

Community Asset Transfer Process in respect of Transfer of Central Government Surplus Assets

1.0 Background

The [NI Executive's Community Asset Transfer \(CAT\) policy](#) was developed to support the commitment in the Programme for Government (2011-2015) to “invest in social enterprise growth to increase sustainability in the broad community sector”.

The policy provides a framework to facilitate community ownership of surplus public sector assets as an option as part of the normal disposal process. It recognises that CAT will not always be the preferred option, that disposal at full market value/open market process will often be the preferred option for asset owners but that within the disposal process CAT may be an option to be considered if such an interest from the Third Sector is expressed.

Voluntary and Community Division (VCD) in DFC have lead responsibility for the implementation of the policy and can offer advice to asset owners in receipt of a CAT interest. VCD have appointed Development Trusts NI (DTNI) as their Third Sector delivery partner to support those Third Sector Organisations (TSO) interested in CAT.

In order to avail of CAT opportunities the TSO must secure a public sector sponsor body who has the necessary compulsory purchase powers to enable the TSO to access the public trawl. The exact role of a sponsor body can vary. The possibilities are laid out in detail at **Annex A** alongside other stakeholder roles. It should be noted the asset owner can sponsor the proposal if they have the necessary compulsory purchase powers.

2.0 Process

There are three main stages to the CAT process comprising the following:

Stage 1a	Trawl
Stage 1b	Expression of Interest Questionnaire
Stage 1c	Questionnaire Review
Stage 2a	Business Plan
Stage 2b	Business Case Preparation
Stage 3	Approval, Transfer and Post Transfer Monitoring

Stage 1a – Trawl

Land and Property Service's (LPS) Central Advisory Unit (CAU) circulate copy LPS Internal Trawl (D1) Notices to appropriate parties including DTNI.

DTNI must respond to LPS CAU within 15 working days to confirm whether there is interest **in principle** for CAT.

Stage 1b – Expressions of Interest

Following Stage 1a of the normal trawl process, any interest registered from DTNI will trigger LPS CAU to issue a bespoke CAT questionnaire. TSO with support from DTNI (if availed of) has a period of 40 working days to respond to LPS CAU. As highlighted within the CAT Policy, where there is competition for assets third sector organisations will be encouraged to collaborate.

Stage 1c – Questionnaire Review

Following receipt of questionnaires, LPS CAU will circulate to the asset owner, sponsor body (in principle or confirmed) and DfC VCD. The asset owner should review the questionnaires, with input from DfC VCD and any potential sponsor body.

This determination on the potential CAT to proceed to the preparation of a business plan should be made and confirmed to LPS CAU within 20 working days. Whenever a decision is made not to continue with a CAT, the disposing body is required to provide the decision in writing setting out the rationale for the decided route. This will be clearly communicated to the proposed acquiring body, DTNI, DfC and CAU.

Should competing interests emerge at EoI stage reflecting both statutory and third sector interests, the Asset owner will review the EoI's in the context of all the Department's requirements and with input from relevant stakeholders to provide advice on which to base a decision. In such cases asset owners should also refer to the LPS CAU Disposal Guidance. Within the context of CAT, any negative decisions should be communicated to stakeholders, with communication again should it subsequently proceed to a market sale.

The operation of the Stage 1c assessment will require that all stakeholders i.e. asset owner, sponsor body (if different) and TSO, are signed up to proceed to the Stage 2 assessment, otherwise the asset owner is free to pursue alternative disposal routes.

In proceeding to Stage 2, two main scenarios will arise out of the Stage 1c Questionnaire Review:

Scenario 1 – The asset owner is also the sponsor and is responsible for assessing and endorsing the suitability of the TSO proposal.

Scenario 2 – The asset owner is not the sponsor and will agree the level of support it requires from the sponsor to facilitate the TSO proposal before moving to Stage 2.

Stage 2a – Business Plan

Should agreement be reached to proceed to Business Planning stage access to independent expertise to assist with the Business Plan will be made available.

It is important that the asset owner, third sector organisation, sponsor, and DfC work constructively together with the independent resource support to communicate, share information and pursue a transfer in good faith. The relevant stakeholders should be encouraged to engage to discuss the preferred route to transferring the asset so that the Business Plan is drafted appropriately.

The following options are available at Stage 2 and the chosen route to CAT will determine the author and format of any subsequent Business Case and the title to transfer or lease. Please note that where full market value is being received the asset owner must only complete a business case if it is a requirement of their business as per usual disposal procedure:

Option 1 - Asset owner is sponsor and is willing and able to sell at less than market value direct to the TSO, subject to business plan and business case.

Business Plan	TSO
Business Case	Asset Owner

Option 2 - Asset owner is not sponsor but has obtained sponsor body commitment and is able to sell at less than market value direct to the TSO, subject to business plan and business case. This requires the identification of an alternative sponsor body which should have been confirmed in principle at Stage 1.

Business Plan	TSO
Business Case	Asset owner with input from Sponsor Body in terms of review, policy input, strategic context, alongside confirmation of sponsor role.

Option 3 - Asset owner is sponsor and is not willing or able to sell at less than market value. Disposal to community organisation at market value.

Business Plan	TSO
Business Case	Asset Owner – requirement varies between asset owners depending on delegated authority's etc. basic format only <u>if required</u> , including record justifying decision to sponsor but excluding the less than market value requirement.

Option 4 - Asset owner is not sponsor and is not willing or able to sell at less than market value. Disposal to community organisation at market value.

Business Plan	TSO
Business Case	Asset Owner - requirement varies between asset owners depending on delegated authority's etc. basic format only if required. Sponsor to provide policy input/strategic context if required alongside confirmation of sponsor role.

Option 5 - Asset owner is not sponsor and is not willing or able to sell directly at less than market value - NBV (or reduced value) Transfer to Confirmed Sponsor with sponsor body commitment for subsequent CAT at less than market value.

Business Plan	TSO
Business Case	Asset Owner, with input from Sponsor – requirement varies between asset owners depending on delegated authority's etc. basic format

only if required. Revert to Option 1 i.e. sponsor becomes Asset Owner and takes on full responsibility for any transfer.

A timescale of 4 months for completion of Business Plan is suggested. The inclusion of key milestones and an agreed time bound process should bring a clearly defined structure to the process for Third sector organisations and asset owners.

Stage 2b – Business Case

Subject to the completion of a Business Plan at Stage 2a, Business Case to be completed by asset owner with input from the sponsor body within a 2 month period. However asset owners should be able to commence their Business Case preparations in parallel with the Business Plan rather than sequentially.

For Options 1 & 2 above, the asset owner's business case will need to address the justification for a disposal at less than market value. This may require Department of Finance (DoF) and Ministerial approval.

For Options 3, 4 & 5 the asset owner's business case does not need to address the issue of disposal at less than market value and does not require Ministerial/DoF approval, however the sponsor body will require to address this in Option 5 to cover their subsequent transfers to community organisations.

The principle of proportionality should apply in terms of the magnitude of the Business Case against the level of value of the asset

Stage 3 – Approval, Transfer and Post-Transfer Monitoring

This element of the process is highlighted to acknowledge that once a final Business Case is agreed and prepared to support progress of the CAT transfer at Stage 2b, each asset owner will have a different approval requirement ranging from senior management board, department board and Ministerial approval depending on the nature of the CAT proposal and their governing legislation. However, it is important to ensure that relevant parties to the approval process are consulted throughout Stage 2 and feedback is reflected in the development of the Business Plan and Business Case in order to avoid delays in addressing issues at the final submission stage.

Following approval, the asset owner and TSO should refer to their respective legal support for completion of the appropriate contracts and incorporate any agreed conditions, clawback and monitoring arrangements.

Stakeholder Objectives and Roles & Responsibilities

Stakeholder	Objectives	Roles & Responsibilities
Disposing Bodies	<p>The main objective is to process surplus asset disposals to:</p> <p>(i) use the trawl process to identify reuse potential outside it's department which meets Programme for Government (PfG) objectives</p> <p>(ii) generate a capital receipt to reinvest in capital works</p> <p>(iii) generate a capital receipt to meet a budgetary target.</p> <p>(iv) dispose of surplus assets in a timely manner to reduce current liabilities.</p>	<p>Responsible for the release of assets for disposal which are surplus to requirements. (Is a requirement of MPMNI Annex 4.8.12 – 4.8.15)</p> <p>Also Section 2 of Land & Property Services (LPS) Disposal Guidance (as issued in March 2013) prompts the identification of surplus assets for disposal.</p> <p>Mandatory Asset Management Plans (AMPs) are produced annually by each department and include a section on planned asset disposals.</p> <p>Accountable for the ultimate decision on the chosen disposal route.</p> <p>Complete and seek approval for appropriate level of business case to assess the budgetary impact of a CAT transfer.</p> <p>Potential liaison with Strategic Investment Board (SIB) business plan resource.</p>
<p>Department for Communities (DfC)</p> <p>Voluntary & Community Division (VCD)</p>	<p>Support the public sector in its implementation of the CAT Policy 2014.</p> <p>Support the development of sustainability, enterprise and innovation in the Third Sector.</p>	<p>Provision of advice and guidance to public sector on CAT policy:</p> <ul style="list-style-type: none"> - Throughout the process to provide advice and guidance to asset owners from both a CAT policy perspective and wider Third Sector contexts (community development, social enterprise and Regional Infrastructure support). Specific input at Expression of Interest (EoI) stage may include: <ul style="list-style-type: none"> o Knowledge of Third sector organisations

