

Guidance No. 2 – The Basics of Asset Transfer

WHY ASSET TRANSFER?

“The ultimate aim of Community Asset Transfer is community empowerment – that is, to ensure that land and buildings are retained or transformed then operated for public benefit through community asset ownership and management” (Source: mycommunityrights.org.uk).

The community ownership and management of assets has a history dating back hundreds of years. A detailed history can be downloaded from: <http://locality.org.uk/resources/history-community-asset-ownership/>.

However, it is only in recent years that this initiative gathered momentum.

The report compiled by Barry Quirk (Quirk, 2007) on community management and ownership of public assets, has led the government to do something on the recommendations that came out of the report. As a result, the Department of Communities and Local Government formed the Asset Transfer Unit (ATU), to provide support to both Local Authorities and their Third Sector organisation partner, to deliver a successful community asset transfer. The British Government also launched Communitybuilders Fund to resource this initiative.

The Localism Act 2011 is the catalyst for the modern community asset transfer. The aim of the Act was to devolve more decision making powers from central government back into the hands of individuals, communities and councils. Part 5, Chapter 3 of the Localism Act 2011 provides for a scheme called ‘assets of community value’. Part of the Government’s community empowerment agenda, requires a local council to maintain a list of ‘community assets’. In addition, through the ‘Community Rights’ programme, communities are empowered to respond to challenges in their own community.

There are 4 Community Rights under the Localism Act

Community Right to Bid

The Right to Bid gives communities the opportunity to bid to buy and run valued local amenities if they come onto the open market.

<https://mycommunityrights.org.uk/community-right-to-bid/>

Community Right to Build

The Right to Build gives communities the power to build new shops, housing or community facilities without going through the normal planning process.

Guidance on this can be found on:

<https://www.gov.uk/government/.../community-right-to-build>

Community Right to Challenge

The Right to Challenge gives local groups the opportunity to express their interest in taking over a local service where they think they can do it differently and better. Guidance on this can be found on:

<https://mycommunityrights.org.uk/community-right-to-challenge/>

Neighbourhood Planning

Neighbourhood planning powers give people the chance to decide how their local area should develop and what should be built. Guidance on this can be found on:

<https://www.ourneighbourhoodplanning.org.uk/>

Drivers for Asset Transfer

Local authorities are not obliged to undertake community asset transfer, but many do, as they recognise the benefits of transferring the asset to community groups. If they wish to, local authorities have the power to dispose of land and buildings under the General Disposal Consent (England) 2003, at 'less than market value', where they are able to demonstrate that by doing so, will result in local improvements to social, economic and environmental well-being.

Some of these benefits to local authorities for doing this may include, but not limited to:

- Commitment to the Big Society or Localism Act.
- Focus for community-led service provision
- Cost savings
- Reduce liabilities
- More efficient and effective use of asset
- New approach to long-standing problem

For a community group that takes over the asset, community asset transfer also brings a lot of benefits to the group. The following are the most common benefits.

- Freedom to operate the asset
- Strengthen community relationship and support the development of new partnerships
- Provide a solution to a problem
- Improving the quality of service to the community
- Opportunity to develop enterprise

In negotiating for the asset, a community group needs to demonstrate the 'need for the asset transfer project' and the support of the local community on the project. The need for the project can be demonstrated through Feasibility Study and Business Planning.