

Caerphilly County Borough Council

Community Asset Transfer

Refreshed approach

July 2025

Guidance for applicants



ENABLING OUR ECONOMY TO GROW





Contents

Section	Page
1 Jargon Buster	3
2 Application Requirements	4
3 The Application Process	7
4 Community Asset Transfer Timeline	9
5 Decision Process	10
6 The Transfer Stage / Legal Considerations	11

APPENDICES

Appendix A	13
Appendix B	15
Appendix C	16
Appendix D	19
Appendix E	20
Appendix F	21

1

Jargon Buster

Asset

Land or buildings.

Business Plan

Written full application with financial projections.

Charitable Incorporated Organisation (CIO)

CIO is a legal structure designed specifically for charities, allowing them to operate with the benefits of incorporation, while being regulated solely by the Charity Commission.

Charitable Trust

A charitable trust is a legal entity that manages and distributes assets for charitable purposes, and when land is held in such a trust, trustees must consider the charity's objectives to ensure the land is used in alignment with its mission.

Community Asset Transfer (CAT)

The transfer of ownership of publicly owned assets.

Community Interests Company (CIC)

CIC is a type of social enterprise designed to use its profits and assets for the public good, benefitting the community rather than private shareholders.

Council

Caerphilly County Borough Council

Covenant

In legal terms, a covenant is a clause in a contract that requires one party to do or to refrain from doing certain things. Restrictive covenants can impose various limitations on land transfers. These are typically included in the title deeds and can remain binding on future owners of the property.

Easements

These grant the right to use another property for a specific purpose such as access or utilities, without owning it.

EOI application

Expression of Interest application template.

Freehold

Permanent and absolute tenure of land or property with freedom to dispose of it at will.

GAVO

Gwent Association of Voluntary Organisations.

Heads of Terms

A summary of the key points to be included in a lease.

Incorporation

The organisation has a legal identity separate from its members.

Incorporated

A formal legal structure providing a separate legal entity, distinct from its members. This legal status allows groups to enter contracts, own property, employ staff etc.

Lease

A legal agreement between the landlord and tenant that sets out the terms of the tenancy. The landlord grants the tenant exclusive rights to occupy and use the property for a specified term, this is usually in exchange for rent.

Leaseholder

A party that has been granted the right to occupy a property / land for a given length of time.

Lessee

One who leases property from another.

Lessor

A lessor is a person or entity that leases or rents out property to another party, known as the lessee, under a lease agreement.

Licence

A contract granting permission to occupy a property. This is usually a less formal and shorter-term agreement than a lease. This agreement is usually for a specific purpose without transferring any interest in the property. It is suitable for short term or non-exclusive use.

Profit and loss (P&L) account

A financial document that summarises the revenues, costs and expenses incurred using a specific period. It provides a snapshot of a company's financial performance, showing whether the company made a profit or loss over that period.

Restrictive covenants

Restrictive covenants can limit property use, enforce community standards, and require compliance from both landlords and tenants, impacting lease agreements and property modifications.

Stakeholders

All those with an interest in a community project.

Statutory maintenance / compliance

Laws that are set out and enforced by the government to ensure the safety of employees and visitors.

Surplus property

In this context, a building that has been declared surplus to operational requirements where the Council is able to consider alternative uses or an appropriate disposal route.

Sustainable

A community project that can continue going in the long-term.

Long Leasehold

A lease of 25 years or more.

Tenancy at will

Occupation of the premises at the will of the landlord.

Tenure

Type of ownership in the land.

Trustees

Individuals within an organisation that are responsible for managing the assets of the trust and ensuring that they are used for their intended purposes.

Unincorporated

The organisation has no separate legal identity from its members.

2

Application Requirements

Who can apply

The Council will consider applications from eligible organisations;

- Existing tenants / occupiers that meet the application criteria and community groups that are already occupying council property or land. In these circumstances, the Council may be able to consider a fast-track application approach.

- Community and Town councils:
- Third Sector organisations - Community-based organisations and sports clubs, social enterprise, and voluntary organisations:
- Collaborative ventures that seek to provide multiple benefits and maximise the use of the asset. Applications are welcomed and encouraged from joint ventures, collaborations, and co-locating groups. In these

instances, applicants should consider forming “umbrella” organisations or partnerships.

- New organisations will be considered subject to meeting due diligence considerations. An offer of a reduced interest may be considered to lay foundations for a successful project.
- A Pre-application discussion with the CAT officer would be advisable.

Application priority

A preference will be accorded to;

- Community groups that are already occupying CCBC property or land.
- Lease renewals in view of developing assets for community benefit where a long lease is required to secure funding.
- Collaborative ventures that seek to provide multiple benefits and maximise the use of the asset.

The application process will still apply to the above priority list and groups will need to meet the appropriate application and assessment criteria.

Community Group requirements

In the first instance, the group should be able to demonstrate that they are already achieving the following criteria (CCBC recommends that Community Groups consult with GAVO at an early stage to gain an understanding of how groups should be formed).

