
REPORT OF THE STRATEGIC DIRECTOR OF CUSTOMER AND SUPPORT SERVICES,

TO
DEPUTY CITY MAYOR
8th October 2013

TITLE: Community Asset Transfer - Revised Process

RECOMMENDATIONS:

THAT the draft Community Asset Transfer Process (attached) replaces the existing Asset Transfer Policy to govern the evaluation of bids for community asset transfer of council property (whether listed as Assets of Community Value, or not).

BACKGROUND DOCUMENTS:

Community Transfer Policy 2009

KEY DECISION: Yes

DETAILS

1 **Background**

- 1.1 The council has recognised that the transfer of some of its properties to community organisations is a positive approach to enhancing social cohesion, maintaining services/activities in financially constrained environments, and creating social capital. To this end an "Asset Transfer Policy" has been in existence for 4 years.

A Community Asset Transfer occurs where the council seeks or agrees to transfer an asset to a third sector organisation. Whoever initiates the process; the council is in the driving seat and controls events. A sequence,

suggested timeline and relevant steps are included in the Community Asset Transfer Process (Annex A).

However, in practice, there has been a mixed experience in achieving community asset transfer. Often there have been considerable delays, and those involved from the council have not had a clear route map to bring the discussions to a conclusion within a meaningful timeframe. The proposed Community Asset Transfer Process will address these concerns.

The key complexities we are currently experiencing can be summarised ;

- a) There is currently no process to identify those properties that are of modest monetary worth and that have the potential for third sector use. This results in properties not suited to Community Asset Transfer, being considered but eventually rejected. In the meantime this risks harming and / or delaying the realisation of the capital receipt.
- b) The initiation of the process is not streamlined, and therefore we end up with a number of processes starting and finishing in a number of governance streams.
- c) There is little control on getting to an outcome – discussions tend to meander on for months with no targets or deadlines.

2 Community Asset Transfer Process

(Note: under the General Disposals Consent 2003, the council **may** transfer property at less than its market value without permission from the Secretary of State provided that the purpose for which the land is transferred is likely to contribute to the promotion or improvement of the economic, social or environmental well-being of the area. However the Commission Communication on State Aid Elements in Sale of Land and Buildings by Public Authorities still applies. Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 states that “When disposing of land at less than best consideration authorities are providing a subsidy to the owner, developer and/or the occupier of the land and property, depending on the nature of the development. Where this occurs authorities must ensure that the nature and amount of subsidy complies with the State aid rules, particularly if there is no element of competition in the sale process. Failure to comply with the rules means that the aid is unlawful, and may result in the benefit being recovered with interest from the recipient”).

- 2.1 The council has had an Asset Transfer Policy for 4 years and it is a mostly sound approach to managing the process. However it doesn't establish a centralised property-driven process that meets the needs of the single corporate landlord approach the council has adopted since 2011. It also doesn't establish time lines to ensure the matter is progressed.

The new Community Asset Transfer Process makes some suggested amendments which;

- a) Revises the principles for identifying an asset for transfer to. There will be a presumption that assets will be suitable for community transfer only where (i) they are surplus or potentially surplus to the Council's operational requirements and (ii) they do not have a

reasonable commercial or development There will be a presumption against transfer if the asset has a reasonable commercial or development value.

- b) Establishes timescales which mean that arrangements for transfer need to be substantially complete within 6 months.
- c) Gives the Deputy City Mayor a more explicit role in progress management and decision making.

The revised Process is included at Annex A and Annex B. It is proposed to approve these guidelines;

- 1) Formal discussions on Community Asset Transfer can only be initiated after the Deputy City Mayor has declared a property suitable for transfer. To assist with this process the options appraisal report on surplus property will indicate when an asset is suitable for transfer as part of its conclusions.
- 2) The Head of Property and Assets will take responsibility for the management of the transfer process with involvement of other officers, members etc. as appropriate, their role being to draw together the issues relevant to the decision making process.
- 3) The Deputy City Mayor will be advised of progress at 6 weeks and 6 months and determine whether the asset should continue to be available for community transfer.

2.2 In many circumstances buildings identified for community asset transfer will have maintenance and condition issues associated with them. The groups who often present themselves as being interested in assuming control of the assets will have little experience of managing substantial capital assets with ongoing revenue implications.

Therefore the Process includes a number of detailed investigations between the council and interested organisations which seek to confirm that they have the wherewithal to take on the responsibilities of a building. The investigations will also ensure that the organisation is taking suitable independent advice such that the council restricts its ongoing liability for the property.

The Process further ensures that the future use of the building will meet the council's perception of valid community benefit.

The final disposal documents will create a legal agreement based on the conclusions of the process.

2.3 Where the council is the owner of an asset listed as "of community value", in accordance with the Localism Act 2011, it has additional legal responsibilities to fulfil when it determines the asset is for disposal. The council may decide to pursue the option of Community Asset Transfer at the point at which it is decided to dispose of the property. In these circumstances it will be necessary to have cognisance to the moratoriums etc. that apply but the Community Asset Transfer Process should still be followed.

