



The Basics of Asset Transfer

By: TLI Asset Transfer Group

Definitions of CAT

- Community Asset Transfer (CAT), also known as ‘asset transfer’ refers to
“the shift in management and/or ownership of buildings or land from public bodies (most commonly local authorities) to communities [usually to local community and voluntary groups]”
(www.communitymatters.org.uk)

Definition (2)

- *“local community’s ability to acquire land or buildings, either at market value or at a discount, in order to deliver services that meet local needs. It is seen as one way in which local authorities (in particular) can support the development of social economy organisations, and thereby meet their wider strategies for renewal and improved delivery of local services”* (Pulse, 2004 – excerpts from ‘Asset Transfer’, Aug 2006: Finance Hub).

Definition (3)

- *“buildings or land that can be enjoyed by a wide variety of groups. They must be sustainable in the long term. Once the asset is transferred, it may be used for its original purpose or for other purposes”* (Big Lottery Fund, Community Assets Programme).

Why Asset transfer?

Past

- Community ownership and management of assets has a history going back hundreds of years.
- Quirk Review 2007
- Asset Transfer Unit 2008
- Communitybuilders Fund 2008

Why Asset transfer? (2)

Present

The shift in ownership of land and buildings from public bodies to communities is “**Localism in action**”, giving greater powers to community and voluntary sector organisations, social enterprises and individuals looking to form a not-for-private-profit group to benefit their neighbourhood.

Drivers of CAT

Drivers for the local authorities

- 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

Drivers of CAT (2)

Drivers for a community group

- 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

Mode of Transfer

- Freehold
- Grant of long lease
- Lease
- Assignment of an existing long lease
- Tenancy agreement
- License
- Tenancy at will
- Buying the asset at 'less than market value'
- Associated agreements
 - Management agreement
 - Service Level agreement

Legal structures for a vehicle to manage assets

- Charitable Incorporated Organisation (CIO)
- Company Limited by Guarantee
- Company Limited by Shares
- Community Interest Company (CIC)
- Community Benefit Society (BenComs)

Case Studies

The Stanhope Hall, Horncastle

- Built in 1901 as a Drill Hall
- Transferred to The Stanhope Hall with a 50 year lease from ELDC via a head lease to Horncastle Town Council
- 5 office units; 2 meeting rooms; large hall; bar and commercial kitchen
- Broke even in Year 1



Case Studies (2)

Caistor Arts and Heritage Centre

- Old Methodist chapel built in 1838
- Freehold transfer from LCC
- Housed a library (with 25y lease), multi-use exhibition space, gallery, museum and café
- Featured in the Village SOS BBC Programme

Useful websites

- Asset Transfer Unit (www.atu.org.uk)
- Community Matters (www.communitymatters.org.uk)
- Locality (www.locality.co.uk)
- Plunkett Foundation (www.plunkett.co.uk)

Other sources of information

Football Club – The FA Guide to Asset Transfers:
TheFA.com/my-football

Heritage Asset – Asset Transfer Unit Heritage Guidance

Local Library – Asset Transfer Unit Community Owned
Libraries

Open Space – Asset Transfer Unit Community-led Spaces

Practical Design - www.theglasshouse.org.uk/buildings-resources