- Groups should form as a legal entity that is incorporated and provides limited liability for the stakeholders involved. These often take the form of Charities, Charitable Incorporated Organisations (CIO) or Community Interest Companies (CIC). The structure enables the management / ownership of buildings and the provision of services.
- Provide community / social / economic / environmental benefits. The groups' primary purpose is to benefit the community, promote social well-being and contribute positively to the environment. The groups focus on improving the lives of the residents and addressing community needs.
- Non-profit – any surplus must be reinvested to further its community benefit / social aims. Profit making is not the primary goal, instead groups should prioritise community welfare.
- Demonstrate good governance and accountability. This is through open and accountable processes, with appropriate financial and audit controls.
- Demonstrate community engagement – active interaction with the community is crucial.
- Capacity for effective service delivery – Demonstrate the necessary skills and resources to manage services and assets effectively.
- Hold adequate insurance and will be able to comply with statutory health and safety requirements to operate the asset / service.
- Annual reports and accounts - Provide copies of the organisation's annual report and accounts if available.
- Local links and Direct Benefits - Have strong links with the local community and directly benefit the people of the county borough.
- Inclusivity and Community Approach – strive to benefit a diverse range of residents. The proposal must evidence that there has been consideration of Equality and accessibility for all groups and have regard to the Welsh Language Standards.
- Decision making process influenced by local community.

Asset;

- Must be a legal interest owned by the Council from which the organisation can demonstrate community benefit.
- Must be in the freehold or leasehold ownership of the Council.
- Must not have any restrictions to prevent the proposed use and transfer.

Suitable assets will be advertised via CCBC's website and social media channels with an invitation to groups to apply for more information. If groups submit speculative enquiries, the council will investigate to determine if the asset is suitable and available for transfer.

We will advertise assets following a speculative enquiry to ensure transparency and to capture all potential community interest.

Please click on link to view current schedule of assets:

[CCBC available assets](#)

Proposed Use

Community groups will need to demonstrate that;

- There is both a need and demand for the proposed activities and consideration is given as to whether there are already similar projects in the locality.
- The proposed use will support the delivery of the Council's well-being objectives.
- The proposed use will maximise opportunities for income generation to ensure sustainability.
- The community group has established how much space it requires to deliver its proposals, and how they will make optimum use of the asset.
- The proposed use will deliver extensive and exclusive reach into the community and will be open to all.

Options to transfer

- Assignment of Trust responsibilities.
- Short term agreements may be considered where groups do not meet the full application criteria.
- Freehold transfers will not be supported except in exceptional circumstances, which must be clearly defined and justified. The default position is to pursue leasehold transfers to maintain control and ensure community benefits. Any request for a freehold transfer must undergo a rigorous approval process and demonstrate significant, unique benefits that cannot be achieved through leasehold arrangements."

Costs of transfer

The cost of transfer will include;

- 1 Application costs, bullet point
- 2 Legal costs,
- 3 Administration costs. Application fees will be available on the CCBC website and can be discussed with the CAT officer during the process.

To support community initiatives certain asset transfers may be approved at below market rent. These transfers recognise the significant social and community benefits provided by the recipient organisations. Each case will be evaluated on its merits, ensuring the community value justifies the reduced rent. This approach aligns with our commitment to fostering resilience and empowering communities.

Asset Specific criteria e.g. sports facilities

Where applications are in relation to sports facilities, there may be additional points to note in relation to the transfer of these assets. These are outlined in Appendix D.

There is a two-stage application process

The Council acknowledges that creating a business case and applying for community asset transfer can be time consuming and resource intensive for applicants. We therefore have a two-stage process to assist assessment and focus resources on applications that fit with the Council's objectives and suitability criteria.

This 2-stage approach helps identify any early areas of weakness and groups can receive support to improve the chances of a full business case succeeding.

Informal discussions with the Community Asset Transfer Officer are encouraged before the submission of a formal application.

Stage 1 - Expression of Interest (EOI)

[EOI web form](#)

All groups are required to submit an Expression of Interest to include basic information relating to the organisation and the proposed use of the asset. Groups are advised to discuss with the CAT officer prior to submission of the EOI. The application will be assessed and will trigger the required site investigations and consultation process (if not already undertaken). Decisions will be communicated to the applicant in a timely manner and if there are clear reasons not to proceed to Stage 2, they will be explained fully and clearly.

- Individuals or community groups can submit an EOI online via the council's website. Paper format is also available if required.
- Stage 1 is designed to assist the Council

to make an initial assessment of your proposal and decide as to whether your application meets the Council's suitability criteria.

- Applicants that meet the Council's suitability criteria will be invited to complete a detailed Stage 2 application.
- Completion of stage one form does not guarantee advancement to Stage two.

The Council will not be able to process the application until all the relevant information is received.

