AMP: Community Asset Transfer Guidance Document

Community demand, need and lead

Supporting BCBC aims and priorities

Positive community asset transfer

Transparency

Sustainability

Cyngor Bwrdeistref Sirol
Pen-y-bont ar Ogwr
BRIDGEND
County Borough Council

BCBC Community Asset Transfer Guidance

Welcome to the latest version of Bridgend County Borough Council's (BCBC's) Community Asset Transfer (CAT) Policy. It provides a clear vision and mechanism as to how the Council will approach and deal with opportunities to transfer land, buildings and services to the Community. This policy replaces the original CAT Guidance endorsed by Cabinet in 2010 and updated in 2015. It reflects the changing financial climate faced by the Council and the increasing empowerment of local communities. The Guidance forms an integral part of the Council's Asset Management Plan process.

In response to the forecasted public sector funding reductions as a result of on-going austerity and increasing pressures and public sector services, the Council will seek to work with eligible interested community groups to secure transfers and to provide ongoing support. It is intended to help community groups to manage and operate facilities and hopefully to secure investment in their long-term future. To this end the Council works closely with partners from the Third Sector to support community groups and sports clubs by ensuring the right advice and guidance is available to applicants and those who have already taken over the self-management of facilities and services.

This Policy also sets out how a simplified fast track risk based approach can be adopted for the majority of the Council's assets which should make the CAT process easier to navigate.

Who should read these Guidelines

This policy is primarily to inform Town and Community Councils, Third Sector Organisations and sports clubs (collectively referred to as community groups) of the Council's requirements when progressing a CAT. The Policy is designed to help community groups understand the Council's approvals processes and decision making criteria. Templates for applications and key stage procedures are also included.

Application of the Guidelines

Due to the diverse nature of Council property assets and variety of CAT requests, there cannot be a "one size fits all" approach to CAT. A consistent and principled but fluid framework is therefore required. The Guidance is centred on 4 key principles:

- **Community led to meet community demand and need**
- **Any CAT must support Council aims and priorities**
- **Transparency including governance and financial implications**
- **Project sustainability**

Proportionality and common sense is required in application of the Guidelines. For example, a short lease, licence to occupy or a management agreement may require less detailed assessment criteria than a longer term lease of 35 years. A transfer of a small area of land will not need the depth of business planning that a significant building would, particularly where significant external funding is also required. Any risk needs to be managed and informed, and transparent decisions should be subject to requisite scrutiny.

Contents

1. Purpose of this policy

2. Definition of Community Asset Transfer

3. National policy context

4. Local policy context

5. The Council's commitment to Community Asset Transfer

6. The 4 principles of BCBC Asset Transfer

7. Identifying suitable assets for Community Asset Transfer

8. Framework for considering requests for Community Asset Transfer

9. Decision processes

10. Property and legal considerations

11. Handover

12. Ongoing Support and Statutory Compliance

13. Community Asset Transfer Support and Contacts

Appendix 1	Application Criteria
Appendix 2	CAT Standard Process
Appendix 3	CAT Fast Track Process
Appendix 4	RAG traffic light rating system based Assessment
Appendix 5	Expression of Interest (EOI)
Appendix 6	Detailed Business Plan Illustration
Appendix 7	Financial Projections Illustration
Appendix 8	Business Diagnostic Assessment Outline
Appendix 9	Sample LeaseLlicence Terms
Appendix 10	List of Resources and Contacts

Document approvals and consultations

	Cabinet CAT Task & Finish Group CAT Steering Group Town and Community Council Forum Wales Co-operative Centre Coalfields Regeneration Trust

1. Purpose of this policy

The purpose of this Community Asset Transfer (CAT) policy is to encourage property asset transfers to community groups in support of the Council's Asset Management Plan (AMP) and AMP Disposals Strategy and the transfer of service provision in line with the Council's corporate priorities and well-being objectives.

An appropriate transfer is one which:

- **is community led to meet community demand**
- **supports Council's aims and priorities**
- **is sustainable in the long term**
- **has positive financial implications for the Council**

2. Definition of Community Asset Transfer

CAT may take a variety of forms but in essence involves a temporary or permanent transfer of stewardship and/or ownership to community groups. The method of transfer may include:

- management agreement
- short term licence to occupy
- short or long term lease
- freehold transfer (exceptional circumstances only)

3. National policy context

Well-being of Future Generations (Wales) Act 2015

The Well-being of Future Generations (Wales) Act 2015 places a duty on each public body to carry out sustainable development. Sustainable Development is defined as a process of improving the economic, social, environmental and cultural wellbeing of Wales.

Public, third and business sectors including BCBC have come together in Bridgend to form a Public Services Board (PSB). Bridgend PSB is committed to working together to improve wellbeing in Bridgend County now and in the future and have prepared a Well-being Plan that contains the following 4 key objectives:

- Best Start in life
- Support communities in Bridgend County to be safe and cohesive
- Reduce social and economic inequalities
- Healthy choices in a healthy environment

The Equality Act, 2010

The Equality Act, 2010 places a duty on public bodies to demonstrate due regard to the aims of the Public Sector Equality Duty (PSED). The PSED requires public bodies to operate in a way that eliminates unlawful discrimination, advances equality of opportunity, and fosters good relations between those who share a relevant protected characteristic, and those who do not. There are nine protected characteristics in total (age, sex, gender reassignment, sexual orientation, disability, race, religion and belief, marriage and civic partnership as well as pregnancy and maternity), and all public functions are designed and delivered in a way which reduces discrimination and promotes positive engagement with those who possess relevant protected characteristics. All CAT activities will support and encourage the Council's duties under the Equality Act, 2010 by ensuring that any activity is assessed for the likely adverse impact on protected groups and therefore reduced where possible.

