



North  
Northamptonshire  
Council

# Community Asset Transfer Policy

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## Distribution List

Internal	External
e.g. Individual(s) / Group / Section	e.g. Stakeholders / Partners / Organisation(s)

## Links to other documents

Document	Link
Ministry of Housing Communities & Local Government	<a href="https://www.gov.uk/government/publications/youve-got-the-power-a-quick-and-simple-guide-to-community-rights/youve-got-the-power-a-quick-and-simple-guide-to-community-rights#were-helping-communities-to-take-control">https://www.gov.uk/government/publications/youve-got-the-power-a-quick-and-simple-guide-to-community-rights/youve-got-the-power-a-quick-and-simple-guide-to-community-rights#were-helping-communities-to-take-control</a>
My Community	<a href="https://MyCommunity.org.uk">https://MyCommunity.org.uk</a>

Document	Link
Locality	<a href="https://locality.org.uk">https://locality.org.uk</a>
Town and Village Greens	<a href="https://www.gov.uk/guidance/town-and-village-greens-how-to-register">https://www.gov.uk/guidance/town-and-village-greens-how-to-register</a>
North Northants Property and Land register	<a href="https://www.northnorthants.gov.uk/your-council/transparency-and-open-data">https://www.northnorthants.gov.uk/your-council/transparency-and-open-data</a>
The Localism Act 2011	<a href="https://www.gov.uk/government/topics/localism">Localism Act 2011: overview - GOV.UK (www.gov.uk)</a>
North Northamptonshire Constitution, Financial Procedure Rules	<a href="https://northnorthants.moderngov.co.uk/documents/s5575/09.%20Part%207%20-%20Financial%20Procedure%20Rules.pdf">https://northnorthants.moderngov.co.uk/documents/s5575/09.%20Part%207%20-%20Financial%20Procedure%20Rules.pdf</a>
The Quirk Review – Making Assets Work	<a href="https://libraries.communityknowledgehub.org.uk/sites/default/files/making_assets_work_-_the_quirk_review_of_community_management_and_ownership_of_public_assets.pdf">https://libraries.communityknowledgehub.org.uk/sites/default/files/making_assets_work_-_the_quirk_review_of_community_management_and_ownership_of_public_assets.pdf</a>

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## 1.0 Introduction / foreword

- 1.1 North Northamptonshire Council holds a significant public estate used to support delivery of its strategic objectives and vision to make North Northamptonshire a place where everyone has the best opportunities and quality of life.
- 1.2 This policy sets out how the Council proposes to work with local stakeholders to enhance and protect local community assets.

## 2.0 Scope

- 2.1 This policy provides information on the Council's approach to community asset transfers (CAT).

- 2.2 The Policy outlines key information on CAT and is supported by annexes giving further information including a guide to the application process. These annexes will be updated as the application process is refined.
- 2.3 This Policy and associated annexes are not intended to provide advice to individual organisations about their rights or capabilities for stewardship of Council property. Each organisation should seek their own professional advice when considering whether to make an application. There are some references to further information above under *Links to other documents* section.
- 2.4 The Policy is intended to apply to property and land transfer transactions only and does not include information on community funding or the transfer of Council services. An enquiry to transfer service delivery is regulated under the Localism Act 2011 and is a separate process. However, where the transfer of an asset may include service delivery then further information will be provided about this process on a case-by-case basis.

## **3.0 Policy outcomes**

- 3.1 The Council's Corporate Plan confirms a key commitment to delivering Connected Communities: *We will ensure our communities are connected with one another so they are able to shape their lives and the areas where they live.* The transfer of assets to local community focused organisations, including Town and Parish Councils, can support delivery of this commitment, bringing about wider benefits to the community, council and organisation taking ownership. However, there are risks associated with community asset transfers.
- 3.3 This policy sets out a framework for CAT applications to be considered in a consistent and transparent way, to balance the obligation on the Council to maximise the monetary value from disposal of assets against the added social value of transfer to a community organisation. The policy also outlines in a series of appendices the due diligence process that will be relevant to each transfer.
- 3.3 This policy principally focuses on one type of property transfer, the category of Council owned community assets. Assets not held for community purposes will only be considered under this policy if determined by the Council.
- 3.4 This policy contributes to the council's objectives by providing direction to interested organisations to support them in what is a complex subject and to signpost them to other information which may assist in their decision on whether to apply.

