



## Community Asset Transfer (CAT) Policy

# Bristol City Council Growth & Regeneration

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**Version 1.001**



## 1. Introduction to this policy

1.1 Community Asset Transfer ('CAT') supports Bristol City Council's vision of a sustainable and equitable Bristol that enables everyone to be safe, well and thrive. By enabling communities to take stewardship of local assets, CAT strengthens the council's commitment to working as One City and empowering Many Communities. It reflects our prevention-focused approach by investing early in community capacity, reducing the risk of asset decline and fostering long-term community resilience.

## 2. Our commitment

2.1 The council is committed to working in partnership with the Voluntary, Community and Social Enterprise (VCSE) sector to ensure that our city's assets deliver the greatest possible benefit for local communities.

2.2 CAT is a key tool in achieving this shared vision: enabling community organisations to take on the management of council-owned assets in ways that strengthen community cohesion, promote wellbeing, and contribute to a thriving and healthy Bristol. By empowering organisations that generate economic value, trade sustainably, and attract grant funding, partnerships and inward investment, CAT helps maximise the social and economic potential of Bristol's assets.

2.3 We recognise that CAT is not simply a transaction, but a long-term collaboration between the council and VCSE organisations. Together, we aim to ensure that assets are managed by the people who know and use them best, creating spaces that serve local needs and aspirations.

## 3. What is a Community Asset Transfer?

3.1 Definition of a CAT: "the transfer of land or buildings from the council's freehold ownership into the stewardship of VCSE organisations."

3.2 CAT can take place in several forms, depending on the nature of the asset, the needs of the community organisation, and the council's objectives. The main forms are:

- **management agreement** - a formal agreement where the VCSE organisation manages the asset on behalf of the council, without taking on full legal responsibility for the property, normally granted up to 12 months
- **licence to occupy** - a short-term, non-exclusive arrangement granting the organisation permission to use the asset for a defined purpose
- **short lease** - a lease agreement for a fixed period, typically under seven years



- **long lease** - a lease agreement for a longer term, exceeding seven years and up to 50 years, offering the organisation significant control and responsibility for the asset, subject to agreed conditions
- 3.3 CAT involves transfers at less than market value, either on preferential terms or nominal rent. The level of subsidy will be agreed by the CAT Group, based on:
- the condition of the asset
  - the agreed use of the asset
  - the service level agreement
  - business plan
  - recommendations from the council's Communities Team
- 3.4 Where possible, the council will seek a significantly reduced or nominal rent to established community anchor organisations, community hubs, and other community-based organisations whose activities directly support the council's priorities and who work in partnership with the council.
- 3.5 Where an asset is held within the Housing Revenue Account (HRA), the council will need to account for its statutory and other obligations related to the HRA.
- 3.6 CAT can apply to community buildings, parks, social enterprise venues, youth clubs, city farms, nurseries, social and youth clubs, arts premises, museums and other council-owned assets that maximise community benefit.
- 3.7 Assets may become available for CAT via the Corporate Landlord Surplus Asset Process. This includes engagement with the respective ward and area committee councillors.

## 4. Why does the council transfer assets to VCSE organisations?

- 4.1 We believe that VCSE organisations, which share the council's aims, are often best placed to manage facilities in their local communities. They provide employment opportunities for local people, and their local knowledge and hands-on management of the asset is likely to result in better value-for-money, as well as a more intensive use of the asset.
- 4.2 Community management and stewardship of assets empower local communities, puts local organisations in control, encourages pride of place and generates social capital in Bristol's communities.
- 4.3 An asset can also provide a VCSE organisation with greater financial viability and reduce its dependency on grants. The asset will enable it to apply for external funding that is not available to the council, or even to secure loan finance on the value of the asset.



