

COMMUNITY ASSET TRANSFER

THE ROLE OF INTERMEDIATION ACROSS
LIVERPOOL CITY REGION



Photo Credit: Homebaked



power to
change

business in
community
hands

INTRODUCTION

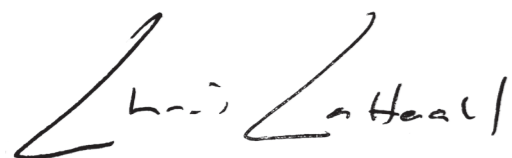
During my time as Managing Director of The Reader, we completed a significant community asset transfer of Calderstones Mansion House and Courtyard from Liverpool City Council. This represented one of the largest recent community asset transfers completed between Liverpool City Council and a community organisation. In total, the transfer took two years from start to finish.

The Reader, a social enterprise which improves lives through read-aloud reading groups, beat off competition from the private sector to secure the Mansion House and the Courtyard. We thought this would be the hard part!

The difficult part was actually the negotiations which would enable the Mansion House to be finally signed over to The Reader. Lack of data and information and the need to create the right legal documents all contributed to a tedious process, yet with high quality business and legal support we were able to achieve this outcome.

Over the past year, with funding from Power to Change, we at Capacity have been reflecting on the role of an 'intermediary' in community asset transfer. We have positioned Capacity between the local authority and the community to understand if an intermediary, with access to business support, architectural and building expertise, can facilitate an improved asset transfer process between communities and local authorities. We now have a pipeline of five assets ready to be transferred to community organisations.

If we want to address inequality and support the transformation of communities, we need to ensure that the ownership and redevelopment of the most valuable assets in communities can be done by communities themselves and not just the private and public sectors. To do this, we need to think more imaginatively about the support provided not only to community businesses but also to local authorities.



Chris Catterall
Chief Executive | Capacity: The Public Services Lab

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EXECUTIVE SUMMARY

Capacity supports public sector bodies, charities and social enterprises to rethink and reimagine how public services are delivered. Power to Change and Capacity believed there was scope in the region for more community asset transfers to take place, and building on examples such as the transfer of Calderstones Mansion House to The Reader, we have provided communities and councils with further support to assist community asset transfer.

Following positive conversations with local authorities in the area about the possibility of further asset transfers, it was in September 2017 that Capacity began working between Liverpool City Council (LCC) Sefton Metropolitan Borough Council (MBC) and communities to produce a shortlist of assets currently in local authority ownership which could be transferred to the community.

From a long shortlist we carried out a selection process examining the commercial, community and local authority 'buy-in' for the transfer of the asset to the community. From this selection process we identified three assets that we believed would be viable asset transfers and produced full-feasibility studies for these assets - Crosby Beach (Hall Road), Everton Park (including nearby land) and Kensington Library.

The feasibility studies involved working with a cross-section of organisations from funders, such as Big Society Capital, to understand how social investment could support the financial models of the community asset transfers, through to construction companies, such as Eric Wright Group, to understand construction costs and development processes.

This process has not been easy, and there has been a lot of learning, for example:

- Local authorities are increasingly looking to develop assets themselves, rather than transfer them to the community which can create greater competition for assets
- Community organisations do not always have a viable commercial business models for the asset
- A lack of understanding regarding the term "community asset transfer" with some considering it to be buildings run by volunteers supported by general fundraising
- Due to the pressures local authorities face, asset projects that generate increased business rates or council tax revenue are prioritised over community asset transfers which often do not lead directly to significant increases in business rates or council tax receipts

Despite these difficulties, we have demonstrated that 'intermediation' has the potential to be successful:

- The proposed 'Memorandum of Understanding' with Liverpool City Council to transfer land in Everton to the community to create 150 units of housing within a Community Land Trust structure. This has the potential for further land transfers for housing and greenspace which will be managed in the long-term by the community
- The scheduled transfer of Kensington Library to Kensington Fields Community Association will see the existing library maintained and enhanced through community ownership and increased community activity delivered from the library premises

Through our experience in this process we have identified four defining factors behind a successful community asset transfer:

- 1 Community asset transfers must be commercially viable – social outcomes are not enough
- 2 High quality business support is crucial, for both community businesses and local authorities
- 3 Open-minded community collaboration between public, private and community partners is the key to success.
- 4 There must be both political, executive and community buy-in for the community asset transfer to be successful.

