

ANNEXE 1

Outline policy principles for Community Asset Transfers (CATs)

Principles

1. The transfer meets Waverley's Corporate Priorities and provides positive community benefits
2. The proposal is affordable, taking into account the potential loss of either a capital receipt or increased revenue and of the alternative use value for the asset.

Information Required for Assessing Transfer:

1. Business Plan – the detail level of any business plan required from applicants will depend upon the transfer requested. That for a Management Agreement, for example, will be significantly less than that for a long lease or Deed of Trust freehold transfer.
2. Value of CAT to the community – the applicant will need to demonstrate that the proposal will deliver community benefit
3. Alternative Uses for Property – officers will need to assess that there is no alternative operational use for the asset to be transferred to ensure that future opportunities are not missed.
4. Market Value – the asset's market value will be assessed.
5. Transfer basis – except in exceptional circumstances, it should be presumed that the disposal would be via a lease of not more than 30 years. This time is usually sufficient for the benefits of any development to be discounted and ensures that Waverley retains final control over its assets.

Assessing the CAT

Requests for CATs will be assessed as follows:

- What is the type of transfer required? – This will have an impact on the likely type and amount of officer time required. For example, management agreements tend to be the best solution for newly formed organisations with little experience in managing property assets. While there is little to assess in financial schemes, the organisation is likely to need considerable support in starting up if it is to be successful in the long term. Conversely, an organisation proposing a major capital investment is likely to have the expertise in-house to manage it but its financial proposals will need assessing for viability.
- Will Waverley need the asset now or in the future for its own purposes? – This is especially important to assess for transfers via leases of more than 7 years and via freeholds. Waverley holds assets for the community as a whole and any transfer should not be at the community's expense.

- What is the value Waverley will forgo through this transfer if it is at an undervalue? –
- The market value of the asset (either its rental value or capital, depending on the type of transfer) should be assessed as well as the value of the cost to Waverley holding the asset in order to ensure that any benefit granted by Waverley is transparent.
- What benefits will the applicant bring to the local community by acquiring the asset? – this should be over and above the benefits that it now provides. For example, a cricket club may provide coaching for children but may need a long lease of the pavilion in order to develop it through grants so that it can also provide facilities for both men and women and disabled players.
- How robust is the applicant's business plan? – the business plan should be assessed on the basis of the type of transfer. If a long lease or freehold transfer is required, the applicant will need to demonstrate that it has considered the whole life costing for the project requiring the CAT and that its business plan is robust enough to cover the costs of managing the asset in the long term.

Timeframe for CAT

1. The applicant would be expected to provide an outline business plan and details of community benefit with its application. Insufficient evidence will delay the assessment process.
2. It is expected that assessing the suitability of the asset for transfer will take up to two months. This will involve considering the asset's present and alternative uses as well as its market value and the cost of holding it. At this point, the applicant will be
3. Informed whether his application may proceed.
4. If development is involved, the applicant should obtain planning permission before it can expect heads of terms for the CAT. At this point, the applicant will need to provide detailed business plans and, if required, risk assessments and feasibility studies.
5. Once officers have agreed provisional terms with the applicants, authorisation for the transfer will be sought. This is likely to take up to three months. If authorisation is granted, the proposed CAT will be passed to Waverley's Legal Section to produce the necessary documents. Completion of the transfer can take some time, depending on the level of complexity of the agreement.