



Hartlepool Borough Council

Community Asset Transfer
Policy



Community Asset Transfer Policy

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Part 1

Background and General Principles

1. Background

The purpose of the policy is to set a transparent and positive framework to enable where appropriate, asset transfer from Hartlepool Borough Council to the Third Sector to happen.

A core purpose of the Council is to help people to help themselves. An effective way of achieving this is to empower community groups and enterprises to help them deliver their own solutions to local needs and demands for services. This will have both social and economic benefits. The transfer of buildings or land to well organised and supported community groups and enterprises will greatly assist in optimising community activity in local areas.

2. National Policy Context

- 2.1 The Local Government Act 2000 introduced the power for local authorities to promote economic, social and environmental well-being. Building strong relationships with community groups can help local authorities to fulfil this role. The Local Government White Paper "*Strong and Prosperous Communities*", October 2006, signalled opportunities for communities to manage and own local public buildings. It highlighted the role asset management or ownership can play in empowering communities, as well as being a means of securing external investment.
- 2.2 Subsequently the Quirk review, "*Making Assets Work - Community Management and Ownership of Public Assets*", May 2007, concluded that transferring public assets to communities leads to more responsive services that meet local people's priorities and creates more confident, empowered communities with greater civic spirit.
- 2.3 Other documents such as, "Together we can – the Community Development Challenge" and "Change Up", the Government's strategy for voluntary and community section infrastructure and capacity building, have all encouraged local authorities to create and support community partnerships.
- 2.4 There is now a high level of support and recognition from Government that asset transfer can create more confident and empowered communities and increase the number of sustainable community/voluntary sector groups. The Government want Local Authorities to help empower local people and organisations to transform land and buildings into vibrant community spaces and support the development of a thriving Third Sector.

3. Aims & Benefits of Community Asset Transfer

- 3.1 The aim of the Council's approach to Community Asset Transfer is to derive the widest public value that can be achieved in relation to delivering social outcomes.
- 3.2 Benefits associated with any application for asset transfer will be assessed in terms of the economic, social or environmental well being of the community. These may include some of the following examples of the type of benefits that can/could be associated with an asset transfer:

For the local community

- Improved community engagement
- Area-wide benefits
- Economic development and social enterprise
- Improvements to local services
- Value for money

For the Council

- Develop effective partnerships within communities to deliver services
- Provide a more accessible and responsive base from which the third sector can "reach" into the community and deliver services
- Leverage of external funding, that the public sector cannot apply for, to improve assets for the benefit of communities
- Facilitate restoration and restore historic buildings
- Help strengthen community anchors
- Provide a catalyst for regeneration of local areas
- Provide a potential source of rental income
- Result in lower ongoing costs
- Help to progress neighbourhood regeneration plans
- Provide appropriate, locality based building management solutions

For Third Sector Organisations (voluntary and community sector)

- Physical assets can contribute towards a sustainable future
- Strengthen organisation's confidence
- Strengthen the organisation's community ties
- Strengthen the organisation's ability to raise money. There may be access to funding to refurbish the building or to support staff training and development
- Support greater financial sustainability and help the organisation to escape short term grant-dependency
- Social economy organisations can alter or modify a building to better suit their needs to a greater extent than if they were merely tenants

4. What Is Asset Transfer?

4.1 Definition: The transfer of land or buildings from the council's freehold ownership into the stewardship and/ or ownership of third sector organisations.

4.2 Community Asset transfer can take place in different forms:

- Long Lease
- Short Lease
- Managements Agreement
- Licence to Occupy

4.3 Community Asset Transfer usually includes transfer at less than market value either at reduced cost or free of charge. The level of subsidy will be determined by the social, economic or environmental benefits generated by the transfer

5. For How Long Will Leases Be Granted?

5.1 We will carefully consider the specific needs of the third sector organisation, the condition of the asset and the requirements of potential funders or lenders. We will base the length of the lease term on the needs that are clearly supported by the third sector organisations business plan, and on the third sector organisations capacity to manage the asset. In certain cases, we may offer a phased transfer, depending on the third sector organisations resources.

5.2 Proposals from community anchor organisations ("independent, community-run and led organisations, rooted in a sense of place, and with a mission to improve things for the whole community") and those, which include the co-location of several services (a community hub), will be encouraged in this context.

5.3 The following is a guide to the length of term that may apply to new community asset transfers, based on the anticipated requirements of most charitable funders: a management agreement or licence will normally be granted for:

- up to 12 months
- a lease of up to 10 years
- a lease of up to 35 years
- In exceptional cases, a lease longer than 35 years may be appropriate if supported by a business case that demonstrates special circumstances or requirements from funders or lenders.

5.4 We will be as flexible as possible when designing lease clauses, so that maximum benefit is achieved for both the third sector organisation and the council. This will enable the asset to be used imaginatively, e.g. through the ability to sub-let and through flexible user clauses.

5.5 Once granted, leases can usually be extended or restructured at a future stage, to meet the third sector organisations changed activities or circumstances, or to meet the requirements of potential funders or lenders.

5.6 Leases will be accompanied by a service agreement that will secure the longer-term benefits of the community asset transfer. This will set out the agreed minimum standards, opening hours and activities, and how these will be measured and monitored. It will also ensure that the third sector organisation meets all necessary requirements to achieve

optimum community benefit and use of the asset. An example of such an agreement is attached at Appendix C

5.7 Leases longer than 7 years will normally only be granted to organisations that have an 'asset lock' and will contain clauses that prevent the asset being assigned or sold on for unintended financial gain and the loss of the agreed benefits.

5.8 Leases will contain suitable clauses to ensure the return of the asset to the council if the terms of the service agreement are not met, or in the case of dissolution, insolvency or corruption.

6. The Power to Transfer

6.1 The legal context for asset transfer is contained under Section 2 of the Local Government Act 2000, whereby every local authority has the power to undertake actions it considers are likely to achieve the economic, social or environmental well-being of the area. The specific provision for asset transfer is provided under the Local Government Act 1972, as amended by the General Disposal Consent (England) 2003.

