**Chichester District Council**

**Community Asset Transfer Policy**

**1. Introduction**

This policy outlines the approach of Chichester District Council (‘the Council’) to the transfer of community assets to eligible organisations. The policy seeks to ensure that asset transfers support the delivery of local services, empower communities, and ensure those assets are maintained and used efficiently whilst meeting the Council’s obligations to ensure financial sustainability and public benefit.

The Council is required by law to dispose of assets in a way that realises best value. This means that any transfer of an asset would be at a market rent or at market value. However, the Council recognises the social value and community benefit that a community group can contribute when taking on a local service or facility and this will have a bearing on the terms that the Council and community group are able to agree on. This policy allows the Council to take this social and community value into consideration when determining the release of their assets.

**2. Purpose of Community Asset Transfers**

This type of asset transfer supports the Localism Act 2011 and the Devolution White Paper by strengthening local decision-making and facilitating community ownership and management of local assets. By enabling transfers of community assets, the Council seeks to encourage local organisations to take responsibility for facilities that benefit their communities, ensuring a sustainable and locally driven approach to service provision.

**3. Scope of the Policy**

The purpose of this policy is to provide a transparent and positive framework to enable, where appropriate, asset transfer from the Council to community groups or organisations. Due to the diverse nature of the Council’s property holdings one policy will not fit all circumstances. Each case will be assessed on its individual merits and all transfers must comply with the Council’s statutory obligations and financial responsibilities.

The policy is guided by the Local Government Act 1972, the Localism Act 2011, the Subsidy Control Act 2022, the Best Value Statutory Guidance 2011, and the principles outlined in the Devolution White Paper, ensuring that all transfers comply with statutory obligations and financial responsibilities.

**4. Eligibility for Community Asset Transfer**

The following organisations with a local connection are eligible to apply for an asset transfer:

* Parish and Town Councils
* Registered charities
* Community Interest Companies (CICs)
* Charitable Incorporated Organisations (CIOs)
* Constituted community or voluntary groups with a defined governance structure

The following criteria will be used when considering the possible transfer of community assets:

* The transfer will have a positive impact socially, economically, or environmentally adding value to the local community.
* The asset has the potential to provide a community facility for which there is an evidenced need.
* Alignment with the Council’s strategic objectives as outlined in its Corporate Plan.
* The transfer of the asset will enable the applicant organisation to access funding that otherwise they or the Council would be unable to access, ensuring the long-term financial viability of the asset and applicant organisation.
* The transfer of the asset will encourage collaboration with other public bodies or third sector organisations in the local area, particularly where these organisations need a presence in the local area.

Eligible organisations must also demonstrate the following:

* A clear and measurable community benefit for the transfer.
* A robust business plan outlining how the asset will be managed and maintained sustainably.
* Evidence of financial viability, including plans for revenue generation and maintenance funding.
* A commitment to maintaining the asset for long-term community benefit.
* An ability to comply with relevant legal and regulatory requirements.
* Alignment of the proposed use with the Council’s strategic priorities and the government’s localism agenda.
* Contribution to the aims of the Devolution White Paper by promoting local decision-making and economic development.

To see a list of Chichester District Council assets designated as community assets please visit the Council’s website [Commercial property - Chichester District Council](https://www.chichester.gov.uk/commercialproperty).

**5. Ineligible Requests**

There will be occasions where Council owned assets will not be appropriate for transfer. The Council has a financial and legal duty to ensure there is a clear and compelling case for any transfer, therefore, it reserves the right not to transfer assets to others for reasons including but not limited to:

* Use pursuant to a statutory function.
* Income generation or capital receipts which sustains council budgets.
* Legal obligations on the land which the Council is bound by.
* Requests where there is insufficient evidence of financial viability or community benefit.

**6. Types of Transfer**

When considering the disposal of assets there are broadly three approaches available to the Council, these are:

* Freehold sale or long leasehold at market value.
* Disposal by way of long leasehold or freehold sale below market value, conditional on associated community benefit.
* A token or nominal rent for a short or medium term lease arrangement conditional on associated community benefit.

**7. Application Process and Assessment Criteria**

The following assessment criteria will be applied when assessing applications:

1. Contact details for the organisation have been provided. This should include details of the individual with the relevant decision-making authority to enter into an asset transfer agreement.
2. Applicants must provide supporting evidence where required and complete all sections of required forms.
3. Applications for asset transfer should be able to demonstrate wider community support for the asset transfer, this could include details of public consultations, surveys or supporting information in a community plan.
4. Applicants must demonstrate how the asset will be used for the community in an inclusive way.
5. Applicants must demonstrate that they can manage and maintain the asset to be transferred ensuring its long-term sustainability (or sustainability for the full length of the agreement). Previous experience of managing assets or other experience should be provided.
6. The Council will not consider expressions of interest from organisations which are political or with political affiliations, organisations engaged in supporting candidates for political office, individuals or businesses who intend to primarily run the service or use the asset for commercial gain.
7. Applicants must be able to demonstrate the community value and benefit associated with the asset transfer. This will be a key aspect of the assessment criteria. The asset transfer should result in a clear improvement in service provision locally, or respond to locally specific needs or demand
8. Applications should explain how the asset will continue to be managed or controlled locally.
9. Applications must demonstrate how the asset will contribute to the Councils ambitions regarding sustainability and tackling climate change.
10. All applicants must be able to demonstrate effective Governance arrangements and appropriate legal structures.
11. Applicants must be able to demonstrate sound financial standing and provide details of financial planning to support the asset in the long term.
12. Applicants may need to comply with the Community Right to Bid process where assets are already listed as such.

**8. Financial and Legal Considerations**

* Transfers will be on terms that protect public value and interest.
* The Council must ensure that asset transfers do not place an undue financial burden on either party.
* Legal agreements will include covenants to ensure assets continue to serve the community and are not disposed of without proper safeguards for the Council.
* Liability for future maintenance and repairs will transfer with the asset.
* Compliance with all statutory requirements, including the Local Government Act 1972, the Localism Act 2011, the Best Value Statutory Guidance 2011, the Equalities Act 2010, and fiduciary duties, will be ensured before approving any transfer.

**9. Contact Details**

For further information and advice please contact our Estates service at cat@chichester.gov.uk