

Community Asset Transfer (CAT): Short Practical Guide

1. What is a Community Asset Transfer?

A Community Asset Transfer (CAT) is when a local authority transfers the management or ownership of land/buildings (e.g. pitches, community centres) to a community organisation, often at below market value to benefit local people.

Typical forms:

- Long-term lease (often below market rent)
- Freehold transfer (sometimes discounted)
- Peppercorn rent (e.g. £1/year)

2. Why consider a CAT?

Key Benefits

- Secure long-term base for activities
- Ability to generate income and become sustainable
- Stronger community engagement and partnerships
- Opportunity to develop underused assets
- Keeps money and activity local

Key Risks

- Ongoing maintenance and repair costs
- Financial sustainability challenges
- Need for skills, capacity, and governance
- Asset could become a liability if not viable

Only proceed if the asset is financially and operationally viable.

3. The CAT Journey (6 Key Stages)

Stage 1: Understand CAT

- Know the legal and financial implications
- Understand local authority priorities
- Be clear on benefits to the community

Stage 2: Getting Started

Focus on building a strong foundation:

- Define your vision and purpose
- Engage your community (consult widely)
- Build the right team and partners
- Ensure your organisation is fit for purpose
- Understand the asset condition and potential

Strong community engagement is essential to prove need and build support.

Stage 3: Getting Ready for Transfer

You'll need to demonstrate credibility:

- Evidence of local need and demand
- Strong governance structure
- Robust business plan
- Negotiation of legal agreements
- Clear plan for financing the project

Expect to submit a formal bid to the local authority.

Stage 4: Planning & Design

If development is involved:

- Planning permission
- Building regulations
- Design aligned to community needs

Stage 5: Delivery & Construction

- Set realistic budgets and timelines
- Appoint and manage professional advisors (architects, contractors, etc.)

Stage 6: Managing the Asset (Long-Term)

Success depends on strong ongoing management:

- Financial management
- Health & safety compliance
- Legal responsibilities
- Staffing and volunteers
- Monitoring and evaluation

4. Organisational Readiness Checklist

Before proceeding, ensure you have:

- Appropriate legal structure (e.g. CIC, charity)
- A governing document with an asset lock
- Skilled leadership and capacity

- Financial systems and controls
- Long-term sustainability plan

5. Critical Success Factor

- Strong business planning and financial viability
- Clear community benefit and demand
- Effective partnerships (e.g. local authority, funders)
- Realistic understanding of costs and risks
- Long-term management capability

6. CAT vs Community Right to Bid

- CAT: Negotiated transfer with the council
- Right to Bid: Gives time to prepare a bid if an asset is being sold

They are related but not the same process.

Quick Takeaway

A Community Asset Transfer can be transformational, but only if:

- You have a clear purpose
- A strong, sustainable business model
- And the capacity to manage the asset long-term

7. CAT Business Plan

What needs to be included?

A Community Asset Transfer (CAT) business plan needs to go beyond a standard business plan, it must prove community benefit, long-term sustainability, and organisational capability to take on a public asset.

1. Executive Summary

- Overview of your organisation
- The asset you want to acquire
- What you will deliver and why it matters
- Headline financials and sustainability

This section should clearly answer: *Why you, why this asset, why now?*

2. Organisational Overview

- Legal structure (CIC, charity, etc.)
- Mission, track record, and key achievements
- Governance (Board, Trustees, Directors)
- Skills and experience (especially asset management)

Emphasise credibility and delivery experience.

3. Vision, Objectives & Community Benefit

- Clear vision for the asset
- Strategic objectives (3–5 years)
- Social, economic, environmental outcomes
- Alignment with local authority priorities

This is critical, CAT decisions are driven by social value, not just finances.

4. Community Need & Demand

- Evidence of local need (data, deprivation indices, etc.)
- Community consultation (surveys, engagement, partners)
- Who will benefit (target groups, numbers)

Strong local evidence = stronger case for transfer.

5. The Asset & Proposed Use

- Description of the site/building/land
- Current condition and issues
- Proposed activities and services
- Development plans (if applicable)

Include:

- Layout / facilities
- Usage timetable
- Any capital works required

6. Delivery Model (How It Will Work)

- Day-to-day operations
- Staffing structure (paid + volunteers)
- Partnerships (e.g. local clubs, VCSE orgs, schools)
- Safeguarding, health & safety, compliance

Be clear who does what and how it will operate on a day to day basis.

7. Market Analysis & Positioning

- What similar provision exists locally?
- Gaps in provision
- Your unique offer
- Pricing strategy (if applicable)

Show you are not duplicating but adding value.

8. Income Generation & Business Model

Break down how the asset will sustain itself:

Typical income streams:

- Facility hire
- Memberships
- Grants and contracts
- Events and activities
- Café / catering / retail
- Sponsorship

Include realistic assumptions, not optimistic guesses.

9. Financial Forecasts (Critical Section)

Include:

- 3–5 year income & expenditure forecast
- Cashflow forecast (monthly for Year 1 ideally)
- Capital costs (if development required)
- Funding sources (secured vs pending)
- Sensitivity analysis (best/worst case)

Local authorities will focus heavily on this.

10. Asset Management & Maintenance Plan

- Who maintains the asset?
- Planned vs reactive maintenance
- Lifecycle costs (e.g. pitch replacement, roof repairs)
- Sinking fund / reserves strategy

This is often where CATs fail, be detailed.

11. Risk Assessment & Mitigation

Typical risks:

- Financial shortfall
- Low usage / demand
- Cost overruns
- Governance capacity
- Regulatory issues

For each risk:

- Likelihood
- Impact
- Mitigation strategy

12. Implementation Plan & Timeline

- Key milestones (transfer, refurbishment, launch)
- Phasing of development
- Dependencies (planning, funding, legal agreements)

A simple timeline or Gantt chart works well.

13. Monitoring, Evaluation & Impact

- KPIs (e.g. users, sessions, income, outcomes)
- Social impact measurement (e.g. wellbeing, employment)
- Reporting to funders / council

Align with frameworks like Social Value / TOMs where possible.

14. Exit Strategy / Contingency

- What happens if the project fails?
- Break clauses or asset reversion
- Financial safeguards

Councils expect this, it builds confidence.

Quick CAT Business Plan Checklist

- Clear community benefit
- Strong governance and leadership
- Evidence of demand
- Realistic financial model
- Maintenance and lifecycle planning
- Risk awareness and mitigation
- Long-term sustainability

Practical Insight (From Experience)

For community projects (e.g. sports sites, community centres, youth provision), the strongest CAT plans typically:

- Blend earned income + grants + partnerships
- Show high utilisation from day one
- Demonstrate multiple user groups (not single use)
- Include phased development rather than all upfront

Further Information

<https://buddle.co/tools/community-asset-transfer-toolkit>

<https://www.local.gov.uk/sites/default/files/documents/empowering-communities-mad2.pdf>

<https://mycommunity.org.uk/understanding-community-asset-transfer>

<https://locality.org.uk/assets/images/Understanding-Community-Assets-Transfer-Guide-for-Community-Organisations.pdf>