COMMUNITY OWNERSHIP SUPPORT SERVICE

Development Trusts Association Scotland

1

MODULE ONE: INTRODUCTION TO COMMUNITY ASSET TRANSFER

COMMUNITY ASSET TRANSFER

ONE

www.dtascommunityownership.org.uk

The Scottish Government
Riaghaltas na h-Alba

The Community Ownership Support Service is funded by the Scottish Government to support the sustainable transfer of public assets into community ownership. This advisor-led service provides communities and public bodies with advice and support on every stage of the asset transfer journey.

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► SECTION 1: Introduction

► 1.2 Summary of module series

This module is the first in a series of six which have been produced by the Community Ownership Support Service (COSS) to support the sustainable transfer of publicly-held assets into community ownership. COSS is delivered by the Development Trusts Association for Scotland and is funded by the Scottish Government.

Engaging in community asset transfer involves three core elements:

- Examining the feasibility of an asset transfer
- Planning for the asset transfer
- Managing and sustaining the asset when acquired

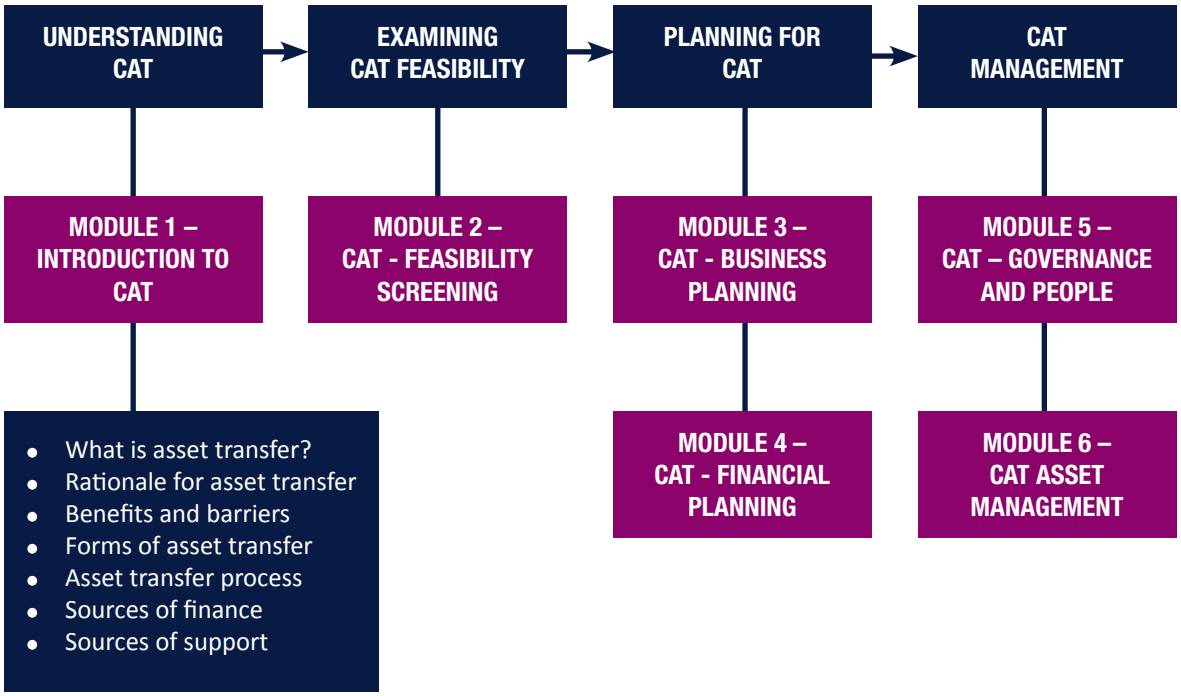
This series of modules covers each of these areas and provides advice and guidance on making an application for asset transfer helping to ensure it is robust.

Table 1.1 Modules in the series

	Module	Aim is to provide community organisations with:
One	Introduction	An introduction to asset transfer including current policy and procedures; benefits and barriers to asset transfer; the Route Map to successful asset transfer.
Two	Feasibility	The knowledge and practical skills to explore the feasibility of asset transfer, focussing on user demand and the organisation's asset transfer readiness.
Three	Business Planning	The knowledge and practical skills required to develop a business model and business plan including the proposition; marketing and the content of a business plan.
Four	Financial Planning	An understanding of financial planning including costs/ expenditure; sources of income; preparing financial projections; investment appraisal; stakeholder management.
Five	Governance and People	Knowledge and practical skills to establish good governance including building board capacity; effective leadership; managing staff and volunteers.
Six	Managing Assets	Introduction to all aspects of managing a building or land asset including design and construction; maintenance and management.

Full information on all aspects of asset transfer, including many downloadable resources, can be found on the COSS website: www.dtascommunityownership.org.uk

Fig 1.1: Community asset transfer (CAT) model diagram



► 1.3 Introduction to Module One

This module aims to give an introduction to asset transfer, providing community groups with an outline of the relevant legislation to support it in Scotland. It highlights and underlines the building blocks that are needed to pursue an asset transfer request for community ownership to a successful, sustainable conclusion. If you are taking over an asset using the Community Empowerment (Scotland) Act 2015 it is strongly recommended that you download the Guidance for Community Transfer Bodies produced by the Scottish Government https://beta.gov.scot/publications/asset-transfer-under-community-empowerment-scotland-act-2015-guidance-community-9781786527509/

The core learning outcomes for this module are:

- Understanding the main drivers/rationale of community asset transfer in Scotland
- Recognise both the benefits and barriers of community asset transfer
- Consider the main forms of community asset transfer
- Know the core components of the community asset transfer process
- Identify the main sources of support for community asset transfer
- Know the main sources of finance for third sector organisations

► SECTION 2: Overview of Community Ownership and Community Asset Transfer (CAT)

► 2.1 What is community asset transfer?

CAT is a process to allow a community organisation to take over publicly owned land or buildings, in a way that recognises the public benefits that the community use will bring. This transfer can be facilitated in different ways e.g. the transfer of title for outright ownership, the use of a long-term lease or indeed management agreements. This may be at a discounted price, with a grant or other support. More information on the forms of asset transfer can be found in Section 3.

