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| Meeting of:  | <b>Cabinet</b>  |
| Date of Meeting:   | <b>Monday, 16 December 2019</b>   |
| Relevant Scrutiny Committee:   | Corporate Performance and Resources   |
| Report Title:  | Community Asset Transfer Guidance 2019-2023   |
| Purpose of Report:   | To seek approval for the new Community Asset Transfer Guidance to be adopted.   |
| Report Owner:  | The Leader and Cabinet Member for Performance and Resources   |
| Responsible Officer:   | Rob Thomas, Managing Director   |
| Elected Member and Officer Consultation:   | Legal Services - Committee Reports<br>Head of Finance<br>Head of Policy & Business Transformation<br>Operational Manager Neighbourhood Services, Healthy Living & Performance |
| Policy Framework:  | This report is a matter for executive decision by Cabinet.  |
| <p>Executive Summary:</p> <ul style="list-style-type: none"> <li>• The Council's Community Asset Transfer guidance was established in 2010 with its last iteration adopted in 2016.</li> <li>• There has been a need to review the functionality of the guidance in the light of lessons learned from projects both within the Vale of Glamorgan and elsewhere. The new proposed guidance has been updated to reflect these specific cases together with new guidance recently published by Welsh Government / Ystadau Cymru (formerly known as the National Assets Working Group).</li> </ul> |   |

## **Recommendations**

1. That Cabinet considers the contents of this report and formally adopts the new Community Asset Transfer Guidance 2019-2023 as detailed in this report and appendices;
2. That Cabinet delegates authority to the Head of Finance, in consultation with the Leader, to make any future amendments required to update the guidance that do not affect the overall substance of the document.

## **Reasons for Recommendations**

1. In order that the guidance can be formally adopted.
2. To ensure that appropriate amendments can be made to the guidance as and when required.

## **3. Background**

- 3.1** The Council's original Community Asset Transfer (CAT) Protocol was endorsed by Cabinet in December 2010 (minute C1149 refers) and the current Guidance (2016-2020) was adopted by Cabinet in April 2016 (minute C3134). The first guidance was produced in a very different financial climate and it identified when the Council could consider transferring assets and how local communities could register an interest in taking over a Council owned property.
- 3.2** The Council's Reshaping Services programme has recognised the significant potential for the Council to work more closely with Town and Community Councils (TCCs) and third sector organisations, including community groups. One way of doing so is to consider how the Council's property assets can be used and managed effectively to provide services in the future. A second iteration of the CAT guidance was much more focused on this agenda and reflected the Council's priorities in a more cohesive way.
- 3.3** The Council has received a number of enquiries relating to CATs over the last few years from a mix of both community organisations and Town/Community Councils.

## **4. Key Issues for Consideration**

- 4.1** A Community Asset Transfer (CAT) is defined as a transfer of land or buildings from the Council's ownership into the stewardship and or ownership of a Town/Community Council or third sector organisation. The "transfer" of the property asset could be by way of:

- i. Management Agreement
- ii. License to occupy
- iii. Short lease
- iv. Long lease
- v. Freehold transfer

- 4.2** It is intended that the updated CAT Guidance 2019-2023 (Appendix A) be used to manage all future requests to ensure consistency of approach in this area. The Council's new guidance is intended to provide a reference point for the wide variety of community bodies (such as voluntary organisations, co-operatives, mutuals, social enterprises and Town and Community Councils) who may be considering applying for a CAT.
- 4.3** Based on lessons learned from projects both within the Vale of Glamorgan and elsewhere, there are several possible forms of arrangement for the operation or transfer of services and assets to Town and Community Councils and other organisations. The most appropriate approach will be determined through discussion on specific proposals with individual TCCs. There are not an extensive range of changes being suggested in this new guidance/protocol, but the main aim is to allow a fast track approach (where appropriate) for Town and Community Councils/ clubs and organisations (for example, who already have an interest through existing leases etc) in a particular asset to be able to pursue CATs without being encumbered by protracted processes, where an advantage can be seen by both the Council as transferring body and the applicant in pursuing a CAT directly with that organisation. The usual checks and measures will still be undertaken to ensure due diligence is undertaken.
- 4.4** The new guidance has also been updated to reflect the newly published “Welsh Government/Ystadau Cymru: Community Asset Transfer (CAT): guidance for applicants. Ystadau Cymru has replaced the former National Assets Working Group.
- 4.5** Members will be aware that the Council has established Community Asset Transfer guidance and a protocol which sets out a process through the submission of an expression of interest and (where judged to be viable) a business case that is considered by the Council's CAT Working Group, Insight Board and then Cabinet.
- 4.6** As referred to above, the current guidance (2016-2020) sets out three formal stages of CAT: expression of interest, business plan and final decision. This is not proposed to be changed, however, the new guidance also provides for informal discussions to be held before commencing the formal process to support groups in early identification of key information that will be required for them to decide whether or not to pursue an application. The new guidance is meant to allow for a fast track approach for those groups (particularly sporting type groups) to be able to pursue a CAT without necessarily having to follow the Full CAT process.

This is particularly the case where groups/organisations are already Tenants of the Council and wish to renegotiate their current lease terms.

- 4.7** The Council has also operated licences and other forms of occupation/service agreements with a range of organisations, including TCCs, for many years. These agreements could take the form of leases, for example, or service level agreements whereby TCCs 'contract' the Vale of Glamorgan Council to undertake work on their behalf (such as for additional cuts to grass in local areas). It is not suggested that the CAT process will replace these forms of traditional agreements unless there is a requirement of both parties to do so.

