

# Community Asset Transfer – Stage 2 Application Form Guidance Notes On Completion

This application is to be submitted after the Stage 1 (Suitability) Application has been approved by the Council. The Stage 2 Application Form aims to ask you for all the information that the Council will need to make a decision. It should be noted that the range of information required to be provided for each section will vary depending on the circumstances of the transfer. You should try to provide as much information as possible for each section to ensure that the Council can effectively process your application. Please write “not applicable” if a section does not apply to you.

The information required to complete this form should be drawn from a range of existing documentation including:-

- » Constitution of the Organisation
- » Business Plan
- » Asset Management Plan
- » Annual Reports, etc.

A copy of your Business Plan **must** be included with the application form.

Please note – because most of the required information should be contained in the Business Plan the Council is looking for a **concise summary** to be provided on the application form. Try to cross reference each section in the application form to the relevant section in the Business Plan.

## SECTION A – ABOUT YOU AND YOUR ORGANISATION

The purpose of this section is to gather information on the legal status, structure, purpose and experience of your organisation in order to make a judgement

as to whether it is suitable for taking on the responsibility for an asset under the Community Asset Transfer Policy.

Under this Section:-

**Q3** The Organisation must be able to show that it is appropriately constituted and that its constitution allows for the management/ownership of an asset.

The Organisation must also describe who else will work with it to deliver the project and the relationship it has with these partners.

**Q4** The Organisation must be able to show that it has open and accountable governance processes with adequate monitoring, evaluation and financial management systems.

**Q5** The Organisation should also be able to demonstrate that:-

- » It has a clear purpose
- » It has the skills and capacity to effectively deliver services and manage the asset
- » It has a proven track record of community involvement
- » It has previous successful experience in managing an asset.

## SECTION B – YOUR PROJECT

This section deals with the asset itself and seeks to establish what you want the asset for and who will benefit from the transfer.

**Q6** It is important that your organisation has a clear picture of what it needs in terms of space and facilities.

**Q7** Before you apply for an asset you need to be sure that it will meet your needs or can be modified to meet your needs.

**Q8** 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.

**Q9** The application should describe how you will use the asset. Information on opening/closing times and details of letting policies etc are required if they are applicable.

**Q10** Information on any charges for using the asset by the public is required

**Q11** Details on the catchment area for the project is required. Consider who will be able to use the asset. The proposed use should ensure extensive reach into the community and should be open to all. In all cases applications will be expected to demonstrate how they will ensure they are inclusive.

**Q12** 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.

**Q13** 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.

**Q14** It is very important that the Organisation is clear on the type of asset transfer it is seeking. The options include:-

- » Short Lease
- » Long Lease – please specify the desired lease term
- » Lease Terms, i.e. at Market Value or Below Market Value
- » Transfer of ownership at Market Value
- » Transfer of ownership below Market Value

**Q15** Details of the management and monitoring arrangements for the project should be provided. Ensure 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.

**Q16** Please provide information regarding anyone the Organisation has consulted about the proposed transfer and the overall support shown for the project. It is very important that all stakeholder groups are

consulted along with the local Elected Members.

**Q17** 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.

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.

## SECTION C - FINANCIAL INFORMATION

This section provides the evidence to allow the Council to make a judgement on the financial viability of the project.

**Q18** A well established organisation may already have been successful in obtaining funding from a range of sources. Please provide details of any funding the Organisation has already obtained in relation to the proposed project.

**Q19** The Organisation should also provide details of any funding applications that are still outstanding.

**Q20** Details of any other sources of funding are also required.

## SECTION D - SUPPORT REQUIRED FROM THE COUNCIL

It is very important that the Council is made aware at an early stage in the application process that it may need to provide financial or officer support to the project.

**Q21** This requires the Organisation to be open with regards the support it expects from the Council. The Council cannot guarantee to provide support to any project as there is no budget for Community Asset Transfer. However if the business case shows long term benefits to the Council and community some monies may be made available through a spend-to-save approach. However the Council will give priority to applications from Organisations that do not require financial support from the Council.

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.

## SECTION E - INCOME PROJECTIONS

It is vitally important that any project is able to show that it will be financially viable in the long term. The application form requires a financial plan covering three years. If it is expected that the project will take more than three years to break even the Organisation must provide an estimate of when the break even point will be achieved and how the short-fall in funding will be met each year until breakeven is achieved.

**Q22** 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 three year period.

Running costs for an asset could include:-

- » Rates
- » Utilities – electricity, telephone bills, water etc
- » Insurance – building, contents and public liability
- » Repairs
- » Planned maintenance
- » Staff – cleaning and caretaking and administration

## SECTION F – MANAGEMENT ISSUES

**Q23** The Organisation should outline robust plans for marketing the asset and the services to be provided from it.

**Q24** An outline Management Plan for the asset will also be required showing how the asset will be managed on a day to day basis.

Any Organisation taking on an asset must consider how the asset will be managed to ensure that all statutory requirements are met and that the asset remains safe and fit for purpose.

Consider how you will manage repairs, both major and minor. The condition of the property will be established prior to transfer; the maintenance thereafter will be the responsibility of the Organisation.

When considering maintenance issues don't forget the routine servicing of boilers, plant and other equipment.

What plans does the Organisation have for potential alterations or adaptations?

Consider how you will provide effective security for the asset.

The Management Plan should also set out how the Organisation will address legal issues such as requirements under the Health & Safety at Work Act 1974, Disability Discrimination Act 1995, Building Act 1994, etc.

**Q25** Consider how the impact of the project will be monitored and evaluated. How will this monitoring be used to improve service delivery?