Communities have been taking ownership and running assets in Scotland for many years. They do so for a variety of reasons. Local communities can be concerned about losing locally valued assets and associated services, from community centres to parks, libraries and town halls.

Local authorities and other relevant authorities are also facing intense financial pressure, resulting in the need to maximise the use of publicly-owned land and buildings or dispose of them and their associated costs. Transferring an asset to a suitable community organisation can enable a redundant public building to thrive or turn a marginal public service into a viable community service.

> ***Ownership or control of land and buildings is a powerful tool for communities to drive change and achieve their own goals. In the first place it provides a base for activities and services that might not otherwise be accessible to members of a particular community, and can provide jobs, training and bring income to the local area. More widely, it can provide stability and sustainability for the community organisation, allowing them to develop new initiatives and support other developing groups, and it can create a stronger sense of community identity, cohesion and involvement.***
>
> Community Empowerment (Scotland) Act 2015: community transfer bodies' guidance 1.2

2.2 Benefits of community ownership of assets

Community ownership has a role to play in helping communities respond to these challenges by taking ever greater control of land and buildings where they live. There is a thriving network of community landowners, both rural and urban, showing the benefits that communities can deliver given the right opportunity (see table 2.1).

Table 2.1 Benefits of community ownership

Delivers Social & Economic Purpose by:	• Protecting key local services/facilities that may otherwise be lost • Providing a physical base for provision of local services • Allowing generation of income that can be re-invested locally • Providing jobs, training and business opportunities • Potentially reversing economic decline of area and attract investment • Enabling more intensive use of assets and services when control is closer to community • Allowing better stewardship of local assets because the community owns and uses them • Allowing groups to make major alterations/extend/refurbish (usually the ability to carry out such works is limited in a lease)
Changes Attitudes and Relationships by:	• Giving the group credibility with funders/other stakeholders • Heightening the group's profile and improves perceptions of it • Instilling a renewed sense of pride and confidence in the community • Providing local people with a meaningful stake in the future development of the place in which they live and/or work • Increasing participation: membership, volunteering, attendance at meetings • Encouraging, through its success, further ideas and activity – ripple effect!
Moves Towards Financial Self-sufficiency by:	• Enabling income generation from the asset • Avoiding rent payments/increases • Giving incentive to invest in a building to reduce running costs e.g. energy efficiency • giving Balance Sheet strength which can be used as security
Builds Organisational Sustainability by:	• Giving independence/control over future of asset allowing long-term planning • Creating leverage, enabling you to negotiate further investment • Encouraging the development of skills and capacity locally that taking on and managing a building encourages • Attracting new people with additional skills • Building long-term support from community

► 2.3 Managing challenges in asset transfer

There are always challenges in every venture, so it is important to identify these and to look at solutions for them. These are some of the most common risks and challenges that have been identified through our work with communities and public agencies.

Table 2.2 Challenges and barriers to successful community ownership

Challenge/Barrier	Possible solution
Needs of community not clearly identified, are weak or not aligned to local and national policy	• Carry out extensive and varied community consultation • Produce Community Action Plans • Refer to local and national plans • Work in partnership with other organisations
Taking on asset purely to prevent closure – becomes a liability	• Ensure you have identified needs • Ensure you actually need an asset to deliver the identified needs • Carry out an options appraisal on your area to identify better assets
Governance – does your organisation have the correct legal structure for CAT and for your aims and objectives	• See Module Five: Governance and People • Seek help of support organisations
Lack of capacity, skills and time to put application together and to manage asset in longer term	• Carry out audit to identify skills • Organise training to build skills • Seek support and advice • Bring in expertise • Ensure feasibility and business plans are robust • Visit other groups who have done it before and learn from them • Possible phased transfer – lease leading to ownership
Lack of funding to develop asset	• Review business plan • Look at ways of earning income to pay for building – be enterprising • Approach grant funders early to discuss project • Ensure you have a business head on
Sustainability – People	• Ensure leadership – strong and accountable • Capacity – skills and experience to manage project • Is there core funding to support paid staff? • Volunteer fatigue
Sustainability – Finance	• Ensure the business plan is robust – have you identified how you are going to earn income • Beware of optimism bias – be realistic • Ensure you do not have an over-dependency on one income stream • Be aware of geographic location giving opportunities to generate income
Funding	• Identify funders for pre-acquisition developments costs and capital purchase • Phone them up and discuss your project • Identify how you are going to pay for core costs – staff, utilities, insurances
Stakeholder interest	• Keep them informed • Work out how you are going to manage relations with key stakeholders both now and in the future
Politics – local and national	• Be aware of local and national politics
Lack of confidence and trust between group and public agency	• Build a relationship • Make sure you are articulating your experience and skills to the agency

► SECTION 3: Community Asset Transfer – Policy and Process

► 3.1 Policy background to community asset transfer

Land Reform (Scotland) Act 2003	Part 2 of the Act provides an opportunity for **communities to register an interest in land; then buy that land when the landowner decides to sell**.
National Forest Land Scheme 2005	Gave community organisations, recognised non-governmental organisations (NGOs), and/or appropriate housing bodies the chance to buy or lease National Forest Land where they can provide increased public benefits. Now replaced by Community Empowerment Act.
Scottish Government/ COSLA Community Empowerment Action plan 2009	Highlighted the importance of community empowerment and the part that asset ownership can play in that.
Disposal of land by Local Authorities (Scotland) Regulations 2010	Enabled local authorities to dispose of land and buildings at less than best financial consideration provided "best value" is achieved through economic, regeneration, social, environmental or health benefits.
Changes to the Scottish Public Finance Manual (SPFM) 2014	Applies to public agencies and allows the disposal of an asset to a community at less than market value if delivering wider public benefits consistent with the principles of Best Value.
Community Empowerment (Scotland) Act 2015	See section 3.2
Land Reform (Scotland) Act 2016	It is notable for granting Scottish ministers the power to force the sale of private land to community bodies to further sustainable development in the absence of a willing seller.

