

Advancing Assets for Communities

A Guide for Voluntary Organisations

Introduction

Maidstone Borough Council is developing an asset transfer strategy in relation to a number of community buildings under its control. This project was initially focused on Heather House and Park Wood Plus, however the scope has been widened to deliver a generic guide for any local voluntary community group or organisation considering taking over a physical asset.

While every case of asset transfer is unique there are a number of standard key questions to be asked. This guide sets out those questions and suggests sources of further information and support.

Methodology

In order to make this guide relevant to Maidstone, a number of steps have been taken to ensure the guide is locally focussed and is in line with current council policy.

A number of meetings have taken place with Council staff that set out what they hoped the project would achieve and gave guidance on the local context. Following those meetings a visit was made to Park Wood Plus and half a day spent with the manager and staff including a visit to Heather House. Following a further meeting with the Chairman of Trustees at Park Wood Plus a Scoping Document was produced to which all parties agreed.

A seminar on the council perspective of the transfer was held. This process of information gathering, meetings, visits and seminars was carried out over a two month period from January to March 2009.

Structure of the Guide

The guide has two main sections: Project Management and Stakeholder Management, and these are further divided into ten key areas. The ten sub-headings are not meant to be prescriptive in relation to the order in which they are approached. Circumstances will dictate that some may need to be taken in a different order and some will need to run concurrently with others. This is acceptable as long as all of the key questions are answered before any commitment to proceed is made by the voluntary organisation.

What matters is that the guide provides a framework that leads to the organisation having a firm base from which to move forward.

Executive Summary

This guide is designed to be used by any third sector organisation working on an asset transfer project with Maidstone Borough Council. It is based on best practice in the sector and is written to complement the recently adopted policy on asset transfers.

In essence it offers a ten point plan to the organisation seeking to receive the asset setting out under each heading the questions that they ought to ask and some pitfalls to avoid. The ten points are divided into two main groupings, project management i.e. the process, and stakeholder management, i.e. the flesh and blood element of doing such a deal. The ten points are:

Project Management

1. Capacity Audit
2. Recruitment, Induction and Training
3. Handover Terms and Conditions
4. Mapping Local Supply and Demand
5. Creating a Business Plan
6. Fundraising

Stakeholder Management

7. Politics
8. Community Engagement
9. Keeping staff informed
10. Working with Funders

Summary

By following this guide and working closely with MBC officers and members any local group should have the framework to work through an asset transfer with confidence. The intangible element of goodwill is present in the authority and this is likely to ensure that the journey towards a successful transfer is one where all partners learn together and strive collectively for long term community benefit.

Project Management

There are a number of activities that need to be carried out prior to making any commitment to manage an asset. They may be considered as due diligence in ensuring that neither the organisation, nor the community it serves, will suffer as a direct result of the transaction.

1. Capacity Audit

It cannot be over-emphasised that an organisation needs the capacity within its staff and trustees before it attempts a complex project such as managing a community asset. In this case capacity means both the time and the skills to carry out the duties effectively.

1.1 Time

The management, administration, cleaning etc of a community asset all take time, and usually more than is first anticipated.

- a. The workload of the current staff team must be carefully assessed to ensure it is running as efficiently as possible and any overlaps or duplications are eliminated.
- b. Then a detailed forecast must be made of the time necessary to run the building successfully. Care must be taken to include time spent showing prospective users around the building, time spent chasing quotes for services and debtors for their late payments, and of course as some work is likely to be out of hours there may be a commitment to flexi-time to take into consideration. It is tempting to say 'do this analysis and then double it' but by carefully working through all of the duties involved it is possible to come to a figure accurate enough to proceed with confidence.
- c. At that point it is necessary to map the new work onto the existing staff team and note the remainder: this is the work that will require new staff to be employed. Job design is important and at this point that some roles can be redefined through consultation and agreement to provide individuals with richer and more fulfilling roles and create a structure that will support future personal development and promotion opportunities.
- c. A similar exercise should be carried out in the board room. It is possible that a sub-committee may be needed to first negotiate the transfer and then to oversee the management of the asset. Have the trustees got the time available to take on this new and possibly onerous commitment? Assumptions should never be made when considering these questions, trustees are usually very busy people outside of their work with any single organisation and often they are juggling a number of conflicting

commitments. Care must be taken to take the same time and care in assessing the trustees as is taken with the staff.

1.2 Skills

- a. Managing a building that may offer services to the public such as sporting facilities, childcare or public function rooms requires a specific skill set and often a degree of training or experience. If these are not available within the staff then they must be sought from outside. Similarly, managing an asset is often more public-focussed than many people realise when considering the role and this also needs a person comfortable dealing with the public in a sales / hospitality environment.
- b. Facility and financial management are professions within themselves are often outside the reach of a small organisation taking on its first building and therefore yet to build up the necessary income streams and reserves to employ such specialists. These skills must be available, but not necessarily on the payroll. Organisations might wish to partner with others in the sector to combine their back-office functions thus spreading best practice and saving money. Alternatively, these skills are always available within the local authority and it may be possible to build into any final arrangement that there is a clearly defined protocol allowing access to these services.
- c. The strategic skills within the trustee team would need to include some element of property management allied with a sound financial awareness. The board's commitment will be clear in their decision to even attempt to take on a building, their skills in leading a potentially untried staff team through such a transition to future success will probably be less visible. An audit of the board's skills should be made, there are a number of toolkits available from the NCVO, and then a plan drawn up to address those deficiencies.

