

Co-operative Councils' Innovation Network

March 2021

Beyond Asset Transfer



About CCIN and the Policy Labs

The Co-operative Councils' Innovation Network is a collaboration between local authorities who are driving global public policy development and best practice with a common belief in Co-operative Values & Principles.

We want to reclaim the traditions of community action, community engagement and civic empowerment which can transform communities, and which will help us deliver radical and innovative programmes that are designed, led and delivered in partnership with communities and other sector partners, maximising the social dividend they bring.

It has always been the purpose of the Network to share our developing good practice and to support one another in our co-operative aims and values.

Established in 2016, the Policy Lab programme is an opportunity for any CCIN Member to present an idea and receive funding for collaboration with other CCIN members to fund co-operative solutions to the challenges facing local government.

The Network is open to all UK councils regardless of political affiliation who can demonstrate innovation and a willingness to drive forward the Co-operative Council agenda. For more information, see www.councils.coop

To find out more about joining the CCIN contact: hello@councils.coop

CCIN ACCOUNTABLE BODY:

OLDHAM COUNCIL, OLDHAM CIVIC CENTRE, WEST ST, OLDHAM OL1 1UL
T: 0161 770 5691

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Thanks to Nicola Huckerby at the CCIN who steered this report through the CCIN Governance process in its many revisions and forms so that we had a report to launch.

Finally, thanks to Jamie McMahon and John Copps from Mutual Ventures who, with Bates Wells, reviewed the whole report and ensured that it was up to date and aligned with current legislation.

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Foreword

As Chair of the Co-operative Councils' Innovation Network, I welcome the publication of this report and its timely contribution to the debate on the future of community assets.

Effective use of community assets is critical to a well-functioning place and vital for our country's public services. In response to the Covid-19 pandemic over the last year, I have seen how valuable these assets are in creating strong and resilient communities. Research shows they contribute nearly £220 million to the UK economy every year, alongside benefits for social capital and community cohesion.

But transferring assets to communities or not-for-profit organisations is not always easy, even when we know it is the right solution. I hope that this report will help overcome some of the hurdles and ensure more of our valued community assets have a sustainable future that is rooted in social value.

I wish to thank colleagues from across the Network for their contributions to this report, especially the fabulous examples from which we can all learn so much. I look forward to working together to ensure co-operative values continue to be a force for good in our local communities.

Councillor Sharon Taylor OBE,
Leader Stevenage Borough Council and Chair of the
Co-operative Councils' Innovation Network



As community leaders, we have a responsibility to make sure that local assets are well-used, well-maintained and are supported with a sustainable business model.

At Newcastle City Council we have long been committed to ensuring our city's assets provide real value for our residents and visitors. We are proud to work with local community groups, including those that have taken on community assets, working together to deliver social value.

Our experience during the pandemic has shown the value of getting community asset transfer right. Newcastle Community Asset Trust – described in this report – runs three community centres that acted as neighbourhood service hubs. Working hand-in-hand with the council, the hubs became a safe space for local people around which the community could mobilise.

In this report, we set out to produce practical reflections on what works and what does not work in community asset transfer and learn from the experience of other CCIN Members. Our aim was to demystify the process and encourage more councils to be bold in their plans for community assets.

Only time will tell whether we have achieved that, but I encourage fellow councillors, local community leaders and voluntary sector partners to read this report and be inspired by what is possible in your area.



Councillor Nick Forbes CBE,
Leader of Newcastle City Council

Preface

This report is the product of a programme of work that has been running since 2018 as a Co-operative Councils' Innovation Network's (CCIN) Policy Lab project. Newcastle City Council was awarded funding to explore what works in community asset transfer, the factors that contribute to success, and how to overcome common barriers.

As the project was being completed, the UK was hit by the Covid-19 pandemic. Our member Councils and their partner community organisations found themselves at the centre of their local response.

With this in mind, the CCIN realised that it was important that the findings considered and reflected the implications of the pandemic. CCIN secured the additional support of Affiliate Members Mutual Ventures¹ and Bates Wells² to help with this by reviewing and revising the report.

Newcastle City Council led an initial call for evidence to all CCIN members in 2018. Nine councils and eleven community organisations across England, Scotland and Wales responded. The responses

covered a wide variety of transfers – big and small – including community centres and halls, library, sports facilities and swimming pools, and other local facilities.

Mutual Ventures made a second request for information from members in autumn 2020. This built on the earlier work and also looked at the impact the Covid-19 pandemic had on community assets. Mutual Ventures spoke with 15 councils and community groups and held an interactive workshop with members.

The final report is a product of the original research from Newcastle City Council, updates and revision by Mutual Ventures, and a legal review by Bates Wells.

¹ Mutual Ventures is a specialist management consultancy that works throughout the UK to transform public services and improve their sustainability. Mutual Ventures is an Affiliate Member of the CCIN.

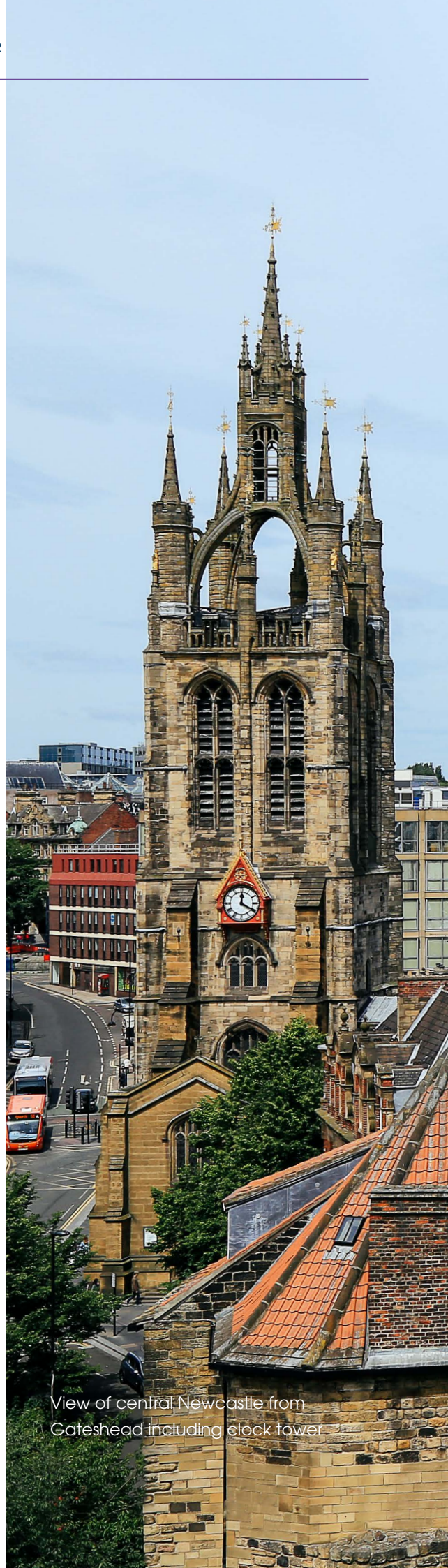
² Bates Wells is a full service 'UK 100' law firm that has developed a reputation as a leader in the field of public sector, working with local authorities, NHS organisations and central government. Bates Wells is an Affiliate Member of the CCIN.

Summary

Community assets enrich our lives, help to create strong and resilient communities, and support the effectiveness of public services. As we continue to manage the impact of the Covid-19 pandemic, community assets have never been more important.

The Co-operative Councils' Innovation Network (CCIN) is a collaboration between local authorities who are committed to finding better ways of working for, and with, local people for the benefit of their local community.

Whilst some local areas have seized upon asset transfer as opportunity, others have not. The Network wanted to find out from its members what has worked well, what has not worked so well, and why. This report aims to learn lessons from these experiences and use them to strengthen practice around asset transfer within local government and its partners.



View of central Newcastle from Gateshead including clock tower

What has worked well?

Councils said the following contributed to successful asset transfer:

- A positive council strategy that articulates the role that Community Asset Transfer can play in wider council objectives, rather than simply a method of 'getting assets off the books'.
- Patience and commitment to developing a long-term sustainable solution by both the council and the community group.
- Continued support from the council – a 'duty of care' approach – for transferred assets.
- Positive press and councillor support, especially Cabinet member support, which maintains the council's focus on the social value provided by assets.
- Ability of community groups to cover maintenance costs, thereby reducing liability to the council.
- Community groups being able to access funding for capital works.
- A good relationship between the council and the community organisation.
- Transfers where there are management committees or social enterprise structures already in place.
- Capacity building work with management committees.
- Organisations with highly experienced and competent staff/volunteers.

Community organisations highlighted the following success factors:

- Residents coming together around shared aims.
- Investment made by councils to bring buildings up to a usable state.
- Being given 'licence to occupy' whilst a lease was being drafted.
- Enthusiasm and talent amongst residents.
- Support from the wider community, including donations and offers of voluntary help.
- Informal support from officers and councillors, and ongoing lines of communication.
- Access to technical and legal expertise from external organisations.
- Contact and advice from other community-run facilities.
- Adequate financial support for the project.

What has not worked well?

Councils said the following had been a challenge to successful asset transfer:

- Original timescales slipped.
- Not as many applications from residents or community groups as hoped.
- Community groups unwillingness to take on maintenance liability and responsibility for buildings.
- Amount of 'red tape', including waiting for legal advice, quotes for work, and condition surveys.
- Where existing leases, building covenants and other arrangements become a barrier to change.
- Fewer resources – financial and human – available to support the process as time goes on.
- Some community groups lack the necessary expertise, especially in business planning and income generation.
- Less central government funding available to support the process, as council budgets are under pressure.

