

Community Asset Transfer Policy

SLOUGH BOROUGH COUNCIL

V.09

November 2025

Community Asset Transfer Policy and Guide

1. Introduction

- 1.1 Slough Borough Council (SBC) is currently facing significant financial challenges, necessitating a clear strategy for stabilising its budget. A key component of this strategy is the Asset Disposal Programme, which involves the disposal of Council owned assets to generate capital receipts and recognise revenue savings, and by doing so, help to reduce future financial commitments. The Asset Disposal programme is integral to the Council's financial recovery plan and is designed to ensure that disposals are conducted on commercial terms, providing the best possible value.
- 1.2 By strategically disposing of surplus assets, the Council aims to meet the requirements of the Capitalisation Direction (CD) agreed with the then Department for Levelling Up, Housing and Communities (DLUHC), thereby achieving financial sustainability.
- 1.3 The purpose of this Community Asset Transfer (CAT) policy will enable the Council, as part of the assessment of complying with the Capitalisation Directive, to assess the transfer of Council owned assets to community organisations which may drive more sustainable, viable and supportive programmes across the Slough community and supporting the Council's Objective of financial sustainability and community empowerment.

1. Statement of Commitment:

- Slough Borough Council is committed to Community Asset Transfers ('CAT') which would seek to deliver wider benefits to our communities and contribute towards the Council's aims and objectives.
- This policy acts as a framework in managing an asset transfer based on circumstances and conditions under which the Council will consider the transfer of its interest in a property or land.
- This policy also outlines the criteria of the community organisation as the receivers of the asset and includes the steps each party needs to take.
- We are fully committed to using suitable assets to form long-term partnerships with third sector organisations ('TSOs') that meet the Council's criteria, to create stronger, more cohesive and more sustainable communities.
- We will as part of our due diligence in identifying future potential assets for disposal, engage in an early and meaningful way with

any existing local TSO's, local community, or hiring groups to explore potential opportunities for a CAT whilst demonstrating the reduction in overall financial liability to the Council in the future.

- We will implement and maintain a Communications Plan to ensure that TSOs and community groups are aware of the CAT Strategy and how organisations can apply for consideration.
- We will have a transparent process for the CAT and will adopt an agreed method of assessing all requests for a CAT.
- We will review this policy at least once every three years.

2. What is a Community Asset Transfer?

2.1 Definition: "The transfer and management of land or buildings from the Council's freehold or in specific cases leasehold ownership, into the stewardship and/or ownership of third sector organisations where the asset is being utilised to support and enhance Community programmes and benefits in line with SBC Policies."

2.2 A CAT can take place in different forms:

- Management Agreement - a community group would formally manage and operate a property for the benefit of the local community, but without a license or lease agreement being in place. Such agreements are typically a short-term license to occupy - A licence to occupy is a short-term agreement between the Council and tenant that allows that person to occupy their property. It does not normally allow exclusive occupation of a property, nor does it offer a legal interest in a property.
- Short Lease - A short-term lease generally refers to a letting agreement that typically lasts up to seven years. These leases offer flexibility for community groups that may not wish to commit to a long-term presence in a specific location.
- Long Lease - A long-term lease generally refers to a letting agreement that typically lasts more than seven years and up to a period of fifteen years. Leases of such length offer stability but can limit flexibility.
- Freehold Transfer - Freehold transfer means that the community group becomes the legal owner of a property, with formal registration at the Land Registry.

2.3 If a Community group identifies a suitable asset for transfer and approaches the Council (or vice versa), then the Council as per policy shall consider the request and where appropriate shall seek to declare the property as surplus (if not already designated as such). If, following due consideration, a decision is made to proceed, then the Council will follow the prescribed CAT procedure.

- 2.4 A CAT may involve a transfer at less than market value, however, only if the overriding financial needs of the Council determine that this would be viable. Any possible level of subsidy will be determined by the social, economic, or environmental benefits generated by the transfer.
- 2.5 A CAT can apply to Council properties deemed suitable through the Corporate Asset Panel and are not used to deliver statutory services nor have a detrimental effect on SBC delivering statutory services to residents. For example, schools, care homes, or temporary accommodation would be deemed unsuitable and exempt for a CAT.
- 2.6 Through the adoption of this policy, the Council seeks to provide greater clarity on its commitment to avoid the disposal of community heritage assets. This approach aims to protect public ownership of locally or nationally significant sites and ensure residents can continue to benefit from them.
- 2.7 For the purpose of this policy, a community heritage asset is defined as any asset holding historical, environmental, cultural, or social significance for the local community. This encompasses a range of items and places, including:
- Monument, historical buildings and archaeological sites (including statues, and other structures commemorating significant events or individuals as well as locations containing historical artifacts or ruins)
 - Military and scientific equipment of historical importance.
 - Historic motor vehicles, civic regalia, and orders and decorations (medals).
 - Museum and gallery collections, and works of art.
 - Areas, public open parks or landscapes that contribute to the community's identity and heritage.