Stakeholder	Objectives	Roles & Responsibilities
		<ul style="list-style-type: none"> ○ Knowledge of DfC specific and wider funding environment ○ Good practice for other CAT considerations ○ Any specific policy inputs. <p>- Oversight of DTNI contract and their focused role in the CAT process, including their management of timelines within the Eol stage, their communication with stakeholders including asset owners.</p> <p>Working with SIB on the provision and application of independent expertise to Third Sector organisations (TSOs) to assist in the preparation of viable, sustainable business plans to support asset transfer.</p>
Development Trusts NI (DTNI)	Support third sector community organisations to identify and deliver CAT proposals where DTNI assistance is requested/identified as a requirement	<p>DTNI is grant funded by DfC to provide expertise and experience to support the third sector to avail of CAT opportunities:</p> <ul style="list-style-type: none"> - Provide information and support/signposting to organisations interested in CAT. - Carry out early stage assessment of capacity and capability of the organisation and to support completion of Expression of Interest stage. - Facilitate organisations participation in the LPS Internal Trawl Notice, known as a D1, process, adhering to set timescales. - Support organisations to secure an appropriate sponsor body. <p>In some instances there may be a specific role for DTNI to support/advise the Third Sector organisation in the business planning stage but this to be agreed with DfC.</p>

Stakeholder	Objectives	Roles & Responsibilities
Third Sector Organisation (TSO)	<p>Deliver public benefit through the utilisation of public sector assets creating civic value and supporting government objectives.</p>	<p>Community ownership and management of public assets encompasses a range of third sector organisations, for example. Voluntary and community groups, faith-based organisations and social enterprises. The CAT Policy envisages third sector organisations delivering public benefit through management of public sector assets. The third sector organisations are responsible for developing a business plan within agreed timescales which identifies need for the services, demonstrates the viability of the proposed use of an asset, delivery against PfG outcomes and addresses the sustainability, accountability and decision making conditions as highlighted in the CAT policy.</p>
Sponsor Body	<p>Facilitate the transfer of the asset to the community organisation via the public sector trawl in accordance with LPS Disposal Guidance requirements.</p> <p>Consider the need and activity of the third sector organisation's proposed use of the asset as contained within the Business Plan and provide formal endorsement as agreed with the asset owner.</p>	<p>The sponsor body role is to confirm existence of compulsory purchase powers for the intended purpose to allow the transfer to take place, as required under the Stormont Regulation and Government Property Act (NI) 1933.</p> <p>In order to provide this the sponsor body should be content that the proposed use of the asset complements or contributes towards their policy intentions in the area and they are willing to endorse the project (and input to the Asset Owner's business case if necessary) and provide confirmation of this to asset owners when the proposals relate to assets owned by other government bodies.</p> <p>The transfer remains between the asset owner and third sector organisation. There may be particular circumstances where the asset owner may wish to seek</p>

Stakeholder	Objectives	Roles & Responsibilities
		<p>to transfer the asset to the sponsor body (or another Department) for onward transfer to the TSO, however this would be subject to negotiation and agreement of both parties.</p> <p>Acting as sponsor body, when not the asset owner, confers no future liability for the asset or the services run from it, nor responsibility for issues such as clawback.</p> <p>There may be instances where it is desirable for the sponsor to play an enhanced role but this would be subject to agreement between the asset owner and sponsor.</p>
<p>Land & Property Services (LPS)</p>	<p>Facilitate the sharing of information on surplus assets with community organisations through inclusion of DTNI in the public sector trawl, as suggested within the CAT Policy 2014.</p> <p>Provide valuation advice to the asset owner and details of any expressions of interest.</p>	<p>LPS Central Advisory Unit (CAU) is responsible for policy and guidance on the disposal of surplus public sector property in Northern Ireland as well as the management and operation of the clearing house service for surplus land. The clearing house provides the main source of information on surplus assets which can be considered for CAT. LPS District Valuers provide the asset owners with a market valuation and details of the expressions of interest through the trawl.</p> <p>LPS do not participate in assessing the investment readiness of third sector proposals or the production of business plans or asset owner's business cases.</p>

Community Asset Transfer in Northern Ireland

Enabling and Supporting Community Ownership and Management of Public Assets



Urban Regeneration and Community Development Group
Department for Social Development

May 2014

MINISTERIAL FOREWORD

The development of a new policy framework to support Community Asset Transfer in Northern Ireland fulfils a number of Government commitments. It supports the Executive's commitment in the Programme for Government (2011-2015) to "invest in social enterprise growth to increase sustainability in the broad community sector". This work also supports the Concordat between the Voluntary and Community Sector and the Government which contains a commitment to investigate the potential for community asset management and ownership in Northern Ireland.

The framework will also contribute to delivery of other Executive priorities including the Economic Strategy and the Delivering Social Change programme. The need for economic development and new social policy initiatives are clearly linked and Community Asset Transfer will provide regeneration opportunities, new service delivery potential and local job creation.

Following extensive public consultation and discussions with key stakeholders across the public sector, I am now pleased to bring forward firm proposals for implementation of this policy framework. It presents an exciting agenda for change and real opportunities for people to make positive changes within their communities. Community Asset Transfer can be a real catalyst to stimulate regeneration and greater community cohesion across Northern Ireland. This policy framework sets out how Government can support community ownership and management of public sector assets and empower local communities.

The document includes some case studies, both local and from other parts of the UK, which demonstrate that successful asset transfer can bring real social, environmental and economic benefits to communities. It can also lead to wider regeneration and bring associated benefits in health, education and community well-being.

My Department will continue to work closely with Development Trusts NI and other stakeholders to test and implement this policy framework. A number of demonstration projects have been identified for this purpose and I look forward to hearing of their progress.



Nelson McCausland MLA

Minister for Social Development

Community Asset Transfer in Northern Ireland - *Enabling and supporting Community Ownership and Management of Public Assets*

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1. Introduction

Community Asset Transfer is a change in management and / or ownership of land or buildings, from public bodies to communities. “Community” ownership and management of public assets encompasses a range of third sector organisations e.g. voluntary and community sector groups, faith-based organisations, community enterprises and social enterprises. Throughout this document the term ‘third sector organisation’ is used in this broad sense.

Community Asset Transfer should be understood as a spectrum which ranges from management agreements and leases of varying duration through to full ownership. Not all third sector organisations will aspire to full ownership of assets although for many this will be the preferred option. Shorter leases, including ‘meanwhile’ leases can be useful for managing risk and building capacity and may be a stepping stone to longer term arrangements.

Community Asset Transfer should be recognised as a flexible tool with a broad range of applications, depending on the imagination and ambition of those involved. It represents a means of investing in regeneration and positive social, economic and environmental outcomes which can be used to support Executive priorities. This policy framework will facilitate community ownership or management of surplus public sector assets as a mainstream option as part of the normal disposal process. It will not always be the preferred option and disposal at full market value will still apply in many cases.

A number of public sector organisations in Northern Ireland already have some experience of transferring assets to community partners. Up until now however there has been no coherent policy context to support the process and inform decision making. This policy framework will address this gap and will create a more enabling environment for Community Asset Transfer in Northern Ireland.

In introducing this policy framework it is recognised that transfers will work best where there are positive working relationships between the asset holder and the organisation to which it is transferred. The transfer has to be beneficial to both parties and carried out in a spirit of partnership. We have the advantage of being able to learn from how asset transfer has worked and is working in other regions of the UK. We also need to take account of the different arrangements in Northern Ireland, but the underlying principles remain valid. It is helpful to look at case studies and

so we have included a number of these at Annex C. The case studies highlight many of the issues that arise during the asset transfer process.

It is important to note that a decision by a public body to dispose of an asset at less than market value carries an opportunity cost, that is, while there will be benefits of a non-monetary nature delivered by the transfer, there will be a corresponding gap in public finances that will not be available for investment in other public services. That will be an important consideration in any transfer and for that reason the associated business case will be assessed with the same rigour as for a capital grant.

It should also be emphasised that, in many cases, disposal at full market value will continue to be the preferred option for asset owners. The policy framework will, however, ensure that Community Asset Transfer is a mainstream option as part of the disposal process.

2. The Benefits of Community Asset Transfer

There is evidence to show that, in the right circumstances, community ownership and control of assets produces a range of benefits. Community Asset Transfer can bring benefits to both parties involved in the transfer and should also bring benefit to the wider community which an asset can be used to serve. Research shows that the benefits include:

Benefits to the Community

- It can improve neighbourhood-based service provision, increasing accessibility for local people, which is particularly important in rural areas;
- It can bring a sense of community identity and pride and the potential for increased community cohesion;
- It can lead to additional jobs, training and business opportunities;
- It can contribute to physical regeneration; and
- It can bring increased confidence, skills and aspirations locally.

Benefits to the public sector

- It can lead to more efficient use of public sector assets – community organisations often make extensive use of volunteers and their local knowledge and hands-on management of the asset can result in lower overheads and better value-for-money, as well as a more intensive use of the asset;
- It can enable community organisations to support public service provision in ways that are more responsive and better related to local need; and
- It can enable effective partnerships between the public sector and the third sector to enhance local services.

Benefits to the Third Sector

- It can lead to increased sustainability for organisations and improved leverage with external agencies - an asset can provide a community organisation with greater financial viability and reduce its dependency on grants;

- It can enable a community organisation to apply for external funding that is not available to a public authority, or even to secure loan finance on the value of the asset; and
- It can facilitate collaboration and resource sharing amongst organisations.

3. Strategic context – opportunities to support Community Asset Transfer

Community Asset Transfer is one of a number of tools that aim to support the Third Sector and assist organisations move towards sustainability. This section explains the wider context within which this policy framework is set.