Community organisations highlighted the following challenges:

- Getting information from councils about the transfer, and a lack of an 'open-book' approach.
- Councils taking for granted that community groups already have knowledge and experience of the transfer process.
- Timeframe not being clearly defined – and the process taking longer than expected and subject to delays.
- Lack of, or limited, support from the council.
- 'Red tape' and waiting for paperwork from council legal departments.

“Some community groups lack the necessary expertise, especially in business planning and income generation.”

Key barriers

The main barriers to successful asset transfer were:

- Limited resources and staff turnover in councils in some areas – budget savings have resulted in reduction / changes in staff which has an impact on provision of ongoing support for the asset transfer process.
 - Perceived motivation of councils to save money rather than focus on wider community benefit.
 - The documents required and information on what to do and when.
 - Timescales around the legal requirements and negotiation of leases.
 - Access to legal advice and the cost to community groups. Even where support to organisations was provided, it is still complicated and costly to groups with no previous experience.
 - Making sure buildings were safe, secure and a fit state to transfer, particularly where budgets are no longer available for maintenance or investment.
 - The challenge of retaining knowledge and learning from previous experience. Loss of experienced staff and limited opportunities to share learning across councils / organisations has made this difficult.
 - Evidence of a sustainable business model to provide confidence that the transfer will be successful in the longer term.
-

The impact of Covid-19

Community owned assets have been at the frontline of the crisis:

- The Covid-19 pandemic has had a profound effect on the entire country, and community organisations and their assets were hit hard.
- Many were in a unique position to support their communities through the crisis, acting as community hubs. They set up food banks and kitchens, were bases for council and voluntary sector workers or acted simply as a trusted and safe space for local residents. The example of Newcastle Community Asset Trust in this report is testament to this (see page 31).
- Many community organisation's viability depends on additional revenue generated by their asset. Cafés, room hire and events underpinned their business plans. This income was quickly lost and uncertainty remains about when it will return. Councils across the country did what they could to support community organisations and assets but their futures remain far from secure.
- From our research there was anecdotal evidence that assets that had been transferred were more financially resilient during Covid-19. In South Tyneside, out of nineteen community centres, only one requested additional funding from the council – and that was the only centre not to have been transferred to community ownership.

Recommendations for central government

To promote and support Community Asset Transfer central government should:

- Invest in the capacity and resources required for Community Asset Transfer at a local level.
- Use the £4 billion 'Levelling Up' Fund to seek strategic opportunities for Community Asset Transfer aligned to economic growth, for example through the revitalisation of community landmark buildings that can serve as a hub to local town centres.
- Design the £150 million Community Ownership Fund, pledged in the 2019 Conservative Party manifesto, in partnership with local authorities to promote the transition of assets to communities.
- Joint-fund the exploration and implementation of Community Asset Transfer with local government by making funds available through programmes such as the Mutual Support Programme.
- Draw together existing guidance and practice to evidence that 'best consideration' for social reasons is a permissible and effective route to facilitate Community Asset Transfer.
- Fund the development of replicable models of Community Asset Transfer, for example around how social impact bonds can be used to leverage investment into assets and communities.
- Produce model legal documentation and guidance, tailored to the 'average' Community Asset Transfer and based upon a reasonable sharing of risk between parties.
- Strengthen provisions within the Localism Act (2000) including:
 - Changing the 'Community Right to Bid' to a 'Community Right to Own', thereby giving communities a genuine attempt at owning community assets.
 - Removing the requirement that an asset can be listed as an Asset of Community Value only if it has been in use "in the recent past". Many assets which are of interest to communities will be those that have been empty for a long-time.
 - Increasing the time period communities are granted to raise sufficient funding to bid, beyond the current six months following notice of intention to sell.

“From our research there was anecdotal evidence that assets that had been transferred were more financially resilient during Covid-19.”

1. Introduction



Introduction

- 1.1 One of the biggest challenges councils and communities face is how to sustain valued local community assets in the face of ongoing austerity and the enduring impact of the Covid-19 pandemic. A solution that has been proven to work for communities is asset transfer.
- 1.2 Research by Power to Change in 2019, identified more than 6,300 community owned assets in the country. They contribute nearly £220 million to the UK economy every year and form a vital part of the country's public services.³
- 1.3 This is not simply about addressing the budgetary pressures on councils, although austerity has undoubtedly been a driver. Beyond the issue of cost, the concept of transferring community buildings to local ownership is often an important first step in stimulating and growing wider co-operative approaches in communities.
- 1.4 But, whilst asset transfer seems intuitively right, we know that significant, practical barriers to transfer persist. Substantial support, including legal, technical and financial expertise is required at a time of limited capacity to do this at pace.
- 1.5 We all recognise the challenge of sustaining what are truly valued assets at a time of austerity. Generally, these fall broadly into two categories:

a) Local community associations

80% of community owned assets are described as a 'community hub/hall/centre'. They manage buildings that have been there for people throughout their lives: for weddings and funerals, children's activities, adult learning and lunch clubs for older people. That is a lot of life events for a community to lose when the budgets are under pressure.

b) Landmark buildings

These are assets that are seen as the treasures of a city or borough – the 'family silver'. These might be the places where residents saw their first concert, a local museum or the Victorian Park people take their children to on a weekend. These are all loved by residents but difficult to sustain, particularly as they start to show their age and need substantial works done.

- 1.6 For those councils that embark on a systematic approach, transferring these assets to communities or other not-for-profit organisations rooted in social value becomes the obvious and best option. In principle this fits well with the core values of a co-operative council and a co-operative movement. However, though asset transfer appears to be the solution, experience has shown that it is not a straightforward process. Requiring substantial support and commitment

³ The Power to Change Trust (2019) 'Our assets, our future: the economics, outcomes and sustainability of assets in community ownership'.

from all parties, it should never be seen as a cheap, cut-and-run solution.

- 1.7 Whilst some organisations have seized upon asset transfer as a new and existing opportunity, others have considered the option but have decided not to pursue it. The CCIN wanted to find out from its members, what was working, what has not worked so well, and why.
- 1.8 The overall aim of this report is to enable Network members to strengthen their support and practice around asset transfer, and to look at

ways of strengthening asset transfer policy. We make recommendations on how both councils and organisations looking to take on assets can continue to develop their good practice. The report also suggests where government can go beyond top down enabling legislation and can do more to support positive asset transfer outcomes.

- 1.9 Finally, we hope this work might also inspire more local organisations to choose asset transfer by highlighting successes and showing what is possible through co-operative approaches.

What do we mean by Community Asset Transfer?

Community Asset Transfer is the transfer of land or buildings from the councils (or other public sector bodies) to the ownership and/or management of a third sector organisation.

Asset Transfer includes:

- Management agreement
- Licence to occupy
- Short lease
- Long lease
- Transfer of freehold

Benefits include:

- Formation of long-term partnerships with third sector organisations
- Better use of public assets
- Empowering residents to overcome local challenges
- Unleashing local creativity, co-operation and enterprise
- Enabling access to wider activity and funding
- Minimising financial liability for councils
- Building of social capital



Beyond budgets: drivers of asset transfer

Plymouth City Council believes Community Asset Transfer is fundamentally about giving local people and community groups greater control in the future of their area, in line with promoting the Council's co-operative agenda. If local groups own or manage community buildings and land, such as community centres, rugby pitches, allotments or changing rooms, it will help foster a sense of belonging and bring together people from different backgrounds. Community ownership of buildings can also play a part in raising local people's aspirations, enhancing the local economy and environment, and strengthening the capacity of the community, voluntary and social enterprise sector.

2. Policy Context



Policy Context

Background

2.1 The Local Government White Paper 'Strong and Prosperous Communities', published in October 2006, set out a new relationship between local authorities and its communities. This confirmed the Government's intention to increase opportunities for community asset ownership and management, and promote asset transfer as part of a local authority 'place shaping' role. It aimed to establish a relationship that promotes social cohesion and the revitalisation of communities through effective engagement and participation.

2.2 Building on this, in May 2007, government published 'Making Assets Work', the report of an independent review led by Barry Quirk, then Chief Executive of Lewisham Council⁴ (the Quirk Review). The review focused on the transfer of asset ownership and management to community groups and identified the need for transparent Community Asset Transfer policies to be implemented.

2.3 The findings of the Quirk Review included:

- A managed increase in the community's stake in an asset can bring a wide range of additional benefits for the community, the organisations receiving the asset, and the local authority facilitating the transfer.
- Any sale or transfer of public assets to community ownership and management needs to realise social or community benefits, without risking wider public interest concerns and without community purposes becoming overly burdened by operational considerations.
- The benefits of community management

and ownership of public assets can outweigh the risks and opportunity costs in appropriate circumstances.

- There are risks but they can be minimised and managed. Asset transfers do not necessarily have to be a transfer to one organisation. If a VCS organisation does not have the capacity to manage an asset, then the transfer can be made to a larger organisation which can provide support to the smaller community-based organisation.

2.4 Both the Local Government White Paper 'Strong and Prosperous Communities' and the Quirk Review looked at stimulating community empowerment through improved community welfare, harmony, cohesion and the capacity for self-management. The purpose of the Quirk Review was to examine and provide advice on how to optimise the community benefit of publicly owned assets by considering greater opportunities for community ownership and management. It identified the need for transparent Community Asset Transfer policies to be implemented.

