

East Birmingham Coalition for Impact Programme – Community Asset Support Workshop 1: Taking on an Asset – ACVs and CATs On 7/1/2025

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On behalf of Save Birmingham



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West Midlands
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What Workshop 1 will cover

- Introductions
- What Community Asset Transfer (CAT) means in Birmingham City Council
- CAT Process inc. Valuing Worth
- Assets of Community Value (ACVs) and process in Birmingham
- Hints, Tips and Reminders
- Final discussions and questions

What CAT means in BCC

- **Leasehold** not freehold – generally a fully repairing lease up to 25 years but can be varied (negotiate break clauses)
- **Economic rent** offset by **Valuing Worth** – not “peppercorn”
- **To bona fide “not for profit” community organisations** – defined as one which uses any surplus revenues to realise its goals rather than distributing as profit or dividends plus “asset lock” and clearly stated social goals/ focus on community benefit
- Asset must be used for **inclusive community use** not just for organisation purposes
- **Preferred Community Partner** from EOI application and Interview undertakes Valuing Worth

CAT - Hints and Tips

- Be Honest – Why do you want a CAT – it's not an easy option or panacea for everything but asset can be a great catalyst for community . Viability not Liability
- Be Aware – CAT is not resource neutral – time, capacity and money i.e. Legal Fees – you are advised to get your own legal advice plus likely to have to pay BCC Legal Fees as well (approx. £800-£1,250) plus possible TUPE implications
- Ensure organisational Governance and Finance are up to date and in order.
- Understand Timescales – takes time
- Funding (Capital and Revenue) – keep up to date with available grants – Get Grants/ NDSU [Capital Funding Directory - MyCommunity](#)
- Be fully clued up on the CAT process and understand the jargon
<https://www.platformplaces.com/news/jargon-buster-property-and-community-assets>

Process- suggested good practice

- City asset registers regularly reviewed – **Property and Assets Board** – Officer/ Member decision whether property/land available for CAT
- Advertised in appropriate places inc. Property Services website– seeking **Expression of Interest** and outline business case (Info on building sent out)
- Often an open morning info session/ site viewing
- Assessment and shortlist of Expressions of Interest
- Interview of shortlisted organisations (* **Priority interview if tenant**)
- Selection of “**preferred community partner**”
- Will be a **Lead Contact Officer** to manage project through – generally from the appropriate service portfolio
- **Heads of Term of CAT Lease** offered subject to **Final Business Case, Valuing Worth** and Report sign off
- Heads of Terms accepted – Legal Services instructed. Further references taken up if required and due diligence undertaken i.e. check Charity Commission website if relevant

Pre- selection and interview stage

- Have an **Outline Business Plan** –Doesn't need to be fully complete but indicative of what you want to do ST,MT and LT – Finance and activities etc.
- Familiarise yourselves with your Business Plan ideas- will be asked about it at interview
- Ensure Governance structures of organisation up to date – background checks will be done
- Have Trustee information and Constitution ready and available
- Ensure Financial information is up to date – 3 yrs of accounts to be available on request
- Take a look at some of the information on BCM Website around CAT and/or Community Asset Transfer website [Community Asset Transfer in Birmingham |](#)
- Speak to others who have gone through the process

USEFUL REFERENCE – The Community Hub Handbook – How to run a successful hub and make your neighbourhood thrive

Interview – what questions to expect

- **General Information about your organisation and governance arrangements** - decision-making mechanisms in place, constitution, what type of organisation structure you are –charity, CIO, CIC etc; affiliations
- What things need to be in place to **take on a lease** – Board approval, legal, finance arrangements
- **Business Planning and priorities** – ST (6months), MT (5 years) and LT -
- **Experience of and Knowledge** of what's needed to **practically manage and run a community asset** – H&S, Safeguarding, RAs, Fire Procedures, Outgoings, Insurance, Staffing, security etc.
- What might a **typical day look like** at the centre – opening hrs, activities etc
- Who are **prospective partners and stakeholders** – who?
- **Timescales** – are you able to work to the proposed BCC Timescale of April 2025
- What **formalities might need to be undertaken** – Board approvals, legal advice, secure finances, condition surveys etc.
- Show **knowledge of the building and surrounding local neighbourhood** – demographics, needs, priorities

Interview – what questions to ask

- Recent running costs
- Available Condition Survey
- Market Value of building
- Estimates for any repairs that are required
- Are there any physical issues with the building
- Any TUPE implications
- Listed heritage buildings come with an extra health warning – is there any additional support from BCC