UK Policy Context

Community Asset Transfer is well supported by policy, legislation and funding elsewhere in the UK. The idea is central to the Scottish Government’s Community Empowerment agenda and to the Coalition Government’s Localism Agenda and the concept of the ‘Big Society’. It is also being actively promoted by the Welsh Assembly Government as a means of enhancing community capacity and supporting social enterprise.

In developing this policy framework for Northern Ireland we have taken account of policy and practice elsewhere and the increasing body of research and guidance available to support Community Asset Transfer (see [Annex B](#)). The opportunity has been taken to build on and learn from experience of others and to draw on case study examples and the skills and professional networks which have been built up.

NI Policy Context

The Community Asset Transfer policy framework is complementary to a range of other current Executive priorities to promote economic growth and tackle poverty. The Economic Strategy and the Delivering Social Change Programme are intended to stimulate economic growth and tackle underlying causes of poverty and social disadvantage across Northern Ireland.

Community Asset Transfer will provide regeneration opportunities and enable Third Sector organisations to increase service delivery potential and provide new employment within local communities. This links with the Department for Social Development’s wider objective to ‘support social economy growth’ within the wider voluntary and community sector and with the recently established Social Economy Incubation Hubs.

The Urban Regeneration and Community Development Framework sets out the strategic direction for this work over the coming years and following transfer of powers to the new district Councils. It provides an enabling framework which will encourage:

- A more targeted anti-poverty approach by better addressing the underlying causes of spatial deprivation and exclusion;
- A stronger emphasis on the outcomes to be achieved from urban regeneration and community development initiatives and how these can change neighbourhoods; and
- Maximising the limited resources available to develop more sustainable forms of urban regeneration and community renewal.

Public Sector Asset Management in Northern Ireland

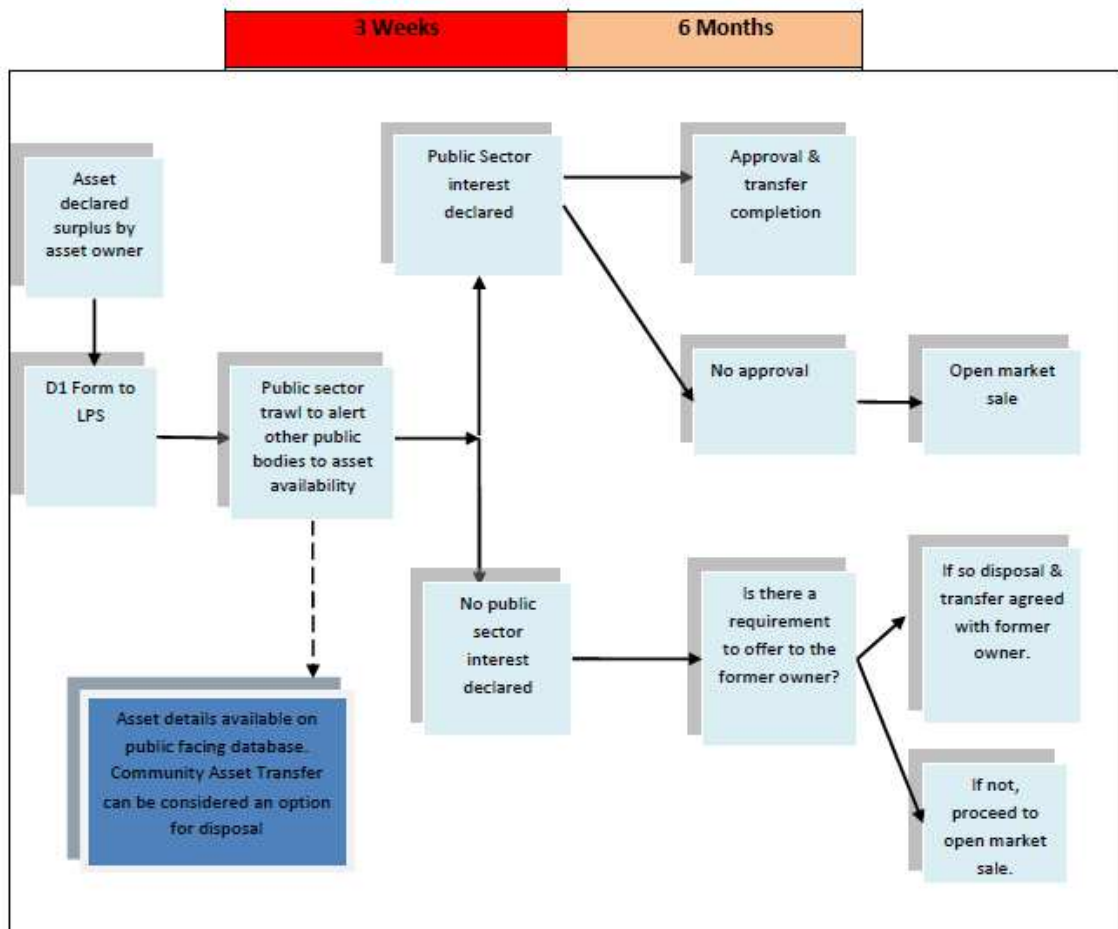
The Executive has established a small Asset Management Unit (AMU) who are working with every department and until June 2013 reported progress to the Budget Review Group. In January 2011, the Executive tasked the AMU with developing and delivering:

- a region-wide Asset Management Strategy;
- departmental Asset Management Plans updated annually; and
- ePIMS as a central asset database.

In addition the AMU was tasked with helping departments to deliver a programme of asset disposals. All of the tasks set by the Executive are being delivered and in June 2013, the Executive approved the region-wide Asset Management Strategy. The AMU is now working with departments to deliver the recommendations of the Strategy.

We have been working closely with the AMU both in the development of the Asset Management Strategy and in the implementation of recommendations to ensure that policy on Community Asset Transfer is reflected appropriately. One of the key objectives for the AMU is to identify savings opportunities from the running cost of assets and as a by product deliver additional capital income for the Executive by identifying and disposing of assets that are deemed to be surplus. An overview of the disposal process is illustrated below including indicative timescales for the process and the point at which Community Asset Transfer can be considered as an option for disposal. It should be noted that consideration of Community Asset Transfer as an option at the public sector trawl stage does not imply a preference for disposal and all cases will be assessed by the asset owner in accordance with disposal procedures. It is in the context of the disposal process outlined that

Community Asset Transfer will need to be considered. As part of its role, the AMU is creating a central asset database. The information held on this database will help to facilitate the implementation of Community Asset Transfer by enabling access to information on surplus public assets. In addition to the work of the AMU on behalf of the Executive, there is a keen focus on asset management within local government in advance of the implementation of local government reform and the creation of new councils in 2015.



Social Enterprise Agenda

The Northern Ireland Economic Strategy acknowledges the contribution that social enterprise can make to achieving business growth, supporting economic development and tackling disadvantage. The Strategy contains a commitment to support 160 new social economy start-ups and invest in social enterprise growth.

Social Enterprise NI is a newly established consortium of social enterprises and social entrepreneurs which aims to provide a “central meeting place where the sector can collaborate, share knowledge, information and best practice to create real social change”. The consortium is funded by DETI and is engaged in a three year work programme which will complement the aims of Community Asset Transfer.

The emerging importance of the social enterprise agenda has been highlighted by recent research conducted on behalf of DETI and DSD. The research mapped the third sector in Northern Ireland and considered its capacity to become more enterprise driven. Both Departments will be taking forward recommendations from the report, some of which will directly support the out-working of this policy framework.

Work of other Third Sector partners

DSD has engaged Development Trusts Northern Ireland (DTNI) as a delivery partner to support the implementation of Community Asset Transfer. DTNI will build capacity and expertise within the third sector to enable community organisations to take advantage of future opportunities.

The Building Change Trust has a strategic objective to build, strengthen and utilise community capacity and assets. It has been working with DSD and other public sector bodies to support investment readiness and skills development within the third sector.

4. Creating an enabling environment for Community Asset Transfer

Introduction

This policy framework aims to create an enabling environment for Community Asset Transfer in two main ways. Firstly, it will establish some conditions or ‘ground rules’ to govern individual transfers and help both parties to a transfer to understand the circumstances in which the transfer of an asset may be appropriate. The ground rules are laid out in Section 5. Secondly it will seek to address the barriers which exist in terms of regulation and guidance, finance, skills and awareness, through a series of pragmatic actions. These are laid out in sections 7-10.

Any proposed asset transfer must support the priorities of the Executive and aim to create the widest public value. The list below is indicative of the kind of outcomes that should be achieved by successful asset transfer:

- Delivering community benefits;
- Supporting development of social enterprise;
- Contributing to social, environmental or economic regeneration;
- Improving, safeguarding, creating local services/amenities;
- Supporting the sustainability of a community organisation; and
- Improving social cohesion.

This list of potential outputs highlights again the principles of partnership and mutual benefit which are at the core of this policy framework which aims to create an enabling environment in which willing partners can come to an agreement which delivers the best outcome for all involved. Asset transfer will not be the right option for all third sector organisations and experience from elsewhere warns that it should not be an end in itself, neither should it divert organisations from their core activities.

Asset holders in collaboration with the Asset Management Unit will be required to take a view as to which assets are suitable for Community Asset Transfer. Not all publicly held assets will be available for consideration.

The goal is to make the best use of the public estate and work in partnership to secure the widest public value from our publicly owned assets. In creating a more enabling environment for Community Asset Transfer this policy framework will provide a means of investing in regeneration and positive social, economic and environmental outcomes which can be used to support Executive priorities.

The conditions are set out in the following section, grouped under a number of headings to explain the underlying rationale.

