

Community Asset Transfer summary

Set out below are the key points of this key scheme which is referred to in the options appendix.

1. Community Asset Transfer can be used by the council to transfer the ownership and management of land/buildings it owns to a community-based organisation such as a local charity or community interest company.
2. The council is required, by law, to obtain “best consideration” (ie. market value) when disposing of land or buildings.
3. Community Asset Transfer allows public bodies to transfer the ownership and management of land and buildings to local communities at less than full market value.
4. The council is not able to transfer the land/property where the undervalue is more than £2m without obtaining consent from the Secretary of State. Undervalue is the difference between the market value of the asset and the value of the proposed transfer.
5. Communities must be able to demonstrate that they intend to promote social, economic and environmental well-being, otherwise the council cannot dispose of land and buildings at less than market value (General Disposal Consent (England) 2003).
6. The applicant must be a legal entity which is non-governmental, non-profit distributing and has community benefit objectives.
7. The aim is to ensure that land and buildings are retained and operated for public benefit through community asset ownership and management.
8. A range of agreements can be entered into for this type of transfer. The most common form is long leasehold (25+ years), although shorter arrangements might be more appropriate for newly formed organisations.
9. If a community group is interested in Community Asset Transfer they will need to:
 - a. gather evidence to show how the community and local people will benefit from the transfer;
 - b. gather evidence of community support for the transfer;
 - c. develop a business plan which demonstrates that the plan has financial viability;
 - d. check that the land/buildings really are assets and not liabilities. If, for example, the group cannot generate enough income to fund repairs, maintenance and ongoing operational costs the land/buildings would be a liability rather than an asset.
10. Community Asset Transfer is different from Community Right to Bid. The former is a voluntary process entered into by public bodies. The latter is a legal right.