## **5. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 5.1** The Well-being of Future Generations (Wales) Act 2015 is about sustainable development. The Act sets out a 'sustainable development principle' which specifies that the public bodies listed in the Act must act in a manner which seeks to ensure the needs of the present are met without compromising the ability of future generations to meet their own needs.
- 5.2** In developing these proposals, the Council's duties under the Well-being of Future Generations Act have been considered, including the Five Ways of Working introduced by the Act. The Council is seeking to collaborate with Town and Community Councils/other organisations to ensure the long-term sustainability of local services. Proposals which demonstrate working collectively through integrating activity across organisations would provide opportunities in this area. In proactively doing so, the Council is seeking to prevent future issues arising from any need to make short-term decisions regarding services and assets due to diminishing budgets. In working together with community groups and others in operating services or assets, there are opportunities to enhance the contribution to the national Well-being Goals for Wales.

## **6. Resources and Legal Considerations**

### **Financial**

- 6.1** There may be staff resource implications in respect of considering CAT applications and business plans. These pressures have been absorbed by existing teams in the past, but resource issues will be reviewed from time and any pressures reported to the respective Heads of Service.

- 6.2** CATs have the ability to deliver efficiency savings for the Council and these will be identified and assessed as part of the evaluation of expressions of interest and business plans.

### **Employment**

- 6.3** There are no direct employment implications arising from this report. However, depending on the proposals subsequently developed, there may be employment implications arising as a result of changes to the level, ownership or operation of services. Should this be the case, the Council's Management of Change policy will be used in conjunction with the full engagement of the recognised trades unions and staff to ensure relevant employment legislation is adhered to.

### **Legal (Including Equalities)**

- 6.4** Whether or not to charge an open market consideration for Council assets will be determined on a case-by-case basis. An asset transfer at less than best consideration will be dealt with in accordance with the Local Government Act 1972: General Disposal Consent (Wales) 2003 Disposal of Land in Wales at less than consideration.
- 6.5** The guidance indicates that a decision to transfer a particular asset under CAT will not be considered as a setting of precedent. Each CAT will be judged on its own merits and the details of the transfer arrangements will be subject to individual negotiation.
- 6.6** The transfer or operation of services and assets by Town and Community Councils would need to be the subject of specific legal arrangements, executed, for example, through licence, lease and/or contracts.

## **7. Background Papers**

None.



## **COMMUNITY ASSET TRANSFER GUIDANCE** **2019-2023**

This guidance replaces the Council's Community Asset Transfer (CAT) Protocol endorsed by Cabinet in 2016. It reflects the changing financial climate faced by the Vale of Glamorgan Council, together with the latest Ystadau Cymru/Welsh Government Best Practice Guidance (published in October 2019). The CAT guidance forms an integral part of the Council's Asset Management Planning process.

The Council's approach to Community Asset Transfer aims to align with the principles of the Wellbeing of Future Generation (Wales) Act 2015, which looks to improve the social, economic, environmental and cultural well-being of Wales through sustainable development.

### **1. Who should read these guidelines?**

The guidance is to aid the decision making processes that the Council will need to make in respect of CAT applications, and also provides a guide for the wider public sector (such as Town and Community Council's) and third sector organisations. The guidance is intended to provide a reference point for a wide variety of community bodies such as voluntary organisations, co – operatives, mutual, social enterprises and Town/Community Councils who may be considering applying for a Community Asset Transfer.

### **2. What is a Community Asset Transfer (CAT)?**

A Community Asset Transfer (CAT) occurs when a public sector body, usually a Local Authority passes on the management and/or ownership of a property asset (which may include or be associated with a service) to a TCC or TSO or other community group (which for the purpose of this guidance falls under the term TSO). CAT can take a variety of forms but in general terms is the transfer of land or buildings from the Council's ownership into the stewardship of a TCC or TSO. The methods of transfer may include:

- Management agreement
- Licence to occupy
- Short term lease
- Long term lease

- Freehold transfer (exceptional circumstances)

Predominantly a CAT will take the form of a lease and there will be a presumption that any lease will be on a full repairing and insuring basis and therefore the Lessee (the TCC or TSO will be responsible for all running costs of the asset).

There are circumstances where a CAT (and the CAT protocol/guidance) will not be appropriate and traditional methods of leasing/licencing assets may be a more appropriate route. It will be for the Council as transferring body to determine whether a CAT is the correct process on a case by case basis.

The Council's fiduciary and statutory duties (as outlined in paragraph 8 below) will require CAT applications (and any subsequent agreements) to be dealt with on a case-by-case basis.

### **3. Local Policy context and links to other strategies**

The Vale of Glamorgan Council's Corporate Asset Management Plan looks to achieve a lean and sustainable portfolio that is fit for purpose, supporting service delivery across the Vale of Glamorgan area. This requires balancing best price considerations and reduction in revenue liabilities against the benefits of alternative use, including asset transfer where appropriate. The Council's Corporate Asset Management Plan sets out the mechanisms being utilised to optimise the Council's property assets and provide the strategic direction to ensure we have fit for purpose property. One way of doing this is by the use of CAT's for voluntary and community sectors to play a greater role in the running of local public services traditionally undertaken by the Council.

### **4. The Principles of Vale of Glamorgan CAT**

The Council's CAT guidance is underpinned by the following key principles:

- (i) Community need – There must be strong links with the Local Community. Evidence of quality of access will need to be demonstrated. Members of the community should be able to influence the decisions being made through consultation and engagement.
- (ii) Supporting Council Aims and Objectives – The proposals must support the delivery of the Council's key Corporate Plan Objectives and Priorities and support the delivery of the Public Services Board's Well-being Plan.
- (iii) Transparency – The decision making process for a Full Community Asset Transfer is set out at Appendix 2 . A Community Asset Transfer Steering Group (CAT Group) will be responsible for assessing both Stage 1 and Stage 2 applications. This Group will be chaired by the Operational Manager (Property) and members of the Group will include senior officers representing the Council's Legal, Resources (Finance), Regeneration and Planning sections and Business Transformation teams.