► 3.2 The Community Empowerment (Scotland) Act 2015

The commitment to community empowerment and asset ownership has been further strengthened by the introduction of the Act with this stated aim from the Scottish Government:

> ***"The Community Empowerment Act does a number of things including: extending the community right to buy, making it simpler for communities to take over public sector land and buildings, and strengthening the statutory base for community planning. Crucially it can help empower community bodies through the ownership of land and buildings and strengthening their voices in the decisions and services that matter to them"***
>
> Scottish Government

The Act:

- aims to change the balance of power between communities and the public sector
- introduces many more rights for community bodies
- strengthens their voices in the decisions that matter to them
- encourages partnership working between service providers and communities, cementing the focus on achieving outcomes and tackling inequalities
- enables communities to make requests not just to local authorities but to a wide-ranging list of public bodies (relevant authorities), for any land or buildings they feel they could use in a better way to deliver services and benefits (see Table 2.1)

The Scottish Government has prepared detailed Guidance for Community Transfer Bodies on all aspects of the Act www.gov.scot/Topics/People/engage/AssetTransfer

Table 3.1 List of public bodies (relevant authorities) in CEA

Public agencies/ relevant authorities	• Local authorities • Scottish Ministers (including agencies such as Forest Enterprise Scotland and Transport Scotland) • Crofting Commission • Further Education colleges which are "incorporating colleges" • Health Boards, both regional and Special Health Boards • Highlands and Islands Enterprise • Historic Environment Scotland • National Park Authorities (Cairngorms and Loch Lomond & Trossachs) • Regional Transport Partnerships • Scottish Canals • Scottish Courts and Tribunals Service • Scottish Enterprise • Scottish Environment Protection Agency • Scottish Fire and Rescue Service • Scottish Natural Heritage • Scottish Police Authority (who own all land and buildings used by Police Scotland) • Scottish Water

Asset transfer requests can be made to any of the relevant authorities detailed in Table 3.1. Scottish Ministers can add new relevant authorities, can remove relevant authorities or amend the list, for example if an organisation changes its name. Organisations which are not already on this list can only be designated as a relevant authority if they are:

- a part of the Scottish Administration
- a Scottish public authority with mixed functions or no reserved functions
- publicly-owned company – this means any corporate body which is wholly owned by one or more relevant authorities already on the list

There are 11 topics covered by the Act (see Table 3.2)

Table 3.2 Contents of CEA

Part	Topic	Main content
Part One	National Outcomes	Requires Scottish Ministers to continue the approach of setting national outcomes for Scotland, based on consultation, which guide the work of public authorities.
Part Two	Community Planning	Places Community Planning Partnerships (CPP) on a statutory footing and imposes duties on them around the planning and delivery of local outcomes, and the involvement of community bodies at all stages of community planning.
Part Three	Participation Requests	Provides a mechanism for community bodies to put forward their ideas for how services could be changed to improve outcomes for their community (see 3.4).
Part Four	Community Rights to buy land	Amends the Land Reform (Scotland) Act 2003, extending the community right to buy to all of Scotland (urban and rural) and improving procedures (see 3.5).
Part Five	Asset Transfer Requests	Provides community bodies with a right to request to purchase, lease, manage or use land and buildings belonging to local authorities, Scottish public bodies or Scottish Ministers (see 3.6).
Part Six	Delegation of Forestry Commissioners' functions	Allows for different types of community body to be involved in forestry leasing.
Part Seven	Football Clubs	Gives supporters a role in decision-making, or even ownership when the opportunity arises, of their football clubs.
Part Eight	Common Good Property	Places a statutory duty on local authorities to establish and maintain a register of all property held by them for the common good. It also requires local authorities to publish their proposals and consult community bodies before disposing of or changing the use of common good assets.
Part Nine	Allotments	Updates and simplifies legislation on allotments. It requires local authorities to take reasonable steps to provide allotments if waiting lists exceed certain trigger points, strengthens the protection for allotments, requires fair rents to be set and allows tenants to sell surplus produce grown on an allotment (other than with a view to making a profit).
Part Ten	Participation in public decision-making	A new regulation-making power enabling Ministers to require Scottish public authorities to promote and facilitate the participation of members of the public in the decisions and activities of the authority, including in the allocation of its resources. Involving people and communities in making decisions helps build community capacity and also helps the public sector identify local needs and priorities and target budgets more effectively.
Part Eleven	Non-domestic rates	Provides for a new power for councils to create and fund their own localised business rates relief schemes, in addition to existing national rates relief, to better reflect local needs and support communities.

3.3 Key Sections of CEA that apply to Asset Transfer

The key parts of the CEA that apply to and have an effect on asset transfer are Part Three: Participation Requests; Part Four: Community Right to Buy and most particularly Part Five: Asset Transfer.

3.4 Part Three: Participation Requests

Sometimes a community transfer body may wish to take over a building or land and the services which are delivered by the relevant authority from those premises. This could be addressed by an asset transfer request, or a participation request in relation to improving the outcomes of the services. It is not recommended using both types of request for the same project.

- If you want to take over the running of a service which is tied to the particular premises, and do not want to use the premises for any other purpose, this should be addressed through a participation request. Usually this would apply to services which will be delivered under a contract or agreement with the relevant authority. A lease or other arrangement in relation to the premises can be negotiated as part of that agreement, if the transfer of the service is agreed.

- If you want to take control of the asset in order to deliver services on your own terms or use the property for other purposes, this should normally be addressed through an asset transfer request.

- An asset transfer request can be accompanied by negotiations for the public authority to contract with the community body to continue to provide a service as a source of income.

3.5 Part Four – Community Rights to Buy Land

The Act amends the Land Reform (Scotland) Act 2003:

- Extending the community right to buy (CRtB) to all of Scotland, urban and rural, and improving procedures (CRtB enables communities of place to register an interest in a piece of land with the Scottish Government. When the landowner decides to sell the community has the first rights to purchase).

- Introducing a range of measures to amend, and in some areas, simplify, the crofting community right to buy.