7. What Are The Risks Of Asset Transfer To The Community?

7.1 Asset transfer can strengthen the organisations community ties and its ability to raise money. As the main focus is likely to be a community based initiative or sustaining economic regeneration, there may be access to funding to refurbish the building or to support staff training and development.

7.2 However, not all buildings or land are suitable for transfer, and some may be a drain on resources and generate too little income. Any one running a public building has to be confident that they can meet a raft of regulations covering public health and safety (such as Legionella and Asbestos) and disabled access requirements.

Part 2

Community Asset Transfer Policy

1 What Principles Will We Adhere To?

The aim of our approach to Community Asset Transfer is to derive the widest public value that can be achieved in relation to, for example:

- Community empowerment
- Area-wide benefits
- Building the capacity of the Third Sector and encouraging a sustainable Third-Sector
- Economic development and social enterprise
- Improvements to local services
- Value for money
- Benefits to the local community, Council and other public service providers and the Organisation taking ownership

This Policy is underpinned by the following principles:-

- The fundamental aspiration of the policy is community empowerment achieved through community led asset transfer
- We view our policy on community asset transfer as part of a long-term programme of support to, and partnership with, the Third Sector. We will consider Asset Transfer to organisations that can demonstrate good governance and sustainability and we require organisations to meet the industry standard set by Community Matters and incorporated in Pre Visible and Visible models of good practice
- We will take a strategic approach to asset transfer through regular reviews of the community transfer potential of its assets, and the establishment of priorities linked for example, to priority regeneration schemes, the exit-strategies from regeneration schemes, or the potential of particular high-profile cases etc
- We will seek to implement the policy proactively (through awareness raising, outreach and support etc) to encourage appropriate groups to take on an asset, linked to on-going programmes of support to the Third Sector
- Any proposed asset transfer must support the aims and priorities of the Council.
- We are committed to implementing a transparent corporate process for asset transfer including a clear point of first contact and clear stages and timescales for each party
- We will designate an Asset Transfer Officer, who will help to shape discussion and provide support for a project. This individual will be the first point of contact for asset transfer and may be appointed on a case by case basis according to the proposed transfer

- No guarantee of 'exclusivity' on a first come first served basis when considering asset transfer, inviting other expressions of interest, as appropriate, in relation to any proposed asset transfer
- We will adopt an agreed method of assessing the benefits of the transfer, (linked to corporate priorities) which allows a comparison with market disposal (Community Asset Transfer Evaluation Tool [Appendix 2])

2. What Assets Are Available For Transfer?

In the context of this policy an asset is land or buildings in the ownership of the Council and does not include infrastructure assets or plant and machinery

The Asset must be:

- In the freehold ownership of the Council
- Not currently needed or identified for future investment, or used for direct service delivery, which could best be provided directly by the authority rather than through the community
- Fit for purpose and would not impose an unreasonable liability to the Third Sector organisation or the Council
- Suitable for community transfer as the sole or one of the viable options following an options appraisal by the Council. This process will be adopted in response to requests or properties identified through internal reviews
- Available to deliver the strategic priorities of the Council
- Suitable for transfer or management and not be contrary to any obligation or restrictive covenant placed on the Council

Proposals for asset transfer can be split into three main categories

Surplus land and buildings

The asset has been declared surplus to operational requirements and has either been proactively marketed to the general public or specifically to the Community and Voluntary Sector, or a reactive response to the disused asset has been made by the Community group.

Non-surplus land and buildings

The asset has not been declared surplus and a speculative proposal has been put forward by a Community group to take on the asset. The policy does not explicitly exclude any asset from potential transfer to a community group and leaves this open for decision on a case by case basis. However, schools and related premises, operational assets, and office space wholly occupied by Council services are unlikely to be considered suitable for transfer.

Occupied land and buildings

Community groups occupying Council land and buildings may approach the Council to take on management or ownership of the building, usually at a less than best consideration.

3. What Assets Are Not Available For Transfer?

We will not:

- Transfer or let a building at a discount where taking part in religious activities is essential in order to participate in or benefit from the proposed services and activities.
- Consider an asset transfer of land or buildings that is required by the Council to deliver its objectives – such as schools.
- Consider an asset transfer or lease of a building that has a limited lifespan, unless the proposal includes a redevelopment scheme.

4. On What Basis Will We Transfer An Asset?

In view of the diverse nature of assets within our ownership, there is no one transfer methodology that suits all circumstances.

Nature of tenure offered will be determined on case by case basis having regard to the particular circumstances of the project, strength of the applicant and sustainability of the business case etc.

Asset transfers will generally be by means of leases or licences. Freehold transfer will only be considered in exceptional circumstances, and must be the subject of a specific report to Portfolio Holder to gain approval.

The decision whether to charge an open market consideration (i.e. market rent or market value for the sale) for the benefit of an interest in an asset will be determined on a case by case basis. Factors influencing such a decision will include proposed uses, extent of revenue producing opportunities, benefits to the community.

Any transfer at a discount will be accompanied by a Service Level Agreement (SLA) (Appendix 3) identifying the benefits and how these will be monitored and measured, together with the remedies available to both parties if the SLA is not met. The SLA would clearly set out the respective roles and responsibilities of each party together with appropriate milestones to address the risks identified above and outcomes to be delivered by the project. It is important an exit strategy should also form part of this document. The nature of tenure offered would be linked to milestone events.

In all cases involving transfer of ownership / occupation appropriate legal mechanism will be put in place to protect the Council's financial position such as restrictions on use, or reversion clauses. For example in the case of a long-term lease appropriate clauses (step-in rights) will be written in to the lease whereby the asset would revert to the Council in circumstances such as:-

- In the case of bankruptcy
- In the case of corruption
- If the anticipated benefits of transfer are not realised (i.e. the SLA is not achieved) or
- If the organisation wishes to develop and move into bigger premises.

5. Which Groups Are Eligible For Asset Transfer?

We will consider asset transfer to Community and Voluntary Sector groups. Appropriate groups may be area-based, based around particular social groups or have some other 'community of interest'. Groups must be able to demonstrate good governance and an appropriate legal structure.