There is a strong pipeline of potential community asset transfer projects within Liverpool City Region and if some of the above factors are addressed we believe that we could see a significant increase in the number of commercially sustainable community asset transfers. Although we have included some examples within this report, others include:

HOMEBAKED

Community Land Trust wanting to transfer twelve housing units from Liverpool City Council



Seeking a permanent football stadium (with several sites already identified within Liverpool)



A full range of assets in high footfall greenspaces within Sefton

WHAT IS COMMUNITY ASSET TRANSFER?

The generally held understanding of a community asset is land or buildings owned or managed by community organisations. These assets cover a wide spectrum and include town halls, community centres, sports facilities, affordable housing and libraries. Throughout recent history, community groups and organisations have successfully run assets. Most recently however, community ownership and management of land and buildings currently under the management of local authorities has been given fresh momentum thanks to influential reports, government policy and the work of community-based organisations.

Following the Localism Act 2011, local authorities have implemented policies at a local level, which make it easier for them to transfer assets to community groups. Local organisations, including community businesses, taking ownership of community assets can be truly transformational for that community.

The beneficiaries are:

THE ORGANISATION:

Who are provided with the opportunity for growth and long-term stability

LOCAL RESIDENTS:

Provides resources within their own communities which they also have a stake in

LOCAL AUTHORITIES:

Who find themselves with continually decreasing resources both to maintain assets and to meet increasing community needs

Some consideration is also required regarding the definition of 'community' in community asset transfer, especially as intermediation is not a community-led approach.

Power to Change's definition of community business sets a high bar for the level of community involvement and indeed community leadership required:

LOCALLY ROOTED:

They are rooted in a specific geographical place and respond to its needs. For example, high levels of urban deprivation or rural isolation

TRADING FOR THE BENEFIT OF THE LOCAL COMMUNITY:

They are businesses. Their income comes from things like renting out space in their buildings, trading as cafés, selling produce they grow or generating energy

ACCOUNTABLE TO THE LOCAL COMMUNITY:

They are accountable to local people, for example through a community shares offer that creates members who have voice in the businesses direction

BROAD COMMUNITY IMPACT:

They benefit and impact their local community as a whole. They often morph into the hub of a neighbourhood, where all types of local groups gather, for example to access broadband or to get training in vital life skills

Whereas organisations such as the National Community Land Trust Network have the following more flexible core principles:

- Requirement that meaningful community engagement and consent occurs throughout the process. The community does not necessarily have to initiate and manage the development process or build the homes themselves
- Requirement that the benefits to the local area and/or specified community must be clearly defined and legally protected in perpetuity (e.g. through an asset local)
- The local community group or organisation owns, manages or stewards the homes and in a manner of their choosing
- A 'community' can be both a community of place or a community of interest
- Membership of that organisation or group must be open to anyone within that defined community

For the purpose of this 'intermediation' work we have made use of the more flexible definition of 'community', since the ultimate aim is to transfer assets to the community-owned organisations.



IT IS VITAL TO BE FLEXIBLE ABOUT THE DEFINITION OF 'COMMUNITY', ESPECIALLY WHEN CONSIDERING A LARGE SCALE HIGHER VALUE COMMUNITY ASSET TRANSFER IN AN AREA WITH A LIMIT TRACK RECORD.

INTERMEDIATION PROCESS

This section details the process we have been through to test the role of intermediation within Community asset transfer.

- STAGE ONE**
Long List of Assets Suitable for Community Asset Transfer
- STAGE TWO**
Commercial Criteria
- STAGE THREE**
Initial Community Benefit and Involvement
- STAGE FOUR**
Local Authority Support
- STAGE FIVE**
Final Shortlist
- STAGE SIX**
Feasibility Study Process
- STAGE SEVEN**
Presentation to Local Authority and Community



STAGE ONE LONG LIST OF ASSETS SUITABLE FOR COMMUNITY ASSET TRANSFER

Through partnership work with Liverpool City Council and Sefton MBC the following assets were identified as potentially suitable for community asset transfer:

FORMER BLIND SCHOOL, BIRKDALE (SEFTON)*:

Former Blind School building which has been derelict for a number of years with associated land. Currently in disrepair and suitable for housing and different forms of supported accommodation. Located within an affluent community with the ability to develop assets of high commercial value.

