

Caerphilly County Borough Council

Community Asset Transfer

Refreshed approach

July 2025

Guidance for Councillors



ENABLING OUR ECONOMY TO GROW



Community Asset Transfer guidance for Councillors

What is a Community Asset Transfer?

A Community Asset Transfer (CAT) is a process where the council transfers the management and/or ownership of a property asset that has been found to be surplus to requirements to a community council or third sector/community group. It provides long term regeneration through community led asset development and ownership.

At a time when council budgets are under huge pressure Community Asset Transfers can unlock financial savings and maximise local value by giving residents a stake in the shaping of the local development and economy.

CAT is not just a means to dispose of surplus assets. Its primary aim is to work with local communities to promote the improvement of social or economic well-being and empower communities by ensuring that land, buildings, and services are retained or transferred and then managed for the public benefit through community asset ownership.

The Welsh Government acknowledges the social value that Community Asset Transfers (CATs) can offer when assets are transferred at less than market value. They emphasise that CATs can provide significant

local social, economic, and environmental benefits. This includes empowering communities to manage and own facilities that might otherwise be closed, thereby enhancing community cohesion and local services. The Welsh Government's guidance on CATs highlights that these transfers support community empowerment by ensuring that land, buildings, or services are retained or transformed for public benefit.

There are several CAT schemes underway in Caerphilly and more are likely to come forward in the future. The Council has appointed a CAT officer to support these transfers. There is a Council CAT Policy and GAVO also support communities in the CAT process. This guidance aims to provide key information to Councillors to help them to support Communities through the CAT process.

Why do we have a CAT Policy

The CAT Policy provides a framework to make decisions and take actions, ensuring consistency and fairness in their operations. It clarifies the roles and responsibilities of staff and elected officials, promoting accountability and transparency whilst ensuring that all relevant laws and regulations are complied with, thereby avoiding potential legal issues and penalties.



What are the benefits of a Community Asset transfer in your community

■ Increased Community Engagement:

CATs can foster a sense of ownership and pride within the community, encouraging participation in decision-making and local initiatives.

■ Local Needs Focus:

Community groups, with their understanding of local needs, can tailor the use of assets to best serve the community.

- giving people a stake in shaping local development and the local economy.

■ Preservation of Assets: and local spaces

CATs can help ensure that valuable community assets, like libraries, community centers, or sports facilities, are retained and used for the benefit of the community.

■ Job Creation and Economic Activity:

Community-led management of assets can create local jobs and stimulate economic activity in the area.

■ Financial Sustainability:

Community groups can explore funding opportunities and develop sustainable business models to support the asset, potentially reducing long-term costs for the local authority.

■ Improved Health and Well-being:

Access to community spaces and facilities can positively impact the health and well-being of residents.

■ Enhanced Civic Engagement:

CATs can encourage civic engagement and volunteering, strengthening community bonds.

■ Long-Term Planning:

Community groups can develop long-term plans for the asset, ensuring

its continued relevance and sustainability for future generations.

■ Ability to Approach External

Funding Sources: Community groups can leverage their ownership to attract external funding for improvements and renovations.

What are the Risks of Community Asset Transfers?

- **Differing expectations** – The council and community organisation might have conflicting views on the assets use and management, which could lead to disagreements.

- **Competing applications** - Multiple groups may be interested in the asset.

- **Lack of experience or resource** - The group may not have the necessary skills, staff, or financial resources to manage and maintain the asset.

- **Legal or Regulatory Issues** – The group may be unaware of legal or regulatory issues that could delay or potentially stop the transfer.



Who can apply for a Community Asset Transfer

New organisations will be considered, subject to meeting due diligence requirements. Groups will need to be suitably constituted to enter into a lease agreement if successful.

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.

Charitable incorporated organisations (CIO)

This is the first legal structure created exclusively to meet the needs of charities. It has the benefits of being a charity but is only registered with the Charity Commission. Trustees will have management responsibility and be liable for breaches of trust and for fraudulent / wrongful trading.

Community Interest Companies (CIC)

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.

The Asset Lock is a fundamental feature of Community Interest Companies (CICs) and is a legal clause that prevents the assets of a company being used for private gain, rather than the stated purposes of the organisation. This clause is designed to ensure that the assets of the CIC (including any profits or other surpluses generated by its activities) are used for the benefit of the community it was set up to serve.

What is the CAT Application Process

There is a two-stage application process to ensure that valuable resources are not spent in developing and accessing a full business case until basic consideration criteria are met.

A pre application discussion with CCBC's CAT officer is encouraged to discuss options and scope. Support can be accessed via GAVO with advice and the application process.

