

# North Yorkshire Council

## Community Transfer Policy

### Assets and Services

#### Draft June 2026

#### 1. Asset and Service Devolution - Strategic Context

1.1. North Yorkshire Council is committed to supporting and enabling the devolution of appropriate assets and services to local communities. Devolution in this context involves the transfer of responsibilities to Parish Sector Organisations (PSOs) and Voluntary, Community and Social Enterprises (VCSEs) to run assets or services where this would deliver local benefits, service improvements and better value for money. A “transfer” can take different forms, including leases, licences, management or service delivery agreements, or transfer of freehold ownership.

1.2. The [North Yorkshire Council Plan](#) sets out the vision, and ambitions that the Council will be following for the next five years reinforcing the commitment to be England’s most local large council, through understanding communities and enabling the delivery of better services to improve lives.

1.3. The Plan recognises that the Council must understand the strengths, needs and ambitions of our communities and respond to the challenges they face. This policy approach to asset and service transfer is therefore closely aligned to the Council’s strategic approach for working at a local level, in particular:

- Locally based and integrated council, partner and community services, reflecting the needs of the communities and accessible to all who need them
- Community Partnerships, bringing together local Councillors, public sector agencies, communities, and businesses to get things done in their local area
- Devolution of assets and services to PSOs and VCSEs where they want to take these on and have the capacity to do so
- Working in collaboration with our local partners, other public sector organisations, businesses, and communities, to provide the infrastructure and services which allow them to thrive and use our collective power to make North Yorkshire’s voice heard.

1.4 This policy also links to the North Yorkshire Council Corporate Property Strategy, in particular principle 4, Supporting Communities, and the Council’s approach to estate optimisation. Together, these establish that property assets should be used to enhance community wellbeing, access to services and local regeneration, and that the Council will retain ownership and direct control of assets only where this clearly aligns with the delivery of corporate priorities and where it represents the most effective and sustainable use of the asset.

## 2. Purpose of the Policy

- 2.1. Councils in the UK can transfer assets and services through various legislative frameworks, including the Localism Act 2011, and the Local Government Act 2003, which enhanced powers for trading and providing services. These acts allow councils to engage in more commercial activities, empower communities to take over local assets, and facilitate the transfer of management or ownership of public assets to community organisations
- 2.2. The Community Transfer policy allows the Council to work in a consistent and proactive manner, setting out a clear, transparent approach to the consideration and transfer of Council-owned land/property or Council run services to PSOs and VCSEs. It sets out the overall process to provide clarity to Local Councillors, internal services and external organisations.
- 2.3. In support of this policy, the Council will continue to work with PSOs and VCSEs to promote understanding of the Community Asset Transfer process and to put in place practical support that enables organisations to make effective use of the policy and deliver sustainable community outcomes.
- 2.4. In implementing this policy, regard must be given to the following:
- Council's Corporate Property Strategy (the North Yorkshire Land & Property Plan)
  - The Council's Property Procedure Rules
  - Other relevant policies and legal duties, including but not limited to: Localism Act 2011, General Disposal Consent (England) 2003, Equality Act 2010, Subsidy Control Act 2022, Health & Safety Legislation, Procurement & Contract Management Strategy, Risk Management Policy, Community Engagement & Consultation Standards, Environmental & Sustainability Policies, Safeguarding Policies, TUPE, Data Governance and Information Management Legislation & Policies
- 2.5. The Policy establishes a framework for both Community Asset Transfers (CATs) and Community Service Transfers (CSTs), recognising that service transfers will be supported through a more flexible and developing operational approach.
- 2.6. This Policy applies to all Community Asset Transfers (CATs), which are defined as disposals of land or property at less than full market value to recognise the social value generated by community-led proposals organisations. Transactions at full market value do not fall within this definition and will instead be managed through the Council's standard Procurement and Property Rules (PPR). Where an asset has only nominal market value, the Council may still apply this Policy and associated processes to ensure consistent due diligence, such as organisational checks and business case viability testing, so that community assets are safeguarded on behalf of residents over the long term.
- 2.7. CATs integrate with the Council's PPR, they introduce additional stages prior to PPR requirements in order to justify transfer at below market value.

- 2.8. This policy applies to Community Service Transfers (CSTs) which involve the transfer of responsibility for delivering a service and may not involve land or property or require application of PPR. In such cases, decision-making is aligned with the Officers delegation scheme, in particular the Assistant Chief Executive Local Engagement's specific Locality delegations.
- 2.9. Functions delivered directly by the Council, or income-generating services unless specifically agreed, fall outside this policy.
- 2.10. This Policy does not apply to the use of compulsory purchase powers. A Compulsory Purchase Order (CPO) is a statutory process that enables the Council to acquire land or property without the owner's consent where there is a compelling public interest, and is governed by separate legislation, procedures and decision-making requirements.
- 2.11. The Policy does not create a right to transfer assets or services; all transfers remain voluntary, discretionary and subject to staged assessment and formal approval.