Community Asset Transfers in Wales - A Best Practice Guide

A number of national reports, reviews and guidance encourage local authorites to engage with community groups with a view to a transfer of community assets. Welsh Governments 'Community Asset Transfers in Wales - A Best Practice Guide' March 2016 provides essential guidance for both local authorities and community groups. BCBC was part of the working group which helped produce the document and much of the guidance reflects the approach which this Council has adopted.

4. Local policy context

BCBCs property strategy seeks to rationalise its property portfolio and obtain the best outcome to help deliver Council objectives. This requires balancing best price considerations and reduction in revenue costs against the benefits of alternative use including asset transfer. This is supported by a disposals strategy that works to achieve the best disposal outcome for BCBC.

CATs clearly support the Council's priority themes. These include:

- **Helping people to be more self-reliant** – "Taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services".

- **Supporting a successful economy –** showing any links to sustainable jobs and growth.

- **Smarter use of resources – "**Ensuring that all our resources (financial, physical, human and technological) are used as effectively and as efficiently as possible, and supporting the development of resources throughout the community that can help deliver our aims."

5. The Council's commitment to Community Asset Transfer

The Council is committed to using CATs where appropriate. However, with limited staff resources, it is necessary to **prioritise** applications which most benefit:

a) the Council's financial position; and
b) impact in the community in terms of:
    - Economic and social enterprise levering additional investment.
    - Community empowerment.
    - Retain and/or enhance local services that may be lost due to budget. restraints and service cuts.
    - Building capacity and encouraging a more sustainable third sector.
    - Supporting delivery of the Council's corporate priorities.
    - Tackling poverty.

This policy sets out a framework to support decision-making and an agreed method of assessing all CAT requests. The Council will however, support community groups through the CAT process in a number of ways which include:

- Guidance from a dedicated CAT Officer.
- A listing of assets potentially suitable for transfer in a 'Community Asset Schedule' will be made available and regularly updated.
- Supplying relevant information including:
    - running cost data
    - copies of condition surveys
    - building plans
    - servicing / testing data
    - any other relevant information
- Advice under the Council's CAT Business Support Contract from our partners organisations that specialise in providing advice and guidance to community groups.

6. The 4 Principles of BCBC Asset Transfer

In order to complete a CAT, 4 principles will need to be in evidence:

Community Need	There must be strong support from within the local community. Evidence of equality of access will need to be demonstrated. Members of the community should be able to influence proposed operations and decision-making. There must be a clear demand for the project. Community groups must also ensure that any transfer will not displace or distort the market place. Applications are welcomed from consortia, joint ventures and collaborative projects.
Support Council Corporate Improvement Objectives / Other Corporate Priorities	The proposed transfer must support the delivery of Council's Corporate Improvement Objectives / Other Corporate Priorities as outlined above.
Transparency	The decision making process is designed to show accountability and is clearly set out in the Framework for considering CATs at section 8 below. The process needs to be flexible in line with the complexity of applications and available Council staff resources. Decisions will be transparent and communicated clearly.
Sustainability	The applicant is required to demonstrate their ability to manage the asset effectively via: • Financial plan: o Detailed business plan for complex cases particularly if the Council asset subject to transfer requires significant investment involving major refurbishment or new build; or o 5-year financial projections enabling a community group to demonstrate an understanding of associated income and expenditure streams and operating costs for the more straightforward transfers • An appropriate legal and governance structure. • An assessment of the need for the activities being proposed and consideration of whether or not this is being provided by other organisations. • Efficient use of the facilities in terms of space and time periods. • Organisational capacity and capability – strong skills at board, management and operational level to manage the asset and maximise its use including meeting any statutory requirements.

7. Identifying suitable assets for Community Asset Transfer

Community Asset Schedule

The Council has determined that the following categories of asset are potentially available under the CAT programme:

Priority 1	• Sports Pavilions • Playing Fields (excluding school playing fields) and Bowling Greens • Community Centres
Priority 2	• Playgrounds / Play Areas • Free Car Parks • Allotments
Priority 3	• Miscellaneous Assets

It must be noted that not all assets under these categories will be considered as suitable for CAT. Assets will generally not be considered suitable for CAT if the:

- Asset is required for the delivery of essential services;
- Asset generates a net income stream for the Council;
- Asset has future use by the Council, e.g. re-development potential; or
- Asset may be required by the Council to generate capital receipts through its sale on the open market as part of its capital investment programme to help fund projects such as new schools.

Council owned assets suitable for transfer will be regularly updated and identified through the Council's robust asset management planning process which includes regular reviews of our property holdings. Service need for assets, including opportunities for alternative methods of service delivery, will influence our requirement for assets. The potential for assets identified as surplus to our requirements to be transferred to the community will be considered through our Acquisitions and Disposals Strategy.

A 'Community Asset Schedule' will list potentially suitable CAT Priority 1 Assets together with any specific restrictions and will be made publicly available. Not included in this list are those assets which the Council wishes to retain for operational, financial or other purposes.

In compiling the schedule and/or in assessing applications, regard will need to be given by the Council to whether any financial clawback from fund providers may apply. This may be the case if Lottery funds for example include clawback restrictions which may be triggered by an asset transfer.

