

**My Community**

**Community** Asset Transfer

# Understanding Community Asset Transfer



The Social  
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Community Asset Transfer is an established mechanism used to enable the community ownership and management of publicly owned land and buildings.

The General Disposal Consent allows a range of public bodies to transfer the ownership and management of land and buildings they own to local communities at 'less than best consideration' – at less than full market value.

Communities can enter into discussions with public bodies about Community Asset Transfer where it is their intention to promote social, economic and environmental well-being.

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.

## Background

Community asset ownership isn't new – communities have a history going back centuries of owning and managing land and buildings. However, recent public policy in England has encouraged the community ownership and management of assets through a series of initiatives.

In 2007, Government published 'Making Assets Work: The Quirk Review' and went on to invest in the establishment of the Asset Transfer Unit, as well as dedicated programmes of support to affect culture change in relation to the community asset transfer agenda in England. This resulted in support for circa 1,500 transfer initiatives throughout England in the period 2007-2012.

In 2009, Government sponsored a demonstration programme to explore the Meanwhile Use of assets by and for communities – that is, the temporary or interim uses of under-used land and buildings. Most recently, this work contributed to some of the thinking underpinning the Portas Review into the future of high streets affected by the economic down-turn, and necessitating alternative uses for a growing number of empty shops.

In 2011, the Government refreshed the Public Request Ordering Disposal provisions – now referred to as the Right to Reclaim Land – and amended the ODPM Circular (06/2004) "Compulsory Purchase and the Crichton Down Rules" to provide guidance on Compulsory Purchase for Communities. The Right to Reclaim Land is designed to make it easier for the public to get under-used or disused land owned by some public bodies brought back into beneficial use. Changes to the guidance on Compulsory Purchase, in contrast, call for local authorities to have particular regard for requests from community organisations who want to acquire land and buildings for regeneration purposes.

Most recently, the Government has introduced a Community Right to Bid through the Localism Act 2011. The Government aims to address concerns that too often local buildings and land that are of great value to the community, such as a village hall or local pub, go up for sale and are purchased by a private bidder before the community has the opportunity to put together the funding to take it over themselves. The Community Right to Bid gives communities the power to nominate

assets (buildings or land). If the local authority agrees that the asset is of community value they will put it on a published list. If any of these assets are put up for sale, a six week window of opportunity is triggered, during which any local community group may express an interest to purchase the asset. If they do express an interest, a further four and a half months window of opportunity is given so that the group may have time to find funding and put together a bid to purchase the asset on the open market.

## What is Community Asset Transfer?

Community Asset Transfer involves the transfer of management and/or ownership of land and buildings from a public sector body to a community-based organisation, eg: a local charity, community interest company or industrial and provident society.

Community Asset Transfer is sometimes confused with the Community Right to Bid. Although they share some of the same objectives, these are substantively different mechanisms that communities can use to acquire land and buildings. The crucial differences are:

- Community Asset Transfer is the transfer of ownership or management of publicly owned assets, whereas the Community Right to Bid applies to some public and some privately owned assets.
- Community Asset Transfer is the transfer of management or ownership at less than market value. Community Right to Bid gives a defined window of opportunity for a community group to compete to buy an asset on the open market.
- Community Asset Transfer is a voluntary process entered into proactively by public bodies. The Community Right to Bid is a pre-emptive legal right pertaining to communities.

How Community Asset Transfer works  
A number of public bodies, in particular local authorities, have the power to dispose of land and buildings at less than market value where they are able to demonstrate that doing so will result in local improvements to social, economic or environmental well-being. The legislation that allows local authorities to do this is the General Disposal Consent (England) 2003.

Most local authorities have experience of Community Asset Transfer – 3/4 of councils are now estimated to be actively engaged in the transfer of assets to communities, and 1/3 benefit from dedicated Community Asset Transfer strategies which provide detailed information about how communities can express interest in taking over a publicly owned asset in their local area.

Communities interested in Community Asset Transfer are encouraged to obtain a copy of their local authority's strategy or, alternatively, contact the Council's property department to discuss where to start. Ordinarily, this involves them submitting a headline expression of interest, and subject to an invitation from the Council, developing a business case to demonstrate that the community is capable of maintaining and operating the land or buildings on a sustainable basis.

## Transfer options

A range of agreements can be entered into to facilitate the transfer of an asset to a community-based organisation – but the most common form is long leasehold. Often, local authorities will explore shorter-term agreements in discussion with newly formed community organisations.  
Checklist for Community Organisations

Any voluntary or community group interested in Community Asset Transfer should consider a number of things by way of preparation:

- Gather evidence to show how the community and local people will benefit from the transfer
- Gather evidence of community support for the transfer
- Check to see if your local authority has an Asset Transfer Strategy and if there have been other Community Asset Transfers nearby from which you can learn
- Solicit assistance or develop a business plan that demonstrates the financial viability of your plans
- Check that land and buildings in question really are assets and not liabilities – for example, they are liabilities if they cannot generate enough income to fund repairs, maintenance and ongoing operational costs
- Seek advice from [www.mycommunityrights.org.uk](http://www.mycommunityrights.org.uk)

Detailed guidance materials for community organisations and local authorities are available from the Asset Transfer Unit [www.atu.org.uk](http://www.atu.org.uk)

## Glossary

- Best consideration – market value (less than best consideration – less than market value)
- Disposal of – sale or transfer of public land or buildings
- Freehold – outright ownership of land or buildings
- Leasehold – where one party acquires the right to occupy land or a building for a given length of time. Leaseholds can be bought and sold on the open market or through private treaty
- Long lease – a leasehold of 25 years or more
- Peppercorn rent – nominal rent used in some legal agreements