1. Why does the Council transfer assets to third sector organisations?

- 2.8 We believe that TSOs are often best placed to manage facilities in their local communities. They make extensive use of volunteers, and their local knowledge and hands-on management of assets is likely to result in lower overheads and better value-for-money, as well as a more intensive use of the asset.
- 2.9 Where the Council has already undertaken an Asset assessment and the Asset or Land is surplus to the Council's own needs, where there is an associated recognised TSO or other such community group the Council will in the first instance engage with that group(s) to establish if there is any

viable ability or interest in that group(s) acquiring a longer term interest in the asset prior to any wider marketing being undertaken.

2.10 Community management and ownership of assets directly support the Council's new, devolved decision-making process. It empowers local communities, puts local organisations in control, encourages pride of place and generates wealth in Slough's communities.

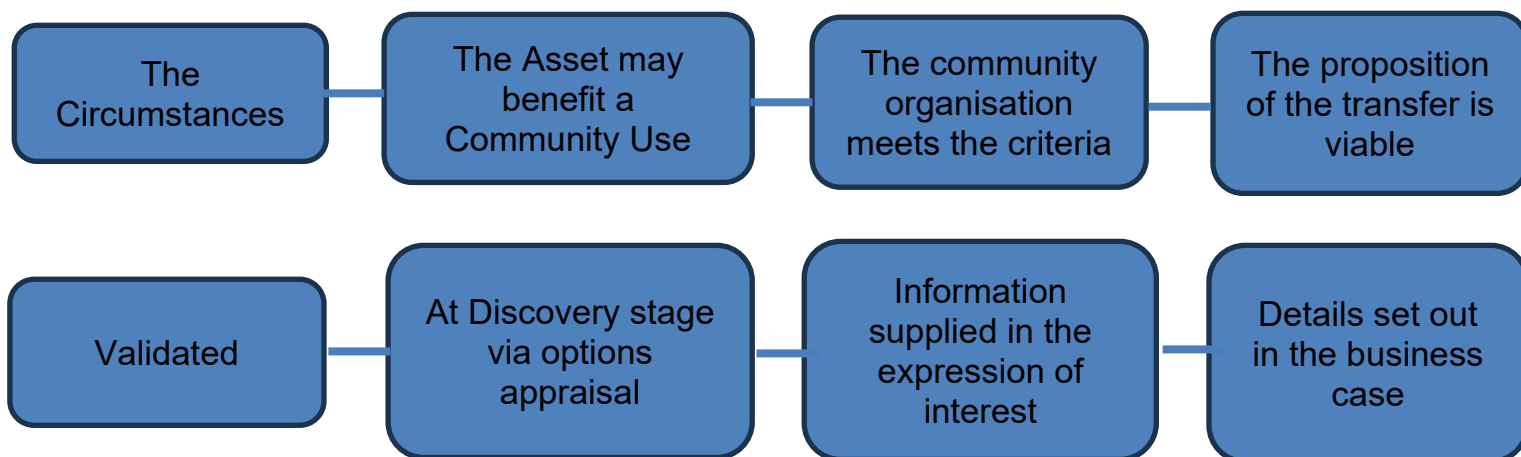
2.11 An asset can also provide a TSO with greater financial viability and reduce its dependency on grants. The asset will enable it to apply for external funding that is not available to the Council, or potentially secure financing against the value of the asset.

