

COMMUNITY ASSETS TRANSFER

POLICY AND

GUIDANCE

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**Lisburn and Castlereagh City Council**

**Community Asset Transfer Policy**

1. **Statement of Commitment**

Lisburn and Castlereagh City Council is committed to Community Asset Transfer (‘CAT’) where that will bring benefits to our communities and contributes towards the Council’s strategic level aims and objectives.

Lisburn and Castlereagh City Council recognises that CAT forms a valuable part of the overall framework of supporting and sustaining the Voluntary and Community sector in Lisburn and Castlereagh City Council area.

In developing this policy Lisburn and Castlereagh City Council is committed, where appropriate, to using Council assets to assist in forming long-term partnerships with Voluntary and Community Sector Organisations (‘VCSOs’) that meet the Council’s criteria, in order to create stronger, more cohesive and more sustainable communities.

We will develop a comprehensive & transparent process for CAT and will adopt an agreed method of assessing all requests for CAT of the Council’s assets.

1. **What is Community Asset Transfer?**

2.1 Community asset transfer is the transfer of buildings and land from the Council to a Voluntary and Community sector organisation (eg Activity Centre or playing field) at less than the market value but where it can demonstrate best value.

2.2 The NI Executive’s Community Asset Transfer policy was developed to support the commitment in the Programme for Government (2011-2015) to “invest in social enterprise growth to increase sustainability in the broad community sector”. The policy provides a framework to facilitate community ownership of surplus public sector assets as an option as part of the normal disposal process.

2.4 The Benefits of Community Asset Transfer

There is evidence to show that, in the right circumstances, community ownership and control of assets produces a range of benefits. Community Asset Transfer can bring benefits to both parties involved in the transfer and should also bring benefit to the wider community which an asset can be used to serve. Research shows that the benefits include:

*Benefits to the Community*

* It can improve neighbourhood-based service provision, increasing accessibility for local people, which is particularly important in rural areas;
* It can bring a sense of community identity and pride and the potential for increased community cohesion;
* It can lead to additional jobs, training and business opportunities;
* It can contribute to physical regeneration; and
* It can bring increased confidence, skills and aspirations locally.
* It can increase community participation

*Benefits to the public sector*

* It can lead to more efficient use of public sector assets – community organisations often make extensive use of volunteers and their local knowledge and hands-on management of the asset can result in lower overheads and better value-for-money, as well as a more intensive use of the asset;
* It can enable community organisations to support public service provision in ways that are more responsive and better related to local need; and
* It can enable effective partnerships between the public sector and the third sector to enhance local services.

*Benefits to the Third Sector*

* It can lead to increased sustainability for organisations and improved leverage with external agencies - an asset can provide a community organisation with greater financial viability and reduce its dependency on grants;
* It can enable a community organisation to apply for external funding that is not available to a public authority, or even to secure loan finance on the value of the asset; and
* It can facilitate collaboration and resource sharing amongst organisations.

1. **Why may the Council transfer assets to Voluntary & Community Sector Organisations (VCSO)?**

3.1 This is done on the understanding that the VCSOs may often be better placed to manage facilities in their local communities. They increase community participation and may make extensive use of volunteers with their local knowledge and hands-on management of the asset is likely to result in lower overheads and better value-for-money, as well as a more intensive use of the asset.

3.2 Community management and ownership of assets empowers local communities, puts local organisations in control, encourages pride of place and can generate wealth in Lisburn and Castlereagh City Council’s communities.

3.3 Any assessment of the transfer of the asset should have cognisance of the Council’s corporate plan and local community plan.

3.4 An asset can also provide a VCSO with greater financial viability and reduce its dependency on Council grants. The asset will enable it to apply for external funding that is not available to the Council, or even to secure loan finance on the value of the asset.