## 5. The policy context for CAT

- 5.1 The [Local Government Act 1972](#) allows councils to dispose of land/buildings at “less than best consideration” if it delivers social, economic, or environmental wellbeing.
- 5.2 The [General Disposal Consent \(England\) 2003](#) gives permission for councils to dispose at less than best consideration provided the value foregone is less than £2m (in capital terms) and the transaction benefits the economic, social, or environmental well-being of the area. If the value foregone is greater than £2m approval from the Secretary of State is required.
- 5.3 The [Localism Act 2011](#) which built on the concept of local communities taking more control of assets in their area.
- 5.4 The Quirk Review *Making Assets Work* (2007) which outlined the potential benefits of local management of public assets where appropriate.
- 5.5 Other guidance that the council will be mindful of when assessing any application for a CAT includes but is not limited to:
- the council’s Corporate Strategy
  - the council’s Asset Management Strategy
  - the council’s Housing Revenue Account Asset Management Strategy
  - the council’s Housing Revenue Account Asset Review Policy
  - State Aid regulations
  - relevant Procurement Regulations

## 6. Which organisations can apply for a CAT?

- 6.1 VCSE organisations that have one or more of the following structures or forms:
- a Community Interest Company (CIC) limited by guarantee
  - a Community Interest Company limited by shares (Schedule 2 with 100% asset lock only)
  - a company limited by guarantee
  - a community benefit company registered as an Industrial and Provident Society
  - a Charitable Incorporated Organisation
  - a Community Amateur Sports Club (CASC)
  - a Community Benefit Society or Charitable Community Benefit Society
  - an unincorporated charitable organisation
- 6.2 CAT recipients can be of any size and need to:
- generate social, economic or environmental benefits
  - directly benefit the people of Bristol
  - benefit as wide and diverse a range of local people as possible



6.3 Privately owned or commercial organisations can only be considered if their main aim is to deliver social, economic or environmental benefits.

6.4 National organisations whose remit is regional or nationwide are not normally considered for CAT unless there is direct local community benefit.

## **7. What are the criteria that VCSE organisations need to meet to be eligible for CAT?**

7.1 Applicant organisations must be able to demonstrate the following criteria:

- need to have a well-prepared business case
- need to demonstrate a clear community/social demand for the proposed CAT
- need to have the capacity to appropriately manage the asset and have directors, trustees, or management committee members who have the necessary experience and skills
- need to have good governance, robust financial systems, and all necessary policies expected of a community organisation; this can be evidenced by having a recognised quality mark, or by meeting all the basic requirements for a good community organisation
- need to contribute towards the council's corporate and strategic objectives and the One City Many Communities Approach
- need to demonstrate that they have considered the impact on nearby community spaces and can evidence that the proposed use of the asset will enhance rather than undermine or duplicate existing spaces, and that they are committed to collaboration and coordination with other local organisations
- need to meet pre-VISIBLE standards checklist or equivalent quality assurance tools
- need to meet Bristol City Council baseline standards

## **8. Lease length**

8.1 The council will carefully consider the specific needs of the VCSE organisation, the condition of the asset and the requirements of potential funders or lenders. The council will base the length of the lease term on the needs that are clearly supported by the VCSE organisation's business plan, and on the organisation's capacity to manage the asset. In certain cases, we may offer a phased transfer, depending on the organisation's resources.

8.2 Proposals from community anchor organisations which are independent, community-led organisations, rooted in a sense of community (both place-based or equity-led community of interest), and with a mission to improve community outcomes and from



community hubs which play an active role in local leadership will be encouraged in this context.

8.3 Typically, leases will be granted for the following durations:

- a management agreement or licence will normally be granted for up to 12 months
- a short lease of up to seven years
- a long lease of up to 50 years

8.4 Applications for leases longer than 50 years will be considered; however, such applications require committee approval and must be supported by a business case that demonstrates exceptional circumstances or requirements from funders or lenders.

8.5 The council will be as flexible as possible when designing lease clauses to achieve the maximum community benefit while protecting the asset for the people of Bristol.

8.6 Once granted, leases can usually be renegotiated at a future stage, to meet changes in the organisation's activities or circumstances, or to meet the requirements of potential funders or lenders.

8.7 Leases will be accompanied by a service level agreement that will secure the longer-term benefits of the CAT. This will set out the agreed minimum standards, opening hours and activities, and how these will be measured and monitored. It will also ensure that the VCSE organisation meets all necessary requirements to achieve optimum community benefit and use of the asset.

