any transfer of responsibility for service delivery takes place to a community group clarification will be needed from the Procurement Unit as to whether EU Procurement Rules apply.

In circumstances where the CAT process requires the Council to either contribute land or make a financial grant towards the procurement of purpose built facilities due diligence must be applied to ensure that any contracts drawn up by the VCO for such works conform to Council requirements. Before any contracts are let colleagues in Legal and Governance should be asked to review the proposed contract terms – this will both protect the interests of the VCO and the investment being made by the Council.

Transfer of Undertakings (Protection of Employment) Regulations (TUPE)

One of the most significant issues for the transfer of services will be the application of TUPE. The purpose of TUPE is to protect the rights and preserve the contracts of employment of staff where an organisation (or part) or contract to provide services

(or part) transfers. The staff assigned to that organisation or contract or part transfer automatically to the new provider. TUPE applies where there is a “relevant transfer” which means either:

1. A transfer of a business, undertaking or part of a business or undertaking where there is a transfer of an economic entity that retains its identity post transfer (a business transfer): or
2. A client engaging a contractor to do work on its behalf, reassigning such a contract or bringing the work in-house (a service provision change).

Providing there is a “relevant transfer” then TUPE will apply regardless of the size of the organisation that is transferring. Whether there is one, or one thousand employees, TUPE will apply.

The staff who will transfer are those who immediately before any transfer are “assigned” to the organisation (or part transferring). If a contract (or part) transfers, the employees that transfer are those that are part of an organised group of employees whose principal purpose is to deliver the contract.

The issue of TUPE will need to be addressed before any asset transfer involving a transfer of service can take place. For further advice and guidance on the Council’s TUPE procedures contact HR.

Resale of Asset

With transfer of ownership the Council may consider imposing a covenant on the asset limiting whether, when, how and to whom the asset may be sold on. The Council may also consider imposing a claw-back to ensure the money invested in refurbishing the asset prior to transfer is recovered.

Alternatively the Council may agree to a business plan that sets out that the community group will sell the asset at some point and reinvest the proceeds in a more suitable asset. The position of the Council on such a sale would be primarily based on ensuring

that the benefits of the transfer would be maintained or improved by the proposed sale or transfer. If the property is leased, then they would not get an automatic option to purchase but would need to make a new CAT for outright ownership. The Council could appraise this new CAT, and this demonstrates compliance with regulations pertaining to a Disposal at less than Best Consideration.



APPENDIX A

Procedure for Disposal at Less than Best Consideration

The following sets out the steps for considering CAT transfers be it leasing or sale at below 'best consideration'. Agreement to transfer at less than best consideration should not be made until all steps are complete.

| Information | Assessment Criteria |
|--|--|
| Reference | |
| Aberdeenshire CAT Guide to Officers | http://www.aberdeenshire.gov.uk/CAT/CATGuide_Managers.pdf - page 5 |
| Disposal of Land by Local Authorities (Scotland) Regulations 2010 and General Guidance | http://www.scotland.gov.uk/Resource/Doc/319642/0102183.pdf |
| The Community Group Proposal | |
| Community Group | Demonstrate the need as to be why the asset should be transferred at less than best consideration. |
| Area Manager (& CAT Team) | Community group should be advised of the Councils situation in full - Assets will be transferred at market value unless a less than best consideration value can be justified. |
| Area Manager (& CAT Team) | Support the preparation of the less than best consideration proposal. |

| Information | Assessment Criteria |
|--|--|
| Evaluation of the Proposal to Transfer at less than Best Consideration | |
| Area CAT Team | |
| Property | Establish Current Value of the Asset to be Transferred. |
| Finance and Economic Development | <p>Establish the Costs of transferring the asset to the Council</p> <p>Test the Business Case/Plan submitted by Community Group where data will be used for evaluation.</p> <p>Ensure State Aid issues reviewed in consultation with European Officers</p> |
| Legal | <p>Ensure compliance with Legislation and Regulations</p> <p>Ensure that the Scheme of Delegation is complied with</p> |
| All | <p>Quantify the benefit/impact the transfer of the asset will have on the community</p> <p>Test through the 3 criteria stages using findings from above:</p> <p>1 - appraise and compare the costs and advantages of the proposal with the disadvantages;</p> |
| | <p>2 - satisfy itself that the disposal for that consideration is reasonable; and</p> <p>3 - determine that the disposal is likely to contribute to any one of the following: the economic development or regeneration, health, social well-being, or environmental well-being of the whole or any part of the local authority, or any person in the local authority area.</p> |
| | <p>Lead the financial appraisal of the proposal using the standard template appended.</p> <p>All to Sign off on the conclusion once satisfied everything has been completed and report to steering group</p> |