### **3. Benefits of Community Asset and Service Transfer**

- 3.1. The Council owns a diverse mix of assets and runs services that could also be provided by other partner organisations. There is potential for significant benefits if some assets or services are managed or owned by the community. Some examples are listed below:
- a) Improving relationships and empowering local communities
  - b) Facilities and services can be more responsive to local needs
  - c) Opportunities to secure new investment, as PSOs and VCSEs can access funding streams not accessible to Local Authorities
  - d) Providing a catalyst for regeneration and improving the economic and environmental wellbeing
  - e) Opportunities to contribute to net zero targets (as less property to decarbonise)
  - f) Increased ownership and pride in local facilities/services by local communities
  - g) Encouraging community participation in activities
  - h) Supporting the delivery of the Council's corporate aims and objectives, including asset/service management
  - i) Improving financial sustainability for the Council
  - j) Securing and improving long-term management and/or maintenance of buildings
  - k) Enhance community wealth and/or philanthropic or other giving
  - l) Enable the expansion of services due to less regulation
- 3.2. The purpose of Community Asset and Community Service Transfer is to enable assets and services to be used and managed for the benefit of local communities. This policy therefore seeks to safeguard the long-term community use of transferred assets and the sustainable delivery of services, with protections tailored to the nature of each proposal and agreed as part of the transfer arrangements.

## 4. Community Asset and Service Transfers – Considerations

- 4.1. **Competing Objectives:** it is acknowledged that the Council may have a range of competing objectives when considering asset and service transfer, these include:
- a) Compliance with Legislation: For example, Section 123 of the Local Government act 1972 and Subsidy Control Act 2022
  - b) Funding the Council's capital programmes, by way of a capital receipt
  - c) Income generation, by way of rental
  - d) Reducing the costs of the Council
  - e) Contribute to the Council regeneration priorities
  - f) Achieve corporate objectives by enabling local devolution to PSOs and VCSEs
- 4.2. The Council must balance these potentially competing objectives to support its strategic priorities as well as enabling community empowerment and wellbeing. Financial sustainability, whether through a positive return or avoiding loss, is key, alongside long-term community benefit. The Council will support applications with a positive and collaborative approach and not block opportunities to explore transfers.
- 4.3. **Risks** - there are many potential benefits which come from the transfer of assets and services to communities (paragraph 3.1), but it should be noted that there are also risks for both the Council and applicant groups including:
- a) Assets not being used for the original purpose agreed between the user and the Council
  - b) Public interests or community benefits may not be delivered or be inclusive to the wider community
  - c) Expectations of the Council and the successful applicants may differ
  - d) Competing applications could result in conflict
  - e) The successful applicant lacks adequate experience, capacity, or financial means to deliver the service, manage and maintain the building (where appropriate) or cannot meet legal/statutory requirements (all depending on the agreement between the applicant and the Council)
  - f) Reduced control over the future use of an asset, including circumstances where it may be required to support the Council's longer-term plans
  - g) Long term sustainability/viability of the asset or service
- 4.4. Within any agreement for the use of land or building the ongoing maintenance requirements of the property will be considered. These will change depending upon the agreement, the user(s) and individual facility. The application and assessment process will identify responsibilities for the Council and applicants and protect the future interests of both parties.
- 4.5. The Council will mitigate potential risks of the use of assets and management of services through a robust application and assessment process and through specific agreements which ensure that the use of assets/service provision delivers the community benefit as was intended. Restrictions on the use of the property may be applied through lease terms, with any variations permitted only with the consent of North Yorkshire Council. Future use of the land can also be protected by placing a restriction on the title, requiring that any transfer or sale is subject to a covenant with

North Yorkshire Council.

