



# Community Asset Transfer Policy



Revised November 2016

## **1. Purpose of the Policy**

This policy outlines Wigan Council's approach to asset transfer. It sets out a transparent, positive and proactive framework to enable and manage asset transfer from the Council to the voluntary and community sector (VCS) to take place and be successful in the long-term.

1.2 The [Deal for the Future Plan Wigan Council 2020](#) sets out a vision for Wigan Borough to be a confident place with confident people.

## **2. Policy Statement on Community Asset Transfer**

2.1 As part of [The Deal](#), Wigan Council is committed to using its assets to form long-term partnerships with organisations that meet the Council's criteria where they will bring benefits to communities. It is not suitable for all properties or all organisations, and the Council will continue to work with local organisations to ensure that a range of tools, programmes and initiatives are in place to support the development of a strong and sustainable voluntary and community sector in the Wigan Borough.

The Council views community asset transfer positively for the following reasons:

2.2 The potential benefits of asset transfer for VCS organisations include:

- It can strengthen the organisation's confidence
- It can strengthen the organisation's community ties
- It can provide opportunities for income generation.
- It can strengthen the organisation's ability to raise money.
- Provides the opportunity for the organisation to develop the asset to meet the communities needs and aspirations

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

- It creates the opportunity for investment in the asset that may not be possible within Council ownership and can provide a catalyst for inward investment through local purchasing and employment
- It can contribute to the Council's objective to rationalise its estate and facilitate more effective and efficient use of its asset base where the focus is on better services and community outcomes through a Neighbourhood approach.
- It can deliver social, economic and environmental benefits.
- It can be a stimulus for partnership working between VCS organisations, the Council and other partners, providing opportunities for long-term working between sectors, improving provision and accountability of services within communities, which in turn helps the Council to achieve the priorities and outcomes set out in the Deal for the Future Plan.

2.3 The Council recognises that Asset Transfer can be a part of supporting and sustaining local communities and it wishes to ensure Council assets can be operated by the people who regularly use them.

2.4 The Council will consider transfer of an asset to any organisation that makes a credible application, supported by an appropriate Business Plan, and demonstrates it has the skills and capacity to manage the asset and the associated legal responsibilities.

2.5 While fully supporting the principle of Asset Transfer this policy also recognises that some assets must remain under Council control in order to support delivery of essential services or Strategic Corporate Objectives

2.6 The Council will decide whether or not an asset is to be made available for Asset Transfer.

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 e.g. 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.

### **3. National Policy Context**

3.1 Prior to 2010 asset transfer was encompassed within the policies to create sustainable communities, empowerment and regeneration (e.g. the 2008 white paper Communities in Control: real people real power)

3.2 The most important policy document was the Quirk Review, "Making Assets Work" published in May 2007. The Review strongly advocated in favour of local ownership and management of public assets. This was supported by the then Government and a number of new initiatives were created, including the establishment of the Asset Transfer Unit.

3.3 Since 2010 asset transfer has been incorporated in the “Big Society” policy agenda which has at its core greater empowerment to communities, opening up public services to the VCS, social enterprises and the private sector and enabling and encouraging people to play a more active part in society and promote more volunteering.

3.4 The Localism Act (2011) devolves decision making powers to neighbourhood level and advocates new rights and powers for communities and individuals such as the “Community Right to Challenge” and “Community Right to Bid” (assets of community value). Proposals required local authorities to maintain a list of assets of community value. Communities now have the opportunity to nominate, for possible inclusion, the assets that are most important to them. When listed assets come up for sale or change of ownership, VCS organisations will be given time to develop a business case and raise money so they can bid for the property when it comes on to the open market. **Community Asset Transfer is a separate process to Community Right to Bid.**

#### **4. Local Policy context and links to other strategies**

4.1 Community Asset Transfer is one of the key enabling programmes in the Reform Transformation Programme of the Deal for the Future Plan:-

##### **Accommodation and estates**

Our Ambition: We have a reduced accommodation base and services are delivered flexibly across a range of community venues

We will do this by:

- Delivering a corporate property management approach
- Exploring joint accommodation and estates options with partners
- Taking advantage of the opportunities that come from one public estate
- Continuing to roll out our asset transfer strategy

#### **5. Principles Underpinning the Community Asset Transfer Policy**

5.1 The Council supports a strong and sustainable VCS as a key partner in the delivery of services and in providing a link with local communities. It recognises that the VCS have a vital role to play in delivering the [Deal for the Future Plan](#).