This 2-stage approach helps identify any early areas of weakness and groups

- 1. Expression of Interest (EOI)**
- 2. Business Case application**

The Business Case needs a detailed Business and Financial Plan, guidance can be found [here \(LINK\)](#). (link to EOI & business case form when available?)



Areas assessed by the EOI and application process		
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 outline's 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. 	

Timeline for the CAT process

Consultation with Stakeholders and marketing period for EOI

8
Weeks

**Preliminary Review by CAT Delivery Group.
Consultation with Stakeholders & Leadership**

6
Weeks

Successful groups are invited to submit a full business application

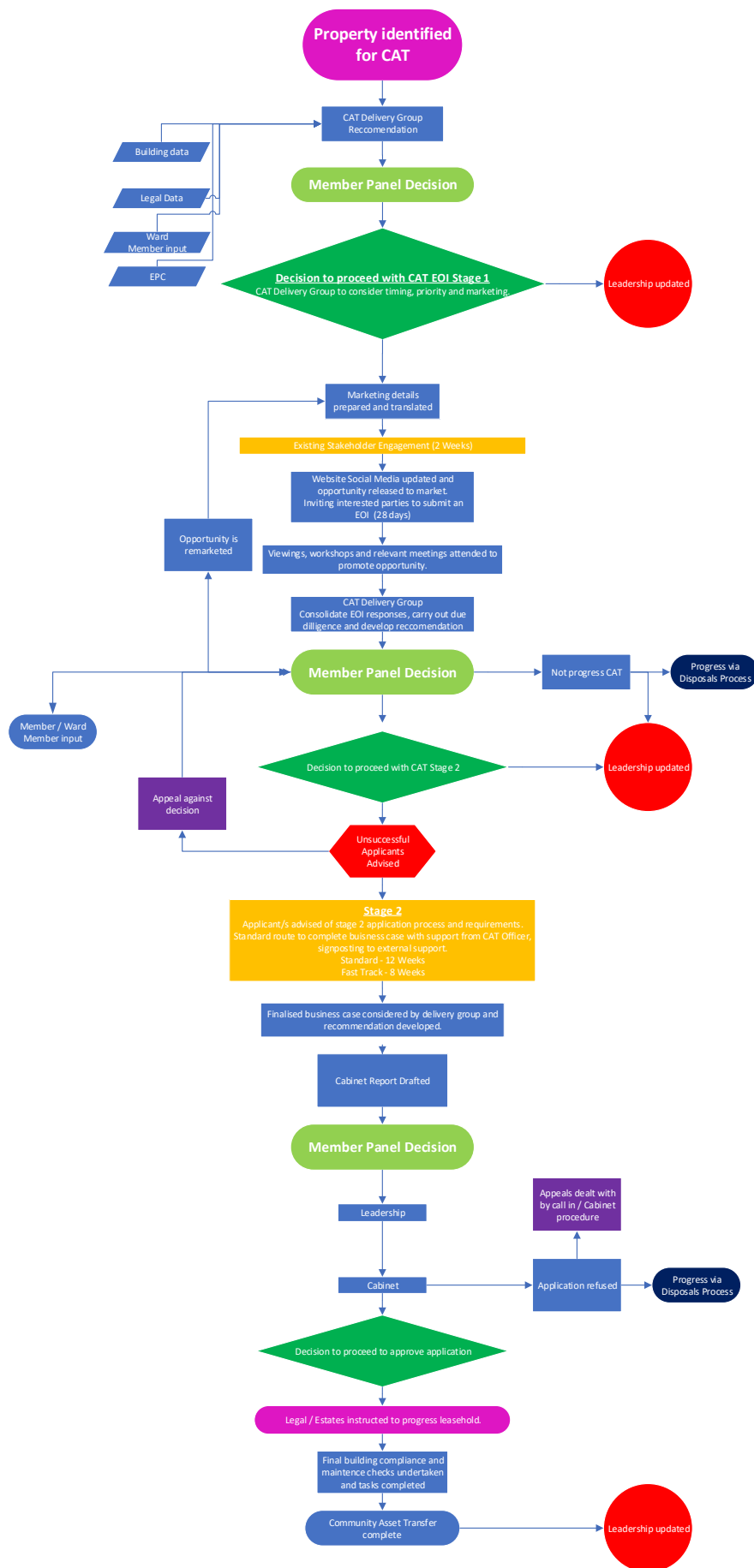
12
Weeks

**Thorough evaluation taken of the proposal, financial documents
and operational aspects, recommendation report submitted to
cabinet for decision**

8
Weeks

**& cabinet
meeting**

**Groups are informed of the decision, if approved the transfer
process begins, asset is handed over to the group along with a
property pack detailing statutory obligations going forward
12 -16 weeks for hand over**



The decision flow chart attached for reference.

A fast-track process is available; groups are required to provide an operational plan identifying how the group intends to manage and utilise the asset.

