



GUIDE TO COMMUNITY ASSET TRANSFER FOR APPLICANTS

City Property Glasgow (Investments) LLP (CPGI) has produced this leaflet for organisations who want to know more about purchasing or leasing a building or land owned by CPGI, under the principles of Community Asset Transfer.

CPGI is not currently in scope of the Community Empowerment legislation governing the transfer of land or buildings to the community. For more information on this visit <http://www.legislation.gov.uk/asp/2015/6>. However, it is recognised that there are certain types of buildings and land within the CPGI portfolio that may be suitable for Community Asset Transfer. In view of this, CPGI has developed a voluntary framework in respect of Community Asset Transfer and welcome the opportunity to work with local communities where there is an expression of interest in asset transfer.

What to do if you are interested in an Asset Transfer of CPGI property or land

The first point of contact is CPGI's Communications Officer. Make a request in writing confirming the address of the property in question. If the interest relates to a parcel of land, please provide a brief description of the location and plan if possible. In most cases, you will be asked to complete an Expression Of Interest form in the first instance.

Communications Officer
City Property (Glasgow) LLP
Exchange House
229 George Street
Glasgow
0141 287 6161
community@citypropertyglasgow.co.uk

How long does it take?

Please refer to P6 of this document for our Key Stages & Anticipated Timescales

Who can apply?

Community, voluntary or religious organisations who require the asset purely for community activity. You require to be:

- Properly constituted with strong and open governance arrangements.
- In a position to hold property.
- Able to demonstrate/evidence that you can manage the asset efficiently, including finances, health and safety and other operational issues.
- Non-profit making and exist for community/social/environmental/economic benefit, whilst recognising that there may be a business element to the operations, such as a community café. However, this type of business and financial gain will not be the main driver and any financial surplus will not be distributed to owners or members but applied to serving core community aims and objectives.
- Open to and demonstrate an inclusive approach to members of the wider community.

Who cannot apply?

- Individuals
- Organisations that operate solely for commercial, political, or religious activities.

Examples of types of properties owned by CPGI that could be considered

Community Centres; Community Halls; Residents Halls; Tenants Halls; Vacant land.

If you are successful

If successful, you will have complete ownership/ occupancy of the building and the liabilities that this encompasses once the sale or lease is concluded. We strongly recommend that you therefore seek your own independent professional advice to assist and represent you in the negotiation process.

Asset Value

CPGI will seek full market value for all assets and in the case of an outright purchase will provide you with an asking price (subject to negotiation) once the property is deemed suitable for asset transfer.

It is important that you receive the best possible guidance and would suggest that you seek your own independent professional advice. Legal representation will be required for any sales transaction.

First steps

STAGE 1: Assessment of Property or Land in Question

After receiving your completed Expression of Interest form, CPGI must first establish if the property/land in question is suitable for asset transfer. This is done by evaluating the asset against criteria which is used to determine whether it is a core part of the CPGI's commercial portfolio. We will inform you if the property/land in question is not one that CPGI would be prepared to dispose of under Community Asset Transfer. A long lease may be considered if outright sale is not an option.

If the asset is deemed suitable and the application is to be progressed, you will be invited to complete and return a Final Submission Form together with your Business Plan and supporting documentation.

STAGE 2: Assessment of Organisation

Once you have confirmed that you intend on submitting a Final Submission Form and Business Plan, our Valuation and Disposals team will provide you with an asking price to assist you with your financial planning.

The Business Plan will be assessed before progressing with the application. During this assessment period CPGI may enter into a dialogue with your organisation to seek clarification or additional information/evidence in support of your aspirations to acquire the asset. Some of the main elements of a Business Plan are noted below:

- Details of the organisation.
- Information on the proposals, including services you propose to deliver utilising the asset and how the services will benefit the local community, particular community groups, or the wider population of the City.
- Experience of your ability to own/lease and operate a property.
- Sources of funding, already in place and proposed.
- **Mandatory requirements including a copy of the most recent audited accounts (if newly formed income and expenditure profiles) and a copy of the organisation's constitution.**

It may be that your Business Plan is not sufficient for the application to proceed. If this is the case, you will be advised of this and the reasons. However, you can resubmit an application at any future time. There are a number of agencies who can assist with this and these are listed at the end of this document.

Decision making process

Community Working Group

The decision-making process and governance relating to Community Asset Transfer is the responsibility of CPGI's Community Working Group. The Group meets on a regular basis and will consider and decide on the recommendations made by relevant CPGI staff in relation to the property/ land in question and the organisation assessment process outlined above.

Appeal Panel

CPGI will always try to resolve disputes and settle disagreements, however applicants have a right to appeal any decision made by the Community Working Group and a CPGI Appeal Panel is in place to deal with appeals received. The Appeal Panel meets as and when required and is completely autonomous to the Community Working Group.

What happens next?

STAGE 3: Negotiation of terms of the sale/ lease

Once a successful application has progressed through the property and organisation assessment stages of the process detailed above, work on the terms of the sale/lease will begin.

Outright Sale

City Property's in-house Valuation and Disposals Team or an appointed Valuer will commence work on the terms of the transfer including the purchase price. CPGI will always seek to secure the market value for the asset and the market value will be based on use restrictions and overage provisions.

We strongly recommend that you seek your own independent professional advice to undertake negotiations on your behalf. Legal representation will be required for any sales transaction. Both parties will negotiate the terms of the sale. This process is regulated by the Royal Institution of Chartered Surveyors (RICS) and it is important that you receive the best possible advice.