**Q26** Before going ahead with an application Organisations should consider the Risks associated with the transfer, the potential for these risks occurring, the likely impact of these risks if they did occur and actions that can be taken to mitigate the effect of each risk. As part of their application Organisations will need to show they have effective plans in place to manage risk.

## SECTION G – DECLARATIONS

Two representatives of the Organisation making the application should sign it. One should be the Chair of the Organisation.

The Council's policy on Community Asset Transfer explicitly excludes transfer to a purely commercial venture. The Organisation is required to confirm that the asset will not be operated as a commercial/private sector enterprise.

# Business Plan Template

Completion of the application form will be much easier if the Organisation has developed a Business Plan demonstrating that it is prepared to take on the responsibilities of buying or renting the asset.

For Organisations in the process of developing their Business Plan the following template may be useful. The level of detail to be provided in each section will vary according to the type and scale of the project.

<b>Project Name</b>	
<b>Executive Summary</b>	<p>This should provide a concise summary of the overall project business plan which highlights the most important features of the project including:-</p> <ul style="list-style-type: none"> <li>» A short description of the scope of the project including what it will do, what it will achieve and who will benefit from it</li> <li>» A summary of how the project will be delivered including timetable, budget and resource considerations</li> <li>» Summary of the key stakeholders and partners for the project.</li> </ul>
<b>Organisation and Management</b>	<p>Provide an outline of the Organisation's aims, objectives and legal status. Provide details of other similar projects delivered by the organisation including how successful they were.</p> <p>Describe:-</p> <ul style="list-style-type: none"> <li>» The services and/or activities the organisation currently provides, how these are delivered and who benefits from the.</li> <li>» The Organisation's management structure, decision making process and key lines of communication or reporting</li> <li>» Roles and responsibilities of the board members or trustees and senior management team including skills, experience and knowledge</li> <li>» How the community is involved in the management of the Organisation</li> <li>» Catchment area for the Organisation</li> </ul>

	<ul style="list-style-type: none"> <li>» List the policies, systems and procedures in place, i.e.:-           <ul style="list-style-type: none"> <li>● Health and Safety</li> <li>● Equal Opportunities</li> <li>● Environmental principles</li> <li>● Financial policy and agreements</li> <li>● Booking and hiring procedures (if appropriate)</li> </ul> </li> </ul>
<b>Project Background</b>	<p>Describe how the project has been developed to date with reference to any relevant studies or research that has been carried out.</p> <p>Describe the options that were considered for delivering the proposed outcomes and the reasons for choosing the option proposed.</p>
<b>Proposal</b>	<p>Describe the aims and objectives and targets for the project including the outcomes and benefits the project aims to achieve</p> <p>Describe how the project will support the Council's local priorities or supports national objectives as set out in the Local Outcome Agreement.</p>
<b>Community Needs</b>	<p>Provide evidence of need. Consider:-</p> <ul style="list-style-type: none"> <li>» Where the project will be delivered</li> <li>» Current gaps in service provision</li> <li>» The target users or visitors – make reference to relevant market research and needs analysis</li> <li>» The total number of people that experience the need that this project will address</li> <li>» How will barriers to participation be addressed</li> <li>» Links to any other projects locally, regionally or nationally.</li> </ul>



**Project Resources**

Detail the resources required to deliver the project, i.e.:-

- » Staffing resources – include a staffing structure diagram and any training plans that need to be put in place;
- » Management and Supervision Resources- set out how staff, volunteers, partners etc will be managed, who will manage project finances, etc;
- » Volunteer resources – describe their role in the delivery of the project.

Also describe how the community will be involved in influencing what happens and taking part in decisions regarding the project.

**Partnerships**

Identify other organisations and stakeholders involved with the Organisation including details of any partnership arrangements that might be in place to deliver the proposal.

With partners describe their role, why they need to be involved, how the partnership will be managed, etc.

**Asset**

Identify the asset required

Outline proposals the Organisation has for the asset, i.e. building/ refurbishment

Describe the transfer arrangements required, i.e.:-

- » If lease what length of lease is required
- » If transfer of ownership – how will this be done

Highlight any planning issues the Organisation may be aware of. How will these be resolved?

**Risk Assessment**

The project business plan should include an assessment of the risks associated with the project to see if there are any weaknesses and if there are any threats to the viability of the project.

The business plan should detail each risk, assess the likelihood of it happening and its potential impact and the plan for dealing with the event should it occur.



<b>Project Plan</b>	<p>Provide a project plan or timetable for the non-capital elements of the project. This should include all the relevant activities or services of the project, stating when they are due to happen and how long they are likely to take.</p> <p>Include any planning and development work that may take place before the asset becomes operational.</p>
<b>Management Plan</b>	<p>Provide a basic plan for the long-term sustainability of the asset once it is operational.</p>
<b>Project Costs</b>	<p>A detailed cost plan for acquiring the asset should be provided with details of how this cost was to be funded.</p>
<b>Financial Appraisal</b>	<p>The financial implications of running the project need to be considered including the expected income and expenditure.</p> <p>An indicative 3 year capital and revenue budget plan should be provided showing all anticipated grant funding, identifying whether this has already been secured and any other income expected, sources etc.</p> <p>The capital budget will cover the projected costs for developing the asset.</p> <p>The revenue budget must include staff costs and the costs of managing the asset as well as overheads and other specific items of expenditure.</p> <p>Include a cash flow projection to show the actual cash position of the Organisation for the current year and a projection for a further 2 years.</p>
<b>Marketing and Communications Strategy</b>	<p>Explain what methods of communication will be used to market the asset and promote the activities of the Organisation.</p>
<b>Monitoring and Evaluation</b>	<p>Describe how the project will be monitored and evaluated.</p> <p>Describe how this monitoring will be used to improve service delivery.</p> <p>Describe how the long term impact of the project will be evaluated.</p>