5. Conditions (Ground Rules)

Sustainability

Third sector organisations must develop a business plan which demonstrates the viability of the proposed use of an asset. The business plan must take account of all the costs associated with developing and managing the asset (including repairs, refurbishment, running costs etc).

Third sector organisations will need to demonstrate the capacity to develop and manage the asset appropriately. In considering this a public sector organisation can take account of the commitment demonstrated by a community organisation, the resources and support available and the potential to improve capacity.

The spectrum of transfer options can vary widely, including a freehold, long lease, shorter lease or a licence to occupy.

Legal arrangements (contracts, leases etc) will ensure that community organisations are enabled to manage and develop the property as an asset in the long term, while providing necessary safeguards, proportionate to the risk. Safeguards may include imposing certain restrictions on the use of an asset.

For transfers where grants or loans are required to develop the asset, the length of tenure will need to be long enough to secure external investment. In these cases community asset transfer would be expected to mean a long lease, of at least 50 years, or a freehold.

Accountability

Third sector organisations will need to be incorporated, constituted for social benefit and to demonstrate an 'asset lock' provision to ensure that the asset is retained for community benefit.

Third sector organisations will be expected to maximise opportunities for community cohesion.

Third sector organisations will need to demonstrate community support for their proposals and a commitment to accountability, open access and maximising the use of an asset by and for the community.

Decision making

Assets will include both land and property.

Asset transfer may be used as a strategic method of achieving wider regeneration objectives or community ownership of new services or hubs. Transferred assets will often, although not necessarily, have been declared surplus to requirements.

Assets may be transferred at less than market value or 'best consideration'. The level of discount against market value will be set on a case by case basis, and must be commensurate with the level of anticipated non-monetary benefits, which will be judged on the basis of the nature of the property, an assessment of the third sector organisation's business plan and the extent of the public value associated with a transfer.

The decision to transfer an asset will not be considered as setting a precedent. Each asset transfer will be judged on its own merits and the detail of the transfer arrangements will be arrived at through individual negotiation.

Where there is competition for assets third sector organisations will be encouraged to collaborate. Where this is not possible an open and transparent competitive process will be used.

The decision to transfer an asset will in all cases be supported by an economic appraisal.

The decision to transfer an asset will take account of any potential EU State Aid issues.

6. Current Barriers to implementation of Community Asset Transfer

A cross-departmental Steering Group on Community Asset Transfer identified a number of barriers which will need to be addressed to enable the practice to be used more extensively and more creatively. The Steering Group was supported in its analysis by research evidence and by early engagement with key stakeholders through a number of policy development workshops. Barriers exist both within and between the public sector and the third sector and are described below. A series of practical measures to address these barriers is set out in Sections 7-10 (pages 16-21).

Information and awareness

- There is currently a lack of awareness (both within the public sector and the third sector) of the potential beneficial outcomes associated with Community Asset Transfer and of how it can be applied;
- There is a poor understanding within the public and third sectors of the risks associated with Community Asset Transfer and how to manage them;
- There is currently inadequate public facing information available about the availability of surplus public sector assets and whether or how they can be acquired;
- There is often uncertainty within public sector organisations about the discretion they have to transfer assets into community ownership or management;
- There is not enough access to information and case studies where asset transfer has been implemented; and
- There is no one centre of expertise that can provide advice and support to organisations interested in asset transfer.

Regulation and guidance

- Individual government departments may be constrained by legislation when considering the purpose for which they can transfer an asset via a capital grant;
- There is uncertainty about how to construct leases which balance tenants' rights against the need to manage risk in the transfer process; and

- Local government currently has no delegated authority to allow for the disposal of assets at less than market value.

Skills

- Public sector organisations often lack the skills to assess the benefits associated with the proposed use of an asset, or to judge the feasibility of a proposed use;
- Many third sector organisations are not “investment ready” and may lack the skills and capacity to successfully manage and develop assets.

Funding

- There is a lack of financial support available to invest in early pre-feasibility work to explore potential use of assets, build business cases etc;
- Assets may need additional investment to make them “fit for purpose” and to repair, refurbish or convert them for an alternative use.

The following sections present a series of actions organised under the headings of information/awareness, public sector asset management; skills development and funding. The collective impact of these proposals should be to:

- Raise the profile and understanding of Community Asset Transfer as a tool for investment and regeneration;
- ‘Mainstream’ Community Asset Transfer as an option for public sector asset management and address current operational barriers;
- Create and maintain the necessary skills within public sector and third sector organisations to support implementation of Community Asset Transfer and the long term sustainable management and development of assets; and
- Provide investment to support the implementation of Community Asset Transfer.

7. Information/awareness

Actions	Impact
<p>Development Trusts Northern Ireland (DTNI) will run a programme of information and awareness raising to target audiences from the public sector, third sector and political representatives.</p>	<p><i>The aim of these actions is to raise the profile and understanding of Community Asset Transfer as a tool for investment and regeneration.</i></p> <p>Implementation These proposals will be supported by the Strategic Investment Board's Asset Management Unit and endorsed by the Department of Finance and Personnel.</p> <p>DSD is currently resourcing the Development Trusts NI to effectively fulfil its role in supporting these proposals.</p>
<p>We will develop and disseminate guidance and toolkits for the third sector.</p>	
<p>We will promote existing guidance and signpost to relevant UK resources.</p>	
<p>We will ensure effective communication of any substantive changes to the guidance governing Community Asset Transfer within the public sector.</p>	
<p>DTNI will develop and make available information on case studies, both of local examples and from elsewhere in the UK.</p>	

8. Public Sector Asset Management

<p>Actions</p> <p>Consideration of Community Asset Transfer will be embedded into strategic asset management:</p> <ul style="list-style-type: none"> - Community Asset Transfer will become integrated into all Departments' practice, as one of the options for dealing with under-utilised or surplus property assets; - Departments will regularly review the transfer potential of its assets; and - We will ensure that there is agreement within government on appropriate accounting arrangements for assets that are disposed of at less than 'best value'. <p>Current operational barriers to Community Asset Transfer will be addressed:</p> <ul style="list-style-type: none"> - We will create a single point of contact for information on surplus public sector assets; - We will ensure timely access for the public to relevant information on available surplus assets; and - We will explore ways in which access can be given in a user-friendly way to key information on a public sector asset database, to include local government assets. <p>Where necessary we will amend guidance to better facilitate the transfer of assets and clarify the mechanisms available to support Community Asset Transfer:</p> <ul style="list-style-type: none"> - Changes will focus on the Land and Property 	<p>Impact</p> <p><i>The aim of these actions is to 'mainstream' Community Asset Transfer as an option for public sector asset management and address current operational barriers.</i></p> <p>Implementation</p> <p>These actions will be supported by the Department of Finance and Personnel, the Strategic Investment Board's Asset Management Unit and the Department of the Environment.</p>
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Service Central Advice Unit Disposal Guidelines and Managing Public Money NI guidance.

We will explore what legislative changes are necessary, if any, to facilitate Community Asset Transfer and make recommendations.

We will make appropriate arrangements to allow greater local government discretion in the disposal of assets at less than market value.

We will support research into evaluating non-monetary costs and benefits with strategic partners.

Through the Northern Ireland Guide to Expenditure Appraisal and Evaluation and civil service training courses, we will promote good practice guidelines on quantifying non-monetary costs and benefits and valuing non market impacts.

We will work with others to improve our understanding of impact measurement and develop more robust methodologies to support decision making, monitoring and evaluation.

9. Skills Development

Actions	Impact
<p>We will develop skills and expertise to support both public sector and third sector organisations:</p> <ul style="list-style-type: none"> - We will maximise learning from the wider UK and EU experience while ensuring that guidance is tailored to Northern Ireland circumstances; and - We will address public sector skills gaps. <p>We will support a Community Asset Transfer demonstration programme to increase understanding of skills requirements and gaps within the public sector and third sector.</p> <p>We will ensure effective partnerships and ‘synergies’ with other complementary initiatives e.g. Social Enterprise NI, Building Change Trust - Investment Readiness and ‘Inspiring Impact’, the NICVA-led consortium on skills development, Belfast Buildings Trust etc, by:</p> <ul style="list-style-type: none"> - recognising overlap with existing initiatives; and - avoiding duplication and maximising collaboration. <p>We will work with others to establish an independent centre of expertise on Community Asset Transfer to act as advisor, broker and repository of best practice, evaluation, monitoring etc, by:</p> <ul style="list-style-type: none"> - ensuring a distinct offering; and - working in partnership with others (as above). 	<p><i>The aim of these actions is to create and maintain the necessary skills within public sector and third sector organisations to support implementation of Community Asset Transfer and the long term sustainable management and development of assets.</i></p> <p>Implementation These actions will be supported by the Department of Enterprise, Trade and Investment.</p> <p>DSD is currently resourcing the Development Trusts NI to effectively fulfil its role and will work with other third sector partners.</p>

10. Funding

Actions	Impact
<p>The transfer of assets into community ownership and management is recognised as a means of investing in regeneration and positive social, economic and environmental change which can be used to support Executive priorities.</p> <p>Development Trusts Northern Ireland (DTNI) will lead a Community Asset Transfer demonstration programme involving assets from a range of public sector organisations.</p> <p>We will work with others to develop more social finance instruments and promote existing and emerging opportunities:</p> <ul style="list-style-type: none"> - the transfer of an asset can be used to e.g. encourage innovation, lever additional finance and reduce grant dependence; - There is a particular need for grants to support pre-feasibility studies and business planning; - There is scope for initiatives such as Community Shares to complement the aims of Community Asset Transfer. <p>We will work with others to establish a funding stream to support pre-feasibility work on potential asset transfer projects.</p> <p>We will seek opportunities from within existing grant programmes to support Community Asset Transfer e.g.</p>	<p><i>The aim of these actions is to provide investment to support the implementation of Community Asset Transfer.</i></p> <p>Implementation These actions will be supported by Department for Social Development and Department of Enterprise, Trade and Investment and a range of government funders.</p>

Social Investment Fund, Neighbourhood Renewal, Rural Development Fund.