In addition, a representative from Glamorgan Voluntary Services and One Voice Wales (the organisation representing Town and Community Councils in Wales) are invited to sit on the Group. Decisions of the Group will be communicated clearly to each applicant.

- (iv) Sustainability – The applicant will be required to demonstrate their ability to manage the asset effectively via a robust business case. This should include an assessment of the financial and organisational capacity and include:
- Income generation proposals e.g. room and facility hire;
  - The project has the support of the local community and can demonstrate local need and community support through evidenced consultation e.g. use of social media/surveys etc. Whilst single interest groups would not be precluded from applying, the Council would prefer to see projects that demonstrate a broad spectrum of community uses;
  - Efficient use of the facilities in terms of space and time periods;
  - Clear management structure and details of how building/land will be managed on a day to day basis including meeting any statutory requirements.

## **5. Identifying suitable assets for CAT**

Not all assets in the Council's ownership will be considered suitable for community asset transfer. Assets that are required for the delivery of essential Council services or are generating an income stream for the Council will most likely not be considered suitable for transfer. In particular, assets held under the shops and industrial portfolios which have a key role in generating rental income and supporting the economic development of the area are unlikely to be considered suitable for transfer. The Council also has a Capital Investment Programme to help support projects such as new schools. It is therefore important that the Council generates capital receipts through the disposal of key sites on the open market in order to support this investment. Those assets which have the potential to generate significant capital receipts again are unlikely to be considered suitable for transfer.

Examples of assets that could be considered include;

- Public Toilets;
- Parks Pavilions;
- Community Centres;
- Playgrounds;
- Playing Fields (excluding school playing fields);
- Bowling greens.

Each application will be treated on its own merits. Assets suitable for transfer will be identified through:



*(a) Our Asset Management Planning Process*

The Council has a robust asset management process in place including regular reviews of our property holdings. Service need for assets, including opportunities for alternative methods of service delivery, will influence our requirement for assets. Potential opportunities for CAT will be considered through the Council's Disposal Protocol.

Assets identified through this process will be advertised on the open market for transfer through a "window of opportunity" process where it is applicable to do so. Interested parties will be offered the opportunity to submit an Expression of Interest within a defined time period. This maybe on a restricted basis, particularly if an element of service delivery is to be transferred. If more than one organisation or group submits an Expression of Interest in connection with a particular asset then a collaborative approach considering co-location, and allowing all the interested parties to benefit from the use of the asset, will be encouraged. If co-location is not appropriate then a selection process will be adopted taking into account the extent to which each of the interested parties meets the application criteria.

*(b) Application from Existing Community Organisation/ Tenants*

CAT is not new to this Council and many community organisations already occupy our buildings under existing arrangements. We will consider applications from community organisations already in occupation of a Council building looking to vary their terms of occupation, for example, by increasing the lease term to meet grant funding requirements or formalising licence arrangements. Applications from existing Community Organisation/ Tenant may be considered under a separate/fast tracked separate from this guidance/protocol. The community organisation/other organisation would normally be in sole occupation of the asset in order to progress under this approach.

*(c) General Applications*

TCCs and Third Sector Organisation (TSOs) who have identified a specific property that they are interested in can also submit an Expression of Interest. However, it should be noted that if an asset is identified as being suitable for CAT, it would normally be offered to the wider community during a "window of opportunity" to ensure transparency.

**6. Who can Apply?**

The Council will accept an Expressions of Interest (see Appendix 3) from the following (see Appendix 1 also):

- (i) Town and Community Councils (TCCs);
- (ii) The Third Sector (TSO) – independent, non-government organisations that are motivated by social, cultural or environmental objectives rather than to make a profit. Any surpluses are reinvested to further their social aims for the benefit

of the people and communities they serve. These organisations could be charities, voluntary/community organisations, social enterprises and mutual associations;

- (iii) Community Based Groups.

## **7. Full CAT Application Process (Excluding Fast Track/Existing occupier who are re-negotiating terms)**

In addition to the criteria in Appendix 1 to this guidance some of the factors that the Council will take into account when assessing applications are:

- Does the organisation have the ability to sustain the use of the asset for the duration of the period it is transferred;
- Will the proposal retain and/or enhance local services that may otherwise be lost;
- Does the proposal support the Council's key Corporate Objectives, aims and priorities;
- Does the proposal have a positive financial implication for the Council.

It is vitally important that the applicant group can demonstrate:

- Strong links with the local community and directly benefit the people of the Vale of Glamorgan;
- Benefit as wide and diverse a range of local people as possible and demonstrate an inclusive approach to all members of the community;
- Decision making process influenced by local community;
- Primary purpose must be non-commercial.

The applicant must:

- Demonstrate good governance through open and accountable processes;
- Demonstrate clear management and financial systems;
- Have a constitution which is fit for purpose (as appropriate - and not required for Statutory Bodies such as Town Councils).

The applicant must have the necessary skills and capacity to:

- Deliver services or manage the asset being transferred or have access to appropriate skills; OR
- Be aware of the need to build capacity and demonstrate how they will achieve this.

Appendix 1 provides applicants with further information. Requests for the transfer of Council owned assets under CAT will be considered where all the criteria in Appendix 1 are met.

## **8. Decision making Framework**

The decision making process is set out in Appendix 2 for Full CAT applications. Each application will be dealt with on its own merits. In the case of a successful application for CAT, the Council will determine (following consultation with the applicant) the most appropriate type of transfer to be offered, i.e. length of lease etc., following consideration of the length of lease or other tenure requested.