Applications From Existing Tenants / Users

The Council will consider applications from eligible organisations already in occupation of a BCBC building looking to vary their terms of occupation, for example by increasing the lease term to meet grant funding requirements or formalising licence arrangements. Please note that you will still be required to meet all our application and assessment criteria.

Lease renewals are not usually considered as being CATs for BCBC funding purposes.

General Applications

Eligible organisations looking for a property, but who do not have a specific asset in mind can still submit an Expression of Interest. If we consider the application viable and it meets our Stage 1 criteria we will work with the community group to potentially identify a suitable asset.

In all cases we would strongly advise that the Council's CAT Officer should be contacted in the first instance so that formal discussions can be held at the earliest opportunity.

Some proposals may not require a property agreement e.g. such as transfer of a service, an agency agreement or a sponsorship arrangement. The Council welcomes interest from applicants to provide services whether autonomously or in collaboration with the Council. This Guidance, however, focuses on the transfer of property assets. Any proposals to provide services should be made to the Director of Communities.

Priority of applications

Preference will be given to:

- Community groups already in occupation of a premises (land and/or building).
- Collaborative applications for co-locating community groups including consortia. In such cases, 'umbrella' organisations or partnerships should be considered by applicants.

Where several expressions of interests are received for one building, all live applications will be considered rather than dealing on a "first come first served basis".

8. Framework for considering requests for CATs

The Application Criteria that must be complied with when considering a community asset transfer is detailed at **Appendix 1**. The degree to which the criteria are met, the condition of the asset and the requirements of potential funders will be used to determine the most appropriate type of transfer agreement. A short term lease or licence to occupy or a management agreement may be more appropriate initially as part of a phased or temporary transfer whilst additional capacity and confidence is built.

All applications will be considered in accordance with the Councils CAT framework either the 4 stage process (see Standard CAT Process at **Appendix 2**) or "fast track" process particularly where the asset subject to transfer is in a compliant condition (see "Fast Track" process at **Appendix 3**). The standard 4 stage process will usually be applicable for:

- All complex transfers;
- Assets assessed as uneconomical to repair by the Council; and
- Disposal of surplus assets with potential community interest.

The Council will use a RAG traffic light rating system based upon an assessment of risk associated with a community group and asset / service subject to transfer to make this aspect more transparent as illustrated in the table shown at **Appendix 4**.

All community groups are required to submit an Expression of Interest (EOI) pro-forma that requires basic information relating to the organisation, the asset / service and link to the Council's corporate priorities (see copy of EOI at **Appendix 5**). Community groups are advised to hold informal discussions with the Council's CAT Officer prior to an EOI being prepared and submitted.

The Council will ensure that community groups are provided with appropriate advice and guidance from partner organisations under the CAT Business Support contract, e.g. business planning to facilitate the CAT process.

Central to this process is a requirement for a detailed **Business Plan** or outline **Financial Projections** which are dependent on whether the Council considers applications are suitable under the standard or "fast track process". Illustrations, with guidelines, are provided at **Appendix 6** and **Appendix 7** respectively.

9. Decision processes

The process should be flexible and easy to understand for community groups. The extent and detail of the business case required may vary with the type of assets/services being transferred. Regard will need to be given by the Council to any staff matters such as the Transfer of Undertakings (Protection of Employment) regulations (TUPE), redundancy and management of change issues. Any transfer is also expected to reduce a community groups dependency on Council revenue funding.

The Council's due diligence process should be proportionate to the scale and complexity of the proposal:

- All community groups will be subject to a **Business Diagnostic Assessment** (see Outline at **Appendix 8**) to provide the Council with assurance as regards the capabilities and capacity of a particular community group and that the directors / trustees of the group involved are fully aware of the duties and responsibilities that must be discharged. The Business Diagnostic Assessment will contain mandatory and discretionary recommendations (including compulsory training elements) to assist in the development of community groups and them becoming competent asset holders. The implementation of recommendations will dictate how quickly the transfer can be progressed.
- CAT expressions of interest, business / financial plans and associated funding applications of up to £50K are usually approved by the **CAT Steering Group**. Large or complex CATs may be referred to the **CAT**

Advisory Panel which consists of key public sector organisations in the area and will usually also require the approval of Cabinet particularly where associated funding to support projects is likely to exceed £50K.

- Property transactions will usually require approval under the Council's delegated powers scheme or be referred to the Cabinet.

The CAT officer shall submit the reports with assistance and advice from the Corporate Landlord, Legal Services, Human Resources and Finance, if required.

The CAT Steering Group chaired by the Head of Operations Community Services is responsible for assessing both Stage 1, Stage 2 and associated CAT funding applications and members will include senior officers from the key service directorates. Consultations will be made with the CAT Advisory Panel (complex transfers), Council Members and community groups as required.

The decision will reflect assessment of the detailed criteria outlined at Appendix 1 and other considerations such as:

- BCBC asset requirements - whether the asset required for future service delivery.
- Financial benefits to the Council.
- Whether any financial clawback from fund providers apply.
- Wider benefits to the Council and community.

Where appropriate any final decision rests with the Corporate Director Communities and the Section 151 Officer or by referral to the Cabinet. The Council reserves the right to reject any application but in so doing, shall provide feedback outlining the reasons. Applicants shall be encouraged to re-submit where those elements have been sufficiently addressed.

10. Property and legal considerations

CATs will need to deliver the best disposal option for the Council which will generally by way of leases. Alternatively, a licence to occupy or management agreement may be more appropriate. Freehold transfer will only be considered in exceptional circumstances and require Cabinet approval.

