



Building Powerful Communities Through Community Asset Transfer

A guide for councillors



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About this guide

We know that councils are under huge pressure, as budgets get tighter and demand for services rises. Many are seeking savings and raising revenue by selling off assets to the private sector, or else leaving much-loved local amenities to fall into disrepair.

We think this is the wrong approach. Not only does it mean that important local buildings are lost to the public forever, selling off public assets can only ever offer the briefest of respites from the pressures that local authorities face.

Rather than seeking short-term profits, we believe that councils can create long-term social value through Community Asset Transfer (CAT).

Community Asset Transfer can unlock financial savings and local innovation, enabling community action and supporting resident-led solutions. It can be a genuine route for devolution of control and resources to neighbourhoods, giving people a stake in shaping local development and the local economy.

This guide shows how CAT can support your priorities for your community and the essential role of councillors in making CAT a success.

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What is community asset ownership?

Community assets are land or buildings that have current or future potential use for community value. They can be brought into community ownership through a number of routes, and can involve different organisational structures and terms of ownership.

Thousands of buildings and spaces across the country are in community ownership, including sports facilities, shops, cafes, cinemas, housing, car parks, community centres, health centres, nurseries, and wind turbines, as well as brownfield land which has potential for development for community use.

A range of organisational models can be used for community ownership. For example, residents might establish a Community Benefit Society to take ownership of a community asset, with charitable objects and an asset lock preventing profit for private gain. Or a Community Land Trust might be established to take over land to pursue community-led development, protected for the community in perpetuity.

These organisations should be accountable to the community, often through governance structures which secure local involvement and community engagement. Often they have a charitable purpose to secure long-term social value for the community.

The terms of community ownership vary. A freehold, 99+ year leases, or long leases of at least 25 years on unrestricted terms are the most secure forms of ownership. These terms provide genuine community control, and allow community organisations to take decisions over the use of the assets for community benefit, and use the property as leverage for additional external funding.

Community asset ownership isn't new – there is a long and rich history going back centuries of communities owning land and buildings.¹

There are two main policy frameworks that support community ownership of assets – Community Asset Transfer (CAT) and the Community Right to Bid. It should be noted that these are two different policies, which have different implications and drivers.

Community Asset Transfer (CAT)

CAT is the transfer of management and/or ownership of public land and buildings from its owner (usually a local authority) to a community organisation for 'less than best consideration' – ie less than the highest obtainable or estimated market value. This discount is based upon a presumption of long-term local social, economic or environmental benefit.

In order to be transparent and consistent about CAT decisions, a council should have a CAT policy in place to outline roles, expectations and processes. This guide provides key information about developing CAT policy.

¹ Wyler, S. 2009. 'A short history of community asset ownership.' Development Trust Association. Available at: <http://locality.org.uk/resources/history-community-asset-ownership/>

How does CAT differ from the 'Community Right to Bid'?

Community Asset Transfer is sometimes confused with the Community Right to Bid, introduced through the Localism Act 2011. Although they share some of the same objectives, the crucial differences are:

- CAT is the transfer of ownership or management of publicly-owned assets, whereas the Community Right to Bid applies to some public and some privately-owned assets.
- CAT is the transfer of management or ownership at less than market value. Community Right to Bid gives a defined window of opportunity for a community group to compete to buy an asset on the open market.
- CAT is a voluntary process entered into proactively by public bodies. The Community Right to Bid is a pre-emptive legal right pertaining to communities.

Community asset management and meanwhile uses

There are other community management options of both public and privately-owned assets that don't involve full ownership, such as 'meanwhile use' or short leases and licenses. These models are not the same as a Community Asset Transfer.

The balance of power in these cases remains with the freeholder and provides no legal rights of tenure, but it can be important as part of a pathway towards full ownership and can allow communities to bring empty buildings into immediate community use.

Spurred on by recent policy developments, there is great ambition and demand for community ownership

Yet, at a time of squeezed public sector budgets, the opportunities that could be unlocked through CAT have to be weighed against financial considerations by councils.

Through private sale, councils can retain capital receipts and use these to fund service transformation activity. But selling an asset on the open-market means that the council is unable to guarantee its future use. This may well mean that the value to the community is lost forever. So-called 'fire sales' of public assets to the private sector can also lead to land-banking and empty, boarded-up properties, precipitating a spiral of decline for communities.

