



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

# Community Asset Transfer Policy

April 2013

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# 1 Introduction

This aim of this policy is to set out a transparent, positive and proactive framework that enables and manages the transfer of assets from the council to voluntary or community organisations in order to bring about long term social, economic and environmental benefits to the community.

The occupation and management of council assets by the voluntary sector is well established within North Ayrshire with a number of community assets currently run independently from the council.

## 2 Policy Statement on Community Asset Transfer

2.1 North Ayrshire Council is committed to community asset transfer where that will bring benefits to communities and contribute towards achieving the Council's aims and objectives.

2.2 The Council recognises that community asset transfer can be a valuable part of supporting and sustaining local communities in North Ayrshire and it wishes to ensure council assets can be owned and managed by local people, where appropriate.

2.3 The Council will respond positively to all enquiries from applicants concerning the potential for community asset transfers and encourage such groups to take responsibility for assets.

2.4 The Council will put in place a transparent process for Community Asset Transfer and will adopt an agreed method of assessing requests.

2.5 The Council will consider transfer of an asset to any applicant that makes a credible application (supported by an appropriate Business Proposal) and demonstrates that it has the skills and capacity to manage the asset.

2.6 Whilst fully supporting the principle of asset transfer this policy also recognises that some assets must remain under Council ownership and management in order to support delivery of essential services or support economic activity in an area. Assessment will be given to assets which provide an income for the council. In addition some assets may have restrictive covenants on them making them unsuitable for transfer. The Council will consider, as part of the initial assessment of an application, whether an asset should be retained by the Council or could be transferred.

## 3 National Context of the Policy

3.1 Recently legislation and national policy has developed to support the ownership and/or management of assets by communities. For example the Land Reform (Scotland) Act 2003 gave communities the right to buy land and buildings in certain circumstances and represented a fundamental change in the law surrounding ownership and land management, giving the potential for greater powers to be transferred to communities.

3.2 In 2009 the Scottish Government launched the "Promoting Asset Transfer" Programme the purpose of which is to increase levels of awareness and interest within local authorities in asset transfer as a means of increasing community ownership of assets.

3.3 In parallel with this programme, in March 2009 the Scottish Government and the Confederation of Scottish Local Authorities (CoSLA) jointly launched the Community Empowerment Action Plan (CEAP). This action plan makes clear that community ownership is one aspect of community empowerment, identifying it as one of eight actions that will help to build capacity to deliver empowerment.

3.4 The Local Government in Scotland Act 2003 amended section 74 of the Local Government (Scotland) Act 1973 and sets out that the Scottish Ministers may by regulations provide the circumstances in which local authorities may dispose of land for consideration less than the best consideration that can be reasonably obtained. In 2010 Scottish Ministers issued the Disposal of Land by Local Authorities (Scotland) Regulations which set out the procedure and circumstances for a disposal of land for consideration less than the best that can reasonably be obtained.

3.5 More recently, in June 2012, the Minister for Local Government and Planning launched an exploratory consultation on a range of ideas for the proposed Community Empowerment Bill. This Bill intends to enable communities to take independent action to achieve their own goals and aspirations and to ensure they have a greater role in determining how their local public services are delivered.

## **4 Local Policy Context and Links to Other Initiatives**

The policy is aligned with the outcomes of the wider Council strategies and initiatives:-

4.1 The aim of the Community Planning Partnership is working together for "A Better Life" for communities in North Ayrshire and effective community engagement is at the heart of Community Planning

4.2 North Ayrshire Council's Single Outcome Agreement sets out how Community Planning Partners will work in the future towards improving national outcomes for the local people in a way that reflects local circumstances and priorities

4.3 As part of North Ayrshire Council's Council Plan 2012/17 the council aims to "support communities to grow and develop opportunities for the active engagement and participation of all our citizens by listening to local needs and aspirations"

4.4 The Corporate Asset Strategy, in which one of the individual asset plans was for Property was approved by Cabinet in January 2013.

4.5 The Property Asset Management Plan was approved by Cabinet in February 2013

4.6 North Ayrshire Council's Property Asset Management Action Plan supports the transfer of assets through exploring partnership opportunities and option appraisals on the disposal of surplus assets.

4.7 North Ayrshire Council's Property Acquisitions and Disposals Policy indicates transfer to partners as an option when considering disposal of surplus assets. The policy for transfer of assets to the community supports the agreed outcomes

11a) Levels of voluntary action and community involvement have increased

11b) Partnership working between public services is more efficient and effective.

## **5 Aims of Community Asset Transfer**

The Council's Asset Portfolio includes buildings, land, playing fields and other facilities and structures which are used for a variety of different social, community and public purposes. They are used to support service delivery by partners such as the voluntary sector, and stimulate economic activity and regeneration. The transfer of assets to, or management by, the Community aims to enable community empowerment, allow access to new sources of finance and extend the use of existing facilities.

### **5.1 Benefits to the Local Community**

- Community empowerment
- Regeneration of communities
- Extend the use of an asset, adding value in relation to the number of people benefitting and the range of opportunities it offers
- Stimulate the involvement of local people in shaping and regenerating their communities,
- Retention of asset in the community otherwise at risk of closure
- Provide new opportunities for local learning and community capacity building and participation
- Promote a sense of civic pride and responsibility.

### **5.2 Benefits to Voluntary or Community Groups**

- Generate long term sustainable revenue streams for groups making them more sustainable.