- Introducing a new provision for community bodies to purchase Abandoned, Neglected or Detrimental land of which the use or management is such that it results in or causes harm to the environmental wellbeing of a community:
  - this can be exercised even when the seller is unwilling
  - the community body must have tried and failed to purchase the land, and approached all regulators to try to reduce or remove the harm

The purchase of the land must be:
- in the wider public interest (not just that of the community body)
- compatible with furthering the achievement of sustainable development of the land

► 3.6 Part Five – Asset Transfer

The CEA introduces new key Community Rights for communities of place (geographic) or interest (united by a common interest), and places requirements on public agencies. This includes the right to:

- request information on any public asset that interests them
- request the transfer of a public asset (and it doesn't have to be surplus)
- acquire that asset if the public body cannot offer a good reason not to (i.e. there is a presumption in favour of transfer)
- to decide on the price it wishes to offer, based on the economic, social, health or environmental benefits the proposal will add
- to appeal any adverse decision, first with a public body and then with the Scottish Government

The requirement on public bodies to:

- produce a register of all the assets it owns
- produce an annual report on asset transfer, explaining how many requests have been received and the results of those applications, together with how they have helped community bodies that want to make asset transfer requests

► SECTION 4: Asset Transfer Process

► 4.1 Community Organisation Eligibility

To become eligible for any form of asset transfer under the Community Empowerment (Scotland) Act 2015 a group needs to be considered to be a "community transfer body". Full details on eligibility can be found in Section 5 of the Guidance for Community Transfer Bodies. In summary, this can either be a "community-controlled body" or a body designated by Scottish Ministers.

Distinction is made between which type of body can request an asset transfer by way of:

1. Lease or management
2. Ownership

For lease, management and other rights, the group has to be:

- a community-controlled body either corporate or unincorporated but with a written constitution that includes:

  (a) a definition of the community to which the body relates
  (b) provision that the majority of the members of the body consists of members of that community
  (c) provision that membership of the body, **who consist of members of that community, have control of the body**
  (d) provision that membership of the body **is open to any member of that community;**
  (e) a statement of the body's aims and purposes, including the promotion of a benefit for that community
  (f) provision that any surplus funds or assets of the body are to be applied for the benefit of that community.

In addition, for ownership, the community transfer body must be incorporated as one of these three structures:

- **a Scottish Charitable Incorporated Organisation (SCIO)** the constitution of which includes provision that the organisation must have not fewer than 20 members
- **a Community Benefit Society (BenCom)** the registered rules of which include provision that the society must have not fewer than 20 members
- a **company** the articles of association of which include provision that:

  (a) the company must have not fewer than 20 members
  (b) on the winding-up of the company and after satisfaction of its liabilities, its property (including any land, and any rights in relation to land, acquired by it as a result of an asset transfer request under this part) passes –

    (i) to another community transfer body
    (ii) to a charity
    (iii) to such community body (within the meaning of section 34 of the Land Reform (Scotland) Act 2003) as may be approved by the Scottish Ministers
    (iv) to such crofting community body (within the meaning of section 71 of that Act) as may be so approved
    (v) if no such community body or crofting community body is so approved, to the Scottish Ministers or to such charity as the Scottish Ministers may direct.

4.2 Forms of Tenure

Community asset transfer should be understood as a spectrum which ranges from management agreements to leases of varying duration through to full ownership. Although for most organisations outright ownership is the preferred route, sometimes leases, with an option to purchase later written in, can be a better option. This allows less experienced groups to "try and see" and helps manage risk.

Table 4.1 Forms of Tenure

Types of Tenure	Advantages	Disadvantages
TITLE Buying the property as owner	• Security of ownership • Creates sellable asset • Independence • Can use the asset to help raise funding • Not subject to service charges • Freedom to improve or redevelop the asset, and to attract grants to do so (subject to planning, etc constraints, certain title conditions and the conditions of any security)	• Expense of purchase • Cost of repairs and insurance • May not be sellable if in poor condition • Land and Buildings Transaction Tax (LBTT) if charitable relief not given
LEASE Taking a lease for a fixed period of years at an annual rent (In Scotland leases of over 20 years can be called "long" but terms depend upon what the parties have negotiated)	• In some cases (e.g. longer leases, or sometimes, by agreement, shorter leases) rent may be low or peppercorn • Longer leases may have few obligations placed upon the tenant, almost akin to ownership	Shorter leases: • expense of rent (which may increase at regular intervals) and service charge • restrictions on use, alterations and alienation (i.e. assignation, sub-letting, sharing occupation, charging) Longer leases: • if premium paid, expense • cost of repairs and insurance • may not be assignable if in poor condition LBTT if charitable relief not given (depending upon rent and term)
LICENCE TO OCCUPY Formal written permission to occupy for a short period (In Scotland, if an arrangement has parties, a rent, a duration and premises, there is a lease; however, licences to occupy are often used for a short term arrangement or where the premises are not "fixed")	• Opportunity to keep a building open • Maintain usage levels • Gives opportunity to build the business case • Establishes level of community support • Can ensure a conservation gap doesn't open up • Costs can be minimal	• Restrictive in terms of use, alterations, etc. • Disposal usually prohibited • No security of tenure • Difficult to get funding if licence too short

► 4.3 Disposal at less than best financial consideration

It is important to note that a decision by a public body to dispose of an asset at less than market value carries an opportunity cost. So, while there will be benefits of a non-monetary nature delivered by the transfer, there will be a corresponding gap in public finances that will not be available for investment in other public services. That will be an important consideration in any transfer and for that reason the associated business case will be assessed with the same rigour as for a capital grant.

It should also be emphasised that, in many cases, disposal at full market value will continue to be the preferred option for asset owners. Part 5: Asset Transfer of the Community Empowerment (Scotland) Act 2015 will, however, ensure that community asset transfer is a mainstream option as part of the disposal process.

► 4.4 How to make an asset transfer request

Full details on how to make an asset transfer request can be found in "Asset Transfer (under the Community Empowerment (Scotland) Act 2015 Guidance for Community Transfer Bodies" www.gov.scot/Topics/People/engage/AssetTransfer

This guidance gives full details of how to make an application, what the application should contain and how the application will be assessed. A summary of the first stages of the asset transfer process can be found in Figure 4.1.

There are key elements that need to be included in an application for asset transfer before it can be validated (see in Table 4.2)

BE AWARE!