The Applicant must:

- Be community-led, i.e. its governance arrangements must ensure that it has strong links with the local community and that members of the community are able to influence its operation and decision-making processes
- Be a Community and Voluntary Sector organisation - i.e. it must be a legal entity which is:- Non-governmental - not part of the statutory sector
- Exist for community / social / environmental / economic benefit
- Be non-profit distributing - it must reinvest any surpluses to further its social aims / community benefits
- Have community benefit objective
- Be appropriately constituted, for example, a registered charity, a community interest company or a charitable incorporated organisation, a not for profit company a co-operative. Such constitution allows the management /ownership of buildings and or provision of services
- Demonstrate good governance by operating through open and accountable co-operative processes, with adequate monitoring, evaluation and financial management systems
- Demonstrate it has the skills and capacity within or available to its managing body to effectively deliver services and manage the asset
- Embrace diversity and work to improve community cohesion and reduce inequalities
- Be engaged in economic, environmental or social regeneration in Hartlepool or is providing a service of community benefit in line with the Council's core priorities
- Demonstrate management experience and or expertise
- Have a management proposal which includes a specific plan on health and safety issues and compliance with legislation and any statutory requirements arising from ownership or management of the building and or running a service
- Demonstrate how they will address any capacity buildings requirements within their organisation
- Provide copies of the accounts of the organisation
- Have been established for a number of years and or have a track record of delivering services or property management
- Have a clear purpose and understanding of the activities it wishes to deliver
- Satisfactorily complete the Pre-Visible online assessment

6. What Proposed Uses Are Acceptable?

Each proposed use will be assessed on a case by case basis but must be in line with the following:-

- Demonstrably help in the delivery of our Corporate Plan, corporate needs and facilities for the use by the people of Hartlepool

- Ensure extensive and inclusive reach into the community and will be open to all
- Maximise opportunities for income generation to ensure sustainability, for example, through social enterprise and the hiring of space and facilities
- Must be a need and demand for the activities being proposed and consideration is given whether or not this is being satisfactorily addressed by another organisation

7. How will we assess an asset transfer proposal?

The asset transfer decision is essentially a choice between:-

- Retaining the status quo
- Expenditure on other services made possible as a result of a “commercial disposal”
- The benefits generated by transfer of the asset to one or other community group (if there are competing proposals)

In assessing proposals for asset transfer, we will attempt to measure the relative benefits and risks of these three options in order to justify its decision and the level of discount proposed. It will relate these benefits to our priorities such as the key objectives in our corporate plans.

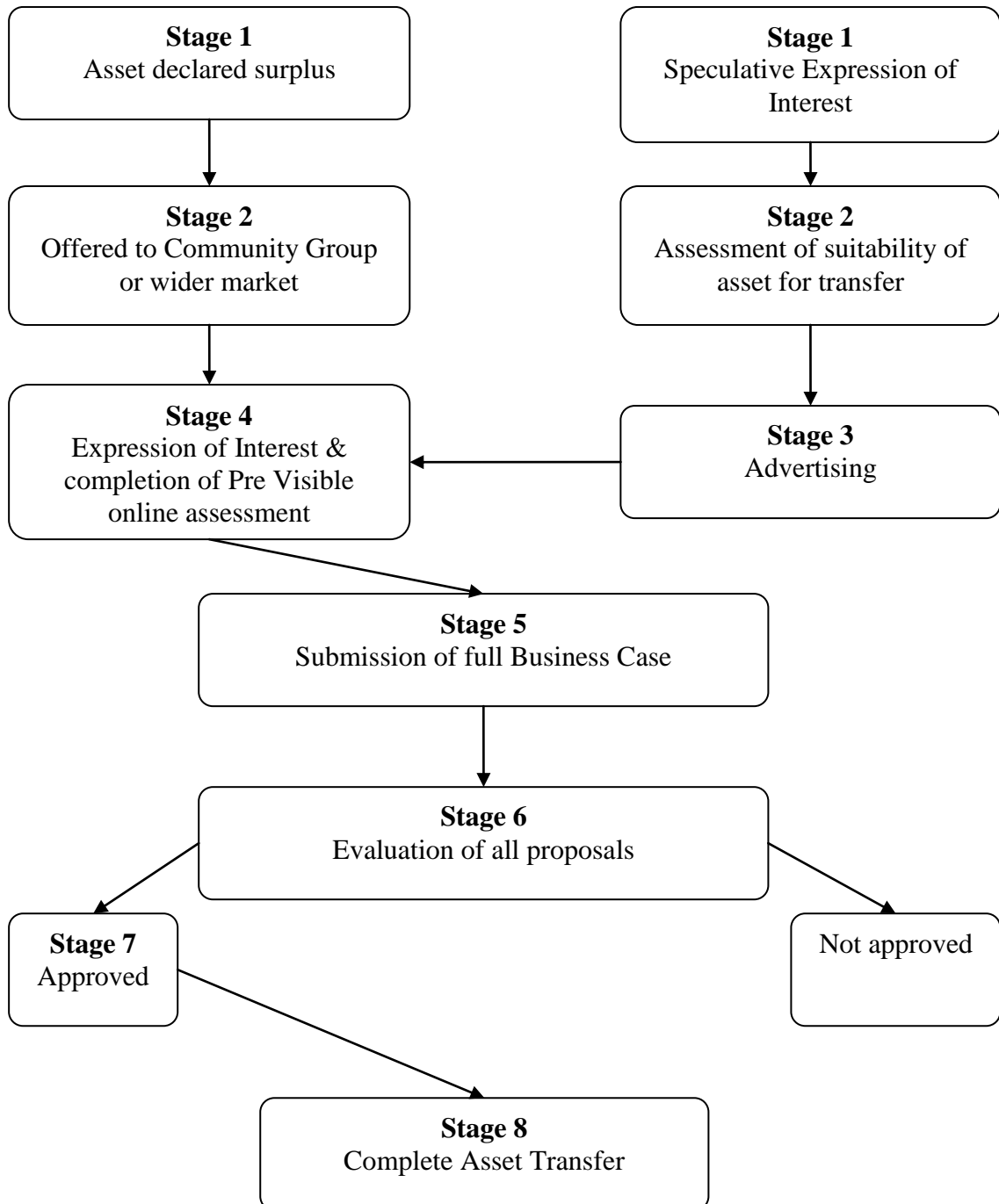
The asset transfer decision involves the assessment of a number of criteria including considering the options arising from:

- Raising of capital receipts for future investment in direct service provision
- Benefits to respective parties e.g. Council, Community, Third Sector generated by the transfer of the asset to the community
- Ability to demonstrate good governance by meeting the community matters standards set out in the Pre Visible models of good practice
- Loss of any existing income
- Potential loss of opportunity costs arising from transfer
- Retention of assets for direct service delivery

8. What is the Asset Transfer Process?

There are a number of stages involved in the Asset Transfer Process and these are shown as a flowchart on diagram 1 overleaf.