The process follows three stages:

- (i) – Expression of Interest (Appendix 3 provides the template)
- (ii) – Full Business Plan (Appendix 4 provides the template)
- (iii) – Recommendations and Decision

### **The Well-being of Future Generations**

In its decision making the Council as transferring body will have regard to The Well-being of Future Generations (Wales) Act 2015. The Act is one of the key levers to help Public Bodies come together, to work collaboratively and to deliver improvements for the well-being of people and communities across Wales.

The Act came into force on 1 April 2016 and aims to improve the social, economic, environmental and cultural well-being of Wales. Public bodies listed in the Act, including ones that want to transfer assets, need to think more about the long-term by involving people and communities and collaborating with partners from all sectors to take a more integrated and sustainable approach.

## **9. Disposal and other Legal Considerations**

Local authorities are given a discretionary power under the Local Government Act 1972 (as amended) to dispose of land in any manner they wish, normally for the “best consideration” obtainable.

Normally, a CAT will be by way of leasehold transfer (which includes long or short term leases and Tenancies) or licence (which terminology includes management agreement). A freehold transfer will be considered in exceptional circumstances. The Tenure offered will be determined on a case-by-case basis, but the Council will endeavour to meet the applicants’ funders’ requirements wherever possible and appropriate (for example, in terms of lease length).

Whether or not to charge an open market consideration for the asset will be determined on a case-by-case basis also. An asset transfer at less than best consideration will be dealt with in accordance with the Local Government Act 1972: General Disposal Consent (Wales) 2003 (General Disposal Consent)

which deals with the disposal of land/property in Wales at less than best consideration (the relevant guidance document for transferring Authorities).

Furthermore, the provisions of the 1972 Act require that where an authority wishes to dispose of “open space”, it must advertise its intentions in a local newspaper for two consecutive weeks and consider any objections. Such advertisement must be undertaken regardless of whether the proposed disposal of open space falls within the terms of the General Disposal Consent.

Other considerations for applicants that may arise include EC law applicable to procurement issues, state aid, employment contracts, service agreement etc. Applicants should ensure that they obtain their own independent professional legal advice.

A decision to transfer a particular asset under CAT will not be considered as a setting of precedent. Each CAT will be judged on its own merits and the details of the transfer arrangements will be subject to individual negotiation.

The Council will consider the requirements of the Welsh Language (Wales) Measure 2011 in assessing each application. There is a requirement on the Council to consider what implications a decision relating to a CAT transfer would have on opportunities for people to use the Welsh Language.

## **10. Sources of Information and Guidance for Applicants**

Appendix 5 provides a list of sources of additional information and guidance that applicants may find useful when considering community asset transfers.

## APPENDIX 1 – GUIDANCE FOR THE APPLICANT

Any organisation including town or community councils (TCC), third sector organisations or other community based groups (TSO) wishing to apply for a Community Asset Transfer (CAT) should familiarise themselves with the sort of issues that the Council will need to consider as part of the process to agree the transfer of a public asset.

In the first instance the applicant will need to consider the following:

### **(a) The applicant must be:**

A TCC or TSO which satisfies or can demonstrate is working towards achieving the following criteria:

- A community or legal entity that is ideally incorporated and provides limited liability for the stakeholders involved, this would usually be in the form of a company, society or CIO (Charitable incorporated Organisation). It must enable the management/ownership of buildings and provisions of services;
- Exist for and to perpetuate community/social/environmental benefit;
- Non-profit distributing – any surpluses must be reinvested to further its community benefits/social aims;
- Demonstrate good governance through open and accountable processes with appropriate financial and audit controls;
- Demonstrate engagement with the community (N.B this may not be required for existing tenants where re-negotiations of terms are being discussed);
- Demonstrate it has the skills and capacity within or available to effectively deliver its services and manage the asset;
- Provide services or engage in activities that deliver economic, environmental or social benefits to the community;
- Provide copies of the organisation's Annual Report and accounts if available.

### **and be community-led:**

- Demonstrating strong links with the local community and directly benefit the people of the Vale of Glamorgan;
- Benefiting as wide and diverse a range of local people as possible and demonstrating an inclusive approach to all members of the community;
- With decision making processes influenced by its local community.

### **(b) The Asset should be:**

- A legal interest owned by the Council from which the organisation can demonstrate community benefit;
- In the freehold/leasehold ownership of the Council;
- Applications for multi-uses and co-location of services will be encouraged.

**(c) Proposed Use:**

- There is both a need and demand for the proposed activities and consideration is given as to whether or not this is being satisfactorily addressed by another organisation;
- The proposed use will support the delivery of the Council's Community Strategy and Corporate Plan priorities, reflecting the Well-Being of Future Generations (Wales) Act 2015;
- The proposed use will maximise opportunities for income generation to ensure sustainability;
- The applicant has established how much space they require to deliver its proposals and how they will make optimum use of the asset;
- The proposed use will seek to deliver inclusive reach into the community and will be open to all wherever possible.

N.B. All Community Asset Transfer Applications will be scored by the CAT Working Group against a Scoring Matrix attached at Appendix 7 to this document.