## 5. Legal Framework

- 5.1. This Policy is underpinned by legislation relating to community asset transfers, best consideration, charity and public open space laws, in addition to other legal considerations such as restrictive covenants relating to land use and restrictions on registered titles at HM Land Registry. The policy is intended to ensure that the authority exercises its powers in accordance with relevant legislation and regulations. Some of the key legislative provisions underpinning this Policy are set out below, although this is not an exhaustive list.
- 5.2. Sections 81 to 86 Localism Act 2011 - Community Right to Challenge: these provisions give voluntary and community bodies, parish councils and groups of council employees the right to submit an Expression of Interest (EOI) to run a service currently delivered by a local authority. For the purposes of the Act, a “relevant body” includes a voluntary or community body, certain charitable organisations and parish councils (Section 81). On receipt of an expression of interest, the local authority must accept or reject the same within 30 days (Section 84), having considered whether acceptance would promote or improve the social, economic or environmental well-being of the authority's area (Section 83(8)). If the expression of interest is accepted, the local authority must then carry out a procurement exercise relating to the provision of the relevant service on its behalf (Section 83(2)). If it is rejected, which is only permitted in certain circumstances stipulated by the Secretary of State (Section 83(9)), reasons for the rejection must be given (Section 84(8)(b)). All decisions must be published on the local authority's website (Section 84(9)).
- 5.3. Section 123 Local Government Act 1972 – Best Consideration: this section stipulates that all disposals by local authorities (except the grant of a lease for less than seven years) must be at the best consideration reasonably obtainable. “Best consideration” is generally the price that would be achieved if the asset were offered on the open market with a willing seller and a willing buyer, which is usually best evidenced by obtaining an independent valuation. Whilst only consideration of monetary or commercial value are to be taken into account (i.e., perceived social value cannot be considered) the duty does not require invariably accepting the highest offer and a slightly lower offer with a much higher certainty of completion may be considered better consideration than a higher monetary offer in some circumstances. Any disposal at less than best consideration will require compliance with Subsidy Control Act 2022.
- 5.4. Disposal Consent Order (England) 2003: the General Disposal Consent Order (England) 2003, allows local authorities to transfer the ownership and management of land and buildings they own to local communities at ‘less than best consideration’ where it can be demonstrated that the disposal is likely to contribute to the promotion or improvement of economic, social or environmental well-being of the area, provided that the difference between the market value of the asset and the consideration for the disposal does not exceed £2,000,000. Even where a specific proposal to dispose of land for less than the best consideration falls within the terms of the general consent, a local authority should comply with usual and prudent commercial practices, including obtaining the view of a professionally qualified

valuer as to the likely amount of the undervalue. Advice should be obtained from Legal Services to ensure that such a transfer is compliant with the Subsidy Control Act 2022. The General Consent does not apply to the disposal of housing land or land held under specific statutory powers that preclude a sale under the Local Charities Act 2011.

- 5.5. Local Charities Act 2011: Land and property held by the authority on trust for a charitable organisation (if any) would not be considered for a Community Asset Transfer unless approved by the authority's Charitable Sub-Committee (sitting as Trustees). Any approved disposal would need to be compliant with the provisions of the Charities Act 2011 relating to the disposal of land, including advertisement of the land for disposal in accordance with the provisions of that Act, and any objections to the disposal will need to be fully considered by the Committee. In certain circumstances (e.g., if land was gifted to the Council in trust for a specified purpose, such as for a public recreation ground) reference to the Charity Commission may be required. In practice, this would usually be clear from the title, and advice on the trust arrangements can be provided if needed, although this is expected to be rare.
- 5.6. Public Open Space/School Land and Playing Fields: Proposals to transfer land classified as public open space will need to be advertised that a transfer is being considered under section 123 (2A) of the Local Government Act 1972 and any objections must be considered by the Council in deciding whether to progress with the proposed transfer. In respect of school land and playing fields the Council will also need to consider whether the land is subject to the provisions of Schedule 1 of Academies Act 2010 and section 77 of the School Standards and Framework Act 1998. Such disposals will require consent of the Secretary of State.

## **6. Community Asset and Service Transfer**

### **A. Community Asset Transfer**

- **What is Community Asset Transfer?**

- 6.1. Community Asset Transfer (CAT) involves the transfer of council owned land or buildings to a PSO or VCSE. It is a voluntary process where a transfer at less than market value can be justified due to clear benefits. A CAT could also involve a transfer where the asset has nominal market value. The types of transfer that may result from a CAT application are set out in paragraph 6.5.
- 6.2. All Expressions of Interest received for potential CATs will be subject to this Policy. As a result of going through the procedures and assessments associated with the Policy, applications may not result in a transfer under this Policy, if unsuccessful or if an alternative route is more appropriate.
- 6.3. Under any agreement the applicant will need to demonstrate that they have the means to fulfil obligations and responsibilities, including repairs and maintenance. Where assets are not fit for purpose and/or require significant investment, repair or maintenance, groups will need to be able to demonstrate that they can secure the financial resources available to bring the property back into a state of repair and fund its ongoing maintenance.

- 6.4. Community Asset Transfer may be initiated either proactively by the Council, for example where a specific asset or group of assets is identified as part of whole or partial service transformation, or reactively where a PSO or VSCE expresses interest in a particular Council-owned asset.

### **Categories of agreements as a result of a CAT application**

- 6.5. The CAT process may result in one of the following different forms of agreement:

**Management agreement** - an agreement that the relevant body will manage the asset, but ownership and control of the same will remain with the authority.

**Licence to occupy** – a right for the relevant body to use a Council asset on a non-exclusive basis for specific purposes, for example supporting the maintenance of land such as parks and open spaces.

*Agreements made under the Council's Community Grow Policy result in a licence to occupy. Community Grow is a separate policy, which is aligned with and complements this Policy (a copy is enclosed at Appendix C). It enables community use of Council-owned land through time-limited licences for the purposes of growing food. It provides a streamlined and proportionate route for community involvement where a long-term asset transfer is not appropriate. Assessment under Community Grow is limited to an Expression of Interest, with no requirement for a Business Case, and operates in accordance with the Community Grow Policy and Process (Appendix C).*

**Short lease** – a lease granted for a term of less than seven years, which may or may not be excluded from the security of tenure provisions in the Landlord and Tenant Act 1954. The Council would retain the freehold title to the asset, and would be able to take possession at the end of the term (subject to proper exclusion of the Landlord and Tenant Act 1954). Short leases are not required to be registered at HM Land Registry.