We will explore opportunities from within European Union funds to support Community Asset Transfer (under the social investment umbrella).

We will evaluate the DTNI demonstration programme and consider the lessons learned in terms of the range of resources needed to support Community Asset Transfer.

11. Community Right to Bid/Right to Buy

Community Rights form part of the policy context for Asset Transfer in Scotland and England. The Right to Buy was first introduced in Scotland for rural areas in 2004 and the Scottish Government is proposing to expand the power through the Community Empowerment Bill to cover urban areas.

Community Right to Buy in Scotland

The Community Right to Buy allows communities with a population of less than 10,000 in Scotland to apply to register an interest in land and the opportunity to buy that land when it comes up for sale.

To take advantage of the Community Right to Buy process, communities must submit an application form to register an interest. All applications to register an interest in land are recorded in the [Register of Community Interests](#) in Land (RCIL) held by the Registers of Scotland. PDF versions of the documentation held are available for public viewing through the RCIL.

After an application has been submitted and passed initial checks, it is forwarded to the landowner and if applicable any heritable creditor, for their comments. At this stage a temporary Prohibition is placed on the landowner/heritable creditor preventing them from transferring or marketing the land. Any comments submitted by the landowner/heritable creditor will be fully considered by Ministers when making their decision to approve or reject the application.

The "Right to Buy" can only be activated when the landowner has indicated that the registered land is to be sold or where the provisions of the Act have been breached.

Once a community body which holds a registered interest in the land for sale, confirms that it wishes to proceed with its "Right to Buy", it has six months to conclude the transfer of land or longer if agreed with the landowner.

In England the Localism Act introduced a range of community rights in 2012 including the right to bid (for assets), the right to build and the right to challenge (to deliver services).

The Community Right to Bid in England

The Community Right to Bid allows communities and parish councils to nominate buildings or land for listing by the local authority as an asset of community value. An asset can be listed if its principal use furthers (or has recently furthered) their community's social well-being or social interests (which include cultural, sporting or recreational interests) and is likely to do so in the future. When a listed asset comes to be sold, a moratorium on the sale (of up to six months) may be invoked, providing local community groups with a better chance to raise finance, develop a business and to make a bid to buy the asset on the open market.

Further information can be found at <http://mycommunityrights.org.uk/>

The recent Joseph Rowntree Foundation report on Community Asset Transfer in Northern Ireland recommended the introduction of equivalent community right to bid or buy legislation in Northern Ireland.

There is a shortage of case study evidence from England and Scotland on the practical outworking of these rights; they have only recently been introduced in England and have not been extensively applied in Scotland either.

The Department is content that community rights has been identified as a further important enabling element for Community Asset Transfer. This forms part of a wider agenda that we will continue to explore more fully in the context of the Reform of Local Government in Northern Ireland and the implications of community planning.

12. Impact Assessments

Human Rights

The Department believes that the proposals are compatible with the Human Rights Act 1998.

Equality

Under the terms of section 75 of the Northern Ireland Act 1998, the Department carried out screening for equality impact and is satisfied that the proposals will not lead to discriminatory or negative differential impact on any of the section 75 groups. A copy of the screening form can be viewed on the Department's website:

www.dsdni.gov.uk/index/consultations

13. Next Steps

In taking forward the implementation of the Framework, the Department for Social Development will:

- Within 3 months develop an implementation plan that will describe how and when the actions outlined above will be taken forward; and
- Work with the Department's delivery partner, Development Trusts NI (DTNI) to manage a programme of demonstration projects. The purpose of the programme will be to test this policy framework to determine if it is doing what it was designed to do.

Annex A: Development Trusts Northern Ireland (DTNI)



Development Trusts NI (DTNI) was established in 2010 and is a Northern Ireland registered Charity¹.

DTNI is grant funded by the Department for Social Development (DSD) to provide expertise and experience to achieve the establishment of new development trusts in Northern Ireland, to promote awareness of asset transfer, and to identify and nominate from within its membership a selection of organisations whose work and interest in community development, urban regeneration and asset acquisition will form part of a demonstration asset transfer programme.

These demonstration initiatives will draw extensive support from DTNI. DTNI's aim in this work is to "encourage, support and empower local communities to develop new and inspiring projects, thus enabling them to become independent and sustainable".

DTNI will actively work with the Department for Social Development during this consultation period. As an advocate for the Voluntary and Community Sector, DTNI will ensure that those issues of importance to the sector are highlighted.

DTNI Contact details

3rd Floor, Cathedral Quarter Managed Workspace
109-113 Royal Avenue
Belfast BT1 1FF

Mobile: 07595 979642

Email: info@dtni.org.uk

DTNI is a member-led organisation with a board of directors drawn from its membership and from the private sector. They are specialists in community asset ownership, enterprise, collaboration, social action, local regeneration, commissioning, community voice and advocacy.

DTNI is part of a wider movement which includes Development Trusts Association Scotland, Development Trusts Association Wales and Locality in England. Together there is now a UK wide network with over 850 members. Members of Development Trusts NI automatically receive membership of the UK-wide Association.

¹ Charity Number XT27682.

Annex B: References

Making Assets Work – The Quirk Review

Published in 2007 the five key recommendations from this report by Barry Quirk, CEO, Lewisham Council was the catalyst for the reform of government policy to reflect community ownership and enable the possibility of transfer of government owned land and property to the community sector

<http://webarchive.nationalarchives.gov.uk/20120919132719/www.communities.gov.uk/publications/communities/makingassetswork>

Opening the transfer window. The Governments Response to the Quirk Review

The Government accepted the five key recommendations of the Quirk Review and in this paper set out the building blocks to set Community Asset Transfer in motion.

<http://libraries.communityknowledgehub.org.uk/resource/opening-transfer-window>

Managing risks in asset transfer – Communities and Local Government

Drawing from experience this useful paper provides [English] local authorities and community-based organisations manage and minimise the possible risks to be encountered in the transfer of land and property assets from the public to the community sector.

<http://www.dtascommunityownership.org.uk/sites/default/files/managing-risks-in-asset-transfer.pdf>

Community Empowerment Action Plan (Scotland)

Announced in March 2009 this action plan provides clarity on what community empowerment is, why it is important and how communities can get involved. The action plan provides a range of best practice examples from across Scotland.

<http://www.scotland.gov.uk/Topics/People/engage/empowerment>

DTA Scotland – Promoting Asset Transfer Final Report Nov 2011.

Published by the Development Trusts (Scotland) in 2011 this report supported the need for sustained programmes of support and funding at national and local levels.

<http://www.dtascommunityownership.org.uk/sites/default/files/PAT%20Final%20Report%20Dec%202011.pdf>

Scottish Government's Community Empowerment Bill

On 6th June 2012 the Scottish Government launched a 12 week exploratory consultation on a range of ideas for the proposed Community Empowerment and Renewal Bill. Proposals included the extension of a community right to buy to urban Scotland and giving local authorities greater powers to deal with empty homes and buildings. Consultation on a draft Bill is planned for Summer 2013.

<http://www.scotland.gov.uk/Topics/People/engage>

Final Evaluation of the Asset Transfer Unit May 2011

An independent evaluation of the performance of the Asset Transfer Unit over its first two years in operation. The evaluation conducted by SQW and initiated by Locality found that the profile and reach of the Unit was impressive and that although it is too early to properly assess the impact of the Unit in asset owner capacity to promote asset transfer, where the Unit has been involved capacity has increased. Departments and Agencies considered that a core dedicated Unit such as the Asset Transfer Unit is required to continue the momentum of improvement in asset management and promotion of transfers

<http://www.sqw.co.uk/files/1013/8712/6248/16.pdf>

Joseph Rowntree Foundation: Community assets: emerging learning, challenges and questions – Julian Dobson, 2011

This paper explores the opportunities, challenges and questions arising for community organisations, funders, policy-makers and government based on learning from recent events on community assets and research papers and briefing documents published in 2010 and 2011.

<http://www.jrf.org.uk/publications/community-assets-learning-challenges-questions>

Joseph Rowntree Foundation: Community organisations controlling assets: a better understanding – Mike Aiken et al, 2011

This study examines the benefits that come from community organisations owning or managing assets, what makes for success and what are the challenges. It also provides key messages for practitioners and policy-makers in taking forward the community assets agenda.

<http://www.jrf.org.uk/publications/community-organisations-controlling-assets>

Joseph Rowntree Foundation: Community asset transfer in Northern Ireland

This report demonstrates asset transfer has had positive effects on community relations, segregation and social inclusion. Innovation in the statutory sector has had a significant impact on area-based regeneration, public health, community development, education and training and childcare provision. The report also proposes the need to consider new legislation similar to the Right to Challenge and Right to Buy elsewhere in the UK and that new forms of finance, skills and support for practitioners are needed.

<http://www.jrf.org.uk/publications/community-asset-transfer-northern-ireland>

Building Change Trust Observatory – Development Trusts.

This paper provides an overview development trusts, it explores their contributions as community enterprises to combating poverty, and considers the transfer of public assets to communities as a way of establishing and growing development trusts. It describes the innovative 'meanwhile use' of

temporarily vacated commercial spaces as a complementary strategy to development trusts' long term approach. It also highlights the work of the recently formed Development Trusts NI, and the Building Change Trust.

