



Research summary

The role of asset transfer in developing the community business market

In recent years there has been policy support in the UK for the transfer of assets from public bodies to local communities. A community business can take on ownership or management of an asset formerly in public ownership, and many community businesses have based their business model around a transferred asset. The asset is often a building, although this is not always the case.

In 2007, Barry Quirk, CEO of the London Borough of Lewisham, led a review of progress in asset transfer, concluding that more needed to be done to make this approach more widespread. This research provides an update on the level of asset transfer activity in England. The research sought to map asset transfers from local authorities to community groups, to examine local authority attitudes to asset transfer, and to identify success factors for asset-based community businesses.

Key findings

The assets most likely to be taken over by local communities are community centres (56% of local authorities surveyed had transferred management), public green spaces (49%), sports facilities (35%) and libraries (28%).

- Approaches to asset transfer vary significantly between local authorities. Most authorities stated a preference for transfer of leasehold over freehold in Community Asset Transfer policies, and this is reflected in practices over the last five years.
- Many authorities recognise the potential of asset transfer to achieve their objectives. Over 80% of local authority officers surveyed recognised that asset transfer can support their authority to reduce the cost of service provision, protect a service that would otherwise be lost, or improve service user engagement.
- Despite the opportunities, there are rarely designated staff dealing with community asset transfer in local authorities. Responsibility is often shared.
- Barriers to asset transfer include a perceived lack of appropriate assets for transfer, a concern that community groups will not be able to secure the necessary funding after transfer, a desire for flexibility in asset management leading to a reluctance to make assets available, and the challenge of effectively quantifying social value.
- Community businesses are more successful in obtaining an asset when they consult the local authority's strategic objectives and find ways to align with an overarching plan for place. Building partnerships with local councillors is also helpful.



Points of interest

Strategic alignment

Asset transfer is not an end in itself, but must be a means to meeting local priorities. The research identified local authorities considering the potential burden of a transferred asset on a community business, and found that authorities were willing to invest in the maintenance of assets prior to handover in order to minimise these risks.

Social innovation

Although this research found that progress in asset transfer is moderate, it does offer authorities and communities an opportunity to foster social innovation. In the context of reducing local authority budgets and increasing demand for services, communities and authorities can work together to improve outcomes and reduce costs. The research case studies demonstrate how this can be achieved.

Data availability

The research has highlighted the inconsistency and poor availability of data on asset transfer. Better availability of data would enable benchmarking and sharing of best practice between local authorities, as well as making information more freely available to community organisations keen to take on an asset.

About the research

The report was researched and written by New Local Government Network, an independent think tank. The findings in this report are based on 16 interviews, an online survey of 58 local government officers working on community asset transfer, five case studies of asset-based community business, desk research, and publicly available data.

The case studies are:

Community business	Type(s) of asset	Type(s) of transfer
Bristol Community Land Trust	Land and former school	Freehold
South Tynedale Railway Preservation Society	Land and former railway lines	Freehold and leasehold
Brighton Open Market	Market	999-year lease
Croydon Saffron Central	Brownfield site	Not yet agreed
Alt Valley Community Trust	Leisure centre, care home, books, computers	Leasehold, and ownership

The full report can be found at www.thepowertochange.org.uk/research/research-publications/