Stage 2 - Business Case Application:

[Business Case Form](#)

Based on the information provided at the EOI stage, if the group are deemed viable and the proposal meets the application requirements, the group will be invited to submit a full business case application. This information will provide in depth information relating to the group and their proposal, how it links to community priorities and their financial forecast. Written documentation will be assessed against the scoring matrix. The scoring matrix will be shared with groups to ensure there is a clear understanding of how the application will be considered. This will be assessed by interrogation of the following;

- A business plan is required stating operation and service provision, along with financial and organisational capacity to deliver the proposed services.

- Financial records – A 5-year financial forecast to demonstrate viability and the understanding of income and expenditure associated with running the project and managing the asset. The financial plan should demonstrate that the project is sustainable and not solely reliable upon grant funding.
- 3-year financial records if available.
- An appropriate legal and governance structure. This framework defines how an organisation operates, makes decisions, and complies with laws. In essence it ensures the organisation functions effectively, ethically and in alignment with its mission. The key considerations include;
 - I. Clear definitions of roles and responsibilities within the organisation.
 - II. Established methods for how decisions are made and by whom.
 - III. Adherence to relevant laws and regulations.
 - IV. Involvement of stakeholders in governance to ensure transparency and trust.
- An assessment of the need for activities being proposed and consideration of whether other organisations are providing this. This can be evidenced via market research and feedback.
- Efficient use of the facilities in terms of space and time periods e.g. proposed timetable / evidence of discussions with other groups regarding use of space.
- Track record of delivering similar community services, projects, and enterprises. If existing tenant or user, history of occupancy with evidence of no defaults.
- How far the proposed use will serve the whole of the community including people with protected characteristics under equalities legislation.
- The Council will consider the requirements of the Welsh Language (Wales) Measure 2011 in assessing each application. There is a requirement on the Council to consider what implications a decision relating to a CAT transfer would have on opportunities for people to use the Welsh Language.
- How opportunities to ensure sustainability will be maximised e.g., income generation.
- On larger and other transfers (which would include income generating schemes) there should be advice from people/bodies with a business background to help deliver the proposal.
- Compliance with State Aid, Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and UK Procurement rules (if applicable).
- Any legal restrictions to be imposed e.g., restrictive covenants and clawback provision.

Community Asset Transfer Timeline

The asset transfer process is set out below. All documentation needed to apply for asset transfer is available to download from the Council's website.

Note that some fast-track applications may require less detailed information. This will be considered and discussed as part of the process.

Application Stage	Requirements	Standard target timescales	Fast track target timescales
Expression of interest	Opportunity is advertised and relevant information shared with interested groups. Community groups submit an expression of interest (EOI) and any other supporting information	28 working days for initial advert	28 working days from date of issue
Assessment and Decision	Review of EOI(s), relevant consultation and recommendation to the decision-making groups	6 weeks from receipt of the EOI	4-6 weeks from receipt of the EOI
Approval	Feedback to group with invite to submit detailed application if EOI approved or request further information to support application.	As above, 4-6 weeks from receipt of the EOI	As above, 4-6 weeks from receipt of the EOI
	Delivery Group to determine if standard or fast track approach is appropriate.		
Detailed application	Standard Community Group to submit a full application with a business plan For fast-track applicants an operation plan and financial projections	Up to 12 weeks maximum	6 weeks from date of request
Review process	CAT officer and Delivery Group review application(s) Considering the financial viability and community benefits of the project	6-8 weeks	6-8 weeks
Decision making	Council decision group makes recommendation and reports to Leadership	4 weeks	4 weeks
Transfer process	Negotiate terms of the transfer – finalise legal agreements	12–16 weeks	12–16 weeks
Implementation (Varies)	Transfer of the asset occurs Community group takes over management	Varies based on asset type	Varies based on asset type
Monitoring and Support	Ongoing support from CCBC Regular monitoring of asset use and community impact	Ongoing	Ongoing

The decision-making process for asset transfers varies based on asset type. The Council's portfolio is diverse and ultimately, any decisions to transfer assets will be made in accordance with the provisions as set out in the Council's constitution. Significant asset transfers will typically be presented to Cabinet for consideration and decision while less significant asset decisions may be taken by senior officers using delegated authority arrangements.

To ensure successful transfers, applicants are encouraged to provide detailed information relevant to the asset. The Council aims to make decisions that serve the public interest and benefit the community.

If the Council supports the transfer, a detailed offer will be prepared for the applicant outlining:

- **Duration and Conditions:**
Terms for renewal or termination of the transfer.
- **Financial Arrangements:**
Details on rent, lease terms and service charges.

- **Requirements to comply with and follow relevant legislation**

Consideration will need to be given to equalities and Welsh Language legislation.

