



Community

Asset Transfer Framework

Cheshire East Council

1st April 2016 to be reviewed annually

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Community Asset Transfer Framework

1.0 Introduction

1.1 This Community Asset Transfer Framework is intended to provide a clear process for Cheshire East Council to address the transfer of assets to all Community Groups.

2.0 Purpose of the Community Asset Transfer Framework

2.1 The purpose of the Framework is to support community groups in being able to make improved use of Council assets in order to benefit the residents of the Borough. It is designed to set a transparent, positive and proactive process to enable asset transfers to occur from local organisations and a route to transfer the management of services to Community Groups/Organisations.

2.2 The Framework will be applied to all 'Expressions Of Interests' received. Each can be assessed appropriately ahead of where the transfer of land or property to a Community Group can be seen to address strategic priorities at corporate levels, and achieve service improvements, social benefit and financial efficiencies for the Council.

2.3 The term Community Group is defined in the Localism Act 2011 and refers to a number of organisations who may wish to apply for the acquisition of assets and examples of some of these groups have been listed below:-

Town and Parish Councils,
Local voluntary and community groups
A Registered Charity
Democratic organisation independent of national or local government

2.4 The Framework will become integrated within Council practice and adopted to cater for approaches by all Community Groups/Organisations recognising the identification of under-utilised or surplus assets or by an approach by Community Groups/Organisations applying to take responsibility for a current Council Service.

2.5 The focus of the framework will be on supporting all Community Groups/Organisations in providing clear communication between both parties throughout the process.

3.0 Background

3.1 A key and well publicised Government policy is the establishment of a stronger voluntary and 'third or not for profit' sector with direct links to the Localism Agenda by providing communities with the ability and resources to tackle and resolve local problems at a local level within minimum bureaucracy. Within this context, it is proposed to develop and implement a Framework that enables both the Council and the wider community to safeguard valuable services and resources. It is important to note that a balance needs to be achieved between community asset transfer and the Council's need to generate capital receipts from its surplus property.

3.2 The Council has already successfully achieved asset transfers with a number of Council owned assets and the framework is intended to improve the Councils responses to applicants and set clear objectives throughout the application process.

3.3 The aim is to achieve a fair and accountable framework for asset transfers from Local Authorities to all Community Groups/Organisations.

4.0 Community Hubs

- 4.1 Cheshire East Council has undertaken work with the Statutory, Voluntary and Community Sectors to develop Community Networks and ensure all parties work better together to deliver joined up services and deliver a range of activities at a local level. The work involves recognising the potential use of local buildings and identifying the right blend of services are provided from the right venue, at the right times where local residents will benefit from them most.
- 4.2 The Community Asset Transfer Framework will assist in this process in determining those buildings which can be considered for asset transfer to enhance the facilities in a particular community.

5.0 Principles Underpinning the Council's Community Asset Framework

- 5.1 The Council's Framework is underpinned by the following principles:
- A transparent corporate process for community asset transfer and the devolution of services which includes a clear point of first contact followed by a structured process.
 - In implementing its framework, the Council recognises that, with appropriate support, community led solutions can achieve better outcomes than central initiatives.
 - The Council recognises the advantage of appropriate terms and of tenure, (with appropriate and proportionate safeguards and audits) to enable applicants to adapt and change over time in response to community needs.
 - Recognising the wider community benefits derived from asset transfer applications.
 - The Council will use the community asset framework as a means of enabling all Local Community Groups/Organisations to become sustainable on a long term basis.
 - Applicants must be able to demonstrate a detailed Business Case for the transfer and have the legal capacity to hold assets.
 - To be successful, the framework requires a long term partnership commitment on the part of the Council and the Community Group/Organisation and it is recognised that this is the best way of minimising risk.
 - A transfer must proceed on a cost neutral basis to the Local Authority.
 - The asset is transferred in its current condition and applicants will be responsible for the management and day to day operation of the asset on transfer.

6.0 Assessing Community Asset Transfer Applications

- 6.1 The framework will create a single gateway approach which provides a clear point of contact for Community Groups/Organisations with asset transfer enquiries, and will act as a conduit and a source of information and support.
- 6.2 The above will also apply to those expressions of interest received from applicants keen on delivering services at a local level which were previously the responsibility of the Council.
- 6.3 The framework will provide the applicant with an early response to their application to prevent the need to undertake substantial and expensive feasibility or business planning work. An

initial steer being provided by the Community Assets Officer Group will advise whether an asset could be made available for transfer.