What should Community Groups take into consideration before taking on a Community Asset transfer?

Groups should evaluate their current skills and experience in managing buildings, finance, and community engagement and identify any training needs.

Groups should understand the set up and ongoing costs associated with the management of the asset and create a detailed business plan that clearly outlines income streams, funding strategies, and potential revenue sources, ensuring a sustainable model.

Efforts should be made to identify potential avenues for funding, including grants, charitable donations, and local fundraising initiatives.

It is also important to identify the risks involved with asset ownership and the process of acquisition and conduct thorough due diligence, including condition surveys, legal reviews of planning restrictions, covenants, and access requirements.

Groups should seek legal advice to fully understand existing and potential legal obligations, costs, and risks.

It is also essential to ensure there's strong community support for the project by engaging with residents and stakeholders.

What Statutory Requirements will Groups be responsible for?

- 1. Asbestos** (if appropriate)
- 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**
- 17. Wet Air-conditioning** (if appropriate)
- 18. Compliance with requirements of the Councils approved guidelines for Community Asset Transfer (Playing Fields).** (If applicable)



Groups are strongly advised to seek independent legal advice to be sure you are aware of, and understand, the compliance responsibilities that they will be taking on if they enter into a Community Asset Transfer



Gavo

The Caerphilly team provides help and advice to voluntary and community organisations to help increase their resilience and develop a thriving third sector. The borough is diverse and the information ranges widely to include volunteering, development, health and social care and early language.

Caerphilly | GAVO

Cwmpas have a friendly team of advisers who can offer expert help and support across a wide range of areas from social business startups, growth, and business consultancy

Cwmpas Home - Cwmpas

WCVA As the national membership body for voluntary organisations in Wales, WCVA exists to enable voluntary organisations to make a bigger difference together.

Home - WCVA

Welsh Government guidance cat guide.pdf

How can councillors help

Councillors are the essential link between the community and the council ensuring that residents are kept informed and encouraged to participate in the CAT program. Councillors could also signpost interested groups to the CAT officer and business planning or funding advisors.

Building Trusting Relationships

Community engagement is a key part of CAT. Councillors are key community activists and connectors and can use their convening power alongside community organisations to facilitate dialogue. Members play a key role in building trust between all parties involved in CAT and creating strong partnerships – avoiding a ‘council vs community’ dialogue. Councillors can also provide an important scrutiny function such as making sure interests of equality and diversity are applied.

Caerphilly’s Asset Management Team will let councillors know when buildings are surplus and when disposal is recommended. Not all properties are suitable for CAT transfers. The CAT team recognises Councillors as stakeholders throughout the marketing process of a building. Councillors may be on the board of community organisations going through the asset transfer process.

Councillors can be involved in the initial stages of the process, and where appropriate attend site visits.



Addressing Risks

The biggest way councillors can address the risk in CAT is to ensure there are effective and trusting relationships between the council and the community.

Good governance also helps to mitigate risk. As board members of community organisations, councillors should act to further the aims of organisation rather than the interests of the council. However, good governance will determine a consistent and transparent process for dealing with potential conflicts of interest. Good governance includes being clear on the governance arrangements expected as part of CAT. The CAT officer will be able to advise on this.

Whether the community organisation has the financial skills and capacity to take on an asset can also be perceived as a risk. Councillors can play a role in supporting meetings between the community representatives and relevant teams in finance, property, and the CAT officer to strengthen the support and advice given. Some 'assets' may also contain

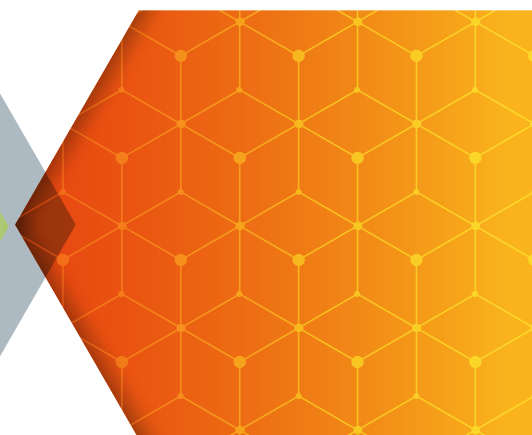
considerable liabilities and Councillors can help community organisations to get all the information they need for example running costs and any restrictions associated with running and maintaining the building. . Councillors can also help to link community representatives to any existing support or potential sources of funding and can help to convene peer-to-peer networks to support communities. Locality and Power to Change are two such nationwide organisations, but local organisations to Caerphilly and in Wales who have been through a CAT process may also be willing to offer advice and support.

CAT should be viewed as an opportunity for aligning the interests of the Council and community and strengthening the power of partnership between citizens and local government.

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.





*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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