**Long lease** - a lease granted for a term of more than seven years, which may or may not be excluded from the security of tenure provisions in the Landlord and Tenant Act 1954. The Council would retain the freehold title to the asset, and would be able to take possession at the end of the term (subject to proper exclusion of the Landlord and Tenant Act 1954). Long leases require registration at HM Land Registry. This is the legal definition of a long lease, however a long lease granted under this policy would typically be a lease granted with a minimum term of 25 years, recognising that this provides organisations with a clear and demonstrable level of security of tenure to support access to external funding and investment.

**Freehold transfer of ownership** - a transfer of all of the authority's interest in the asset, so that it retains no legal interest in the same.

- 6.6. Not all assets will be suitable for Community Asset Transfer and any proposal must have clear benefits and demonstrable links to the delivery of the corporate aims and outcomes of the Council. Assets which could potentially be considered for Community Asset transfer are set out at paragraph 6.7.

## **Assets Suitable for Community Asset Transfer**

6.7. Assets suitable for CAT could include:

- a) Land or buildings in the freehold ownership of the Council or held by the Council on a long lease where the provisions of the same do not preclude the grant of a sublease for the purposes of a CAT
- b) Assets declared as 'surplus' and not required or used for direct service delivery
- c) Assets available for transfer where there is no clear rationale for retention due to cost of maintenance, condition, low levels of usage, etc.
- d) Assets which are under-utilised or dormant in current ownership which are not required to deliver other Council priorities but could be better managed within the community
- e) Where the asset is currently being used for the delivery of activities that benefit a community
- f) There is a demonstrable need for the community activities to continue
- g) Where the asset contributes towards community empowerment and generates social, economic or environmental benefits

## **Assets that are to be excluded from Community Asset Transfer**

6.8. In most cases the Council will not support the transfer of an asset whereby any of the following apply:

- a) The asset is required for service delivery or has been identified to implement a corporate priority or assets which accommodate fixed or core services which the Council intends to continue to operate (e.g., schools, social care establishments, supported housing, etc.)
- b) Where there is a significant impact on capital or revenue income this includes:
  - assets identified within the disposal/capital receipts programme,
  - assets held for revenue income and/or assets which form part of the Council's commercial estate or investment portfolio.
- c) The asset transfer results in revenue income loss, unless there is clear demonstration that revenue savings to service delivery can be made to outweigh any potential financial loss
- d) The asset is held for long term future capital appreciation
- e) The proposal relates to only a part of the asset
- f) The asset has been identified as being required for strategic, planning or redevelopment/regeneration or housing growth reasons
- g) Where the transfer of the asset would be to an individual(s) or businesses to be used purely as a vehicle for commercial ventures (this does not include, for example, charitable organisations with trading arms, where profits are given back to communities)
- h) Where a transfer would contravene Subsidy Control, State Aid or procurement regulations

- i) Where the asset would be used solely for religious purposes/activities
- j) Where the asset would be used for any political purposes/activities
- k) Where the result would be detrimental to any individual, geographical community or community of interest, resulting in unlawful discrimination, harassment or a failure to promote good relations
- l) Charitable assets held by the 'Council in trust'

6.9. There may also be Council assets where any disposal would be subject to other legal or regulatory requirements, such as allotment disposals (as per the Allotments Act 1925) or disposals pursuant to the terms of existing occupation agreements.

6.10. The Council will review each Expression of Interest and decide through the CAT process whether it is excluded or not. If it is not excluded, the process will determine the most appropriate category of agreement.

### **Assets of Community Value and New Community Right to Buy (English Devolution and Community Empowerment Bill 2025)**

6.11. Community Asset Transfers should not be confused with Assets of Community Value (ACVs). ACV regulations are also referred to as 'Community Right to Bid,' and the legislative framework is set out in Localism Act 2011 and Assets of Community Value (England) Regulations 2012. Consideration of the ACV framework will only be required where there is a CAT application in respect of an asset listed as an ACV and owned by the authority. In such circumstances, if the outcome of the CAT application is that the Council is prepared to enter into a lease of 25 years or more, or a freehold transfer to the applicant, then the procedures relating to the disposal of an ACV must be followed (unless exempt). This includes the authority publishing notice of its intention to dispose of the asset for not less than six weeks; during this six-week moratorium period an ACV can only be disposed of to a community interest group. If a community interest group makes a written request to be treated as a bidder for the listed land, a full six-month moratorium period will operate. NB - at the time of this Policy being developed there are proposed changes to this Legislation, see details in paragraph 6.13.

