ENGLISH HERITAGE

Pillars of the Community: The Transfer of Local Authority Heritage Assets (Full Guidance)

REVISION NOTE **June 2012**

English Heritage are revising this publication to ensure all references are up-to-date. In the meantime, we believe this document still contains useful advice, information and case studies.

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Pillars of the community:
The transfer of local authority heritage assets

Full guidance
June 2012

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Front cover image:

Keighley Central Hall, Bradford

The City of Bradford Metropolitan District Council is renovating this former methodist chapel before transferring it on a 99 year lease to Keighley & Ilkley Voluntary & Community Action.

CASE STUDY →

Photograph © English Heritage.NMR

Context

A

A1 Introduction

The Government is encouraging community-based organisations and volunteers to play an increasing role in improving local areas. One aspect is the transfer of property assets from local authorities to community-based organisations. Many of these are heritage assets – historic buildings, monuments, places or landscapes which have significance and are valued by the community. Transferring ownership and responsibility for these assets can give rise to all sorts of legal, financial and regulatory issues. That is why English Heritage and a number of other organisations in the heritage sector have joined forces with the Development Trusts Association's Asset Transfer Unit to pool their experience on this issue.

This guidance is intended for both local authorities and community organisations. It is also relevant to transfers from central government and other public bodies. A summary is available separately. Part A of the guidance explains the context of asset transfer, both in terms of the efficient asset management of public assets and the conservation of the historic environment. Parts B and C provide detailed guidance, from the viewpoint of the local authority and the community respectively, backed up by tips and checklists. Part B explains how local authorities can take stock of their heritage assets and formulate transfer strategies. They have a critical role in providing opportunities for local groups to get involved and supporting them through the transfer process. Part C explains how the community can develop successful projects, from assessing potential uses to ensuring the long-term viability of the project. The annexes provide an explanation of the terms used in the document and list additional sources of advice and information.

A2 The importance of heritage assets

Heritage assets can be buildings, monuments, sites, places, areas or landscapes which have been positively identified as having a degree of significance. The interest of a heritage asset may be archaeological, architectural, artistic or historic. Many of these assets have a local, communal value. Some have statutory protection through designation such as listed buildings or scheduled monuments; others are recognised as important internationally, such as World Heritage Sites (see Annex D2 for an explanation of the different types of heritage asset). Heritage assets are non-renewable resources which can bring social, economic and environmental benefits through their conservation.

A vital step for any project that involves a historic asset is to understand *what* its value is and *to whom* it is important. Only then is it possible to determine what scope there might be to adapt the asset to meet the requirements of a new owner or occupier. In accordance with the policies set out in National Planning Policy Framework[1], all planning applications that affect heritage assets should be supported by a description of their significance and the contribution of their setting to that significance. Likewise, the Heritage Lottery Fund requires all applicants seeking funding to consider why the heritage asset is important, who values it, and how its significance can be sustained and enhanced through the project.

English Heritage sets out its approach to making decisions and offering guidance about all aspects of England's historic environment in *Conservation Principles: Policies and Guidance for the sustainable management of the historic environment*[2]. These principles can also be used by local authorities, property owners, developers and their advisers.

The level of information required on the significance of the asset should be proportionate to the importance of the asset and no more than is sufficient to understand the potential impact of the proposal on the significance of the heritage asset. This can range from a summary statement of significance, comprising a brief description of the asset and its heritage values, to a full Conservation Management Plan, which details the history and significance of the asset and sets out a series of specific management policies and actions. These terms are explained in the Glossary (D1). Another option is a Conservation Statement which is a shorter version of a conservation management plan, written at an earlier stage in the project before options for different uses have been considered[3].

[1] National Planning Policy Framework: *National Planning Policy Framework, 2012* www.communities.gov.uk/documents/planningandbuilding/pdf/2116950.pdf

[2] www.english-heritage.org.uk/professional/advice/conservation-principles/ConservationPrinciples

[3] Further information about conservation plans and statements is available from the Heritage Lottery Fund www.hlf.org.uk and the Prince's Regeneration Trust www.princes-regeneration.org/pdf/how-to-write-conservation-reports.pdf

Sandford Parks Lido, Cheltenham

This site was under threat of closure before it was taken over from the Borough Council by a newly formed charitable trust in 1996. HLF funding was secured alongside a range of direct donations. In addition, the Gloucestershire Environmental Trust contributed money raised from Land Fill Tax Credits. A conservation management plan has been produced which records the history of the lido and its value to the local community. This is an important tool in helping to guide the ongoing management of the site.