2.12 Better use of its assets can help the Council achieve improved outcomes and efficiencies.

3. The Circumstances for a CAT

3.1 Key considerations for a CAT are as follows:

The general procedure and



4. Which organisations can be considered for CAT?

4.1 TSOs or organisation's that are not for profit:

- unincorporated charitable organisation
- company limited by guarantee with charitable status
- Community Interest Company (CIC) limited by guarantee

4.2 Community Benefit Industrial & Provident Society with an asset lock

- Community Interest Company limited by shares

4.3 A CAT recipient can be of any size and needs to:

- generate social, economic or environmental benefits
- directly benefit the people of Slough

4.4 Benefit as wide and diverse a range of local people as possible, privately owned or commercial organisations can only be considered if their main aim is to deliver social, economic or environmental benefits. Organisations taking on a CAT should do so not-for-profit, terms will be set out within the lease on sharing mechanisms, in the event a profit is made.

5. When a CAT would not be transferred

- When the asset is still needed for the Council to directly deliver services, or the option to sell under Best Consideration provides greater value to the wider community.
- If the community organisation applying to take on the asset cannot demonstrate an added Community benefit or viable business case.
- If the community organisation does not fit the criteria as outlined in this policy.
- If the community organisation applying to take on the asset was operating a function or activities that does not accord with the objectives of the Council.
- When community assets have been acquired by compulsory purchase on behalf of a third party.
- Where an organisation is intending to operate the asset to generate a commercial gain without reinvestment plans.
- If the community organisation operates solely for faith, religious or political purposes.
- When covenant restrictions do not allow for the transfer.
- When the expiry date for transfer as agreed has passed.
- Where a community organisation has breached confidentiality, or acting in a way that is not open, transparent or is intentionally misleading the Council.
- If the Council decides to halt the asset transfer after an expression of interest has been submitted, it will outline the reasons why based on the previous points.
- When there is more than one community organisation interested in the same asset (part or whole) then the highest scored business case will proceed. The unsuccessful community organisation will be informed as to why their business case did not score as well.
- If the overriding financial needs of the Council determine that the open market sale, license or lease of an asset would be such that

any CAT would be to the significant financial detriment to the Council. Thus, negating the Council's ability to use any excess funds generated from an open market sale for the benefit of its communities and the Council's broader aims and objectives.

6. Benefiting the Community

This policy aims to deliver benefits to the whole community such as:

- 6.1 Helping to build and support a vibrant local economy by creating a network of local enterprises that can work across the whole community and provide opportunities for local people.
- 6.2 Protecting valued local spaces that would otherwise fall into disrepute to continue to be a source of civic pride. Community owned spaces are at the heart of the community and where local people can come together to address local challenges and leverage volunteer capacity and local creativity.
- 6.3 Maintaining local services and maximizing social value. The transfer of an asset, for example that provides nursery provision, will ensure the continuation of delivery of a local service to residents where added social value is a key consideration.

7. What are the criteria and viability assurances that TSOs need to meet to be eligible for CAT?

- Please see **Appendix 1 – Organisation Checklist**
- to have a well-prepared business case that:
 - Demonstrates a robust, sustainable planned income streams
 - TSO financial viability assessments - providing recent audited and checked accounts for assessment
 - Managing the asset with no further public subsidy
- need to demonstrate a significant record of accomplishments supporting Slough's communities and or needs over several years.
- need to demonstrate a clear community/social demand for the proposed CAT.
- need to have the capacity to manage the asset and have directors or management committee members who have the necessary experience and skills.
- need to have good governance, robust financial systems, and all necessary policies expected of a community organisation; this can be evidenced by having a recognised quality mark, or by meeting all the basic requirements for a good community organisation.
- need to contribute towards the Council's corporate and strategic objectives.
- must not duplicate activities, services or facilities already provided

for within the local community.

8. What is the decision-making process?

- 8.1 The Corporate Asset Panel (CAP) will consider all business cases. The process is set out in **section 13** of this document.
- 8.2 The CAP Terms of Reference (TOR) will be published, there will be the ability for local ward member engagement to feed into the CAT Business Case consideration when they arise.
- 8.3 If the Council defined thresholds are exceeded then the relevant processes following the CAP will be followed. For example, Cabinet Committee or Cabinet approval sought.
- 8.4 As part of the decision-making process for a CAT, the CAP will take into account the Subsidy Control Act 2022 to ensure that fairness and equality of opportunity.
- 8.5 The CAP will make recommendations and the decision to transfer the asset will be made by the member executive or relevant member portfolio holder based on recommendations from Council officers once the business case has been agreed through due process. Council members will not be involved in any aspects of the negotiation process to transfer the asset to ensure impartiality.
- 8.6 Any Council party (officer and member) will have to declare an interest relevant to the transfer or community organisation. If an executive member has links to the community organisation the decision making on awarding the transfer will need to pass to another executive member.
- 8.7 A ward member can be key in letting the community know when an asset has the potential to be a CAT. Where there is more than one community organisation interested in a CAT, the ward member(s) need to be impartial and give equal support to each party.