6.12. An asset being listed as an ACV would not prohibit a CAT taking place, as disposals to community interest groups are permitted during the moratorium period. However, the CAT application process will incorporate any ACV requirements.

6.13. The existing ACV legislation and regulations will be replaced by a new Community Right to Buy, set out in the English Devolution and Community Empowerment Bill 2025, which is currently being progressed through Parliament. The new provisions, when implemented, will give communities a right to buy listed assets when they are put up for sale. The legislation also introduces a new category of ACVs that are automatically registered in perpetuity, broadens the criteria for assets that can be registered as ACVs, and introduces a different process which includes a 12-month period of time where community interest

groups can negotiate and agree a sale. There will be a crossover period where the two sets of regulations run concurrently.

- 6.14. The new legislation also has implications for CAT applications if they are from an organisation other than the 'preferred community buyer' as defined in ACV regulations.
- 6.15. Whether a potential CAT site is listed as an ACV will be taken into account as part of the assessment.

## **B. Community Service Transfer**

- **What is Community Service Transfer?**

- 6.16. Community Service Transfer (CST) refers to the process by which the Council enables a PSO or VCSE to take on the management and delivery of specific local services. These are typically small-scale but valued community amenities such as public toilets, bus shelters, benches, or other place-based local services that support the wellbeing, safety, and vibrancy of neighbourhoods. CST provides an opportunity for these services to be delivered more locally, more responsively, and in ways that reflect the priorities of the communities that use them most.
- 6.17. CST sits alongside existing legislative routes such as the Community Right to Challenge (para. 5.2), which allows eligible bodies to express an interest in running local authority services. While CST may share similar aims such as greater community involvement, innovation, and improved service outcomes, it offers a more flexible and locally tailored pathway for organisations seeking to take responsibility for small but important community services. It is designed to be simpler, more collaborative, and proportionate to the scale of the services involved.
- 6.18. There are likely to be some small differences to assessment, governance, and decision-making for CST from the approach used for CATs. In particular, CST proposals will not be dependent on the outcome of a property-based assessment at an early stage, as the focus is on service delivery rather than the transfer of land or buildings. Instead, there will be an enhanced organisational assessment to ensure that any group taking on a service has the appropriate capacity, governance arrangements, financial robustness, and community support to deliver the service safely and sustainably.
- 6.19. Once a service is transferred, it will be run by the community organisation, not the Council. Any agreed standards or monitoring arrangements will be set out clearly in the transfer terms.
- 6.20. To support consistent, fair, and efficient decision-making, the Council will further develop its approach to Community Service Transfers. With an aim to help streamline the process for all parties, reduce duplication, and provide clarity around expectations, responsibilities, service standards, monitoring arrangements, and the circumstances in which services may be returned to the Council. Terms will be standardised where possible but remain flexible enough to accommodate local circumstances and the needs of individual communities.

6.21. Community Service Transfer may be initiated proactively, through Council-led service reviews or transformation activity, or reactively, where a PSO or VCSE identifies a specific local service need, including through the Community Right to Challenge.

### **Community Service Transfer Considerations**

6.22. The Council may face limitations in devolving small or isolated elements of a wider service where efficiencies and savings are achieved through economies of scale. Many services operate through countywide or regional delivery models, with centralised procurement, shared staffing arrangements, and integrated maintenance or inspection schedules. In such cases, disaggregating a service into smaller parts may not be feasible or may result in disproportionate costs or inefficiencies for an applicant.

6.23. These factors will be considered carefully when assessing whether a Community Service Transfer proposal is viable, sustainable, and consistent with the Council's statutory responsibilities. Where a proposal relates to a localised element of a wider service, it may not always be possible to provide a detailed breakdown of costs or performance data without significant manual analysis. In these circumstances, the Council will provide the best available information, supported by reasonable assumptions, to ensure transparency while maintaining proportionality and ensuring legal duties continue to be met in a consistent and cost-effective manner.

6.24. CST proposals, and in some cases CATs, may have implications for staffing, particularly where employees currently delivering a service or working within an associated facility are affected by changes to management or delivery arrangements. In such circumstances, the Council must consider its obligations under employment law, including the potential applicability of the Transfer of Undertakings (Protection of Employment) Regulations (TUPE). Early engagement with Human Resources and, where appropriate, trade unions will be required to ensure that staffing implications are understood, managed sensitively, and fully reflected in the Council's assessment and decision-making processes.

## **7. Community Asset Transfer Process**

7.1 The Policy brings together Community Asset Transfer and Community Service Transfer, establishing a formal framework for devolving certain local services as well as land and buildings. Community Service Transfers are subject to similar principles and approach but will undergo a distinct, service-focused assessment and appropriate governance, tailored to the proposal. This section provides an overview of the process for CATs, with more detailed information set out in the Operational Procedures Appendix.