Diagram 1
Asset Transfer Process



Stage 1 Asset Transfer Request

This is the initial stage and flags a Community group's interest in a particular building or piece of land. The opportunity can arise either by the Council making available an asset or a specific request from a Community group.

The request should be submitted on the "Expression of Interest Form" (Appendix 1). Additional supporting information can be included if thought necessary. Guidance if available to community groups on the development trusts association website

Stage 2 Assessment of suitability of asset for transfer

In the event that the asset has not been previously declared surplus then an initial assessment will need to be undertaken to determine whether the asset is suitable for Community Asset Transfer.

This assessment will be undertaken by the Asset Transfer Officer in accordance with the general principles at sections 2 and 3 above and referred to SCRAP/ Portfolio Holder for consideration.

The applicant will be informed of the decision.

Stage 3 Advertising of opportunity

The policy states that we will not consider requests for transfer on a first-come, first-served basis. If a request for an asset is made and the asset has not been previously offered to either the wider market or Community groups, then following the decision that the asset is suitable for transfer the opportunity to acquire the asset will be marketed.

The marketing period will be appropriate to the asset and will be a minimum of 6 weeks. During the marketing period, expressions of interest should be submitted by other community groups and business cases will be invited from parties that meet the PRE-VISIBLE requirements

Stage 4 Expressions of Interest

Organisations are required to complete the Expressions of Interest Form in Appendix 1 setting out an overview of the organisation and its intentions for the use of the property.

Interested groups will also be required to complete the 'pre-VISIBLE' quality standard online assessment developed by Community Matters and submit the outcome report as part of the expression of interest application.

Full details of pre-VISIBLE can be downloaded from www.visiblecommunities.org.uk

Stage 5 Submission of Full Proposal & Business Case

Fundamental to the success of any transfer is the applicant(s) demonstrating to us that they have a clear rationale backed by a robust business-case of their ability to manage the asset

effectively. This needs to include an assessment of the financial and organisational capacity of the organisation.

Community groups applying for consideration to be given to asset transfer will be required to submit a formal Business Case, which, depending on the scope and scale of the asset concerned will include some or all of the following:

- Organisational Details - Capacity of the organisation to manage the asset
- Use Statement - Details of how proposed use will be monitored including any fall back arrangements
- Benefits Statement - Benefits to the Council, the organisation and the wider/community
- Business Case

As a minimum, the business case will need to clearly identify:-

- At least 5 years revenue or capital funding plans and projections of managing and operating the asset
- How it will invest in and maintain the asset including a specific plan as to how all health and safety responsibilities will be met
- The planned outcomes and benefits to result from the asset transfer
- Demonstrate a community governance structure with capability to sustain asset transfer and undertake capacity building requirements within their organisation
- Whether they would wish to start on the phased transfer of the asset and agreed milestones to justify progression to the next phase
- Where transfer is requested at less than market value either freehold or leasehold the applicant has justified and quantified the benefits to the community and Council to justify the subsidy. The Council will separately need to satisfy that any transfer is within its legal and financial powers
- Any sources of finance asset transfer will release or attract
- Track record of delivering services and or managing property
- Financial sustainability and forward planning
- Have established how much space is required and its potential usage
- Recommended format examples for the preparation of a business plans
- Good practice guidance & advise for the submission of business plans can be downloaded from <http://www.communitymatters.org.uk/>

Stage 6 Review of Proposal

Each proposal will be reviewed in line with the Community Asset Transfer Evaluation Tool (Appendix 3). This provides a clear mechanism for review and enables competing business cases to be assessed against each other.

The evaluation will consider areas such as:-

- How the need for proposed transfer and use of asset has been identified – what needs will the transfer meet?
- Assessing the benefits as a result of transfer– what will be different and how it will be measured

- Capacity of the Community Group to acquire and manage the asset – reference to any accreditation's achieved e.g. Community Matters 'visible' standards or Development Trust Association 'health check'
- Business case for future uses for the asset e.g. cash flow forecasts
- Type of transfer sought and why
- Statement from current vesting department supporting the proposal
- Terms of any legally binding Service Level Agreement or any other legal agreement
- Capacity building plan and how this will be delivered
- Details of how the proposed use of the asset will be monitored and details of 'fall back' arrangements should the transfer prove to be not sustainable

The assessment will also identify the potential risks of transfer. The Quirk report recognised that there was a clear consensus between the public sector and third sector that risks exists. It is therefore important that both the receiving organisation and ourselves are sufficiently equipped to understand, assess and manage the risks that are inherent in the process of asset transfer. Therefore this policy should be mindful of the work undertaken by the Quirk Review and DTA in addressing such issues. The risk will be assessed following our policy on managing risk.

Stage 7 Decision

Following evaluation the applicant(s) will be advised of the decision and the rationale behind the decision will be discussed. In some instances it may be that there is merit in the proposal but additional work is required to further develop the proposal and we will work with the applicant to develop this.

Decisions relating to either proposal to transfer at market value at less than best consideration (discount) will be required from the Portfolio Holder for Resources

Stage 8 Complete Asset Transfer

Following agreement to transfer the asset we will agree detailed terms with the community group. The process is likely to differ with each transfer so project management arrangements are put in place to ensure that the scheme is properly resourced and supported, and to ensure all the necessary documentation and arrangements such as planning consents and lease/freehold transfer arrangements are in place.