- Provide local people with a meaningful stake in the future development of the place in which they live and/or work.
- Be used as leverage to draw in new funding and expand the level of community activity.
- Provide opportunities for the creation of new partnerships with access to resources not available to the Council.

### 5.3 Benefits to the Council

- Providing a more accessible and responsive base from which services can be delivered.
- Restoring iconic buildings
- Delivering social, economic and environmental benefits
- Providing a catalyst for inward investment and local multipliers through local purchasing and employment
- Helping to progress Community Planning priorities
- Providing opportunities for long term working between sectors
- Creating the opportunity for investment in the asset that may not be possible within Council ownership
- Bringing back into full use properties deemed surplus to requirement or underperforming.

## 6 Scope of Policy

6.1 This policy applies to assets that are owned by or under stewardship of the council and are designed for community use.

6.2 The Council will welcome an expression of interest from applicants in the transfer of any Council owned asset which has been identified as suitable for transfer. Assets that are key for the delivery of essential services will not be considered suitable for transfer. In addition assets that are supporting economic activity within an area or have restrictive covenants on them may also not be suitable for transfer. For suitable assets potential transfers will be considered on a case-by-case basis against the criteria outlined in this policy.

6.3 Assets will not be transferred to individuals or private sector businesses to be used as vehicles for commercial ventures. In addition assets will not be transferred to individuals or groups for party political or religious use.

6.4 There is no comprehensive definition of the types of community or voluntary group covered by this policy. Applicants may take many forms and can also adopt different types of legal structures. The key thing is not the precise model but that they are recognised in their communities as important, open organisations.

6.5 For the purpose of this policy community, voluntary and social enterprise groups will have the following characteristics:-

- Be formally-constituted
- Have sound long-term management and governance arrangements
- Have their own decision-making system and accountability to independent trustees or their own members or constituents
- Do not distribute any surplus to owners or members but applies it to serving its basic purpose
- Are non-political and are not engaged in supporting candidates for political office
- Have an element of involvement of volunteers.

6.6 The Council will consider transfer of assets to long established, stable and secure formal organisations and will also consider transfers to newly formed community groups provided they can demonstrate they have the necessary expertise and experience to manage the asset and have a sound business proposal in place.

## 7 Principles of Asset Transfer to the Community

The Council's policy on Community asset transfer is underpinned by the following principles:-

### 7.1 Proactive Strategy

The Council will seek to implement the policy proactively through support in order to encourage appropriate groups to adopt an asset.

## 7.2 Respond Strategically

The Council will respond to requests for asset transfer by exploring the strategic implications of a transfer.

## 7.3 Transparent and Consistent

The Council will have a transparent corporate process for asset transfer which includes a clear point of first contact and clear stages and timescales for each party.

# 8 Assessment Process

Any applicant seeking to take on a Council asset must be able to:-

- Provide a well-prepared and sustainable business proposal
- Demonstrate a clear community/social demand for the proposed activity to be delivered from the asset
- Demonstrate that they have the capacity to manage the asset and have directors or management committee members who have the necessary skills and experience
- Show they have good governance and robust financial systems in place along with all necessary policies expected of an organisation such as training plans, health and safety policies, comply with relevant equalities legislation, etc.
- Show how their proposal contributes to the achievement of the Council's outcomes
- Prove that the proposed project will not duplicate activities, services or facilities already provided in the local community.

# 9 Community Asset Transfer Process

The process of making a formal application for transfer is set out in the following four stages with approximated timescales:

## **Stage 1 – Initial Application: 3 months:**

Interested parties should complete a Stage 1 Suitability Application form. This application should not involve a huge amount of work, all that is required is enough information to show there is a potential business case for transfer. Suitable applications will be invited to progress to a Stage 2 Application. At this point they will be allocated a Single Point of Contact(SPOC) who will act as key contact throughout their application.

All available information on the asset, including details of its condition, running and maintenance costs, and title deed restrictions, will be shared with the applicant to help them decide whether to submit a Stage 2 detailed application.

## **Stage 2 – Detailed Application: 3-5 months depending on complexity:**

This stage will require a full Business Proposal to be developed, along with detailed plans for the management of the asset once in community ownership.

Once a Business Proposal has been received by the SPOC and scheduled for initial assessment by the Community Asset Group no other applications may be received for the asset under consideration until an outcome has been agreed. In some instances there may be more than one applicant progressing to Stage 2 with interest in the same asset. Should this occur, assessment criteria will be used to inform the decision of the more suitable applicant.

## **Stage 3 – Cabinet Decision: 1 month**

The application will then be evaluated by the Community Asset Group using the scoring system. A recommendation will be made to the Cabinet on whether to proceed with the asset transfer.

The decision on the outcome of the application will be conveyed in writing to the applicant.

## **Stage 4 – Implementation: 3 months:**

For successful applications the SPOC will continue to manage the transfer of the asset. Representatives from Property, Management and Investment (PM & I) and Legal will work with the applicant and SPOC to agree the terms of transfer. Terms and conditions will be agreed for acceptable use of the asset. Each party's responsibilities will be clarified by either lease agreement or conditions of sale.

At any stage in the process, an organisation can cancel a transfer if their circumstances change and they no longer wish to pursue the issue.

At any stage in the process, the council can cancel the transfer where suitable justification exists

**Stage 5 – Handover:**

At this point the asset transfer will be completed and the applicant will begin using the asset to deliver the benefits described in the business proposal. The Council will continue to monitor the progress of the project in a manner appropriate to the proposal.