



PESP Factsheet

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**PARTICIPATION ENGAGEMENT
SKILLS PROJECT**

A project of North-West Community Network

Understanding Community Asset Transfer: the basics

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Understanding Community Asset Transfer: the basics.

What does Community Asset Transfer mean?

Community Asset Transfer (CAT) means there is a change in the ownership or management of local assets (land, buildings¹ or a city's walls) from public authorities to local community organisations and development trusts.

Community Asset Transfer can take a number of forms including:

- Complete transfer of ownership from public body to local community organisation(s).
- long term leases to community organisation at reduced (peppercorn) rents
- transfer of freehold to community organisation

It is important to understand that land and buildings can only be viewed as assets if they can **generate a profit** that can be used to promote community activities and community enterprise. Land or buildings that would only be a drain on financial resources and community well being are not assets but liabilities.

Community organisations will be familiar with some types of CAT with many community organisations currently holding long terms leases on publicly owned buildings and paying a nominal 'peppercorn rent' to their local Housing Executive.

Other types of CAT (complete transfer of ownership) are not common here but community organisations, public sector bodies and government departments are now beginning to look at asset transfer as an option driving forward community regeneration and cohesion.

Why do it? The benefits of Community Asset Transfer (CAT):

¹ Land such as play parks, vacant sites. Buildings such as village halls, community centres, sports halls, closed schools, surplus health facilities, city walls and many more!



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The benefits of Community Asset Transfer can be identified on a number of levels:

- from community perspective
- external stakeholders perspective
- organisational benefits (see Quirk report)

Community perspective/organisation benefits:

- CAT can build confidence in the local community while giving local residents a greater sense of ownership in community and the direction it takes
- Communities can plan better for the long term
- CAT can create jobs within local community
- Psychological boost for community, profits made can be re invested within local community
- Provides community organisations with a source of income and reduce dependence on grants and support community activities,
- Funding sources not restricted because of lease running out

External stakeholders (Public sector and service providers):

- Local services providers can find partner organisation to deliver services
- can get greater access to local people
- asset transfer can enable public sector providers to deliver services in ways which are more responsive to local needs

What are the risks of Community Asset Transfer?

- Lack of knowledge, understanding and skills within community sector is a barrier to successful CAT but can be addressed by provision of adequate training and support



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- Lack of understanding within public sector about the process and how they can legally get involved in asset transfer. In Northern Ireland, there are no clear guidelines or legislation on this but hopefully this will be clarified as the momentum for CAT grows.
- The transfer of property could prove to be a drain (liability) on local community (financially, psychologically) and not a benefit. This highlights the need for adequate support and training to identify properties which would not be an asset.

Managing the Risks of Community Asset Transfer

The Quirk Report noted that people are not sufficiently equipped to understand, assess and manage the risks involved in the process of asset management and asset transfer. **But** it also stressed that when identified, risk can be managed in a positive way that supports all stakeholders through the CAT process. A number of ways to manage risk have been identified, including:

- Provide **adequate training** (to both public sector staff and community representatives involved in CAT process),
- Develop a **business plan** while identifying skills needed within a management committee to drive forward process of CAT.
- Identify skilled officials within public bodies to assist asset transfer
- Promote concept of **meantime use** of public buildings as short term option when developing CAT over the medium term
- In a Northern Ireland context: develop a **supportive policy background** (which is now beginning through current Programme for Government and the launch of DSD consultation document on Asset Transfer)



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Community Asset Transfer in Scotland and England

While Northern Ireland has been slow to embrace to drive towards Community Asset Transfer, it is not a new concept and has made great progress in both Scotland and England in the past few years where efforts to support this have been supported at policy and legislative level:

2007: In England, the Quirk Report, commissioned by the Labour Government, made some very positive recommendations for promoting CAT and how the risks associated with it could be addressed. The Quirk Report was positive about CAT in stating that 'there are no substantive impediments to the transfer of public assets to communities. It can be done, indeed it has been done legitimately and successfully in very many places. There are risks but they can be minimised and managed – there is plenty of experience to draw on. The secret is all parties working together'.

In Scotland, the process of community asset transfer has been supported by the introduction of such Right to Buy and Right to Question which gives local communities some additional leverage in negotiating asset transfers.

In both countries, guidelines and tool kits have been drawn up to facilitate the process of CAT and local council officials have been trained to help support local communities through the process.



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Growing Interest in Community Asset Transfer in Northern Ireland?

The policy environment within Northern Ireland is changing to also become more supportive of local communities who wish to buy local public assets as a means to enhance and regenerate their local communities

- The Programme for Government 2011-2015 has made a commitment to support the growth of social enterprises in which community asset transfer is a key element.
- The DSD has recently launched a public consultation document on Community Asset Transfer called '*Community Asset Transfer in Northern Ireland: Enabling and Supporting Community Ownership and Management of Public Assets*'. The consultation is open until 23 August and responses to this will help shape policy in Northern Ireland on Community Asset Transfer
- Development Trust NI was established in 2010 to assist government **departments** move towards embracing the process of Asset Transfer. (It is recognised that CAT will have a cross departmental remit though will be led by Department of Social Development)
- DTNI held a major conference on Community Asset Transfer in Derry/Londonderry on 26/27 June which attracted a range of public sector bodies and social enterprise and community organisations from across Ireland and UK, and examined best practice in a range of successful community asset transfers.
- The Asset Management Unit of the Strategic Investment Board is currently developing an asset register and departmental asset strategies to facilitate the sale of public assets



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Further reading material on Community Asset Transfer can be sourced in the DSD consultation document '*Community Asset Transfer in Northern Ireland: Enabling and Supporting Community Ownership and management of Public Assets*' (May 2013) accessed at.

http://www.dsdni.gov.uk/community_asset_transfer_policy_framework_consultation_document_30_may_2013.pdf .

References:

Community Foundation for Northern Ireland: '*Development Trusts*' (Sept 2011) accessed at <http://www.communityfoundationni.org/Programmes/Observatory/Observatory-Publications>

Department for Communities and Local Government: '*Making Assets Work: The Quirk Review of community management and ownership of public assets*' (2007) accessed on <http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/documents/communities/pdf/321083.pdf>

Department of Social Development: '*Community Asset Transfer in Northern Ireland: Enabling and Supporting Community Ownership and management of Public Assets*' (May 2013) accessed at. http://www.dsdni.gov.uk/community_asset_transfer_policy_framework_consultation_document_30_may_2013.pdf

Joseph Rowntree Foundation: '*Community Asset transfer in Northern Ireland*' (Nov 2012).

<http://communityassettransfer.com/>

<http://dti.org.uk/>

<http://locality.org.uk/our-work/assets/>

<http://mycommunityrights.org.uk/community-asset-transfer/>

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