## APPENDIX 2 –COMMUNITY ASSET TRANSFER DECISION MAKING PROCESS

| <b>Stage 1: Expression of Interest</b>  |   |
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| <p>A formal Expression of Interest submitted to the Vale of Glamorgan Council, where it will be assessed.</p> <p>To inform the development of expressions of interest, the Council will provide any relevant information on the asset/service where it is appropriate to do so.</p> <p>In the interests of transparency and fairness to the entire community, the submission of an Outline Business Case will trigger the Council to advertise the availability of the relevant property for a period of no more than 4 weeks, following which Outline Business Cases from all interested parties will have to be submitted and considered and invites will be issued to acceptable organisations to proceed to the formal Stage 2.</p> |   |
| <b>Requirements</b>   | <b>Decision Making</b>  |
| <p><b>OUTLINE BUSINESS CASE</b></p> <p>The Outline Business Case will provide the following:</p> <ul style="list-style-type: none"> <li>• Details of the organisation etc. in line with the information requirements as set out in the Eol form attached at Appendix 3.</li> <li>• If documents are in order and the Council is supportive in principle of the concept, the applicant will be invited to proceed to Stage 2.</li> <li>• If documents are not in order and/or the proposal is not supported, a full explanation will be provided.</li> </ul>   | <p>Vale of Glamorgan Council</p> <ul style="list-style-type: none"> <li>• A decision of the CAT Group will be made within an estimated 6 weeks of receipt of the Eol following consultation with the Asset Owning Director/relevant Cabinet member .</li> </ul> |

## STAGE 2: Full Business Plan

Following invitation from the Vale of Glamorgan Council, a formal expression of interest will be submitted to the Strategic Estates Group by the applicant.

The Council will provide any relevant asset information e.g. condition survey etc.to inform the development of the full business plan.

### Requirements

#### FULL BUSINESS PLAN

A Detailed financial business plan with specific focus on providing:

- A minimum of 3 years financial forecasts, Business development strategy (sustainability plan) and consultation survey has to be submitted as part of this formal stage;
- Needs analysis and projected utilisation ('the market');
- Type of transfer sought and why;
- Planned outcomes and benefits and how these will be monitored /measured;
- Track record for delivering service / managing property;
- Ability and experience of organisation in providing services through the medium of the Welsh Language;
- Capacity to manage the asset;
- Financial sustainability.
- Applicant should identify the headline actions they would undertake to deliver the project i.e. full physical and financial aspects of the project.

The CAT Group will report to the Council's Insight Board with a detailed assessment of:

- Benefits for the community, the applicant and how they relate to delivering Council priorities;
- Risks in relation to financial and organisational ability to manage the asset;
- Potential loss of capital receipt and existing income or other opportunity cost to the Council arising from the transfer;
- Recommend terms of transfer and any legal issues, including TUPE;
- Monitoring arrangements e.g. Service Level Agreement.

### Decision Making

#### The Vale of Glamorgan Council's Insight Board

- Following consultation with relevant officers, sign off by the Asset Owning Director (including Planning, Economic Development, Legal and Finance) and relevant Cabinet Members a recommendation will be made to the Council's Insight Board by the Community Asset Transfer Working Group.
- The Full Business Plan should be submitted to the Council within 12 weeks of receipt of invitation to progress to Stage 2.
- The Council aims to assess the Business Plan and report / relay the final decision within 12 weeks of receipt of the Business Plan. The decision will be subject to ratification by Cabinet.



| <b>STAGE 3: Recommendation &amp; Decision</b>                              |  |
|--|--|
| <b>Requirements</b>  | <b>Decision Making</b>   |
| Report and recommendations to Council's Cabinet prepared by the CAT Group. | <p>Vale of Glamorgan Council's Cabinet. (Subject to subsequent call in by Scrutiny Committee) in accordance with the Council's Constitution and call-in procedure under the decision making process.</p> <ul style="list-style-type: none"> <li>• Timescales are dependent on the complexity of the proposal and reporting timeframes. However, it is aimed to obtain a final decision within 12 weeks.</li> </ul> |

## APPENDIX 3

### COMMUNITY ASSET TRANSFER:

#### EXPRESSION OF INTEREST OUTLINE BUSINESS CASE - COMMUNITY ASSET TRANSFER

##### STAGE 1: Expression of Interest (Eoi)

Stage 1 of the CAT application process has been designed to assist the Council to make an initial assessment of your application and make a decision as to whether your application meets the Council's suitability criteria. We will not be able to start the process of considering your application unless we receive all the information relevant to your proposal for asset transfer so please complete this form carefully and contact the Council should you require any clarification or further advice.

Applicants that meet the Council's suitability criteria will be invited to complete a more detailed Stage 2 application. It should be noted that completion and submission of this Stage 1 form does not guarantee or bind the Council to taking any matter forward to Stage 2.

**Please complete this form, attach any additional information and send in the first instance to:**

**Andrew Tovey Strategic  
Estates Group Property  
Section  
Vale of Glamorgan Council Civic  
Offices  
Holton Road Barry  
Vale of Glamorgan CF63  
4RU**

**Email: [antovey@valeofglamorgan.gov.uk](mailto:antovey@valeofglamorgan.gov.uk)**

|  |  |
|--|--|
| Organisation   |  |
| Applicant  |  |
| Contact Details (including email address and contact number) |  |
| Date   |  |

## 1. Introduction

### The Outline Business Case

a. Is this a request to take possession of a specific asset or service?  
  
If yes, please provide details and how do you envisage this being achieved?  
e.g. by lease, management agreement etc.

b. Have you been invited to make a request by the Vale of Glamorgan Council?  
  