- **Community Requirements:**

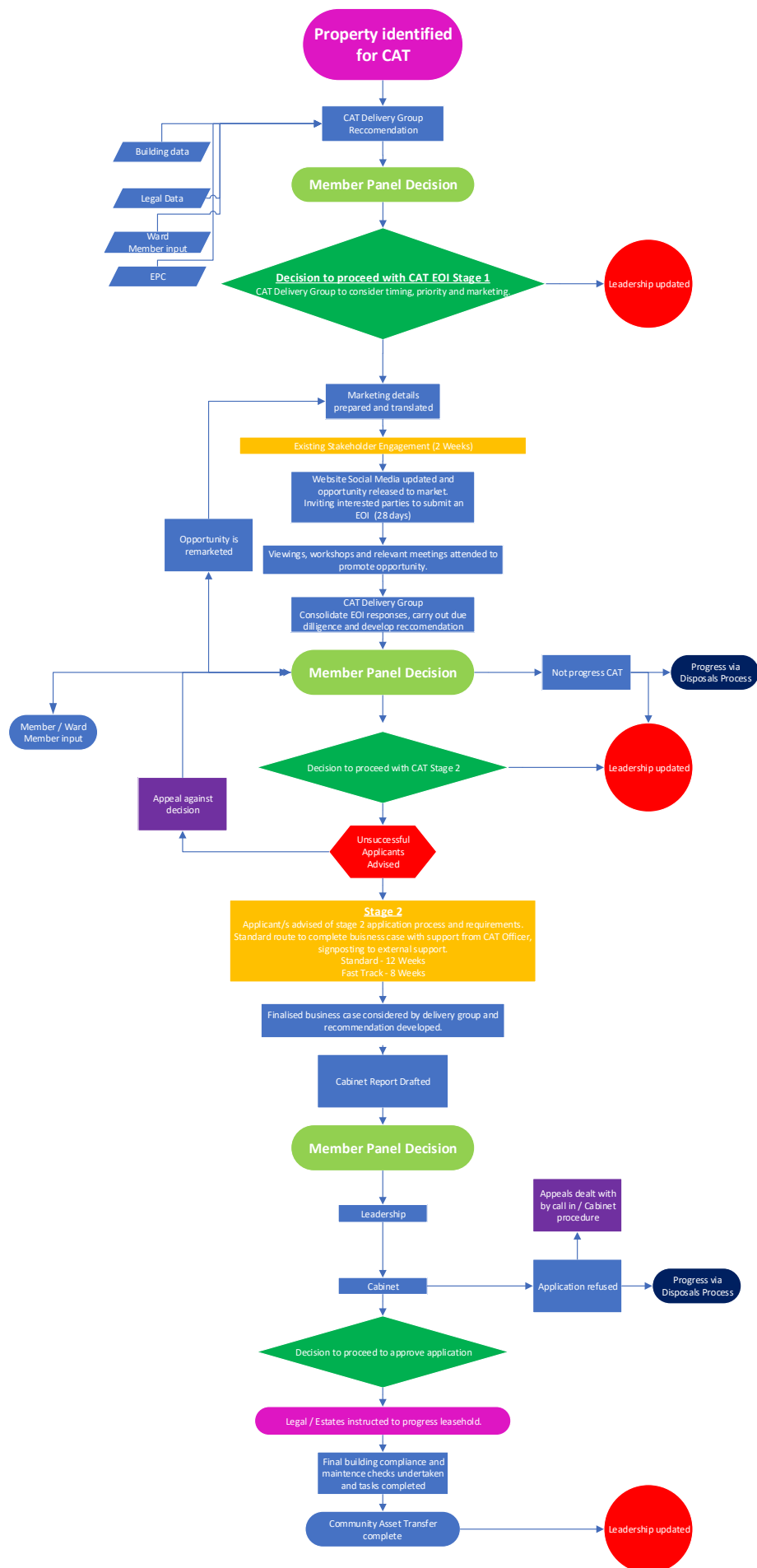
Obligations for maintenance of the asset, repairs, and compliance with the relevant regulations.

- **Monitoring Requirements:**

Expectations for updates on asset use, realised community benefit and financial performance.

The purpose of the detailed offer is to create a mutually agreeable arrangement that protects the interests of both the community organisation and the Council. It also facilitates community involvement and consultation in the decision-making process regarding the asset.

Once an agreement is reached, the asset transfer will be finalised, and the community organisation will take ownership, management, and control of the asset. The costs associated with the asset transfer process will be considered as part of the transfer assessment.



6

The Transfer Stage / Legal Considerations

If your application is approved, we will engage our Legal team to progress the relevant agreement with you.

- Under this policy, community groups are strongly advised to secure their own professional legal and financial advice to fully understand their obligations.
- Community groups will incur administration costs and legal fees associated with the transfer. These will be invoiced upon completion.
- The property and land may be subject to planning and listed building regulations, so applicants should familiarise themselves with any relevant controls.
- Any asset that is transferred to a community group that meets the eligibility criteria will be legally restricted to uses that provide the community benefits as specified in the CAT application. Legal mechanisms will also ensure that the asset is owned, operated, and managed by the applicant as set out

in the terms of the agreement.