CAT is a route through which councils can work with the community to transform services, maximise local value and minimise public sector cost. Community buildings and spaces can be protected for community benefit, for the long term.

The importance of community ownership was a key finding of the recent 'People Power' report from the Commission on the Future of Localism, chaired by Lord Kerslake and convened by Locality in association with Power to Change. The Commission found CAT can be a key vehicle for community control, resetting the power balance between citizen and state, and putting people at the heart of the decisions that affect them locally.²

² Locality. 2018. 'People Power: report of the Commission on the Future of Localism.' Locality and Power to Change. Available at: <http://locality.org.uk/wp-content/uploads/LOCALITY-LOCALISM-FULL-ONLINE-REPORT.pdf>

What can Community Asset Transfer achieve for your community?

CAT can be a long and complex process. It requires commitment and support from councils and ambition and capacity in communities. Some projects will start with the best of intentions, but prove not to be viable. Yet, when done well and properly supported, there are a multitude of benefits which can be unlocked.



A vibrant local economy

Community-owned buildings can support a thriving network of local enterprises, by providing low-rents to tenant organisations³ and can lead to more training and job opportunities for local people.⁴ This is particularly powerful in areas of multiple disadvantage which have experienced withdrawal of private sector investment.

For example, analysis of 10 community organisations found they had collectively enabled approximately 1,400 jobs and contributed £120m of gross value added to the local economy through their tenant organisations⁵

³ CRESR. 2016. 'Community-led approaches to reducing poverty in neighbourhoods.' CRESR and JRF. Available at: <https://www4.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/community-led-approaches-to-reducing-poverty-in-neighbourhoods.pdf>

⁴ Aiken, M., Cairns, B., Taylor, M., and Moran, R. (2011) Community organisations controlling assets: a better understanding. York: Joseph Rowntree Foundation.

⁵ Locality. 2017. 'Powerful Communities Strong Economies.' Locality. Available at: <http://locality.org.uk/resources/powerful-communities-strong-economies-report/>



Protecting valued local spaces

Community Asset Transfer can protect cherished local assets that might otherwise fall into disrepair. These places can be a key source of civic pride, embodying the power of local activism and civic engagement.

Community owners are also often able to access external funding to develop assets which public owners would not be able to, such as from foundation trusts, leveraging new resources into the local area.



Maintaining local services and maximising social value

Transferring an asset with an associated service, for example a library or leisure service, to community ownership in order to protect the service from closure can be a key motivation for councils to consider CAT options. The added social value that can be achieved through CAT should be a key consideration of possible service transfers.⁶



Strong and sustainable community organisations

Community asset ownership can help support a sustainable and thriving local civil society. In a context of reductions in grant funding,⁷ for example, asset ownership can increase financial resilience and provide a physical base for local services and community activities.

Indeed, the organisations which have best adapted to the impact of the recession have owned assets.⁸ Community asset ownership is also shown to have improved governance and financial management skills.⁹

⁶ NCVO, 2016. 'Navigating Change: An analysis of financial trends for small and medium-sized charities.' NCVO and LBF. Available at: <http://bit.ly/1Q904nl>

⁷ NCVO, Locality, SCC, IoF, NAVCA and CFG, 2015. 'A Financial Sustainability Review'. NCVO. Available at: <http://bit.ly/1M18b18>

⁸ Locality, 2016. 'Places and Spaces: the future of community ownership.' Available at: <http://locality.org.uk/wp-content/uploads/Locality-Places-and-spaces-report-final.pdf>

⁹ *ibid*



Effective local partnerships with citizens, communities and the public sector

Community asset ownership can strengthen the relationship and support a common vision between the community and the public sector. A survey of councils found that 75% reported more effective community engagement as a result of CAT.¹⁰



Bringing places together

Community-owned spaces are the heart of community, where local people come together, access vital services and amenities and support each other. They provide a basis for community networks, attachment and belonging, and can support the community to address local challenges and leverage volunteer capacity and local creativity.