2.3 There will remain a residual risk for the council in relation to community asset transfers in as much that the property will return to council control subsequent to any breach of the agreement or winding up of the

organisation concerned.

EQUALITY IMPACT ASSESSMENT AND IMPLICATION: n/a

ASSESSMENT OF RISK: MEDIUM

SOURCE OF FUNDING: n/a

LEGAL IMPLICATIONS: Provided by Richard Meehan, the Manchester and Salford City Council combined legal services division:

1. Assets listed as of community value

The provisions of the Localism Act 2011 (the "Localism Act") dealing with assets of community value ensure that eligible community groups have an opportunity to prepare and submit a bid in respect of a relevant disposal of a listed asset (ss 95-99 of the Localism Act). Such assets may be in public or private ownership when listed.

However, the provisions of the Localism Act do not prescribe the valuation methodology the seller of a listed asset should use in selecting between bidders, and do not provide a right of first refusal for any eligible community group. This point is highlighted in government guidance on the right to bid available at [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/14880/Community Right to Bid - Non-statutory advice note for local authorities.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/14880/Community_Right_to_Bid_-_Non-statutory_advice_note_for_local_authorities.pdf).

After the statutory moratorium period, the Council may dispose of an asset of community value as it would dispose of its other property, during a protected period of 18 months from the date of notification of the intention to dispose (s 95 of the Localism Act).

2. Community Asset Transfer

The revised community asset transfer policy is a statement of the Council's approach to the disposal of property which the Council itself identifies as suitable for community asset transfer. The Council's policy indicates that there will be a presumption that assets will be suitable for community transfer only where (i) they are surplus or potentially surplus to the Council's operational requirements and (ii) they do not have a reasonable commercial or development value.

The Community Asset Transfer Process may overlap with the statutory process for disposal of assets listed as of community value in circumstances where an asset is both listed as an asset of community value and also identified by the Council as

being suitable for community asset transfer. However, the fact that an asset has been listed as of community value does not, in itself, indicate that it is suitable for community asset transfer. The two procedures are separate.

3. Disposals of property by local authorities

More generally, any disposal of property by the Council must be in accordance with its powers. Under the Local Government Act 1972 ("LGA") a principal council cannot dispose of its land for consideration less than the best that can be reasonably obtained in the market, except with the express consent of the Secretary of State.

Specific consent is not required for the disposal at an undervalue of any interest in land that the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area, provided the extent of any undervalue associated with a disposal at less than best consideration does not exceed £2,000,000.

This is a power rather than an obligation, however. An authority is not obliged to transfer any asset at an undervalue, and the Council's proposed Community Asset Transfer Process provides a reasoned approach to assessing which of its assets may be suitable for transfer at an undervalue. The reasoning leading to the adoption of the Council's decision on this point in relation to the Property needs to be documented.

4. State aid

State aid must be taken into account in the context of any proposed transfer of property at an undervalue, and the absence of a satisfactory State aid clearance would provide an argument against any proposed transfer at undervalue. Such transfers are likely to fulfil the definition of State aid, even where the beneficiary of the undervalue is a not-for-profit organisation, if that organisation is engaged in delivering services for which there is an actual or potential market. The ultimate risk of State aid lies with the recipient, which may be required to repay the amount of any aid it is deemed to have received, with interest from the date when the aid was granted, but the Council should be aware of the risk of providing aid which it is subsequently obliged to reclaim from the recipient.

5. Selecting between competing community asset transfer bids for the Property

In adopting selection criteria for deciding between bids for the Property, the Council must ensure it complies with its own policies on disposals, and documents the reasoning for its decisions

State aid issues would need to be considered, as would any risks associated with the proposed value of a community group's bid would also need to be taken into account, in accordance with normal and prudent commercial practice.

FINANCIAL IMPLICATIONS: n/a

OTHER DIRECTORATES CONSULTED: none

CONTACT OFFICER: David Horsler x6994

WARD(S) TO WHICH REPORT RELATE(S): All wards

Salford City Council

Community Asset Transfer Process

Contents

- 1. Purpose**
- 2. National policy context**
- 3. Local policy context and links to other strategies**
- 4. Aims of community asset transfer**
- 5. Principles underpinning the Council's asset transfer policy**
- 6. Assessing asset transfers**
- 7. Asset transfer process**

Annex 1	National Policy Context
Annex 2	Salford Assessment Templates
Annex 3	Quirk Review – Extract (community Benefits)
Annex 4	Measuring the success of the project – Annual Review
Annex 5	Initial Expression of Interest Questionnaire

1. Purpose of the process

1.1 The purpose of the process is to set a framework to enable applications for the transfer of an asset from Salford City Council to the third sector to be considered in a consistent way.

Assets covered by the Process

An asset is land or buildings in the ownership of the council. The process does not explicitly exclude any asset from potential transfer to the third sector and leaves this open for decision on a case by case basis. However assets normally suitable for community transfer are only assets which are surplus or potentially surplus to the council's operational requirements. There will be a presumption against transfer if the asset has a reasonable commercial or development value.

Transfer arrangements

"Transfer" is considered to relate to leasehold arrangements at less than best consideration.