CROSBY BEACH (SEFTON):

Popular beach with both visitors and the local community alike with significant footfall due to Gormley Statues and fantastic views across the Mersey Estuary, but with limited local amenities.

CORONATION PARK (SEFTON):

Community park located within a residential area on one of the main routes to a local community village (Crosby). Various buildings within the park have potential for commercial development and community asset transfer.

HESKETH PARK (SEFTON):

Large park on the edge of Southport Town Centre and nearby residential area with suitable property within the park including a Glass Conservatory and service yards.

POTTERS BARN PARK (SEFTON):

Community park on the edge of Seaforth Container Terminal and surrounded by main traffic routes into Crosby and Waterloo. Park contains community play and sport equipment and service buildings.

BOTANICAL GARDENS (SEFTON):

Popular park located north of Southport in Crossens with boating lakes, animal attractions, sporting facilities and hospitality facilities. Some assets in need of investment but with strong commercial potential and active friends group involved in the park.

ST. MARY'S COMPLEX (SEFTON):

Combination of land sites owned by Sefton Council and Safe Regeneration (a community business) alongside the Liverpool-Leeds Canal in Bootle. Plans in development as part of local masterplan to bring sites back into use for community housing, enterprise and community facilities.

WELSH STREETS PHASE 3 (LIVERPOOL):

Several empty streets of housing in the ownership of Liverpool City Council and Plus Dane Housing Group following stalled regeneration attempts which included a community challenge to the demolition of houses.

EVERTON PARK (LIVERPOOL):

Large park on the edge of Liverpool City Centre with excellent views across the city of Liverpool and active friends group, Friends of Everton Park. Until recently was due to be transferred to Land Trust.

EVERTON HOUSING LAND (LIVERPOOL):

Combination of 18 land sites across Everton owned by Liverpool City Council which have not yet been developed as part of the Strategic Housing Partnership.

EVERTON HEALTH CENTRE (LIVERPOOL):

As part of the Project Jennifer District Centre Development, a new health centre was to be developed alongside a new shopping area. Despite strong community involvement the development of the Health Centre has not materialised.

KENSINGTON LIBRARY (LIVERPOOL):

Fully-operational Grade II listed library within the heart of Kensington. Liverpool City Council interested in transferring the building and some of the service to a local community organisation.

*Not directly owned by local authority.

STAGE TWO COMMERCIAL CRITERIA

The first criterion we applied to each of these assets was commercial viability, as we consider this a key component to a successful community asset transfer. Specifically, this meant that the asset:

- Must be able to repay any blended finance needed for the scheme
- Must be able to generate a surplus of at least 10% after the repayment of any finance

Following some initial financial modelling, this removed the following assets from consideration:

POTTERS BARN PARK:

Limited sized park with small number of assets available in the park to develop commercial activity within the park but more significantly it had a low footfall and there were limited obvious ways to increase footfall due to the park being surrounded by docklands and main transport routes. There was also an unclear legal status of land between Sefton Council and Peel Ports.

EVERTON PARK:

Whilst Liverpool City Council had already tried to agree an asset transfer with the Land Trust, without an endowment from the council, we failed to identify a clear commercial opportunity within the park which would support the asset in the long-term.



STAGE THREE INITIAL COMMUNITY BENEFIT AND INVOLVEMENT

The next consideration was community involvement. This was a more subjective criterion which involved meeting one of the following conditions:

- Clearly identifiable community organisation connected to the asset
- Community organisation wanting and needing support
- Strong community interest in the community asset being redeveloped to support local need

Based on these conditions we removed the following assets from the shortlist:

FORMER BLIND SCHOOL, BIRKDALE

This asset is located in an area of significant affluence with low levels of deprivation and social need. In addition, there was no obvious community organisation with whom we could work with to redevelop the asset. This asset would be suitable for a multi-asset transfer project alongside a housing project in a more deprived area because the surplus from the Birkdale site will be greater and therefore able to cross subsidise the asset from the more deprived area.

