



## **HOUSING AND ENVIRONMENT SCRUTINY COMMITTEE - 10<sup>TH</sup> DECEMBER 2024**

**SUBJECT: COMMUNITY ASSET TRANSFER POLICY REFRESHED  
APPROACH**

**REPORT BY: CORPORATE DIRECTOR ECONOMY AND ENVIRONMENT**

### **1. PURPOSE OF REPORT**

- 1.1 To seek the views of the scrutiny committee on the refreshed approach to Community asset Transfer (CAT) which aims to provide a clear, proactive approach with effective support mechanisms.

### **2. SUMMARY**

- 2.1 A CAT policy defines how a local authority handles asset transfers, with a specific focus on community ownership. The policy and approach is an integral part of the Council's adopted Asset Management Planning process.
- 2.2 The council is facing significant financial challenges and simply cannot afford to deliver everything which is currently does. This refreshed, proactive approach is an opportunity to deliver savings whilst safeguarding valued community assets and in some cases services.
- 2.3 The updated approach was required to ensure a clear vision and effective mechanism for advancing opportunities to transfer land, buildings and services to the community. The policy replaces the original CAT policy endorsed by Cabinet in 2019 and aligns with the evolving financial landscape and the Council's increased emphasis on empowering communities.
- 2.4 The refreshed approach outlines a clear consistent method for the application, assessment and approval process. It includes specified periods for the transfer process, guide timelines for various stages, options for priority applicants and assets and a fast-track risk-based application route. The framework aims to be robust yet flexible, recognising that not all assets can be evaluated in the same way the process is outlined in Appendix 1.

- 2.5 Community Asset Transfer (CAT) empowers communities by transferring council assets to their management and control, enabling them to secure assets that have been declared surplus to operational requirements. There may be challenges that recipients have to face and overcome during the transfer process and once the asset is within their control. A commitment and drive is required from all partners to achieve a successful and sustainable outcome.
- 2.6 Our proactive, refreshed approach will be implemented with the assistance of our Communications team. We recommend establishing a Community Asset Transfer Policy accompanied by a separate, simplified application guidance / checklist document and associated application forms, plus relevant content on our web pages. It is our intention that this information will be reviewed and updated on a regular basis as we progress schemes and apply lessons learned.
- 2.7 The goal is to assist community groups in successful transfers. Recruiting a dedicated Community Asset Transfer officer is essential to providing the necessary support to the applicants. Assessing available resources within existing teams for Property and Legal Services is crucial, as is collaboration with other teams e.g. business support, community support (Caerphilly Cares) and Finance. External agency links are also necessary. The support package that the Council may offer must also extend beyond the initial transfer stage to continue during the lifecycle of the project to support the development of the project, promote sustainability and check compliance.
- 2.8 There are a number of pilot schemes currently underway to test the revised approach and timelines. This report includes details of these projects to provide an update on their progress and to seek the Scrutiny Committee's views on continuing within the proposed framework.

### **3. RECOMMENDATIONS**

- 3.1 To comment on the proposed refreshed approach, structure and decision routes.
- 3.2 To note the outlined routes for the pilot schemes outlined in 5.17, 5.18, 5.19 and 5.20.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To ensure that the policy establishes a framework for informed decision making and offers a standardised approach for advancing Community Asset Transfer applications.
- 4.2 To acknowledge progress made on the pilot schemes and noting the next stages.

## **5. THE REPORT**

- 5.1 Community Asset Transfer may take a variety of forms but fundamentally, it involves transferring management and/or ownership to community organisations. It serves as an alternative to private sales, safeguarding community buildings and spaces for the long-term. By doing so, it enables councils and communities to maximise local value while minimising public sector costs.
- 5.2 Taking a strategic approach to community ownership can yield wider benefits and the transfer of assets to relevant community groups offers a potential route for disposal. The community asset transfer policy is an integral component of the asset management planning process, complemented by ongoing asset management reviews and the current service focused assessments. The framework for the Community Asset Transfer policy considers the Council's financial climate, challenges and the goal of empowering communities.
- 5.3 While the current Community Asset Transfer policy endorsed by Cabinet in 2019 meets the necessary requirements outlined in the Welsh Government Community Asset Transfer in Wales – A Good Practice Guide 2016, it is primarily reactive in nature. The refreshed approach reflects the challenging financial climate faced by Caerphilly CBC, together with the latest Ystadau Cymru / Welsh Government Best Practice Guidance (published in October 2019). There is an opportunity to explore a more proactive and refreshed approach.
- 5.4 Our aim is to provide a flexible approach that aligns with the specific asset and proposal being considered. For instance, a short term lease or other management agreement may require less detailed assessment criteria compared to a long term lease of 25 years or more. Due to the diverse nature of Council property assets, a one size fits all approach to Community Asset Transfer is impractical. Therefore, a consistent, principled yet flexible framework is necessary. The proposed approach can be tailored based on asset size, nature of the asset, the applicant and rights being granted.
- 5.5 The refreshed approach will establish a framework to guide decision making where the overarching principles seek to support community need, the Council's Corporate policies and broader objectives. The council website and related documents will be the reference point for a wide variety of community groups who may be considering applying for a Community Asset Transfer. Our Communications Team are assisting with the rebranding exercise considering website design and content. We recommend establishing a Community Asset Transfer Policy accompanied by a separate simplified application guidance / checklist document and associated application forms. Additionally, relevant content will be available on the Council's website, allowing digital access to the necessary documents and the option to submit applications online. Alternatively, groups can choose to submit applications manually.

