

Fact Sheet 2 – Asset Development

Asset development involves the control and ownership of land and buildings in order to provide facilities and services, and meet wider organisational aims such as financial sustainability.

Benefits of Asset Development

Developing an asset base can have a number of benefits as follows:

Asset Development Advantages

- Deal with vacant land, dereliction or deteriorating property infrastructure in a disadvantaged area
- Provide operational space for future activities
- Provide space which can be used to deliver improved local facilities and services
- Provide space which can be rented to other users to generate an ongoing secure income stream
- Provide an opportunity for joint working and dialogue between statutory agencies and partners
- Provide presence and credibility with partners
- Promote independence, increasing the chances of sustainability.
- Act as security against which to borrow money

Assets Can Also be a Liability

There are of course also disadvantages to asset base development, including the financial costs of delivering a capital project, day-to-day running costs once opened, and the capacity and skills needed to manage these. However, if dealt with correctly, the creation of an asset base can be seen as a major step forward, and in the medium to long term, can

assist an organisation to become more financially independent.

What Types of Assets are Developed?

The development of assets can take many different forms. Examples include:

- Community centres
- Managed workspace
- Youth enterprise
- Community café
- Children's nursery
- Community sports centre
- Social housing

Asset development can also involve the development of new buildings, or the redevelopment or refurbishment of existing buildings such as old schools or church buildings.

Potential for Asset Transfer

Public bodies such as local authorities and health authorities have vast numbers of assets, some of which over the years have become liabilities. Often these properties do not generate an income but still need to be maintained and secured, which costs money. The cost to the surrounding community can be blight, a focus for crime, and a lost opportunity. The potential for community asset transfer can change this. As local authorities carry out audits of their asset holdings, opportunities for the transfer of assets from the public sector into social and community enterprises can arise.

Policy Developments

In recent years, the community assets agenda has made significant progress. Policy now exists which enables public bodies to transfer assets to community organisations at less than best consideration without requiring Secretary of State consent, where the value of the transfer compared

For further details about how Pulse Regeneration can help, please contact us.

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Fact Sheet 2 – Asset Development (continued)

to the market value of the asset is below £2m. The Quirk Report that involved an independent community asset ownership and management review in 2007 states that ‘there are no substantive impediments to the transfer of public assets to communities. It can be done, indeed it has been done legitimately and successfully in very many places. There are risks but they can be minimised and managed – there is plenty of experience to draw on. The secret is all parties working together.’ More recently, there is now a call for a Community Right to Buy which would create a period of time within which community groups could bid for land or building assets that hold strategic or iconic significance.

Investment

A great deal of support now exists for asset development and transfer. This includes for example, funding support from the Adventure Capital Fund and the Communitybuilders programme, the work that the Development Trusts Association is undertaking with local authorities in relation to Advancing Assets, and guidance such as that provided by the Asset Transfer Unit.

Key Issues for Consideration

If considering the development of an asset, there are a number of key considerations that need to be taken into account, including:

- How will it be financed? – where will the funding come from and can the asset then be managed on a financially self-sustaining basis for the long term?
 - Do you have the time, commitment, and resources to see through such a demanding and long term commitment as developing an asset?
 - Do you need the support of a professional team, possibly including business planning, architects, surveyors etc, to provide you with the expertise needed to realise your vision?
- Why do it? – it is important to be clear about an organisation’s aims, and the reasons for embarking on an asset development project
 - Does a suitable site or building exist that can meet these aims?
 - Is there a need and demand for the uses proposed?
 - Will it be supported? – i.e. by key partners, community etc.
 - If it is feasible, can the plans actually be made to work or are there too many constraints?

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