6.4 The introduction of an *Asset Scoring Matrix* will determine how the 'Expression Of Interest' meets further criteria set by the Council and identify its priority against other applications received.

6.5 **Asset Scoring Matrix**

The Asset Scoring Matrix enables CEC to assess the initial 'Expression Of Interest' and mark applications on a case by case basis against the following criteria:-

- Evidence supporting local neighbourhood priorities
- Benefits to the wider community
- Council's aims and objectives
- Priorities linked to the local plan
- Demonstrates a cost neutral status to the Council
- Long term sustainability
- 8123 LGA
- The statutory duties and powers of the Council
- Councils requirement to retain an asset
- Statutory Compliance

6.6 Outcomes from the overall Matrix score will form part of the information assessed by the Community Asset Meeting Group.

6.7 Officers representing the relevant internal CEC departments making up the membership of the Community Asset Group will consider all the evidence and information provided and decide whether the application is to progress to requiring a Business Case submission.

7.0 **Business Case**

Critical to the success of any transfer is having a clear rationale backed by a robust business case from the applicant organisation demonstrating the ability of the recipient to manage the asset effectively thus reducing the risk to the Council.

The main elements of the business case required for assessment purposes can be presented under a number of headings directly related to the CEC overall strategic objectives which should include the categories below and also adhere to general disposal request consent.

Rationale – Community Benefits / Background

- How the need for proposed transfer and use of asset has been identified – what needs will the transfer meet? What are the aims and objectives of the organisation?

Rationale – Financial Benefits

- A strong financial rationale to be included to demonstrate how income is to be generated through the proposed use of the property, and how any consideration to the Council in connection with the transfer would be generated;

Relationships

- Where possible to obtain a view on the proposal from Community Hub/s

Outcomes & Targets

- Benefits case as a result of transfer – what will be different and how it will be measured – agreeing the outcomes that will be achieved;

Property Management Capacity

- Capacity of the Community Group/Organisation to acquire and manage the property asset effectively

Business Plan including Financial Model

- Business Plan for the future use of the asset e.g. cashflow forecasts, budget projections, historic accounts;

Transfer

- Type of transfer sought and why (e.g. freehold, leasehold, Management Transfer);

CEC Support

- Statement from sponsoring Council Service if supporting the proposal;

Contracts

- Terms of any Contractual Agreements with the sponsoring organisation or Council Service;

Future Planning

- Details of how the proposed use of the asset will be managed and monitored going forward, and details of 'fall back' arrangements should the transfer prove to be unsustainable.

The Council will consider the level of responsibility that is appropriate to be transferred to the third party for the repair and maintenance of the premises. The applicant is to be encouraged to take independent advice in order to understand its potential legal and financial liabilities before proceeding.

7.1 Asset transfers to the applicant will aim to create the widest public value and will be judged on the following criteria:

- The alternative use value of the property;
- The current use of the property and the need to retain the asset for existing or future Council use.
- What community benefits will be realised by the transfer;
- The value of any use and occupation charges to be payable to the Council;
- The priorities set out in the Neighbourhood Plan for the area in which the asset is located.
- How the interests of local people will be better served, including community involvement and capacity building of community members linked to the work within the Community Hub
- Building the capacity and encouraging greater organisational sustainability;
- The business plan and financial viability for the premises;
- Regeneration, social, environmental and economic (including the development of community enterprise activity);
- The views of other CEC Departments / particularly in respect of devolution of Service requests.
- How outcomes can be measured.

- Improvements to safeguarding or creating new local services / activities and how these are linked to the Community Hub.
- Supporting Council efficiency gains and co-location of service provision;

The decision to transfer an asset or devolve a service will not be considered as setting a precedent. Each asset transfer or service request will be judged on its own merits and the detail of the transfer arrangements will be arrived at through individual negotiation.

- 7.2 The Council will only consider using its asset transfer powers where the applicant has demonstrated the capacity to manage the building appropriately, although it is recognised that organisations may be able to develop this capacity and will be given the opportunity to do so if commitment and potential can be demonstrated. As much detail as possible in relation to the responsibilities and liabilities an organisation may be taking on in connection with the transfer of a building will be made explicit by the Council at all stages of the process.