| Information | Assessment Criteria |
|-------------------------------|---|
| Reporting and Approval | |
| Steering Group | Steering group to review all proposals to dispose at less than best consideration and ensure consistency of approach across all areas. |
| Area Committee | Stage 2 reports to Area Committee should include a paragraph reflecting officers consideration on proposals at less than best consideration |
| | Stage 2 reports should include an explicit recommendation where less than best consideration is proposed |
| P&R Committee | If officers recommendation on best consideration rejected - Policy & Resources Committee |

APPENDIX B

Stage 2 Application – Criteria for Assessment

Note the contents and scope of a Stage 2 application will vary considerably depending on the circumstances of the transfer. A flexible approach should be taken to the information that is required to be submitted. The range of information listed below should be used as a guide and is not intended to be proscriptive.

| Information | Assessment Criteria |
|--|--|
| Legal Status Of Organisation | |
| Type of organisation | The Organisation must be able to show that it is appropriately constituted and meets the criteria for a Voluntary or Community Group as set out in the Council's CAT policy. |
| Details of all the partners involved. | The Organisation must describe who else will work with it to deliver the project and the relationship it has with these partners. |
| Constitution | The Organisation's constitution must allow for the management/ownership of an asset and/or provision of services. |
| History | Applicants should normally be able to demonstrate that they have a proven track record of community involvement |
| Organisation's Structure | |
| Current Board / Management Committee / Trustees / Directors and Chair | The Organisation must be able to show that it has open and accountable governance processes with adequate monitoring, evaluation and financial management systems. |
| Frequency of governing body meetings | |
| Number of staff employed, ie:- Full-Time Staff Part Time Staff Volunteers | The Organisation must be able to demonstrate it has the skills and capacity within, or available to, its managing body to effectively deliver services and manage the asset. |

| Information | Assessment Criteria |
|---|--|
| Organisations Main Purpose and Current Activities | |
| Organisations main aims and objectives | The Organisation should be able to demonstrate that it has a clear purpose and understanding of the activities it wishes to deliver. |
| Current services provided by the organisation? | The application should demonstrate whether the Organisation has experience of providing similar services to the Council or other organisations. |
| Previous experience of managing an asset? | The application should demonstrate it has previous successful experience in managing an asset. |
| Details of policies in place | The Organisation should provide details of the management policies it currently has in place. |
| Details of the current financial position of the Organisation including a copy of the audited annual accounts for the past three years. | The Organisation should be able to demonstrate that it is financially stable. |
| Information About The Proposed Project | |
| Details of the asset (building or land) the group is interested in (name, address etc). | It is important that the Organisation has a clear picture of what it needs in terms of space and facilities. |
| Information on any modifications required to be made to the asset | The Organisation should also have a clear idea as to the modifications that may be required to make the asset suitable for their purpose |
| Details of the service the group wishes to take over from the Council | If wishing to take over a service from the Council the application should be able to demonstrate innovative approaches to service delivery and show how this innovation and improved efficiency will help reduce the cost of service delivery. |

