

CAT: Briefing Sheet for Organisations

1. Is Community Asset Transfer (CAT) right for us?

- Will our asset transfer be wholeheartedly supported by the Council? Any transfer must meet the Council's needs for financial value and the delivery of very important objectives.
- Are we clear about the costs of setting up and governing an asset transfer, in time and paid-for costs? (i.e. Surveyors, Architects, Project Managers, Accountants and Lawyers).
- Is there a sound and realistic business plan for the asset based on the best possible knowledge? A sound plan must be used and owned jointly by all partners; and revisited constantly throughout the process.
- Are there realistic and grounded financial assumptions underpinning the project. The biggest reason for failures is over-optimistic financial planning.
- Are we expecting the Council to improve the asset prior to transfer? This is unrealistic as the Council will wish to transfer maintenance and improvement with the lease.
- Are we looking for a peppercorn rent or a generously low lease payment? The Council is no longer granting generous leases. Financial plans must be based on costs that, although subject to negotiation, will be much nearer market levels.
- Are we prepared for the long haul? The details of transfer can take an age to iron out and can cause frustration.
- Are there more than a few activists driving the project? Is leadership in the long term going to be provided by new people with the same drive? If not, there is a probability the transfer will fail.
- Does our proposal provide evidence that we understand our community and can prove its needs? Will the project win sustainable local support?
- Is there support from other organisations? Networking and partnering isn't a cost, it's a potential benefit and builds capacity.
- Is everyone 100% signed up to a clear purpose for the transfer, particularly where there may be several partners and different perspectives?
- Have we looked for help and experience? Bodies such as Wales Council for Voluntary Action, County Voluntary Councils, Communities First, and Development Trust Association Wales offer experience and skills, and can help organisations to present effectively to funders and other partners.

2. CAT Risks (to all parties)

1. The organisation's skills and capacity to manage the asset.
2. Failure of the business case.
3. Inability to generate capital and revenue with degeneration of the asset.
4. Risk of capture by single interest groups.
5. The need to ensure full use of, and access to, the asset.
6. Ensuring a wide range of functions and services are provided in line with proven community need.
7. The impact of failure on the viability of the organisation and its members.

3. Benefits to local communities of successful CAT

There can be direct and indirect benefits for the community where an asset is situated.

- Users of assets that are in the control of the community, whether individuals or groups, are better able to plan for the future.
- Local wealth creation activities become possible, bringing increased income and improved health within the local community.
- Local control of a local asset can have a powerful multiplier effect. It can restore confidence in that place, it can restore the viability of local businesses, it can help to reverse the exodus of residents and businesses, it can help to restore land values and attract new investment.
- Local asset ownership with a broad community remit can play a powerful role in promoting community cohesion by bridging divisions in communities, building community confidence.
- Surpluses generated by the asset remain in the community.
- Buildings that are taken over by communities sometimes have iconic status in the community, restoring them or maintaining them directly addresses current local needs.

4. Benefits to external stakeholders of successful CAT

Local service-providers can also benefit both directly and indirectly from community ownership and management of assets in a number of ways:

- Local service providers may find themselves with a local partner who can tap into resources and funding that they cannot. This can complement the services they provide, and act as a channel for user and community feedback in response to local services.
- Asset-based organisations can often offer a base for neighbourhood-based service provision, making it more accessible to local people. This is particularly important in rural areas, where services are being lost.
- Asset transfer can enable organisations to support public services in ways that are more community-responsive and more closely related to local needs.
- These community benefits can have a direct effect on the pressures experienced by local public services, such as the NHS, welfare support, education and the community safety services, enabling them to focus their resources on highest priority needs and localities.

5. Benefits to Organisations

The benefits to an organisation are immense. They can be listed briefly as follows:

- Embarking on the journey towards asset ownership and the related sustainability brings greater confidence in a secure future, by giving it status, recognition and indeed power.
- Effective asset ownership and management requires a transformation in the culture of an organisation in terms of leadership, management capacity and organisational development, which can be empowering for everyone.
- Acquiring the necessary finance and meeting the legal requirements will bring an organisation into contact with a wider range of players both locally and often well beyond the locality, opening new horizons to those involved.
- Organisations will be opened up to external scrutiny, which will be a difficult but important threshold to overcome.
- Ownership of a capital asset can be one of the key factors in providing collateral for further borrowing, in leveraging in additional assets, and generating surpluses to finance new activity, thus providing a springboard for further growth.