

Norwich City Council

Community Asset Transfer Policy

June 2018



NORWICH
City Council

Community Asset Transfer Policy

Background - Community assets

Norwich City Council owns a number of assets that bring about a benefit to communities. This includes:

- the council's community centres
- assets that sit within the council's commercial portfolio that are leased or provided as a grant in kind to voluntary organisations that benefit communities and residents due to the specific work undertaken by the organisations concerned
- recreational and sports facilities often in parks and open spaces

There are a number of definitions to community assets but in the context of the city council they are *land and buildings owned or used by the council or leased or managed by community organisations for the benefit of residents and communities and include community centres, sports facilities, recreational facilities and other buildings.*

It is important to recognise that the city has a variety of buildings and facilities under different ownership including public, voluntary and private ownership, that are used by communities for community led activities.

In many cases, the voluntary sector is best placed to host community facilities as their management and use can be more responsive to the needs and opportunities of communities. Assets held in this way can also play an important role in supporting and sustaining the third sector with facilities being managed by the people who regularly use them.

Why is a community asset transfer policy required?

There may be times when council owned community assets used by community and voluntary organisations are returned to the council, are surplus to requirements, uneconomic to maintain or could be better run by the community themselves.

The development of a community asset transfer policy therefore provides a mechanism for the council to have a clearly defined approach to the future of these assets that will:

- define when community asset transfer is appropriate
- ensure the process for community asset transfer is transparent
- apply a consistent approach to the assessment and process of transferring assets in the future, focussing on securing social, economic and environmental benefits of the asset
- ensure the efficient use of assets to minimise cost

What is Community Asset Transfer?

Community asset transfer is the transfer of land or buildings from the council to a third sector organisation.

Community asset transfer has the potential to achieve a number of objectives:

- to form long-term partnerships with third sector organisations
- providing assets for wider voluntary and community sector use
- maximising community benefit
- minimising financial liability for the council in the future
- supporting the building of social capital.

Community Asset Transfer can take place in different forms including through:

- a management agreement
- a licence to occupy
- a short lease
- a long lease
- freehold

Community Asset Transfer usually involves a transfer at less than market value, at a reduced cost, peppercorn rent or free of charge. The level of subsidy applied to the asset transfer, will be determined by the social, economic or environmental benefits generated by the transfer and the value of the asset.

Community Asset Transfer can apply to community buildings, community facilities and also other community venues owned by the council.

What criteria will the council use to consider a Community Asset Transfer?

When a community asset is returned to the council, is no longer viable or it has been assessed that there is an opportunity for the community to run the facility better, a stage one asset review will be undertaken. This provides a high level assessment of the future options for the asset including whether the asset is appropriate for Community Asset Transfer.

Other options include:

- Disposal
- Change of use
- Retention within the council

When community asset transfer is determined as the preferred option, the asset will be advertised for community asset transfer.

Bidding voluntary organisations will be asked to provide a business case, demonstrate that they have the capacity to run the facility and show how they contribute towards the council's corporate objectives.

Proposals from community organisations which set out to improve the well-being of the whole community or those which include the co-location of several organisations will be encouraged in this context.

How will community benefit be maximised?

To ensure that the property delivers maximum community benefit, the organisation concerned will need to ensure that the premises are used primarily for community-based activities that directly benefit:

- the local community
- residents of Norwich.

Where appropriate, the building should be available for hire for general community use including weekends with priority given to local groups and grass-roots organisations. This requirement will form part of the transfer arrangements.

The arrangements will also where appropriate provide opportunities for the organisations to be able to sub-let.

The focus will be a flexible approach to the development of lease arrangements to maximise the benefit to the voluntary organisation, the council and wider community.

For how long will leases be granted?

The council will consider the specific needs of the third sector organisation, the condition of the asset and the requirements of any funders. The length of the lease will be based on:

- the business plan
- the capacity of the organisation to manage the asset
- financial capacity
- any future requirements for the asset by the council
- the condition of the asset.