HESKETH PARK

The element of Hesketh Park which Sefton MBC considered suitable for community asset transfer (Glass Conservatory and Service Yard) had little community involvement and no obvious community organisation to connect with, therefore the asset was removed from the shortlist.

ST. MARY'S COMPLEX (SAFE REGENERATION)

Safe Regeneration (an established community business) met the criteria around being a clearly identifiable community organisation and having strong community interest, however during shortlisting they had already identified a range of providers and organisations to support their development plans, therefore we removed them at this stage of shortlisting.



Photo Credit: SAFE Regeneration

STAGE FOUR LOCAL AUTHORITY SUPPORT

This concerned local authorities' priorities, both political and executive. This criterion was included because we did not want to prioritise assets which the local authority considered difficult to transfer due to restrictions or challenges with the assets, or where the local authority had identified other plans for the asset.

Based on this criterion we removed the following assets from the shortlist:

BOTANICAL GARDENS:

A much-loved local asset and park with significant community engagement, but in need of investment and upgrade. However, Sefton Council currently has a tenant occupying several of the buildings and needs to address the future tenancy relationship before the asset can be prioritised for development.

CORONATION PARK:

Sefton Council decided that initially, they wished to focus on one asset rather than multiple assets and to prioritise a more strategically significant asset (Crosby Beach) rather than Coronation Park.

WELSH STREETS PHASE 3:

Whilst the Council had notified us of the potential to work with this asset, they did not provide us with a clear road map of how we could make this project happen. Despite several meetings trying to devise a project plan, we continually received vague answers from Liverpool City Council and decided it was best to prioritise something else. At times during meetings we thought Liverpool City Council had another plan for these houses that it did not want to communicate with Capacity.



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STAGE FIVE FINAL SHORTLIST

This created the revised shortlist of:

- Crosby Beach (Hall Road)
- Kensington Library
- Everton Housing Land
- Everton Health Centre

In addition, through conversations with Liverpool City Council and initial financial feasibility work, it became clear that the surplus created through Everton Housing Land and Everton Health Centre could be used to provide long-term maintenance funding for Everton Park. Therefore, Everton Housing Land, Everton Health and Everton Park could be brought together as a multiple asset transfer, which for the purpose of this report, we have termed Everton Green. This created a final shortlist of:

- Crosby Beach (Hall Road)
- Everton Green [Multiple Asset Transfer]
- Kensington Library



STAGE SIX FEASIBILITY STUDY PROCESS

“A model involving an intermediary organisation with good quality business development, architectural and building expertise and with funding to provide capacity to both the local authority and community organisations over the medium to long term, would undoubtedly improve the quality and deliverability of community asset transfer

Mark Kitts

Assistant Director of Regeneration, Liverpool City Council

We then developed feasibility studies for both Everton Green, Crosby Beach (Hall Road) and Kensington Library. To understand if it was possible to sustainably transfer the assets, we produced feasibility reports which explored in detail:

STEP 1 | BRIEF: Through initial conversations with the community and the council, Capacity developed a full brief for each community asset transfer.

STEP 2 | COMMUNITY CONSULTATION: We then worked with local community members to better understand what they wanted from both community asset transfer projects:

- For Everton, there was already an existing community organisation, the Friends of Everton Park. We attended their committee meetings to discuss their plans and ideas for the assets.
- For Crosby, this was more difficult as there is not an existing community organisation, therefore we spent time on Crosby Beach discussing the proposed community asset transfer with the local community who visited the beach.
- For Kensington Library, there is a well-established community organisation, Kensington Fields, which is run by a team of local people. They have been consulting with community for over 12 months regarding the type of activity they would like to see delivered from Kensington Library.

STEP 3 | ARCHITECTURAL STUDY: We worked with a team of architects with experience of developing assets including housing, health and leisure to understand what could be done with the land and buildings available from the local authorities.

