

# SOLIHULL MBC COMMUNITY ASSET TRANSFER POLICY

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## **1. PURPOSE OF THE POLICY**

This policy describes Solihull Council's approach to Community Asset Transfer (CAT) and aims to create a transparent, positive and proactive framework to enable community asset transfer to happen and be successful in the long-term.

The Council recognises that CAT assists empowering local people and Voluntary and Community Sector (VCS) organisations to take responsibility for the future of their neighbourhoods, and build strong and cohesive communities by adding to a sense of belonging by bringing people together from diverse backgrounds.

Furthermore, community ownership or management of buildings can also play a significant part in raising local communities' aspirations, in enhancing the local (built) environment and assist in tackling issues around poverty and deprivation.

### **1.1 Benefits to the local community:**

CAT offers local community groups potentially significant opportunities to acquire their own assets and facilities and increase their confidence, independence, capacity and sustainability to deliver valuable services to local people.

It can also play an important part in the regeneration of local communities and act as a catalyst for social, environmental and economic regeneration (including the development of community and social enterprises).

Changing ownership or management may also offer opportunities to extend the use of a building or a piece of land, thereby increasing its contribution in relation to the number of people benefiting from the range of opportunities it offers.

### **1.2 Benefits to Solihull Council:**

The voluntary and community activities that are stimulated or safeguarded by CAT will contribute to Council objectives to achieve its outcomes set out in key place shaping strategies, including: the Sustainable Community Strategy; the Corporate Asset Management Plan; the Local Development Framework; North Solihull Regeneration and Solihull Compact and Codes of Practice.

CAT also provides opportunities to make financial savings by releasing surplus property where available, and assisting the Council to rationalise its asset base, in support of the Council's commitment to delivering improved services and better community outcomes to local residents through its asset management planning policies and practices.

It may also provide the ability to lever in additional resources through VCS organisations (external funding) to invest in the an asset and benefit the local community, which would be unavailable to Solihull Council acting independently.

CAT can be a stimulus for partnership working between Voluntary and Community Organisations (VCOs), the Council and other partners and can improve the provision and accountability of services within communities

### **1.3 Benefits to the VCOs:**

Transferring of a potential asset to a VCO creates security of tenure to potentially generate finance, recognition, and management capacity – assisting with its sustainability.

It may also provide the ability to lever in additional resources (external funding) to either invest in the asset or provide revenue support to grow organisational capacity.

## **2. NATIONAL POLICY CONTEXT**

Until 2010 much of the policy environment for asset transfer had been underpinned by the last Labour Government's vision for 'Sustainable Communities' and empowerment.

Amongst the most important policy documents was the 2007 publication 'Making Assets Work: The Quirk Review of community management and ownership of public assets'. Having considered the opportunities, risks and multiple benefits, the Quirk review concluded strongly in favour of local ownership and management of public assets, a position which was subsequently supported by the then Government through a number of new initiatives, including the establishment of the Asset Transfer Unit.

The Empowering Communities White Paper of 2008 "Communities in Control – Real People / Real Power" further cemented the government's commitment to double devolution - taking power from Whitehall through Local Authorities and directly to Communities. This places control of local areas more within the hands of local people, so it is only fitting that the Quirk Review focuses on placing buildings in the control of the community.

The current government's drive for the 'Big Society' through the implementation of the Localism Act, particularly the sections on Community Right to Buy, Community Right to Bid and Community Right to Challenge all confirm the continued support for CAT approaches to be adopted by local authorities.

## **3. LOCAL POLICY CONTEXT AND LINKS TO OTHER COUNCIL STRATEGIES**

Any CAT proposals need to be considered in the context of the Council's key aims and objectives as set out in the following policy documents:

- The Sustainable Community Strategy for Solihull
- The Council Plan;
- The Local Development Framework;
- The Solihull Compact Plus and the Codes of Practice;
- The Corporate Asset Management Plan;

#### 4. PRINCIPLES AND CRITERIA

The decision to transfer an asset will not be considered as setting a precedent. Each potential community asset transfer will be judged on its own merits and the detail of the transfer arrangements will be arrived at through a clear business plan and individual negotiation.