Once granted, leases can be extended or restructured at a future stage, to meet the changes to the organisations activities or circumstances.

Community asset transfer leases will be accompanied by a service agreement that will define the expected benefits of the community asset including any requirement for use of the asset by local residents for locally organised activities or use as a polling station. This may include the hours the asset is made available to local communities.

Leases will contain clauses that prevent the asset being assigned or sold on for unintended financial gain and the loss of the community agreed benefits.

Leases will also contain suitable clauses to ensure the return of the asset to the council if the terms of the service agreement are not met, or in the case of dissolution, insolvency or corruption.

How will community assets available for transfer be advertised?

The Council will advertise the availability of community assets through the council's website, various information networks available to the council and by directing notifying voluntary and community sector organisations.

Property maintenance

The lease will define responsibility for maintenance and repairs, insurance and all outgoings on the property.

The Council will provide information that it holds on the condition of the property. This assessment will be provided as a guide and the future tenant should carry out their own checks, as the property may have deteriorated further since it was last surveyed.

The council will review this policy at least once every three years.

Appendices

Appendix 1

What should the business case for community asset transfer contain?

- full details of the services and activities to be provided from the asset including any partnerships or co-location plans with other organisations
- evidence of the management capacity and experience of the bidding organisation to utilise and develop the asset
- detailed evidence that use of the asset is financially sustainable over the life of the proposed tenancy and will not incur future financial liabilities for the council; the council will assist by making relevant information and data available on request
- details of the anticipated benefits that the asset will produce and how these will be measured and evaluated
- details of the type of asset transfer and lease terms sought
- evidence of support from council officers, councillors, other voluntary organisations, local stakeholders

Assessment criteria

Organisations (or lead organisation where there is a consortium or partnership applying) are required to meet the council's criteria for commissioning. If these criteria are not met, no further consideration will be given to an application.

The business case assessment criteria will be made up of three sections:

- Organisational criteria (see notes below)
- Social value assessment (based on the councils' Social Value Framework)
- Activity specific assessment

The assessment forms for both expressions of interest and business cases are available on request.

Examples of organisational criteria that might be included are found in the table below. This is not an exhaustive list and at all times compliance with the organisational criteria will be proportionate and relevant to the size and value of the asset and the length of term of the asset transfer.

Provider's organisational criteria	
Management	You must have appropriate governance arrangement in place, hold regular committee meetings, including an annual general meeting; have a current business plan or demonstrate that one can be developed for the organisation.
Financial systems	You must comply with all financial and accounting requirements of charity and/or company law and follow good practice in relation to internal financial controls. If you are a new organisation, you should demonstrate how you will implement good financial systems in future.

Equal opportunities	You must have a written equal opportunities/diversity policy and code of practice that comply with current relevant legislation.
Insurance	Your organisation must have adequate insurance cover for activities, events, staff, premises, equipment, vehicles including: Public liability; employer's liability cover if staff are employed; property and equipment insurance.
Criminal records checks	You must ensure and have evidence that all staff and volunteers working with children and vulnerable adults have been vetted through the disclosure and barring service. DBS checks should only be requested for eligible roles and not for all staff if it is not needed.
Safeguarding children and vulnerable adults	Organisations working with children and vulnerable adults must have safeguarding children and adult's policy and procedure in place. Staff and volunteers working with children and vulnerable adults must be appropriately trained. Evidence of these policies will be requested.
Equality	Detailed knowledge of the city and an understanding of how to apply that knowledge to engage / work with / deliver services in the city. Evidence of activities and services being designed to be accessible to as many residents as possible.
Cost	The ability for the organisation to meet any rental payments, pay external and internal repairs, insurance and utility costs. Evidence of a clear budget with income and expenditure expectations should be provided for the life of the proposed tenancy.

Appendix 2

Indicative assessment process for community asset transfer applications?