The length of a lease offered will be determined on a case by case basis having regard to the property condition, circumstances of the project, strengths of the applicant, and sustainability of the business case. The maximum duration of a lease term presently available from the Council is 35 years unless specific external funding requires a longer term. As a guide, capital grant funding for improvements will usually require a minimum lease term of 10 years.. Should further funding be identified after the initial lease has been granted, negotiations for an extended lease period may be necessary depending on the funders conditions.

Rent/market values

Community uses do not usually attract commercial revenues. Community groups are often dependent on grant funding and are generally unable to pay market rents/prices for property. By being aligned to Council priorities, the Council's 'return' is therefore based on the social, economic or environmental benefits. The Council, however, needs to justify and record any decision to transfer a property at an undervalue with reference to:

- A valuation of the property to identify any value being forgone.
- The 'General Disposal Consent (Wales) 2003' which enables local authorities to proceed with certain transfers at an undervalue
- State Aid provisions to ensure either none is given or to ensure that it is permitted and the Council is protected.

A **peppercorn** or discounted rent or any other disposal at below market value may well be justifiable but should not be assumed. A decision to grant concessionary terms needs to be justifiable and recorded by the Council's Corporate Landlord. Cabinet approval may be required depending on the circumstances. In determining the rent, consideration will be given to:

- Value of the property.
- The management and running costs of the property.
- Financial position of a community group.
- Extent of benefit to the Council in terms of revenue savings and/or service delivery.

The onus falls on the community group to demonstrate that concessionary terms are needed. This will best be provided by reference to their business plan or financial projections.

Other lease terms/conditions

A lease or licence provides opportunities in terms of self-management and also brings increased health and safety and property statutory compliance responsibilities. A summary of the main indicative core terms to be considered for inclusion in a lease or licence is outlined in summary at **Appendix 9**.

Energy procurement

It is likely that existing energy supplies in the longer term at a property are covered by the Council's central energy procurement contract. This bulk purchase of energy provides a favourable tariff for the Council and a new community group occupier may express a wish to remain on this contract to continue with the tariff. The Council, however, is ultimately liable under the contract for any payment default. The general position therefore should be for the community group to contract separately for its own energy supplies. It is also important that the community groups energy usage does not count for any carbon reduction commitments. Further information may be sought from the Council's Energy Contracts Manager.

11. Handover

During handover the Council will supply, wherever possible, a folder compiled by the Council's Corporate Landlord which will provide:

- Details of all statutory testing and servicing details.
- Fire risk assessment.
- Health and safety information & certificates.
- List of tests generally needed on buildings.
- List of contractors which the Council utilises and are prepared to provide similar services to community groups.
- Details of utility readings .

The Council has a Compliance Officer who will act as the key contact within Corporate Landlord to provide guidance to community groups on technical issues within buildings and to assist occupants to keep premises compliant.

A key priority for community groups is an understanding of and the ability to meet Health and Safety and statutory compliance requirements. Some useful website links are detailed below and support is available from Council Officers should there be any concerns or doubts about what is required regarding compliance.

http://www.hse.gov.uk/voluntary/village-legal.htm

http://www.hse.gov.uk/voluntary/assets/docs/village-hall.pdf

http://www.hse.gov.uk/toolbox/fire.htm

The Council will also supply all keys and any other information required to operate the premises safely.

The handover will take place with the nominated lead officer for the applicants together with the designated person dealing with statutory compliance (if they are different).

12. Ongoing Support and Statutory Compliance

The Corporate Landlord will also advise on and confirm any required landlord consent for any works, alterations or modifications proposed to the premises.

Applicants will be asked to identify a designated individual within the organisation who will have responsibility for the premises and necessary testing and servicing. This individual will be the key contact point for the Corporate Landlord. They will have responsibility for ensuring the premises remains safe and compliant in accordance with any statutory requirements and they will need to be aware of their role and responsibilities.

Applicants will also be asked to provide feedback to the Council on their project in relation to progress, milestones achieved, problems encountered and targets for the future. This would normally be expected on an annual basis but could be more regular if required. It would also be expected that applicants would consent to speak to other potential applicants with a similar project if required to supply advice and suggestions to help their application.

Any request for feedback or information from the Council would be expected to be provided within 21 days unless the request is of an urgent nature.

Any future adaptation or improvement works, over and above routine maintenance works, to premises are likely to require landlord consent. You must speak to the Council before you commence any works. The Corporate Landlord will be able to advise on requirements including the need for any other potential consents – planning, building regulations etc.

13. Community Asset Transfer Support and Contacts

The Council strongly advises that the application and business case is developed with support from a business adviser assigned under the CAT Business Support Contract.

Often community groups taking on a premises (building and/ or land) may require different support through the life of a project. This may start with initial support to establish an organisation through to helping groups develop businesses or establish trading arms, The CAT Business Support Contract is intended to support all stages of a CAT and not just for the initial take-over of premises. By having a one stop shop, applicants or occupiers can refer issues and suggestions to the CAT Officer and ensure they receive the most appropriate support at that time.

A list of resources and relevant links to advice on CAT is attached at **Appendix 10**.

All applicants will be required to identify who the key contact within their community group is for leading on the CAT process. This is to avoid confusion as to whom information and advice is being given to. For the Council the key point of contact is our CAT Officer who can be contacted by email: CAT@bridgend.gov.uk.