If a lease is proposed, this will set out conditions of use there are certain circumstances under which we would reserve the right to intervene, for instance when conditions of lease or Service Level Agreement / Partnership arrangement are at risk of not being met. Monitoring arrangements and a key contact/liaison officer in the Council will be established for all transfers. The key contact officer will usually be an officer from the service most relevant to the services/activities delivered by the community organisation.

It is important that at this stage the community group is appropriately and independently advised on the legal transfer and the implications thereof.

When all necessary documentation and arrangements are put in place the asset transfer is complete.

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Appendix 1

Hartlepool Borough Council

Expression of Interest Form



Expression of Interest Form

All information provided will be treated confidentially.

Name of Asset:

Your Details:

Name of Organisation / Group:.....

Contact Details:.....

Name of Contact:.....

Address:

Postcode:.....

E-mail address:

Telephone number: Mobile number:.....

1. WHAT TYPE OF ORGANISATION / GROUP ARE YOU? (Please tick all boxes that apply)

- | | |
|---|--|
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Constituted Group |
| <input type="checkbox"/> Company Limited by Guarantee | <input type="checkbox"/> Newly formed group for asset transfer |
| <input type="checkbox"/> Charity | <input type="checkbox"/> Voluntary Organisation |
| <input type="checkbox"/> Community Interest Company | <input type="checkbox"/> Consortia (If so, provide names of partner organisations) |
| <input type="checkbox"/> Public Sector | <input type="checkbox"/> Other [please state] |

2. WHAT YEAR WERE YOU FORMED?

(If you have a current business plan, please attach it to this expression of interest form.)

3. Please complete the online pre-VISIBLE qualifying standard online assessment developed by Community Matters & submit the outcome. Please attach a copy as part of this submission.

Full details can be downloaded from www.visiblecommunities.org.uk

4. WHAT SKILLS DOES YOUR GROUP/ ORGANISATION HAVE?

SKILLS	YES/ NO	IF 'YES' PLEASE GIVE FURTHER DETAILS
Management		
Financial Management		
Marketing		
Community Knowledge		
Partnership Working		
Managing assets		
Human Resources		
Business Planning		
Legal		
Fund Raising		

5. TO WHAT RESOURCES DOES YOUR GROUP / ORGANISATION HAVE ACCESS?

RESOURCES	YES/ NO	IF 'YES' PLEASE GIVE FURTHER DETAILS
Financial [own]		
Financial [Grant Sources]		
People		
Time		
Capital		
Revenue		

6. DESCRIBE IN NO MORE THAN 500 WORDS WHY YOU ARE INTERESTED IN THE ASSET AND WHAT YOUR PROPOSALS ARE FOR IT.

A large empty rectangular box with a thin black border, intended for the user to provide a response to the question above.

7. HOW WILL THE COMMUNITY BENEFIT FROM THE PROPOSAL?

COMMUNITY BENEFITS	YES/ NO	IF 'YES', PLEASE GIVE FURTHER DETAILS
Will your proposal enable access by all members of the community?		
Will your proposal maintain an existing service or activity in the local community?		
Will your proposal create a new service or activity in the local community?		
Will your proposal have wider community benefits?		
Will your proposal create opportunities for local organisations to work together?		
Will your proposal bring additional financial investment into the area (E.g. through grants unavailable to the Council)?		
Will your proposal create the opportunities for developing local enterprise?		

SIGNATURE:

Name: [Print] [Sign].....

Position in organisation:

Date:

WHEN YOU HAVE COMPLETED AND SIGNED THIS FORM PLEASE RETURN TO:

Susan Rybak
Community and Youth Resource Manager
Level 4 Civic Centre
Victoria Road
Hartlepool
TS24 8AY

Tel: 01429 523474
E-mail: susan.rybak@hartlepool.gov.uk

Appendix 2

Hartlepool Borough Council

Community Asset Transfer Evaluation Tool



Name and Address of Asset	
UPRN / UBRN	
Status of Asset (as Per Asset Register)	
Current Use	
Ward	
Asset Transfer Applicant	
Proposed Terms Of Transfer	Freehold / Leasehold Market Value / Discounted

Final Score And Recommendation	
Completed By	
Date Completed	
Date of Review By Asset Management Group	
Cabinet Date	
Decision	
Decision And Feedback Given To Applicant	

Evaluation Mechanism

The following evaluation tool is used to assess asset transfer proposals by community and voluntary sector (COMMUNITY) organisations. It may also be used to evaluate proposals for shorter term leases to COMMUNITY organisations. The tool may be adapted on a case by case basis as appropriate.

The tool is used at Stage 5 of the asset transfer process to broadly evaluate the suitability of the proposal.

Scoring

Each section is scored out of 25. Scores should be applied as follows.

0	Unacceptable to the Council
5	Requires significant improvement to be acceptable to the Council
10	Requires minor improvement to be acceptable to the Council
15	Acceptable to the Council for this stage of the process but with identifiable shortcomings which may be improved
20	Represents a very good response
25	Represents an excellent response

N.B. Scoring 0 or 5 for the sections indicated in the table overleaf will result in immediate failure of the application.

Overall Score

The scores are totalled. The maximum overall score is 250. The score determines the recommendation as follows:

Score	
0-50	Proposal is unacceptable
51-100	Proposal requires significant improvement to be acceptable to the Council
101-150	Proposal requires minor improvement to be acceptable to the Council
151-200	Proposal represents a very good use of the asset
201+	Proposal represents an excellent use of the asset

SUMMARY OF OVERALL PROPOSALS

Details of use and circumstances	Specify relevant details.
Is the asset currently occupied?	<i>Add details including: name and relevant information about occupant length of time of current occupancy any lease arrangements</i>
How is the asset currently used?	<i>Add details including Main and any subsidiary uses, any services offered level of use identity of user- groups and whether of local, borough-wide or wider significance.</i>
Is the condition of the asset known?	<i>Add details, with estimated costs of any repairs/maintenance. Identify how recent this information is.</i>
Is the asset suitable and/or sufficient for its current use?	<i>Add details, including whether the asset complies with the Disability Discrimination Act. What is the most suitable use for this asset?</i>
Is there any other organisation affected by the ownership of the asset?	<i>Add details including in relation to existing freehold/leasehold arrangements, other contractual arrangements or any funding associated with the asset where conditions on its use or ownership may apply.</i>
Does the Council have any plans for the asset?	<i>Add details.</i>
Are there any other circumstances directly relevant to potential transfer?	<i>Add details, for example housing stock transfer, existing contractual or financial obligations on the asset, covenants on the asset, etc.</i>