- **The Stage 1 process usually found in Relevant Authorities' policy and procedures is an INFORMAL process for gathering information and building relationships for both parties.**
- The legal process of community asset transfer **does not start** until a full application has been **submitted** (usually called stage 2 application), **accepted as complete** AND an acknowledgement sent with a **Validation Date** set for a decision to be made (usually with 6 months)

Fig 4.1 Summary of the asset transfer process

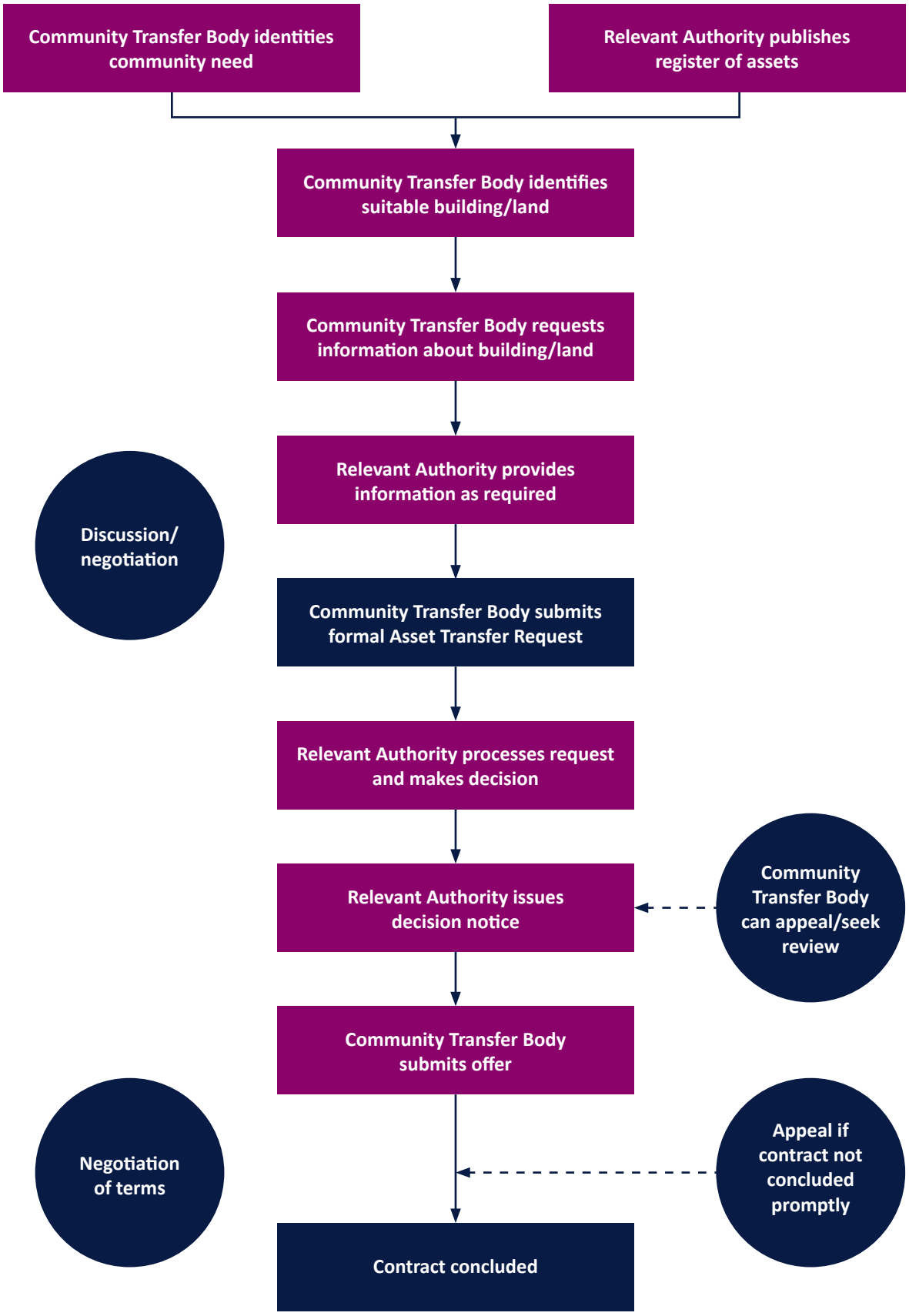


Table 4.2 Content of an asset transfer request must be made in writing and must:

A	state that it is an asset transfer request made under Part 5 of the Community Empowerment (Scotland) Act 2015
B	contain the name and contact address of the community transfer body
C	be accompanied by a copy of the community transfer body's constitution
D	explain, if the request is made by a body which is not a community controlled body, the basis on which the body is a community transfer body.
E	specify the land to which the request relates
F	specify whether the request falls within paragraph (a), (b)(i) or (b)(ii) of section 79(2), i.e. whether it is a request for ownership, lease or other rights in the land
G	specify, if the request is for ownership, the price that the community transfer body would be prepared to pay for the transfer to ownership of the land
H	specify if the request is for lease: • the amount of rent that the community transfer body would be prepared to pay, • the duration of the lease, • any other terms and conditions that the community transfer body considers should be included in any lease
I	specify if the request is for other rights, the nature and extent of the rights sought
J	specify any other terms or conditions applicable to the request
K	specify the reasons for making the request
L	describe how the community transfer body proposes that the land is to be used
M	specify the benefits which the community transfer body considers will arise if the authority were to agree to the request
N	outline how it is proposed that: • the transfer of ownership of the land, the lease of the land or the conferral of other rights in respect of the land on the community transfer body (as the case may be) • the proposed use of the land is to be funded
O	describe the level and nature of support for the request from the community to which the community transfer body relates

► 4.5 Procedure following receipt of an asset transfer request

Fig 4.2 Procedure by Relevant Authority following receipt of an asset transfer request