Detail and processes included in each stage are below

Stage 1 – Advertising of Community Asset Transfer opportunity and request for expressions of interest	Maximum of 4 weeks
Stage 2 – Review of expressions of interest received by council officers. Successful applicants informed	3 – 6 weeks depending on volume
Stage 3 – Selected organisations to compile business case	4 – 6 weeks

Stage 4 – Business case assessment by council officers and senior staff. Agreement in principle for one applicant	4 – 6 weeks
Stage 5 – Professional advice and council report	4 – 6 weeks
Stage 6 – Lease agreement and completion	Maximum of 6 weeks

Ongoing - Asset transfer review

Annual review of the service agreement targets and measure benefits

Where applicable, 5-yearly renewal of the service agreement

Breakdown by stage

Stage One

Once a building is identified as suitable for community asset transfer it will be advertised as open for Expressions of Interest.

This will be done by:

- Placing an advert on Norwich city council's website
- Placing an advert on Norwich Property Services' (NPS) website
- Letters will be sent to residents local to the building
- Community newsletters will include the opportunity (if you do not receive Norwich city council's community newsletters please email community@norwich.gov.uk to be added to the mailing lists)

An open day will be held at the building in this time for organisations to inspect the building.

During this window, the webform can be used to submit an Expression of Interest in leasing the property (guidance available).

Stage Two

Council officers will review all Expressions of Interest against identified criteria (see the Expression of Interest guidance). Officers may ask for meetings with organisations to clarify points within the submitted form.

Organisations that satisfy the criteria for use will be informed by letter and invited to submit a more detailed business plan for their use of the centre.

Stage Three

The business case can be submitted in any relevant format but will need to reference:

- Organisational objectives and aims
- Evidence of the organisations previous impact and service delivery
- Specifics around the use of the building and what services/activities will be delivered from it
- Robust financial planning including details of any planned investment into the building and evidence of current financial capacity
- Evidence of the community need being address by the organisations plans and demonstrable community endorsement
- Evidence that new services and activities would not duplicate existing provision in the local area

Not essential but desired:

- Evidence of partnership working with other organisations
- Detail of the evaluation processes which will be used to measure the outcomes of the buildings' use

During this business case development phase, organisations may request a meeting with council officers to discuss their draft plans before submission.

Stage Four

All business cases will be reviewed by council officers and relevant professional for suitability.

Applications will be assessed against the criteria laid out in the Community Asset Transfer policy document and will reflect the social value to the city of each application. These will include:

- benefit to local residents
- benefits to the council
- sustainability of the financial plans
- whether applications duplicate existing provision
- demonstrable community support

Each organisation will be invited to discuss their application with officers and relevant professionals to elaborate on any points and review any questions.

An “in principle” decision will be taken by the service Director. The successful group will be informed in writing.

Local residents will be informed of the decision and asked to comment as part of the subsequent report.

Stage Five

If needed, legal and profession advice will be sought by officers at this stage. The successful “in principle” organisations' business case will be presented as a details report to the council's corporate leadership team (CLT) and portfolio holder.

CLT will also decide whether cabinet are required to authorise the award of the Community Asset Transfer at this stage. If it is a report will be submitted to cabinet for member approval.

Once fully approved, written confirmation will be sent to the successful organisation. Should approval not be awarded, the asset will be reviewed and, if appropriate, re-advertised for further expressions of interest.

Stage Six

At the stage Norwich Property Services (NPS) will work with the successful organisation to determine the full content of the lease, the rent and the length of the lease.

When both parties are happy with the heads of terms in the lease, NPS will ensure the building is ready to be transferred and the organisation will be given the keys to the building.

Ongoing

Leases will be reviewed as a minimum every 5 years although shorter terms may be agreed at the lease stage.

Should there be any agreed outcomes and evaluation on the use of the building, the organisation will be expected to supply this to the council in line with the agreed arrangements. These may include usage statistics, service evaluations, or other key indicators and will be clearly laid out in the service level agreement.