**IMPORTANT - You need to make an informed decision to undertake an asset transfer
– Viability not Liability for your organisation**

Post Interview – what happens next

- Interview Panel will be looking for Best Fit – may ask for some organisations to work together going forward. Be prepared to be flexible
- **“Preferred Community Partner”** status
- Require **Full Business Case**
- Get an independent survey if you can (pro-bono?)– structure(internal and external), mechanical, electrical, fixed furniture and equip ie. Boiler
- Take on Legal advice
- **Valuing Worth** to be completed
- Heads of Terms to be agreed
- Finalised CAT Lease to be signed

Valuing Worth - Introduction

- Only required by preferred community partner
- Social Value Tool – values and measures activities of the organisation which previously were not valued or undervalued against current Council priorities etc. – gives a final £ figure
- “Snapshot” calculation
- Offsets economic rent – provides justification in the reduction in market rent
- Qualitative process
- Undertaken by preferred community partner organisation but guided by BCC Contact Officer – need to provide evidence of what put down
- Tool by no means perfect BUT emphasises the need to take account of the contribution/value of organisations and their tangible worth in the delivery of desired outcomes in neighbourhoods.
- Provides an audit trail for decision makers and helps manage risks associated with transferring property and/or land

Valuing Worth – how the tool works

- Paper based
- Assesses financial resources and investment leveraged (capital and revenue) and viability of Business Plan
- Assesses contribution towards City Council and local ward/ neighbourhood priorities
- Calculates using financial proxies (i) Community usage (ii) Employment and Enterprise (iii) Agency service usage (iv) Savings to Council costs (v) Value of open land (vi) impact on adjoining sites
- Finally sums the values adjusting for “financial score” and contribution to local priorities
- Satisfies BCC Finance !
- Not overly complicated or resource intensive and encourages the completion to be done jointly by organisation and BCC (hopefully developing partnership working and mutual understanding)



CAT – Valuing Worth 17/12/24 Refreshed May 2023

ASSET TRANSFER SOCIAL VALUE TOOL- V13

Based on tool originally developed by Devon CC, not to be reproduced without permission of Birmingham City Council
NB It is not expected that all sections will apply and only those that are relevant should be completed

PROPERTY/LAND TRANSFER OPPORTUNITY:	(Enter building name/land & area location):
NAME OF APPLICANT/COMMUNITY GROUP:	Brief summary of current use:
NAME AND DIRECTORATE OF COUNCIL SPONSOR:	Brief summary of proposed use:
DATE OF COMPLETION:	

FINANCIAL AND VIABILITY ASSESSMENT

A. CAPITAL INVESTMENT LEVERAGED	
% of total project capital costs <u>secured</u> (please include brief description of what these are)	
% of total project capital cost to be or already <u>applied for</u> (please include brief description of what these are)	
100% of investment achieved	20
75% of investment achieved; or decision expected on 75% or more within 3 months	15
50% of investment achieved; awaiting decisions on remaining finance within 6 months	10
25% of investment achieved; further funding sources to be identified within 12 months+	5
Less than 25% of total project cost funding in place	0
SUB-TOTAL: /20	
B. CONFIRMED REVENUE INVESTMENT LEVERAGED	
Investment leveraged (Assessment of the amount of funding that the group is able to access to invest in the project. This can include the value of pro bono professional fees that the group has managed to negotiate)	
0-5%	0
6-15%	5
16-29%	10
30-50%	15
51-75%	20
76-100%+	25
SUB-TOTAL: /25	

Completing the form

- Form is broken down into different sections

Resources and Viability

- A – Capital Resources leveraged
- B – Revenue Investment leveraged
- C – Viability of Business Plan

Strategic Added Value

- D – Location by Priority Status
- E – Contribution to City Council Plan

Neighbourhood Added Value

- F – Contribution against Neighbourhood Priorities in Ward Plan

[Ward Action Plans in Birmingham | Ward Action Plans | Birmingham City Council](#)

Completing the form contd.