If yes, please provide details of which Member(s)/Officer(s) you have been dealing with and the background to date:

## 2. Background

Please describe your organisation

a. Please confirm the type of organisation you are (e.g. town or community council, unincorporated body or association, registered charity or friendly society, trust, Company limited by guarantee, Community Interest Company etc.):

b. If relevant, please supply company registration number, charity registration number, Friendly Society registration number: Please provide confirmation as to how you intend to become incorporated if you are not already.

c. Please tell us about the services currently provided by your organisation or the type of service you are proposing to undertake (i.e. main activity you undertake or wish to undertake if community asset is transferred to your organisation):

|    |  |
|----|--|
| d  | How many people are involved in your organisation? What is your organisational structure e.g. management committee, paid full or part time staff, volunteers etc.?         |
| e. | Please describe your governance arrangements if you are not a Town or Community Council):  |
| f. | Do you have a written constitution or Memorandum & Articles of Association or set of rules?<br>If so please provide a copy with this form or provide a link to a web page: |
| g. | Do you publish an annual report? If yes, please provide the most recent copy with this form or provide a link to a web page:   |

|                                   |   |      |
|-----------------------------------|---|------|
| <b>3. Why the asset is needed</b> |   |      |
| Is your existing accommodation    |   | Tick |
| a.                                | Unsuitable?   |      |
| b.                                | In the wrong position?  |      |
| c.                                | Too costly or you have received notice to vacate?               |      |
| d.                                | Is your service expanding?                                      |      |
| e.                                | Are you currently or planning on providing additional services? |      |

|    |                                |  |
|----|--------------------------------|--|
| f. | We have no property currently. |  |
|----|--------------------------------|--|

| <b>4. Benefits</b>  |  |
|---|--|
| Please provide details of the benefits that you consider that could be achievable if the asset was to be transferred to you. Please outline the benefits to your organisation, to the community and to the Vale of Glamorgan. |  |
| a.  | Will the asset enable service improvements? If yes, please describe these:   |
| b.  | Will additional services be provided? If yes, please describe these:   |
| c.  | Will the service become more visible? If yes, please tell us how:  |
| d.  | Will the service become more accessible? If yes, please tell us how:   |
| e.  | Will the asset complement other services or organisations or enable collaborative working? If yes, please tell us how: |

|    |   |
|----|---|
| f. | Will it safeguard services? If yes, please tell us how:                                 |
| g. | Will there be any financial savings? If yes, please describe how these will come about: |

| <b>5. Finance</b> |   |
|-------------------|---|
| a.                | What financial package is in place to support your proposal (capital and revenue)? Please describe how secure this funding is (e.g. is this funding available from your bank account or are you waiting on confirmation of a grant?) Please attach evidence of these to your application. |

| <b>6. Partners, Collaborations and Stakeholders</b>  |  |
|--|--|
| <b>Are you proposing any arrangements to work on this project with the Council, other public or third sector organisation or any other organisation?</b> |  |
| a.   | If yes, please provide details and state the scope of their involvement: |
| b.   | Are they supportive of this proposal?                                    |

| <b>7. Consultation</b>  |   |
|---|---|
| <b>At this stage have you undertaken any form of consultation with the community in respect of your proposal?</b> |   |
| a.  | Please provide details of how and when you consulted the community:               |
| b.  | Please provide a summary of the results of the community consultation undertaken: |
| c.  | Please provide evidence that the community support your proposal:                 |

I/We confirm that all the information and statements contained within this expression of interest are true and accurate. I understand that the Council may ask for additional information at any stage of the application process and may check this information against other sources.

|                              |  |
|------------------------------|--|
| Name                         |  |
| Position within Organisation |  |
| Signed                       |  |
| Date                         |  |

NB please retain a copy of this form for your records and should your circumstances or contact details change then please let the appropriate contact officer know. Any information you provide on the form will be held by Vale of Glamorgan Council for the purposes of assessing the application and decision making process and for no other purposes.

## APPENDIX 4

### COMMUNITY ASSET TRANSFER: BUSINESS PLAN

#### STAGE 2: Full Business Plan

**Stage 2** of the CAT application process: Should the expression of interest at stage one be successful, an invitation from the Vale of Glamorgan Council will be issued to the applicant to submit a full business case to allow the Council to assess in detail the financial and operational viability of the proposal. We will not be able to start the process of considering your application unless we receive all the information relevant to your proposal for asset transfer, so please complete the business case carefully and contact the Council should you require any clarification or further advice.

Please complete this business case, attach any additional information and send in the first instance to:

Andrew Tovey  
Strategic Estates Group  
Property Section  
Vale of Glamorgan Council  
Civic Offices  
Holton Road  
Barry  
Vale of Glamorgan  
CF63 4RU

e-mail: [antovey@valeofglamorgan.gov.uk](mailto:antovey@valeofglamorgan.gov.uk)

|   |  |
|---|--|
| <b>Organisation</b>   |  |
| <b>Applicant</b>  |  |
| <b>Contact Details<br/>(including email<br/>address and contact<br/>number)</b> |  |
| <b>Date</b>   |  |



## Executive Summary

Insert a brief (up to one page) summary of your proposal – including some background about your organisation, the project you are proposing, the aims and objectives you are seeking to deliver and how it will be funded initially and on-going.

## 1. Our Project

In this section, please include details about:

- Your organisation
- The values and mission of your organisation
- The aims and objectives of your community project
- The benefits you would seek to deliver and how you would measure if these have been achieved
- Details of current facilities and if/how these would form a part of this proposal

## 2. The Market

In this section, please tell us about:

- The community (whether a geographical one or community of interest) your project is seeking to serve
- Who are the existing and target markets of your proposal
- Results from required community consultation exercises you have undertaken (including the methodology used, the results and the conclusions you have drawn from this) and any plans for further consultation
- Knowledge of other relevant existing community services and facilities
- Opportunities to work collaboratively and build partnerships

## 3. Business Growth and Development

In this section, please provide the following:

- **A review of your organisation** (using a Strengths, Weaknesses, Opportunities and Threats analysis a template for which is provided in Annex 1)
- **Your business development strategy** (sustainability plan)  
This would include the key activities you would undertake in phases. For example, phase 1 may include your project's design leading up to transfer, phase 2 would come following the transfer and would describe up to the first two/three years of operation and phase 3 would be the on-going strategy for maintaining the asset/service.