1. DELIVERABILITY

	Assessment Criteria	Score each section out of 25	Comments
Governance See 1.1	Governance Proposals <ul style="list-style-type: none"> ▪ Inclusivity ▪ Track Record ▪ Constitution 		
Robustness and Business Plan See 1.2	Assessment of organisation in relation to: <ul style="list-style-type: none"> ▪ Viability of business plan ▪ Detailed, cost proposals ▪ Amount of capital funding for project (secured, conditional, speculative) ▪ Amount of revenue funding for project (secured, conditional, speculative) ▪ Professional team / support ▪ Delivery Programme 		
Planning and design See 1.3	Assessment of whether: <ul style="list-style-type: none"> ▪ Proposal is acceptable in accordance with current planning policy ▪ Planning permission likely to be (or has been granted) ▪ Design is accessible: equality of access regardless of age, disability, ethnicity, or social grouping. 		
	Total score out of 75		

2. BENEFITS

	Assessment Criteria	Score each section out of 25	Comments
Contribution to Our Plan See 2.1	Assessment of how well the proposals contribute to Our Plan Priorities / Themes / Objectives		
Contribution to neighbourhood priorities See 2.2	Assessment of how the proposals fit with neighbourhood priorities such as:- Complementing or duplicating existing services or activity in a locality Fill a gap in provision locally Improvement to local services		
Community benefits See 2.3	Assessment of proposals in relation to:- Community Empowerment Promoting a sustainable community and voluntary sector		
Equal Opportunities and Diversity See 2.4	Assessment of the potential to make a positive impact in accordance with our Diversity and Equality Statement.		
	Total score out of 100		

3. VALUE FOR MONEY

	Assessment Criteria	Score each section out of 25	Comments
Value for Money	<p>Assessment of how the proposals will:-</p> <p>Present an opportunity for a 'non-operational' asset to be used. Represent the best use of the asset particularly in the medium to long-term</p>		
<p>Economic development and social enterprise</p> <p>See 3.1</p>	<p>Assessment of how the proposals will improve the economic and social offer in the locality.</p>		
<p>Financial Implications</p> <p>See 3.2</p>	<p>Assessment of the financial implication of the transfer in relation to:-</p> <p>Repair and Maintenance Budgets Disposal Cost – Market Value or Discounted Continued Council commitment to the asset Create efficient savings Opportunity Costs Funding commitments Release of restrictive covenants Rental Bid</p>		
	Total score out of 75		

Additional Guidance

Questions / areas to consider when evaluating each proposal

1 Deliverability

1.1 Governance

- Does the organisation have a Constitution?
- Is the organisation a Registered Charity?
- Is the organisation a Registered Company?
- How long has the organisation been established?
- How is the organisation managed?
- How is the organisation governed?
- Does the organisation have an Equal Opportunities policy?
- Does the organisation have insurance?
- Does the organisation have an Annual Report?
- Does the organisation have audited Annual Accounts?
- Is there a supporting statement available from 2 referees?

1.2 Robustness and Business Plan

- Capacity of recipient to manage asset - *What level of expertise in facilities management exist within the potential recipient? What is the capacity of the recipient to take on ownership and management effectively?*
- Potential for the asset to become a financial liability for recipient - *Are the costs of running and maintaining the facility known, and are they understood by the potential recipient? Have they got a business plan that sets out how they plan to use the asset?*
- Capacity of recipient to deliver promised services/outcomes - *Is there a robust business plan in place? Has the potential recipient got a track record in this area? Does the potential recipient have sufficient capacity to deliver what they propose?*

- Potential for ongoing Council liability - *What are the implications of the transfer in terms of maintenance and health and safety? Are responsibilities clear? What are the insurance arrangements?*
- Does the organisation have the necessary expertise to take on the asset (now and in the future)?

1.3 Planning and Design

- Conflict with other legal, regulatory constraints - *Is the asset a listed building? What are the implications of this? Are there any other regulatory or planning constraints that affect the asset or an area that includes the asset?*

2 Benefits of Transfer

2.1 Contribution to Our Corporate Plans

Priority theme – Lifelong Learning & Skills

Key objectives:

1. Improve educational achievement among young people
2. Increase the number of young people in education, employment or training through improved engagement
3. Safeguard our children and young people

Priority theme – Health & Care

Key objectives:

4. Reduce health inequality
5. Transform services for adults and older people

Priority theme – Strengthening Communities

Key objective:

6. Tackle anti-social behaviour and reduce criminal damage
7. Re-design our services to improve neighbourhood delivery in disadvantaged communities

Priority theme – Jobs & the Economy

Key objectives:

8. Tackle worklessness and poverty
9. Deliver improvements in our towns and villages
10. Create a regeneration blue print for the whole Borough
11. Reduce our carbon footprint
12. Grow our tourism potential to deliver economic and cultural opportunities
13. Promote an integrated, efficient public transport system

Priority theme – Business Improvement

Key objective:

14. Deliver our top 10 business improvement projects.

2.2 Contribution to Neighbourhood Priorities

- Improve or safeguard a service that would otherwise be lost?
- Present an opportunity to deliver specific council priorities (for example from the Sustainable Community Strategy or LAA)

2.3 Community Benefits

- Create a more direct connection between the asset and local people
- Enable the local community to respond to local issues
- Strengthen local identity
- Provide a means for local citizens and groups to access additional resources
- Improve capacity/sustainability of an organisation (e.g. by being able to borrow against the asset, or create a revenue stream from the asset)
- Add value by creating opportunities for individual organisations to work together, for example using the asset as a 'hub'.
- Potential loss of existing community services - *What are the implications of the transfer of the asset in relation to current service provision and community facilities? Does the transfer create any risk to continued provision in the longer*

term? Can appropriate safeguards be identified that would maintain the asset for community benefit (e.g. restricting use, modifications and/or sale of the asset)