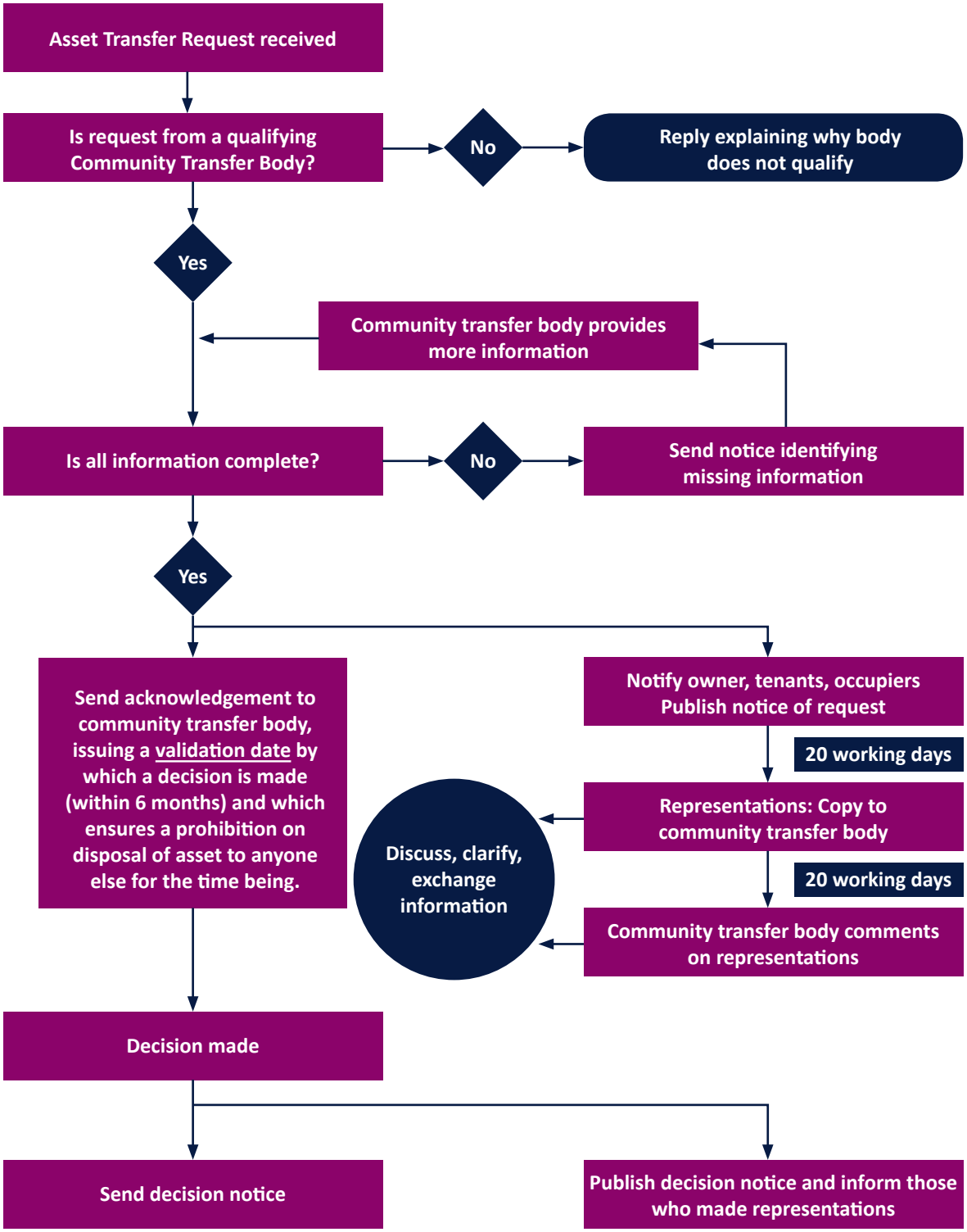
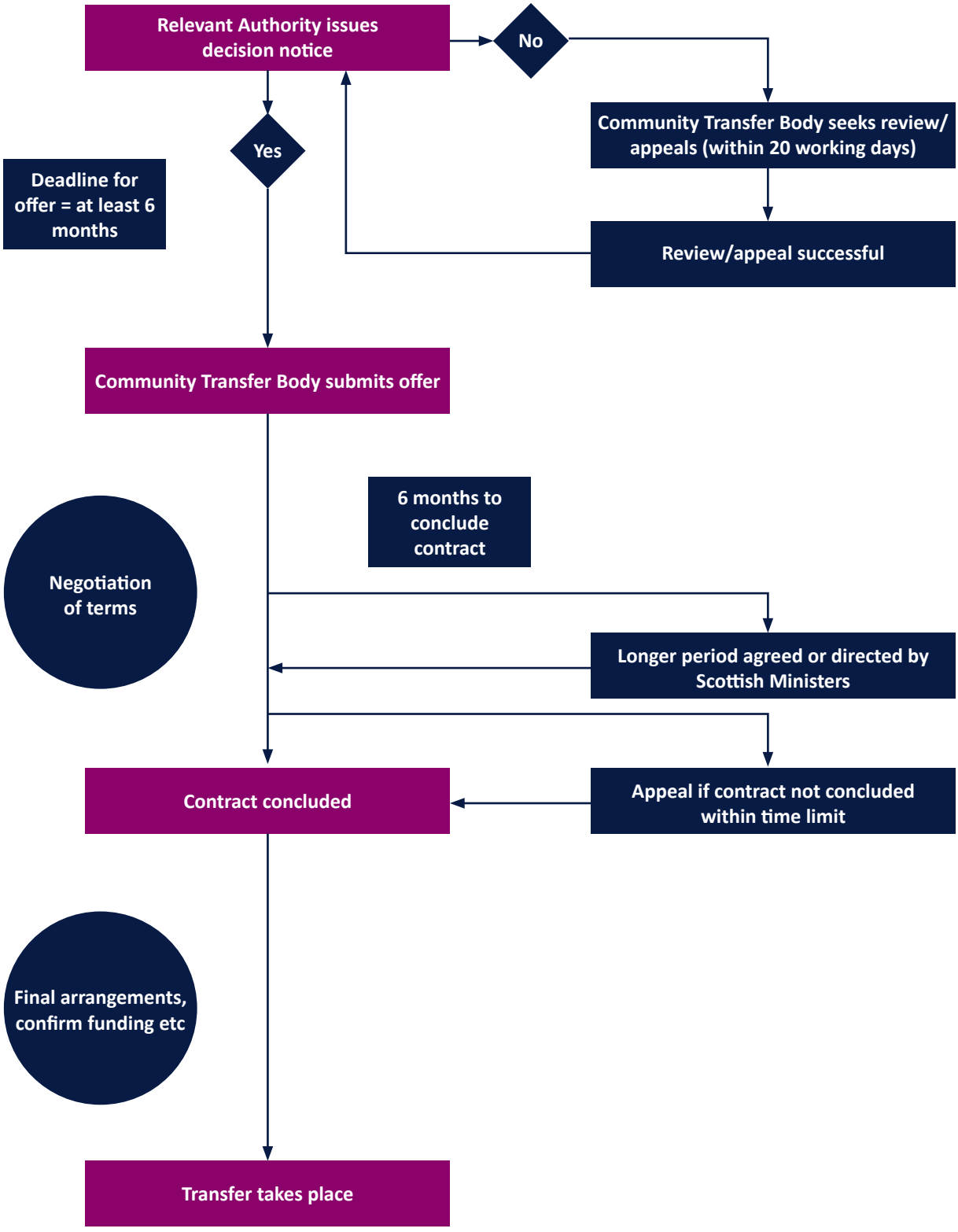


Fig 4.3 After agreement



SECTION 5: Being ready for asset transfer

If you are considering taking on an asset you need to be confident that everything is in place to ensure that the project is financially viable both now and in the future.