5.2 The Council recognises that the way its physical assets are managed can have a positive impact on the long-term strength of the VCS and local communities more generally. By holding an interest in their asset, VCS organisations can grow and become more secure, gaining access to sources of additional investment that the Council itself may not be able to access. The Council’s aim is to ensure that the way assets are managed strongly underpins The Deal corporate aims and where appropriate, will use asset transfer as a

means of enabling VCS organisations to become sustainable on a long-term basis.

## **6. Community Asset Transfer Process**

6.1 Although a number of processes are involved in Community Asset Transfer, there are two key stages:

- Expression of Interest Stage
- Full Application Stage

The process is started by the Council. If an asset is available for Community Asset Transfer the Council will advertise the fact via a number of sources, these currently include:

- Local press
- Council website
- Wigan Council approved Social Media sources
- Deal for Communities email distribution list
- Borough-wide Community Networks e-newsletter

Where applicable, criteria specific to the specific asset, will be outlined in the advert.

### 6.2 A Transparent and Equal Process

6.3 Wigan Council recognise that Community Asset Transfer can be quite daunting for many organisations and to ensure the process is open , equal and transparent they are as part of the Deal working in partnership with [Douglas Valley Community](#) a local 3rd Sector organisation. Douglas Valley Community is registered with the Charity Commission as a Company Limited by Guarantee and has been established in Wigan since 1994. From its foundation Douglas Valley has been supporting the work and development of its Community Resource Centres within Wigan Borough. The organisation will work independently with all organisations throughout the asset transfer process. To assist this work, Douglas Valley Community has developed a Community Asset Transfer Toolkit which provides information, guidance and tips to help you build up a picture of the process of applying to take over an asset. The toolkit guides you through the two key stages of asset transfer as well as providing a range of information and links to useful website.

### 6.4 Expression of Interest Stage

Interested organisations are asked to complete and return an [Expression of Interest Form](#) by a specific date outlined in the advertisement. The Expression of Interest Form should outline a summary of how the asset will be used.

## 6.5 Full Application Stage

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

- How the use of the asset will support the Councils [Deal](#) 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 sustainability
- Capacity to Manage the Asset

6.6 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.

**6.7** The result of the assessment process will be submitted to the Councils Corporate Property Management Board with recommendations; they will make the decision on which applicant will acquire the asset. The Councils Deal for Communities Executive Group will be informed of any decisions made. This group is made of Council Assistant Directors, Directors and relevant Cabinet Portfolio Holders. Elected Members will also be informed of any decisions.

## 6.7 Transparency

The outcome of all decisions 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
- Asset Transfer Agreement.

In the granting of a lease 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.

6.8 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. Each asset will be considered on a case by case basis. The Council will advise applicants on their legal responsibilities associated with an asset transfer, but if they wish to they can 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.

This will be from the date of asset transfer completion.

## 6.9 Transfer of Asset

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 the agreement 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).

## **7. The Deal**

To help achieve The Deal for the Future vision, Wigan Council needs to work together with communities. That is why we have developed [The Deal](#), an informal contract between the council and our residents. This Deal is about all services in the council and all residents of the borough. It is a way of working that underpins everything that we do. Fundamentally it signals an asset based approach (a new conversation focussing on a person, their skills, abilities and what's important to them) it encourages self-reliance and independence through an equal partnership. In order to deliver this vision, Wigan Council recognises the importance of working together with communities and the crucial role a strong, dynamic and diverse voluntary and community sector plays in achieving this.

As a community group or organisation that has successfully taken over one of Wigan Council's assets, we want you to understand the importance of adhering to our core behaviours.

The Deal is an informal agreement between the council and everyone who lives and works here to work together to create a better borough. All applicants for Community Asset Transfer should pledge to support The Deal and follow the principles within it. In return, we as a workforce will ensure that our behaviours match this to work as best we can to improve the borough together. You can find more details of the Deal at <https://www.wigan.gov.uk/Council/The-Deal/Deal-Communities/The-Deal-for-Communities.aspx>

In addition, we'd ask that you:

- trust that Wigan Council are ready to listen and change
- care about your community and believe in the borough
- be positive about promoting Wigan Council and the support you have received
- be open-minded to our new approach
- tell us what works and what could be improved