

Audit Objective

To evaluate the effectiveness of the council’s Community Asset Transfer (CAT) process in supporting community empowerment, with a specific focus on whether it encourages or deters interest from eligible community organisations.

Executive Summary

Advisory

Assurance Opinion

This was an advisory review. Due to the nature of this review, we have not made any formal recommendations to the council.

Key Findings



Governance Arrangements

The council’s governance arrangements for CATs are robust but could be strengthened through clearer differentiation between smaller and larger assets and more consistent decision pathways.



Transparency and Communication

The council currently provides limited public guidance, requires offline submissions, and does not publish decisions or outcomes, reducing transparency. This could be a significant barrier to community engagement.



Timescales

The council’s response times are longer than comparators, and there is limited published information about review stages or legal completion. This increases the risk of applicant disengagement.



Value-Based Thresholds

The council does not publish value-based thresholds (both financial and complexity), increasing uncertainty for applicants and officers.

Audit Scope

The service had identified that its CAT processes were ineffective and approached us to compare the council’s processes with other councils, highlighting best practice. This also supported the council’s readiness for Local Government Reorganisation (LGR) and any possible sale or transfer of assets ahead of this change.

To do this we assessed the areas set out under **Appendix A**.

Changes to original scope:

We were going to carry out a survey with parish and town councils to get their feedback in relation to their experiences with CATs. However, as there were live discussions already in place with town councils around a future direction of travel, the service advised us not to conduct this survey.

We did not receive any responses from other SWAP partners, who are going through LGR, to determine their approach to CATs and how this might change in light of LGR.

Conclusion

Overall, the council operates a broadly standard CAT framework with appropriate governance oversight. However, compared with peer authorities, its arrangements are less transparent, slower, and more lightly documented. The review highlights clear opportunities to improve clarity, consistency, accessibility, and community engagement, which could increase take-up of CATs and reduce delays. The council should use the commonalities, differences and areas for improvement, set out in **Appendix B**, to help inform and shape its CAT processes.

Appendix A: Scope

Control Area	Areas for testing and review
Effective Governance (Decision Making) Arrangements	<ul style="list-style-type: none"> We compared the council's governance arrangements for its CAT procedure with those of other SWAP partners and clients. We also compared these arrangements with other councils, where this information was available online.
Transparency and Communication	<ul style="list-style-type: none"> We reviewed the council's website and communication channels for published CAT materials and compared these with those of other SWAP partners and clients. We also compared these with other councils, where this information was available online.
Support for community organisations	<ul style="list-style-type: none"> We verified the existence of guidance documents, templates and toolkits for applicants and compared these with those of other SWAP partners and clients. We also compared these with other councils, where this information was available online.
Timescales of Decision-Making process	<ul style="list-style-type: none"> We compared the council's timescales with those of other SWAP partners and clients. We also compared these with other councils, where this information was available online.
Value-based thresholds	<ul style="list-style-type: none"> We reviewed the procedures of other SWAP partners and clients to determine whether their processes are tailored based on the value or complexity of the asset, with less onerous procedures for low-value transfers and more robust scrutiny for higher-value or income-generating assets.
Feedback from community groups	<ul style="list-style-type: none"> We reviewed the mechanisms used by other SWAP partners and clients for receiving feedback from community groups and stakeholders to identify areas for improvement.
Local Government Reorganisation and Section 24 Notice	<ul style="list-style-type: none"> We requested and shared information obtained from Somerset Council in relation to how it approached CATs whilst going through LGR.