2.5 In July 2008 the Local Government White Paper 'Communities in control: real people real power' confirmed ongoing support for the Quirk Review and announced the establishment of a national Asset Transfer Unit. The Asset Transfer Unit was set up in 2009.

2.6 Further key legislation and policies that influence and impact upon community transfer include:

- Section 123 of the Local Government Act (1972) requires councils to get 'best consideration reasonably obtainable' when disposing of land and buildings. If disposal is

⁴ Department for Communities and Local Government (CLG) (2007) Making Assets Work: The Quirk Review of community management and ownership of public assets.



for less than market value, consent from the Secretary of State may be required. However, there are a number of 'general' consents (sets of conditions which can apply to particular types of transfer) which mean a council would not need to obtain specific consent for transfer. The General Disposal Consent (England 2003) permits transfers of land for less than market value without specific consent from the Secretary of State provided that the purpose for which the land it transfers is likely to contribute to the promotion or improvement of the social, economic or environmental well-being of the area and provided the difference between the market value and the actual price paid is less than £2 million. In practice, the vast majority of assets proposed for transfer will meet this financial threshold.

- The Localism Act (2011) gives groups the right to bid for assets that are deemed to have 'community value', i.e. assets whose primary use furthers the social well-being or social interests of the whole community. The 'Community Right to Buy' requires councils to maintain a list of public or private assets of community value put forward for consideration by communities. When listed assets come up for disposal (either the freehold or a long

leasehold), communities will be given a six-month period to develop a bid and raise the capital to buy the asset when it comes on the open market. This helps local communities to save sites that are important to their particular neighbourhood, although it should be noted there is no statutory requirement for the community bid to be accepted.

- The Local Government and Public Involvement in Health Act (2007) provides a legal framework for social cohesion and community empowerment promoting the involvement of local representatives in decision-making.
- The Sustainable Communities Act (2007) reinforces the principle that local people know how best to promote the sustainability of their area and provides a simple process, where ideas generated by local communities are fed through their local authority.
- The Local Government Act (2000) empowers local authorities to undertake activities that enhance or contribute to the economic, social or environmental well-being of the area. The wellbeing power provides a legal basis for an asset transfer, but each proposed asset transfer will need to be judged on its own merits.

“Perhaps now is time for the government to review and refresh its approach.”

- The Public Request to Order Disposal (PROD) enables any member of the public to request the Secretary of State to direct a local authority under section 98 of the Local Government, Planning and Land Act (1980) to dispose of a building or piece of land in its ownership that is unused or underused in meeting the public body’s function.
 - In Scotland, The Community Empowerment Act 2015 introduces a right for communities to make requests to councils, Ministers and public bodies, for any land or buildings they feel they could make better use of. The Act requires relevant public authorities to transparently assess requests against a specified list of criteria, and to agree the request unless there are reasonable grounds for refusal.
 - The Department of Digital, Culture, Media and Sport’s Mutual Support Programme has supported public sector organisations, especially local authorities, to consider whether to transfer services and assets into a Public Service Mutual owned or significantly controlled by the staff and communities that rely upon those assets.
- 2.7 The above list is not exhaustive but it serves to highlight this agenda is clearly on a firm statutory footing, and councils and community groups alike have a range of provisions to call on to initiate asset transfer. Of course, councillors have a fiduciary duty to act prudently when disposing of council-owned assets. Under this, consideration must be given to whether non-financial benefits from asset transfer outweigh potential capital receipts or rents. This is not widely seen as a barrier to transfer and, if anything, developing policy and practice on social value (procurement and commissioning) increasingly provides a clearer framework for councils to evaluate non-financial benefits of asset transfer.
- 2.8 Indeed, none of the respondents to the calls for evidence cited lack of statutory powers or councillors’ fiduciary duty as a barrier to transfer. Yet in reality, whilst there are a range of statutory provisions that ‘permit’ transfers at less than market value, this is not the same as supporting the transfer process.
- 2.9 The 2019 Conservative Party manifesto stated a commitment to establish a £150 million Community Ownership Fund with the aim of encouraging: “local takeovers of civic organisations or community assets that are under threat – local football clubs, but also pubs or post offices.” This fund represents an opportunity for the now-elected Conservative Government to work in partnership with local authorities to design a fund that facilitates the smooth transition of assets to communities and responds to the findings of this Policy Lab.
- 2.10 In addition, the 2020 Spending Review included a new ‘Levelling Up’ Fund worth £4 billion. The aim of this fund is to invest in the local ‘infrastructure of everyday life’, that can support communities and economic recovery. Subject to the composition of this fund, opportunities exist for Community Asset Transfer aligned to economic growth, for example the revitalisation of community landmark buildings that can serve as a hub to local town centres.
- 2.11 Perhaps now is time for the government to review and refresh its approach to promoting and enabling asset transfer. Whilst there is no shortage of legal and statutory provisions to permit and enable transfer, this rather misses the point. The main challenges in asset transfer appear to be in capacity, investment and resources, not statutory powers. Funds such as those promised by government, need to be made available and supported by new ways of streamlining the process of transfer.

3. Our findings: What works



Our findings: What works

- 3.1 In the responses from councils and community groups we were able to identify a clear and consistent set of factors that contributed to effective asset transfer. However, on many issues there was a clear distinction between council officers and community groups in their view of success factors.
- 3.2 Whilst this is hardly surprising and reflects the different perspectives in any transfer, finding ways to reconcile these differing perspectives is important if we are to develop truly co-operative policy and practice in asset transfer. This is a recurring theme as we consider examples of what works and, indeed barriers to transfer.

Success factors

- (i) A positive Community Asset Transfer strategy
- (ii) Patience
- (iii) Access to funding
- (iv) A 'duty of care' after transfer
- (v) Interest from multiple groups
- (vi) Positive support from councillors, communities and the media
- (vii) Established Governance

(i) A positive Community Asset Transfer strategy

- 3.3 Community Asset Transfer that succeeds in supporting communities to develop and thrive requires a comprehensive council strategy.
- 3.4 Often Community Asset Transfer can be done for the wrong reasons, simply to get 'assets off the books'. In other cases, differing priorities can act as blockades to councils trying to promote asset transfer, such as best value policy.

- 3.5 Those councils that do asset transfer well, develop a positive approach to Community Asset Transfer and embed it throughout the organisation. They ensure that Community Asset Transfer is at the forefront of officer's minds throughout the organisation.
- 3.6 Councils adopting a place-based or communities strategy recognise that their aims and objectives can be achieved through thriving communities and work alongside organisations to encourage positive outcomes.
- 3.7 A positive strategy is also about developing the confidence of the community in the council's motives. After a decade of austerity, asset transfer is often about safeguarding community assets otherwise at risk, and a successful approach needs to give confidence that the council will approach the process with the right intentions.

Responses:

"The community aren't stupid. If you go about it with an asset drop attitude, they will see right through it."

- 3.8 The published policy is often the first port of call for groups wishing to take on an asset and wanting to find out more. It forms that critical first impression for interested groups.
- 3.9 It is important that the council's policy is communicated to and understood by both community groups and officers within councils. Getting a policy developed, agreed and published on the website is not 'job-done' – there has to be a plan (internal and external), to ensure this is communicated widely and embedded in an organisation.

- 3.10 A positive strategy is also about sharing responsibility for Community Asset Transfer within the council. Too often the management and disposal of assets gets allocated to property teams that, without the overall strategic view of the asset, seek to pass on risk to the community

organisation. By working in partnership with those teams engrained in communities, opportunities for Community Asset Transfer can be identified and the case for best consideration more quickly developed.

Case Study: Libraries re-write their future in South Tyneside

The future of four branch libraries in South Tyneside now looks much brighter following their transfer to community groups and charities.

One of the hardest hit local authorities as a result of cuts in central government funding, South Tyneside Council had to look at new ways of delivering services for residents.

Rather than simply closing down branch libraries, it asked for the support of its local communities. All four branch libraries have now been safeguarded with community groups or charities taking over the running of them.

Primrose Library is now run by Perth Green Community Association, local charity Boldon and Cleadon Community Library has taken over the management of East Boldon Library, the Friends of Whitburn Library is running Whitburn Library and Action Station South Tyneside has taken over the management of Boldon Lane Library.

In all cases, the moves have led to even better outcomes for residents with extended opening hours and, in some cases, better resources such as computers. All the groups have plans to extend use of the libraries to include social, cultural or educational activities to enhance their community value.

The transfer of assets has allowed the Council to safeguard valued community assets for future generations. This would not have been possible without the strong community spirit so prevalent in South Tyneside, as well as a vibrant third sector. By putting co-production at the heart of its strategy, the Council has enabled residents to take greater ownerships of projects.

The Council has invested in a Third Sector Strategy and has invested in a funding portal to allow community groups to bid for external funding. As part of the asset transfer programme, the Council is giving residents the tools they need to empower themselves and develop the assets they now run. In the increasingly complex environment in which local authorities now operate, it is more vital than ever to take a more collaborative approach with residents. By developing a new social contract with our communities, local authorities can make co-operative working the new norm. As this case study demonstrates – it is an approach that works.



Responses:

"The Council had recently developed an asset transfer policy and procedures which would have been very useful. Our observation is that these were not 'rolled' out across relevant departments, meaning that limited officials were committed to the process or knew what was involved. A deeper understanding amongst key staff would have helped significantly."