- 5.6 There is a structured approach to evaluate the suitability of assets for transfer, along with a decision reporting framework. When categories of assets are identified for potential transfer and deemed suitable, consultation will be conducted according to the outlined process. Decisions regarding the timing of disposals and marketing will be made as part of the process, in collaboration with relevant Service areas and Cabinet members. There will be regular reports via Leadership team and a regular progress update to Cabinet as part of the proposed process.
- 5.7 To support community initiatives, certain asset transfers may be approved at below market rent. These transfers recognise the significant social and community benefits provided by the recipient organisations. Each case will be evaluated on its merits ensuring the community value justifies the reduced or zero rent. This approach aligns with our commitment to fostering resilience and empowering communities.
- 5.8 To streamline the process and ensure timely decision-making, assets will be consolidated in tranches and presented to Cabinet for consideration and approval. The CAT Delivery Group will determine the schedule for reporting using criteria such as asset type, submission dates or priority requirements. Depending on the timing of the reports, if terms have not been agreed at the stage of reporting, authority for approving the specific terms of asset transfers will be delegated to Head of Land of Property and endorsed by the Corporate Director and Cabinet Member/s subject to the submission of a satisfactory business case. This delegation will enable efficient handling of routine transfers, while ensuring that all decisions are made in accordance with established policies and procedures. Major or contentious transfers will still require full Cabinet final approval.
- 5.9 The Decision Route flow chart is provided within the guide published on the website [Link to Web page](#). A CAT Working Group has been established and meets on a regular basis. Membership is defined with terms of reference and will serve as the CAT Delivery Group going forward. The group includes core and optional members to ensure appropriate coverage for various considerations depending on the nature of the asset under review. This group will consider applications and make recommendations during the process which will feed into the decision making process.
- 5.10 Various service areas such as Communications, Caerphilly Cares, Finance, HR, Leisure Services are included to assist with the delivery element. Depending on the nature of the proposed transfer and end use there will also be a requirement to consult with other service areas during the process. Reporting routes will be established to include regular updates to Leadership team. An annual report will be presented to Cabinet to outline progress as part of the Asset Management Plan.
- 5.11 The goal is to assist suitably constituted groups in achieving successful transfers by providing dedicated resources to work with and guide them through the process. Consequently, recruiting a Community Asset Transfer officer is necessary to offer this level of dedicated support. Additionally, we

need to assess the resources available within Property Services, Legal Services and other teams to assist the CAT officer and groups during the application, assessment, decision and transfer stages. Collaboration with other teams, such as business support, community support (Caerphilly Cares) and Finance will be essential to advance proposals and assist groups.

5.12 We will also provide links to external agencies for additional support within the documentation. Assistance during the handover period and post transfer is also viewed as an essential element of the support offer. This is to ensure that groups are provided with ongoing assistance to grow and achieve success. This support will also take the form of a monitoring role to check compliance with building and compliance related tasks.

5.13 The proposed process consists of 3 stages:

- Expression of interest – This part of the process will outline the groups intended use and allows the council to check that the proposed use aligns with the councils objectives and has a chance of success without investing too much time and effort.
- Full business plan with a 5 year financial forecast – This stage will only be undertaken by a single party or a group of parties that have agreed to collaborate. This exclusivity will allow groups to focus their efforts and resources.
- Final decision phase. This stage will allow the CAT Working group to form a recommendation and Cabinet to consider the transfer with full visibility of the business plan.

The policy and guidance document outline the application process, eligible assets, assets that are excluded, guide timelines, decision criteria and the available support for applicant groups. These documents will be found on the website being developed with Communications.

5.14 There are two application routes available: standard and fast-track. In response to feedback regarding the lengthiness of the previous process, a simplified, risk-based fast-track approach was developed. This approach can be adopted for certain assets and applicants, making the process more navigable for priority applicants, such as existing tenants/users, well-established and properly constituted groups with a strong track record, and joint ventures. By eliminating the requirement for these groups to complete a full business case application, this approach can potentially reduce the application timeline by up to 12 weeks.

5.15 To fast track a Community Asset transfer application for priority applicants, we can request key information and documents to ensure a thorough yet expedited review process. This would include provision of pre application support, a more concise business plan, review of relevant documents including financial history and projections and expedited decision making.