#### **4. Management & Operations**

In this section, please describe the following:

- Your management committee and governance arrangements
- Staffing for the asset/service and the role of community volunteers
- How you would develop any community activities
- How you would operate the asset and service
- Details of relevant policies and procedures you would put in place and what these would seek to achieve
- How you would manage day-to-day operations

#### **5. Marketing Plan**

In this section, please provide details on:

- How you would seek to build and maintain the profile of your project/organisation and the asset/service(s) operated.
- How you would promote the availability of the service/asset.

#### **6. Financial Plan**

In this section, please provide details of the following:

- Three year income and expenditure (a cashflow projection template can be found in annex 2). Please include descriptions of any assumptions you are making to support the income and expenditure forecasts.
- How you would generate income (providing sales forecasts where appropriate for the first five years)
- Details of any start-up funding you would require and the potential sources of this funding
- Details of your fundraising strategy
- Details of any grants that are relevant to this business case and an overview of any conditions associated with them

#### **7. Risk Analysis**

In this section, please summarise the key risks you have identified for the project along with details of how you would seek to minimise or manage these risks. You may find it useful to adopt the following format for this section.

| Description of the Risk | How Likely is it to occur?<br><br>(Almost Certain, Probable, Possible, Very Unlikely) | What impact would it have if it did happen?<br><br>(Catastrophic, High, Medium, Low) | Actions Required to minimise or manage these risks |
|-------------------------|---|--|--|
|                         |   |  |  |
|                         |   |  |  |

| <b>8. Project Delivery</b>  |                    |            |          |
|---|--------------------|------------|----------|
| In this section, please provide us with an outline project plan for delivering your project. You may find it useful to adopt the following format for this section. |                    |            |          |
| Action/Task   | Who is Responsible | Start Date | End Date |
|   |                    |            |          |
|   |                    |            |          |

I/We confirm that all the information and statements contained within this business plan are true and accurate. I understand that the Council may ask for additional information at any stage of the application process and may check this information against other sources.

|                              |  |
|------------------------------|--|
| Name                         |  |
| Position within Organisation |  |
| Signed                       |  |
| Date                         |  |

NB please retain a copy of this form for your records and should your circumstances or contact details change then please let the appropriate contact officer know. Any information you provide on the form will be held by Vale of Glamorgan Council for the purposes of assessing the application and decision making process and for no other purposes.

## Annex 1 – Strengths, Weaknesses, Opportunities & Threats Assessment

|   |
|---|
| <p><b>Overview</b></p> <p>A SWOT analysis is a useful tool for understanding and making decisions in all sorts of situations. SWOT is an acronym for <b>Strengths, Weaknesses, Opportunities and Threats</b>.</p> <p>Essentially you are answering the following four questions:</p> <ul style="list-style-type: none"> <li>• ‘The strengths of my proposal are...’</li> <li>• ‘The weaknesses of my proposal are...’</li> <li>• ‘The opportunities for my proposal are...’</li> <li>• ‘The threats to my proposal are...’</li> </ul> |
| <p><b>Getting Started</b></p> <p>The SWOT analysis template is normally presented as a grid, comprising four sections, one for each of the SWOT headings: <b>Strengths, Weaknesses, Opportunities and Threats</b>.</p> <p>Prepare a blank template complete with headings and fill in using information regarding the current process using the prompts for help. See example template below.</p>   |
| <p><b>Why use?</b></p> <p>Following completion of the template you will have a greater understanding of the proposal and will be ready to make informed decisions.</p>  |

| <b>SWOT Analysis</b> |                   |
|----------------------|-------------------|
| <b>Strengths</b>     | <b>Weaknesses</b> |
|                      |                   |
| <b>Opportunities</b> | <b>Threats</b>    |
|                      |                   |

## Annex 2 – Cash Flow Forecast

Please provide a minimum of three years' cash flow forecast. The template below has been provided to indicate the types of cash flows you may wish to consider. The 'note' reference allows you to reference any assumptions you are making when estimating these cash flows.

|       |  | Phase 1        | Phase 2     |             | Phase 3     |             |             |
|-------|--|----------------|-------------|-------------|-------------|-------------|-------------|
| Note: | <b>Income</b>  | <b>Current</b> | <b>Yr 1</b> | <b>Yr 2</b> | <b>Yr 3</b> | <b>Yr 4</b> | <b>Yr 5</b> |
| 1     | Start-up funding   |                |             |             |             |             |             |
| 2     | Grants   |                |             |             |             |             |             |
| 3     | Rental/ room hire  |                |             |             |             |             |             |
| 4     | Other income:<br>Vending<br>Café<br>Shop   |                |             |             |             |             |             |
| 5     | Volunteer time in kind   |                |             |             |             |             |             |
| 6     | Fundraising  |                |             |             |             |             |             |
|       | Total  |                |             |             |             |             |             |
|       |  |                |             |             |             |             |             |
|       | <b>Expenditure</b>   | <b>Current</b> | <b>Yr 1</b> | <b>Yr 2</b> | <b>Yr 3</b> | <b>Yr 4</b> | <b>Yr 5</b> |
| 7     | Salaries including on-costs of National Insurance and pensions<br>Management Staff<br>Volunteer time in kind |                |             |             |             |             |             |
| 8     | Training and development   |                |             |             |             |             |             |
| 9     | Caretaking/ cleaning costs<br>Cleaning materials<br>Refuse collection<br>Security                            |                |             |             |             |             |             |
| 10    | Utilities<br>Water<br>Electricity<br>Gas   |                |             |             |             |             |             |
| 11    | Business Rates   |                |             |             |             |             |             |
| 12    | Repairs and Maintenance  |                |             |             |             |             |             |
| 13    | Transport and Travel   |                |             |             |             |             |             |
| 14    | Centre Supplies<br>- Furniture, IT, clothing, equipment  |                |             |             |             |             |             |

