

COMMUNITY GUIDANCE

1. INTRODUCTION

This guide has been produced by Herefordshire Council (HC) to provide help to community organisations who wish to consider taking over the day to day running and management of a Council property. This document is an appendix to the HC Community Asset Transfer policy. Definitions within this document are explained in Section 8.

An effective way of achieving our County Plan Ambitions and Principles is to empower community organisations to help them deliver their own solutions to local needs and demands for services. This will have both social and economic benefits. The transfer of buildings or land to well organised and supported community organisations will assist greatly in optimising community activity in local areas.

The document outlines the process that needs to be followed should a community organisation wish to submit an application to take over a HC building. The process may be seen as onerous on the community organisation however, managing property especially for community benefit can be fraught with issues. HC has a duty to ensure that any community organisation is fully capable of running an asset and that the project will be sustainable; so as not to expose any of the community to undue risk.

With ever increasing pressure on budgets, a community asset transfer application may be a tangible method of retaining or delivering valued services to a local community. This process will help develop those aspirations into a robust proposal with local support and a business case which can also be used to support external funding applications.

2. WHAT IS A COMMUNITY ASSET TRANSFER

The term “Community Asset Transfer” abbreviated as “CAT”, is defined by Central Government as “passing ownership or management of a building or piece of land from a public sector body to a third sector organisation”. Herefordshire Council’s CAT policy further defines it as relating “primarily to leasehold or freehold arrangements at less than best consideration, or in giving Third Sector Organisations (TSOs) ‘first-refusal’ on a commercially-based disposal”.

In practice this means that a formally constituted community organisation can seek to take over the day to day running and management of a building for the purposes of providing a valuable local resource. An example might be to deliver space that the community needs to meet or access information such as a community centre. Any application will need to evidence local need as well as robust proposals to run the property.

The basis of a transfer to a community organisation may vary, depending upon the application made. A transfer, if approved by the Council, will most likely take the form of a long lease for example but freehold transfers may also be considered in exceptional circumstances.

Where a community organisation applies to deliver front line services which might normally be delivered or resourced via the Council, this application is a separate process to that of a CAT and should be dealt with directly with the existing Council service. It is noted however that the two may be linked.

The CAT process is different to the Community Right to Bid process. Please see the Herefordshire Council [website](#) for more information.

3. WHO CAN APPLY?

The CAT applicant must:-

- (a) Be a community organisation which is community led (i.e. its governance arrangements must ensure that it has strong links with the local community and that members of the community are able to influence its operation and decision-making processes).
- (b) Be appropriately constituted (e.g. a registered charity; a community interest company; a charitable incorporated organisation; a not-for-profit company; a co-operative). Such constitution allows the ownership and management of buildings and / or the provision of services. Town and Community Councils are also included.
- (c) Demonstrate good governance by operating through open and accountable co-operative processes, with adequate systems for monitoring, evaluation, and financial management.
- (d) Demonstrate it has the skills and capacity within, or available to its managing body to effectively manage the property asset and deliver its services.
- (e) Demonstrate diversity and also work to improve community cohesion and reduce inequalities.
- (f) Be engaged in economic, environmental or social regeneration within Herefordshire or provide a service of community benefit that aligns with the Council's [County Plan](#).
- (g) Demonstrate management experience and / or expertise.
- (h) Have a proven track record (e.g. accounting records or previous projects). The Council will consider a community organisation where they are a new entity, however the application should be robust and demonstrate where the essential skillsets and expertise are being drawn from, paid for and how long they will be in place.

4. WHAT BUILDINGS ARE AVAILABLE?

The Council is open to a discussion regarding many of its sites and buildings for community transfer. This can be done by emailing CommunityAssetTranser@herefordshire.gov.uk and stating that you have an interest

in a CAT. Predominantly, the applicant should be able to demonstrate that a building has a community purpose and that there are very few or no other alternatives.

Examples are community centres and sports pitches or land but also may include buildings where a valued local service is provided by either HC or an agency/organisation. If a community organisation wish to consider an application to deliver an existing service then alternative building locations should form part of an options appraisal in the expression of interest. All applications to deliver a service will be led by the relevant Service, supported by the Property Services and Talk Community teams.

5. HOW DO YOU SUBMIT AN APPLICATION?

Before a formal application.

Initially, the applicant needs to ensure that it meets the criteria (see item 3 above). Robust research will have been undertaken and evidence collected on local support for the project. An initial review of options should be undertaken and if the community organisation still wishes to proceed with a CAT, it should contact the Property Services Team of Herefordshire Council to ascertain if the identified property is available -

CommunityAssetTransfer@herefordshire.gov.uk

Submitting the first part of an application.