2.4 Equal Opportunities and Diversity

- Potential to disadvantage particular individuals or impact negatively on the local community or communities of interest – Complete Equality and Diversity Impact Assessment.
- Potential for a negative impact on community cohesion - *What is the potential impact of transfer on the local community? Are there existing tensions affecting the community?*
- Capture of asset by unrepresentative / extremist minority - *Are there safeguards in place in the short, medium and long-term that will prevent the asset from being used to the detriment of the wider community?*
- Transfer contravenes State Aid rules - *Is there any potential that the transfer could distort competition and affect trade between EU Member States?*

3 Value for Money

3.1 Economic development and social enterprise

- Bring additional investment into Hartlepool (e.g. through grants unavailable to the Council)
- Improve existing economic activity within the local area
- Encourage social enterprise

3.2 Financial Implications

- Lack of value for money - *Are the opportunity costs understood? Are the potential benefits clear and supported by a strong business case? Do the benefits exceed the costs?*
 - Conflict with other funders - *Is there any funding associated with the asset where conditions on its use or ownership may apply?*
 - Annual rent payment proposed by organisation
-

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Appendix 3

Hartlepool Borough Council

Specimen Service Level Agreement



**SERVICE AGREEMENT RELATING TO A LEASE OF PREMISES
KNOWN AS [address of property]
TO [name of organisation]**

Section A

- A.1 This agreement is made between Hartlepool Borough Council, acting through the Chief Executive's Department ("us") and [name of organisation] ("you") at your registered office [address], Company Registration Number [nr] and Charity Registration Number [nr].
- A.2 Our Representative (link officer) is [name] (01429 [number]) or such other officer of the Council as shall be notified from time to time in writing to you.
- A.3 Your Representative is [name], Director (01429 [number]) or such other person as shall be notified from time to time in writing by you to us.
- A.4 The relevant Documents are
- This Agreement
 - The Lease
- A.5 The following words shall have the following meanings.
- Lease – the Lease of even date herewith under which we let to you premises known as [address of property]
 - Premises – the premises the subject of the Lease
 - Services – The Services supported by this Agreement.
- A.6 "You" includes your directors, trustees, board members, employees, agents and contractors unless the context clearly indicates otherwise.
- A.7 Neither you nor we will act as agent or partner of the other, nor incur any liability on the other's behalf or in respect of the other's debts or liabilities. You must not use this Agreement to imply that we undertake or accept liability for your debts or obligations to third parties.
- A.8 This Agreement is personal to you and the benefit of the Agreement may not be transferred or assigned by you to any other person or organisation.
- A.9 The core of this Agreement is that we are making the Premises available to you for the purposes set out in this Agreement as funding in kind at a rent which will be reduced to a peppercorn, provided you use the premises in accordance with this Agreement. If you cease so to use the premises or do not keep the terms of this Agreement, the Council

may terminate this Agreement, in which case you will immediately cease to be eligible for a reduction in your rent.

B Terms and Conditions

B.1. Introduction

B.1.1 This Agreement sets out the services you will provide, the terms on which you will provide them and the basis on which we will make the Premises available to you on favourable terms.

B.2. Context

B.2.1 The Council is making the premises available to you because among its policy priorities are the following and it considers that supporting you by providing the premises for your use will further them. They are therefore our priorities for funding your provision of your service:

- Providing a focus for local community activities
- Challenging discrimination and promoting diversity.
- Infrastructure support for local community and voluntary sector groups.
- Promoting social and economic inclusion.
- Providing innovation in local service provision

B.2.2 Your core purpose, for which you wish to use the Premises, is: [use of premises]

B.3 Conditions

B.3.1 You must observe the following conditions (B.4 onwards). If you do not, we may by notice require you to do so.

B.3.2 If your failure to do so is serious, or if your failures are persistent or cumulative, we may terminate this agreement. If you break the Agreement or we terminate it, your reduction in rent will terminate.

B.3.3 We will normally give you a written notice of a failure or failures that we regard as potentially grounds for termination, and state what we require you to do to avoid this. However, if a failure is serious, we may suspend this agreement with immediate effect.

B.3.4 If you cease to use the Premises for your Core Purpose (as in B.2.2) or start using the Premises for some other purpose, we will normally regard that as a breach that is so serious and fundamental as to be irremediable and grounds for immediate termination.

B.3.5 You will be permitted to retain all income from rents and room hire & events fees, but all these monies must be reinvested in and used for the operation and maintenance of the Premises and not spent on any other premises or purposes.

B.4 Financial and Managerial Conditions

B.4.1 You must use the Premises wholly and exclusively for the purposes set out in this Agreement and the Lease.

B.4.2 You must observe all the terms and conditions of the Lease.

B.4.3 You must monitor your provision of the service in accordance with our reasonable requirements.

B.4.4 You must not make any changes in the way you provide the Services or any changes in the way you run your organisation that affect your provision of the Services without our written consent. If you propose to make any significant changes in the way you provide the Services, or in what you do at the Premises, you must tell our Link Officer and be open and frank with him/her.

B.4.5 You must tell us of any changes affecting your finances, your key personnel, your Board or Management Committee, as the case may be, and of any proposals to change your constitution.

B.4.6 At least annually during the term of the Agreement your Representative will meet with the Link Officer to review how effectively you have been delivering the Services, how the Council's priorities are being met, what your plans are for the forthcoming year and how the availability of the Premises will contribute to these.

B.5 Conditions relating to the Service and your responsibilities to Service Users

B.5.1 You must provide the Services in accordance with this Agreement, reliably and with the skill, diligence and care of competent and appropriately qualified staff able to provide the Services.

B.5.2 You must demonstrate:

- a commitment to service users by involving them in service development;
- A knowledge and understanding of their responsibilities for the protection of vulnerable service users.

B.5.3 Where you are providing personal services, advice or counselling and if you hold any personal information, you must have and implement a written policy of confidentiality.