Applicants will also be asked to identify the person within each organisation who will have responsibility for ensuring that a premises (building and/ or land) remains compliant with any legal responsibilities and safe for people to use. This may be a different person to the key contact.

Appendix 1 - Application Criteria

a) **The Applicant must be:**

A Community/Town Council or a Community Group, which satisfies the following criteria:

- Legal entity that is incorporated and provides limited liability for the stakeholders involved. This would usually be in the form of a company, society, CIO (Charitable Incorporated Organisation) or CIC (Community Interest Company). It must enable the management/ownership of buildings and provision of services.
- Exist for community/social/environmental benefit.
- Non-profit distributing – any surpluses must be reinvested to further its community benefits/social aims.
- Demonstrate good governance through open and accountable processes, with appropriate financial and audit controls.
- Demonstrate engagement with the community.
- Demonstrate it has the skills and capacity within or available to effectively deliver its services and manage the asset.
- Holds adequate insurance and will be able to comply with statutory health and safety requirements to operate the asset/service.
- Provide services or engage in activities that deliver economic, environmental or social benefits to the community.
- Provide copies of the organisation's Annual Report and accounts if available.
- Strong links with the local community and directly benefit the people of the county borough.
- Benefit as wide and diverse a range of local people as possible and demonstrate an inclusive approach to all members of the community.
- Decision making process influenced by local community.

b) **The Asset**

- A legal interest owned by the Council from which the organisation can demonstrate community benefit.
- The asset is in the freehold/leasehold ownership of the Council.
- Applications for multi-uses and co-location of services should be encouraged.

c) **Proposed Use**

- There is both a need and demand for the proposed activities and consideration is given as to whether or not this is being satisfactorily addressed by another organisation.

- The proposed use will support the delivery of the Council's corporate priorities.
- The proposed use will maximise opportunities for income generation to ensure sustainability.

- The community group has established how much space it requires to deliver its proposals, and how they will make optimum use of the asset.
- The proposed use will deliver extensive and inclusive reach into the community and will be open to all.

d) **Business Plan and Finance**

Community asset transfers considered to be suitable for “fast tracking” under the updated policy will only require income and expenditure projections for a minimum of a 5-year period to be provided to enable a community group to demonstrate an understanding of the associated costs of managing and demonstrating the sustainability of the asset.

However, a robust business plan clearly stating the operation and service provision and financial and organisational capacity of the organisation to deliver the proposed services/activities and manage the asset is critical to the success of any transfer is still required for large or complex projects particularly if the Council asset subject to transfer requires significant investment involving major refurbishment or new build.

Appendix 2 – CAT Standard Process

APPLICATION STAGE	REQUIREMENTS	DECISION MAKER	TARGET TIMESCALES
STAGE 0 Informal pre-application discussion	Before submitting an Expression of Interest, applicants should discuss their proposals with the CAT Officer.	N/A	N/A
STAGE 1 Submit **formal Expression of Interest (EOI)** (Appendix 3) to CAT Officer The Council will provide any relevant asset information available	Outline business case in the form of the EOI to provide: • Details of the organisation • Governance arrangements • Proposed use of asset and benefits • Benefits to community, Community Group and Council • Support from community/partners If the application is supported, the Community Group will be invited to proceed to Stage 2. If the application is not supported a full explanation will be provided.	**CAT Steering Group**	6 weeks from receipt of Expression of Interest
STAGE 2 **Business Diagnostic & Business Plan** Support may be available under the Council's CAT Business Support contract (from our partners Wales Co-operative Centre and Coalfields Regeneration Trust)	Initial assessment of community group by Business Adviser in consultation with CAT Officer to determine capacity / capabilities and inform future needs under Business Support Contract. Report outlining areas requiring action ranked mandatory and discretionary. All mandatory requirements, e.g. attendance at specific training events (governance, duties and responsibilities of directors, etc.) must be completed prior to any transfer being agreed. Detailed Business Plans prepared by Community Group – (see illustration at Appendix 5): • Needs analysis and projected utilisation • Type of transfer sought and why • Planned outcomes and benefits and how they will be measured/monitored • Details of any proposed partnership/collaborative working • Track record for delivering service/managing property • Capacity to manage the asset • 5 year plans for revenue and capital funding – projected income and expenditure including costs of managing and operating the asset • Financial sustainability and forward planning	Business Diagnostic Assessment to be assessed by CAT Officer / CAT Steering Group Business plans to be assessed by Finance Department	Within 4 weeks from Stage 1 Approval Full business plan to be submitted within 12 weeks of Stage 1 approval if possible

APPLICATION STAGE	REQUIREMENTS	DECISION MAKER	TARGET TIMESCALES
STAGE 3: **Full assessment of CAT Proposal including Business Plan**	Report by CAT Officer to **CAT Steering Group** or **CAT Advisory Panel** (complex/larger cases) with a detailed assessment of: • Benefits for community, the Community Group and how they relate to delivering Council priorities • Risks in relation to financial and organisational ability to manage the asset • Potential loss of capital receipt and existing income or other opportunity cost to the Council • Potential for on-going revenue savings for the Council • Proposed terms of transfer and any legal or other issues • Monitoring arrangements as required	**CAT Steering Group and /or CAT Advisory Panel**	6 weeks from receipt of full Business Plan
STAGE 4: Property transaction approval and completion of agreement	Approval via Council Delegated Powers or by Cabinet. Instruct Solicitors Legal completion	**Corporate Director Communities in consultation with s. 151 Officer** **Cabinet** **Head of Legal and Regulatory Services**	8 weeks of Stage 3 approval