The council will consider transfers on the basis of short/medium and long term leases. It will not generally transfer the freehold of its assets. The extent of tenant's responsibilities under the lease will be influenced/informed by the Organisation Health Check (see Annex 2) and length of lease involved

Eligible Groups

The council will consider asset transfer to Community and Voluntary sector groups, referred to in this process as third sector organisations or TSO's. Appropriate groups may be area- based, based around particular social groups or have some other 'community of interest'.

2. National Policy context

2.1 The ownership and the management of assets by community organisations is currently the focus of Government attention. Community asset ownership is increasingly seen as a means to achieve a range of key objectives, from promoting civil renewal, active citizenship and improving local public services to tackling poverty and prompting economic regeneration - through developing social enterprise and supporting the growth of community anchor organisations¹.

2.2 A fuller policy context is set out in Annex 1.

3. Local policy context and links to other strategies

3.1 Salford's asset transfer policy links with the:

- Sustainable Community Strategy
- Corporate Plan 2009-12
- Central Salford regeneration framework
- Salford West regeneration Framework
- Local Development Framework (UDP and SPD's)
- Community Engagement Strategy
- Community Cohesion strategy
- Asset Management Plan

¹ Community led multi purpose organisations, which supports local community activity through community development and capacity building.

4. Aims of Community Asset Transfer

4.1 The council's physical assets include land and buildings some of which are or could be used for a variety of different social, community and public purposes. For some of these assets, community management and ownership through the grant of leasehold interests could deliver:

- benefits to the local community²
- benefits to the Council and other public sector service providers³
- benefits for the organisation taking over the management and ownership⁴

4.2 Changing ownership or management may offer opportunities to extend the use of a building or piece of land increasing its social value in relation to the numbers of people that benefit and the range of opportunities it offers. Community-led ownership may offer additional opportunities to secure resources within a local area and to empower local citizens and communities. The scale and capabilities of the third sector organisation applying for a transfer may influence the extent to which resources can be secured.

4.3 In considering the transfer of assets to the third sector the council will be seeking to promote wider community benefit in relation to, for example:

- Community empowerment
- Area-wide benefits for the people of Salford
- Building the capacity and /or sustainability of the third-sector
- Economic development and social enterprise
- Improvements to local services
- Value for money
- Delivery of council objectives
- Environmental wellbeing of the area

5. Principles underpinning the council's community asset transfer process

5.1 The council's approach to community asset transfer is underpinned by the following principles:

- That the proposal is viable and sustainable in the long term and that it creates area wide social value and benefits
- Any proposed asset transfer must support the aims and priorities of the council as set out in adopted process.
- This process is aligned to our broader policy of support to the third sector as part of a long-term programme of support to, and partnership with, the third sector.
- The Council will take a strategic approach to Community Asset Transfer linked for example, to priority neighbourhoods, the exit-strategies from regeneration programmes, or the potential of particular high-profile cases etc;

² Benefits to the community can arise from: building confidence and capacity; attracting new investment and reinvigorating the local economy; and securing stronger, more cohesive and sustainable communities (See Quirk Review Annex 3)

³ Benefits to public sector providers can arise from: the creation of a new partner able to tap into additional resources; the ability to engage with a more cohesive local community; new service provision complementing and augmenting statutory services (See Quirk Review Annex 3)

⁴ Benefits to the organisation include: financial security; increased recognition; power; management capacity and organisational development, and through having a secure base opportunities to expand and diversify. (See Quirk Review Annex 3).

- The council has a transparent-process for the consideration of requests for community asset transfer which includes a clear point of first contact and clear stages and timescales for each party;
- The council has an agreed method of assessing the benefits of the transfer (linked to priorities) which allows a comparison with market disposal;
- Any transfer at less than the best price consideration will be accompanied by a service level agreement (SLA) identifying the benefits provided by the TSO to the council and how these will be monitored and measured, together with the remedies available to both parties if the SLA is not met.
- Consideration of lease terms (e.g. amount of rent, full repairing or internal repairing) needs to be expressly agreed between the parties having regard to type of property, length of term under consideration, capabilities of the group (financial and managerial) and the SLA benefits
- Once the framework has been established within the council, opportunities to extend the approach to other public bodies through the Local Strategic Partnership will be sought.

6. Assessing asset transfers

6.1 The asset transfer decision is essentially a choice between:

- Expenditure on other services made possible as a result of a 'commercial' or best - price disposal of the asset and
- The benefits generated to the community and/or the council by the transfer of the asset to the third sector.

6.2 In assessing proposals for community asset transfer, the council will attempt to measure the relative benefits and risks of these options in order to justify its decision and the level of discount in the value of the asset proposed. It will also relate these benefits to council priorities such as objectives from the Sustainable Community Strategy. Prioritisation of any competing bids for individual assets will be considered against the Assessment Template – see Annex 2 as appropriate.