2. Recruitment, Induction and Training.

This element follows on from the skills and capacity audits carried out at stage one. There should now be a clear idea of what skills are needed and whether the gaps are within the staff, the trustees, or both.

- a. Before drawing up the job description, person specification and job advert it is important to take time to adopt a broad view of what this stage means. For example, before recruiting from outside is there anyone currently employed who, with the necessary training and coaching could take on a more challenging role? Staff development is after all a core role of voluntary sector organisations.
- b. Also, consider the wage levels being offered for the new roles. Are they in line with current wage rates and are they pitched at

a local average? Some of the posts may be skilled or managerial in nature and therefore attract what looks like a high salary. How will this be perceived by staff, funders or the local community? It may be necessary to engage with these stakeholders (see section two) before actually going to press to ensure there are no misunderstandings at a later date.

- c. For both new staff and new trustees there should be a prescribed plan for recruitment, induction and training. These elements should be clearly planned and costed – in terms of both time and money – and then adhered to as closely as possible. Such a major project is often a crossroads for smaller voluntary organisations and can be taken as an opportunity to make a fresh start with incoming personnel if required.

3. Handover Terms and Conditions.

It is in the process and the act of legally taking control of the building that the voluntary sector organisations find themselves at the greatest disadvantage. The local authority employs lawyers, surveyors, building managers etc and they retain the history of the building. The voluntary organisation will have common sense, an open mind, and a desire to proceed.

- a. Clearly the correct course of action is for the organisation to get legal advice. However this does not come cheaply and there may be a need for the authority to contribute towards the up-front legal costs even if there is an element of repayment from profits set into the handover contract.
- b. Further, it would be highly beneficial for the organisation to engage someone who has managed the transfer process before, in this case there is no substitute for experience.

It is impossible to cover all of the questions that would need to be covered during this process as no two negotiations are the same however there are a number of common factors inherent in every deal.

- c. Be clear about every word and clause in the document, this protects both sides. If phrases such as 'dilapidations' or 'full repairing and insuring' are in any way unclear then have them set out in writing before proceeding. The question isn't whether something has been written, or even whether it has been read, it is whether it has been understood by all concerned.
- d. Understand the state in which the building will be presented and how it must be maintained. Within this area lies the greatest potential for hidden costs. For example, if it is known that there is asbestos in the building then be very clear how and when it will be dealt with.

- e. Pay close attention to the financial side. If this element does not stand up then it is the deal breaker and the voluntary organisation should walk away. It suits neither party to transfer an asset on a wing and a prayer only to find that within a short space of time it needs to be handed back. There is of course a presentational and political aspect to the process and both sides must be satisfied that their objectives have been met both in the short- and longer-term. Some key questions would include:
 - Is there a payment, in either direction, on completion?
 - Are there any standing, maintenance or statutory charges to consider?
 - How will rates be dealt with?
 - Does TUPE apply to any staff that may be transferred? Etc
 - A clear cash flow forecast should form part of the business plan that accompanies the exercise.

4. Mapping Local Supply and Demand.

This is essentially market research so that the organisation can make well founded assumptions in relation to expected income and also of community benefit.

- a. There are two strands to this process, the first is to ask the local community what services they would like to see being offered from the building, would they support them, and would they pay for them. If so, how much? The data is never 100% accurate but if it is done face-to-face in a doorstep survey or street questionnaire fashion then the results will be dependable enough for solid assumptions to be made. This will give you an impression of the initial demand, of course it would be hoped that a successfully transferred, and then well used, building would change people's habits and their patterns of use might change over time. It is important to follow-up any early surveys with accurate usage data then regular larger scale investigations into how the services might improve. The cost of this should be built into the business plan.
- b. The second strand of the mapping exercise is to get a detailed list of all other service providers in the area. It is essential that the organisation is clear who is doing what for whom, where from and at what cost before planning any provision of their own. Look at other voluntary organisations as well as the statutory sector and don't forget the outreach work done by local colleges and churches. This way all planned services will be complementary, avoid any overlap or duplication, and begin to create the all-important partnerships and alliances that ensure value for money and maximum community benefit.

5. Creating a Business Plan.

A business plan gives form to the thoughts and intentions of the organisation and it shows other interested parties the professional manner in which the transfer is being pursued. In many ways it is the tangible output of all of the other elements of this guide in that there will be a section for the finances, a section for planned services leading into how this will provide benefit to the neighbourhood in partnership with other agencies and so on.

