

## APPENDIX 2

### Procedure for Considering Potential Community Asset Transfers

This procedure should be read in conjunction with the Community Asset Transfer Policy and the process flow chart in Appendix 3.

The initial consideration of an asset for transfer is likely to come from either an initiative from the District Council or and approach by a voluntary, community or/and faith group (VCFG).

Each case will be judged on its merits within the framework of the Policy.

The procedure is a two stage process with the first stage being a high level suitability review with a more detailed review at the second stage. The relevant local member will be consulted and notified of the District Council's decision upon completion of each stage. It is also expected that clarifications will be required from the VCFG through a dialogue, where possible. Summaries of the key criteria to be used as a basis for consideration, in conjunction with the Policy, in the reviews at both stages are as follows:

#### Stage 1 - Suitability Review: Criteria

- How does the proposed transfer meet the Council's key aims and objectives?
- Are there maintenance issues with the asset?
- Are there repair and maintenance obligations that could more effectively be undertaken by the VCFG?
- Are there clear indications that external funding can only be obtained in the instance of a transfer?
- Does the Council Manager responsible for the asset support a transfer?
- What aims does the VCFG want the asset to achieve?
- Is there an existing occupation agreement with a VCFG?
- If so what will be potential loss in income/saving in maintenance to the Council?
- Would a long term lease agreement fulfil the aims equally as well?
- What community benefits might arise from the proposed transfer?
- Why will the VCFG be more effective if it has ownership of the asset?
- Are there any risks of the proposed asset transfer that need to be explored further?
- In addition to a proposed transfer would the VCFG require funding from the District Council or other grant funding organisation?
- Are there any other assets that are or could be required as part of the transfer?
- Do the deeds or existing agreement contain any restrictions or rights that need to be considered?

- Would the VCFG be in a position to submit a business plan in the required format for the Stage 2 Review?

## **Stage 2 - Detailed Review: Criteria**

The next stage covers 5 main areas:

### **Current use**

- Details of use, sub-lettings, informal arrangements, car park use etc.
- By who is the asset currently occupied?
- What is the condition of the asset and how much will repairs or necessary works cost?
- What are the annual running costs of the asset (including utilities and rates)?
- Is the asset suitable and/or sufficient for its current use?
- Are there any other individuals or VCFGs affected by the occupation or ownership of the asset?
- Are there any other issues pertinent to a potential transfer?

### **Potential future use**

- Has the District Council any plans for the asset or is there a foreseeable need by other public sector organisations for the asset?
- Does the asset occupy a strategic location in relation to other potential community assets or uses?
- Might the asset have development potential in the short, medium or long term?
- Have any other VCFGs expressed an interest in the asset?
- Does the VCFG have a business case supporting their bid / how well developed are the proposals?
- Does the VCFG have the capacity to undertake ownership? If not, what support would they need to develop that capacity?
- Are there any other VCFGs that may be a suitable candidate for transfer?

### **Status of the VCFG**

- Does the VCFG have a constitution?
- Is the VCFG a registered charity?
- Are details of any trustees or tenant up to date?
- Is the VCFG a registered company?
- How long has the VCFG been established?
- How is the VCFG managed?
- Does the VCFG have an equal opportunities policy?
- Does the VCFG have adequate levels of insurance?
- Does the VCFG have an annual report?

- Does the VCFG have audited annual accounts?
- Is there a supporting statement available from 2 referees who have worked with the VCFG?
- Does the VCFG have a record of successfully working with the District Council?
- Are the trustees or officers of the VCFG representatives of other VCFGs?
- What skills does the VCFG have to optimise community use of the asset?

### **Assessment of potential benefits**

- Does the use of volunteers using the asset fulfil the District Council's corporate objectives?
- Will a transfer contribute towards greater community empowerment and increase the capacity of VCFGs?
- Does the proposal promote a sustainable third sector and the asset provides a vital source of income to continue community use?
- Does the asset transfer perform a key role in economic development or social enterprise?
- In what ways would the transfer of the asset improve access to public services?
- Does a transfer offer value for money (including analysis of the ongoing costs to MVDC of continuing to hold the asset compared with any capital or revenue foregone by disposal of the asset)?
- Analysis of any efficiency savings arising from the transfer (for example synergies arising from alternative service provision).
- Will a transfer of the asset mean access to it by more parties than under a lease?
- Is there evidence that the transfer of the asset will mean improved governance of the VCFG and/or management of the asset?

### **Assessment of risks**

- Is there the potential to disadvantage particular individuals or impact negatively on the local community? – The VCFG should carry out an equalities assessment regarding the transfer.
- Is it clear that the VCFG is not an “economic undertaking” so as to come within the scope of EU State Aid Rules?
- Does the VCFG have the skills and capacity to manage the asset?
- How has the VCFG mitigated the risk of the asset becoming a financial liability and ensured that the VCFG is a sustainable entity to own and maintain the asset?
- Are the promises of improvement and benefits realistic, measurable and achievable in the timescales suggested?
- What details have been provided regarding an options appraisal and cost benefit analysis carried out by the VCFG?

- What are the risks that the VCFG will not fulfil its obligations and mean that costs will revert to the District Council?
- Will there be an ongoing requirement for involvement from MVDC officers?
- Do the proposals satisfy the requirements of General Disposal Consent (England) 2003 (Disposals of Land for less than the Best Consideration that can reasonably be obtained)? so as to allow disposal at an undervalue of no more than £2million without specific consent
- Will the transfer price provide good value for money (having also considered the service that the VCFG) provides to the District Council's electorate as a whole?
- What is the Unrestricted Market capital value of the property, on the basis of the best consideration that may reasonably be obtainable i.e. with no unusual terms or restrictions? This is necessary to calculate the notional transfer value for the purposes of calculating grants or subsidies in addition to the transfer value.
- If the asset ceases to operate as a community asset what provisions are proposed so that District Council can regain possession and control of the asset?