CASE STUDY →

Photograph © Iain Barton

The Quirk Review

Community ownership of assets is not new it has a well-documented history going back hundreds of years through our society. However, in recent times, community ownership and management of land and property has been given fresh momentum as a result of influential reports, government policy and the work of community-based organisations.

The most influential of these reports was the Quirk Review, published in 2007 as *Making Assets Work,*[4] which explored the barriers and incentives affecting the transfer of public assets to community management and ownership. It led to the Advancing Assets for Communities programme, coordinated by the Development Trusts Association's Asset Transfer Unit. The Quirk Review also provides examples of good practice, a helpful glossary of terms and a table analysing the risks involved and how to manage them.

[4] www.communities.gov.uk/publications/communities/makingassetswork

Asset transfer: the local authority perspective

B

B1 Considerations for local authorities

Within local authorities, the future of heritage assets is not just a matter for the departments that currently use or manage them. They will be of concern to those involved in planning and regeneration for their contribution to local character and quality of the environment, as well as other potential public benefits that would arise from their re-use.

Local authorities are allowed to transfer land and buildings at less than market value, whether on a lease or freehold basis, where this 'would help to secure the promotion or improvement of the economic, social or environmental well-being of its area'[5]. Where heritage assets have been sold to new owners who have been unwilling or unable to fund the necessary repairs, they may stay empty over many years and become derelict. It is vital to take prompt action with unused heritage assets, as the cost of repairs can easily escalate when neglect takes hold. Dereliction can have a negative impact on the surrounding area, and a depressing effect on private investment, whereas re-use of heritage assets can support regeneration.

For local authorities, guidance on the management of their heritage assets has been published by English Heritage[6] and more recently by The Prince's Regeneration Trust[7]. Guidance for central government on the transfer of heritage assets[8] contains the elements of best practice for the public sector as a whole, including local authorities. It advises:

- Accepting the highest purchase offer is not always appropriate
- Any options for re-use of an asset should be considered before deciding to sell
- Unused heritage assets need to be actively protected through regular inspection and maintenance
- Information about the significance and condition of heritage assets should be made available to potential purchasers
- Alternative methods of sale may need to be considered to ensure that heritage assets find an appropriate new owner
- The transfer of large historic sites should be handled holistically, to avoid isolating heritage assets

These principles are relevant to any transfer of heritage assets from public to community ownership.

Photograph page 6:

Bilston Town Hall, Wolverhampton

This listed town hall was transferred to the Gazebo Theatre Company following Wolverhampton Council's call for expressions of interest. £2.5m of funding from the Council, the European Regional Development Fund and the HLF has allowed for the dance hall to be restored and new offices to be created.

CASE STUDY →

Photograph © English Heritage.NMR

[5] Circular 06/03: Local Government Act 1972 General Disposal Consent (England) 2003 www.communities.gov.uk/publications/planningandbuilding/circularlocalgovernment

[6] *Managing Local Authority Heritage Assets*, English Heritage 2003 www.english-heritage.org.uk/publications/managing-local-authority-heritage-assets-document

[7] *Sustainable Heritage: An Online Toolkit for Asset Management* www.princes-regeneration.org/sustainableheritage

[8] *The Disposal of Heritage Assets: Guidance note for government departments and non-departmental public bodies*, English Heritage 2010 is available at www.helm.org.uk/gheu

The Newcomen Beam Engine at Elsecar Heritage Centre, South Yorkshire

This former ironworks and colliery workshops site contains a number of listed buildings and was acquired by Barnsley Metropolitan Council in 1988. There is now a diverse range of tenants on site and a new community-based Friends group is being set up to provide volunteering and fundraising opportunities.

Photograph © English Heritage.NMR

Taking stock of heritage assets

Local authority heritage assets may be suitable for transfer because they are under-used, unsuitable for current operational needs or because estate rationalisation leaves them surplus to requirements. Yet there are many good examples of former assets being turned to new uses, as illustrated by the case studies which sit alongside this guidance and in various websites and publications (see Annex D3). Local authority estates include many assets which are particularly valued by the local community. They include old town halls, schools, libraries and public baths. Less obvious examples are blocks of flats, terraced houses, chapels, open spaces and cemeteries. Similarly, surplus property on the central government estate, such as hospitals and military sites, often include heritage assets that are capable of re-use.