STEP 4 | COST CONSULTANT: With the consultation complete and final design of the asset selected, a Quantity Surveyor produced a Cost Report for each asset.

STEP 5 | FINANCIAL MODEL: We then produced both a detailed financial revenue model for each of the assets and the supporting capital model. This included how the asset would repay any debt finance raised to support the community asset transfer.

STEP 6 | PROCUREMENT/COMMISSIONING: The final stage of the study was to understand if there would be any procurement or legal processes we would need to go through for the land to be released from either Liverpool City Council or Sefton MBC.

STAGE SEVEN PRESENTATION TO LOCAL AUTHORITY AND COMMUNITY

The final feasibility studies were presented back to Liverpool City Council, Sefton MBC and the local communities. This included presentations to Senior council officers and Cabinet Members.

FEASIBILITY STUDIES SUMMARY

Full feasibility studies were produced for Crosby Beach (Hall Road), Everton Green and Kensington Library. This section summarises all three feasibility studies:

A. CROSBY BEACH (HALL ROAD)

Sefton MBC has over 1,000 assets under direct control with a limited track record of transferring assets to community organisations. There are fewer community organisations per capita in Sefton than other Liverpool City Region Authorities, with 147 community organisations in Sefton (1 for every 1,867 people) compared to 696 (1 for every 686 people) in the city of Liverpool.

It was a challenge to pass Crosby Beach through Stage Three of the selection process as there was not a clearly identifiable community organisation connected to the asset and/or a community organisation wanting and needing support to develop the asset. However, our consultation with residents and visitors showed that there was strong interest for the asset being redeveloped to support local need. This was determined through surveying over 300 members of the local community at Crosby Beach over the course of several weekends. Feedback from the community included:

42%

Visited the beach at least once a week

81%

Would support a permanent multi-purpose space on the coastline

97%

Would like to see a café/hospitality offered on the beach

In our view, situations like Crosby Beach require funders to demonstrate flexibility around their definitions of 'community business' and 'people in the lead' during the start-up of a new project. In an area with limited track record of community asset transfer, an infrastructure organisation may need to initiate the asset transfer and commit to the asset being transferred to the community in the medium-term.

The intermediary organisation could potentially 'incubate' the asset transfer and provide the necessary commercial and community engagement expertise to make the asset transfer successful. The asset could then either be transferred to an existing community organisation or alternatively a new community-led organisation could be established. The start-up of the new community-led organisation could be supported through a community share issue.

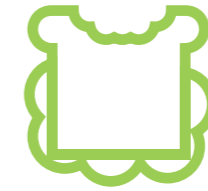
The intermediary organisation could also attract financial investment for the 'incubation process' from social investors such as Big Society Capital or a social investment financial intermediary with their investment matched by either the intermediary organisation or the local authority through access to the Public Loans Workbook. The host organisation would receive a fee for all viable assets transferred to community organisations, which will mean the incubation service is financially sustainable.

This approach could be tested on Crosby Beach, a much loved and valued community asset that is home to Anthony Gormley's world famous Iron Men. There is strong commercial potential given the high levels of footfall generated by the beach itself and the Iron Men.

Through the feasibility study we worked with the local community and Sefton MBC to develop a proposition which has initially been called the 'The Lookout' and would consist of:



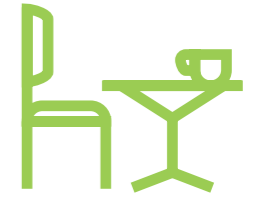
A café with internal and external seating areas



Eat-in and takeaway food and drink offer which has been tested against similar trading organisations in the city region area



A modest multi-use space for community groups, gatherings and cultural activity



Toilets and adequate internal and external seating areas

The feasibility study indicated that the asset will create a surplus, repay the capital required to build and launch the enterprise within six years, and produce a fee for the host organisation which will enable them to move on and redevelop another asset for long-term community ownership. The key characteristics of the financial model include:

- Converting 30% of the 400,000 per annum visitors to Crosby Beach to customers of 'The Lookout'
- Average transaction value of £5 per customer
- Stock cost of 35% and staff cost of 38%
- Average surplus 12% after repaying finance
- Start-up capital costs repaid by year 6

However, the transfer of Crosby Beach (Hall Road) will now be delayed by up to 2 years as Sefton MBC have discovered they need to replace the sea wall next to the site of the proposed community asset transfer. Once the replacement of the sea wall is completed, Sefton MBC will be in a position to implement this community asset transfer. In the meantime, we are able to concentrate on other assets within Sefton, with an initial focus on Coronation Park.