9. For how long will leases be granted?

- 9.1 We will carefully consider the specific needs of the TSO, the condition of the asset and the requirements of potential funders or lenders. We will base the length of the lease term on the needs that are clearly supported by the TSOs business plan, and on the TSOs capacity to manage the asset. In certain cases, we may offer a phased transfer, depending on the TSOs resources.
- 9.2 Proposals from community anchor organisations (“independent, community-run and led organisations, rooted in a sense of place, and with a mission to improve things for the whole community”) and those which include the co-location of several services (a ‘community hub’) will be encouraged in this context.

- 9.3 The following is a guide to the length of term that may apply to new CATs, based on the anticipated requirements of most charitable funders:
- a management agreement or license will normally be granted for up to 12 months.
 - a short lease of up to 7 years.
 - a long lease of up to 15 years.
 - in exceptional cases, a lease longer than 15 years may be appropriate if supported by a business case that demonstrates exceptional circumstances or requirements from funders or lenders.
- 9.4 We will be as flexible as possible when designing lease clauses, so that maximum benefit is achieved for both the TSO and the Council. This will enable the asset to be used imaginatively, e.g., through the ability to sub-let and through flexible user clauses.
- 9.5 Once granted, any future lease amendments or lease length terms will only be amended following fresh due diligence and assessment of the circumstances to continually demonstrate that the Council is obtaining the best overall outcome from the asset.
- 9.6 Leases will be accompanied by a Service Level Agreement that will secure the longer-term benefits of the CAT. This will set out the agreed minimum standards, opening hours and activities, and how these will be measured and monitored. It will also ensure that the TSO meets all necessary requirements to achieve optimum community benefit and use of the asset.
- 9.7 Leases longer than 7 years will normally only be granted to organisations that have an ‘asset lock’ and will contain clauses that prevent the asset being assigned or sold on for unintended financial gain and the loss of the agreed benefits.
- 9.8 Leases will contain suitable clauses to ensure the return of the asset to the Council if the terms of the agreement are not met, or in the case of dissolution, insolvency or corruption.
- 9.9 The transfer will not normally include a provision for the community organisation to offer the asset back to the Council, if it is no longer needed for community use, unless there are compelling legal reasons for doing so. If the transfer needs to contain the reverter, in the circumstances referred to above, the Council will not be under any obligation in the transfer to accept the asset back. However, the Council will need to assess at the time if there are still wider legal issues that mean the Council should take back the asset. If the Council decides to take the asset back it will be under no obligation to continue to use it for community purposes, furthermore if the

Council disposes of the asset at a future date, then the Council shall retain all sales proceeds.

9.10 This policy also reserves the right to charge the applicant for the Business Case stage of the application. This will cover the cost of specialist work including valuation of the asset, legal fees to transfer the asset if the application is successful. In addition, a notional charge will be made to cover officer's time in administering the application from enquiry to handover.

10. Cessation of Leases.

- 10.1 The Council reserves the right to cease any leases should it be deemed that the lease is no longer delivering for the benefit of the community or no longer meets the criteria it originally submitted.
- 10.2 Details of cessation of lease events will be set out and tailored within each lease, to ensure that the Council does not fall into a position of liability or, in an event that could bring the Council's reputation into disrepute.

11. What should the Expression of Interest and Business case for CAT contain?

- Full details of the identified needs that will be met by the CAT.
- Clear evidence of the capacity and experience of the TSO to manage and develop the asset. (The Expression of Interest form **Appendix 2** and example Business Case **Appendix 3**.)
- Detailed evidence that the CAT is financially sustainable over the life of the business plan and will not incur future financial liabilities for the Council, e.g. cash flow forecasts, projected utilisation rates, and details of any financial support secured from or pledged by funders and lenders; the Council will assist by making relevant information and data available.
- Details of the anticipated benefits that the CAT will produce and how these will be measured. (Best Value Themes **Appendix 4**).
- Details of the type of CAT and lease terms sought.
- Evidence of support from Council officers or departments, members, other TSOs, other local stakeholders and potential funders.
- A robust risk assessment of the CAT and details of alternative arrangements in the event that the CAT proves unrealistic or not sustainable.