8.8 Leases longer than seven years will normally only be granted to organisations that have an 'asset lock' and will contain clauses that prevent the asset being assigned for unintended financial gain and the loss of the agreed benefits.

8.9 Leases will contain suitable clauses to ensure the return of the asset to the council if the terms of the service level agreement are not met, or in the case of dissolution, insolvency or mismanagement.

## **9. What should the business case for CAT applications contain?**

9.1 The business case should include:

- full details of the identified needs that will be met by the CAT
- clear evidence of the capacity and experience of the VCSE organisation to manage the asset effectively which should include demonstrating the ability to meet all associated obligations, such as payment of rent (where applicable), health and safety responsibilities, and wider compliance requirements
- detailed evidence that the CAT is financially sustainable over the life of the business plan and will not incur future financial liabilities for the council, for example cash flow forecasts, projected utilisation rates, and details of any financial support



secured from or pledged by funders and lenders; the council will assist by making relevant information and data about the asset available

- details of the anticipated benefits that the CAT will produce and how these will be measured
- details of the type of CAT and lease terms sought
- evidence of support from council officers or departments, council members, other VCSE organisations, other local stakeholders and potential funders
- a robust risk assessment of the CAT and details of alternative arrangements in the event that the CAT proves unrealistic or not sustainable
- proposed terms for the service level agreement to be agreed by the Communities Team

## 10. The application and assessment process

10.1 There is a three-step application and assessment process.

10.2 The timescales below serve as guidance and may be subject to change.

10.3 The CAT Group is responsible for decisions on the granting of CAT leases to VCSE (Voluntary, Community, and Social Enterprise) organisations. The CAT Group will be chaired by the Executive Director, Growth and Regeneration and its membership will include two councillors selected by the Leader of the Council and the Chair, the Director for Property, Assets, and Infrastructure (Deputy Chair), the Head of Corporate Landlord, and the Head of the Communities Service.

10.4 Applications for assets available for CAT will follow a two-step assessment process, in which expressions of interest and full business cases are assessed against published criteria.

10.5 Applicant VCSE organisations shall be responsible for meeting their own legal costs.

### Step 1: Expression of interest by VCSE organisation

#### Action for the applicant

Submit a brief outline that demonstrates the organisation's capacity and vision for the asset. This should include:

- purpose and need including a clear explanation of why the asset is required and how it will benefit the local community
- aims and objectives including the intended outcomes of the CAT, aligned with community benefit and council priorities



- community support including evidence of engagement and backing from councillors, local stakeholders, partners or beneficiaries

## Action for the council

Conduct an officer-level desktop assessment to determine whether the expression of interest meets the council's criteria and should progress to the next step. Following this assessment, the council will:

- inform the applicant of the outcome in writing
- if successful, invite the applicant to submit the required documentation for Step 2 of the process

## Timeframe

The council will aim to complete this assessment and notify applicants of the decision within two months of receiving the expression of interest.

## Step 2: Detailed proposal and full assessment

### Action for the applicant

Submit a comprehensive business plan for the organisation and the proposed CAT. This should demonstrate viability, sustainability, and alignment with community benefit and council policies. The plan must include:

- an organisational overview including evidence of service delivery, partnership working, experience, and track record
- capacity and needs analysis including assessment of organisational capacity and the community need for the asset
- operational plan including projected utilisation of the asset and how it will be managed
- financial plan including cash flow forecasts, projected income and expenditure, and funding strategy
- risk and resilience including risk assessment, SWOT analysis, and any professional advice obtained

### Action for the council

Conduct a full evaluation of the proposal, including:



- desktop assessment by council officers
- meetings and site visit with the applicant and key supporters.
- written report and options appraisal prepared by officers
- detailed appraisal of:
  - community benefits and social impact of the CAT
  - benefits to the council
  - potential impact on nearby community spaces, ensuring the proposal enhances rather than undermines or duplicates existing or nearby facilities, and demonstrates commitment to collaboration and coordination with local organisations
  - compliance with local policies, national legislation, and relevant regulations (for example, Local Government Act, State Aid rules)
  - consultation with relevant councillors, council departments, and other stakeholders.
  - legal and professional advice obtained as required
- formal decision by the CAT Group (or by Committee if the lease exceeds 50 years or is a key decision)
- written notification of the council's decision to the applicant

## **Timeframe**

The council will aim to complete this stage and issue a decision within four months of receiving the detailed proposal.