<http://www.dtni.org.uk/sites/default/files/uploads/publications/CFNIObsPBDevelopmentTrusts92011.pdf>

Building relationships in communities BRIC - Queens University

BRIC is a four year programme designed to encourage greater levels of social integration within Northern Ireland's housing sector. It is run with assistance from the EU's PEACE III Programme. The project is delivered by the Rural Development Council, the Northern Ireland Housing Executive and the training consultancy TIDES. The idea is to help Housing Executive staff promote sharing within the currently highly segregated social housing market. The project focuses on peace and reconciliation and helps promote the idea of a shared society.

www.nihe.gov.uk/index/community/community_cohesion/bric.htm

Social Finance in Northern Ireland: Innovative Thinking and Action

This study aims to produce a blueprint report that will guide the development of new social finance products in Northern Ireland. To develop the blueprint the study will review social finance supply and demand in Northern Ireland; explore new developments in the UK, Ireland, elsewhere in Europe and the US; identify gaps in the market, explore potential funding and delivery mechanisms and provide an estimate of future demand.

<http://www.charitybank.org/sites/default/files/pdf/Social%20Finance%20in%20Northern%20Ireland.pdf>

Social Economy Evaluation assignment July 2011. (KPMG Report to DETI)

KPMG was commissioned by a DETI-led Steering Group to undertake an evaluation of the Social Economy in Northern Ireland (NI). The study was charged to examine the role of the Social Economy sector and its unique value in terms of the economic, social and environmental impact in the NI context; evaluate the Social Economy Enterprise Strategy 2010/11 with an explicit focus on future direction and priorities and evaluate the Social Economy Network's performance.

www.detini.gov.uk/social_economy_evaluation_report_final.pdf

Focus on Social Economy Enterprise

This is a simple but very useful factsheet produced by the Rural Network NI in 2009. In simple terms it explains the Social Economy Enterprise business model. It was used as simple reference tool at a time when DETI were inviting views on the Social Economy Enterprise Strategy 2009-2011

<http://www.ruralnetworkni.org.uk/download/files/Social%20Enterprise.pdf>

Programme for Government 2011-2015 (NI)

On 12th March 2012, the First Minister and deputy First Minister published the Programme for Government 2011-2015. The Programme for Government identifies the actions the Executive will take to deliver its number one priority – “a vibrant economy which can transform our society while dealing with the deprivation and poverty which has affected some of our communities for generations.” The Executive is committed to formulate community asset transfer policy across government; publish a list of existing government assets and identify potential for asset transfers. It commits to disseminate policy and outline best practice for Departments and to baseline research of VCS/SE continuum and to identify opportunities for growth of social economy model within the Voluntary and Community Sector.

<http://www.northernireland.gov.uk/index/work-of-the-executive/pfg.htm>

Concordat between the Voluntary and Community Sector and the Government

The Concordat is an agreement between Government and the Voluntary and Community Sector which outlines key values and principles and establishes a set of shared commitments on how Government and the Voluntary and Community Sector can work together to better serve the people of NI. The Concordat establishes new and refreshed structures of engagement between Government and the Voluntary and Community Sector to help shape the effective use of resources, including the development of good professional practice and the provision of appropriate accountability.

<http://www.dsdni.gov.uk/consultation-concordat-for-relationships-between-govt-vc-sector.pdf>

Managing Public Money NI

Produced by DFP this manual provides guidance on the proper handling and reporting of public money. It sets out the main principles for dealing with resources used by public sector organisations in Northern Ireland (NI).

<http://www.dfpni.gov.uk/index/finance/afmd/afmd-key-guidance/afmd-mpmni.htm>

Disposal of Surplus Public Sector Property In Northern Ireland

This guidance is published by the Land and Property Service Central Advisory Unit (DFP). It provides property disposal guidelines for public bodies and best practice for public sector bodies.

www.deni.gov.uk/disposal_of_public_sector_property.pdf

FUNDING

Big Lottery - Asset transfer and capital programmes

<http://www.biglotteryfund.org.uk/research/communities-and-places/community-assets>

Charity Bank

<http://www.charitybank.org/>

Community Development Finance Institution

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

Community Shares

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

Government Funding Database

<http://govfundingpublic.nics.gov.uk/Home.aspx>

New Philanthropy Capital

<http://www.thinknpc.org/>

LEGISLATION AND ASSOCIATED GUIDANCE

Stormont Regulation and Government Property Act (NI) 1933

<http://www.legislation.gov.uk/apni/1933/6/contents>

The Local Government Act 1972 (NI)

<http://www.legislation.gov.uk/apni/1972/9/contents>

Disposal of Surplus Public Sector Property In Northern Ireland

www.deni.gov.uk/disposal_of_public_sector_property.pdf

The Local Government Act 1972: General Disposal Consent (England) 2003 (Wales) 2003

<http://www.legislation.gov.uk/ukpga/1972/70>

Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7690/462483.pdf

NAFWC 41/2003 : Local Government Act 1972 general disposal consent (Wales) 2003

<http://wales.gov.uk/pubs/circulars/2003/english/NAFWC41-03-e.pdf;jsessionid=53AD9975E3FDFBCC707D5C8C4993D47C?lang=en>

Disposal of land by local authorities (Scotland) regulations 2010

<http://www.legislation.gov.uk/ssi/2010/160/contents/made>

Disposal of Land by Local Authorities (Scotland) Regulations General Guidance

<http://www.scotland.gov.uk/Resource/Doc/319642/0102183.pdf>

The Land Reform (Scotland) Act 2003

<http://www.legislation.gov.uk/asp/2003/2/contents>

Scottish Public Finance Manual

<http://www.scotland.gov.uk/Topics/Government/Finance/spfm/Intro>

The Localism Act 2011

<http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

Localism Agenda and the concept of the 'Big Society'

<http://www.localism-agenda.com/background/>

USEFUL LINKS

Asset Transfer Unit (England)

<http://locality.org.uk/asset-transfer-unit/>

Building Change Trust

<http://www.buildingchangetrust.org/>

Development Trust association Scotland

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

Development Trust NI

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

Land and Property Service

<http://www.dfpni.gov.uk/lps/index.htm>

Locality

<http://locality.org.uk/>

Investment Readiness in the UK

www.biglotteryfund.org.uk/er_invest_ready.pdf

The Place Station

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

Social Enterprise Northern Ireland SENI

<http://www.socialenterpriseni.org/>

Social Enterprise UK

<http://www.socialenterprise.org.uk/about/about-social-enterprise>

Annex C: Case Studies

Asset Transfer; A Continuum of Possibilities.

The debate around community asset transfer in Northern Ireland (NI) at the moment is very much premised around an understanding that equates transfer with ownership. While that is true in many instances in Northern Ireland and across Britain it is only part of the picture. All community and voluntary organisations utilise assets to deliver their services, these may be rented on an as needed basis, by way of an annual or longer term rental agreement with a third party that may be a private, public or another third sector asset owner. Equally those assets might be mortgaged or owned outright.

In Northern Ireland Asset Transfer (or Community Asset Transfer as it is commonly referred to) is the process by which a community or voluntary organisation might acquire a surplus public sector asset be that land or building(s). That asset will be sought with the express intention of furthering the organisations social and business aims and objectives, its continued development and the delivery of its services for its community.

Asset Transfer is better understood if seen as a continuum of possibilities as opposed to the wholesale transfer of a physical asset from one body to another. At one level it may be where an organisation moves from being a tenant in a local council run community centre to one where it adopts the management function of that asset. Such an arrangement may be on an annual or other short term lease or it may be longer, perhaps 5 or 10 or even up to 25 years. Lease arrangement might be accompanied by conditions and covenants on how and for what purpose the asset can be used.

As we move along that continuum of possibilities we progress through options considering whether the asset may be co-owned, utilised for a meanwhile use or transferred in full by way of sale under market conditions or at a nil or nominal cost. Where the surplus asset is disposed of under market conditions there are likely to be fewer or no restrictions on its future use, though listed buildings; those with a heritage or preservation value, are subject to strict planning and development controls. Other assets, such as those providing residential care or sports facilities for example may remain covenanted for the provision of health and social care for the elderly or leisure and recreation respectively.

Outside of the debate on the transfer of surplus public sector assets an organisation may also develop its asset base on terms of its own making, undertaking new capital build projects or entering the market and purchasing assets in open competition with others.

Across the community and voluntary sector in NI there are many examples of asset transfer and asset ownership. Some groups have been supported by way of one of grants and other philanthropic investments which have been wisely invested in capital projects (buildings and land). Having a capital asset base has in turn assisted those organisations sustain and grow their activities. DTNI believe that community and voluntary organisations should seek to acquire and develop an asset base. We consider that the NI Executive' enabling framework on 'Community Asset Transfer' will help define the means by which a new 'asset class' of community development and enterprise organisations will emerge and grow.

Here we present a number of short case studies which look at different forms of ownership; from facilities management to outright ownership, a continuum of possibilities.

OUTRIGHT OWNERSHIP: Limavady Community Development Initiative

Limavady Community Development Initiative (LCDI) serves the community of the Borough of Limavady in NI. Founded in 1987 the focus for the organisation was on job creation. A quarter of a century old, the Charity is still going strong and now employs some 60 people and is one of the largest community groups in NI; it continues to grow and work towards sustainable service delivery and is increasingly less dependent on grant funding.

The Asset: Roe Valley Hospital

One of the major factors in the growth of LCDI has been its acquisition of Roe Valley Hospital in 1997 (one of the best examples of a Union Workhouse on the island of Ireland). The availability of the asset came about in part because the building was in need of redevelopment to which the Department of Health was not committed to support.