Proposed Activities and User Assessment

- G – Community Participation
- H – Employment and Enterprise Activity
- I – Other Agency Service Usage
- J – Value of Open Land
- K- Impact on Adjoining Sites
- L – Savings to BCC

Working out your score - example

- Add up the points A-F e.g. 100
- Represent the points scored as a % of possible points (155)
 - i.e. if have a score of 100 out of 155 = 65%
- Sum of the Financial Value G-L e.g. £50,000
- Deduct shortfall from the %score – 35% - £17,500
- **Final Social Value score £50k - £17.5k = £32,500**
- This final score used to offset Economic Rent e.g. Annual Rent of £25,000 minus VW Score of £32,500 so NIL

Valuing Worth – Hints and Tips

- Only need to do VW if you are the “preferred community partner”
- Don’t overdo it or exaggerate (only needed to offset economic rent) - you will have a rent review on a regular basis (currently every 5 yrs)
- You will need to evidence what you have written down (prove it!)
- You **do not** have to fill in every section
- Flexible form – add further points and explanations if needed
- Patience – the form looks more complicated than it is !
- Request the economic rent from BCC before completing VW if possible

BCC CAT Lease

- In theory a generic CAT Lease has evolved
- In practice everyone is tweaked to fit the bill
- Completed Valuing Worth and obligations written into the Lease – this is the key characteristic of a CAT cp other leases
- NB Usually a full repairing Lease – Heritage assets would not be treated differently except that...the repair and alterations clauses will emphasise the need for special care in managing such a facility commensurate with its legal status ... the appended obligations may well include reference to how they will maintain the asset in question
- On-going assessment of Organisation (Rent Review every 5 years)

Useful Information

- The City Council advertises properties available for disposal - sale, lease or CAT on their own website and through other sources such as BVSC, Save Birmingham, NDSU
<http://www.birminghampropertyservices.co.uk/>
- Useful NDSU website that covers issues relating to CATS in Birmingham including the process and expression of interest form
[Community Asset Transfer in Birmingham |](#)
- Beyond Asset Transfer – Co-op Councils Innovation Network
- Understanding Community Assets Transfer – Locality
- Jargon Buster – Property and Community Assets – Platform Places
- [What to do if your local authority makes budget cuts - Locality](#)

Assets of Community Value - Introduction

- Different process to CAT
- Part of Localism Act 2011- **Community Right to Bid**
- Right for voluntary or community body to request that a local asset (land or building) should be listed as an, “Asset of Community Value”
- Covers both **public and private assets** e.g., local pubs, libraries, community centres, playing fields, leisure centres, shops etc – even football clubs!
- Statutory duty and responsibility for L.A. to keep list of ACVs, scheme operation and regulation and payment of compensation
- Who can nominate – Parishes and community organisations **with a local connection**

Intro contd.

- If Agreed – LA notify owner and place asset on **ACV list** and on local land charges register.
- **5 Year Listing**
https://www.birmingham.gov.uk/downloads/file/640/assets_of_community_value_register
- If Not agreed – place asset on a **list of assets nominated but not listed**
- Listed ACV – If owner of asset decides to dispose (sale or lease) of it – 6-week interim period – full **6-month moratorium** BUT does not give the right of first refusal – ability to buy the asset on the open market ** Dec – Government new English Devolution White Paper

Process

- NDSU co-ordinate the process for BCC
- Information on BCC Website
https://www.birmingham.gov.uk/info/20146/consultation_and_engagement/240/the_right_to_bid_for_buildings_and_facilities_for_your_local_community
- Nomination Form
- Other Information required – Google Map of Asset, Status of Organisation
- Nomination to be sent to – ndsu@birmingham.gov.uk
- BCC Officer Panels – decision making

ACV - Hints and Tips

- Be very clear that the nominated asset has been used in the “recent past” – historic definition of which is generally five years – if it has not been used for must five years, explain why
- Be very clear how the nominated asset will be used in the next five years and try to relate it to the purpose the asset was first developed for
- Be clear about the community use – how does/will the nominated asset benefit the community? Do some research – every local authority must produce an ACV register freely available to view – if you are nominating a community centre – research what has been submitted and see whether applicable to your nomination and take ideas from other nominations.
City Observatory Information . <https://www.cityobservatory.birmingham.gov.uk/>
- Treat the application much the same as a job application – do not assume the office panel knows something/ anything about the asset that you are nominating - tell them everything that you want them to know about the historic use, current use (where applicable) and proposals for future use – which must be for at least five years
- Seek guidance – speak to NDSU – they can talk you through the process **but** can’t write your nomination for you

Thank you

Karen Cheney and Kathy Hopkin

On behalf of Save Birmingham

Savebirmingham.org

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