



What is Community Asset Transfer?

The Infrastructure organisation Locality define Community Asset Transfer as the transfer of management and or ownership of public land and buildings from its owner (usually a local authority) to a community organisation (such as a Development Trust, a Community Interest Company, a social enterprise or a community based organisation) for less than market value. The aim of the transfer is to achieve local social, economic or environmental benefit.

Thousands of buildings and spaces across England, such as swimming pools, town halls, libraries and parks, have all been taken on and successfully managed by community organisations for the benefit of their local community.

What are the legal options relating to Asset Transfer?

There are several legal options for Community Asset Transfer, but most tend to be long term leasehold arrangements (25+ years at a 'peppercorn' rent) to enable external funding to be secured, although a shorter term might be more appropriate as a 'stepping stone' to a more substantial agreement in the future. Locality has produced a number of useful documents appertaining to the various legal options available to community organisations when considering an Asset Transfer.

These can be seen here:

https://mycommunity.org.uk/wp-content/uploads/2016/09/1.-Understanding-COMA_graphic_v5.pdf

Where should you start?

Locality recommends that organisations who are interested in Community Asset Transfer should contact their local authority's property department in the first instance to discuss where they should start.

In most cases community organisations will be required to submit an expression of interest and, if the local authority accepts it, a more detailed business plan will be required to show that the organisation is ready and able to successfully manage the land or building in the longer term.

Terminology:

Asset

Property or land that is in ownership. In terms of asset management, this relates to land and buildings.

Asset of Community Value

Land or buildings recognised as such by designation by the local authority under the Community Right to Bid.

Power to dispose of assets

Public bodies have the necessary powers to dispose of land and buildings that they own. Normally this is for the best price obtainable. However, under the General Disposal Content (England) 2003, local authorities can dispose at less than best price where the transfer furthers local social, economic or environmental wellbeing.

Community asset transfer

This is a change in the management and or ownership arrangements of land or buildings, from a public body (most commonly a local authority) to communities (community and voluntary sector groups, community enterprises or social enterprises). Terms are usually a long (25+ years) below market value lease, but occasionally freehold sales are undertaken.

Community assets and not liabilities

Community assets can help local organisations to develop a thriving and diverse civil society and promote long-term economic resilience in their neighbourhood. However, land and buildings are only assets if their use is capable of generating an income in addition to their on-going running costs.

Further terminologies can be seen here:

<https://mycommunity.org.uk/resources/glossary-community-asset-transfer/>

Further Resources:

<https://mycommunity.org.uk/wp-content/uploads/2016/09/Understanding-Community-Asset-Transfer.pdf>

<http://www.cambsacre.org.uk/>

<https://www.sportengland.org/facilities-planning/community-asset-transfer/>

October 2017