- As part of the transfer process, the management and responsibilities associated with the asset will transfer to the successful group. A lease template to illustrate the likely terms of an agreement are included at Appendix C.
- As part of the lease obligations, you must comply with statutory laws relating to the asset and its use. Groups will be responsible for undertaking the statutory maintenance, however, services can be provided and recharged via the council and this will be discussed as part of the application process.
- Once the asset has been transferred, the asset must be insured by the tenant. Discussions will take place during the Heads of Terms process
- A comprehensive handover will be provided, and ongoing support will be available post transfer.

Council's Right to Withdraw - The Council reserves the right to terminate the Community Asset Transfer (CAT) process at any stage without providing a reason.

High-level legal Considerations

Agreement offered	This will depend on a variety of criteria such as the capacity of the group, the nature of the proposal, asset being considered and funding requirements.
Term	This will depend on a variety of criteria such as the capacity of the group and funding requirements.
Rent / market value	To support community initiatives certain asset transfers may be approved at below market rent. These transfers recognise the significant social and community benefits provided by the recipient organisations. Each case will be evaluated on its merits, ensuring the community value justifies the reduced rent. This approach aligns with our commitment to fostering resilience and empowering communities". Groups will be asked to outline how their project aligns with council priorities on social,

	<p>economic and environmental benefits. The council needs to justify, and record any decision to transfer property at an undervalue and this process will form of the decision and reporting requirements.</p> <ul style="list-style-type: none"> ■ Evaluation of the property to identify any value being foregone ■ The 'General Disposal Consent (Wales) 2003' enables local authorities to proceed with certain transfers at an undervalue so long as the council can satisfy itself that the transfer provides the necessary Social, Economic or Environmental value in return. ■ State Aid provisions to ensure either none is given or to ensure that it is permitted, and the council is protected. <p>A discounted rent or any other disposal at below market value may well be justifiable but should not be assumed. A decision to grant concessionary terms needs to be justifiable and recorded by the Council's Corporate Landlord / Property Services. Cabinet approval may be required depending on the circumstances. In determining the rent, consideration will be given to;</p> <ul style="list-style-type: none"> ■ Value of the property and revenue earning potential. ■ The management and running costs of the property. ■ Financial position of a community group. ■ Extent of benefit to the Council in terms of revenue savings and / or service delivery. <p>The onus falls on the community group to demonstrate that concessionary terms are needed. This will best be provided by reference to their business plan or financial projections and will be assessed as part of the scoring process</p>
Lease terms	Standardised lease terms with the flexibility to adapt depending on the nature of the transfer. Please see the draft lease example at Appendix C.
Energy procurement	Following transfer, community groups will be responsible to contract separately for its own energy supplies. It is important to note that the community groups' energy usage does not count for any carbon reduction commitments. Further information may be sought from the council's energy contracts manager.
IT services	Decommissioning CCBC IT equipment prior to the grant of an interest in the asset will be undertaken.
Procurement of services	<p>There may be the opportunity to source the following from the council at a charge. This will be discussed at the Heads of Terms stage.</p> <ul style="list-style-type: none"> ■ Statutory maintenance ■ Grounds maintenance ■ Specialist services ■ Insurance - building
Ongoing management and review	The CAT Officer will monitor and undertake reviews of compliance with lease terms plus ongoing non-financial support for groups.

Handover arrangements

A tenant / property information pack will be produced. The information provided will ensure the tenant has a full understanding of the obligations they are taking on and their statutory obligations.

Details of:

- Statutory testing and servicing
- Fire risk assessment.
- Health and safety information and certificates
- List of tests required on an ongoing basis.
- Details of services available to procure
- Details of utility readings
- Energy Performance Certificates

Appendices

Appendix A: Signposting

There is a wealth of guidance and information available online. This section aims to highlight and signpost to available resources. This list is a sample and is not exhaustive.

Internal Contact	Link
CAT Officer	catenquiries@caerphilly.gov.uk

Guidance Documents	Web Link
Recreational Charities Act 1958 (Updates August 2000)	RR4 (publishing.service.gov.uk)
Third party Sector partnership Agreement – Working with the Voluntary Sector in the County Borough of Caerphilly 2023 – 2028	EIA Agriculture a4 document (gov.wales)
The Playing Fields (Community involvement in Disposal Decisions) (Wales) Regulations 2015	playing-field-disposal-guidance.pdf (gov.wales)

The well-being of Future Generations Act	The Well-being of Future Generations GOV. WALES
Ystadau Cymru Case Studies	community-asset-transfer-case-studies.pdf (gov.wales)
Ystadau Cymru Community Asset Transfer	cat guide.pdf (gov.wales)
Ystadau Cymru Further Information	community-asset-transfer-further-information.pdf