Responses:

"As with large scale capital projects the budgets never extend to all the work and so there is a need to prioritise – and thus there are areas of the House which are still in a state of deterioration (the Trust will have to fundraise to restore these areas in the future). The Trust was agreeable to this providing the buildings were safe and secure – and the Council has fully cooperated in making sure that this was the case."

(ii) Patience

3.11 Community Asset Transfer takes time. Councils we spoke to talked openly of a 12 to 24 month process to transfer assets sustainably to the community. Community groups spoke of needing patience on the council's side as they navigate what is a new and complex process.

3.12 This patience is not about 'slow walking' the process. It is about collaborative working that ensures assets are transferred in a sustainable manner, ready to thrive in the long-term.

3.13 Whether completing Community Asset Transfer in phases or using short-term or 'meanwhile' leases to allow community groups access to buildings whilst developing the long-term plans. There is no one-size-fits-all approach to Community Asset Transfer.

(iii) Access to funding

3.14 The evidence from responses shows councils are attracted to the potential for external organisations to attract funding that is not available to local authorities (e.g. grants from charitable trusts, national agencies and other fundraising initiatives).

3.15 At the same time, there is an expectation from organisations taking on assets that councils will make some funding available.

3.16 That includes capital funding prior to transfer, to ensure land and buildings are in a safe, secure and watertight condition. Some councils have also been able to provide tapering funding post-transfer to help community organisations stabilise over the short-term and establish a sustainable financial model.

Responses:

"It seems that the head of the department responsible for the building thought he could hand it over, leave us to it and make immediate savings on his budget!"

3.17 The evidence suggests that councils should consider investment in assets in the short-term to ensure the long-term sustainability and success of an asset transfer.

3.18 However, for councils under financial pressure this is obviously a difficult ask. For managers seeking to make quick and easy savings, asset transfer is rarely, if ever, the solution. Equally, groups looking for a large windfall from town halls have to be realistic too. Compromise and creativity are needed on both sides and examples of where there is third party funding, suggest this is very helpful.

3.19 Regardless of whether funding can be made available, it is vital that there is openness and clarity on the financial expectations on both the council and organisation taking on the asset.

3.20 If the council is unable to transfer assets in a condition that is entirely up to standard, or for sites with significant liabilities, for example ex-industrial heritage sites where there is contamination, there may be a need for the council to share some of the site's future liabilities.

(iv) A 'duty of care' after transfer

3.21 Councils that see Community Asset Transfer thrive consider the long-term support they will provide to community organisations, post transfer.

3.22 From informal advice and guidance, or "someone to rely on", to specialist ongoing support from expert organisations, there is a wide range of support packages that councils can continue to provide community organisations.

3.23 This support ensures that community organisations deliver upon the desired outcomes of the transfer. It also reduces the risk of failure and the return of community assets to councils.

3.24 Community organisations we spoke to highlight the importance of council support in responding to crisis, as exemplified by the Covid-19 pandemic. Councils shared their knowledge of the latest guidance and supported community organisations in accessing funding. This allowed community assets to be used as hubs to support the community, from foodbanks to emergency services.

(v) Interest from multiple groups

3.25 From the responses, council officers like interest from multiple groups when considering asset transfer. It is unsurprising that an element of

competition appears to be important for council officers seeking the best outcomes for the community.

Responses:

"The council, whilst supporting the voluntary sector, needs to protect its own interests. We have a statutory duty to demonstrate that it has achieved best consideration. It is recognised that consideration need not be purely financial but, it is difficult to achieve a consistent and objective view of social value."

3.26 Where assets are being transferred at below market value, this competitive element perhaps gives some assurance around achieving social value and value for money.

3.27 However, it is sometimes unlikely or unrealistic for multiple organisations to be interested in a particular asset, given that they will be local community groups or organisations.

(vi) Positive support from councillors, communities and the media

3.28 Both councils and community / voluntary organisations highlighted the importance of building support, particularly amongst local councillors and community leaders.

3.29 Engaging local media at an early stage in asset transfer proposals was also considered to be crucial in reassuring residents about the aims and benefits of the transfer. It is all too easy to focus on the asset transfer as a transaction (albeit a complex one) and, without a clear narrative, residents can quickly become concerned. This has the potential to delay progress, alienate communities and divert limited resources from the project. Negative media stories on asset transfer are always a risk, especially in the initial phases and where cherished assets are being

considered. This means a clear communication strategy for explaining the aims and benefits, as well as addressing residents' concerns, is a must.



“Newcastle parks shake-up: People fear for future of city's green spaces”
(Newcastle Chronicle Online 17th April 2017)

In 2017, as the Council was consulting on proposals to transfer the city's parks to a ground-breaking Parks Trust, the local newspaper (Newcastle Chronicle) ran a number of articles highlighting residents' initial concerns (including fears parks would fall into disrepair, become unsafe, be less accessible and adversely impacted by efforts to raise commercial income).

Ultimately, the Trust – a UK first – was successfully established and the Council was able to address the concerns of residents.

(vii) Established governance

3.30 From our responses there was a clear sense that having established and robust governance in place is a factor in successful transfers. This

makes sense – taking on public assets assumes a structured approach to revenue and capital budgeting and accountable decision-making, based on clear and transparent policies.

3.31 Whilst no one would argue with the need for sound governance, there is a risk that officers may place too much emphasis on this at the initial stage. This raises the question as to whether councils might, albeit unconsciously, apply more stringent tests on community groups taking over assets than when letting property on a straightforward, commercial basis.

3.32 Central to good governance from councils' perspective is maintaining appropriate oversight without controlling independent community groups. This is a key challenge, and from our discussions, there is no one-size-fits-all approach.

3.33 Leases, licences and joint (management) agreements all act as forms of assurance for the council on the aspirations of the community organisations and routes to resolve any concerns in the long-term, including protection against potential risks.

3.34 We heard differing perspectives on other forms of council engagement in governance processes. In some places, councillor engagement on the board of community organisations is a real value add, in others areas an overly complex governance structure limits the ability of the community organisation to react quickly to opportunities and challenges.

3.35 What is evident, is the need for support to community organisations, ideally independent expert support, to design governance arrangements within appropriate legal structures that fit the unique circumstances of each asset. What is right for a landmark building that will be owned by the council, will not be correct for a small community centre that is being transferred in the hope that commercial growth can save it from closure.



Insole Trust Gardens (Credit: Insole Trust)

Case Study: Insole Trust Cardiff

The Insole Court Trust was established in 2011 to partner with Cardiff Council in a £4.25m Renewal Project for Insole Court, and to take eventual ownership of the Grade II* buildings at Insole Court from Cardiff Council through a long-term (80 year) lease.

The project started through a BIG Lottery Community Asset Transfer scheme in Wales, although the funding package including major contributions from HLF, Cardiff Council, Cadw and other organisations. Insole Court is the largest Community Asset Transfer scheme in Wales. It has been a complex project given the scale of the project, the significance of the buildings and the challenges of restoration works, with many buildings in a state of advanced deterioration.

In general, the asset transfer has been successful – with a good working relationship between the Trust and Cardiff Council.

The strength of the Insole Court project was the very strong base of community support on which the project was founded – with a very strong interest and sense of ownership by the local community, who had spent years campaigning to save the site.

As the project has developed, the Trust's responsibility has grown naturally from serving the local community to engaging with a wider group of stakeholders and audiences. This means broadening engagement and managing the expectations of the initial community who had helped to save Insole Court.

This example highlights the point that support and engagement needs to continue beyond the initial proposal into the post transfer phase as projects evolve and grow.



Stanley Hall (Credit: Stanley Arts)

Case Study: Croydon Stanley Halls

Stanley Halls, a Grade II listed building, was donated and designed for the people of South Norwood by William Ford Robinson Stanley (1829-1909), a prominent local inventor, industrialist and philanthropist.

A fascinating complex of unique Edwardian buildings built in 1904-11, the Halls include an art gallery, theatre hall and assembly rooms.

The venue was taken over by The Stanley People's Initiative, a charity established by the local community to re-open, manage, improve and restore Stanley Halls.

The Stanley People's Initiative was formed from a group of residents from the local area, who wanted to see the wonderful Stanley Halls on South Norwood Hill running as a place of entertainment, community,

arts, enterprise and learning once again. They committed to the improvement of Stanley Halls to regenerate the Halls and local area socially and commercially.

A registered charity, the Initiative gradually re-opened the Halls as a community and arts venue for all. They secured a 35-year lease from Croydon Council, and set about securing the funding to make the Halls as grand and welcoming as they were when they first opened over 110 years ago.

In our study, having robust governance within the People's Initiative Board was highlighted as an important factor in making the transfer a success. This gave the residents the ability to 'tap into' people and networks with the right skills, who lived in the area and had time and enthusiasm to support the project.

The governance also helped create a clear sense of purpose and structure for the project.

(viii) Community support

3.36 The responses to our call for evidence underlined the importance to groups of having support in their wider communities. Whilst groups welcomed technical support, the evidence suggests they also value moral support. This could be in the form of leadership from ward councillors, other local networks or even well-known residents in the community, that have a track-record of getting involved in local initiatives.