Roe Valley Hospital: Limavady Community Development Initiative

The opportunity for LCDI to acquire the Roe Valley Hospital came about at a time when it had outgrown its original premises. It was also in possession of European funding that would support them make a new capital purchase. The process of engaging with the asset owner (The Department for Health) began in 1997 though wasn't completed (actual purchase and move) until 1999. The complex was then subsequently regenerated with a mix of capital development grants and loans and developed as a major multifunctional community based facility. The majority of the space in the complex is rented and the income is a major contributor to the organization's sustainability.

General Manager Damien Corr said:

The move was for LCDI an audacious one, we were ambitious, passionate and rash enough to believe in ourselves that we could own and manage this asset and make a major contribution to the community and borough of Limavady. That belief in ourselves was paramount to our ultimate success. It took commitment and effort to convince public sector officials to take us seriously but as to the bona fides of our business proposal. The success of our proposal was in part being able to convince the statutory health authority that what we would bring to ownership would better serve the community in the longer term. And to be fair, once we had convinced them on the merits of our proposal which meant emphasising the social impact and longer term social return their support became invaluable.

The department in turn became central to what we wanted to achieve; they showed a degree of innovation not normally associated with the public sector. The extent of that willingness was revealed when they accepted our bid for purchase which was some £50,000 less than the highest bidder.

LCDI clearly understood what the benefit of owning the asset would mean: A sustainable income, an opportunity to grow as an organisation. So successful was their business plan that the building has been paid for with only residual debt on outstanding loans remaining. The building currently generates approximately £250,000 per annum from the key anchor tenants. Some of those anchor tenants are the health and social care providers that previously occupied the building when owned by its parent body the Department of Health.

There were no conditions on sale other than those associated with those attached to the loan agreements entered into to purchase and refurbish the hospital. LCDI were not expected to continue to use the site to provide health and social care. In fact they made the case and campaigned for the retention of social care services within the facility post refurbishment to which the then local health care trust agreed to. That agreement and subsequent tenant lease agreement to remain on site for 15 years was core to LCDI acquiring matching loans from banks and other social investors.

To facilitate the new arrangement and to acquire the asset LCDI established Roe Valley Community Property Limited. It is the owner of the asset and LCDI is its sole shareholder and all profits gift aided back to LCDI.

Key Learning Points:

- Engage early and positively with the public body that is seeking to dispose of the asset.
- Recognise that the public body has its own mission and objectives and bear these in mind when pursuing your own goals and look for joint wins and co-solutions to problems that may emerge.
- Don't get giddy about what you might own; rather ask why we shouldn't take the asset and think through and generate solutions.
- Do your homework; understand what you need to do and who you need to engage with. For example lottery turned down an initial request for money from LCDI – so they engaged with lottery personnel to design a solution.
- Don't expect that it will happen overnight – passion is necessary but not enough, you need lots of people on your side.
- Make the case for community ownership - don't expect it to be handed to you on a plate. Negotiate, Negotiate, Negotiate.

FACILITIES MANAGEMENT: Roden Street Community Development Group

The Asset: Grosvenor Community Recreation Centre

The Roden Street Community Development Group began life as the Roden Street Action Team, initially based in a Save the Children facility in Roden Street adjacent to the interface. The original group began life as a result of a group of local, concerned residents. The area at that time was facing acute difficulties centered around housing, environmental problems, anti social issues and interface tensions.

Roden Street CDG are now based in the Grosvenor Community Recreation Centre on the Grosvenor Road, Belfast and they have a 10 year lease on the building which up for renewal in 2015. They provide a broad range of services for a diverse range of users including Belfast's Filipino community. They provide a broad range of services in respect of social development including parental support, childcare, physical activity programmes and other initiatives connected to health and social care, healthy living and well being.

Roden Street CDG have a Facility Management Agreement with Belfast City Council (BCC) for a full size 3G pitch at Grosvenor Recreation Centre (GRC). The site was previously an old hard porous surface in poor condition with limited local usage, which has been transformed into a dramatic and well used 3G facility for use by the local community and others. BCC contributed £100,000 to the project and the Big Lottery New Opportunities Fund for PE & Sport provided additional funding of



£634,614. That application for investment was fronted by Roden Street CDG and St Josephs Primary School and was targeted at modernising existing sports facilities for school and community use with specific criteria that identified local schools who would be eligible for free use during term time.

Conditions of Use

The contract comes with a number of conditions and covenants on use. Key amongst these is free use of the Facility during term time Monday to Friday between 9.30am and 4.00pm to 3 local schools that are specifically named in the contract:

- St Joseph's Primary School
- St Peter's Primary School
- St Clare's Primary School

In addition to the free use stipulation, Roden Street CDG are also committed to:

- Facilitating access by members of the public, sporting clubs, groups and schools to use the facility subject to the payment of user charges;

- Ensuring that a full and varied sports development programme is carried out at the facilities and prepare and implement a sports development programme that is subject to approval by the Council;
- Forwarding a proposed timetable of usage on a monthly basis and an end of month timetable of usage; and
- Forwarding any reports as required relating to usage, such as teams, bookings, variations, maintenance or any other matters the Council may require a report on.

Alongside the 3G pitch Grosvenor were provided with a plot of land that is now managed and used by them and is presently functioning as a community garden. There are no conditions on use of the plot other than it cannot be sold.

Finance & Development

A management fee of £44,400 per annum is paid to Roden Street CDG in two 6 monthly payments which is sourced from the income generated by the new synthetic pitch. This fee was further subsidised by the Big Lottery Fund 2009/11 to the tune of £30,000. The average annual income generated on the site is in the region of £70,000. Though financially this appears to benefit the Council more so than Roden Street CDG, there are other non-monetary returns. For example the council are responsible for site maintenance and upkeep of the facility. There is an alternative model exercised by the council in respect of its facilities where all the income generated is retained by the group managing the facility. Shaftsbury Recreation is managed² under a similar model but with greater opportunity for income generation comes additional responsibility, such as maintenance and upkeep.

The contract term on the 3G facility runs for five years having started in 2009 and is due for renewal in 2014 with an option for extension to up to 20 years management agreement in increments of 5 year periods.

Roden Street CDG had also sought funding for additional development of the Facilities; in particular for transforming Grosvenor Recreation Centre building into a multi-use sports hall. Investments secured and approved for that purpose were undertaken at risk by the group. So though Roden Street RDC have been successful and generated additional income to enhance the facility the premises remain the property of the council. The contract between BCC and Roden Street CDG is not a tenancy arrangement or intended to be. Enhancements brought about by the Roden Street CDG do not change its relationship as facilities manager or create conditions for tenancy.

Centre Manager Tina Black considers that the arrangement they have negotiated with BCC works for their group. Though there are additional opportunities to undertake a social enterprise model of management and perhaps extend their management experience by undertaking to manage other facilities they feel that they don't have the requisite skills capacity (financial modelling, insurance, systems etc) to go beyond what they are currently managing. The newly developed Dunville Park with its 3G pitch was an option and proposed by BCC but not taken up by Grosvenor due to management and staff challenges particularly as the location was off site. For Tina Black (centre Manager) part of the problem is the challenge of scaling-up; *'who supports an organisation to embrace these opportunities. This is compounded by an indifference to asset ownership in the community and voluntary sector; In the north of Ireland we don't have a developed culture of ownership'*.

² by Lower Ormeau Residents Action Group

"We would need to know more of how other organisations work in leisure to consider a broader move into enterprise development, and though we are not ruling out further development any such move would need to be thoroughly investigated, staff skilled up and investment secured. For now the model we have, a public/social partnership works for both parties. We have developed our relationship with the council to best utilise the asset to meet the needs of our local community and in that respect we have sacrificed the opportunity to go out to a wider private market and maximise financial return. Though the demand is there - approximately 48 groups/teams are on the waiting list - we have struck a balance in favour of local demand and need. We have worked to facilitate the local community lead on a sports development programme which is what is important rather than seeing the asset as a potential cash cow. And though generally our relationship with the council is at 'arms length', they are accessible and responsive to our organisation's needs when we need them'.

Key Learning Points:

- Do your research.
- Have a varied management committee - including business owners, a solicitor for example.
- Have appropriate governance for the organization.
- Be realistic about the cost (Roden Street CDG consider that their own financial projections could have been better), don't undersell the cost of managing a building especially if you are negotiating a running costs agreement.
- Make sure your management committee are open minded - there is a need for innovative thinking and creative minds, for example it's not 9 to 5 Monday to Friday.
- Make sure staff have a sense of ownership of the asset - not merely a manager.
- Make sure the job roles and skills sets are relevant - not simply community development worker, but facilities management.
- Negotiate with stakeholders, strategically plan as to what this means for the organisation, don't just focus on the operational details which are necessary to make it work for the council, it needs to work for the local community.

Community Spaces Northampton



Locality member Community Spaces Northampton (CSN) is a new community charity managing seven community centres in Northampton.

It aims to offer a better community centre service to local people. This case study describes the bidding process and the challenges involved in a multiple asset transfer.

In 2011 Northampton Borough Council (NBC) offered eight community centres for community asset transfer and expressions of interest received from 16 organisations – including six organisations bidding for all eight centres.

Organisations expressing an interest were given ten weeks to prepare a business plan with financial projections.

The assessment of the seven business plans received resulted in the selection of two bidders, one bidder to take over one centre, and a partnership – Community Spaces Northampton – to take over the remaining seven. CSN was an informal partnership led by the Alliston Garden Youth & Community Centre (AGYCC).