B. MULTIPLE ASSET TRANSFER | EVERTON GREEN

“

We've got ideas, energy and commitment to animate and transform the Park and make the Everton Park Neighbourhood a reality. What we don't have is the business planning skills to navigate the planning and funding systems. Capacity have not only provided the missing expertise but also share our commitment to make this project a reality. If communities are to own land and buildings, then we need to blend together communities ideas and energy alongside the relevant business expertise

John Hutchinson
Friends of Everton Park

Everton is a community on the edge of Liverpool city centre and north docklands. Since being named European Capital of Culture in 2008, the city centre has seen significant redevelopment and work has recently started on a £500m development of the north docklands area.

Liverpool City Council currently has over £1bn worth of capital redevelopment underway. This means it lacks the capacity to concentrate on all possible developments and it is difficult to prioritise development that would not generate significant Business Rates or Council Tax receipts, such as Everton Green.

Everton is at risk of being left behind as a result of these conditions. In the 1980s Liverpool City Council planned to demolish several estates within the Everton area. This was opposed by the local community as residents of the demolished houses would have been dispersed across the wider Merseyside and Lancashire area including Runcorn, Kirby and Skelmersdale. Through lobbying, protesting and 'sit ins' the local community finally defeated Liverpool City Council's demolition plans at the High Court in 1987.

Since then the group of community members that defeated Liverpool City Council has continued to develop in numbers and in 2010 they established the Friends of Everton Park which is now a 360-member organisation consisting of local people and organisations. They want to improve the quality of life of local residents and have identified the need for vacant land to be turned into community-led housing with capital receipt revenue from this housing to be used to provide long-term funding for Everton Park. They would do this through a newly formed Community Land Trust called Everton Green CLT.

A feasibility study has been developed for this which indicates at least 450 units of housing could be delivered on 18 land sites across Everton, including the development of a new community-led health centre, nursery and visitor centre within Everton Park. This development is something that the local community has been campaigning for over a 15 year period.

The Friends of Everton Park will need business and technical support to provide them the capability and capacity to deliver the scheme which may come through a joint-venture partnership between Everton Green CLT and Liverpool City Council and/or a private sector partner. If successful, it will be one of the largest community land trusts in the UK and an example of how multiple asset transfer can help cross-subsidise less commercially viable assets, with community-led development supported by the City Council and/or private sector partner.

The overall funding required for the Everton Green Scheme is £115.5m. The following sources of funding were identified and tested through conversations with funders during the feasibility study:



GRANT FUNDER



Homes England

DEBT FINANCE
(LOCAL AUTHORITY/
SOCIAL LANDLORD)

PRIVATE HEALTH
ASSET FUNDER

£5.0m £3.5m £35m £59m £13m

The 450 units of housing will be a mixture of for sale, shared ownership and rental. The proceeds from the rentals and sales will provide the Friends of Everton Park with an annual revenue of £200k which will ensure their organisational infrastructure is more sustainable and will enable them to maintain Everton Park once it is transferred to their organisation.

Given the ambition of this scheme, and the sensitivities around development on greenspace, it has been agreed to initially concentrate on the creation of a community land trust to deliver 150 units of housing whilst further consultation is carried out regarding sensitive elements of the scheme, including developments on greenspace.