3.37 Having this wider community support may well be overlooked by some council officers, particularly if they view the transfer more as a transaction. Yet, our evidence suggests this is of real importance to community groups. This is not surprising, given the primary driver for many groups taking on assets is to save and even enhance something for fellow residents. So, it is worth all parties spending time at the outset understanding what the group and wider community are trying to achieve, and what the desired vision and outcomes are. Reaching a shared vision does not have to be a lengthy or even complex process – perhaps just a few hours together on a group ‘away day’ session at the outset may be time well spent.

Responses:

“...helped by a ‘middle man’ - someone who speaks ‘estates’ and ‘voluntary sector’ and can help the voluntary sector understand the requirements of local government and formal leases and can help...with making social value case.”

Responses:

“The chair of the local residents group said he was happy for us to take over the land and what we were planning then seemed to make objections later in the process...not all people involved were on the same page.”

“It is worth all parties spending time at the outset understanding what the group and wider community are trying to achieve, and what the desired vision and outcomes are. Reaching a shared vision does not have to be a lengthy or even complex process.”



Case Study: **Four Greens Community Trust Plymouth**

Four Greens Community Trust formed as a Community Interest Company in 2014 in partnership with Plymouth City Council (PCC). The Trust 'serves' 30,000 residents in north west Plymouth. With £1.275 million funding, the Trust transformed its first asset from a derelict former Council owned care home into a thriving community, health & wellbeing, enterprise hub, which opened in 2016.

In 2014 the Council's Cabinet also approved the transfer of the former Whitleigh Care Home to the Four Greens Community Trust by way of a lease for a period of 35 years at a peppercorn rental. Throughout this period, the Trust has worked hard to establish key relationships and partnerships, including:

- Barnardo's – providing drop in weekly food banks, debt advice, health and parenting sessions. Livewell – delivering speech therapy and podiatry.
- Harbour Centre, Hamoaze House & Shekinah Mission – helping those with mental health, drug or alcohol conditions.
- Social Prescribing project with Wolseley Trust funded by NHS and Public Health.

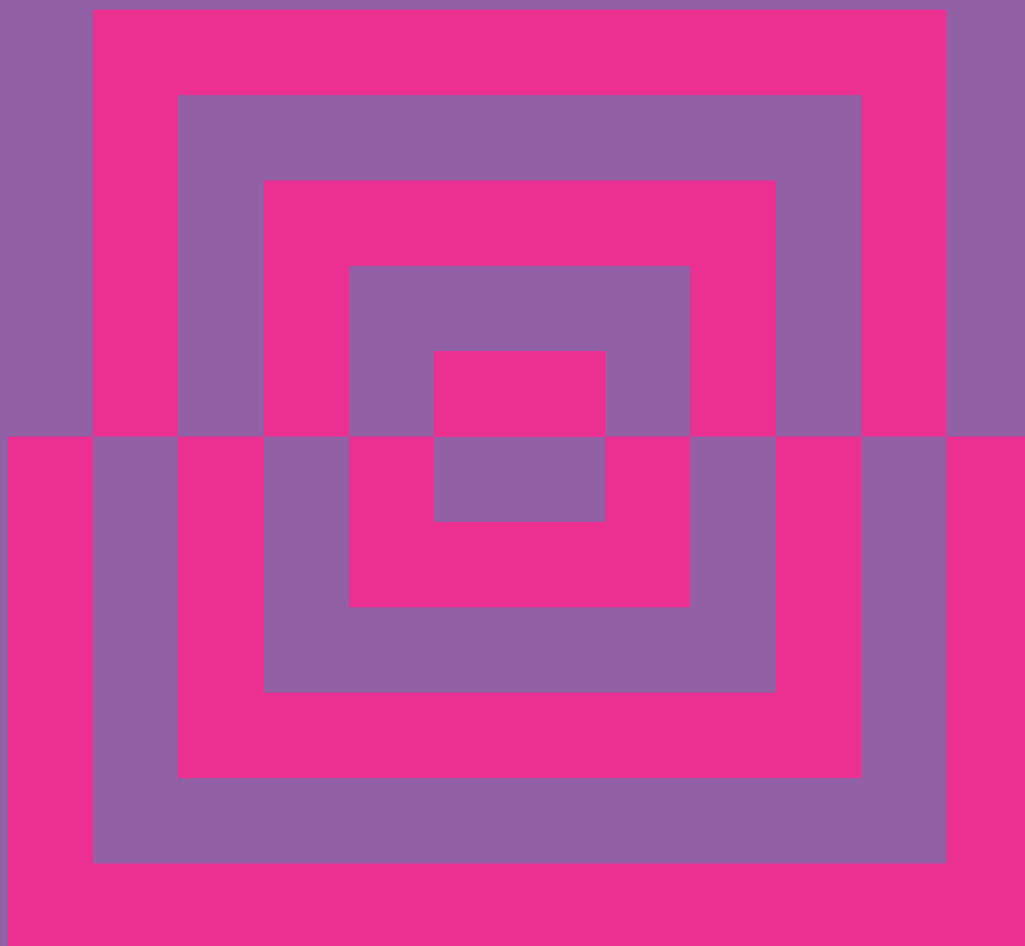
Four Greens has also developed other Council owned assets for future transfer to the CIC in Ernesettle, including:

- A community Solar Farm, in partnership with Plymouth Energy Community, which generates rental income for Four Greens.
- Bringing back vacant buildings and land back into use, e.g. Former University Sports Hall for local children 5 a-side football.
- Supporting local motocross facility and stables.
- Developing a community allotment garden.

The success of the Trust has been recognised in a number of awards:

- Finalist at RICS 2017 Awards in Community Benefit category.
- Shortlisted at Plymouth Abercrombie 2017 Awards in Best conversion or conservation project.
- Shortlisted at Plymouth Business 2018 Awards in Best social enterprise category.
- Finalist at RTPI 2018 Planning Excellence Awards in Planning for Health and Wellbeing.

4. Our findings: Barriers



Our findings: Barriers

- (i) Capacity and time
- (ii) Emphasis on savings
- (iii) Knowledge exchange, experience and advice
- (iv) Legislation and policy

(i) Capacity and time

- 4.1 Given austerity has been a key driver of asset transfer in many councils, it is unsurprising that a lack of officer capacity has slowed progress in many examples. We know asset transfer can be a long and complex transaction to complete, placing increasing demands on areas such as legal and finance. Added to this, asset transfer expertise is very often concentrated in a small number of council officers and when these staff move on, the transfer process can be delayed or even reset, creating significant frustration for community groups.
- 4.2 Pressures on capacity can exacerbate what is already an inherently lengthy and complex process – at least a year – even longer for some of the most complex transfers. Those involved should not underestimate the message this can send out to communities: is the council ‘dragging its feet, do they not trust us’? There is also a practical

consideration: if community groups cannot be certain on timescales, they may struggle to draw down funding from other agencies. In one example, this became a critical point as officers were insisting on groups having funding upfront. Yet, at the same time, the slippage in timescales made it difficult for the group taking over the building to draw down money from their funder, who wanted the group to be in the building first.

- 4.3 Time taken to complete transfers was consistently cited as a barrier for groups, potentially leading to disengagement and, in some cases, groups simply walking away.
- 4.4 Limited capacity is not just an issue for council officers. Many volunteers engaged from community groups have ‘day jobs’ and balancing the competing pressures of work, home / family and community interests can inevitably contribute to delays in the process of transfer.
- 4.5 Finally, whilst we accept transfers of land and buildings will always have a degree of complexity it is not clear the process of asset transfer is as efficient as it could be. In recent years, public services have been subject to extensive ‘leaning’ and ‘re-engineering’ projects. Public service reform has also benefited from harnessing new, digital solutions. There is therefore scope to look at increasing efficiency within the asset transfer process.

“Time taken to complete transfers was consistently cited as a barrier for groups, potentially leading to disengagement and, in some cases, groups simply walking away”

Case study: Newcastle Community Asset Trust (formerly Blakelaw Community Partnership)

Blakelaw Centre has been successfully transferred to the 'Newcastle Communities Asset Trust' (NCAT). They have more recently transferred the Cowgate and Fawdon Community Centres, keeping the buildings open for the local communities.

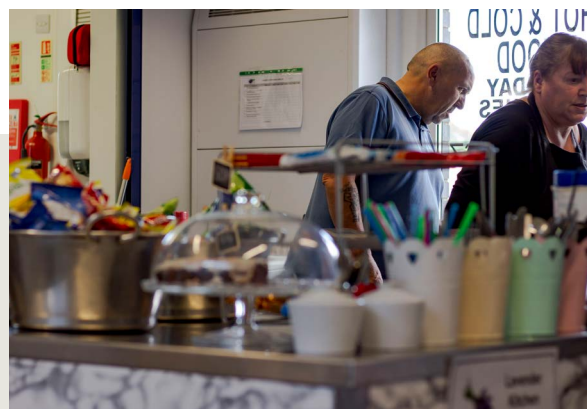
All three centres are now thriving community hubs with viable commercial operations running to generate income. At Blakelaw, a Community Post Office helps generate income as well as providing a valuable local service which otherwise would have closed.

What went well with the transfer:

- Financial support from Newcastle City Council and Your Homes Newcastle to help with the post office set up costs.
- Good support from elected members who provided ward funding to make the transfer possible.
- Good relationship with the Council officers and knowing who to contact.
- Enthusiasm to progress the transfers on both sides.