5.16 The table below summarises the process with indicative timelines. We are currently testing these timelines and processes with our pilot schemes. Timescales may vary based on several factors, including the complexity of the transfer, the experience and support needs of the group, GAVO's capacity to support groups at various stages, access to and dependency on funding, governance arrangements, whether the group is constituted correctly, and the capacity within the relevant service teams

<b>Stage</b>	<b>Standard CAT Route</b>	<b>Target Timescale</b>	<b>Fast-Track Route</b>	<b>Target Timescale</b>
0	Pre application discussion with CAT Officer	N/A	Pre application discussion with CAT Officer	N/A
1	Formal Expression of Interest submitted to CAT Officer	4 weeks from issue	Formal Expression of Interest submitted to CAT Officer	4 weeks from issue
1b	Appraisal of EOI application	4 weeks from receipt	Appraisal of EOI and Business Diagnostic	4 weeks from receipt
2	Business Diagnostic Assessment	Within 4 weeks from stage 1 approval	Business Diagnostic & Financial projections and records	Within 4 weeks from receipt of all requested documentation. Allow 4 weeks
2b	Full Business Plan submission to CAT Officer	12 weeks	Simplified application process with request for relevant information to include governance and financial documents	2 weeks (timeline dependant on response time of group)
3	Full assessment of CAT Proposal & Business Plan	6 weeks	Assessment of Proposal & financial projections	4 weeks
4	Property Transaction approval and completion of agreement	12 weeks	Property transaction and approval and completion of agreement	12 weeks

5.17 Applications that align with the council's financial position and well-being objectives will be prioritised. The proposal includes publishing a priority schedule of assets. This schedule will outline asset categories for

consideration and will be regularly published on the website. It will be integrated with assets identified during service reviews and the ongoing Asset Management Planning process. Assets considered for transfer and deemed suitable will be agreed upon via the decision route outlined above.

- 5.18 Certain costs relating to the transfer are unavoidable such as various legal notices and searches etc. Any costs which we expect an applicant to bear will be made clear at the earliest opportunity ideally prior to the first stage of the process.

### **Pilot schemes**

5.19 Hafod Deg, Rhymney

The building is currently managed via Caerphilly Cares who are seeking to transfer to Property Services to hold whilst an alternative use is identified and approved. Future use options, including Community Asset Transfer have been considered. Following the recent marketing exercise, an established group have submitted an initial application which is under review. Due to the governance structure of the group and strength of their initial application, it is proposed to progress this application as a priority scheme. This will present an opportunity to test our fast track approach.

5.20 Tredegar Park Toilets, Risca

The surplus toilets have recently been advertised as a community asset transfer opportunity. An established community group has submitted a strong application proposing to reopen the accessible toilet and convert the remainder of the building into community facilities for park users. The recommendation is to support the application and progress to the next stage of the process, inviting a full business plan.

5.21 Land at Dan Y Graig, Risca

Following the marketing of this surplus site, 5 applications have been received. Due to the proposed uses, it may be possible to explore a collaborative venture. The recommendation is to host a workshop style event with the interested groups to explore their proposals in more detail and progress with an over-arching multi party second stage application.

5.22 Former Meals on Wheels (MOW) building, Rhymney

A local gym has submitted an Expression of Interest and a business case outlining their requirements to establish a new base, as their current location is set for redevelopment. The organization, which established itself as a Community Interest Company in 2024, has sought advice from the Gwent Association of Voluntary Organisations. The former MOW building has been out of use for some time and will require investment to bring it back into a safe condition for use. The group plans to seek external funding to cover these costs.

- 5.23 A summary of the marketing activity is contained within Appendix 2.

## **6. ASSUMPTIONS**

- 6.1 The proposal and support package assume the presence of a dedicated CAT officer to assist with applications, along with support from the necessary officers and service areas. The various teams will need to be adequately resourced to match the number of assets and applications being considered.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 Not required update only

## **8. FINANCIAL IMPLICATIONS**

- 8.1 As detailed in the report, there is a requirement to recruit a dedicated Community Asset Transfer Officer. Additional resource implications will depend on the number of applications submitted and the assets available for transfer. Additionally, there are building-related costs for any period during which a building or asset is held pending transfer.
- 8.2 We may need to consider support packages for various asset categories to facilitate the transfer process. These packages will be evaluated on a case-by-case basis in conjunction with the holding service to ensure tailored support and successful outcomes. These discussions will be included in the regular updates and reporting process as outlined.

## **9. PERSONNEL IMPLICATIONS**

- 9.1 The requirement for a dedicated Community Asset Transfer Officer has been identified, job description developed and is currently being progressed via the approved route.

## **10. CONSULTATIONS**

- 10.1 Draft policy and associated documents have been circulated for comment within the Delivery Group and leadership. The documentation has also been shared with our communications team and regular meetings to progress have commenced. GAVO has also been consulted and are to be included as consultee during the application process. Further consultation is being undertaken as part of this reporting process and comments will be included in the report.

## **11. STATUTORY POWER**

- 11.1 Local Government Act 1998. Local Government Act 2003.



Author: Ben Winstanley – Head of Land and Property  
(winstb@caerphilly.gov.uk)  
Brodie Thompson-Payne – Strategic Asset Manager.

Consultees: Sarena Ford – Communications Manager.  
Harry Skiff – Communications Manager.  
Nicola Evans – Estates Officer.

## **Appendices**

Appendix 1 Community Asset Transfer  
Appendix 2 CAT Marketing report October 2024