

# Empowering communities: making the most of local assets

A councillors' guide





# Communities, assets and the role of councillors: an introduction

In communities across the country we know that local people are concerned about losing locally valued assets and associated services - from inner-city community centres to village pubs and post offices. They are becoming all too familiar with the neighbourhood blight caused by empty or under-utilised land and buildings on their high streets. At the same time councils are facing intense financial pressure, resulting in the need to maximise the use of publicly-owned land and buildings, or dispose of them and the associated costs, wherever possible.

Through the Localism Act 2011, Government has moved to introduce a new 'Community Right to Bid' to empower communities to respond to these challenges by taking even greater control of land and buildings where they live. Whilst the potential bureaucracy of the new tool has concerned many, it provides a valuable catalyst to reignite local discussions about making the most of assets to meet community needs.

Councillors as leaders within their communities play a central role in helping to broker these discussions, bringing together their council, other statutory authorities, local voluntary and community groups, local businesses and other private landowners to build a constructive partnership. Through this partnership everyone can contribute to:

- mapping assets in their local area to identify land and building valued by communities
- building a shared understanding of the community's needs, ambitions and capacities
- reducing wasteful conflict by increasing transparency and appreciating the pressures that public bodies may face to reduce operational costs and generate finance from the disposal of surplus assets
- considering together how assets might be developed in a way that could be sustainable in either public or community hands
- stimulating creative ideas about where services are based and how they are delivered.

Community asset ownership has the potential to harness the creativity and commitment of local citizens it can turn liabilities into assets, problems into solutions, and to create a foundation for sustained community-led enterprise that supports much needed local economic growth. And whilst there are risks, they can be managed successfully. That has certainly been the experience of the Asset Transfer Unit, which Locality has delivered in association with the LGA since 2009.

This guide explores the range of tools available to unleash the creativity, innovation and growth flowing from community asset ownership and management. It aims to support councillors when discussing these issues with local voluntary and community groups, parish councils or within their own authority.

This is a time of fundamental change. How we collectively respond now to this challenge will shape our communities for many years to come.



# What is Community Asset Transfer?

Community Asset Transfer involves **transferring the ownership of land or buildings from a statutory body to a community organisation at ‘less than best consideration’** – that is at less than its full market value – in order to further local social, economic and/or environmental objectives.

Transferring an asset to a local community organisation on a long leasehold through to a freehold transfer can unlock community enterprise, encourage volunteer commitment, help utilise local intelligence, and allow these organisations to attract the necessary capital investment to create a thriving community hub.

## Through Community Asset Transfer councils can...

### **...enable a redundant public building to thrive again**

As pressure increases on the public finances, and public structures change, there are a growing number of public assets which no longer have a current use. These can include town halls made redundant by local government reorganisation, schools left empty by shifting demography, or courts replaced by modernisation. Many are listed buildings - thereby limiting the options for cost-effective redevelopment. At the same time, they are often centrally located at the very heart of neighbourhoods where space for community activity is at a premium.

### **...turn a marginal public service into a viable community service**

Discretionary and heavily subsidised public services are coming under increasing pressure due to budget reductions. At the same time, government is exploring efficiency savings and service transformation through increased co-location and the use of digital technologies. Councils and communities are therefore being called upon to reinvent traditional public assets and services to render them cost-effective and responsive in the modern context. In some cases, community asset transfer can provide a viable alternative by applying a different business model that is based upon enterprise, multi-purpose use, volunteer staffing support and social investment.



### **Transferring derelict assets to the Glendale Gateway Trust, Northumberland**

Glendale Gateway Trust was set up by the local community in 1996 following a village appraisal which made a number of recommendations, including the need for a community resource centre. The Trust embarked upon the development of the Cheviot Centre to meet the community's needs. The derelict building was provided by community asset transfer on a long lease from Berwick Borough Council, and Glendale Gateway Trust raised £750,000 for the conversion works. The Cheviot Centre was officially opened in 2001 by HRH the Prince of Wales. At the heart of the local community, the Cheviot centre provides meeting, exhibition and office space for a range of voluntary and community organisations. It also houses the tourist information centre.