Challenges

- In Blakelaw, the building was owned by Newcastle City Council and managed by YHN (Your Homes Newcastle the city's Housing ALMO). This added complexity to the negotiations for the capital funding. It could be difficult for an organisation without knowledge of community buildings and asset transfers, to successfully negotiate the lease without support.



- The length of time taken to transfer an asset can make things difficult for the organisation applying. Technical issues arose due to differing financial systems used by the Council and Post Office, subsequently the process placed significant pressures on Council staff time.
- These difficulties were overcome as the Partnership had available skills and capacity and there was a genuine commitment on both sides to see the process through. In particular, the Trust benefited from employing an ex-Council officer, who was able to 'navigate' through Council structures and administrative processes.

Lessons for future transfers

- A shared timeline between both partners would be useful and help both sides to plan to meet project objectives.
- A shared set of values and principles between both parties.

(ii) Emphasis on savings

- 4.6 All parties understand the context of austerity, impact of Covid-19 and resultant pressures on council budgets. Yet the perception amongst some groups is that asset transfer is all about saving money, rather than enhancing community benefit and this can be a barrier. So too, is the challenge of providing a sustainable business model.
- 4.7 Many councils have come forward with financial support for asset transfer – establishing ‘capital pots’ to deal with major repair issues and improvements – especially ones that enhance income generation potential. This is a substantial commitment for many councils but we must recognise this is increasingly challenging and is

perhaps an area where local government should be asking for more investment from central government.

(iii) Knowledge exchange, experience and advice

- 4.8 The need for numerous legal, financial and technical documents is a necessary element of any asset transfer, although this frustrates many community groups who see this as excessive ‘red tape’. Understanding what to do and when, is a barrier, especially for newly formed groups that have limited knowledge of the process.
- 4.9 Knowledge of the process is also a challenge for councils undertaking transfers for the first time or infrequently. Learning from previous transfers

**Overcoming barriers:
Capital pot**

Capital pot to deal with major repair issues and improvements – especially ones that enhance income generation – all contributors highlighted the importance of the ‘asset’ being sustainable and therefore the good condition of any building to be transferred to support future income generation was key. Examples of Council support included a £1m investment in the ‘Stanley Halls’ by Croydon Council and in the case of Cardiff, a period of ‘temporary licence’ where the Council retained external repairs and maintenance whilst the charity ‘tested’ services and activities.

In Newcastle, a capital fund was used to update existing facilities, improve ICT or change the space to deliver new services and generate new trading opportunities, aiming to improve the long-term sustainability of assets prior to transfer.

**Overcoming barriers:
Peer support network**

Developing peer support networks – several respondents highlighted their need for support throughout and most were supported well by council staff and independent organisations, such as local community and voluntary sector networks and ‘Community Matters’.

In one example, the council funded an ‘Opening Doors’ initiative to support local organisations across the city working towards asset transfer and to facilitate networking meetings to share knowledge and expertise between successful organisations and others to better support the asset transfer process. In another successful example, an ‘open book’ approach to the transfer ensured both parties had equal access to information, helping to build trust and a sense of shared purpose.

can be hampered by loss of experienced staff and limited opportunities to share learning across councils and organisations.

- 4.10** Access to legal, financial and other technical advice is essential in most successful asset transfers, but this can be expensive for groups with very limited (if any) initial funding. Councils and national organisations often do make support available but the process of transfer is still complicated and costly, particularly for small groups with no previous experience



Overcoming barriers:
Independent advice

It is essential for groups to access independent advice at the outset. This ensures the asset transfer is right for their organisation and that the current legal structure of the organisation is suitable to operate and manage the asset. Some of the organisations were fortunate to have some expertise and contacts readily available to them. Where the asset is in a relatively affluent area, groups might benefit more from tapping into a local 'pool' of professionally qualified residents. Other groups have been able to access support from external organisations e.g. Community Matters and local CVS support groups. There are examples of councils providing funding to support organisations working towards asset transfer with capacity building and business planning. In other examples, local groups were able to access support from national organisations.





Jesmond Pool, making the space Covid-19 safe (Credit: Jesmond Pool)

Case Study: Jesmond Pool, Newcastle

Jesmond Pool was closed by the Council in 1991, as part of a programme of budget cuts. It took a year, during which the pool was boarded up, before Jesmond Swimming Project (now Jesmond Community Leisure) was in a position to re-open the pool. The re-opening took place in April 1992 and since then it has flourished.

The success of the project was in due in large part to the 'incredible enthusiasm and talent amongst local residents, remarkable faith and self-confidence'. The group also benefited from early

advice on their business plan from an experienced pool manager, who went on to become the Pool's first employee.

At the time the pool was closed, the social enterprise sector was somewhat less-developed and there were few successful asset transfers to learn from. However, the group was able to quickly bring together a range of skills from amongst local residents. Those involved went on to publish a small book in 2009 "Making a Splash – How Jesmond Pool Made History" which provides more information about the pool, the campaign to save it and subsequent events.

(iv) Legislation and policy

4.11 There is existing legislation and policy which can (and is) being drawn upon to promote and implement Community Asset Transfer. Government should draw together existing guidance and practice to evidence that 'best consideration' for social reasons is not only permissible, but desirable.

4.12 Strengthening provisions within the Localism Act (2000) is a vital step for government to take. The 'Community Right to Bid' provision is an honourable starting point that is not meeting the government's expectations in communities. Amendments that could make a meaningful difference include:

- Strengthening the 'Community Right to Bid' to a 'Community Right to Own', giving communities a genuine attempt at owning community assets.
- Removing the requirement that an asset can be listed as an Asset of Community Value if it has been in use "in the recent past". Many assets which are of interest to communities will be those that have been empty for a long-time. This acts as a barrier to their protection as a community asset, which is the first step towards community ownership.
- Increasing the time period communities are granted to raise sufficient funds to bid. Currently community groups have six months from notice of intention to sell to raise funding. This is often simply not enough time.

4.13 Focusing government policy in aiding the transition of assets to well-run community organisations should include:

- A central strategic priority for both the Community Ownership Fund and the Levelling Up Fund must be community ownership over the assets that are central to local people.
- By replicating existing government programmes like the Mutual Support Programme, government can work in partnership with councils to joint-fund the exploration and implementation of Community Asset Transfer.
- Government funds can also be used to develop replicable models for Community Asset Transfer, for example how social impact bonds can be better used to leverage investment into assets and communities.

4.14 One obstacle to successful community asset transfers can be the negotiation of legal documentation and time and costs involved for both sides. Model legal documentation and guidance notes could be prepared, tailored to the 'average' Community Asset Transfer and based upon a reasonable sharing of risk between parties. Similar suites of documents have been produced as part of other government programmes, including the Mutual Support Programme to support the creation of Public Service Mutuals.⁵

⁵ Department for Digital Culture, Media & Sport (2019) Template Legal Documents For Mutualisation
- <https://www.gov.uk/guidance/template-legal-documents-for-mutualisation>

5. Our findings:

Impact of Covid-19



Our findings: Impact of Covid-19

(i) Responding to communities during the crisis

- 5.1 The Covid-19 pandemic has had a profound effect on every person and organisation. Community organisations, and the assets they manage, were significantly impacted by the crisis and needed to respond.
- 5.2 Many of the councils and organisations engaged for this report spoke of the unique ability for groups embedded in their communities to respond to the needs of local people.
- 5.3 Community assets acted as a hub for local residents, using their trusted role to go above and beyond to support communities. Examples included food banks, kitchens making food for children, hubs for public service staff and 'anchor' voluntary organisations. Many simply provided a trusted place for people to seek support and guidance.
- 5.4 In some cases, the Covid-19 pandemic has provided a new momentum to Community Asset Transfer, with engaged communities and councils under pressure looking to find sustainable long-term models and harness community activism.
- 5.5 As we emerge from the crisis, the question becomes more urgent: what role can Community Asset Transfer play in helping communities and the economy recover? This could include: 'meanwhile' leases on vacant council owned shops for local businesses and community

groups; support for mutual aid groups to grow and support local residents in the long-term; and asset transfer as a model of empowerment for communities. There is much that councils, with support from government, can do to harness Community Asset Transfer as a way of recovering stronger.