B.6 Equal Opportunities Conditions

- B.6.1 You must have or develop within a time scale we have approved, an equal opportunities policy and programme for its implementation that is compatible with the Borough Council's own policies and practices, given practicable considerations concerning the size and nature of your organisation.
- B.6.2 You must take all reasonable steps in the provision of the Services and in any other of your activities:
- B.6.2.1 to ensure that there is equality of access, use and involvement for everyone and that you do not discriminate directly or indirectly on grounds of race, disability, age, economic or social background, gender (including sexual orientation and transgender issues), HIV status, marital status, race, (including nationality, cultural or ethnic background) or religion, and observe all legislation relating to equalities; and
 - B.6.2.2 to consult service users fully about the Service, its organisation, management and service provision, and where possible to ensure that users are involved in helping manage, organise and develop activities at the Premises.

B.7 Employment Conditions

- B.7.1 If you employ staff and/or volunteers, you must ensure that:
- You have Employers Liability insurance to at least the statutory minimum and that this covers volunteers as though they were employees;
 - Your employees may join or not join a Trade Union as they wish, and you have appropriate disciplinary and grievance procedures in place which cover both paid staff and volunteers;
 - You give all staff a contract of employment and a job description;
 - All your recruitment procedures are in line with your organisation's Equal Opportunities Policy.
 - You comply with all current employment law and can demonstrate good practice in that procedures are in place to deal with personnel matters.

B.8 General Conditions

- B.8.1 You must not seek to promote or oppose a political party.
- B.8.2 You must make available for our inspection on request the minutes of meetings of your Board or Management Committee and let our Representative, or anyone else we nominate, attend such meetings as observers.

- B.8.3 You must acknowledge that we fund you by the provision of Premises, in any literature or publicity and any information you provide to anyone relating to the Premises must mention that we provide them.
- B.8.4 You must hold during each financial year a properly organised and quorate Annual General Meeting and invite our Representative to it.
- B.8.5 You must hold Public Liability Insurance to a minimum of £5M.
- B.8.6 In addition to any specific requirements in the Lease, when using the Premises you must comply with all legal requirements affecting the premises or their use (including fire and safety regulations) and comply with the terms of any licences and permits obtained;
- B.8.7 If you use any vehicles
 - B.8.7.1 You must insure such vehicles fully comprehensively, covering damage to the vehicles, injury to the driver and any claims from third parties.
 - B.8.7.2 You must ensure that such vehicles are only driven by people who are licensed to do so, and who are within the scope of such insurance cover.
 - B.8.7.3 If we ask for it, you must produce all insurance policies and receipts for the current year's premium or other such evidence.
 - B.8.7.4 All insurances must be taken out with a reputable insurer or underwriter.
- B.8.8 You must meet all health and safety regulations and requirements for employees, volunteers and members of the public, and be able to demonstrate that you can do so.
- B.8.9 You must meet the Baseline Standards we have adopted and which we expect all organisations, which the Council funds by making premises available to them on favourable terms.

C. Communication

- C.1 Both Hartlepool Borough Council and the organisation will appoint a representative or contact person named on the front of this agreement.
- C.2 The borough Council's representative (Link Officer) will be the first point of contact and provide advice or information as appropriate and carry out monitoring visits.
- C.3 Your representative will undertake to keep the Council informed of any changes within the organisation affecting your service delivery, management functions or financial viability.

D. Services

- D.1. The parties agree that this Agreement will contribute towards the delivery of these services in Hartlepool and the Premises may only be used for these purposes or in a way that is consistent with and furthers them. You will provide the following Services:
- D.1.1 A well managed resource centre, office and meeting room facilities, with opportunities for training and volunteering, involving a wide range of hard to reach people in activities leading to improved community engagement, community cohesion and civic pride [etc].
- D.1.2 A Range of activities primarily but not exclusively aimed at [etc], including but not limited to:
- Training
 - Volunteering opportunities
 - Community development activities
 - Room and space lettings and hire
 - Networking sessions and events
 - Information sharing
 - Research and policy development
 - Access to ICT and Internet facilities
- D.1.3 You will be responsible for all aspects of operating the Premises, including but not limited to the recruitment and support of a staff team, health & safety, bookings and lettings, security, repairs and maintenance, insurance, all necessary policies and procedures, and all financial aspects.
- D.1.4 You will set up, develop and support a User Group, made up of the Council's Link Officer, regular users, tenants and occupants of the Premises. This group will meet at least twice a year.
- D.1.5 You will ensure that the use of the Premises is maximised and that it is available as a general community resource when not in use for your own purposes, e.g. by letting rooms and/or facilities to other hirers on a sessional basis. The premises will be available for community use for a minimum of [number] days per week, including at least [number] week days, between [time] hrs and at least [number] weekday evenings between [time] hrs.
- D.1.6 You will publicise the availability of your services and facilities to Hartlepool's voluntary & community sector or alternative equivalent organisations, institutions and businesses, including the local community.
- D.1.7 You will ensure that an effective and accessible booking system is in operation, that a tariff of charges is published and reviewed from time to time, and that low-cost room/event hire is available, with local, grass-roots organisations being given priority, in order to encourage local democracy and community engagement.

- D.1.8 You will maintain and improve the visual status and accessibility of the Premises.
- D.1.9 You will develop partnerships with other relevant organisations to enable the most effective use of resources, to maximise the use of the Premises and to enhance the Premises as an asset to the community.
- D.1.10 You will undertake a user satisfaction survey each year and publish the results.
- D.1.11 [etc] any other targets relevant to these premises [etc, etc]

E. Duration of Agreement

- E.1 This Agreement will be for five years from the date of the Lease. It will be automatically renewed at the end of the five year period for a further five years or such lesser period as may be agreed between the parties if you continue to provide the services in accordance with it.
- E.2 At least 6 months before the end of each five year period or such lesser period as may be agreed under E1 we shall review targets set out in D1-D10 and if appropriate the targets will be renegotiated to reflect the Council's priorities and policies, the current needs of the local community and your core purposes.

DECLARATION

On behalf of [name of organisation] we confirm that we have read this Service Agreement and that we are authorised by the Board to sign that this organisation will abide by the conditions that it contains.

	CHAIR
NAME	
ADDRESS	
SIGNATURE	
DATE	

	CHIEF EXECUTIVE
NAME	
ADDRESS	
SIGNATURE	
DATE	