¹⁰ *ibid*

Bramley Baths, Leeds: partnership between council and community delivers thriving local service



Bramley Baths is the only remaining Edwardian bath-house in Leeds and is Grade II listed. In 2011 Leeds City Council (LCC) announced a reduction in opening hours and possible closure of the Baths, because of cuts to the council's sports budget.

A public meeting was organised by local residents, and the Friends of Bramley Baths group was established. LCC agreed that community organisations could apply to take over the lease of Bramley Baths through a Community Asset Transfer (CAT) scheme, and Friends of Bramley Baths was invited to submit a proposal.

LCC supported the writing of the business plan and many meetings were required to ensure that any issues, queries or concerns were talked through and resolved. The council agreed to increase the length of the proposed lease from 5 to 25 years to ensure funding and insurance could be obtained.

In late 2012, Bramley Baths and Community Limited was established as an Industrial Provident Society, a not-for-profit with

social aims run for the benefit of the community. The asset was transferred to the organisation on 20 December 2012 and the Baths opened its doors under this new management on 1 January 2013.

Since transferring to community ownership the Baths has thrived: it now employs 38 staff, and is open seven days a week with over 2000 visits each week. Opening hours have doubled since 2011, and the number of children taught to swim each week has increased from 950 to 1700. In 2016/17, the organisation reported a surplus of £63k.

Community participation and engagement, alongside diversity and inclusion, have been key to the success of the Baths. From babies who are six weeks' old to members in their 90's, it really is a cradle to grave organisation. Prices remain affordable ensuring that cost is not a barrier to exercise and everything is done to ensure that underrepresented and marginalised groups are able to access the facilities. For example, children with down syndrome have tailored swimming sessions and transgender and non-binary adults have a safe space to exercise. The Baths also run a lifeguard training programme for young people in the local area to develop local job opportunities.

In 2017 LCC issued Bramley Baths and Community Limited with a new lease for 50 years. This decision was in part due to their ability to demonstrate financial sustainability, and the council have recognised that the longer lease will enable the organisation to secure future funding applications for large capital refurbishments.

Hebden Bridge Town Hall, Calderdale: a centre of resilience in difficult times



When the River Calder burst its banks on Boxing Day 2015, Hebden Bridge was left six feet under water. After the floods hit, community-owned Hebden Bridge Town Hall opened its doors to become the flood support centre. Working with Calderdale Council, the Environment Agency and hundreds of volunteers, Hebden Bridge Town Hall became the heart of the flood relief operation.

As Amy Harbour, who was the Director of Hebden Bridge Community Association at the time, explained: “We opened the doors to the Town Hall on 27 December so that the local community could come somewhere dry and have a hot drink... Within four hours of opening we were a hub for cleaning items, a food bank, a place for people to fill out grant applications, a mobile phone charging point, free wifi provider...”

This incredible source of resilience at a time of crisis was made possible by Hebden Bridge Community Association, who secured the transfer of the asset from the local authority to community ownership in 2010. After two years of securing large capital investment and building works, they opened a new extension and revitalised the town hall itself, which saved a barely-used building at risk of falling into disrepair.

The ‘old town hall’ remains home to both the local authority and local town council as anchor tenants. The new state-of-the-art centre is home to vibrant community parties, events and festivals; a dynamic café with beautiful courtyard by the river; as well as conferencing and business units for creative enterprises. The town hall is now back at the centre of the town’s civic life.

Supporting Community Asset Transfer in your community

1. Securing high-level support and understanding across the council
2. Embedding an effective CAT policy
3. Supporting community capacity
4. Building trusting relationships

1 Securing high-level support and understanding across the council

For many councils, community ownership requires a fundamental change in culture and approach. This means local authorities are no longer necessarily directly delivering but are acting more as convenors and facilitators, creating the environment where local initiatives can thrive.

CAT requires strong local authority leadership and support, but for this to manifest itself in a different way. Councils need to 'let go' and support communities to 'step up'. The support of senior council members who understand this balance is therefore a crucial component of successful CAT.

We recommend executive responsibility for community assets should be given to a council cabinet member – perhaps within the neighbourhoods and communities brief – to give cabinet-level prominence to community ownership.

This position would be a key point of contact for the community and brokerage within the council and other public agencies, and would be responsible for driving forward the adoption of a CAT policy across the council and with other stakeholders.