(ii) The challenges faced by community groups

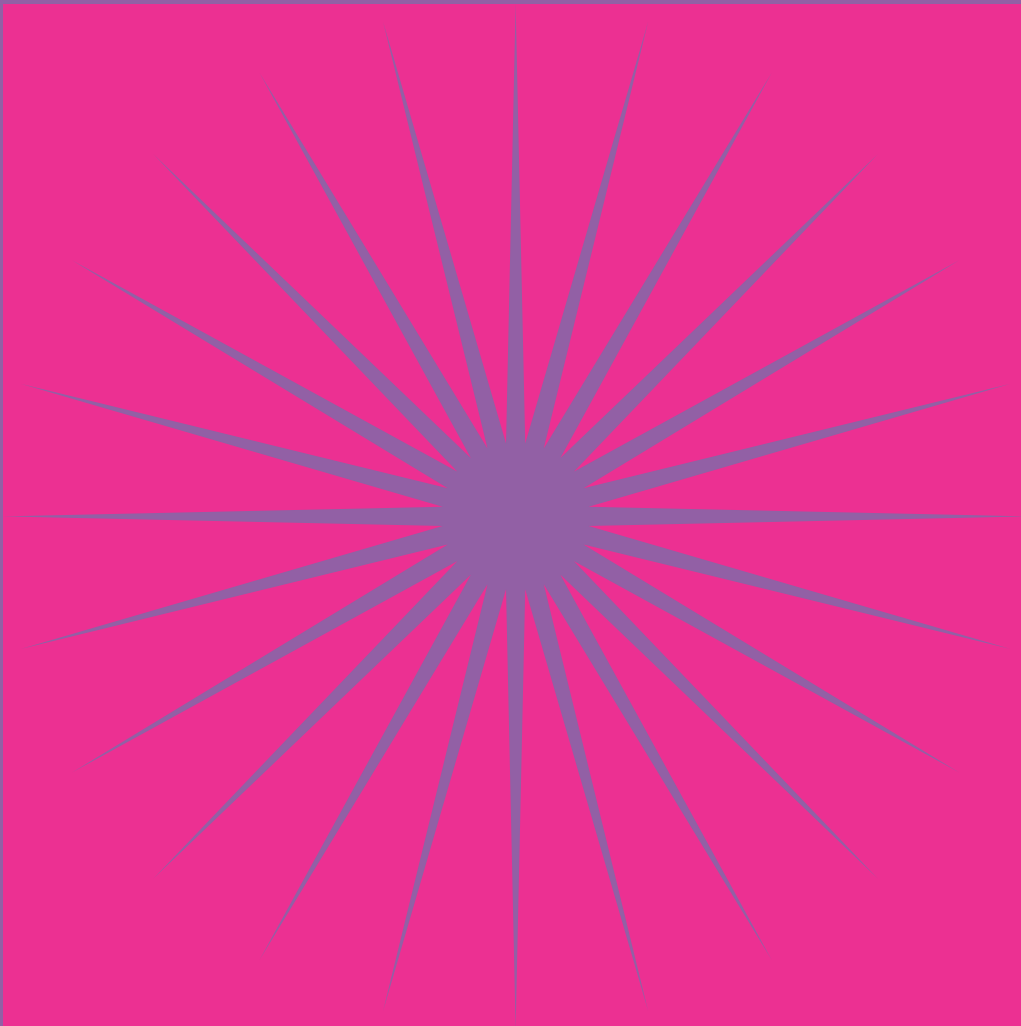
- 5.6 Many community organisations and assets have suffered during the pandemic. By being forced to close their doors, many lost the sources of revenue. For example, community centres that provide their core service for free and rely on income from cafés room hire and events, had little to fall back on. For many groups, using their asset in this way is the cornerstone of their financial viability. These financial challenges are unlikely to go away in the short term.
- 5.7 Many community organisations also saw their volunteer base disappear. Those volunteers that are the lifeblood of a thriving community asset have had to shield for their own safety.
- 5.8 Councils across the country did what they could to support community organisations and assets. In many cases, their independent and charitable status has allowed them to access local and national grants and emergency funding. However, many have suffered and their futures are far from certain.

At the heart of the community in the crisis

Newcastle Community Asset Trust (NCAT) runs three community centres in Newcastle. When the pandemic struck, it had to respond quickly. Each of NCAT's community centres act as neighbourhood hubs for other vital services, from a Post office, nursery and voluntary sector organisations.

With advice from Newcastle City Council on how to stay safe and where to access additional funding, the hubs remained open, and became more important than ever. Each hub, and staff within them, acted as a safe space for local people. Their engrained role in the community gave people confidence and provided a location around which the community could mobilise, including raising money to feed 450 local children in need.

6. Conclusion



Conclusion



Although the evidence shows us that every transfer is unique, common themes have emerged during the development of this report. As more transfers are completed, both councils and community organisations are learning from their experiences.

This report has provided evidence of how barriers are successfully being overcome and has helped identify ways to make the process easier. There is indication that the process is becoming easier and quicker for all, but there is a distance still to go.

Within our study, there were many examples of successful Community Asset Transfers, some of which are now well-established. The evidence showed that these successful transfers included the following factors in common:

- Excellent community support.
- Patience on behalf of both the council and the community to develop a long-term viable proposition.
- Local people with skills, expertise and time to get involved.
- Good business model with sustainable source of income and opportunity to access charitable funding.

- A willingness to be flexible on both sides, and accept that there is no one-size-fits-all model for Community Asset Transfer.
- Enthusiasm for the process and a willingness to embrace the opportunities.

Alongside success factors, key areas of concern highlighted by respondents included:

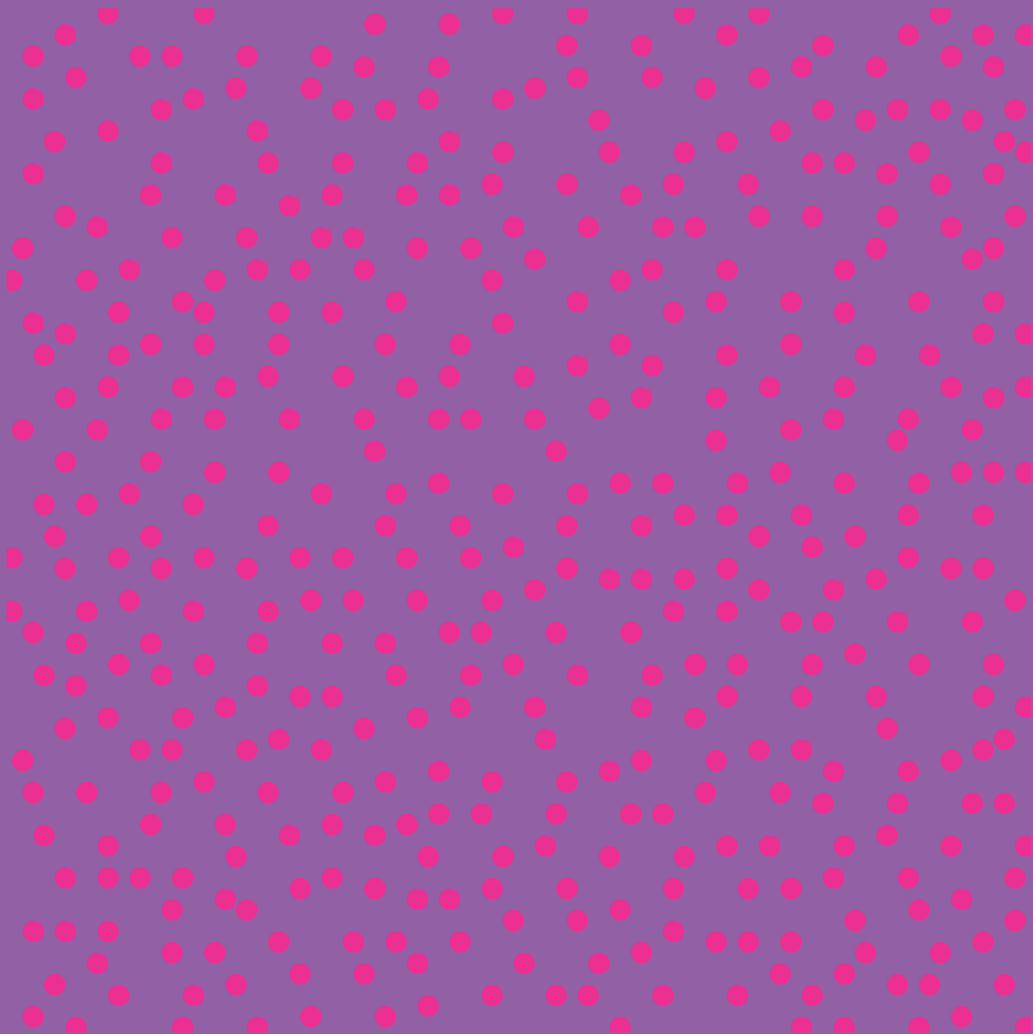
- Reduction in council budgets for maintenance, repairs and capital investment.
- Retention of knowledge and expertise.
- Long term sustainability of transferred assets.
- Making sure post transfer that assets continue to deliver social value.

This report makes recommendations for central government in the following areas:

- Investment in more capacity and resources for Community Asset Transfer.
- Use of the Levelling Up Fund and Community Ownership Fund to promote Community Asset Transfer as a strategic priority.
- Funding for the development of guidance, replicable models and model legal documentation to facilitate transfers.
- Strengthening the provisions within the Localism Act (2000) to encourage and support more community ownership of assets.

Finally, this report has shone a light on the potential benefits of Community Asset Transfer on the well-being and prosperity of communities everywhere. We hope that it provides an inspiration to councils and community leaders.

7. Further Reading



Further reading

Community Asset Transfer Policies

Several Councils responded to the call for evidence already have an asset transfer policy in place and kindly shared them with us. More information is available on their websites.

Newcastle City Council

<https://s.coop/2kfw8>



Glasgow City Council

<https://s.coop/2kfw8>



Kirklees Council

<https://s.coop/2kfw8>



Plymouth City Council

<https://s.coop/2kfw8>



The Building Powerful Communities Through Community Asset Transfer:

A guide for councillors, was launched by Locality (national network supporting community organisations) and Power to Change (independent trust supporting community businesses in England).