Appendix 3 – CAT Fast Track Process

APPLICATION STAGE	REQUIREMENTS	DECISION MAKER	TARGET TIMESCALES
STAGE 0 Informal pre-application discussion	Before submitting an Expression of Interest, applicants are encouraged to discuss their proposals with the CAT Officer.	N/A	N/A
STAGE 1 Submit **formal Expression of Interest (EOI)** (Appendix 3) to CAT Officer The Council will provide any relevant asset information available	EOI to be completed and provide details of: • The organisation • Governance arrangements • Proposed use of asset and benefits • Benefits to community, Community Group and Council • Support from community/partners If the asset is available for transfer and the application is supported, the Community Group will be invited to proceed to Stage 2 and Stage 3. If the application is not supported a full explanation will be provided.	**CAT Steering Group**	4 weeks from receipt of EOI
STAGE 2 **Business Diagnostic & Financial Projections** Support may be available under the Council's CAT Business Support contract (from our partners Wales Co-operative Centre and Coalfields Regeneration Trust)	Initial assessment of community group by Business Adviser in consultation with CAT Officer to determine capacity / capabilities and inform future needs under Business Support Contract. Report outlining areas requiring action ranked mandatory and discretionary. All mandatory requirements, e.g. attendance at specific training events (governance, duties and responsibilities of directors, etc.) must be completed prior to any transfer being agreed. Financial projections for a minimum of 5 years (see illustration at Appendix 6) to be prepared by Community Group with assistance by Business Adviser (if required).	**Business Diagnostic Assessment to be assessed by CAT Officer / CAT Steering Group** **Financial projections to be assessed by Finance Department and CAT Steering Group**	Within 4 weeks from Stage 1 Approval Financial projections to be submitted within 6 weeks of Stage 1 approval if possible

APPLICATION STAGE	REQUIREMENTS	DECISION MAKER	TARGET TIMESCALES
STAGE 3: **Assessment of CAT Proposal** including any financial assistance, e.g. grants to support CAT	Report by CAT Officer to **CAT Steering Group** with an assessment of: • Benefits for community, the Community Group and how they relate to delivering Council priorities • Risks in relation to financial and organisational ability to manage the asset • Potential loss of capital receipt and existing income or other opportunity cost to the Council • Potential for on-going revenue savings for the Council • Proposed terms of transfer and any legal or other issues • Monitoring arrangements as required	**CAT Steering Group**	4 weeks from receipt of Financial Projections
STAGE 4: Property transaction approval and completion of agreement	Approval via Council Delegated Powers or by Cabinet. Instruct Solicitors Legal completion	**Corporate Director Communities in consultation with s. 151 Officer** **Cabinet** **Head of Legal and Regulatory Services**	8 weeks of Stage 3 approval

Appendix 4

RISK BASED MODEL

ASSET	ORGANISATION 1	2	3	4	5
A					
B					
C					
D					
E					

Organisation

Rating	Description
1	Established group with acceptable historic accounts and evidence of the required funding for the venture Correctly constituted legal entity with relevant knowledge and skills Experience of managing a facility and understands the requirements and legal undertaking Has a good and active relationship with the relevant sports organisation etc Experience of delivering in the community Proposed project is feasible and good fit with community need.
2	Established group with evidence of the required funding for the venture Correctly constituted legal entity with relevant knowledge and skills Some experience of managing a facility and understanding of the requirements and legal undertaking Working relationship with the relevant sports organisation etc Some experience of delivering in the community Proposed project is feasible and good fit with community need.
3	Recently formed group with evidence of the required funding for the venture Correctly constituted legal entity with some knowledge and skills Limited experience of managing a facility but some understanding of the requirements and legal undertaking Working relationship with the relevant sports organisation etc Limited experience of delivering in the community Proposed project is feasible and good fit with community need.
4	Newly formed group with some funding for the venture Correctly constituted legal entity with some knowledge and skills Limitied experience of managing a facility and understand the requirements and legal undertaking Working relationship with the relevant sports organisation etc Limited or no experience of delivering in the community Some concerns of project feasibility and/or fit with community need.
5	Newly formed group No historic accounts or funding Not correctly constituted legal entity Limited knowledge and skills Poor relationship with relevant sports organisation etc No experience of delivering in the community Questions over project feasibility / poor fit with community need

Asset - assumes building on site

Rating	Description	Likely Condition Grade
A	Building in good condition - newly built or recent full refurbishment. Fully compliant. No management issues. No major expenditure anticipated during lease term other than usual planned maintenance. Condition Grade likely to be a Grade A with limited Priority 2 and 3 costs	Grade A
B	Building in reasonable condition Fully compliant. No management issues. No major expenditure required other than usual planned maintenance. Condition Grade likely to be a Grade B with some Priority 1, 2 & 3 costs	Grade B
C	Building in fair condition. No major issues affecting day to day running but may need significant expenduture during lease term. Condition Grade likely to be a Grade B or possible Grade C with significant Priority 1, 2 & 3 costs	Grade B/C
D	Building in poor condition but complaint. Safe but life may be limited or significant expenditure required during standard lease term. HOT's to take into account expected remaining life if applicable. Condition Grade likely to be a Grade C with high Priority 1, 2 & 3 costs	Grade C
E	Building in very poor condition. Not complaint and potentially unsafe. Closure (and demolition) to be considered or Major Refurbishment / New Build Required	Grade D

Key

Red	A problem needs serious attention and action	Amber Yellow	Not complete, in progress, additional action required	Green	On track, in progress and complete to plan, no issues

Appendix 5 – Expression of Interest (EOI) Template

Community Asset Transfer – Stage 1 Expression of Interest

Before submitting an application applicants are encouraged to discuss their options, suitability and the scope of community asset transfer with the CAT Officer. These informal discussions will help to prepare for the process of making a formal application for transfer.

