



Denbighshire County Council - Community Asset Transfer (CAT) Policy

March 2026

Community Asset Transfer (CAT) Policy

Overview

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1. Introduction

- 1.1. Denbighshire County Council (DCC) is committed to the maintenance of an efficient and sustainable property portfolio, ensuring the wellbeing of communities is improved through participation, partnerships and collaboration. These outcomes are part of DCC's dedication to the modernisation of the Council and the promise to deliver efficiencies to improve services for our customers and align with our Asset Management Strategy 2024 to 2029 core principal: *"We will provide the right assets, in the right place, and in the right condition to meet current and projected future service delivery needs, considering who best to own and operate each asset and opportunities for collaboration"*.
- 1.2. This policy aims to highlight a formal process of Community Asset Transfer (CAT), to create a transparent, consistent and sustainable approach to these decisions.

2. Policy

- 2.1. This policy is to facilitate property transfers to City, Town and Community Councils and third sector/community not for profit organisations. It is community led and is designed to meet the community demand for properties, the rationale here is that they may be better utilised and managed with smaller scale specialist organisations to be of greater benefit to the community in which they serve.
- 2.2. In light of the continued financial pressure councils are under, it is crucial to manage resources in a sustainable and community focussed way.
- 2.3. The aim of this policy is to encourage community empowerment through community asset transfers. Increase the range and number of publicly owned assets managed by the community, providing an increasing asset base for local communities in which to shape services suited to their needs, and to generate new sources of income to sustain local community services and maintain local assets.

3. Definitions

- 3.1. Community Asset Transfer occurs when a public sector body passes the management or ownership of a property asset to a city/town/community council or a third sector/community group.
- 3.2. There is no legal obligation to transfer suitable assets to a third party, each proposal will be reviewed and considered by Denbighshire County Council (DCC) on its own merits this must be in the best interests of the council and the communities in which it operates.
- 3.3. The land and property assets owned by DCC are one of its key resources, but over time some may be assessed as surplus or underutilised assets and thus lead to decisions around disposal.
- 3.4. Under the Local Government Act (LGA) 1972 General Disposal Consent, Local Authorities have discretion to dispose of surplus property at less than best consideration (within a £2m maximum variance “unrestricted value”), where the transaction will promote economic, social and/or wellbeing within the local area.
- 3.5. Wellbeing of Future Generations (Wales) Act 2015 – this legislation propagates the improvement of the economic, environmental and cultural wellbeing of Wales.

4. Suitable Assets and Methods for Transfer

4.1. *Identification*

- 4.1.1 Under usual circumstances the disposal (selling) of assets is conducted on a commercial basis and the Council must achieve the best consideration (price) which can reasonably be achieved. However, in the circumstance where a CAT is applicable, consideration can be given to properties which may also be of community benefit. This is permitted under the 'General Disposal Consent' December 2003, provisions under the Local Government Act 1972 and furthermore allows that the asset may be disposed of at lower than market value.
- 4.1.2 When attempting to identify a suitable asset DCC will consider the impact to the people living in Wales, now and in the future.
- 4.1.3 Where there can be evidenced an improvement to the economic, social or environmental well-being of an area, this may satisfy best value even where the asset has not obtained the maximum capital receipt.
- 4.1.4 Assets will only be deemed surplus and possibly available for a Community Asset Transfer if the receiving party is a City, Town and Community Council or a third sector/community not for profit organisation and the answer to the following 4 key questions is No:
- Has a capital receipt for this asset already been ring-fenced to support a corporate project or is the property being held by DCC to release future development value?
 - Does the Council require the asset to support its own operational requirements/objectives?
 - Does the Council need a specific organisation to manage the asset to help deliver the Council's objectives and is there already an established working relationship between the parties?
 - Is there any other reason why the asset is not to be made available for community asset transfer e.g., because of its condition or is the property subject to a trust?
- 4.1.5 If the answer to any of the above questions is "YES" then the asset may be declared surplus for sale on the open market or used to achieve another corporate objective.

4.1.6 Some properties which are potentially suitable for Community Asset Transfer include the following, but please note this list is not exhaustive:

- Children's play areas
- Community centres
- Former civic buildings
- Former schools
- Public toilets
- Sports fields
- Street lighting
- Visitors / tourist attractions

4.1.7 **Restrictions** - The CAT process may not be appropriate within all communities and consideration will be based on local circumstances and the viability of the asset being transferred. CATs will need to offer the best disposal option for DCC and types of transfers can be seen in the next section. In the circumstance that a City, Town or Community Council expresses interest in a CAT transfer of an asset within their locality, they will be given first considerations over newly formed organisations with limited financial history.