6.3 Critical to the success of any transfer is having a clear rationale backed by a robust business-case demonstrating the ability of the TSO to manage the asset effectively, including an assessment of the financial and organisational capacity of the organisation. This is based on the fundamental premise that the TSO is able to secure sufficient resources to occupy, run and maintain the premises adequately, at no direct cost to the council. An assessment framework will be applied by the council as set out in Annex 2

6.4 The organisation wishing to take on an asset will need to provide a 'business case' for transfer at the outset. The expected main elements of a business case are set out below:

Elements of the business case

- How the need for the proposed transfer and use of asset has been identified – what needs will the transfer meet?
- Type of transfer sought (length of lease) and why
- Links to council priorities
- Benefits case as a result of transfer– what will be different and how will it be measured – agreed criteria to be set out
- Expected outcomes for residents

- Capacity of the TSO to acquire and manage the asset – reference to any accreditations achieved e.g. Community Matters ‘visible’ standards or DTA ‘health check’
- Capital costs (including building improvement costs) and how they will be paid for
- Revenue costs and how they will be paid for
- Building management plan – users and functions
- Demonstration of ongoing sustainability e.g. cashflow forecasts
- Any other support received by the TSO from the council and/or other Partner Organisations
- Statement from sponsoring Council directorate supporting the proposal
- Terms of any Service Level Agreement
- Capacity building plan and how this will be delivered
- Details of how the proposed use of the asset and success of the project will be monitored and judged by the TSO
- Details of any ‘fall back’ arrangements in the event of failure of any key elements of the business plan
- Details of how this transfer might complement use of other community buildings in the area.

6.5 If following assessment the council considers that the business case is not sufficiently strong to warrant a transfer but that the circumstances do warrant the grant of a trial period of occupation then this may be agreed. If the proposal did prove successful and sustainable then a transfer could follow the trial period.

7. The asset transfer process

7.1 In considering the potential for asset transfer the Council will follow the process as set out in the table below and an estimated timescale for the process will be agreed. Asset transfer will only take place if the asset is declared surplus to the Councils needs.

Asset transfer process – key stages

Stage	Who is responsible	Indicative timescale for completion
Identification of building for transfer.	TSO or Council	Start
Complete expression of interest – see annex 5	TSO	6 weeks after Start
Consideration of expression of interest and TSO advised of decision	Council	2 weeks from completion of expression of interest
Complete full application including business case for transfer and submit to council	TSO (with sponsoring directorate assistance)	6 months after Start
Complete initial assessment, including; consultation	Head of Property and Assets in conjunction with Urban Vision property advisors and a senior	1 month after full application

with local ward Members etc., initial SLA elements using Assessment Template – see annex 2. and principle terms of transfer and SLA	officer from the relevant council service	
Recommendations on transfer –yes refer to Members; no, provide full feedback.	Head of Property and Assets in consultation with officers from the sponsoring directorate and Urban Vision, property service will prepare a report and recommendation on transfer.	
Decision on transfer	Deputy City Mayor following consultation with other relevant Assistant Mayors.	
If yes, negotiate detailed terms of transfer	Urban Vision and council legal department and TSO	
Agree detailed SLA and monitoring arrangements -	TSO with senior officer from the relevant council service	
Obtain any further approvals required	Senior officer from the relevant council service in conjunction with Urban Vision property advisors	
Complete transfer process	Council legal department with TSO solicitors	

The council understands that TSO's will need to discuss their proposals and may need support in completing the expression of interest or full application. TSO's should in the first instance seek support from the councils Neighbourhood Management Team. The appropriate officer in the Neighbourhood Management Team will then advise the councils Head of Property and Assets and if it is appropriate, identify another relevant council service.

8. Post transfer action

8.1 Any transfers will be subject to ongoing monitoring as set out in Annex 4, to measure the success of the project, review its sustainability, whether the terms of transfer including SLA's require amendment and provide information to be fed back into consideration of subsequent transfers.

If the TSO substantially fails to successfully deliver the project and its intended objectives then the council will after an appropriate period of notice seek forfeiture of the lease.

NATIONAL POLICY CONTEXT

1. The origins of community ownership and management of assets goes back to the ODPM's 2003 *Communities Plan (Sustainable Communities: Building for the future)*. This acknowledged that sustainability is only possible where local communities play a leading role in determining their own future development.
2. The 2003 *Social Enterprise Strategy* recognised that "physical assets, such as community centres, parks and redundant buildings, are of critical importance to the development of active communities and viable community-based enterprise" and committed the Government to exploring how to support asset transfer to social enterprises.

Firm Foundations, the Government's framework for community capacity building published in 2004 has as an aim the development of community anchor organisations⁵.

The former ODPM's *Citizen Engagement and Public Services: Why Neighbourhoods Matter* (2005) sought to promote citizen involvement in public services and proposed a menu of options for action at the local level, from neighbourhood management to neighbourhood charters with cautious support given to 'Neighbourhood ownership' and specific mention of asset ownership by Development Trusts.

A Governmental Working Group was set up to look at the issue further, and its recommendations were published in *Communities Taking Control: Final Report of the Cross-sector Work Group on Community Ownership and Management of Assets* (2006).