The Council recognises that developing the business case and preparing an application for community asset transfer can be both time consuming and resource intensive for applicants. **Stage 1** of the application process has therefore been designed to assess whether any potential application will meet the Council's suitability criteria. The Council will not be able to process the application unless all the information relevant to the asset transfer is received. It is simple to complete and should avoid spending time and valuable resources on an application that is unlikely to be approved. Applicants that meet the Council's suitability criteria will be invited to complete a more detailed **Stage 2 application.**

1. Please provide details of the organisation making the application

Name of Organisation:	
Address of Organisation	
Applicant Name:	
Position:	
Telephone Number:	
Email Address	
Date:	

2. Type of organisation

What type of organisation are you e.g. registered charity?	
Do you have a formal constitution, governance document or set of rules?	Give charity number Give company registration number

3. What is the structure and purpose of your voluntary or community organisation?

Management Committee

How many people are involved in your organisation?	Full Time Employees	
	Part Time Employees	
	Volunteers	
When was the organisation established?		
What is the purpose and main activities of your organisation?		
Does your organisation have experience of managing an asset? If yes please provide details If you have projections of income and expenditure at this stage, give further details.		

4. Please tell us about the asset (land or buildings) you are interested in?

Name and address of asset	
If this is a speculative application please provide details of the type of asset and location required	
Type of transfer you are interested in.	

5. Please tell us about the proposed use of the asset

(please continue on a separate sheet if required but no more than one side of A4)

What do you want the asset for?	
What benefits will this bring to the organisation, the local community and the Council?	

6. Please tell us about any partners, collaborators and stakeholders

If you are proposing any arrangements with public sector or other third sector partners please provide details	Please enclose a letter of support from any other joint user

7. Give details as to how your proposals link with the Council's priorities

See paragraphs 4 and 6.2	

Please return the completed form to:

Community Asset Transfer Officer
Communities Directorate
Bridgend County Borough Council
Civic Offices
Angel Street
Bridgend
CF31 4WB

Telephone: (01656) 643643

Email: CAT@bridgend.gov.uk

Appendix 6 - Detailed Business Plan Illustration

Executive summary

1. Our project

- About ANOther Community Organisation
- Our values and the mission of our organisation
- The aims and objectives of our community project

2. The market

- About our community
- Existing & target markets
- Results of community consultations
- Knowledge of other existing community services & facilities
- Opportunities to build partnerships

3. Business growth and development

- A review of our organisation (SWOT Analysis)
- Our business development strategy
    - Phase 1 – Project design (Year 0)
    - Phase 2 – Centre development (Years 1 - 3)
    - Phase 3 – Centre expansion (Years 4 & 5)

4. Centre management

- Our management team/committee – skills/capabilities
- Staffing and the role of community volunteers
- Development of community activities
- Service delivery & programming
- Policies & procedures
- Day-to-day operations

5. Centre development

- Current facilities
- Potential opportunities for refurbishment & expansion

6. Marketing plan

- Building our profile
- Promoting our services

7. Financial plan (property asset)

- Five year income & expenditure (cashflow projection)- see Appendix 4. Provide evidence to support projections and state assumptions
- Income generation (sales forecasts)

- Fundraising strategy

8. Risk analysis

- Risk log
- Plan for minimising risks

Appendices:

Appendix1: Community Consultation and Engagement Plan

Appendix 2: Desk top survey of other community facilities

Appendix 3: SWOT Analysis of ANOther Community Organisation

Appendix 7 – Financial Projections Illustration

		Phase 1	Phase 2			Phase 3	
Note:	**Income**	**Current**	**Yr 1**	**Yr 2**	**Yr 3**	**Yr 4**	**Yr 5**
1	Local Authority 'start-up' grant						
2	Other grant aid						
3	Rent & room hire						
	Large Hall						
	Small Hall						
	Multi Use Games Area (MUGA)						
4	Other income						
	Vending Machines						
	Café & Shop Sales						
	Other						
5	Volunteer time in kind						
6	Own fundraising						
	Total	£	£	£	£	£	£
	Expenditure	**Current**	**Yr 1**	**Yr 2**	**Yr 3**	**Yr 4**	**Yr 5**
7	Staff salaries & on-costs						
	Centre Manager						
	Caretaker						
	Cleaner(s)						
	Volunteer time in kind						
8	Staff & volunteer training & dev't						
9	Caretaking / cleaning costs						
	Cleaning materials						
	Refuse collection						
	Security						
10	Utilities						
	Water						
	Electricity						
	Gas						
11	Rates						
12	Repairs and maintenance						
13	Transport & travel						
14	Centre Supplies						
	Tools & materials						
	Equipment hire						
	Office furniture & IT						
	Medical, clothing & PPE						
	Telephones						
	Internet						
15	Centre promotion						
	Printing & publicity material						
	Advertising						
16	Vending machine rental & supplies						
17	Insurances & professional fees						
	Property insurance						
	Public liability insurance						
	Performing rights soc. fees						
	Accountancy fees						
	Legal fees						
	Architects fees						
	Consultancy fees						
18	Other - sundries & miscellaneous						
	Total	£	£	£	£	£	£
		Surplus (deficit)	£	£	£	£	£
					Accumulated reserves		£

