

Community Asset Transfer Process

The process may be started by the Council or by an organisation making a speculative request to manage a specific asset. You can do this by firstly completing our online [Expression of Interest Form](#).

In all cases it is the Council who will determine whether an asset is to be made available for Community Asset Transfer or not. An assessment will be carried out by the Council to make this decision.

Assets will only be deemed surplus and possibly available for a Community Asset Transfer if the answer to the following 4 key questions is **NO**:

1. Has a capital receipt for this asset already been ring-fenced to support a corporate project?
2. Is the estimated capital receipt needed as a contribution to the overall Capital Programme?
3. Does the Council require the asset to support its own requirements/objectives or does it need a specific organisation to manage the asset to help deliver the Council's objectives and is there already an established working relationship between the parties.
4. Is there any other reason why the asset is not to be made available for community asset transfer eg. because of its condition.

If the answer to any of the above questions is "**YES**" then the asset will be declared surplus for sale on the open market or used to achieve another corporate objective.

If an asset is available for Community Asset Transfer the Council will advertise the fact via a number of sources, which may include:

- Local press
- Council website
- Community Networks e-newsletter
- Other websites

Organisations will be invited to submit an Application Form.

The [Application Form](#) requires detailed information and supporting documents about the organisation wishing to acquire the asset and how they will use it and meet all the running, costs such as:

- Summary of the proposal as to how the asset will be used
- Details of outcomes to be delivered – how the use of the asset will support the Councils objectives and benefit the community
- Cash flow and budgeting details

- Capacity of the organisation to manage the asset
- Experience and skills of the Board/Managing Group
- Confirmation of the legal structure of the Group and of how the Group will hold the asset
- Succession Planning – ensuring the organisation maintains the right skills and knowledge to manage the asset.

The Council and its partners will assess all Application Forms received. Using the following areas of assessment:

- The Applicant Organisation
- The proposal – impact on Councils objectives
- Community and Partnership Impact – impact on the community and added value
- The Asset
- Financial
- Capacity to Manage the Asset
- Where applicable criteria specific to the specific asset, these will be advised in the advert.

The [Application Assessment Matrix](#) will be used to record the assessment decision

During this assessment period the Council and its partners may enter into a dialogue with the organisations who have submitted the application forms to seek clarification and additional information/evidence in support of the organisation's aspiration to acquire the asset. In certain circumstances the Council and its partners may ask a number of organisations to explore a collaborative bid for the asset.

The result of the assessment process will be submitted to The Deal Steering Group with recommendations; The Deal Steering Group will then make the decision on which applicant will acquire the asset and refer the decision to the Executive Group for approval and the Corporate Property Board for information. These are Council decision making bodies, whose membership includes, Service Managers, Assistant Directors, Directors and relevant Cabinet Portfolio Holders. The outcome will be announced on the Council's website and may be included in the local press.

The successful organisation(s) will be required to sign legally binding documents in relation to them acquiring the asset. These could include:

- Lease
- Transfer
- Commercial/Asset Transfer Agreement.

In either the grant of a lease or, in the exceptional circumstance that an asset transfer of outright ownership is agreed, the Council will attach legally binding restrictions (Covenants) to ensure the asset remains in community use and/or cannot be disposed of for financial gain.

Legal issues which may arise in the context of Community Asset Transfer e.g. public procurement /state aid, transfer of undertakings (protection of employment - 'TUPE') etc. will be considered on a case by case basis. The Council cannot advise applicants on their legal responsibilities associated with an asset transfer and they should obtain their own independent professional advice.

Once the Community Asset Transfer is completed, the organisation(s) acquiring the asset become responsible for:

- Operation of the asset in accordance with the terms of the lease and with all other legal obligations. This will include insuring the contents, along with any plate glass within the asset, maintenance, repairs, cleaning, all outgoings and relevant health and safety requirements.
- Maintaining a monitored alarm system; this can be arranged by the Council and recharged to the organisation or the organisation can make their own arrangements with the consent of the Council – this is a condition of the Councils Building Insurance Policy, which will continue to provide Building Insurance cover for the asset post transfer.
- Compliance with any Transfer Agreement and any other agreements.
- Delivery of agreed outcomes.
- A contribution to the Council's costs associated with the asset transfer

This will be from the date of asset transfer completion.

The successful organisation(s) will have to submit an Annual Report to the Council's agreed representative which must cover the agreed outcomes as per the lease. They will also have to comply with a periodic assessment conducted by the Council of them complying with their statutory obligations and any other conditions of acquiring the asset. Failure to comply with any of part of 4.11 could result in the Council determining (ending) the lease and the organisation having to hand the asset back to the Council – details of the other possible sanctions available will be contained in the signed legal documents, along with the details of the Councils agreed representative(s).

At the end of the lease the Council reserves the right to:

- Review the asset and decide it is no longer available for Community Asset Transfer and dispose of the asset at full market value or use it to meet another strategic objective of the Council
- Negotiate a new lease with the existing occupier
- Advertise the asset and invite fresh Expressions of Interest.

[Diagram of the Key stages in the Community Asset Process](#)

[Property \(Asset\) Decision Process](#)