External Organisations	Link
Coalfields Regeneration Trust - Wales funding and Programs	www.coalfields-regen.org.uk/funding-and-programmes/wales-support/
Cricket Wales	Welcome to Cricket Wales
cwmpas	Cwmpas Home - Cwmpas
Development Trust Association Wales – Asset Development Portal	Home - DTA Wales
DTA Wales – Community Ownership Fund	Community Ownership - DTA Wales
FAW: the Football Association of Wales	The Official Website of the Football Association of Wales - FAW
Fields in Trust	https://fieldsintrust.org/
Locality – the power of community	Homepage - Locality
Gwent Association of Voluntary Organisations (GAVO)	Home GAVO
Planning Aid Wales	Planning Aid Wales – Community engagement in planning
My Community Space	My Community Space - MyCommunitySpace - Your resource for promoting and searching community buildings and spaces
Wales Council for Voluntary Action (WCVA)	Home - WCVA
Welsh Rugby Union	Welsh Rugby Union Wales & Regions Homepage (wru.wales)

Appendix B: Progress Checklist for Applicants

Over-arching area	Task	Action – in progress / complete
Organisational readiness	<ul style="list-style-type: none"> ■ Is your group incorporated? ■ Do you have a written constitution that outlines your group's purpose and roles? 	
Community engagement	<ul style="list-style-type: none"> ■ Have you defined the community your group represents? ■ Is membership open to all members of that community? ■ Do most of your members come from the community you represent? 	
Governance and Management	<ul style="list-style-type: none"> ■ Do you have a clear governance structure in place? ■ Are community members in control of the group's decisions? ■ Do you have a management team with the necessary skills and experience? 	
Financial Planning	<ul style="list-style-type: none"> ■ Have you developed a comprehensive business plan? ■ Do you have financial projections and a sustainability plan? ■ Have you secured funding and financial support? 	
Legal and Compliance	<ul style="list-style-type: none"> ■ Have you engaged legal representation? ■ Are you aware of compliance requirements and relevant policies and regulations? 	
Operational Planning	<ul style="list-style-type: none"> ■ Do you have an operational plan for managing the asset? ■ Have you set up monitoring and evaluation frameworks? 	
CAT Application	<ul style="list-style-type: none"> ■ Identify suitable asset. ■ Engage with CCBC CAT officer for preliminary discussions. ■ Engage with community to gauge support and gather input. ■ Submit an expression of interest – providing basic information about your organisation and the asset. ■ When invited, develop a comprehensive business plan, outlining the benefits of the transfer to the community. ■ Include financial projections and sustainability plans. 	

Appendix C: Example Lease

Standardised HOT and lease terms will be used as a template to progress the transfer. There will be some elements of flexibility to account for the varied nature of assets. Factors such as external funding requirements and the nature of the group seeking the transfer could trigger consideration of additional terms.

Over-arching area	Task
Landlord	Caerphilly County Borough Council (CCBC)
Tenant	[the tenant]
Agreement for Lease	The landlord and the tenant will enter into an agreement for lease by which the landlord will conduct the works, and the tenant will take the lease on practical completion.
Property	Land and Buildings as shown outlined in red on the attached plan.
Term	<p>■ years the length of the lease or licence will be dependent on the circumstances and funding stream. 20 – 30 years is suitable for a community group to obtain capital funding. Specific funders requirements will be considered when evidence is produced.</p> <p>Transitional tenure arrangements may be required until a community group is able to proceed on a longer basis. In such cases a short-term license, management agreement or lease up to 2 – 3 years may suffice.</p>
Rent	<p>£ ■ per annum</p> <p>A concessionary or Daffodil rent or licence fee depending on the asset and applicant's financial circumstances</p>
Abatement of Rent	<p>The rent will be abated to a daffodil on St David's Day subject to the tenant satisfying the landlord that:</p> <ul style="list-style-type: none"> ◆ The tenant has in place a constitution that is fit for purpose and does not conflict with the visions and values of Caerphilly County Borough Council. ◆ The tenant has in place a robust business plan. ◆ The tenant has competent members or trustees (or access to appropriate advice) who can manage money, understand maintenance and repair of buildings etc. ◆ The tenant is adequately funded or able to raise adequate funds. ◆ Every five years it will submit to the landlord, at the landlord's request, information that will satisfy the landlord that the conditions continue to be complied with. If, upon review, concerns are raised regarding compliance, a more regular program may be put in place in the Landlord's absolute discretion.