The 2006 *Local Government White Paper* confirmed the Government's intention to increase opportunities for community asset ownership and management, and promoted asset transfer as part of a local authority's 'place-shaping' role. It indicated that a fund would be established to help with this, later announced as the £30 million Community Assets Fund managed by the Big Lottery Fund.

After the Working Group reported its findings, the then Secretary of State at DCLG Ruth Kelly MP established a review in September 2006 to look at the powers, policies and barriers relating to the transfer of public assets to community organisations, headed by Barry Quirk.

The Quirk Review's findings [Making Assets Work](#) were published in May 2007. All the Review's recommendations were accepted by the Government and published a week later as an implementation plan in *Opening the transfer window: the government's response to the Quirk Review*.

⁵ Community Anchors are "Independent, community led, multi-purpose, there for the long-term, drive community renewal and use physical assets" Source: <http://www.comm-alliance.org>

The Quirk Review found that a careful increase in the community's stake in an asset can bring a wide range of additional benefits for the community, the organisation receiving the asset and the local authority facilitating the transfer. The benefits of community ownership and management can outweigh risks and opportunity costs.

Quirk believes that there are already a sufficient range of powers and policies to enable and encourage community control of the public land and buildings. What is required is political will, managerial imagination and a more business-focussed approach by the public and voluntary sectors.

One of the central problems regarding the transfer of public assets has been the onus on public sector bodies to secure the best use of their assets to meet their objectives. This is usually taken to mean disposing of surplus assets on the market at best price - to meet the costs of local service provision and reduce pressure on council taxes.

However, local authorities have been given discretionary powers under the Local Government Act 1972 to dispose of land in any manner they wish and the government recognises that there may be circumstances where an authority considers it appropriate to dispose of land or property undervalue. The General Disposal Consent of 2003 grants local authorities the power to dispose of assets (freehold or leasehold) at less than best consideration within defined limits to secure the promotion or the improvement of the economic, social and environmental wellbeing of their area. Government advice indicates that any decision should be made by comparing the very tangible benefits of a market value disposal with the less tangible benefits a transfer may bring to the wider community.

The Government's Empowerment Action Plan 2007 - includes actions relating to the transfer of assets and to a programme of support for community anchors, including the availability of further funding to support the development of anchors.

Guidance to local authorities on asset management has not covered the potential opportunities offered by community asset transfer. However, since the publication of the Quirk Review this has begun to change with an increasing number of local authorities setting individual transfers within strategic approach. The Framework for Local Authority Asset Management Planning published by CLG in February 2008⁶ now includes reference to community asset transfer and indicates how Central Government guidance is now effectively bringing the community empowerment and asset management agendas together.

⁶ 'Building on Strong Foundations', (2008) Communities and Local Government

Community Asset Transfer – Assessment Template

Name and address of asset	
Unique Property Reference number (UPRN)	
Current status (controlling Directorate)	
Occupied or Vacant?	
Major use (as indicated on the council's asset register)	

Scale and scope of the asset (include a brief description of the asset including -:

Size (NIA)	
Condition	
Annual Running Costs	£
Estimated Backlog Maintenance	£

Summary of Proposal and Recommendations

Summary	Specify relevant details.
What organisation(s) has expressed an interest in the asset?	<i>Add details, including name and relevant information of the organisation.</i>
What does the organisation want the asset for?	<i>Add details from Application</i>
Does the organisation have a business case supporting their bid?	<i>Add details, including an assessment of the viability of the business plan.</i>
Does the organisation have the capacity to take on the asset?	<i>Add summary from Table 2</i>
Are there sufficient benefits arising from the proposed transfer	<i>Add summary from Table 3</i>
What are the risks of the proposed asset transfer?	<i>Add summary from Table 4</i>
Are there any other organisations competing for the transfer?	<i>Add details, including name and relevant information of the organisation, what they want the asset for and any proposed terms of transfer. If more than one are these mutually exclusive?</i>
What are local Members views of the proposal	<i>Add summary comments</i>
Recommendation: Based on this information is there any reason to conclude a) this is potentially a suitable proposal for asset transfer b) that the proposal requires more detailed assessment c) that the request(s) received is unsuitable	<i>Specify, citing the main justification for any conclusion</i> <i>If there is more than one proposal for future use, are these mutually exclusive, what needs to happen in order to progress these?</i>

1. Current asset use and circumstances

Details of use and circumstances	Y	N	Specify relevant details.
Is the asset currently occupied?			<i>Add details including: occupying Directorate name and relevant information about occupants; service length of time of current occupancy; any lease arrangements;</i>
How is the asset currently used?			<i>Add details including Main and any subsidiary uses, any services offered; level of use; identity of user-groups; and whether of local, or council wide or wider significance.</i>
Has the asset been declared surplus to the councils requirements			<i>Add dates and any relevant information from the option appraisal which may have been done together with any plans which the council may have for the asset</i>
Condition of the asset			<i>Add details, with estimated costs of any repairs/maintenance. Identify how recent this information is.</i>
Is the asset suitable and/or sufficient for its current use?			<i>Add details, including whether the asset complies with the Disability Discrimination Act. What is the most suitable use for this asset?</i>
Is there any other organisation affected by the ownership of the asset?			<i>Add details including in relation to existing freehold/leasehold arrangements, other contractual arrangements or any funding associated with the asset where conditions on its use or ownership may apply.</i>
Are there any other circumstances directly relevant to potential transfer?			<i>Add details, for example housing stock transfer, existing contractual or financial obligations on the asset, covenants on the asset, etc.</i>