12. What is the assessment process for CAT applications?

12.1 The following tables are intended as a guide and the suggested timescales may be subject to variation. (CAT Roadmap **Appendix 5**)

12.2 TSO Identified CAT Approach

| Steps | Elements | Assessors / decision makers | Timescales |
|--|---|--|--------------|
| Stage 1: formal expression of interest by the TSO | Presentation of business case and feasibility assessment: <ul style="list-style-type: none"> - why the asset is needed. - aims & objectives. - support from others. - demonstrate effective management of the asset (for cases where the TSO already occupies the property) | desktop assessment by Council officers | max 2 months |
| Stage 2: if successful at Stage 1, the TSO submits a detailed business plan for the whole organisation | evidence of: <ul style="list-style-type: none"> - product/service delivery - partnership working - experience - record of accomplishment - capacity needs analysis - projected utilisation - cash flow forecasts. - projected income & expenditure - risk assessment - SWOT analysis - professional advice obtained | <ul style="list-style-type: none"> - desktop assessment by Council officers - meeting(s) with TSO and supporters - site visit - written report & options appraisal by Council officers - 'in principle' decision by Corporate Asset Panel* (note: or any future adopted iteration of a internal corporate senior officer board) | max 3 months |

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|--|--|---|---|
| <p>Stage 3: if approved 'in principle' at Stage 2, a full assessment of the proposed CAT is undertaken</p> | <p>detailed evaluation of:</p> <ul style="list-style-type: none"> - value/worth of the CAT's benefits - benefits to the - test against nearby existing facilities (duplication), with a focus on balanced, equal local representation and proportionality of provision - test against local policies. - test against local Neighbourhood Partnership action plan - test against national policies and relevant legislation, incl State Aid regulations, Local Government Act, etc. | <ol style="list-style-type: none"> 1) detailed assessment by Council officers 2) consultation with departmental managers 3) obtain legal advice and professional support 4) authored report by Council officers 5) formal decision by Corporate Asset Panel, and Asset Committee or by Cabinet if it is a lease longer than 20 years or a 'key decision' 6) written notification of the 's decision | <p>max 4 months</p> |
| <p>Stage 4: Evaluation</p> | <ul style="list-style-type: none"> - agree support plan and investment plan - draft heads of terms issued - draft lease and service agreement issued and Secretary of State's consent applied for (where necessary) - completion of all agreements and documentation | <p>Final evaluation stage requires Council officers, the TSO and the TSO's solicitors to work closely together, so that unnecessary delays are avoided</p> | <p>max 1 month, 3 months and 6 months, respectively</p> |
| <p>Stage 5: Completion</p> | <ul style="list-style-type: none"> - formal papers prepared and submitted with clear recommendations | <p>Final review by Corporate Asset Panel and leases/licenses engrossed and entered date agree</p> | <p>3 months</p> |

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|--|--|--------------------|--|
| | | for Asset Transfer | |
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12.3 Identifies TSO Opportunity

- Where the Council, as part of preparing and undertaking due diligence for a future property disposal, the following processes apply:

| Steps | Elements | Assessors / decision makers | Timescales |
|--|--|--|--------------|
| Stage 1: Asset identified in pre due diligence for possible disposal | Officers' present initial opportunity at disposal board <ul style="list-style-type: none"> - which TSO and Why - lease/license arrangement - aims & objectives - support from others - demonstrate effective management of the asset (for cases where the TSO already occupies the property) | desktop assessment by Council officers | max 2 months |
| Stage 2: if successful at Stage 1 , then Council officer to establish working terms with identified TSO | Produce evidence of: <ul style="list-style-type: none"> - product/service delivery - partnership working - experience - record of accomplishment - capacity needs analysis - projected utilisation - cash flow forecasts. - projected income & expenditure - risk assessment - SWOT analysis - professional advice obtained | <ul style="list-style-type: none"> - desktop assessment by Council officers - meeting(s) with TSO and supporters - site visit - written report & options appraisal by Council officers - 'in principle' decision by Corporate Asset Panel* (note: or any future adopted iteration of a Council internal corporate senior officer board) | max 3 months |
| Stage 3: if approved 'in principle' at Stage 2, a full assessment of the proposed CAT is undertaken | detailed evaluation of: <ul style="list-style-type: none"> - value/worth of the CAT's benefits - benefits to the - test against nearby existing facilities (duplication), with a focus on balanced, equal local representation and proportionality of | 7) detailed assessment by Council officers 8) consultation with departmental managers 9) obtain legal advice and professional support. 10) authored report by Council officers | max 4 months |