### **Exploring multiple asset transfers through the Stourport Facilities Project Steering Group**

The Stourport Facilities Project Steering Group includes members from all political groups on Stourport-on-Severn Town Council, together with district councillors and a county councillor. It is supported by officers from Wyre Forest District Council, Worcestershire County Council, Stourport Forward, and more recently by representatives of community group 'The Civic'. Supported by the Asset Transfer Unit, the Stourport Facilities Project mapped out Stourport's public and community assets and considered the potential for transferring multiple assets into community ownership. Local people were involved in the process through the creation of a Theatre/Hall/Arts Focus Group and a Sports & Leisure Focus Group. As a result of this initial work, the Steering Group of the Stourport Facilities Project are now exploring the viability of transferring Stourport Civic Centre into community ownership - when Wyre Forest District Council vacate the site in June 2012.

In some areas councils are now exploring **multiple asset transfers**. These multiple transfers may be

- **Place-based:** looking at the transfer of a mixed portfolio of assets in a particular local authority or smaller geographic area to underpin new community enterprises;
- **Service-led:** exploring transfer options related to specific types of service e.g. libraries. This element has strong links to service redesign and modernisation; or
- **Asset type:** identifying multiple transfer options for specific types of asset e.g. community centres or sports facilities.

# What is the Community Right to Bid?

Financial pressures are forcing all land owners, whether public, voluntary and community sector or private, to think even more strategically about how they use their assets to maximise value and minimise cost. This may necessitate the disposal of those assets on the open market. In many places across the country, when local amenities such as community centres, libraries, village shops, markets or pubs have been threatened with sale or closure, parish councils and community groups have successfully taken them over. However in some cases community groups have faced significant challenges as they often need more time to organise a bid and raise the necessary finance to bid competitively than their private sector counterparts.

**New provisions in the Localism Act 2011, known as the Community Right to Bid, are designed to give eligible local bodies and community groups this extra time to prepare a bid.** Certain local authorities will be required to maintain a list of land or buildings which meet the definition of an “asset of community value”. Nominations to this list can come from parish councils or local voluntary and community bodies. When the owner of a listed asset wishes to dispose of it the Act introduces a delay (or ‘moratorium’) before he or she can do so, to give any interested and eligible community groups the time to prepare a bid. However, at the end of the moratorium period, the owner can sell to whoever they choose at a price agreed with the buyer.

## **Working with communities to identify “assets of community value”**

Many local communities will have heard about the Community Right to Bid and councillors will play an important role in working with them to explore whether it provides a useful tool to fulfil their ambitions.

In short the Localism Act defines an “asset of community value” as an asset that ‘furthers the social well-being or social interests of the local community’. ‘Social interests’ cover cultural, recreational and sporting assets but aren’t limited to these.

It is vital that communities can demonstrate that the asset’s main use currently falls within this definition and show that it is realistic to think that the main use of the asset can continue to meet this definition (even if the exact use is different).

Alternatively, communities could demonstrate that the main use of the asset in the recent past has fallen within this definition and it is realistic to think that there is a time in the next 5 years when its main use could again fall within this definition.

So a long-derelict site, which an enterprising community group wishes to develop as a community facility is unlikely to be considered an “asset of community value” because it fails to meet the requirements on current or recent use.

Similarly the main use of an agricultural field which is used once or twice a year for a village carnival wouldn't have a main use that meets the "assets of community value" definition.

Regulations will also shortly exclude particular types of land and building from being listed, including:

- residences, including gardens, outbuildings and associated land
- licensed and some unlicensed caravan sites
- operational land of statutory undertakers (such as council offices).

The Community Right to Bid allows communities to make the case to list private assets (such as a shop or pub) on the basis of their social role. Meanwhile there is clearly scope for public assets like libraries, leisure and community centres, museums, and parks to be successfully nominated. It offers a valuable tool, alongside others, to contribute to the building of a more strategic approach to managing all local assets with social, economic and environmental objectives in mind.