Conclusion Based on use and circumstances is there any reason to conclude that this asset should not be transferred?	<i>Specify, citing the main justification for any conclusion.</i>
---	---

2. Organisational Health Check

Details of Organisation	Y	N	Specify relevant details.	Score 1-5 (1 lowest, 5 highest)
Does the organisation have a Constitution?			<i>Add details</i>	
Is the organisation a Registered Charity?			<i>Add details</i>	
Is the organisation a Registered Company?			<i>Add details</i>	
How long has the organisation been established?			<i>Add details</i>	
How is the organisation managed?			<i>Add details</i>	
How is the organisation governed?			<i>Add details</i>	
Does the organisation have an Equal Opportunities policy?			<i>Add details</i>	
Does the organisation have insurance?			<i>Add details</i>	
Does the organisation have an Annual Report?			<i>Add details</i>	
Does the organisation have audited Annual Accounts?			<i>Add details</i>	
Is there a supporting statement available from 2 referees?			<i>Add details</i>	
Does the organisation have the necessary expertise to take on the asset (now, in future)?			<i>Add details</i>	

<p>Conclusion: Based on this assessment is there any reason to conclude that the organisation is unsuitable for the proposed asset transfer</p>	<p>Specify, citing the main justification for any conclusion?</p>
--	---

3. Benefits

What are the expected benefits of transferring the asset?

These benefits will form the basis of a Service Level Agreement between the council and the organisation

Based on current information, would transferring the asset:	Y	N	Specify relevant details.	Where possible quantify the benefit or Score 1-5 (1 lowest, 5 highest)
Community empowerment				
Increase the involvement of the local community in the management of the asset				
Enable the local community to take action to address local issues				
Area wide benefits				
Complement existing services or activity in the locality or other potential asset transfers. Potential to establish a 'hub' of activity with benefits 'greater than the sum of parts'.			<i>Where there is a link to another potential asset transfer this should be identified and the assessment of each linked.</i>	
Fill a gap in provision locally				
Promote a sustainable community and voluntary sector				
Improve capacity/sustainability of an organisation (e.g. by being able to borrow against the asset, or create a revenue stream from the asset)				
Add value by creating opportunities for individual organisations to work together, for example using the asset as a 'hub'.				
Economic development and social enterprise				
Bring additional investment into Salford (e.g. through grants unavailable to the Council)				
Improve existing economic activity within the local area				
Encourage social enterprise				
Improvements to local services				
Improve or safeguard a service that would otherwise be lost			SLA details and 'value'	
Present an opportunity to deliver specific council priorities (for example from the Sustainable Community Strategy or LAA)			SLA details and 'value'	
Value for money				
Present an opportunity for a 'non-operational' asset to be used			<i>Identify any opportunity costs that would arise from using the asset in another way, including sale at market value.</i>	
Represent the best use of the asset, particularly in the medium to long-term.				
Create efficiency savings				

Conclusion: Identify the main expected benefits of transferring the asset. How do these benefits meet Council priorities or LAA targets?

4. Risks

A range of possible risks is set out below. Individual projects may present their own risks and these should be identified and scored.

Based on current information, what are the key risks involved in transfer:	Y	N	Specify relevant details. What mitigation might address this risk? Include details of any third parties that could be involved	Where possible quantify the risk or Score 1-5 (1 lowest: 5 highest)
Potential for a negative impact on community cohesion			<i>What is the potential impact of transfer on the local community? Are there existing tensions affecting the community?</i>	
Capacity of recipient to manage asset			<i>What level of expertise in facilities management exist within the potential recipient? What is the capacity of the recipient to take on ownership and management effectively? From Table 3.</i>	
Potential for the asset to become a financial liability for recipient			<i>Are the costs of running and maintaining the facility known, and are they understood by the potential recipient? Have they got a business plan that sets out how they plan to use the asset?</i>	
Capacity of recipient to deliver promised services/outcomes			<i>Is there a robust business plan in place? Has the potential recipient got a track record in this area? Does the potential recipient have sufficient capacity to deliver what they propose?</i>	
Capture of asset by unrepresentative/extremist minority			<i>Are there safeguards in place in the short, medium and long-term that will prevent the asset from being used to the detriment of the wider community?</i>	
Transfer contravenes State Aid rules			<i>Is there any potential that the transfer could distort competition and affect trade between EU Member States?</i>	
Conflict with other legal, regulatory constraints			<i>Is the asset a listed building? What are the implications of this? Are there any other regulatory or planning constraints that affect the asset or an area that includes the asset?</i>	