Appendix B: Commonalities, Differences and Areas for Improvement

Commonalities

- **Governance Arrangements**
 - Most councils involve their Cabinet or Executive for significant asset decisions.
 - Ward member consultation is common across councils.
 - A staged process (Expressions of Interest → Business Case → Decision) is widely used.
- **Transparency and Communication**
 - Policy Document: Most councils publish a Community Asset Transfer (CAT) policy, either on their website or as part of broader asset management policies.
 - Expression of Interest (EOI) Form: Commonly provided as a downloadable form; some councils allow online submission (e.g., Dorset, Exeter, and Woking).
 - Business Case Template: Several councils (e.g., Powys, East Hampshire) include a business case template alongside the EOI form.
 - Dedicated Webpage: Councils like Dorset, Portsmouth, Woking, and Exeter have dedicated CAT webpages with clear guidance and links to forms.
- **Timescales**
 - All councils use a two-stage application process: Expression of Interest → Business Case → Final Decision.
 - Most councils aim for structured timelines for each stage (EOI, business case, legal completion).
 - Based on the policy guidance we reviewed, legal formalities typically take around 3 months after approval.
- **Value-Based Thresholds**
 - All councils use a multi-stage approach but to differing degrees, i.e., the process of transferring a CAT to a community group is broken down into distinct, progressive phases, with the rigour of the assessment increasing in proportion to the asset's value or complexity.
 - Higher-value or strategic assets typically require Cabinet or Full Council approval (Dorset, Hampshire County, East Hampshire, Hull, Woking, Newport). EDDC also escalates major transfers to Cabinet for an “in principle” decision.
 - All councils require a robust business case for complex or high-value transfers, covering governance, financial sustainability, risk, and community benefit. EDDC includes these elements in its detailed business case stage.

Differences

- **Governance Arrangements**
 - East Devon: Strong involvement of Asset Management Forum; Cabinet/Council for final approval.
 - Wiltshire: Uses Area Boards for local decision-making and categorises assets.
 - Hull City: External partnership (Sector Connect) and CAT Working Group.
 - East Hants & Hampshire: Fixed EOI windows and Corporate Land & Asset Board.
 - Portsmouth: Steering Group and Corporate Asset Management Group.
 - Woking: Dedicated CAT Board for impartiality.

- **Transparency and Communication**

- Level of Guidance and Support: Dorset and Portsmouth provide extensive online resources, including policy documents, FAQs, and external guides. East Devon offers only three documents: policy, EOI form, and a process flowchart—there is no detailed guidance or templates for business cases.
- Submission Options: Dorset and Exeter allow electronic submission of EOIs, making the process more accessible. East Devon requires downloading and completing forms offline.
- Transparency: Some councils (e.g., Herefordshire, Woking) publish decisions or current applications online, promoting transparency. East Devon does not provide this.
- External Resources: Portsmouth links to external guides (Locality, Power to Change), which help community groups understand CATs better. East Devon does not provide such resources.

- **Timescales**

- EDDC has longer initial response time (4 months) compared to others (1–2 months).
- EDDC does not specify a timeframe for legal completion, unlike Hull, Woking, and Dorset (all target approximately 3 months).
- Woking provides detailed timelines for revisions and appeals, which EDDC lacks.
- Hull and Dorset include specific review periods for business cases (1–3 months); EDDC only gives an overall 6-month window.

- **Value-Based Thresholds**

- Explicit Value / Complexity Triggers
 - Dorset: Assets over £500k → Cabinet; under £500k → delegated group.
 - Woking: If projected turnover ≥£100k → full business plan with KPIs.
 - Hampshire County: “Proportionate and appropriate” scrutiny based on asset type.
 - EDDC: No published thresholds—decisions and documentation are case-by-case, which can lead to inconsistency.

Areas for Improvement

- **Governance Arrangements**

- Introduce fixed Expressions of Interest windows for transparency.
- Consider a dedicated CAT Board for impartiality and consistency.
- Provide clearer governance for smaller versus larger assets.
- Enhance community engagement through local boards or advisory groups.

- **Transparency and Communication**

- Create a Dedicated Webpage: Host all CAT-related materials in one place, including FAQs, timelines, and contact details.
- Provide Online Submission: Enable electronic submission of EOIs to streamline the process.
- Add Guidance and Templates: Include a business case template and detailed guidance notes to help community groups prepare robust applications.
- Increase Transparency: Publish decisions and examples of successful transfers to build trust and encourage participation.
- Link to External Resources: Offer links to national guides and best practices (e.g., Locality, Power to Change).

- **Timescales**

- Reduce EOI response time from 4 months to 1–2 months (align with best practice).