Lease

CPGI or its agent will negotiate the terms of the Lease with you including the rent payable. As this is a community asset transfer, Glasgow City Council's Concessionary Rental Policy will be applied.

Once agreement is reached on the terms of the sale/ lease more formal documentation called Heads of Terms will be drafted and issued to you and or your appointed agent. Legally binding restrictions will be included to ensure the asset remains in community use and/or cannot be disposed of for financial gain. The main clauses will include:

- The plan of the area being sold/ leased to you.
- The purchase price/ rental amount.
- Date of entry.
- Use clause – (the use clause is to ensure that the subjects will continue to be used in all time coming for the purpose it is intended).
- Overage clause – outright sale only (the overage clause is to protect CPGI's position in the event of any onward sale of the subjects and/or if planning permission is granted for a more valuable use, whereby CPGI would receive any uplift in value).
- Responsibility for CPGI's legal and administration costs will be met by the organisation.

Once all the points above are agreed, both parties will sign off the Heads of Terms and CPGI will instruct its legal representative to progress and conclude the formal missive of sale/ lease.

Some of your responsibilities as an applicant

It is essential that you are a properly constituted organisation with a robust business plan in place including funding arrangements. Audited accounts are requested or a statement of accounts if the organisation is relatively young.

You must be able to demonstrate the capacity of the organisation to manage the asset and ensure that succession planning measures are in place. Once the sale or lease is concluded you will have complete ownership/occupancy of the building and the liabilities that this encompasses.

We strongly recommend that you seek independent professional advice to assist and represent you in this process. It is important that you receive the best possible guidance. Legal representation will be required for any sales transactions.

Some of your responsibilities as a property owner or long lease holder

Here are just some of the obligations that you will have as a property owner or tenant.

- Ongoing maintenance plan.
- Repairs.
- Insurances (public liability, building, contents).
- Utilities.
- Health & Safety obligations.
- Statutory Consents.
- Planning permissions if you are carrying out any refurbishments.
- Delivery of agreed outcomes which will be monitored by CPGI.

Key stages and anticipated timescales		
KEY STAGE	TIMESCALE	COMMENT
Acknowledge receipt of initial request	5 working days	An Expression of Interest form will be provided to applicants
Expression Of Interest		
Completion of Expression of Interest (EOI) form by applicants (vacant asset only)	2 months	Can be extended by agreement of both parties
Stage 1: Property/ Land Assessment		
Completion of Property/ Land Assessment (Property Questionnaire and Disposal Assessment) by CPGI (including submission to CWG)	3 months	For standard assessments. Additional time may be required for more complex assets.
* Notification of Stage 1 (Property/ Land Assessment) decision to applicant	5 working days from date of decision by Community Working Group	If asset is approved for asset transfer, appropriate submission forms will be issued to applicant as well an invitation to proceed to Stage 2 (Organisation Assessment)
Stage 2: Organisation Assessment		
Applicant confirms intention to proceed to Stage 2 (Organisation Assessment)	1 month from receiving invitation to proceed	If applicant confirms intention to proceed to Stage 2, an initial asset price will be provided to the organisation to assist with financial planning / business plan
Provision of asking price to applicant (by Valuation Team)	6-8 weeks from receipt of confirmation by applicant	The asking Price is intended as a guide only and is not contractual
Completion of Final Submission Forms, Business Plan etc by applicants who have had Expression of Interest Forms approved)	6 months	Can be extended by agreement of both parties
Organisation assessment including decision by CWG	6/8 weeks	Can be extended by agreement of both parties
*Notification of decision to applicant	5 working days from date of decision	
Stage 3: Negotiation		
If approval received to proceed to the next stage with the organisation, negotiation of Terms and Conditions of sale or Lease commences (Heads of Terms)	3/6 months	Can be extended by agreement of both sides valuation agents
CPGI Board and lender approval	First available meeting after Heads of Terms agreed	

Conclusion of Legal missives of sale or lease	3/6 months	Can be extended by agreement of both parties
Post-sale/ lease checks – periodic assessments and review of annual reports	Six monthly	
Those stages of the process marked * are subject to appeal by the applicant	Appeal must be lodged 6/8 weeks from decision	

Some useful contacts

Establishing a Charity – The Office of the Scottish Charity Regulator – 2nd Floor, Quadrant House, 9 Riverside Drive, Dundee DD1 4NY. T: 01382 220446. Email: info@oscr.org.uk or visit <http://www.oscr.org.uk>

Community Led Regeneration – The Development Trusts Association Scotland – 1b Washington Lane, Edinburgh EH11 2HA. T: 0131 225 2080. Email: info@dtascot.org.uk or visit <http://www.dtascot.org.uk>

Community Ownership – The Community Ownership Support Service - 1b Washington Lane, Edinburgh EH11 2HA. T: 0131 225 2080. Email: coss@dtascot.org.uk or visit <http://www.dtascommunityownership.org.uk>

Business Planning – Jobs & Business Glasgow - Head Office, Ladywell Business Centre, 94 Duke Street, Glasgow G4 0UW. T: 0300 123 2898. Email: contact@jbg.org.uk or visit <http://www.jbg.org.uk>

Business Advice – Business Gateway Glasgow, Exchange House, 231 George Street, Glasgow, G1 1RX. T: 0141 530 4285. Email: visit <https://www.bgateway.com/contact-us>

Planning Enquiries - Glasgow City Council, 45 John Street, Glasgow G1 1JE. Email: planningenquiry@glasgow.gov.uk or visit <https://www.glasgow.gov.uk>

If you are unclear about anything in this guidance please get in touch and we will do our best to answer your questions.

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