- **Applicant Eligibility and Assessment Criteria**

7.2 The following organisations are able to submit applications for Community Asset Transfers and/or Community Service Transfers. This list is not exhaustive, and each application will be reviewed individually:

- A City, Town or Parish Council or other Parish Sector Organisation
- An organisation registered as a charity with the Charity Commission
- A charitable incorporated organisation registered with Companies House and with the Charity Commission
- A company limited by guarantee registered with Companies House, with charitable status that is established for benevolent or philanthropic purposes, and which does not distribute any surplus they make to their members
- A community interest company registered with Companies House, limited by shares or guarantee and which does not distribute any surplus they make to their members
- A community benefit society registered by the Financial Conduct Authority
- Charitable Incorporated Organisations (CIOs)
- Community and social enterprises
- An unincorporated community group or organisation, or an unincorporated association that is:
  - established for charitable, benevolent or philanthropic purposes
  - has a governing body with at least 3 members
  - has an inclusive membership policy
  - has a governing document
  - can provide accounts for the last two financial years
  - has its own UK business bank account with two separate unrelated signatories
  - can hold land or property and enter into contracts either by itself or via trustees

7.3 PSOs are recognised as key local partners, and their ability to raise funds through precepting may, where appropriate, support sustainable community solutions through an enabling role.

7.4 The Council will take a supportive and proportionate approach to applications from community organisations of differing size and maturity, ensuring that smaller or less established groups are not disadvantaged, including through the use of licences, management agreements or short-term leases for lower-risk proposals to enable confidence and capability to be built without undue long-term commitment. This approach is intended to support appropriate local solutions rather than favouring organisational scale.

7.5 All organisations seeking to apply for a Community Asset or Community Service Transfer must meet, and clearly evidence, the following criteria. These requirements will form a core part of the Council's assessment and decision-making process:

- **Non-Profit Distributing Status:** applicants must be non-profit distributing bodies. Applications will not be accepted from private individuals, private companies, or any other organisation that does not meet this requirement. Where an organisation generates surpluses, these must be wholly reinvested to further its social aims and deliver community benefit.

- **Eligible Organisation Type:** see paragraph 7.2. Organisations must be PSOs, community groups, or VCSE bodies. They must be legally constituted entities and, with the exception of PSOs, must not form part of central or local government or the statutory sector.
- **Community, Social or Environmental Purpose:** The organisation must exist primarily to deliver community, social, and/or environmental benefits for the community it seeks to serve.
- **Appropriate Legal Status and Constitution:** Applicants must be appropriately constituted and their governing document must expressly permit the management or ownership of land and buildings and/or the delivery of services.
- **Good Governance:** Organisations must demonstrate strong governance arrangements and robust systems, policies, and procedures that ensure accountability, transparency, effective financial and risk management.
- **Skills and Experience:** Directors, trustees, committee members, or employees must collectively demonstrate the skills, experience, and capacity required to deliver the proposed services or manage the asset effectively and safely.
- **Community Benefit and Delivery Capacity:** Applicants must have clearly defined community benefit objectives and be able to demonstrate their organisational capacity to deliver the proposed services or manage the asset sustainably.
- **Compliance with Legislation and Health and Safety Requirements:** Applicants must evidence an understanding of relevant health and safety duties and demonstrate compliance with all statutory and regulatory requirements associated with the proposed transfer/activity.
- **Community Engagement and Support:** Applicants must provide evidence of meaningful community engagement, demonstrate the local need or demand for their proposal, and show that there is support from the local community or stakeholders.
- **Commitment to Equality, Diversity and Community Cohesion:** Organisations must promote equality, diversity, and inclusion, contribute to reducing inequalities, and support community cohesion. Where proposals involve targeted provision or limited community access, the Council will consider whether the proposal aligns with service needs and complies with equalities legislation.
- **Financial and Operational Sustainability:** Applicants must demonstrate how the proposed use will be sustainable in the long term. This may include, for example, social enterprise activity, diversified income streams, or other viable business models.
- **Track Record of Responsible Management:** Organisations must not be in arrears with the Council and must not have a record of poorly managing or maintaining assets. Financial assessment of a proposal may involve credit checks for assurance.
- **Environmental Responsibility:** Applicants must show how their proposal will contribute to environmental sustainability, climate change mitigation and adaptation, including, where possible, measures relating to energy efficiency, waste minimisation, biodiversity enhancement, or other climate-positive

practices.

7.6 It is the responsibility of the applicant to demonstrate the above criteria are met through the provision of evidence at the appropriate stages of an application. Due diligence and investigation will be undertaken to provide assurances that applicants have the necessary skills, expertise, and ability to manage and operate the property or manage the service. Where a disposal is to a Charity or Trust evidence must be provided that the organisation conforms to Charity Commission governance and management requirements and that the organisation has complied with the financial reporting requirements of the Commission.