|    |   |  |  |  |  |  |  |
|----|---|--|--|--|--|--|--|
| 15 | Telephones and Internet   |  |  |  |  |  |  |
| 16 | Promotion and Publicity   |  |  |  |  |  |  |
| 17 | Insurances and Professional Fees<br>Property insurance<br>Public liability insurance<br>Performing rights society fees<br>Accountancy and legal fees<br>Architects fees<br>Consultancy fees |  |  |  |  |  |  |
| 18 | Other   |  |  |  |  |  |  |
|    | <b>Total Expenditure</b>  |  |  |  |  |  |  |
|    |   |  |  |  |  |  |  |
|    | <b>Surplus or (Deficit)</b>   |  |  |  |  |  |  |
|    |   |  |  |  |  |  |  |
|    | <b>Accumulated Reserves</b>   |  |  |  |  |  |  |

## **Appendix 5 – Sources of Further Information & Guidance for Applicants**

### **DTA Wales**

DTA Wales supports Development Trusts, Community Organisations and people across Wales, to build resilient communities and take control of their lives, through Community Enterprise, social action and community ownerships.

The DTA Wales portal is for a wide range of people and organisations who may be interested in the development of land and building assets that can be used for community or public benefit. <http://assetsportal.dtawales.org.uk>

### **Community Rights**

<http://mycommunity.org.uk/resources/understanding-community-asset-transfer/>

### **Locality**

The Asset Transfer Unit (ATU) promotes and supports Community Asset Transfer – the transfer of land and buildings from Public Bodies to Community and Voluntary Organisations.

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

<http://locality.org.uk/resources/hold/>

<https://mycommunity.org.uk/resources/understanding-community-asset-transfer/>

### **Wales Council for Voluntary Action**

WCVA support and represent Wales' Third Sector. They represent and campaign for voluntary organisations, volunteers and communities.

<https://www.wcva.org.uk/advice-guidance/assets>

### **National Association of Local Councils in England and Wales**

<https://www.tnlcommunityfund.org.uk/wales#section-1>

### **One Voice Wales**

<http://www.onevoicewales.org.uk>

### **Community Land Advisory Service Cymru**

The Community Land Advisory Service in Wales (CLAS Cymru), which aims to help community growing groups, landowners – plus others involved in land access – to work together to make more land available for community growing.

<http://wl.communitylandadvice.org.uk/en/home%20/>

### **Wales Co-operative Centre**

The Wales Co-operative Centre supports the development and growth of social entrepreneurship, Social Enterprises and Co-operatives in Wales.

<http://www.walescooperative.org>

**The Coalfields Regeneration Trust** supports Community Asset Transfer and development in former coalfield communities with coordinated development support and grant funding.

[https://www.coalfields-regen.org.uk/wales\\_support/wales-help-support-title-5/](https://www.coalfields-regen.org.uk/wales_support/wales-help-support-title-5/)

**Advisory, Conciliation and Arbitration Service (ACAS)** provides free and impartial information and advice to employers and employees on all aspects of workplace relations and employment law. ACAS support good relationships between employers and employees which underpin business success.

<http://www.acas.org.uk>

### **Welsh Government – Code of Practice on Workforce Matters (Two-tier Code)**

<http://gov.wales/topics/improvingservices/publications/two-tier-workforce-codes/?lang=en>

**Wales TUC** is the voice of Wales at work. With over 50 affiliated trade unions, the Wales TUC represents nearly half a million workers

<https://www.tuc.org.uk/wales?language=en> <https://www.gov.uk/government/publications/fair-deal-guidance>

### **Welsh Government/Ystadau Cymru: Community Asset Transfer (CAT): guidance for applicants**

Explains the process when the ownership or management of a property is transferred from a public sector body to a third sector or community group.

<https://gov.wales/community-asset-transfer-cat-guidance-applicants>



## Appendix 6 CAT application – Full Business Case Scoring matrix

**Officers Present:** \_\_\_\_\_

**Submission name :** \_\_\_\_\_

**Officer Assessing:** \_\_\_\_\_

**Date:** \_\_\_\_\_

|          | <b>Assessment Criteria</b>  | <b>Meet criteria Score (1-10)</b> | <b>Comments</b> |
|----------|---|-----------------------------------|-----------------|
| <b>1</b> | Evidence of Community Need/Demand   |                                   |                 |
| <b>2</b> | Evidence of supporting Council's Aims and Objectives set out in its Corporate Plan priorities.  |                                   |                 |
| <b>3</b> | Financial viability – does the proposal demonstrate ability to sustain the proposed business via a robust business case?  |                                   |                 |
| <b>4</b> | Evidence of how the proposal has had regard to the sustainable development principle of the Well-Being of Future Generations (Wales) Act 2015 (including details of economic, environmental and social benefits). |                                   |                 |
| <b>5</b> | Proposal is from a community or legal entity properly constituted and capable of holding property and managing assets/services  |                                   |                 |

|            |   |  |  |
|------------|---|--|--|
| <b>6</b>   | Can demonstrate good governance through open and accountable processes with appropriate financial and audit controls          |  |  |
| <b>7</b>   | Demonstrate skills and capacity within or available to the applicant to effectively deliver its services and manage the asset |  |  |
| <b>8.</b>  | Can provide copies of organisation's Annual Report and accounts   |  |  |
| <b>9.</b>  | Is co-location/multi-uses being proposed?   |  |  |
| <b>10.</b> | Does the proposal seek to deliver inclusive reach into the community and will be open to all wherever possible                |  |  |
|            | <b>TOTAL SCORE</b>  |  |  |