5.1 Route Map

COSS has developed a Route Map tool which will help you every step of the way. It will assist you to plan the questions you need to ask and the steps you need to take from developing an initial idea to the final step of getting keys to the building.

It is important to work through the Route Map, see where you are and check you have completed all the different phases. Putting in the work to develop strong foundations will pay dividends in the longer term. Here is an outline of some of the questions you need to ask or actions you need to take when moving around the Route Map.

The Route Map can be downloaded from the COSS website
http://www.dtascommunityownership.org.uk/resources

5.2 Phase 1 Getting started

Table 5.1 Getting started

Who are you and what community do you represent?	• If you are an individual get a few like-minded people together and start a group • Define your community – are you a geographic community or a community bound by mutual interest e.g. sport?
Is there a need for your project and how have you identified the need?	• Community consultations and a Community Action Plan • Do you need an asset to deliver the solution to the need?
What are your outline ideas?	• Get you ideas down on paper • Be clear what you want to achieve
Who do you need to involve?	• Carry out a skills audit of those involved • Do you need to bring in extra expertise • Encourage others to get involved
Have you checked out other projects?	• Don't reinvent the wheel – visit other groups who have done something similar • Saves you time and helps you learn from others' successes... and failures

5.3 Phase 2: Researching your ideas

It is essential that you put in the ground work to research your ideas, using the free advice available to refine them.

Table 5.2 Researching your ideas

Are there appropriate buildings or land and who owns them?	• Look at registers of assets provided by public agencies • Carry out an options appraisal of different sites • Use your local knowledge
Have you contacted free advisors?	• Access information on business plans, feasibility etc • Research local support from Local Authorities and Third Sector Interfaces • Look at websites e.g. www.dtascommunityownership.org.uk
Have you opened discussions with owners?	• Identify and make contact with owners • Request information on title, condition, running costs, valuation etc
Who are your potential partners/investors/ stakeholders?	• Write lists of who is and will be involved or impacted by your project – these are your stakeholders • Make sure you contact and involve them • Prepare a summary of your ideas for funders
How does your project fit with local and national plans?	• Research local plans for your area • See how your project fits with their aims and objectives • Articulate how your proposals impact on economic development, regeneration, public health, social or environmental wellbeing
Do your original proposals still stand after consultation and research?	• Make sure you refine your proposals following community consultation and all your research • Ensure your proposals will generate enough income to sustain the project through trading, earned income, grants, contracts • Check again your skills level. Do you need to bring in more expertise to move forward?
Ensure you have an appropriate legal structure?	• Don't rush in to set up a legal structure until you know what you want to do • See 4.1 for legal structures for asset transfer • Model rules and documents are available from Scottish Government's asset transfer website

5.4 Phase 3: Developing your ideas

Once you have all the information collected into an initial written assessment it is important to develop your ideas by looking at funding options and commissioning feasibility and business plans

Table 5.3 Developing your ideas

Project grant funding	• Apply for funding for development costs – feasibility study, business plan, valuation etc • Identify sources of capital funding for purchase • Identify funding for renovations post-transfer • Contact possible funders and talk through your project For more information on Funding see Section 6.3
Conduct a detailed feasibility study Conduct and appoint professionals	• Prepare a design brief for professionals e.g. architect, surveyor • Tender for detailed feasibility/business plan
Discuss terms with owners	• You'll now have a good idea of what you will deliver, with whom and what you need to do to ensure financial viability • You need to be able to articulate the social, economic, health or environmental benefit to get an asset transfer at less than market value
Make sure you continue to	• Keep the owner up-to-date • Inform your community about developments (newsletter, Facebook etc) • Have stakeholder commitment and engagement

5.5 Phase 4: The transfer application

You should be almost ready now to submit a formal asset transfer request. The final steps are in Table 5.4

Table 5.4 Transfer Application

Develop and finalise your business plan	• Make sure you have defined outcomes and impact
Submit asset transfer request	• You need to ensure you have everything correctly in place for the application (See Table 4.2 and Guidance for Community Transfer Bodies)
Apply for capital and further development funding if necessary	• You should have already had contact with possible funders to assess you eligibility
Appoint a lawyer to act on your behalf	• This is essential if you progress to full asset transfer
Finalise terms of transfer and conclude the deal	• Conclusion of contract, terms etc
Finalise settlement and celebrate	• All legal documentation complete, the Title/money is transferred and the keys are handed over • Time to celebrate!

The steps that follow your asset transfer request can be found in Figures 4.2 and 4.3

5.6 The decision

Once you have submitted an asset transfer application the relevant authority has six months to make a decision as to whether the application should be accepted. If it is not, there are options to appeal.

Table 5.5 Final steps

Asset Transfer request refused	• Request a review if it is a local authority asset • If the refusal is upheld can make an appeal to Scottish Ministers to review the case • If the request is made to any other relevant authority, the community transfer body can appeal to the Scottish Ministers under section 85 of the Act
Appeal successful	• New Decision notice will be issued and asset transfer proceeds
Appeals unsuccessful	• Time to regroup and examine other ways forward

► SECTION 6: Sources of support

To help support communities who want to explore the acquisition of land and buildings that are important to them and that can provide local opportunities, the Scottish Government has made available a range of financial and advisory support services.

This support is available from the very early stages of project development including setting up a community company through to developing your ideas, consulting with your community and creating a business plan.