3.5 Better use of its assets can help the Council achieve improved outcomes and efficiencies.

**4. How the Council decides which assets are suitable for Community Asset Transfe**r

4.1 A CAT may be appropriate in specific circumstances where:

* + a council property asset is surplus to `the council’s requirements,
  + the council has no plan to redevelop the property or sell it to gain a capital receipt;
  + the Council considers that a VCS organisation would be better placed than itself to deliver the service in question (for example, a community hall), and
  + the transfer would enable them to benefit from grant funding available to organisations with longer leases.
  + Where full council, after taking into account the recommendations & views of appropriate Officers and external professionals, feel a Community Asset Transfer fits the needs of the council and the transferee best in the circumstances.

4.2 A strategic review of the need to retain the property will be taken and the asset will be declared surplus in line with the Council’s Acquisition & Disposal Policy.

4.3 The asset is considered to be of a benefit to the local community but if sold is most likely to be developed for a non-community use.

4.4 The state of repair of the property is such that it is capable of occupation with a reasonable level of capital expenditure by the Council or via a capital grant eg. Heritage Lottery Fund.

4.4 The Council will undertake a twelve week consultation targeted at voluntary community groups and the wider public ahead of releasing the asset. This will be achieved through proactive marketing.

**5.** **Which organisations can be considered for CAT?**

5.1 Voluntary and Community Sector Organisations or organisations that are not for private profit:

* unincorporated charitable organisation
* company limited by guarantee with charitable status
* Community Interest Company (CIC) limited by guarantee or by shares
* Charitable Incorporated Organisation
* Community Amateur Sports Club
* Other charitable bodies may be considered at the Council’s discretion.

5.2 CAT recipients can be of any size and need to:

* aim to deliver social, economic or environmental benefits
* directly benefit the people of Lisburn and Castlereagh City Council area
* benefit as wide and diverse a range of local people as possible within the community in which the asset is located

**6.** **What are the criteria that VCSOs need to meet to be eligible for CAT?**

Lisburn and Castlereagh City Council will only consider applications from VCSOs that can clearly demonstrate all of the following in a well prepared business case/community plan/sports development plan which reflects:

* a clear community/social demand for the proposed asset

* the competence and capacity to finance, manage, maintain the asset, deliver the stated services/ programmes and have directors or management committee members who have the necessary experience and skills to do so.

* good governance arrangements, robust financial systems, and all necessary policies expected of a community organisation; this can be evidenced by having a recognised quality mark, or by meeting all the basic requirements for a good community organisation.
* the ability of the VCSO to contribute towards the Council’s corporate and

strategic objectives and Community Plan

* that the proposed use of the asset will not adversely impact on activities, services or facilities already provided in the local community or by the Council.

1. **On what basis will the asset be transferred?**

7.1 CAT can take place in different forms:

* management agreement
* licence to occupy
* short lease
* long lease
* Freehold transfer

*Management Agreement*

This is an agreement between the Council and a VCSO which details the management responsibilities of the organisation in their occupation of the property. This will include responsibility for the property and managing the various activities taking place in/on the property.

*Licence to Occupy*

A licence to occupy is a temporary arrangement, usually no more than six months allowing the organisation to occupy the property possibly on a trial basis.

*A Short Leas*e

This is a lease, usually for between five and twenty five years detailing the terms on which the premises will be occupied and the responsibilities of the Council and the occupier. The main difference between a short term lease and a licence to occupy is the length and security of tenure. A lease will give the tenant the protection of Business Tenancies legislation whereas the licence does not.

*Long Lease*

This is an alternative to a freehold transfer and is usually for a term between fifty and one hundred years. The purpose of a long lease is that it can be made subject to covenants and/or restrictions on the tenant’s occupation.

*Freehold Transfer*

This is the equivalent of a sale/disposal of the property. In this case the Council will relinquish all control and future involvement in the property and its’ use.

7.2 The preferred basis of transfer is through the grant of a Lease and we will determine the length of the lease term on the needs that are clearly supported by the VCSO’s business plan, and on their capacity to manage the asset. In certain cases, we may offer a phased transfer, depending on the VCSOs resources.

7.3 The transfer of the freehold of the property may in certain circumstances be appropriate and that should be considered on a specific case by case basis. An example of this may be where the VCSO already owns an adjacent property or land and wishes to integrate the asset into its existing property and a part freehold/part leasehold situation may not be appropriate.