| | | | |
|-------------------------------|--|---|--|
| | provision <ul style="list-style-type: none"> - test against local policies. - test against national policies and relevant legislation, incl State Aid regulations, Local Government Act, etc. | 11) formal decision by Corporate Asset Panel, and Asset Committee or by Cabinet if it is a lease longer than 20 years or a 'key decision' 12) written notification of the Council's decision | |
| Stage 4: Evaluation | <ul style="list-style-type: none"> - agree support plan and investment plan. - draft heads of terms issued. draft lease and service agreement issued and Secretary of State's consent applied for (where necessary) <ul style="list-style-type: none"> - completion of all agreements and documentation | Final evaluation stage requires Council officers, the TSO and the TSO's solicitors to work closely together, so that unnecessary delays are avoided | max 1 month, 3 - 6 months, respectively |
| Stage 5: Completion | <ul style="list-style-type: none"> - formal papers prepared and submitted with clear recommendations | Final review by Corporate Asset Panel and leases/licenses engrossed and entered date agree for Asset Transfer | 3 months |

13. What happens after a CAT has been completed?

- an Organisational development plan will be agreed with the TSO, based on a skills audit and the support plan.
- ongoing support from the Council's Community Development team and signposting to other sources of advice and support.
- annual review of the service agreement targets: measure benefits.
- where applicable, 5-yearly renewal of the service agreement.
- regular monitoring and assessment by the Council to ensure that the requirements of the management agreement, license and or lease are being adhered to.

14. Appendices:

Appendix 1: Organisational checklist

Appendix 2: Expression of Interest Form

Appendix 3: Sample Business Case

Appendix 4: Best Value Themes

Appendix 5: CAT Process Flowchart

ANNEX B

TRANSFER OF PROPERTY GUIDANCE

1. General Considerations

Before making an application for the transfer of an asset from SBC it is important to consider your options carefully. Below are some general aspects which should be considered before making an application.

The aims and objectives for the land and building, by having clear objectives it is possible whether premises are needed, the amount of space and type of facilities required.

The need and demand for the asset.

The decision to take responsibility for an asset should benefit the local community by allowing you to provide facilities more efficiently and effectively. It is important to consider the monetary costs and time needed to maintain the building.

2. Practicalities

It is important to have a financial plan outlining the funding of the asset.

Where an asset is to be transferred, initial costs may include surveying and legal fees, each party will be expected to pay their own costs. It is also important to consider that an asset can generate several on-going costs.

These may include: -

- Business rates
- Utilities (electricity, water etc.)
- Insurance-building, contents and public liability
- Repairs-reactive and planned maintenance
- Security
- Administration
- Alterations and adaptations
- Cleaning and caretaking

SBC will be able to provide limited information in this respect. As such, it is advisable for Town/Parish or Community groups to undertake their own due diligence.

Where an asset is proposed to transfer, a Premises Management Plan is required detailing who will be responsible for decisions relating to the property, along with responsibilities for the day-to-day management arrangements and compliance legislation issues which need to be addressed which can include fire safety, health and safety, security etc. SBC reserves the right to challenge plans submitted.

Your Organisation must also have the capacity to take on the ownership of the property, along with the statutory considerations that can include but are not limited to: -

- Health & Safety at Work Act 1974
- Regulatory Reform (Fire Safety) Order 2005
- Occupiers Liability Act 1957
- Landlord & Tenant Act 1954 • Charities Act 2011
- Town & Country Planning Act 1960 and subsequent regulations
- Equality Act 2010
- Building Act 1994
- Defective Premises Act 1972
- Control of Asbestos Regulations 2012

3. Application Guidance

If you are satisfied that your Organisation has a genuine need to take on the asset and the ability to do so, please complete the Application Form –

Appendix B.

When completing the application form it is important that you provide as much information as possible so that your application can be accurately assessed. Please do not hesitate to provide additional information sheets if required.

If you require any additional guidance on the process or help with the completion of the application form please contact the Asset Management Team assetmanagement@slough.gov.uk who will organise the necessary assistance.