In assessing proposals for a CAT, the Council will consider the relative benefits and risks of a comprehensive option appraisal in order to arrive at its decision, which will include:

- Doing nothing/maintaining the status quo
- Capital and/or revenue gains from a commercial transaction on the open market
- The benefits generated by the transfer of the asset to a VCO under the CAT policy

The principles and criteria against which prospective transfers will be taken forward are as follows:

- Any proposed asset transfer must support the aims and priorities of the Council
- Assets considered have to have been declared surplus to requirements.
- VCOs will need to be incorporated, constituted for social benefit and within their legal /governance structure demonstrate an 'asset lock' provision to ensure that the asset is retained for community benefit.
- CATs will normally be made on a long – leasehold basis
- VCOs will need to evidence community support for their proposals, provide a robust business plan in support of the transfer and demonstrate a high level of organisational capacity (relevant to the scale and scope of the asset and enterprise.) (NB the Council recognises that organisations may be able to develop this organisational capacity and will be given the opportunity to do so if commitment and potential can be demonstrated).
- Levels of support will be set on a case by case basis based on the nature of the property, a robust assessment of the VCOs business plan and the extent of community benefits to be derived.
- CAT recipients will be expected to produce a statement of community benefits on a 6 monthly or annual basis through a flexible/negotiable outcomes based Service Level Agreement.
- The Council, this could be through the local Infrastructure Support Services organisation, will provide ongoing in-kind organisational support to the VCO post transfer (subject to resources) and recognises that the partnership extends beyond the point of transfer.

- Where there are a number of interested parties in an asset that has been identified for potential transfer, the Council will aim to encourage collaboration or formalised partnership agreement between the parties involved. However, when this is not possible a competitive process will be used to decide the outcome and the successful organisation will become the Council's preferred partner in the transfer process.

Assets transfers to VCOs will aim to create the widest public value and benefits which will be determined by:

- What community benefits will be realised by the transfer;
- How the interests of local people will be better served, including community involvement and capacity building of community members;
- The capacity and capability of VCOs.
- The business plans and financial viability of the VCOs plans and proposals for the premises;
- The potential contribution any CAT will make to Council's social, environmental, and economic regeneration plans for the borough.

## 5. APPLICATION PROCESS

### 5.1 Business Case

The business case made to the Council by the VCO is the most important document to inform the decision about whether to proceed with the transfer and at a minimum must contain the following:

<b>Business Plan Element</b>	<b>Detail</b>
Summary	Who the VCO is, what it currently does /services it provides, what it proposes to do with the asset and how it intends to use it
About the Organisation	Track record, current plans, partnerships and people, governance, legal structure
Summary of Project	Project Objectives Proposed programme for delivery Proposed impact/benefits of the project (including wider social ones) Proposals for management and operation of the asset (staff, volunteers) and the capital construction phase when relevant

<b>Business Plan Element</b>	<b>Detail</b>
Market	<p>Need – what local needs will the project be responding to (who will be the beneficiaries)?</p> <p>How many will benefit within a year (e.g. community groups, local people)?</p> <p>Supply – who else is delivering similar activities in the same area? Is there potential for collaboration, formalised partnership or merger or competition and how will you respond to this?</p> <p>Demand – who will purchase the services/products that you provide?</p> <p>Pricing – what is the rationale for pricing (for services, renting space etc)?</p>
Promotion	<p>What is the VCO's marketing strategy? What methods will it choose (online, direct to customer etc) and who will you target? Who will do it (in house or external)?</p>
Resources	<p>Financial projections</p> <p>Should include cashflow for first year</p> <p>Should include budget (3 – 5+ years ?</p> <p>Should include examination of profit and loss and capital expenditure (if capital is required to redevelop the building sources secured or identified should be stated)</p> <p>Explanatory notes – explaining rational for projections and assumptions made. This should include assumptions about timings and level of commitment for both income and expenditure</p>
Risk Assessment /management /mitigation	<p>Identification of the different risks associated with the project and a description of the implications of those risks occurring. Risks should be evaluated in two ways – the likelihood that the risk item will occur and the level of impact if the risk item does occur. A description of what the organisations strategy will be to prevent the risk items from occurring, or coping with them if they do, should also be provided</p>

The organisation will also be expected to submit copies of governing documents, any evidence of external advice provided, expressions of support from partners/customers, copies of accounts (where available).

## 5.2 Key stages and indicative timescales flowchart