### **Buying Norden Old Library, Rochdale**

In July 2007, the Norden Community Trust was set up by a group of local people with the aim of preserving the former Norden library building for the community. The Trust purchased a 125 year lease for the building from Rochdale Borough Council on the 3rd April 2009. The aim was not only to preserve the building, but to provide a facility which would benefit the community and be sustainable for many years to come. The fulfilment of this challenging remit received a major boost when the Trust was approached by a group of local GPs who saw the Old Library as an attractive location for a new surgery (a facility for which there has been a need for over 25 years). The Doctors Surgery opened its doors on 2nd August 2010 and was warmly welcomed by Trustees and local people alike. The revenue stream from this new venture makes an important contribution to the financial sustainability of the Old Library and means that local groups can enjoy quality facilities at minimal cost.



# What is ‘Meanwhile Use’?

Too many town centres and high streets are afflicted by empty shops, which can contribute to a downward spiral of decline. In a growing number of places this trend has been challenged and reversed by public and private owners agreeing **to allow temporary or “meanwhile use” of their property by creative communities, on terms that ensure they can get it back if a commercial tenancy becomes available.** In the interim, an empty shop can become an art gallery, a short-term enterprise centre offering advice on business start-ups, or an opportunity to test local interest and support for an innovative new project. In doing so, it also increases footfall in the high street, thus attracting custom and helping to give confidence to the other remaining businesses.

Councils can facilitate this type of temporary use through:

- a clear policy to offer discretionary rate relief for genuine meanwhile use (ie those that provide social/community benefit)
- support from planning officers who understand meanwhile use, potentially including use of Local Development Orders to allow for temporary changes of use without planning permission
- promoting the use of the meanwhile lease (available on [www.meanwhile.org.uk/useful-info/view/legal](http://www.meanwhile.org.uk/useful-info/view/legal))

## Meanwhile Whitechapel

Meanwhile Space, a Community Interest Company, worked with the charity New Deal of the Mind to take on a property for a minimum term of three months from the Workspace Group PLC. Meanwhile Space were required to use the space to help further the charity’s objectives around employment issues. They subsequently applied to the London Borough of Tower Hamlets Pop Up Shops scheme, a micro-grant scheme to support projects with amenities costs. The funding of £650 was to put towards the utility bills for the space for two months. Meanwhile Space CIC encouraged 37 local projects to use the Whitechapel space to promote their activity and sell their produce. The cost of the space was kept to a minimum so that individuals could use the shop in a relatively risk free way. A proposal process was set up so as not to put people off, but did mean that serious consideration was given by prospective occupants before they were accepted. Over 89 days the shop attracted 2400 visitors from right across the community.

# What is the Community Right to Reclaim Land?

The new Community Right to Reclaim Land **helps local people ensure that public bodies do not retain under-used land or property, and is designed to get these sites back into productive use** where communities request disposal in relation to plans for acquisition and transformation of the same.

It currently comprises two elements:

- A commitment to transparency, with central government making details about surplus publicly owned land and buildings freely available to developers, community groups and citizens to ensure that everyone gets to hear about available sites, as well as the timescales associated with their disposal. This is intended to encourage and create open competition, and the opportunity to promote greater innovation and diversity – in particular, in meeting housing needs.
- Improved reach and accountability through reform of existing Public Request to Order Disposal (PROD) provisions. PROD provisions already apply to local authorities but now apply to other government departments under a voluntary scheme. The PROD process allows anyone to send a Request to the Secretary of State identifying land or property covered by the Request process that is under-used or vacant, and for which there are no suitable, consulted upon and publicly tested plans in place or likely to be put in place in an acceptable period of time. If the evidence

supports the Request being made, the Department's Secretary of State will produce a Disposal Notice that requires the public body to dispose of the land and a letter will be issued that recommends, that the organisation dispose of the land. Disposal will normally mean that the land is sold at an open market. By doing this community groups or others may be able to acquire the land and bring it back into a beneficial use through discounted transfer, open market purchase or 'buy now, pay later' schemes. Moreover, if the land meets the definition of an 'asset of community value', then it would be eligible for listing under the Community Right to Bid, giving community groups a greater opportunity to make a bid for it against other potential purchasers.

The Community Right to Reclaim Land is not intended to be used by-passing other democratic processes such as local plan-making. Instead, it allows local people to hold to account organisations who do not use, under-use or lack any plans for their land or property, and invites creative input from communities about innovative new uses for public land and buildings.