The next steps to deliver this scheme will include:

- Formal approval of Memorandum of Understanding
- Funding secured from Homes England to support next stage of development
- Further business planning, feasibility work:
 - Legal structure for delivery vehicle
 - Community ownership structure
 - Initial site investigations
 - Finalising capital fundraising
 - Planning Application
 - Further architectural feasibility work
- Select Housing Partner – Provider or local authority
- Submit Planning Application
- Secure 1st stage funding
- Commence 1st building work

The Friends of Everton Park will form a sub-group which will act as the Steering Group for the Everton Green development and will advise on the community ownership within the governance structure and needs of the community which the development needs to meet. The proposed governance structure and relationship between the different stakeholders is detailed below:



C. KENSINGTON LIBRARY

“ I wouldn't be able to do this without support from organisations like Capacity because we wouldn't be able to take that next step, we'd be totally stuck. We just don't have the skills and knowledge to do this kind of thing. It just seems like the big boys are getting bigger and small, grassroots organisations are disappearing. We don't get the funding to employ the top people so we need people like Capacity to come along and help us out.

Sue Robinson
Centre Manager, Kensington Fields Community Association

Kensington Library is a Grade II Listed building built in 1890. In 2014, the Library was at risk of closure due to a lack of local authority funding, though it was saved from closure. Kensington Fields Community Association was approached by Liverpool City Council regarding the future ownership of the building and management of the library service. KFCA is a registered charity which is run by a small group of trustees and staff team from the local community. They deliver educational, cultural and wellbeing activities for local residents and generate revenue through earned activity including car parking and room hire for community events and functions.

When Kensington Library was announced for closure, the community wanted their library not only to be saved but to be extended through increased community activity delivered from the library. This increased activity was identified through consultation with the community which was co-ordinated by Kensington Fields Community Association and included:



After school activities for young people



Job club and job search support



Alternative education provision for teenagers

Liverpool City Council and Kensington Fields Community Association initially failed to reach an agreement regarding the transfer of Kensington Library due to:

- The initial short-term nature of the lease (less than 10 years)
- Limited revenue funding available from Liverpool City Council
- Fully repairing lease from Day One of the Asset Transfer
- Restrictions on uses within the building to avoid perceived competition with local authority provision

Following the decision to compulsorily purchase the site of the existing Kensington Fields Community Association Community Centre as part of a wider regeneration programme and with business support provided by Capacity, Liverpool City Council re-engaged with Kensington Fields Community Association regarding the transfer of Kensington Library. A deal has now been reached which will see Kensington Fields Community Association provided with a longer lease (30 years), significant uplift from Liverpool City Council in the form of financial support to run the building and the library, and support with repairs to the building. Meanwhile, Kensington Fields Community Association will develop a sustainable business model and have no restrictions on the use of the building.

Key to securing a significant change from the initial offer made by Liverpool City Council is an understanding of other deals and best practice which Liverpool City Council have agreed to with other community organisations. Without a standard community asset transfer policy, this has only been possible through one-to-one meetings with other organisations who have transferred assets from Liverpool City Council.

Capacity have worked alongside Kensington Fields Community Association to directly support them during negotiations with Liverpool City Council. This has included: attending meetings with officers and councillors, responding to terms and conditions offered by Liverpool City Council and reviewing key documentation including building surveys and condition reports.

Capacity has then produced a business plan based on the consultation carried out by Kensington Fields Community Association and other ideas and opportunities they have identified. The business and financial model is a blend of the following elements:



The business plan includes the potential to physically redevelop the site to increase the space available for rentals and community use. This could be achieved through grant and social investment or the capital receipt generated through the compulsory purchase order of Kensington Fields Community Association existing community centre. This could create a significant opportunity to increase the revenue generating capacity of Kensington Library.

Final paperwork is now being agreed between Liverpool City Council and Kensington Fields Community Association with the asset due to be transferred in January 2019.



Photo Credit: Rodhullandemu, Wiki Commons

LESSONS LEARNED

Through the process of Capacity acting as an intermediary between local authorities and communities, we have learnt the following lessons:

CLEAR EXPECTATIONS BETWEEN CAPACITY AND LOCAL AUTHORITY: We didn't have any formal agreements in place between Capacity and either local authority during this project. A formal agreement, such as a Memorandum of Understanding, would have helped to speed up processes and avoided delays such as understanding the situation with the Welsh Streets. There was also no clear process within either local authority regarding community asset transfer, which resulted in Capacity sometimes being passed between different departments as council officers were unsure how to proceed with the transfer. A community asset transfer policy that is understood by the main departments such as Regeneration, Legal and Finance would significantly help to improve the intermediation role.