We also recommend a senior officer lead within the council, with responsibility for oversight of the CAT policy and for briefing council members.

2 Embedding an effective CAT policy

Having a clear and consistent CAT policy in place, with clearly defined roles and responsibilities, is crucial to the success of CAT. This should be strategically adopted and embedded within the culture of council decision-making.

Inconsistency of decision-making around CAT can lead to wasted resources, mistrust and a breakdown of communication between the community and the council. A coherent CAT policy will prevent decisions being perceived as piecemeal, opaque or unfair.

Why develop a CAT policy?

- Demonstrate the council's commitment to community ownership.
- Coordinate and align support within the council and ensure consistency of understanding between council departments and councillors.
- Ensure transparency, fairness and consistency in how decisions are made, and how communities can expect their case for community ownership to be considered.
- Help groups understand the viability of their projects, and signpost support and information about what to expect.

Key stakeholders in designing a CAT policy

Councillors: A CAT policy should not be an isolated or standalone policy, it should have support across the council, and be representative of common aims and a consistent corporate vision. Councillors have a key role in design to align CAT with other local agendas and priorities, to achieve the maximum benefit from the public estate locally.

Councillors are key to instigating the initial development of a CAT policy, by putting it on the council agenda, and by securing support for a strategic approach to CAT from the leader and the CEO of the council.

Cross departmental commitment: Designing a CAT policy should be an opportunity to bring together teams from across the council – including, finance, planning, property, legal, risk management, commissioning and community development and neighbourhood teams. It should also involve partners from other public agencies, where possible, such as the clinical commissioning group (CCG).

Community stakeholders: Designing a CAT policy should include groups involved in CAT, and local infrastructure or support organisations.

Councillors have an important role in connecting community stakeholders into this process, as well as in helping them to understand and navigate multiple council departments.

What should be included in a CAT policy?

There is no ‘one-size-fits all’ approach to a CAT policy and it needs to work with the local context. It is important to note that having a CAT policy in place will not necessarily lead to a surge in activity and it may take time to make sure it is sufficiently flexible and responsive.

However, there are some key elements which must be considered in designing a CAT policy, see page 14.

There are some key elements which should be included in your council's CAT policy, which can be used as a guide to its development:

Strategic context:	How does CAT fit within other council strategies? Including, community empowerment, asset management, service transformation, regeneration and local economic development.
Key principles:	What are the key benefits and outcomes your council is seeking to achieve through CAT? Including the desired balance between social, economic and environmental objectives and financial savings.
Key scope:	<p>What assets are being considered within the scope of CAT? Whilst there may be pressure to restrict CAT to 'low value' or difficult to dispose of assets, narrowing the scope in this way limits the potential for CAT to lever additional benefits into the area, and potentially undermines their financial viability post-transfer.</p> <p>What ownership terms are being considered between freehold and leasehold? If leasehold, at least 25 years is necessary – and preferably, a 99 + year lease – in order to provide security that can be used in leveraging external funding.</p>
Assessment and decision-making:	<p>Is the council supporting a 'demand-led' or 'supply-led' approach to CAT? Demand-led CAT should provide clear and consistent processes for community groups to submit expressions of interest in community assets. However, councils should also consider how a supply-led approach to CAT could form a central part of local asset management strategies. This would mean CAT opportunities are considered proactively by the council, alongside routes for CAT proposals from community groups.</p> <p>What criteria will be used when assessing proposals for CAT? A 'two stage' application is recommended, with a simple EOI to determine eligibility followed by an invitation for a more detailed proposal.</p> <p>Who will be involved in decision making? This should clarify the roles and responsibilities of councillors and officers at each stage of application and timescales for decision making.</p>

Information, funding and support:	<p>What support is available to community organisations? Including information and advice provided by external organisations.</p> <p>What financial support will be offered by the council? For example, will there be investment in the asset prior to CAT, endowments to accompany service transfer (such as libraries), or low-cost loans to support development. (See more information below).</p>
Communication of the CAT policy:	<p>Open communication, including with other public agencies as well as the wider community, is a prerequisite for effective partnership working and helps to avoid confusion in roles between the council and community organisations.</p>
Grievance and appeals:	<p>Having a mechanism for appeal or challenges to decisions will provide clarity for all parties.</p>

3 Supporting community capacity

The capacity of community organisations is a key ingredient of successful CAT. Councils can play a key role in developing this capacity and in making sure groups have the skills and capability to ensure a smooth CAT journey.