7.4 Proposals from VCSO’s that are independent, community-run and led organisations, rooted in a sense of place, and with a mission to improve things for the whole community and those which include the co-location of several services (a ‘community hub’) will be encouraged in this context.

7.5 The following criteria will be taken into account when deciding on the length of term that may apply to new CATs.

The Council will consider the specific needs of the CAT applicant, the condition of the asset and the requirements of any funders. The length of a lease will be based on:

* The business case
* The capacity of the organisation to manage the asset
* Financial viability
* Any future requirements for the asset by the Council
* The condition of the asset.

7.6 Community asset transfer leases will be accompanied by a service agreement that will define the expected benefits of the community asset including any requirement for use of the asset by local residents for locally organised activities or use as a polling station. This may include the hours the asset is made available to local communities.

7.7 Leases will contain clauses that control the asset being assigned, sub-let or sold on for unintended financial gain and the loss of the community agreed benefits together with clauses to control upkeep and maintenance of the building and protection of appropriate Section 75 groupings and to positively encourage the promotion of equality and good relations for example, not to fly flags or display political or religious emblems or to carry out any activities that will have a negative impact on good relations across these groups.

7.8 We will be as flexible as possible when designing lease clauses, so that maximum benefit is achieved for both the operator and the Council. This will enable the asset to be used imaginatively, e.g. through the ability to sub-let and through flexible user clauses. The Council intends to provide model documents for ease of use in Community Asset Transfers.

7.9 Leases may, where the transferred asset forms part of an agreement for the provision of services, be accompanied by a Service Agreement that will secure the longer term benefits of the CAT. This will set out the agreed minimum standards, opening hours and activities, and how these will be measured and monitored. It will also ensure that the CAT applicant meets all necessary requirements to achieve optimum community benefit and use of the asset.

7.10 The Council is committed to the successful transfer of assets to community based groups. However, it is also recognised that running a building is an onerous commitment. The Council does not want local people to be deterred from engaging in community asset transfer because they are apprehensive about the possible risks of transfer.

7.11 Therefore the binding agreement leading to Community Asset Transfer, will include;

(a) transfer or return of building/land should the venture cease, including dissolution, insolvency or corruption,

(b) the Council retaining the right to cease the agreement should conditions of transfer be breached ,

(c) appropriate covenants regarding future use of property and

(d) provisions to enable the Council to inspect the building and the services being provided to ensure that it is being used and managed appropriately. In the case of (a) a dilapidations liability may well apply. In accepting the return of an asset the Council will not normally assume any responsibilities or liabilities of the operating organisation. In addition the Council will not normally act as guarantor when transferring an asset or subsequently after transfer.

7.12 The Council will share with any interested CAT applicant as far as practicable, information regarding the condition and operating costs of any asset that may be transferred without warranty or liability to a third party. The acquiring operator should take their own appropriate professional advice as to the condition, future repairs and maintenance liabilities and premises management issues. The operator will be expected to satisfy the Council that they are able to maintain the building satisfactorily after transfer.

1. **How to apply for a Community Asset Transfer?** 
   1. The CAT will be a two stage process,
   * Stage One - Expression of Interest (EOI)
   * Stage Two – Evaluation incl Business Case
   1. Council will publish details of surplus asset that is deemed of interest for community asset transfer in Local Press, on the Councils Website and Social Media platforms; identifying that there is an opportunity for voluntary/community groups, social enterprises and community sports clubs and other qualifying groups to express an interest in participating in the CAT process.
   2. Stage One - Organisations interested will complete an Expression of Interest. The EOI should demonstrate how the applicant can provide added value to the services currently provided, consider both the Council’s Corporate Plan and Community Plan and demonstrate how their proposal meets the objectives of both plans when detailing the wider community need at the facility open to the CAT process.
   3. The Evaluation Criteria for Stage One will be set on a case by case basis to meet the objectives relevant to the particular facility to be disposed of under the CAT process but will be subject to a due diligence check which may typically include evaluation against criteria such as:

* Name and Background to Group (Governance , Volunteers / bank account and financial statements)
* Understanding of Responsibilities associated with managing an asset
* Overview of the Proposed Use of Asset , Community Benefits and Alignment with Council Corporate Plan and Community Plan
* Confirmation of ability to service costs
* How the proposal meets the project objectives
* Capacity to deliver
* Evidence to support the sustainability of your organisation
* Impact on health and well-being of residents
* Linkages to the Council’s Corporate Plan and Community Plan
* Evidence of need of applicant
* Ability to monitor and ensure maximum quality
* Experience of partnership working

8.3 The Expression of Interest form will be required to be returned to the Council within the stipulated period usually 2 months. The expression of interest will be assessed by an officer panel and if suitable the VCSO will be invited to take part in Stage Two.

* 1. Applicants will be required to achieve a minimum score to move on to the second stage. The Second Stage will require the successful applicants to prepare a detailed business case or Sports Development Plan for consideration and evaluation by the Council. The Council would expect the proposal to demonstrate the aims and objectives of the VCSO, the specific proposal for the asset, evidence of community need and project and management plans for the proposal.

**APPENDICES**

**Appendix 1.**

**Assessment criteria for Business Cases**

Organisations (or lead organisation where there is a consortium or partnership applying) are required to meet the Council’s criteria for commissioning. If these criteria are not met, no further consideration will be given to an application.

The business case assessment criteria will be made up of three sections:

* Organisational criteria (see notes below)
* Social value assessment –
* Activity specific assessment

The assessment forms for both expressions of interest and business cases will be made available on request.

Examples of organisational criteria that might be included are found in the table below. This is not an exhaustive list and at all times compliance with the organisational criteria will be proportionate and relevant to the size and value of the asset and the length of term of the asset transfer.

|  |  |
| --- | --- |
| **Provider’s Organisational Criteria** | |
| Management | You must have appropriate governance arrangement in  place, hold regular committee meetings, including an  annual general meeting; have a current business plan. You must be able to demonstrate a level of competency and experience and the capacity to take on the opportunity. |
| Financial Systems | You must comply with all financial and accounting  requirements of charity and/or company law and follow  good practice in relation to internal financial controls. If  you are a new organisation, you should demonstrate how you will implement good financial systems in future. |
| Equal Opportunities | You must have a written equal opportunities/diversity  policy and code of practice that comply with current  relevant legislation. |
| Insurance | Your organisation must have adequate insurance cover  for activities, events, staff, premises, equipment, vehicles including: Public liability; employer’s liability cover if staff are employed; property and equipment insurance. |
| Criminal Records Checks | You must ensure and have evidence that all staff and  volunteers working with children and vulnerable adults  have been vetted through the disclosure and barring  service. DBS checks should only be requested for eligible roles and not for all staff if it is not needed |
| Safeguarding Children & Vulnerable Adults | Organisations working with children and vulnerable adults must have safeguarding children and adult’s policy and procedure in place. Staff and volunteers working with children and vulnerable adults must be appropriately trained. Evidence of these policies will be requested. |
| Equality | Detailed knowledge of the city and the various groups addressed under the Section 75 Equality legislation and an understanding of how to apply that knowledge and to engage / work with / deliver services in the city. Evidence of activities and services being designed to be accessible to as many residents and groups as possible. |
| Cost | The ability for the organisation to meet any rental  Payments; pay for external and internal repairs, maintenance, insurance and utility costs. Evidence of a clear budget with income and expenditure expectations should be provided. |

**Community asset transfer process**

12 week public consultation

Building or plot of land advertised on LCCC website and other publicity areas. Applications for community asset transfer are invited.

Building or plot of land identified as an asset surplus to Lisburn and Castlereagh City Council requirements, appropriate for transfer and approved by Council

Expression of interest register updated and reviewed

**‘Expression of Interest Form’** Organisations can register their details if they are interested in a particular property or have not yet identified anywhere specific

**APPLICATIONS INVITED**

(2 months to submit)

**APPENDIX 2**