## **4.0 Community Asset Transfer Policy**

- 4.1 A Community Asset Transfer is a transfer of an interest in council owned property and/or land to a community organisation, including Town & Parish Councils, in exchange for securing community benefits. The Council already has many partnerships and agreements with community organisations but will consider new applications where these will bring benefits to our communities and contribute towards the council's aims and objectives.

- 4.2 The Council holds a property portfolio for a variety of purpose including reasons such as:
- Operational Space – to deliver council services, such as care homes and schools, recycling centres, civic meeting rooms and car parks.
  - Regeneration and Economic Development – to provide buildings for job creation and economic growth.
  - Heritage and Cultural Environment – to support the environment and place shaping.
  - Commercial Investment – to provide revenue which is used to support service delivery.
  - Community Estates – to support communities and provide areas for meetings and social wellbeing.
  - Leisure Centres - to promote health and wellbeing, providing areas for sport and leisure activities.
- 4.3 The portfolio is divided into categories, such as the above, following financial policy and the Council has fiduciary duties to ensure these are regularly reviewed and valued according to their category. Property and land therefore have a value to the Council; the value measured according to the category which will be a monetary value and/or a social value, in some instances a mixture of both these things.
- 4.4 The Council is regulated to ensure that assets remain held in their category unless, following review, these are no longer required in the category, in which case there may be an alternative use for the Council and/or they may be determined surplus. Therefore, only certain assets are held by the Council for community purposes, and typically eligible for CAT. Such assets might include Parks and Open Spaces, Community Centres, Museums, Heritage property and Monuments and Allotments.
- 4.5 Local Authorities are increasingly looking at alternative models to provide services to the community. This recognises that communities are all different and can deliver meaningful local outcomes when local organisations take ownership of their environment.
- 4.6 As part of Local Government Reform in Northamptonshire, Town and Parish Councils are increasingly interested in developing their community role, including direct involvement in owning and managing community assets.
- 4.7 Therefore, the Council will support the transfer of local assets where carefully managed transfer of assets to the local community can bring benefits not only to the Council but also to its local statutory, voluntary and community partners.
- 4.8 Such transfers provide the potential to strengthen the role and future sustainability of local community organisations. The community and voluntary sector specialise in their subject and therefore have the expertise and ability to resource and deliver social, environmental, and economic benefits from CAT, including:
- Greater understanding of the needs of the service users and communities.
  - Ability to deliver outcomes that the public sector may not be able to deliver on its own.
  - Innovation in delivering solutions.
  - Ability to focus and contribute on the social wellbeing of the community.
  - Greater financial sustainability for the organisation with strengthened ability to raise external funds.
  - Ability to alter and modify a building (with consent) to better suit its needs.

- 4.9 Along with the above community benefits, CAT can also benefit the Council through:
- Reduced building management responsibility.
  - Restoration of local buildings.
  - Provide a source of income and/or reduce operating costs.
  - Support local regeneration/community plans.
- 4.10 These benefits must be weighed against potential risks of CAT, such as:
- Potential to disadvantage individuals or impact negatively on the local community or community cohesion.
  - Uncertainty around capacity of recipient to manage the asset.
  - Potential for the asset to become a financial liability for the recipient.
  - Capacity of the recipient to deliver promised community outcomes.
  - Transfer contravenes Subsidy Control and/or procurement rules.
  - Potential for ongoing Council liability.
  - Loss of control of assets and their consistent management across North Northants.
  - Lack of value for money.
  - Conflict with other funders.
  - Potential unfair advantage for one group over another.
  - Perception of a loss of the use of a Community facility by certain sectors of the Community.
- 4.11 The Government in response to a review of community management and ownership of public assets and community empowerment (The Quirk Review – Making Assets Work) detailed the three main conclusions from community ownership:
- 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.
  - that there are risks, but they can be minimised and managed.
- 4.12 In order that the above risks are suitably managed, each CAT will be determined on its facts, with reference to a business case supplied by the applicant. Any proposed transfer must support the aims and priorities of the Council.
- 4.13 Applications will be evaluated with reference to the Social, Economic, Environmental benefits of the proposal, and appropriate due diligence considering the Governance arrangements, experience, and financial standing of the applicant, as detailed in the Evaluation Form at appendix D.
- 4.14 This would include a review of the community organisation to ensure that it has the resources to take stewardship of the property and or land, and any transfer agreement would be tailored to suit each organisation, as there is not one type of transfer that suits

all situations. For a new community group it is likely a short-term licence will be considered, but for an established organisation with experience of operating estates a longer term lease arrangement may be appropriate, particularly if the organisation's business model relies on external funding. Freehold transfer will only generally be considered appropriate where the asset is being transferred to a Town or Parish Council.