# What is the role of Compulsory Purchase?

If communities want to bring a privately owned local asset back into use - for example, turning a boarded up building into a community centre - they are able to contact their council and ask them to use a compulsory purchase order to buy the asset. The Government has urged councils to give greater attention to applications from voluntary and community groups who know their area and often have innovative ideas to make the best of local assets. That doesn't mean special treatment or an automatic green light but, under the new guidance, local authorities have to respond formally, outlining the reasons behind their decisions.

Once a compulsory purchase is underway it can be combined with other mechanisms covered in this guide to then transfer the asset into community control, known as "back-to-back" transfer. But, ultimately, councils looking to empower local people should aim to support communities in their own asset acquisition and development aspirations to meet local needs and suit local circumstances.



## Transforming Hastings Pier

Abandoned since 2006 by irresponsible owners, Hastings Pier is one of the most challenging asset transfers in the country, made even more dramatic and urgent by the devastating fire of October 2010. Local people knew that the pier had the potential to give a vital boost to the local economy through job creation and small business development. Their aim was for it to once again become a hub for local community activity, but it seemed beyond their reach. Their dogged persistence has transformed the situation.

Through campaigns using both traditional and social media methods, leveraging their membership and wider networks, the Whiterock Trust has built an active partnership with Hastings Borough Council, which is currently undertaking the Compulsory Purchase of the asset. The council then intends to complete a back-to-back transfer of the pier freehold to the new Hastings Pier Charity for £1. At the same time, the Trust has received £357,000 from the Heritage Lottery Fund bid for the development phase with a further £8.4m ring-fenced for restoration and initial commercial and community facilities above deck.

# Checklist

The following questions are provided to aid you when talking to officers within your property/ assets department to understand more about how your authority manages its assets to maximise value and minimise cost.

- How are members and officers **engaging with all your local partners**, including other public bodies, local voluntary and community organisations, local residents and local business to map assets, appreciate their ambitions and capacity to have greater influence over local assets and understand the different tools to enable this to happen?
- Is your authority **making as much data as possible available** about your council's assets, and encouraging other asset holders to do the same – including annual energy costs, likely maintenance costs?
- Have you **agreed a Community Assets Strategy** that covers all the tools mentioned in this guide that are available to communities? This could help to ensure consistent and fair access for voluntary and community organisations.
- Have you established a **single gateway into the council** on community asset issues, including for questions about the new Community Right to Bid?
- Does your council offer **support to community organisations** to develop viable business plans to underpin the efficient and effective ownership and management of community assets? Do officers benefit from the skills and capacity to appraise business plans produced by community enterprises?
- What **“risk capital” is available locally to help communities test their ideas** and generate comprehensive bids to raise investment finance and take ownership of community assets? How could the council support greater availability of this type of funding or provide other support ‘in kind’?
- Are your **legal team involved** at an early stage of discussions about community asset transfer and acquisition to facilitate the evolution of successful projects?

# Further resources

The Asset Transfer Unit (ATU), led and managed by Locality, is the leading provider of expert advice, guidance and support concerning the transfer of under-used land and buildings from the public sector to community ownership and management - helping organisations to develop those assets and deliver long-term social, economic and environmental benefits. The Advancing Assets Programme funded by the Department for Communities and Local Government from 2007 to March 2011 worked with 89 local authorities on their strategic approach to community asset transfer, as well as supporting 175 pilot projects to explore the potential local benefit. Today, more than 100 local authorities in England have community asset transfer strategies and policies, and the ATU itself has supported over 1,300 community asset transfer initiatives. For further information visit: <http://www.atu.org.uk/>

The Local Government Association (LGA) exists to support, promote and improve local government. The Capital Assets Pathfinder Programme has been delivered by the Productivity Team at the LGA for the past two years. It has involved 26 participating councils with a key focus of achieving savings locally in order to help with deficit reduction nationally. This has been achieved by the more efficient use of existing property assets in the control of the participating council and their public and voluntary sector partners. The programme has shown that

close collaboration at the local level can deliver better services outcomes and reduce the cost of delivery. The pathfinders have identified reductions in both operating space and running costs of up to 20 per cent. The LGA is working with the Department for Communities and Local Government (DCLG) to enable this transformation, broker relationships and remove national barriers. For further information visit: [www.local.gov.uk/capital-assets](http://www.local.gov.uk/capital-assets)



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