4.2 **Covenants**

4.2.1 There may be circumstances where restrictive covenants exist or the property may be held in Trust which will restrict the use or prevent the transfer of a property at less than market value to a third party.

4.2.2 In most cases the asset would need to be disposed of with the covenants and the transferee made aware of the existence of it and would indemnify the Council against any future claims.

4.2.3 In extreme cases the Council may consider an application to the Lands Registry for a change or removal of the covenant. However due to the time consuming and expensive nature of changing covenants this would only be undertaken in exceptional circumstances.

4.2.4 The Council may include covenants, claw backs, or additional restrictions to any transfer to protect the interests of Denbighshire County Council and to ensure the future use of the property for the benefit of the community.

4.2.5 The Council will work with and assist the transferee to fully understand the implications and consequences of any such covenants.

4.3 *Types of Transfer*

4.3.1 A CAT usually involves the transfer of an asset at less than full market value, however there may be a number of situations where this is not possible, in which case there are a number of alternative methods by which to allow greater control over the building, the type of tenure granted may include:

- **Licence to occupy** - A Licence to Occupy is a personal agreement between the Council (the licensor) and the occupier (the licensee), whereby the Council permits the licensee non-exclusive occupation of part of the premises for a short period of time, typically less than 6 months.
- **Leasehold transfer** - The length of lease will be considered on a case-by-case basis in specific consideration of the property condition, circumstances of the project, strengths of the applicant and the sustainability of the business case. A longer lease will generally be granted on a full repairing basis, this will transfer the responsibility of maintenance and repairs from the Council onto the leaseholder for the term of the lease.
- **Freehold transfer** – Is the complete transfer of all legal ownership of the asset. The Council may include covenants, claw backs, or additional restrictions to any freehold transfer to protect the interests of Denbighshire County Council and to ensure the future use of the property for the benefit of the community.

5 Application Process

5.1 Eligibility

5.1.1 The main organisations able to apply for available properties and in order of prioritisation are:

- City, Town Community Councils
- Third Sector – These are comprised of independent, non-government organisations that are value driven and motivated by social, cultural or environmental objectives first, rather than to simply make a profit.
- Community Based Groups

5.1.2 In normal circumstances, it will be expected that the organisation applying will be established, however new organisations will be considered provided they meet the required criteria for selection. These criterion include, governance, legal, financial and sustainability criteria.

5.1.3 Applications for Asset Transfer will be considered for organisations who:

- Are community led with strong links to the local community with members able to influence its operation and decision making.
- Are a voluntary community or social sector organisation.
- Are properly constituted, e.g., a registered charity.
- Have a constitution which allows the ownership/management of buildings and / or the provision of services.
- Able to demonstrate good governance.
- Have sufficient skills and experience to manage a property and deliver services in line with the authority's core purpose and corporate outcomes.
- Are able to demonstrate a policy of diversity - the proposed use will ensure extensive reach into the community and be inclusive.
- Be able to show a commitment to community and environmental benefit in line with the authority's core principles.

5.2 Advertisement of Available Assets

5.2.1 The National Assets Working Group (NAWG) has recommended that public bodies should highlight asset availability.

5.2.2 If the Council identifies any property suitable for CAT, the Asset will be advertised on the Denbighshire County Council website and notices will be placed in the local press for a period of 4 weeks describing the asset and providing a deadline to provide expressions of interest.

5.2.3 Expressions of interest will also be accepted from community groups and existing tenants, where the asset has not been externally advertised. In these cases, the request will be considered if it is deemed that the asset is suitable for CAT.

5.2.4 Eligible organisations are encouraged to approach the Council with specific requirements or identify specific land or property suitable for CAT which has not been advertised, The Council's Strategic Assets Service Manager will make recommendations to the Council as whether a particular property is appropriate for asset transfer.

5.3 Expression of Interest

5.3.1 Expressions of interest (EOI) are the first stage of the process and will be open for a period of 8 weeks after the advertisement phase.

5.3.2 The interested party must submit an expression of interest by the deadline date provided, this will consist of a template appended to this policy, which assesses the eligibility criteria.

5.3.3 Denbighshire County Council will assess the EOI and will invite successful applicants to submit a formal application.