Appendix 8 - Business Diagnostic Assessment Outline

Due diligence of the group and its business case commences where the CAT Officer / Business Adviser will work with the community group to undertake a Business Diagnostic Assessment of the following:

a) **Capacity of the organisation** – will review their governance, legal structure, powers within their constitution as an organisation identifying if the proposed project is in line with the directors / trustees responsibility and capability. The group will also be asked to provide key policies and procedures such as Equality policy, Safeguarding policy, Environmental policy, financial management procedures, insurance etc. Where areas for development are identified groups will be signposted to organisations such as Wales Co-op, Coalfields Regeneration Trust and BAVO for additional support and training, which can include support with Business plans, funding, and governance. A level of common sense and relativity is being adopted when appraising applications to ensure that the process does not become a barrier or restriction to enable groups to progress forward and support will be provided where possible.

b) **Skills and capacity of the group** – groups will be asked for pen profiles of its directors / trustees and a brief outline of what skills and experience they will bring to the organisation. Groups will be encouraged to develop role descriptions and a structure to understand how the facility will be managed, procedures surrounding this and outline how conflict will be managed. Additionally some groups (especially where there is 1 leader or an ageing committee) will be asked to develop a succession plan. Community groups / sports clubs will be asked to undertake a skills audit of their committees and implement training or mentoring in areas where there are skills deficits/gaps.

c) **Business and financial case** – The group is presently expected to submit a 5 year business and financial plan for review. This will identify how viable the scheme is and gives the case officer the opportunity to challenge and question some of the assumptions made to inform cash flow projections. The CAT Officer will present the case to CAT Steering Group and / or CAT Advisory Group (complex transfers).

Going forward it is suggested that the CAT Officer / Business Adviser will complete an application assessment matrix which scores an organisation on the following criteria:

i. Applicant organisations capacity – skills of committee, how it's governed and what processes and procedures are in place to ensure good practice is adopted
ii. The business case and proposal for the asset
iii. Community and partnership impact – looking at needs analysis
iv. Suitability of the asset
v. Financial case and assumptions
vi. Capacity to manage the asset (operational)

The Business Diagnostic will also result in (where required) mandatory and discretionary recommendations (including compulsory training elements) to assist the development of community groups and them becoming competent asset holders.

Appendix 9 - Sample Lease/ Licence Terms

Term – the length of the lease or licence will be dependent on the circumstances and funding stream. 20-30 years is generally suitable for a community group to obtain capital funding. Note however that Big Lottery Fund's CAT programme requires minimum 99 year lease. Transitional tenure arrangements may be required until a community group is able to proceed on a longer basis. In such cases a short term licence, management agreement or lease up to 2-3 years may suffice.

Rent – a concessionary or peppercorn rent or licence fee depending on the asset and applicant's financial circumstances see Guidance above.

Repairs – the community group will usually be responsible for all repairs and maintenance and compliance with health and safety law. Variations to this will be considered on their merits.

Running costs - the community group will be responsible for all running costs of the asset.

Assignment – will not be permitted in view of any concessionary terms granted. The right to hire space will be given provided no exclusive rights are given to users.

Insurance – for both long term and short term leases, the Council will insure and recharge the premium to the tenant. All tenants should insure for contents and public liability.

Use – use of the premises will be restricted in line with the community aims of the community group.

Application of income – all income must be reinvested by the community groupin the running of the facility. The Council reserves the right to review the rent if income is not applied in this way.

Insolvency – if the event that the the community group becomes insolvent, the Council will have the right to determine the lease/licence/ management agreement..

Professional costs – each party to bear their own costs incurred in the lease/licence/management agreement process.

Other – the lease/ licence/management agreement will contain such other terms as are usually contained is such documents as required by the Council's Head of Legal Services.

PLEASE NOTE that the above lease/licence/management agreement terms are indicative core terms only. Additional terms may be relevant given the specific nature of the individual property asset. In addition, a set of detailed Heads of Terms will be issued to the community group once its application for the asset transfer has been approved by the Council.

Appendix 10 - List of Resources and Contacts

Community Asset Transfer Resources

Community Asset Transfers in Wales – A Best Practice Guide - Welsh Government
https://gov.wales/sites/default/files/publications/2019-10/cat%20guide.pdf

Development Trust Association Wales – Asset Development Portal
http://assetsportal.dtawales.org.uk/resources/

Locality
http://locality.org.uk/

Planning Aid Wales
http://www.planningaidwales.org.uk/

My Community Space
http://www.mycommunityspace.org.uk/

Support Organisations - General

Bridgend Association of Voluntary Organisations (BAVO)
https://www.bavo.org.uk/
(01656) 810400

Coalfields Regeneration Trust
https://www.coalfields-regen.org.uk/
(01443) 404455

The Wales Co-operative Centre
www.walescooperative.org
(02920) 807103

Wales Council for Voluntary Action
http://www.wcva.org.uk/home
0800 2888329

Support Organisations – Specific

FAW Trust
www.welshfootballtrust.org.uk
Laura Easton - leaston@fawtrust.cymru - (01633) 282 911

Welsh Rugby Union
https://www.wru.co.uk/
John Howells – jhowells@wru.wales - 07786255397

Cricket Wales
http://www.cricketwales.org.uk/
Mark White - Mark.white@cricketwales.org.uk - 07890693719