- 4.15 When determining an application, the Council will consider representative views of council service areas as required by the nature of the application and include consultation with local Ward Councillor's.
- 4.16 In order for the Council to comply with its Best Value duties, any asset transfer will be at the market value, as determined by the proposed community use. In exceptional circumstances a transfer at less than market value, either at a reduced cost or rent free might be considered. The level of subsidy provided by the council will be determined by the social, economic, or environmental benefits generated by the transfer and demonstrated in a robust business case.
- 4.17 Any transfer will restrict the use of the property to the proposed community use and where appropriate be linked to a Service Level Agreement. Restrictions on future sales or sub-leases will also be included to safeguard continued community use, including suitable clauses to ensure the return of the asset to the council if the terms of the service agreement are not met, breach of the lease covenants, or in the case of dissolution, insolvency or corruption.
- 4.18 Any proposed CAT will be in accordance with the Council's constitution and prevailing disposal policy, following Executive Member consultation.
- 4.19 Community organisations that are not for profit will be considered for CAT applications, including:
- Parish and Town Councils.
  - Community Interest Companies.
  - Community benefit Societies.
  - Company limited by guarantee with charitable status.
  - A Constituted Body.

The council will not transfer community assets under this policy to private businesses which distribute profit.

## **5.0 Community Asset Transfer Process**

- 5.1 The Council may identify an asset as a community asset and/or the organisation may review the councils asset register to see whether there is a community asset that may meet their organisations objectives. The applications process provides an opportunity to express an interest in the asset.
- 5.2 Should an asset be confirmed as being available for community asset transfer, a due diligence process will ensure a transparent marketing opportunity, and the type of transfer will depend upon both the Councils and the Community outcomes.
- 5.3 The following process will be followed:

- a) Expression of Interest received as shown in appendix A, initiated by the applicant organisation or by the Council.
- b) Where the building being enquired about is declared surplus, the Council will consider both the merits of an open market sale/lease against the possible reuse of the building by a Community Organisation and may run a market disposal in parallel with determining interest from the community.
- c) Initial interest is referred to the Asset Management team to check eligibility of the property for transfer (e.g. if it is already leased or required for a separate council use).
- d) If the property is eligible for transfer, applicants are invited to complete the application form at appendix B, which sets out details of the applicant organisation, the property and plans for its use. The applicant may be provided with details of premises related costs, and any relevant title or property details to support their application.
- e) The application should be accompanied by a business case. Guidance on the content of the business case is provided in appendix C Community Asset Transfer FAQ.
- f) Once received the application will be considered against the Evaluation form at appendix D by the Asset Management team. This evaluation will include consultation with council service areas and Ward Councillors.
- g) Where the application is recommended, approval from the Executive Member will be sought.
- h) Where approved, Heads of terms will be negotiated with the transferee.
- i) Formal approval by the council sought, as determined by the councils constitution.
- j) Legal completion of the CAT including any service level agreement where applicable.

## 6.0 Glossary of terms

Term	Definition
Community Assets	Land and Buildings determined by the Council as being held primarily for Community Use
Community organisation/third sector organisations (TSO)	A formally constituted not for profit group
Community Asset Transfer	The transfer of an interest in property and or land from the Council to a community group to secure community benefits.
Interest in Land and or Property	A licence, lease and or freehold interest in land and or property
Transparency Report (Property and Land)	The council published list of property holdings



## 7.0 Appendices

Appendix A: Community Asset Transfer Expression of Interest Form.

Appendix B: Community Asset Transfer Application Form.

Appendix C: Community Asset Transfer FAQ.

Appendix D: Community Asset Transfer Evaluation Form.

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