- **Financial Principles of Community Asset Transfer**

7.7 The Council will apply clear and consistent financial principles to all Community Asset Transfers to ensure transparency, fairness, and responsible stewardship of public assets. These principles will guide the valuation, assessment, and associated financial arrangements for all transfer categories. The Council will consider the financial implications to the authority and applicants, ensuring that any transfer represents demonstrable best value and supports sustainable long-term community benefit.

7.8 Before any transfer is completed, the Council will use reasonable endeavors to establish and document the condition of the asset. A condition survey or equivalent assessment may be undertaken to identify any existing defects, maintenance liabilities, or compliance issues. Any information provided by the Council regarding the asset's condition, including any identified defects, maintenance liabilities or compliance issues, is intended to support informed decision-making by both parties and to help ensure that responsibilities for repair, maintenance, and capital investment are clearly defined within the transfer documentation. As a general principle, assets are transferred on a "sold as seen" or "leased as seen" basis unless otherwise expressly agreed. As such any provided is for guidance only, is indicative and unqualified, and should not be relied upon as a definitive statement of condition, cost, or future liability. Applicants are strongly advised to undertake their own independent surveys, investigations, and due diligence to satisfy themselves as to the condition of the asset and any associated costs, risks, or liabilities.

7.9 As part of the Community Asset Transfer assessment process, Property Services will ascertain the market value of the proposed interest, whether this is a leasehold, freehold or license arrangement. This valuation will be undertaken in accordance with professional standards and will provide an objective benchmark against which any proposed discounted transfer, community value considerations, or financial implications for the authority can be evaluated. The market valuation will form a core component of the financial appraisal and decision-making process.

7.10 The Council may consider a variety of agreements including granting a lease or a freehold transfer. This would depend on the nature of the asset, the proposed use, and strategic considerations. The grant of a lease will be the preferred option in most cases, as it retains a legal interest in the site while enabling community benefit. Freehold transfer may be considered only where it delivers clear strategic value, long-term sustainability, and community benefit that cannot be achieved through a leasehold arrangement. The length and terms of any lease will be proportionate to the scale of the proposal, the needs of funders, and the viability of the business plan.

- 7.11 Where a CAT results in the grant of a lease, the tenant may be asked to pay a fair and reasonable contribution to the Council's costs for managing, maintaining, or insuring the building or any shared areas. These costs may include maintenance, statutory compliance, insurance, management, and contribution to a sinking fund. Any service charge will normally be based on an annual estimate with payments made monthly in advance and subject to reconciliation once actual costs are known.
- 7.12 For transfers taking place outside of the CAT Policy, external parties would ordinarily be responsible for all professional and administrative costs associated with the transfer, including surveyors' reports, valuations, condition surveys and Council legal fees. However, where a transfer is progressed and completed under this CAT Policy these costs will be met by Parish Liaison, Devolution and Community Rights Team on behalf of the applicant. Applicants remain responsible only for their own independent legal fees and any other costs they personally incur as part of the development of their proposal and due diligence, including but not limited to, Land Registry applications, title registration, or any other statutory or administrative charges linked to completion of the transfer.
- 7.13 Stamp Duty Land Tax (SDLT): The Council's approach to SDLT is to provide general awareness while ensuring applicants remain responsible for their own tax position. The Council does not and cannot provide tax advice to applicants, with SDLT implications typically being considered by a purchaser's /tenant's/transferee's legal, surveyor and/or accountancy experts as part of structuring the transaction to ensure it is set up appropriately. In most Community Asset Transfers, where properties are transferred for a nominal amount and no mortgage or debt is taken on, SDLT is not usually payable. However, this will depend on the specific details of each transfer. Responsibility for understanding and meeting any SDLT liability rests with the applicant, who should seek their own independent advice.
- 7.14 Requests are sometimes received for the Council to provide financial support to assist with the transfer of assets, including covering liabilities such as Non-Domestic Rates (Business Rates) during any transition period. The Council will not assume or underwrite liability for Non-Domestic Rates under any circumstances. However, the Council may, at its discretion, consider providing time-limited grant support to successful applicants. Any such grant funding will be considered on a case-by-case basis, subject to the merits of the proposal and the availability of resources. Where provided, grants are not ring-fenced for specific liabilities, and it will be for the recipient organisation to determine how any award is utilised, including whether it contributes towards Business Rates or other costs associated with the asset.

- **Governance and Decision Making for Community Asset Transfers**

- 7.15 Effective governance and transparent decision-making underpin the fair and consistent management of Community Asset Transfers and ensure decisions are taken in the best interests of communities and the Council. A single governance framework applies to all Community Asset Transfers; however, the level of assurance, scrutiny and decision-making required is applied proportionately, reflecting the scale, value, complexity and potential impact of each proposal. This enables streamlined consideration for smaller, lower-risk transfers, while ensuring appropriate oversight and accountability for proposals of greater significance, in line

with statutory and financial responsibilities.