Business planning:

A viable business plan is at the heart of a successful CAT. Over-optimistic assumptions about ongoing revenue or under-estimating the full costs of the asset can derail plans. Similarly, over-burdensome requirements for future viability have to be balanced with external factors, such as changes in local markets.

Steps to improve business planning capability for community groups include:

- Sharing key information about assets prior to transfer to support business planning: including, TUPE¹¹ implications, conditions surveys (ie structural, asbestos), current tenancy arrangements, running costs.
- Signposting to business planning tools and ways to scrutinise CAT propositions
- Ensuring there are clear expectations and realistic timescales from the council to make quality business planning more likely.

¹¹ Transfer of Undertakings (Protection of Employment) Regulations. For more information please see: Anthony Collins Solicitors and Localita.2016. 'TUPE Guidance Notes.' My Community. Available at: <https://mycommunity.org.uk/resources/tupe-guidance-note/>

Access to funding:

An increasing number of community assets projects have been funded through a combination of grants, loans, and equity through community share issues. The proportions that may be appropriate will vary depending on the individual project, community capacity and local circumstances, such as property prices.

Grants remain critical for the success of these projects, particularly during the pre-feasibility stages and early stages of a project's life. This funding can be used for business plans and working with specialists such as architects and surveyors, as well as for developing refurbishment and new build briefs and for capital cost consultants. However there is currently a specific gap in this kind of support.

Taking over an asset can be a costly exercise for community organisations, and funding support from the local authority can be critical to the viability of asset development. See for example, the below case study of Kirklees Council (on page 18).

Where service transfer is being considered alongside asset transfer, the Council should ensure that this is adequately supported and consider cost implications, for example, through TUPE (Transfer of Undertakings (Protection of Employment) Regulations).¹²

Small investment pots from local authorities to provide initial funding can enable community owners to leverage other sources of funding. Community shares, for example, are a way of securing community involvement through pooled commitment and investment. Stretford Public Hall, for example, recently secured over £250,000 from local people through community shares.

¹² Anthony Collins Solicitors and Localita, 2016. 'TUPE Guidance Notes.' My Community. Available at: <https://mycommunity.org.uk/resources/tupe-guidance-note/>

Community ownership projects could also benefit enormously from access to finance via local authorities – in particular through low cost or zero interest loans and access to prudential borrowing.

For current information about funding available to community organisations for assets projects, you can also signpost groups to:

- www.mycommunity.org.uk/funding-options/
- www.powertochange.org.uk/funding/

Ongoing/post-transfer support:

What happens after a CAT is equally important as the lead-up to the transfer itself. Councils should not leave the success of the CAT to chance. A constructive and ongoing dialogue with transferees not only helps to ensure the original aims of CAT are achieved, but it also increases the likelihood that any ongoing investment by the council is more secure.

First steps to making sure this process is carried out include:

- A 'new owners' information pack and walk through of the building with the maintenance team.
- Follow-up meetings put in place with council property team and a direct line to talk through any 'snagging' issues in the first few months of transfer.
- If a revenue grant is involved, proportionate monitoring.
- Can the council make commitments to being an 'anchor tenant' for a fixed period following transfer, in cases where council services are currently based in the building?



Building trusting relationships

Community engagement is an essential part of CAT: from consultation about a decision, to involving people in a joint decision and increasing ownership of a local initiative. If community engagement and open conversations don't occur, this can risk opposition and mistrust in the decision-making process.

Councillors are key community activists and connectors and can use their convening power alongside community organisations to facilitate dialogue.

Members play a key role in building trust between all parties involved in CAT and creating strong partnerships – avoiding a 'council v community' mentality.

Alongside transparent decision-making procedures set out in a CAT policy, councillors can provide an important scrutiny function which supports positive relationships, for example, in making sure interests of equality and diversity are applied.