8.0 The Asset Transfer Process

- 8.1 The Council will follow an agreed process to initially assess all applications and consider their suitability for progression.

9.0 Decisions Processes

- 9.1 Such decisions relating to the above will be delegated to the appropriate Portfolio Holder or Cabinet should it be determined the application is a Key decision.
- 9.2 Consultation will also be required to discuss individual applications with the appropriate Cheshire East Service and Ward Member/s at the initial stage of the process.



Asset Transfer Application Enquiry Form

If you want to express an interest in applying for an Asset (Building or Land) or transfer the management of services currently undertaken with Cheshire East Council. Please complete the details below and forward them to: partnerships@cheshireeast.gov.uk

Please refer to the guidance notes attached with this application providing further information in relation to the Asset Transfer Framework.

Please fill in all the sections of the form. Write 'not applicable' if you feel that a question does not apply to you. Please write clearly in BLOCK CAPITALS and use black ink.

PLEASE READ CAREFULLY
Data Protection Act 1988

The details you provide on this form will only be used in connection with your expression of interest Asset Transfer enquiry. Your information will be shared with Elected Members, colleagues within Cheshire East Council and other Voluntary and Community Agencies.

Name and Address of Organisation	
Purpose of the Group	
Registered Status	
Position in organisation	

Asset Transfer: Summary of community benefits and scoring

Completing the table on this form will help facilitate a preliminary assessment of your application and establish if there is any benefit in working on a more detailed proposal. This will avoid incurring unnecessary costs in developing any proposals that the Council are unable to support either because they conflict with Council policy or there is a lack of clear outputs and benefits.

The table below is used to summarise how six key "Community Benefit" factors within asset transfer applications are addressed. Each factor should be allocated a score between 0 (low) and 5 (high) to reflect the extent to which that factor is addressed in the application. The total of the six scores can then be used to suggest the extent to which the proposal may be acceptable to Cheshire East Council.

Once the preliminary assessment has been completed you will be notified of the outcomes.

Attached for your assistance is supporting information providing you with a breakdown of the type of evidence required in each section and details of how the scoring system on the matrix is applied to each application received.

Name of Asset

Please Tick as appropriate – Leasehold for up to 25 years
 Transfer of Management

Key factor	Summary from application form	Rating (0-5)
How is it proposed that the asset will be used to address the priorities of the local neighbourhood?		
How will the asset be used to benefit the local community?		
How will use of the asset link to the priorities set out in the local plan?		
Demonstration that the use of the asset and responsibility for it can be managed, and will be cost-neutral from a Cheshire East Council's perspective		
Long-term sustainability of the asset under its proposed new ownership.		
Details of deadlines / timelines which would impact on outcomes.		
TOTAL		

Asset Management Scoring Matrix

The following asset scoring matrix is proposed to assess asset transfer proposals by all Community Groups. This system could also be used to evaluate proposals for shorter term leases, and if necessary be adapted on a case by case basis as appropriate.

Scoring

At submission stage for 'Expressions of Interest', the relevant service providers will assess the application based on the following criteria.

0-5	Evidence Supporting priorities in the local area, including the structure and viability of the organisation to act as a good steward of the asset for community benefit.
0-5	Information how the asset will benefit the local community.
0-5	Information linked to priorities in the Local Plan.
0-5	Information supporting the transfer to be cost neutral.
0-5	Information supporting the project to be sustainable.
0-5	Information relating to timescales / deadlines

Overall Score

The maximum overall score is 30.

The score determines the recommendation as follows:

- **6 or less** Proposal does not represent a case for consideration.
- **7 to 15** Proposal requires a significant improvement.
- **16 to 21** Proposal offers potential though requires minor improvements.
- **22 or over** Proposal offers an excellent opportunity to progress.

(Please note that if your organisation does not qualify or the Council need to retain the asset for its own purposes the application will not progress. Therefore it would be beneficial to contact the Council prior to submitting your application to confirm these points)

The table below provides a breakdown of the information required to complete the summary section of the application form.