## **Step 3: Completion**

### **Action for the applicant**

Work collaboratively with the council and legal representatives to finalise all agreements and documentation. This includes:

- reviewing and confirming Heads of Terms for the lease or licence
- reviewing the draft lease and service level agreement documents
- obtaining any necessary legal advice and approvals

### **Action for the council**

Co-ordinate the completion process and ensure all legal and procedural requirements are met. This includes:



- issuing draft Heads of Terms, lease, and service level agreement
- applying for Secretary of State's consent where required
- facilitating collaboration between council officers, the applicant, and their solicitors to avoid unnecessary delays
- completing all agreements and documentation and issuing formal confirmation of transfer

## Timeframe

The timeframe for this stage will depend on the complexity of the documentation and the speed of agreement between parties. The council will work proactively to minimise delays.

## 11. What happens after a CAT has been completed?

11.1 After a CAT has been completed, the following steps will be taken to ensure effective implementation, partnership between the council and VCSE organisation, and ongoing support:

- an organisational development plan will be agreed with the VCSE organisation, based on a skills audit and the agreed support plan
- ongoing support will be provided by the council's Communities Team, including signposting to other sources of advice and assistance
- annual review of service level agreement targets to measure progress and benefits delivered
- annual community impact monitoring will be conducted by the council to assess the wider community outcomes of the asset transfer
- where applicable, five-yearly review of the service level agreement will be undertaken

## 12. If a CAT arrangement fails

12.1 If the VCSE organisation is unable to meet the terms set out in the service level agreement, manage the asset effectively or can no longer fulfil its responsibilities, the council will take a support-first approach. This means working with the organisation to identify issues and provide guidance or resources to help restore compliance wherever possible.

12.2 However, if problems persist or the asset is at risk, the council will use all available legal and contractual measures to protect the asset and ensure it continues to deliver community benefit. This may include varying the agreement, appointing an interim manager, or terminating the lease or licence in accordance with its terms.



## 13. Renewals via 'CAT LITE'

13.1 The council may grant a renewal of the lease for the maximum term of up to 50 years when a VCSE organisation has:

- held a lease and successfully managed the asset
- met all targets set out in its service level agreement
- demonstrated delivery of agreed community benefit outcomes
- provided audited accounts confirming the organisation is a going concern
- met pre-VISIBLE standards checklist or equivalent quality assurance tools

13.2 This approach applies where the existing lease falls short of the minimum lease term required by funders or investors, as evidenced by relevant correspondence, and is unable to support the organisation's funding viability, enabling long-term investment and sustainability.

## 14. Trusted Partner status

14.1 To strengthen collaboration and minimise administrative burden by removing duplication, the council will recognise the principle of a Trusted Partner for CATs. A Trusted Partner is a VCSE organisation that has demonstrated a consistent track record of effective delivery, governance, and contribution to the council's strategic priorities.

14.2 Definition of a Trusted Partner - a VCSE organisation may be recognised as a Trusted Partner if it meets the following criteria:

- meets the council's baseline standards
- has a suitable organisational structure and governance arrangements
- positive compliance history with the Charity Commission or appropriate regulatory body (where applicable)
- meets pre-VISIBLE standards checklist or equivalent quality assurance tools

14.3 When assessing Trusted Partner status, the council will also consider the following:

- track record of working effectively in or with a specific community
- known reputation in community sector
- long term organisational aims that contribute to the council's Corporate Strategy

14.4 Where the Trusted Partner status applies:

- Step 1: expression of interest - Trusted Partners can submit a simplified expression of interest.
- Step 2: detailed proposal and full assessment - Trusted Partners benefit from fewer verification steps where they are already pre-confirmed. The focus of assessment



## Bristol City Council: Community Asset Transfer (CAT) Policy

will shift more to community benefit outcomes and financial sustainability rather than compliance

- renewals via CAT LITE: Trusted Partners with strong performance and audited accounts can access CAT LITE renewal with minimal documentation

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