How councillors support community engagement around CAT:

- Building connections and relationships between all tiers of governance, including parish and town councils.
- Following the principles of community organising, as well as working with existing community organisations, can be a key way of co-creating decisions with the community.
- Ensuring the council has clearly published key council contact information, at an officer and member level, to provide the community with key routes to engage.
- Ensuring, where possible, continuity of relationships with officers dealing with individual CAT decisions and projects.

Kirklees Council: supporting communities through CAT

Kirklees Council offers tailored support to community organisations as part of their CAT policy. If an initial EOI is accepted, the council offers officer support in developing a business case and governance, as well as small grants of up to £5000 to assist groups with pre-feasibility and/or legal costs.

Kirklees Council also offers some revenue support for community organisations – typically for building running costs, of up to 15% of the average of the previous two years’ running costs. Groups can also apply to the council for a loan if external capital grant funding (e.g. lottery funding) requires match funding, with loans of up to £100,000 available.

The council is also open to offering freehold transfers, as well as long leasehold.

Councillor Graham Turner, Cabinet Member – Corporate (Place, Environment and Customer Contact Services):

“Asset transfer puts communities directly in control, allowing them to develop their own communities. We see that in the assets we have transferred so far: it builds confidence, capability and local pride. People see the fruits of community action, and they want to do more.

“CAT forms a core part of how we leverage all assets and resources to strengthen our community infrastructure. The support we offer community groups is an important part of this partnership, but it also supports a robust process: we don’t want to just give the community a set of keys and then turn around and find out two years later that the project has failed.

“This is an ongoing journey for us: we learn from every transfer we do. We have a flexible approach, allowing us to work through the issues that need to be resolved openly and to work with our communities to make asset transfer a success.”

Addressing risks in Community Asset Transfer

All parties must be aware that CAT is a complex process, and one which does not always result in a seamless success. But these risks should not be insurmountable barriers to developing CAT projects and realising the social, environmental and economic benefits of community ownership.

Ultimately, the biggest way councillors can address risk in CAT is by ensuring there are effective and trusting relationships between the council and community. Councillors are key in setting the tone for open and honest conversations, without fear of disproportionate sanction throughout the transfer process as well as afterwards.

“Do community organisations have fit-for-purpose governance to manage an asset for the community?”

Good governance can help to make sure that community assets are run in the public interest, and are accountable and inclusive spaces. The robustness of an organisation’s governance arrangements is therefore an important factor affecting the decision as to whether or not to transfer an asset.

Steps to take to support good governance:

- **Set out expectations:** as a council, be clear on the governance arrangements you expect as part of a CAT and ensure these are co-designed with the community organisation. These expectations could be set out in a Memorandum of Understanding (MOU).¹²
- **Audit governance capacity:** as a council, agree robust – but proportionate – mechanisms for independent audit, which include governance structures
- **Spotting warning signs:** an organisation over reliant on volunteer capacity might struggle to maintain good governance. Councils could offer additional support in trustee recruitment and development as part of the CAT to ensure healthy governance.
- **Signpost to good practice and healthchecks:** for example, Locality offers an online ‘healthcheck’ tool¹³ which can help organisations demonstrate that they are ‘fit-for-purpose’ when taking on an asset. This can provide assurance to the council and support the community through the steps they should take.

¹² As an example, please see: <http://locality.org.uk/resources/asset-transfer-legal-toolkit-started/>

¹³ For more information about Locality’s Lighthouse Tool, please see: <http://locality.org.uk/locality-consultancy/lighthouse/>

“ Does the community sector have the financial skills and capacity to take on an asset?”

One of the biggest concerns expressed by councils around asset transfer is that community organisations lack the capacity and financial skills necessary to maintain assets.¹⁴

This fear is often unfounded. We know from our experience that communities up and down the country, often in areas of huge deprivation, have banded together to successfully take on ownership of often complex assets. In Locality’s network of 550 community organisations alone, the value of assets stands at £779million.

Steps to take to support community capacity building:

- **Combine skills within the council to design support:** for example, setting up a working group between finance, property teams and the community development teams can strengthen the offer of advice and support for CAT and ensure greater consistency.
- **Ensure asset management is tied into existing capacity building activity:** for example are there local programmes of support which focus on leadership, governance and investment readiness in the context of asset management?
- **Ensure availability of capital funds are fairly allocated:** available mechanisms for capital funding should be included within a CAT policy.
- **Convene peer-to-peer networks to ensure capacity building is self-sustaining:** there will also be existing local and national networks which community organisations can access support from, including from Locality and Power to Change.