If the identified HC site is available, then the community organisation may proceed to an expression of interest (EOI). The group will be presented with a template form together with a plan of the site and a timeframe for completion. The form is designed to be easy to understand and draw out relevant areas that will need work, evidence and understanding.

Depending on the location of the site, it may be appropriate to promote the opportunity to a wider audience. This will be made clear when the EOI form is sent out.

Once submitted, the EOI(s) will be reviewed by officers and relevant Members and the community organisation(s) may be asked to provide more evidence or enhance some sections. The community organisation(s) may also be informed that the application will not proceed. If this happens, an explanation will be provided.

Moving to stage two of the application

If an EOI is successful, the community organisation will be asked to complete a business case (a template will be provided); the completion of which will be within an agreed timescale (usually several months). The business case goes into more detail about the proposal and is likely to involve continued discussions between the applicant and HC. A market and community value will also be provided at this stage by HC to inform the business case. The business case will go into similar detail to that required by external funders.

Once submitted, a full review will be undertaken by Herefordshire Council and the community organisation may be asked to provide more evidence or enhance some sections. Any recommendation to proceed by HC Officers will result in a submission to HC Cabinet or Cabinet Member who will make the final decision.

If approved, a period of further discussion will inevitably take place to progress the project.

Key points for applicants

(Outline or high level details required for EOI and full detail for business case):

- (a) The ability to demonstrate a proven local need for the project.
- (b) Demonstrate planned outcomes and benefits that will result from the property transfer.
- (c) Include any financial resources that the asset transfer will release or attract.
- (d) Demonstrate financial sustainability and forward planning.
- (e) How the applicant will invest in and maintain the asset, including a specific plan for meeting Health & Safety and compliance responsibilities.
- (f) A community governance / management structure with the capability to sustain the asset
- (g) A track record for delivering services and / or managing property.
- (h) A plan for how much space is required and its potential usage.
- (i) Business case applications should include 5 year plans for revenue and capital funding, plus cost projections for managing and operating the property.
- (j) If the CAT applicant requests that the property asset be transferred for an amount equal to or less than its existing use value (either freehold or leasehold), the Business Case must quantify the benefits to the community and Council in order to justify this subsidy.

6. REALITY CHECK

Delivering local resources or services can be a real asset for the local community – delivering what you need, when you need it. Having a building that you control may be central to your plan.

It is important to be realistic, do research to prove that the local community are in support of your project and look to the future to understand how a property can be funded and maintained.

You will need to understand the time commitment for this process not just in preparing and evidencing your project but also the application process itself up to potential approval. If approved, it may take several months to transfer the property to you.

Applications for grant funding also have defined timeframes so be clear about what is required from your group and when.

Any application for a CAT or submission for external funding will expect a clear, identified income stream into the project to sustain it- how are you going to raise money for day to day expenses such as utilities, maintenance, fittings, consumables and repairs? For the majority of the time, a track record of delivery will be essential along with a formal constitution however it is possible for a new community organisation to provide assurance to the Council.

In addition, community organisations should look at partnering or sharing space to see how they can broaden the scope of their project to deliver real change or resources for the community. If you want to take over a property under a CAT, you will need to prove that your project has merit, delivers an identified local need and is above all, sustainable.

7. AND FINALLY

HC is pleased to accept initial interest queries and applications for CAT's by community organisations. HC will work with groups to ensure every opportunity is provided for communities to support themselves in the context of wider local government changes and funding challenges.

The Talk Community service is there to help, support and promote community initiatives to strengthen our communities. Details can be found on the Council's website:

[Community funding advice](#)

If you want to do something differently within your community or want advice about what funding is available or guidance then please contact them.

8. DEFINITIONS

Community Asset Transfer (CAT)	passing ownership or management of a building or piece of land from a public sector body to a community organisation
Community organisation	<p>A community organisation is a legal entity and:-</p> <ul style="list-style-type: none"> • Exists for community / social / environmental benefit • Has evidence and proven/evidential track record of community benefit objectives (e.g. a Community Interest Company) • Is non-profit distributing (i.e. must reinvest any surplus funds to further its social aims and community benefits and not to be distributed to shareholders) <p>NB: The term Third Sector Organisation is largely interchangeable with this definition. For the purposes of this procedure it also includes Town and Parish Councils.</p>

Talk Community Operational Team	A service offered by the Council to support and develop communities. https://www.herefordshire.gov.uk/community-1
Expression of Interest (EOI)	An initial, written presentation of a community organisations idea to use a Council owned building that outlines what the asset will be used for, why and how it will be financially viable.
Business Case	A more detailed 5 year picture by the community organisation of their proposal that provides assurance to the Council that the project supports the community and is viable.
Business Plan	A working document when the proposal is in operation based on the business case and developed by the community organisation as a framework to work within to run its business.