Potential for ongoing Council liability			<i>What are the implications of the transfer in terms of maintenance and health and safety? Are responsibilities clear? What are the insurance arrangements?</i>	
Lack of value for money			<i>Are the opportunity costs understood? Are the potential benefits clear and supported by a strong business case? Do the benefits exceed the costs?</i>	
Conflict with other funders			<i>Is there any funding associated with the asset where conditions on its use or ownership may apply?</i>	
Potential to disadvantage particular individuals or impact negatively on the local community or communities of interest			<i>For example, what is the potential impact on current users of the asset?</i>	
Potential loss of existing community services			<i>What are the implications of the transfer of the asset in relation to current service provision and community facilities? Does the transfer create any risk to continued provision in the longer-term. Can appropriate safeguards be identified that would maintain the asset for community benefit (e.g. restricting use, modifications and/or sale of the asset)</i>	

Conclusion: Identify the key risk(s) involved and mitigation that might address this. Identify the residual risk that remains.	
---	--

Community benefits

There can be significant direct and indirect benefits for the community in which an asset is situated:

- users of assets that are in the control of the community, whether individuals or groups, are better able to plan for the future.
- wealth creation activities, often deliberately aimed to create jobs for local people, will directly bring increased income and improved health within the local community.
- wealth creation and the revaluing through new use of an existing facility, be it a centre, a shop, a housing estate, or a school, can have a powerful multiplier effect. It can restore confidence in that place, it can restore the viability of local businesses, it can help to reverse the exodus of residents and businesses, it can help to restore land values and attract new investment.
- asset-based, community anchor organisations with a broad community remit and a multipurpose function can play a powerful role in promoting community cohesion by bridging the ethnic, faith and other divisions that may be present in communities, and promoting mutual understanding and harmony. Asset ownership can have a major effect in building community confidence and a sense of worth.
- the surpluses generated by the community organisation remain in the community and can support innovative projects through small grants and the availability of community facilities and development support.
- the buildings that are taken over by communities will sometimes occupy iconic status in that community – perhaps a miners' welfare centre, a disused town hall, or a redundant church. Restoring them to productive use, that directly addresses current local needs, can give a significant psychological boost to local communities giving them a new hope in their future.

Measuring the success of the project – Annual review

Every transfer will be subject to review, generally annually, to measure the success of the project, review its sustainability, check whether the terms of transfer including SLA's require amendment and provide information to be fed back into consideration of subsequent transfers.

The review will be undertaken by a representative from the sponsoring directorate, the neighbourhood manager and property representative from Urban Vision as appropriate.

AGREED OUTCOMES/SLA DELIVERABLES	TARGETS/ MEASUREMENTS	YES/NO	COMMENTS
<i>This section will set out the outcomes originally identified/ SLA deliverables, together with specific targets/metrics and whether they have been achieved or not</i>			
FINANCIAL ASPECTS			
INCOME ASSUMPTIONS			
<i>Check of current situation against target or business plan projection and previous year</i>			
EXPENDITURE ASSUMPTIONS			
<i>Check of current situation against target or business plan projection and previous year</i>			
FINANCIAL POSITION			
<i>Comment on financial strength of organisation – better / worse and impact on sustainability of the project</i>			
ORGANISATIONAL CHANGES			
<i>Description of any changes and any impacts on the project positive or negative</i>			
RECOMMENDATIONS			
<i>From the above information, summarise any changes or actions required</i>			

Initial Expression of Interest

The information provided in this Questionnaire will be used in making an initial decision about whether your request to transfer land and or buildings from the council to your organisation should be pursued.

The decision will be based on a number of factors including:

- The suggested use by your organisation
- The benefits of any transfer to:-
 - the community
 - the Council
- The capacity of your organisation to manage the asset
- Possible duplication of existing services available in the locality
- The value of the asset

When completing this form please complete as many sections of the questionnaire as you can. If you need any support or advice in completing this questionnaire please contact the relevant Neighbourhood Management Team for the area concerned.

Eccles Neighbourhood Team	-	0161 603 4292
Claremont and Weaste Neighbourhood Team	-	0161 789 4081
East Salford Neighbourhood Team	-	0161 708 9455
Irlam and Cadishead Neighbourhood Team	-	0161 606 6786
Ordsall and Langworthy Neighbourhood Team	-	0161 603 4092
Swinton Neighbourhood Team	-	0161 607 1961
Worsley and Boothstown Neighbourhood Team	-	0161 790 4562
Little Hulton and Walkden Neighbourhood Team	-	0161 779 8071

INITIAL EXPRESSION OF INTEREST

Part One: Organisation Details

If your organisation is acting as the lead applicant for a number of organisations or groups who wish to work in partnership in an application, please give partners details in the question at the bottom of this page.

Full name of organisation (lead applicant)
Address
Date organisation was formed
Contact name
Position of contact in organisation
Phone Number.
E-Mail Address.