Details of use and circumstances	Specify relevant details
<p>Evidence supporting priorities in the local neighbourhood.</p>	<p>Add details including:</p> <ul style="list-style-type: none"> • Information relating to the role of your organisation. • Opportunities to engage with the local neighbourhood. • Information of how your community group gathers views of the local community. • How your community group complements local services. • Fill gap in provision locally • Improvement to local services, including evidence of working in partnership.
<p>Information how the asset be used to benefit the local community.</p>	<p>Add details including:</p> <ul style="list-style-type: none"> • Main or subsidiary uses, any services, activities offered • level of use • Identity of user groups • Whether local or have a wider significance • Current condition and how it would improve • Network / Franchise / potential Franchise within the Community Hub. • Estimated costs of any repairs / maintenance. Identify how recent this information is, • Assessment of how the proposals will improve the economic and social offer in the locality • Funding associated with the asset where conditions on its user ownership may apply.

<p>Information linked to the priorities set out in the Local Plan.</p>	<p>Add details including:</p> <ul style="list-style-type: none"> • Assessment of how well the proposals contribute to CEC Corporate plan priorities/Themes/Objectives • Details of creating employment in the local economy • Improve skill levels for local people • Support the local economy
<p>Demonstration that transfer will offer a cost neutral status to Cheshire East Council.</p>	<p>Add details including:</p> <ul style="list-style-type: none"> • Any improvements required to the asset prior to transfer identified and accounted for financially. • Legal fees. • Ongoing maintenance, management within the expenditure of Community Group.
<p>Long term sustainability</p>	<p>Add details including:</p> <ul style="list-style-type: none"> • Existing contractual or financial obligations on the asset, covenants on the asset etc. • Community empowerment • Promoting a sustainable community and voluntary sector (supporting Community Hub evidence). • Information of any previous asset transfers to your group (case studies), • Plans to expand, volunteering opportunities. • Present an opportunity for a 'non-operational' asset to be used. Represent the best use of the asset particularly in the medium to long-term • Repair and maintenance budgets • Opportunity costs • Funding commitments – applications to support plans and receive financial support from other bodies. • Existing freehold/leasehold arrangements, other contractual arrangements or any. • Information relating to proposed term of lease with CEC.

Timescales / deadlines	Add details including: <ul style="list-style-type: none">• Funding applications dependant on ownership• Planning application
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Community Asset Transfer Framework

Guidance Notes

What is Community Asset Transfer?

At its simplest level, community asset transfer is a change in management / responsibility and / or ownership of land or buildings, from public bodies, (most commonly local authorities), to communities, (community and voluntary sector groups, community enterprises, social enterprises) The spectrum of transfer options can vary widely, but communities typically take on the ownership or management of a community asset on either a freehold, long lease, shorter lease or a license to occupy basis. However, for most transfers, where grants or loans are required to develop the asset, the length of tenure will need to be long enough to secure external investment. Therefore, community asset transfer is usually taken to mean a long lease, of at least 25 years.

Who can apply?

The Framework applies to any voluntary or community body as defined in the Localism Act 2012. These are referred to as “Community Groups” in the following sections below. The definition is as follows:

- A body designated as a neighbourhood forum pursuant to sec 61(f) of the Town & Country Planning Act 1990:
- A Parish Council
- An unincorporated body, whose members include at least 21 individuals; and which does not distribute any surplus it makes to its members
- A charity
- A company limited by guarantee which does not distribute any surplus it makes to its members
- An industrial and provident society which does not distribute any surplus to its members
- A community interest company

What timescales can we expect?

Within the Community Asset Transfer Framework, the Council wish to progress at a pace which provides an initial decision to the applicant within a 8 to 10 week period. Those applications initially being recommended for progression will then require further examination and the submission of a business case will be necessary to identify the benefits to residents and outline to the council any costs and risks. A period of 18 – 24 weeks has been allocated to allow applicants to provide this information ahead of the case being presented to the appropriate Portfolio Holder. Subject to full Council approval, the Council’s Asset Management Service will instruct the Council’s Legal team to commence conveyancing procedures anticipated to take 16-20 weeks.

What does the term cost-neutral mean?

CEC are looking to ensure the successful party is responsible for the maintenance and upkeep of the asset at their own expense and for them to be responsible for all occupier liabilities during their tenure.