¹⁴ Gilbert, A. 2016. ‘A Common Interest: The role of asset transfer in developing the community business market.’ Power to Change. Available at: <http://www.nlgn.org.uk/public/2016/a-common-interest-headline/>

“ Does being involved in CAT present councillors with a conflict of interest?”

Possible conflict of interest concerns may arise from two main issues: conflict between corporate policy and ward level impact; conflict for councillors who are also staff members/trustees of community organisations.

However, CAT should be viewed as an opportunity for aligning the interests of the council and community, and strengthening the power of partnership between citizens and local government.

Steps to take to manage potential risks:

- **Transparency in CAT policy:** member involvement and buy-in to the council's CAT vision is essential in avoiding conflict between corporate policy and ward level impact.
- **Communication:** members should expect officers to brief them regularly of how this vision is being implemented, in order to have a comprehensive understanding of CAT opportunities.
- **Good governance:** as board members of community organisations, councillors should act to further the aims of the organisation rather than the interest of the council – however, good governance will determine a consistent and transparent process for dealing with potential conflicts of interest.

“ Will transfer of ownership also transfer unsustainable liabilities to community organisations?”

Not all community ‘assets’ are assets – some can present liabilities. From minor repairs to more serious work, a community ‘asset’ transfer can present communities with significant financial outlay.

While a key driver from councillors can be to ‘save’ a service or amenity that they themselves can no longer afford to run (and CAT can be a viable solution to this) – the liabilities, and the potential consequences for organisational and service failure, must be considered upfront and transparently.

Steps to take to avoid ‘liability transfer’:

- **Availability of information** from the owner prior to transfer is essential, as well as ongoing support for risk management.
- **Multiple asset transfer** can be an important route for offsetting liabilities in community ownership. This allows liabilities transferred to community ownership to be counterweighted with more profitable assets.

Further key resources

Locality, LGA and NALC. 2016. 'Making the most of assets: a risk management guide for council officers and members.'
Available at: <https://mycommunity.org.uk/resources/making-the-most-of-assets-guide-for-local-authorities>

Locality and Anthony Collins Solicitors. 2016. 'Community Asset Transfer lease negotiation: practical tips.' Available at: <https://mycommunity.org.uk/resources/community-asset-transfer-lease-negotiations/>

Locality and Anthony Collins Solicitors. 2016. 'TUPE Guidance Note.' My Community. Available at: <https://mycommunity.org.uk/resources/tupe-guidance-note/>

Power to Change and Pro Bono Economics. 2018. 'The Economics of Community Asset Transfer: define and measure social value in CAT.' Available at: <http://www.powertochange.org.uk/research/economics-community-asset-transfers/>

Power to Change and NLGN. 2016. 'A Common Interest: the role of asset transfer in developing the community business market.' Available at: <https://www.powertochange.org.uk/research/common-interest-role-asset-transfer-developing-community-business-market/>

Locality. 2016. 'Places and Spaces: the future of community asset ownership.' Available at: <http://locality.org.uk/wp-content/uploads/Locality-Places-and-spaces-report-final.pdf>

locality

the power of community

About Locality

Locality supports local community organisations to unlock the power in their community to build a fairer society. Our member network of over 550 community organisations creates the services their community needs most in spaces where everyone belongs. Locality provides specialist advice, peer-learning, resources, and campaigns to create better operating conditions for our members.

Build power in your community through Community Asset Transfer

Find out more at:
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About Power to Change

Power to Change is an independent trust that strengthens community businesses across England.

We received our endowment from Big Lottery Fund in 2015. At a time when many parts of the UK face cuts, neglect and social problems, we are helping local people come together to take control, and make sure their local areas survive and stay vibrant.

No one understands a community better than the people who live there. In some areas, people are already coming together to solve problems for themselves, and we support them as they run businesses which help their whole community and recycles money back into the local area. Community businesses revive local assets, protect the services people rely on, and address local needs.

www.powertochange.org.uk



power to
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