While the plan will be broken into its relevant chapters it should have a golden thread of continuity running through it that shows why the organisation wants to take on this responsibility on behalf of the community. It sometimes happens that groups get bogged down in the detail of the process and become sidetracked from the main issue of improving the standard of living in the local area. The plan need not be a work of art or read like a text book but it does need to be well thought through, understandable, practical and accurate.

There are scores of websites that give help in compiling a business plan but it is important to bear in mind that the plan must be owned by the authors and all those concerned with its construction and implementation therefore read whatever guidance is available then modify the ideas to suit local circumstances.

6. Fundraising.

Flowing from the recruitment and training needs, the terms and conditions of the handover, the services suggested by the local surveys, and then the costings being shown in the business plan are the financial requirements. The good news is that at this point it will be very clear how much is required and for what purpose, the difficulty is that the number of funding sources is dwindling and competition is fierce.

Most funders prefer to receive a consortium style of bid as it shows that organisations have done their research and the likelihood of their services actually being required is greatly increased. That will be the case in any asset transfer situation as the local authority will clearly be co-signatories to a bid as would any partner organisations with whom there have been discussions about the provision of complementary services.

Where to look for funding and how to construct the bid will depend entirely on the market at that time. At the time of writing the recent enlargement of the EU, the current recession and the forthcoming Olympics all combine to make money scarcer. As time progresses this situation will ease. While there is some merit in engaging someone to identify potential funding streams, and even then to provide a draft bid, it is worth remembering that many CVS' and local authorities have free funder finding software and that no-one will tell the organisation's story quite as well as them selves. This is one area where often the personal approach works best.

Stakeholder Management

The next four points are more of an aide memoir than a 'how to' guide. Stakeholders may appear to be external to the project but they can make or break its success. Each group is the most important and no group is more important than any other. In solving that conundrum organisations will facilitate a successful transfer.

7. Politics.

All assets being considered for transfer are publicly owned and therefore in safekeeping for the community as a whole. There may be a notion that in their current state they are being underused but the fact remains that elected members have a duty to see that public property is handled properly. There will be a steady stream of questions, meetings and what look like delays but they are actually good governance. Voluntary organisations must understand the rhythm of public life and take every opportunity to forward their case and build support.

Ward Councillors, Cabinet, full Council, and key officers will all benefit from regular updates of clear, timely information. The relationship does not end at the moment of transfer and regular channels of communication must be maintained throughout the lifetime of the agreement.

8. Community Engagement.

Within the community lies an organisation's customers, supporters and greatest critics. Engagement about the project cannot begin too soon or be too detailed. Good community development techniques will enable different approaches to be made to different people at different times thus ensuring that the message is always fresh and that the feedback is broadly-based and up-to-date.

Community benefit is at the heart of the project so there must be regular input from users and potential users and sight must never be lost that if the local population aren't feeling the benefit of the asset transfer then all other measures of success are a falsehood.

9. Keeping staff informed.

Taking on a new asset is a change in any organisation's life and change often produces stress. The stress can be managed by constant and open communication with all staff concerned, and in this case there at least four constituent groups within 'staff'.

- a. First there are those that currently work for the organisation and wonder what the change will do to them and their jobs. This group includes, of course, all volunteers and they should be treated in precisely the same way as paid staff.
- b. Second there are those who may be employed within the current structure of the target asset and they will be wondering the

same thing, including having worries about redundancy, TUPE etc.

- c. The third group are those who are currently at the margins of the project but can see that opportunities may arise and are keen to become involved when they do.
- d. And finally, but by no means less important than the preceding groups, are the trustees both current and future.

While trustees may be aware of the strategy they have agreed to follow they may be unaware of the outcome of the latest meetings. Staff may have heard on the grapevine what's happening in general but no have the bigger picture. It should not be assumed that anyone, expect perhaps the lead person in the process, is in possession of all the salient facts. It is therefore necessary to hold group meetings, 1-2-1 meetings, have a notice board, send memos and e-mails and anything else that might support a clear and consistent message getting to all of the staff.

If the message is consistent, accurate, full and timely then it is impossible to over inform.

10. Working with Funders.

It is highly likely that the support needed for such a multi-purpose venture will require a cocktail of funding from a number of different sources. It is therefore necessary to be aware that each funder will have slightly varying needs and that these needs must be met to ensure a positive ongoing relationship.

Time must be taken to ensure that all monitoring requirements in place, and fully accounted for in the financial projections, and that the periodic returns to the funders are on time and make their life as easy as possible. It must be borne in mind that the use of the building is likely to change over time and therefore the use to which certain funding streams are to be put may need to be amended by mutual consent. This will not be possible unless good relationships have been maintained. It is often said that if you want to find out where the real power lies in a private organisation you simply 'follow the money'. Using the same maxim in the not-for-profit sector leads you either to your funders or your customers.