The development work to establish CSN formally was supported by Locality and Northamptonshire Social Enterprise Development Agency and included:

- formation of CSN as a charitable company
- legal support in lease and management agreement negotiations
- visit to Fresh Horizons to see at first hand a community business managing community centres
- HR support including TUPE
- condition surveys of all buildings
- business planning and accountancy support in setting up finance systems

Work continued after transfer to recruit and train trustees and a co-ordinator, raise finance for capital improvements, establish CSN's profile and undertake an organisational restructure.

Regular meetings with NBC officers were critical to the transfer process – to track progress, identify sticking points and find solutions.

TUPE was a significant issue with two caretaking staff spending more than 50% of their time working at the seven centres and therefore transferring to CSN. To reduce the liability for CSN, the Council

offered an indemnity and drafted an agreement enabling the caretakers to remain in the Council's pension scheme.

Glendale Gateway Trust



Glendale Gateway Trust was set up in 1996 following a village appraisal. Based in the market town of Wooler, it covers the beautiful but sparsely populated area of Glendale in North Northumberland.

The first project undertaken by the Trust was development of a resource centre, the Cheviot Centre, to provide meeting, exhibition and office space and to house the tourist information centre. The land was provided by community asset transfer on a long lease from Berwick Borough Council. The Trust raised funding for a new building which was opened in 2001.

The Trust aims to meet the needs of local people and its priorities are:

- economic development
- affordable housing
- social and recreational opportunities.

The Trust aims to ensure that there is a strong community and voluntary sector in Glendale. A wide range of community organisations use and are based in the Cheviot Centre. The Youth Drop-In Centre on the High Street has been an essential element of provision for young people in the area for more than ten years.

The Trust used its initial asset base, the Cheviot Centre and the youth drop-in building, to take forward its objectives around economic development and affordable housing. Key industry areas for North Northumberland are tourism and farming – both struggle to recruit local workers if there is a lack of affordable housing. At the same time, run-down and empty shops are a disincentive to tourism.

Focusing on these objectives, the Trust's achievements include:

- buying properties on the High Street – two have been converted to modern shops for rent to local businesses with affordable rented flats above – one property has been converted to a three bedroom house

- purchase of land behind the High Street which had not been previously developed due to problems with road access. Because the Trust owned the properties in the High Street and could allow access, the land was sold to a housing association and 15 affordable homes built
- purchase of the youth hostel in Wooler from the Youth Hostel Association in order to secure its future. The youth hostel has a crucial economic impact in the town as visitors spend money with a range of local businesses.

Overall the Trust has sought to maximise its economic impact in the Glendale area by using local traders in its building development projects. A Local Multiplier 3 calculation showed that the £43k spent to renovate the three bedroom house on the High Street was worth £129k to the local economy in Glendale.

The latest venture for the Trust is an asset transfer linked to moving the library service. The library in Wooler is now housed in the Cheviot Centre freeing up the library building for community asset transfer to the Trust to be turned into two affordable housing units.

Disposal of Surplus Public Sector Land or Property

EXPRESSION OF INTEREST QUESTIONNAIRE

Prior to completing this questionnaire please refer to the current CAU Disposal Guidance:

www.finance-ni.gov.uk/publications/disposal-surplus-land-and-property-publications

Acquiring Body: DTNI on behalf of Brantry Area Rural Development Association

Re: 2194/24 – 74 Rehaghey Road, Aughnacloy

Please return this questionnaire to Central Advisory Unit by: 27th May 2024

Any Information supplied in this form will be shared with Central Advisory Unit, the Asset Owner and other relevant bodies such as Department for Communities as required.

1.0	D1 Reference Number	2194/24
1.1	Address of Surplus Property	74 Rehaghy Road, Aughnacloy
1.2	Name of Interested Party	Brantry Area Development Association
2.0	For what purpose will you acquire the surplus asset?	Community Wealth Building
2.1	The Asset Owner expects to complete a sale within the year shown	2024/2025
2.1a	Will you be able to complete in the timeframe above? <i>Will you be able to complete all necessary feasibility studies, achieve all necessary approvals including funding in order to compete the sale in the stated timeframe</i>	Yes
2.1b	Please specify financial year you will be able to complete sale <i>If you answered No to Q2.1a, please state when you will be able to complete</i>	2024/25
2.2	Will you acquire the entire site?	Yes
2.3	Does the organisation/department hold Compulsory Purchase Powers for the proposed purpose?	No

Disposal of Surplus Public Sector Land or Property

EXPRESSION OF INTEREST QUESTIONNAIRE

2.4	If you answered No to Q2.3, which government department with compulsory purchase powers would invoke them for you	Mid Ulster District Council
2.5	What status does your business case have?	To be completed in 3 -6 months
2.6	What status does your funding have: Choose an Option What source(s) will provide the funding	Funding will be secured in 6 - 9 months Reserves and Borrowing
2.7	Are there any other technical or legal due diligence approvals that you will require before a sale can be completed?	Yes
2.7b	Do you accept that all work / costs undertaken prior to completion of a sale is at the purchaser's risk as part of normal due diligence?	Yes
2.8	If you answered Yes to Q2.7, please specify technical or due diligence approvals required before a sale can be completed	Building Survey
2.9	Are there any Board/Regulatory or council approvals required for this acquisition?	No
2.10	If you answered Yes to Q2.9, please provide details of what is required and expected timeframe for such approvals to be achieved	
2.11	Is your acquisition subject to achieving planning approval either outline or full?	No
2.12	Please specify the timeframe within which it will be achieved	Choose an item.
3.0	Do you wish to acquire as a Community Asset Transfer?	Yes
<i>If No please go to section 7</i>		
<i>If Yes please answer sections 3 – 7</i>		

Disposal of Surplus Public Sector Land or Property

EXPRESSION OF INTEREST QUESTIONNAIRE

3.1	How long has the organisation been in existence, and what are your objectives?	41 years
3.2	Are you acquiring as a single body or as part of a consortium?	As Single Body
3.3	Please provide details of all other bodies in the Consortium	Click here to enter text.
3.4	Does the organisation have a website? Please provide website address	No Click here to enter text.
<i>The Questions in Section 4 establish whether the organisation meets the applicant eligibility criteria</i>		
4.0	Is the organisation non-political and not engaged in supporting candidates for political office?	Yes
4.1	Does the organisation have an appropriate legal structure? <i>E.G. a registered charity, CIC, Company limited by guarantee, a community co-operative or other.</i>	Yes
4.2	If you answered Yes to Q4.1 please specify which category of body you are?	Registered Charity
4.3	Do you have a Registered Charity Number and/or a Company Number? If you answered Yes to Q 4.3 please provide registered charity and/or company number	Yes NIC108656
4.4	Does the organisation have a constitution that allows for the management/ownership of the buildings or land?	Yes

Disposal of Surplus Public Sector Land or Property

EXPRESSION OF INTEREST QUESTIONNAIRE

4.5	Does the organisation have robust process and protocols in respect of: <ul style="list-style-type: none"> ○ Financial Control ○ Financial Reporting & MIS ○ Related Parties ○ Compliance with funding agreements & proper use of fund ○ IT system ○ Corporate Governance ○ Information Security 	Yes
4.6	Does the organisation have robust local connection to the asset ie. Is engaged in economic, environmental, or social regeneration in an area of NI?	Yes
4.7	If you answered Yes to Q4.6 please specify the purpose of your group	We are engaged in social regeneration in the Mid Ulster Area
4.8	Does the organisation you represent provide a service in line with NI Executive's policies?	Yes
4.9	If you answered Yes to Q4.8 please specify which services you provide	Community Regeneration
4.10	What is the proposed use of the asset	Continuation of services provided as a community association
4.11	Indicate what benefits will arise from the proposed use of the asset	Higher numbers of people involved in community and cultural activities with reduced social isolation and increased community engagement.
4.12	Detail how these benefits align with the Draft Programme for Government	Improving wellbeing for all - by tackling disadvantage and driving economic growth.
<i>The Questions in Section 5 establish how much commitment has already been applied to this acquisition and where support has been secured</i>		
5.0	What is the status of your business plan for this acquisition?	In progress, Business Plan 3 - 6 months
5.1	Will you release a copy of the business plan if requested?	Yes

Disposal of Surplus Public Sector Land or Property

EXPRESSION OF INTEREST QUESTIONNAIRE

5.2	Confirm that a sponsor body has endorsed the acquisition subject to approvals.	Yes
5.3	If you answered yes to Q5.2 please provide evidence of this confirmation from the sponsor body and attach when submitting questionnaire	Proposal is going to MUDC and we is in line with their new CAT Policy
6.0	Can you pay full market value?	Yes
6.1	If you answered No to Q6.0 please provide details of what value you might consider	Click here to enter text.
6.2	With regard your answer at Q6.1 please provide a brief summary of the rationale for this position, cross referencing the responses at 2.1a and 2.1.b	Click here to enter text.
7.0	Questionnaire Completed By	Louise Downey Secretary
<p><i>Please ensure you have supplied any supporting documentation when submitting this questionnaire eg.</i></p> <p><i>a. Written confirmation of your sponsor body's support</i></p> <p><i>b. Details of any business plan or case already existing (Max 500 words)</i></p> <p><i>c. High level assessment with reference to the physical suitability, the financial viability and the timeline feasibility regarding your acquisition of this site/property (Max 500 words)</i></p>		

For how we process personal information, see [LPS Privacy Notice](https://www.finance-ni.gov.uk/publications/lps-privacy-notice) on our website <https://www.finance-ni.gov.uk/publications/lps-privacy-notice>