It includes essential steps that Councillors can take to make Community Asset Transfer (CAT) a success or their communities. It can be accessed at: <https://locality.org.uk/about/key-publications/building-powerful-communities-through-community-asset-transfer/>

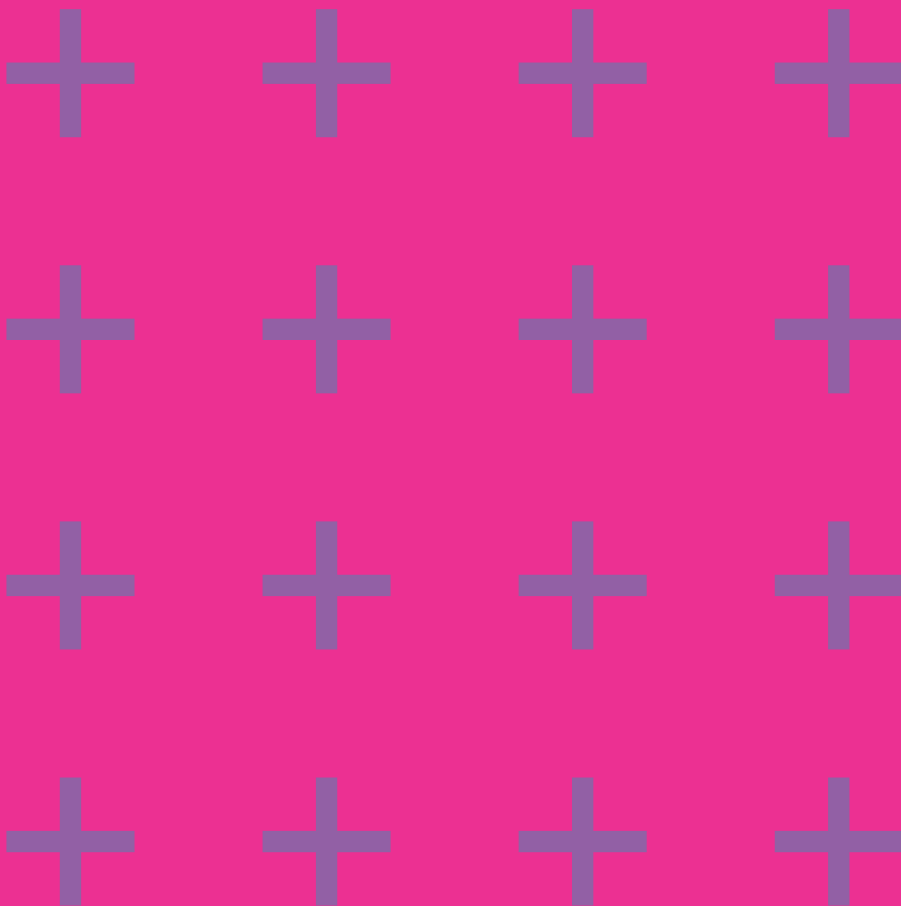
More information on Power to Change is available at <https://www.powertochange.org.uk/>

Additional Resources

During the study, Newcastle City Council hosted a Live 'YouTube' discussion for all members on Monday 25 June 2018. This presented the draft findings and offered an opportunity to discuss ideas and share further good practice.

See the recording at: <https://www.youtube.com/watch?v=TAruCyNHJI>

Appendix



Example Community Asset Transfer Policy – Newcastle

Newcastle has strong, vibrant communities with active citizens who are ready and able to get involved and make a difference to their local area. We wish to encourage anyone with an interest in taking forward community ownership of relevant buildings, land and or services through Community Asset Transfer. This is where we transfer an asset at less than its full market value to promote local social, economic and or environmental objectives.

Community Asset Transfer may take place through:

- a management agreement
- a licence to occupy
- a short lease or tenancy
- a long lease

Community Asset Transfer can help to unlock the potential of communities by:

- Putting local organisations in control.
- Stimulating the involvement of local people in shaping and regenerating their communities, increasing volunteering and community cohesion.
- Building confidence and capacity amongst the individuals involved, support the creation of community leaders and inspire others to improve their community.
- Creating a stronger, more sustainable voluntary and community sector (VCS) organisations.
- An asset can provide VCS organisations with financial security, recognition and management capacity.
- Offering opportunities to extend the use of the asset, increasing its value to the community.

Values

We will be honest and transparent about assets that may be suitable Community Asset Transfer. But we must be realistic about what community organisations can take on, the timescales and the suitability of an asset for transfer. Our approach to transferring responsibility for assets will be:

- Fair: We will be fair and inclusive when inviting expressions of interest from all interested organisations. However, where an organisation is already managing or operating from an asset we will discuss asset transfer opportunities with them first.
- Co-operative: We will work with other stakeholders in the city, for example VCS organisations, to provide support and advice to those organisations interested in asset transfer.
- Liberating: We want services and assets to remain where possible and we will endeavour to secure a successful asset transfer for most of our assets. We will provide support directly and signpost to additional support to enable communities to take on responsibility for their assets and services.
- Accountable: All decisions relating to transfers will be taken based on sound business plans. We will not ask for business plans to be developed if the information provided through expressions of interest does not provide a sound basis for a sustainable future for the asset.
- Forward thinking: We will always consider the long-term sustainability of an asset and be realistic about the support and investment required to help community groups maintain a building in the long term. We will aim to find solutions which are of long-term benefit to communities. We will be honest about our intentions for each asset; in some cases, it will be more appropriate for us to sell buildings and services on a commercial basis.

- **Confident:** We want to encourage local people to take pride in their local communities and we will respect the right for people to stand up and fight for their local amenities working with them to find the best possible solutions.
- **Leadership:** We will seek to bring together a range of voluntary and community groups to provide the support and experience necessary to develop sustainable proposals for the transfer of assets.

Eligibility/criteria

We are interested in discussing Community Asset Transfer with community groups and VCS organisations on a wide range of assets. A key consideration however will be the sustainability of the organisation and its capacity to manage and develop the asset. These issues will be explored through expressions of interest and business cases. Interested organisations must:

- Demonstrate a clear community/social demand for the proposal.
- Be an appropriately constituted VCS organisation (e.g. a registered charity, community interest company or charitable incorporated organisation, a not for profit company) or be prepared to work towards this.
- Have a strong financial background and/or a demonstrable financial plan for the asset.
- Set out a clear, financially viable vision for the asset that will contribute to its sustainability.
- Demonstrate its contribution towards our priorities and outcomes.
- Continue to provide access to community and voluntary groups currently using the premises.
- Demonstrate strong governance by operating through transparent, accountable and co-op principles.

Demonstrate it has the skills and capacity within, or available to, its managing body to effectively deliver services and manage the asset.

Depending on the type of asset organisations are interested in there may be additional criteria, for example, running a library service.

We will not invite expressions of interest for assets: Where we have identified as a potential significant capital receipt and where we are looking at disposal, in this case VCS organisations may still choose to submit a bid when the asset is marketed.

Where the building is occupied by an existing group who are either working toward an asset transfer or are holding to their existing lease arrangements.

Final decisions on Community Asset Transfer will be made in accordance with the provisions of the Newcastle Charter. An up-to-date list of assets can be found below.

Process

We have published a list of those assets that we are looking to asset transfer plus other options for all assets. The following process must be completed as a minimum for successful Community Asset Transfer. There may occasionally be additional requirements depending on the type of asset and details of these will be provided at the appropriate time.

1. Contact lead officer

Notify us of your interest direct to the lead officer (details included in the list of assets).

2. Disclosure

We will provide you with information any relevant information we hold relating to the running of the asset. This will help you decide whether asset transfer is right for you.



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3. Expression of interest

If you are interested in asset transfer, you should complete an Expression of Interest (EOI). The lead officer will provide you with this and it will be found in the list of assets, including specific criteria that will be evaluated.

4. Evaluation of EOI

We will evaluate the EOI against the criteria and inform you of the outcome.

5. Business plan/Financial projections

If EOI is successful, the lead officer will ask you for further information about your business plan and financial projections and will provide you with details of any criteria that will be used to evaluate it. The key information we will need is financial projections showing your expected levels of income and expenditure for the next three years and an explanation of the assumptions you have made to arrive at the projections.

6. Evaluation of business plans

We will evaluate business plans against the criteria and arrive at a recommendation that will be put forward for decision.

7. Confirmation

We will inform you in writing of the decision, and where appropriate formally sign the legal agreement to transfer the asset.

Support

We are committed to supporting strong organisations to take on assets that are of value to them and to the communities that they serve. We recognise that this is a significant change and can be challenging for organisations. This section sets out the types of support that is available to organisations considering Community Asset Transfer.

Is asset transfer right for our organisation?

To consider the opportunities and challenges of Community Asset Transfer organisations need information. We will disclose any relevant information we hold about the asset.

We strongly believe that you should also access independent advice to consider whether asset transfer is right for your organisation.

Working towards asset transfer

If you decide that Community Asset Transfer is right for your organisation you will then need to develop a formal Expression of Interest and a credible Business Plan. The Business Plan and financial forecasts should clearly outline how your organisation will ensure the long-term sustainability of the asset.

At this point you may also choose to consider the legal structure of your organisation and the operational management of the asset.

Ensuring that you have a sustainable asset.

We recognise that each asset is different and that some may require capital improvement prior to transfer. We do have some limited funds available for capital investment to support the transfer of some of our buildings.

Asset Capital Fund

This fund is available for organisations to invest in assets to improve their sustainability. This can include updating existing facilities, improving ICT or changing the space to deliver new services and generate new trading opportunities. The fund is available for council owned assets.

There are also a range of external funding opportunities available to organisations that may help you with community asset transfer. You may consider applying to: BIG, Sport England and the Heritage Lottery Fund. Each of these funders has their individual criteria and we recommend that you speak with them directly.



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