Does your organisation have:	Yes	No	
A constitution			
Terms of reference			
Charitable status			
Bank account			
Financial records			
Regular committee meetings (how often)			
Business plan			
Is your organisation Incorporated			
Does your organisation employ any one			
What is your organisation's management structure?:			Please tick
Informal			
Trustee board			
Management Committee			

<p>If your organisation is acting as the lead applicant for a number of organisations or groups, please give the name(s) of these partner organisation(s) and the main contact name(s)</p>

Existing Links with Council Services

Please provide detail of any links you already have with any council services					
Service	link officer in council (name)	Service Level Agreement yes/no	Commissioned service Yes/no	Grant or other funding Yes/no	Any other links

Part Two: Details of the proposal

What purpose will the land and / or building be used for and why is it required
Who will use the building/land?
Have you discussed your proposal with any local Members, or the Neighbourhood Management Team or other council staff. If so please provide brief details.
Have you already received any legal, technical or professional advice on your proposals, If so provides brief details.
What will be the benefits of your use and occupation of the building to your organisation, the wider community and the council.

How will you fund the project, (including running costs of the building) and ensure its sustainability. – Do you have any funding in place? Please provide brief details.
Does your organisation already have the skills, capacity and experience to manage the building and / or land you have requested? If yes please briefly explain

Signed _____

Name _____ (Print)

Date _____

The person signing this questionnaire must have the prior approval of the organisation applying for the asset.

Bid Evaluation Form

Based on current information, would transferring the bid:	Y	N	Specify relevant details.	Where possible quantify the benefit or Score 1-5 (1 lowest, 5 highest)
Community empowerment				
Increase the involvement of the local community in the management of the asset				
Enable the local community to take action to address local issues				
Area wide benefits				
Complement existing services or activity in the locality or other assets. Potential to establish a 'hub' of activity with benefits 'greater than the sum of parts'.			<i>Where there is a link to another asset this should be identified and the assessment of each linked.</i>	
Fill a gap in provision locally				
Promote a sustainable community				
Improve capacity/sustainability of an organisation (e.g. by being able to borrow against the asset, or create a revenue stream from the asset)				
Add value by creating opportunities for individual organisations to work together, for example using the asset as a 'hub'.				
Improve the environmental sustainability of the area				
Economic development and social enterprise				
Bring additional investment into Salford (e.g. through grants unavailable to the Council)				
Improve existing economic activity within the local area				
Encourage social enterprise				
Improvements to local services				
Improve or safeguard a service that would otherwise be lost			details and 'value'	
Present an opportunity to deliver specific council priorities			details and 'value'	
Value for money				
Present an opportunity for a 'non-operational' asset to be used			<i>Identify any opportunity costs that would arise from using the asset in another way, including sale at market value.</i>	
Represent the best use of the asset, particularly in the medium to long-term.				
Create efficiency savings				

Generate a receipt or reduction in council expenditure				
--	--	--	--	--

Conclusion: Identify the main expected benefits of transferring the asset. How do these benefits meet Council priorities or targets?	
---	--

4. Risks

A range of possible risks is set out below. Individual projects may present their own risks and these should be identified and scored.

Based on current information, what are the key risks involved in the bid:	Y	N	Specify relevant details. What mitigation might address this risk? Include details of any third parties that could be involved	Where possible quantify the risk or Score 1-5 (1 lowest: 5 highest)
Potential for a negative impact on community cohesion			<i>What is the potential impact of transfer on the local community? Are there existing tensions affecting the community?</i>	
Capacity of recipient to manage asset			<i>What level of expertise in facilities management exist within the potential recipient? What is the capacity of the recipient to take on ownership and management effectively? From Table 3.</i>	
Potential for the asset to become a financial liability for recipient			<i>Are the costs of running and maintaining the facility known, and are they understood by the potential recipient? Have they got a business plan that sets out how they plan to use the asset?</i>	
Capacity of recipient to deliver promised services/outcomes			<i>Is there a robust business plan in place? Has the potential recipient got a track record in this area? Does the potential recipient have sufficient capacity to deliver what they propose?</i>	
Capture of asset by unrepresentative/extremist minority			<i>Are there safeguards in place in the short, medium and long-term that will prevent the asset from being used to the detriment of the wider community?</i>	

Transfer contravenes State Aid rules			<i>Is there any potential that the transfer could distort competition and affect trade between EU Member States?</i>	
Conflict with other legal, regulatory constraints			<i>Is the asset a listed building? What are the implications of this? Are there any other regulatory or planning constraints that affect the asset or an area that includes the asset?</i>	
Potential for ongoing Council liability			<i>What are the implications of the transfer in terms of maintenance and health and safety? Are responsibilities clear? What are the insurance arrangements?</i>	
Lack of value for money			<i>Are the opportunity costs understood? Are the potential benefits clear and supported by a strong business case? Do the benefits exceed the costs?</i>	
Conflict with other funders			<i>Is there any funding associated with the asset where conditions on its use or ownership may apply?</i>	
Potential to disadvantage particular individuals or impact negatively on the local community or communities of interest			<i>For example, what is the potential impact on current users of the asset?</i>	
Potential loss of existing community services			<i>What are the implications of the transfer of the asset in relation to current service provision and community facilities? Does the transfer create any risk to continued provision in the longer-term. Can appropriate safeguards be identified that would maintain the asset for community benefit (e.g. restricting use, modifications and/or sale of the asset)</i>	

Conclusion: Identify the key risk(s) involved and mitigation that might address this. Identify the residual risk that remains.

--