- 7.16 The process provides a clear and consistent way for PSOs and VCSE to seek the transfer of Council-owned land or buildings. It can involve three stages:
1. Expression of Interest (incorporating Validation)
  2. Business Case
  3. Legal Agreement
- 7.17 Stage One begins with the submission and validation of an Expression of Interest (EOI). Validation ensures that the applicant has provided sufficient information to enable an assessment and allows the Council to identify if the site is excluded and any site-specific issues. Once validated, the proposal progresses through a Property Test to determine whether the asset is suitable for transfer and the most appropriate type of transfer, followed by an Organisation Test to assess the applicant's capacity, governance arrangements and ability to manage the asset responsibly.
- 7.18 The outcome of the Property Test is expected to guide the direction of the transfer and should only be revisited in exceptional and clearly evidenced circumstances, such as the emergence of new statutory requirements, previously unknown title or condition constraints, or materially changed service or corporate priorities. The outcome of the Property Test should therefore be taken at the appropriate level, in line with the Council's Scheme of Delegation.
- 7.19 A decision is made regarding whether the EOI is successful and if so the applicant is invited to proceed to a Business Case. Where this is the case, and the EOI is successful, it is published on the Council's website for a short notification period to allow other local groups to express an interest. In certain contexts, the Council may also actively engage locally. This approach ensures openness, supports fair access to opportunities, and enables the Council to consider the widest range of potential community benefits. Where the EOI is unsuccessful the applicant is informed of this outcome and the reasons why.
- 7.20 Stage Two involves the submission and assessment of a detailed Business Case. Community Asset Transfers allow for transfers at less than market value, to enable this the Council will assess whether the Business Case provides sufficient justification, taking account of the overall value of the proposal over time. This assessment will consider a balanced range of factors, including financial value (over an indicative ten-year period), use value, social value, cultural value, environmental value, and image and reputational value. The assessment will be proportionate and indicative, and applicants may provide additional information that is specific to the nature, scale and outcomes of their proposal. More details on the assessment are within the operational appendix document. Assessment is undertaken with input from relevant Council services. A decision is then made regarding whether the proposal should proceed to legal agreement.
- 7.21 Stage Three is the final stage, during which legal documentation is prepared and completed in accordance with the Council's Property Procedure Rules. This includes ensuring that statutory and compliance requirements are met and that any disposal progresses lawfully and appropriately. Once all legal formalities have been concluded, the agreement can be finalised enabling the community organisation to

implement its proposals for local benefit.

7.22 The process is not subject to statutory deadlines. However, to support transparency and manage expectations, the Council will work to the following indicative timescales:

- At the point of validation, an indicative timeframe for progressing the application may be agreed with the applicant, especially where the anticipated cost of ownership is considered high, or there are other relevant time-sensitive factors.
- Up to 12 weeks for the Council to assess an Expression of Interest (EOI).
- Where a Business Case is required, applicants will normally be given a period of between 4 and 12 months to submit this, with the exact timeframe agreed on a case by case basis, considering factors such as the anticipated cost of ownership and complexity of the proposal.
  - The agreed timeframe will typically commence only once the Council has provided the applicant with relevant information, where available, to support the preparation of their Business Case (e.g., provisional terms, and indicative information relating to condition, defects, maintenance requirements, or estimated costs - this should be received within 12 weeks following communication of the EOI outcome). This period is expected to apply primarily to more complex applications.
  - Where a Business Case has not been submitted within the agreed timeframe, the applicant may, in some circumstances, be requested to resubmit their Expression of Interest.
- Up to 8 weeks for the Council to assess a Business Case.
- These timescales are indicative and may vary depending on the scale, complexity and risk of the proposal.

7.23 These timescales are indicative and may vary depending on the scale, complexity and risk of the proposal. Where multiple groups are interested in the same site timescales may be adapted to allow assessments of multiple proposals to be considered alongside each other.

- **Managing Multiple Proposals**

7.24 Where more than one organisation expresses an interest in the same asset, the Council will apply a fair, open and transparent assessment process. In such circumstances, timescales may be adjusted to enable proposals to be developed and considered in parallel against the same criteria, ensuring decisions are taken consistently, proportionately, and in the best interests of the local community.

- **Policy Review and Operational Flexibility**

7.25 This Policy will be reviewed following a sufficient period of implementation, recognising the time required for Community Asset and Community Service Transfer applications to progress through the full process. During this period, Officers may refine associated operational procedures, templates and guidance where appropriate, provided that such changes do not materially alter the principles, scope or governance framework set out in this policy.

- **Appeals**

7.26 As the process does not relate to a statutory service, there is no formal right of appeal under this Policy. However, the Council will adopt a collaborative approach and, where possible, will work with applicants to develop proposals or identify alternative solutions.

- **Monitoring and Councillor Involvement**

7.27 Performance will be monitored through quarterly reporting against agreed service indicators, with summary activity reports submitted to Executive on a quarterly basis and to Corporate & Partnerships Overview and Scrutiny annually. Proportionate Councillor involvement in decision-making will be applied where required, including for larger or high-value proposals.