Full details of our audit testing are available upon request. Our audit assurance framework and definitions can be found here (www.swapaudit.co.uk/audit-framework-and-definitions).

- Add clear timelines for legal completion (e.g., 12 weeks like Dorset).
 - Introduce structured review periods for business cases (e.g., 1 month for initial review).
 - Provide guidance on resubmissions and appeals to improve transparency.
 - Consider publishing a timeline chart for applicants to manage expectations.
- **Value-Based Thresholds**
 - Introduce Explicit Thresholds
 - Example: Dorset’s £500k value trigger or Woking’s turnover-based trigger for enhanced scrutiny.
 - Benefit: Predictable, proportionate process for applicants and council officers
 - **Mechanisms for obtaining feedback on the CAT process**
 - Public Consultation (community groups and other stakeholders) on CAT policy and procedures
 - Surveys
 - Feedback forms
 - Public meetings
 - Post transfer evaluations to measure outcomes and gather feedback from community groups (Tandridge)
 - Feedback question included within the business case template (Powys)

Somerset Council and LGR

We contacted Somerset Council to determine what approach it took to Community Asset Transfers during Local Government Reorganisation. A Section 24 General Consent took effect from 16 June 2022 (S24 Effective Date) which placed a threshold on the value of disposals that could continue by any of the former district councils under the general consent, and those that required approval from Somerset County Council as the continuing authority. This included a requirement for Somerset County Council to approve any community transfers of assets worth more than £100,000 that had not been determined before the S24 Effective Date. Any disposals under this threshold could be decided by the district council.

A procedure for obtaining county council consent was also put in place. The prescribed template was agreed by all the Section 151 officers and, using this agreed form, the request would be sent to the county council’s S151 officer, where upon approval would be sought in line with the delegated powers set out in the S24 general consent. This differed depending on the value. We have provided a document separately that provides more information.

Main reasons why Community Groups do not engage in CATs

We used Copilot to ascertain what the main reasons were for non-engagement from community groups (these are not specific to the council):

- Lack of Capacity and Skills – Limited expertise in property management, legal compliance, and business planning.
- Financial Risks and Uncertainty – High costs for repairs and maintenance; difficulty securing sustainable funding.
- Complexity of the Process – Legal, financial, and governance requirements can be daunting.
- Limited Support and Guidance – Patchy advisory services and unclear CAT policies.
- Perceived Risk of Failure – Fear of reputational damage or financial collapse if the asset cannot be managed.
- Short Lease Terms or Unfavourable Conditions – Short leases discourage investment and funding eligibility.
- Lack of Community Awareness or Engagement – Low awareness of CAT opportunities and difficulty demonstrating community support

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What Local Authorities can do to support Community Groups in the CAT process, increase engagement and completion of transfers

We used Copilot to ascertain the ways in which local authorities could support community groups in the CAT process (these are not specific to the council):

- Build Capacity – Provide training, mentoring, and technical support in governance, finance, and property management.
- Offer Financial Assistance – Create grant programs for repairs and feasibility studies; facilitate access to social investment funds.
- Simplify Processes – Develop clear CAT policies, transparent criteria, and step-by-step guidance.
- Provide Dedicated Support – Assign CAT officers or teams and establish advisory partnerships.
- Reduce Risk – Introduce phased transfers and offer risk assessment tools.
- Improve Lease Terms – Negotiate longer leases (e.g., 25+ years) and ensure fair conditions.
- Raise Awareness – Run public campaigns and support community consultation activities.

Councils used for the comparison exercises:

- **Partners**
 - East Devon District Council
 - Exeter City Council
 - Dorset Council
 - Herefordshire Council
 - Hull City Council
 - Newport City Council
 - Powys County Council
 - Wiltshire Council
- **Other Councils**
 - City of Bradford Metropolitan Council
 - Tandridge District Council
 - Woking Borough Council
 - Bournemouth, Christchurch and Poole Council (BCP Council)
 - East Hampshire District Council
 - Hampshire County Council
 - Portsmouth City Council