► 6.1 Support for asset transfer

Community Ownership Support Service (COSS) – www.dtascommunityownership.org.uk
COSS provides support for communities interested in transfer of publicly-owned assets into community ownership. This Scotland-wide service provides specialist advice and support at every stage of the asset transfer journey.
COSS produces resources on all aspects of asset transfer; runs training course for communities and public agencies; links communities together; provides extensive website resource.
Tel: 0131 225 2080 Email: coss@dtascot.org.uk

The Scottish Land Fund (SLF)
– www.tnlcommunityfund.org.uk/funding/programmes/scottish-land-fund
Provides support and advice on funding and early stage work. SLF can help with the costs of buying the property as well as providing funding for some development support pre- and post-acquisition.
Tel: 0300 123 7110 Email: advicescotland@tnlcommunityfund.org.uk

Highlands and Islands Enterprise (HIE) – www.hie.co.uk/community-support/
The Scottish Government Development Agency for the north of Scotland and Argyll, advisor-led, bringing together community and economic development in the HIE region, supporting communities to own and develop land asset.
Tel: 01463 245 245 Email: info@hient.co.uk

Community Land Team – www.gov.scot/Topics/farmingrural/Rural/rural-land/right-to-buy/Community
Administers the Community Right to Buy (Section Four of the CEA) and various rights to buy under the Land Reform (Scotland) Act 2003. They can offer advice and guidance at any stage of the community right to buy process.
Tel: 0300 244 9822 Email: crtb@gov.scot

Community Land Scotland – www.communitylandscotland.org.uk
The membership network for aspiring and established community landowners. It facilitates the exchange of information between community landowners, provides a representative voice for the sector and promotes the importance of the community landowning sector to Scotland.
Tel: 07884 314297 Email: info@communitylandscotland.org.uk

6.2 Other support resources

A variety of sector specific organisations are available, giving support and advice on all aspects of your project.

Development Trusts Association Scotland – www.dtascot.org.uk
An independant, member-led organisation which promotes, supports and represents development trusts in Scotland. Development Trusts are community-led organisations which use a combination of enterprise and creativity to improve the quality of life for local people in urban, rural and island communities.
Tel: 0131 220 2456 Email: info@dtascot.org.uk

Third Sector Interfaces: provide local support, learning and development opportunities for people, from volunterring; setting up and running a third sector organisation to using social enterprise as a model to deliver social good.

Community Transport Association – www.ctauk.org
Sector specific for community groups involved in solving community transport issues.

Senscot (supporting social enterprise in Scotland) – www.senscot.net
Networking and support for social entrepreneurs including community enterprise.

Plunkett Foundation (community shops and cafes) – www.plunkett.co.uk
Guidance for groups looking to take on or establish retail premises, pubs and cafes.

Community Woodlands Association – www.communitywoods.org
Membership organisation providing expert forestry advice and training for communities wishing to take on woodlands.

Scottish Allotments and Gardens Society – www.sags.org.uk
Support for allotments projects.

Federation of City Farms and Community Gardens – www.farmgarden.org.uk
Advice and guidance for community gardens and urban growing spaces.

Community Land Advisory Service – www.communitylandadvice.org.uk
Helps community groups, landowners and other interested people to find information on making more land available for community use.

Local Energy Scotland – www.localenergyscotland.org
Advice and support to help communities develop renewable energy schemes.

Community Resources Network Scotland (recycling/upcycling/etc) – www.crns.org.uk
Advice on sustainable community resource management.

Community Health Exchange – www.chex.org.uk
Supporting communities to become better involved in health policy, planning and delivery.

Nourish Scotland – www.nourishscotland.org.uk
Reconnecting producers, growers, retailers, consumers and all who care for local, sustainable food in Scotland.

Scottish Council for Voluntary Organisations (SCVO) – www.scvo.org.uk
Information on setting up and running your voluntary organisation. Also, guidance on funding for community projects.

Scottish Enterprise – www.scottish-enterprise.com
The Scottish Government Development Agency for the south, central and eastern Scotland.

Business Gateway – www.bgateway.com
Free advice and training in all aspects of business planning.

Just Enterprise – www.justenterprise.org
Advice and support for social enterprise business development.

Planning Aid for Scotland – www.pas.org.uk
Support and advice on all aspects of planning.

6.3 Sources of finance

A group looking for funding to develop an asset transfer bid, capital purchase and development will usually seek grant funding. This will usually be from a mixture of sources from Big Lottery, Scottish Government funds and private Trusts and Foundations. A useful source of information on funding in Scotland can be found at Funding Scotland (www.fundingscotland.com). Some of the main sources of grant funding for asset transfer are listed below.

The Scottish Land Fund (SLF)
– www.tnlcommunityfund.org.uk/funding/programmes/scottish-land-fund
Provides funding and advice for early stage work. SLF can help with the costs of buying the property as well as providing funding for some development support pre- and post-acquisition.
Tel: 0300 123 7110 Email: advicescotland@tnlcommunityfund.org.uk

National Lottery Community Fund – www.tnlcommunityfund.org.uk
A range of programmes are open to voluntary and community-led organisations. Information and guidelines are available on the main site but CAT relevant ones highlighted below.

- Community Assets Fund – £10k to £1m
  Through Community Assets they are focused on helping local communities to address specific inequalities or disadvantages through ownership of an asset.

- Grants for community-led activity – £10k to £150k
  This funding aims to support communities to improve the places they live and the wellbeing of those most in need.

- Awards for All – £300 to £10k
  Wide remit, feasibility, equipment etc

National Lottery Heritage Fund – www.hlf.org.uk
Scotland-wide funding available
Wide range of different grant programmes with grants from £3k to over £5m. In assessing applications, they take account of the outcomes for heritage, people and communities that projects will achieve.

Community Shares Scotland - www.communitysharesscotland.org.uk
Part of the Development Trusts Association for Scotland, Community Shares Scotland raises awareness of community shares as a sustainable funding mechanism for community enterprises and provides support for organisations to develop share offers.
Tel: 0131 220 3777

Visit the COSS website for more information on community asset transfer and to access the other modules in this series www.dtascommunityownership.org.uk

▶ Notes

COMMUNITY
OWNERSHIP
SUPPORT SERVICE

Development Trusts Association Scotland

1B Washington Lane
Edinburgh
EH11 2HA

Tel: 0131 225 2080
Email: coss@dtascot.org.uk
www.dtascommunityownership.org.uk

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