Over-arching area	Task
Use	Not to use the premises otherwise than for the purposes set out in the tenant's constitution in line with its aims objectives and constitution as set out in the governing articles.
Application of income	All income must be reinvested by the community group in the running of the facility. The council reserves the right to review the rent if income is not applied in this way.
Commercial income	Reasonable claw back provision will be made where commercial returns are made by way of a % of income generation.
Keep Open	To make the building available and keep it open during such hours as may be agreed between the parties for the permitted use throughout the term of the lease. To make the building available and keep it open during such hours as may be agreed between the parties for the permitted use throughout the term of the lease.
Insolvency	If the community group becomes insolvent, the Council will have the right to determine the lease/license/management agreement
Alienation	<ul style="list-style-type: none"> ■ Assignment to another charitable organisation with similar aims is permitted, subject to the absolute consent of the landlord ■ Sub-letting of whole permitted as above ■ Subletting of part permitted only for a connected organisation. ■ The right to hire space will be given provided no exclusive rights are given to users.
Repair	<p>The tenant is to be responsible for keeping the building in good and tenantable condition throughout the term of the lease and to yield it up in this condition at the end of the term. The landlord will retain responsibility for and repair / maintenance of the retaining wall at the rear of the site.</p> <p>The community group will usually be responsible for all repairs and maintenance and compliance with health and safety law. Variations to this will be considered on their merits.</p>
Running costs	The community group will be responsible for all running costs of the asset.
Insurance	For both long term and short-term leases, the Council, as landlord will insure and will recharge the premium to the tenant. This sum will be confirmed at the outset and at x intervals. All tenants should insure for contents and public liability.
Alterations	No alterations permitted to the structure or exterior of the premises without the consent the landlord (such consent not to be unreasonably withheld). Internal non-structural alterations permitted details of which to be notified to the landlord in advance.

Over-arching area	Task
Lease Break	The tenant may, on the fifth anniversary of the grant of the lease and every five years thereafter, bring the lease to an end upon six month's written notice, to expire no sooner than each fifth anniversary and no later than 12 months after the five yearly anniversary, subject to all terms and conditions of the lease having been complied with. In this event, there will be no reimbursement of costs to the tenant for value of works.
Professional Costs	Each party to bear their own costs incurred in the lease/licence management agreement process.
Claw back	<p>Regard will need to be given by the Council to whether any financial clawback from fund providers may apply. CCBC will need to consider the recovery of capital where the asset transfers back to the council.</p> <p>To safeguard community interests CCBC will implement clawbacks and restrictions. However, this will need to be balanced with the tenant's ability to secure loans or funding avoiding overly restrictive conditions that hinder funding success. Furthermore, covenants will need to be considered to restrict disposal by third parties in the event of a default.</p>
Other	The lease/licence/management agreement will contain such other terms as are usually contained in such documents as required by the Council's Head of Legal Services.

Please note that the above terms are indicative core terms only. Additional terms may be relevant given the specific nature of the individual property asset. In addition, a set of detailed Heads of Terms will be issued to the Community group once its application for the asset transfer has been approved by the Council.

Appendix D: Transfer of sports assets – additional considerations

- That the Council grant permission where it is appropriate to do so, for clubs to install crowd control barriers (with or without infill panels to exclude dogs);
- Where there is an overly restrictive covenant placed on the playing field or building, the Council will be precluded from entering into lease or licence agreements with clubs;
- That the Council will only accept applications from clubs, where they are at least eighteen months away from commencing within a new league structure for example, Welsh League in Football and either the WRU Championship or Premiership in rugby. Any application must be accompanied by a robust business case and a non-refundable fee of £500 to cover initial legal costs and officer's time. Additionally, where relevant, the club will be liable for advertising costs as set out within The Playing Fields (Community Involvement in Disposal Regulations) (Wales) 2015, which can be more than £4,000. To this end, pre-application discussions with officers are encouraged;
- That the Council grant preferred user status where it is appropriate to do so, to such clubs who are registered as Community Amateur Sports Clubs (CASC's);
- That officers review the booking process and continue to explore development opportunities at 3G pitches to facilitate those clubs in the higher leagues in meeting their league requirements;
- That playing fields and other facilities held on charitable trust have different governance arrangements and will need to be the subject of a separate decision-making process;
- That where management agreements are granted, responsibility for statutory testing and maintenance (within buildings) and grounds maintenance will be retained by the Council and recharged to the club as part of the agreement;
- That all applications will be subject to a discussion, to highlight any potential issues, between relevant officers will engage the relevant local members and Cabinet Member at the earliest stage in the application process and will determine the most appropriate method for consultation with residents in conjunction with the relevant local member(s). The views of local member(s) will be considered in the decision-making process set out in the Council's Constitution. Where the ultimate decision is to refuse any application for asset transfer then the decision will be communicated as the decision of the Council and will not be attributed to the views of any individual members;
- That any exception to this set of principles is brought before Cabinet for a decision

Appendix E: Statutory Compliance

As part of the lease obligations, you will be required to comply with statutory compliance laws covering the asset, your occupation and use of it. These will be discussed in detail during the process and at handover to ensure a full understanding of obligations being transferred to you.

Statutory Compliance

You will be responsible for compliance for all laws relating to the asset and your occupation and use of the asset.