| Information | Assessment Criteria |
|---|---|
| Details on how the community group will use the asset. | <p>If the asset is to be used by the general public the Organisation should provide details of lettings policies and opening times.</p> <p>The application should also describe what provisions will be made for people with disabilities.</p> |
| Charges for using the asset | Information on any charges for using the asset by the public should be provided. |
| Catchment area for the project and the population to be served by the asset | The proposed use should ensure extensive reach into the community and should be open to all. This can include organisations that serve a particular geographical community or a particular interest group (e.g. youth services) but in all cases applications will be expected to demonstrate how they will ensure they are inclusive. |
| Service users and community involvement in running the project. | The application should show how the wider community and service users will be involved in running the project and how this will help to improve community cohesion and reduce inequalities. |
| Community benefit to be derived from the asset. | <p>The application should describe the benefits that will arise to the local community from the transfer of the asset. The proposed use should maximise opportunities to ensure economic sustainability, for example through income generation, establishment of social enterprises or the renting out of space and facilities to other community organisations.</p> <p>The application should show how the Organisation embraces diversity and works to improve community cohesion and reduce inequalities.</p> <p>The benefits need to be assessed against the costs to the Council – loss of capital receipts, loss of potential market rent, etc.</p> |
| Type of transfer the community group is looking for | The Organisation must make it clear what type of asset transfer is required and the reasons for this. |

| Information | Assessment Criteria |
|--|---|
| For transfers at below best consideration estimate the percentage discount to be applied | Assess from rest of business case. |
| Details of who will manage the project | Details of the management arrangements for the project should be provided. The application should show there is a clear process for making decisions in relation to the asset, e.g. who will be responsible for room bookings, site problems, compliance with legal issues such as Health and Safety and so on. |
| Monitoring arrangements to be put in place | Details of the monitoring arrangements to be put in place to ensure that the project delivers on its key objectives should be provided in the application. |
| Stakeholder consultation | <p>The application should set out the level of support from the local community based on widespread consultation of those who would be served by the asset as well as support from community partners. Evidence of stakeholder consultation is required including details of who was consulted, how, what the response was etc.</p> <p>It is very important that the Organisation can show that local Elected Members were also consulted and the application should include details of their response.</p> |
| Timescales for getting the project up and running | <p>Timescales - the Organisation will need to show that it has realistic plans in place for transferring the asset and getting the project up and running.</p> <p>If the Organisation intends to deliver services to the Council the application should include a project plan setting out timescales for transferring responsibility for service delivery from the Council to the Organisation.</p> |

| Information | Assessment Criteria |
|---|---|
| Financial Information | |
| Funding obtained so far | The application should provide details of any funding the Organisation has already obtained in relation to the proposed project. |
| Funding applied for but are still awaiting a response on | The application should also include details of all funding applied for but not yet awarded. |
| Funding and support required from Council | <p>The Organisation must be open with regards the funding support it expects from the Council.</p> <p>For example what "start-up" funding is required to cover initial costs.</p> <p>What on-going revenue support may be required? How long for?</p> <p>The Organisation should also specify what other type of support will be required from the Council (e.g. payroll, property management, HR advice etc) and how long this will be required for. What is the cost of this support?</p> |
| Other sources of funding the community group has access to. | Details of any other sources of funding are also required. |
| <p>Breakdown of costs and income for first 5 years of project:-</p> <p>Overall cost of project</p> <p>Full costs of the asset transfer and any building works</p> <p>Salary costs for staff</p> <p>Breakdown of overheads</p> <p>Running costs of asset</p> <p>Indicative profit and loss, balance sheet and cash flow forecasts for income and expenditure</p> | <p>The Organisation must demonstrate that it has developed a Business Plan for the asset. Thus indicative profit and loss, balance sheet and cash flow forecasts will be required sufficient to demonstrate the financial viability of the proposal over a five year period.</p> <p>The application must show robust plans for developing the asset including sourcing the required investment</p> |

| Information | Assessment Criteria |
|-------------------------------|---|
| Marketing Plan | The Organisation should outline robust plans for marketing the asset and the services to be provided. |
| Management Plan For The Asset | <p>An outline Management Plan for the asset will be required showing how the asset will be managed on a day to day basis.</p> <p>As part of their application the Organisation should provide information on how the asset will be managed to ensure overall compliance with statutory requirements and to ensure it remains fit for purpose.</p> |
| Risk Analysis | As part of their application Organisations will need to show they have effective plans in place to manage the risk associated with the transfer. |

APPENDIX C

Summary of Community Asset Transfer Process