LONGER INITIAL SHORTLIST: We started with a long shortlist of eleven assets; In hindsight this was probably too short. However, we noticed a reluctance from the local authority to provide Capacity with any further assets. A longer initial shortlist could have resulted in a larger final shortlist and mitigated against the situation with Crosby Beach (Hall Road) becoming unavailable, something which was outside of our control. The lack of a longer list of assets appeared to be because local authorities are increasingly looking to develop assets themselves rather than transfer them to other organisations. For example, Liverpool City Council recently put Croxteth Hall up for transfer, yet following local community interest and a one-year process, they have decided to develop the asset themselves.

COST OF BUSINESS SUPPORT/FEASIBILITY DEVELOPMENT: Critical to the success of community asset transfer is the development of a robust feasibility report which involves business and architectural development. We initially thought this cost would be in the region of £30,000 but we underestimated this cost; the actual costs were in the region of £50,000. This was largely due to the size of the multiple asset transfer involved with Everton Green. It would be sensible to allocate at least an additional 25% contingency to the cost of business support to deal with unanticipated situations like Everton Green. There is also undoubtedly a scarcity of funding to support community asset transfer, especially at the critical business planning and feasibility stage.

CLEAR DEFINITION OF COMMUNITY ASSET TRANSFER: During many conversations with local authorities we came across various definitions and understandings of community asset transfer. All too often, we came across the understanding that assets could be transferred to the community, where they would be managed by volunteers and the cost of running the building could be met through traditional fundraising. A clear definition is needed and could include principles such as the need for community asset transfers to be commercially viable.

POLITICAL, EXECUTIVE AND COMMUNITY 'BUY-IN': There are three clear stakeholders within community asset transfer; politicians, executives and the community, who often have different agendas and outcomes. This requires very careful navigation to secure a successful outcome and we underestimated the level of communication that was required. In future, we would build in both extra resource and longer timeframes to ensure the correct amount of time is attributed to communication.



IF WE WANT TO ADDRESS INEQUALITY AND SUPPORT THE TRANSFORMATION OF COMMUNITIES, WE NEED TO ENSURE THAT THE OWNERSHIP AND REDEVELOPMENT OF THE MOST VALUABLE ASSETS IN COMMUNITIES CAN BE DONE BY COMMUNITIES THEMSELVES AND NOT JUST THE PRIVATE AND PUBLIC SECTORS. TO DO THIS, WE NEED TO THINK MORE IMAGINATIVELY ABOUT THE SUPPORT PROVIDED NOT ONLY TO COMMUNITY BUSINESSES BUT ALSO TO LOCAL AUTHORITIES.

OVERVIEW

In conclusion we have identified five defining factors behind a successful community asset transfer:

1. Community asset transfers must be commercially viable-social outcomes are not enough
2. High quality business support is crucial for both community businesses and local authorities
3. Open-minded community collaboration between public, private and community partners is the key to success, especially when trying to transfer higher value assets
4. There must be both political, executive and community 'buy-in' for the community asset transfer to be successful
5. There needs to be a clear process and policy for community asset transfer within local authorities



Capacity: The Public Services Lab was founded in 2015 by partners Catch22, Interserve PLC, Big Society Capital and Clubfinance. Capacity works in the public sector space, supported by public investment, to bring public, private and third sector organisations together through a common goal: to rethink and reimagine how public services are delivered.

Power to Change is the independent trust that supports community businesses in England. Community businesses are locally rooted, community-led, trading for community benefit and making life better for local people. There are nearly 7,000 community businesses across England employing 35,500 people, with a combined income of £1.2bn. The Power to Change Research Institute supports Power to Change by commissioning independent research into the state of the community business marketplace and the challenges facing it.

In late 2017, Power to Change commissioned Capacity to work as an intermediary between the local authority and communities in Liverpool, with a view to identifying and progressing community asset transfers in the city, and to share the learning from their work more widely with community businesses and other interested parties.

This report is presented by Capacity, independently of **Power to Change**. Views presented are the author's own.



LOTTERY FUNDED

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