If so, this may include, where appropriate:

- 1. Asbestos**
- 2. Emergency Lighting - Annual Test**
- 3. Emergency Lighting - Monthly Test**
- 4. Fire Risk Assessment**
- 5. Fire Alarm - Annual test**
- 6. Fire Alarm – Weekly Test**
- 7. Fire Drill**
- 8. Fire Escape Route Checks**
- 9. Fire Fighting Equipment**
- 10. Fire Training**
- 11. Gas Boiler / Heating** (if appropriate)
- 12. Legionella**
- 13. Lift Servicing** (if appropriate)
- 14. Lift Thorough Examination** (if appropriate)
- 15. Periodic Electrical Wiring Test**
- 16. Portable Appliance testing (PAT)**
- 17. Wet air conditioning**
- 18. Compliance with the requirements of the Councils approved guidelines for Community Asset transfer (Playing Fields)**

Please note that the above list is not exhaustive. This will be covered during the application process and at handover to ensure full understanding.

Appendix F: Gwent Association of Voluntary Organisations

Summary of Legal Structures

Unincorporated Organisations

An 'unincorporated association' is an organisation set up through an agreement between a group of people who come together for a reason other than to make a profit e.g. a voluntary group or a sports club.

You do not need to register an unincorporated association, and it does not cost anything to set one up. This is not a legal structure, so the association will not be recognised by the law. Individual members are personally responsible for any debts and contractual obligations.

Advantages	Disadvantages
Flexible, quick, and cheap to set up	The group is NOT a legal entity
Can have any aims and rules – easy to change these from time to time	Property cannot be held in the group's name (only by named individuals)
Members can have a say in day-to-day decisions	There is no limit to the financial liability of individual members
Paid staff can be on the committee	No automatic relief from Corporation Tax
No limits on political activity	No automatic relief from business rates
No limits on trading	May not impress funders or donors
No rules regarding format of accounts or where they must be submitted	Individual members of the committee are jointly and severally liable for contracts
Easy to wind up	People may be unclear about liabilities.

Charities

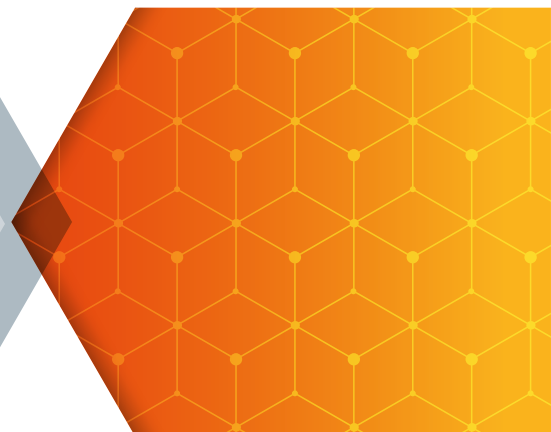
A Charity is an organisation for the public benefit whereby it operates under a not-for-profit ethos, with any profits being reinvested in the organisation's work, and not going to the people running the charity.

Advantages	Disadvantages
Automatic relief of 80% business rates	Objects and activities must be exclusively charitable
Usually, automatic relief from Corporation Tax	Must register with Charity Commission if turnover is above £5,000
More respectable in the eyes of public	Paid staff cannot be on committee
May be easier to raise money from different types of funders/donors	Committee members (trustees) cannot be paid
Some charitable trusts will only fund charities	Constitution must follow charity rules
Easier to attract committee members	Accounts must be in a prescribed format and submitted to the Charities Commission
Support from Charities Commission	Limits on political activity and campaigning
	Limits on who can be a trustee

Community Interest Companies

Community Interest companies are companies with a social purpose. The social enterprise is registered at Companies House as a limited company and a Community Interest Company at the same time. The CIC Regulator is based at Companies House

Advantages	Disadvantages
Freedom to trade without restriction	No tax incentives on corporation tax, VAT, and some business rates.
Can apply for grant finance.	Some charitable trusts cannot fund CICs.
Directors can be paid a salary.	The cost of registration is an additional £10, and it costs £15 to submit annual report.
Benefit is retained in the identified community.	If CIC is a private company share issue is limited to people you know though a large issue can be made for community holdings such as village pubs or shops. (CIC can be a PLC)
They can attract investment through shares, loans and debt markets, social investment, bonds, etc. Tax benefits through SISR (social investment tax return) for investors.	Cap on profit distribution of 35% can be seen as a disadvantage but ensures 65% goes back into the company. No cap on dividends from 01/10/2014
Transparency of operation. All documents are on public record.	Annual report to the Regulator. Submitted with annual accounts on same date to Companies House. Late filing penalties will apply.
Are subject to company law with limited liability.	Regulated in addition to Company Law. (also seen as an advantage)
Statutory Asset Lock – assets must be used for the purpose of the company. No private gain for CLG, limited private gain for CLS.	Founders will not benefit from sale of the company other than return on investment or shareholding.



*Mae'r ddogfen hon ar gael yn Gymraeg. Mae ar gael mewn ieithoedd a fformatau eraill ar gais.
This document is available in Welsh. It is available in other languages and formats on request.*



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