5.4 Formal Application

5.4.1 At this stage applicants will be required to complete a Business Case form, appended to this policy, and can be supported by the following documentation:

- Detailed financial budgets including historic financial reports.
- Evidence of governance or management structure
- Proposals for the use of the asset
- A clear business model.
- Be able to demonstrate that they have the funds to maintain the property in the future.

5.4.2 DCC will work with the applicant on a reasonable timescale for the submission of the Business Case application.

5.5 Evaluation

5.5.1 The applications will be evaluated and presented to the Asset Management Group (AMG) for discussion. Following AMG advise, the delegated decision-making process with regard to property disposal as per the Council's constitution will be followed.

5.5.2 Community Asset Transfers are at the Councils discretion, DCC will inform the successful and unsuccessful applicants once a formal decision is made by AMG.

5.6 Transfer

5.6.1 Once a successful applicant has been informed, a formal letter will be provided outlining the asset transfer and the terms offered by the council. Once terms are agreed between the parties, solicitors will be formally instructed.

5.6.2 Timescales to complete the formal transfer can sometimes be prolonged, or delayed by a number of complications, queries following solicitors searches, matters regarding the title, 3rd Party issues, internal capacity, surveys etc.

5.7 Transfer Costs

5.7.1 Although the asset transfer will be at less than best consideration, the Council will incur costs through the process and the applicant will be expected to cover these costs.

- All CATs will require an independent valuation of the “unrestricted value” of the asset to be transferred. The valuation does come with a cost, depending on the property being valued.
- If the property is defined as “open space” under section 123 (a) and 127 (3) of the LGA 1972 the authority must advertise its intentions in a local newspaper

for 2 consecutive weeks and the Council must consider any objections. The applicant would have to cover the cost of the publication.

- The Council's reasonable Legal and Surveyor's costs, a cap will be agreed on these costs depending upon the complexity of the case, and the Legal disbursements will also be paid.
- Any indemnity insurances required.
- Any stamp duty or other taxes if applicable.
- The applicant's own professional costs.

6 Responsibilities

6.1 Asset Management Group

- (AMG) is a Group comprising of officers holding delegated decision making powers for property transactions as per the Council's constitution including the Head of Corporate Support Services: Performance, Digital & Assets, Section 151 Officer, Monitoring Officer and Lead Member for Property. The Group is also attended by Strategic Assets Service Manager (Corporate Landlord), supporting property and subject specialism officers and Local Members. The Group meets at set times throughout the year.
- Advise on the assessment decision in a consistent and fair manner detailing reasons for recommended acceptance or refusal of the application based on Valuation and Estates Officer Recommendation.

6.2 Asset Management Team

- Identify suitable assets for transfer
- The receipt and initial review of EOI submissions
- Compile information pack on the asset including all relevant documentation including but not limited to:
Health and Safety Pack including FRA's, Electrical/Gas Tests, Legionella guidance and Asbestos
- Ensure the new owners of the Asset are aware of their responsibilities under the Wellbeing of Future Generations (Wales) Act 2015 and in particular their responsibilities.
- Draft suitable contract or lease depicting the main features of the agreement or Asset Transfer.
- Keep accurate records of processes.
- Compile annual report on CAT processes undertaken.

6.3 Valuations & Estates

- Production of final contract or lease detailing all features of the agreement or Asset Transfer

6.4 Head of Corporate Support Services: Performance, Digital & Assets

- delegated powers within the Council Constitution for disposals of Council-owned land and building assets up to the value of £30,000
- delegated powers within the Council Constitution for disposals of Council-owned land and building assets in consultation with Lead Member, s.151 Officer and Monitoring Officer and undertaken through consideration at AMG, value between £30,001 - £1,000,000

6.5 Cabinet

In consideration of recommendation by AMG, more than £1,000,000

7 Definition and Glossaries

DCC	Denbighshire County Council
CAT	Community Asset Transfer
AMG	Asset Management Group
EOI	Expression of Interest

7.1 Welsh Government Guidance

<https://www.gov.wales/sites/default/files/publications/2019-10/community-asset-transfer-guide.pdf>

7.2 Internal Controls and Documentation

- City, Town and Community Council Charter
<https://www.denbighshire.gov.uk/en/your-council/about-the-council/ctcc-charter/ctcc-charter.aspx>

- Denbighshire County Council Disposal Process
- Business Case Form
- Expression of Interest Form