As an example of the benefits of taking stock, Stroud District Council jointly funded a study in 1986 on the condition and potential for re-use of some 40 textile mills along the Stroud valleys. The Council then designated a series of industrial conservation areas, and set up the Stroud Valleys Project[9] to promote environmental improvements with support from English Heritage. It also acquired and converted the largest complex, Ebley Mills (listed grade II), into central offices for its previously scattered departments. Along with projects undertaken by voluntary organisations, such as the Stroud Preservation Trust, the Stroud Common Wealth and local businesses, the result has been a surge of interest and investment in the district, culminating in the restoration of the old canals that once served the mills.

[9] www.stroudvalleysproject.org

A local authority's Asset Management Plan can reveal assets that are under-utilised or in need of investment. English Heritage publishes a national Heritage at Risk Register[10]. Some local authorities also maintain their own registers. The longer buildings are left vacant, the more expensive it is to bring them back into use. Decay can set in very quickly, so it is important to ensure that assets that are under-used or vacant while awaiting transfer are adequately secured and maintained[11]. Services such as water and electricity may need to be decommissioned both before and during works. It may be worth considering temporary uses to reduce the risks of vandalism and decay.

Local authorities have statutory responsibilities for administering the planning system and for protecting heritage assets in the exercise of these powers, in accordance with legislation and central government policy in NPPF[12]. Most local authorities employ a conservation officer in their planning department, or have access to specialist conservation advice. The conservation officer may be able to give advice on the constraints and opportunities that are likely to arise from new ownership of a heritage asset that currently belongs to the local authority. Help may also come from a Heritage Champion (see D1), which some authorities have appointed, and from community groups themselves.

St Peter's Church, Ipswich

In the 1980s the Church was handed over to Ipswich Council, along with three other medieval churches, due to a prolonged period of redundancy. A partnership between the Council, Ipswich Historic Churches Trust and Ipswich Hospital Band allowed for £722,000 of HLF funding to be secured, resulting in the successful repair and reuse of the building.

CASE STUDY →

Photograph © English Heritage.NMR

[10] www.english-heritage.org.uk/risk

[11] See The Prince's Regeneration online e-toolkit *Sustainable Heritage* 'Step 1: Manage your assets' for further information and *The Disposal of Heritage Assets*, section 5

[12] National Planning Policy Framework: *National Planning Policy Framework, 2012* www.communities.gov.uk/documents/planningandbuilding/pdf/2116950.pdf

Once a heritage asset has been identified as a suitable candidate for transfer, it will be necessary to clarify what constraints, liabilities and restrictions[13] are attached to it, as well as the potential opportunities, including re-use or development. This process requires an appreciation of the asset's heritage significance (see A2).

Woodchester Mansion, near Stroud

This unfinished gothic mansion, dating from the 1870s, is a grade I listed building. In 1988 Stroud District Council purchased it and subsequently granted a 99-year lease to the Woodchester Mansion Trust. The cost of repairing the building has been met with the help of grants from the Heritage Lottery Fund, English Heritage and other bodies. The mansion is used as a base for heritage skills training and for various other activities, as well as opening for public visits.
See: www.woodchestermansion.org.uk

CASE STUDY →

© Neil Dotti

TIP

The local authority's conservation officer can help identify heritage assets suitable for transfer and clarify what constraints and opportunities are attached to them.

Checklist

- Does the local authority's Asset Management Plan identify heritage assets that are at risk or under-utilised?
- Has there been adequate consultation between the local authority and community groups regarding possible transfers of heritage assets?
- Are there any heritage assets on the Heritage at Risk Register that are suitable for transfer to community groups?
- Are heritage assets subject to transfer being adequately maintained?
- Does the local authority have a Heritage Champion who can promote a transfer from the local authority?
- Is the significance of the heritage asset explained in a Statement of Significance, Conservation Statement or Conservation Management Plan (see A2)?

[13] The disposal or transfer of a heritage asset held on charitable trust is subject to the charity law framework. It is, therefore, important to identify those assets held on charitable trust at an early stage to ensure relevant statutory procedures are followed and charity law advice taken. The Charity Commission provides guidance on the disposal of charity land and Trustees' responsibilities: www.charity-commission.gov.uk

B3 Formulating transfer strategies

Property transfer can be complex and time-consuming, and so it helps if the local authority has a clear strategy, policies and procedures in place. According to Audit Commission statistics, local government in England has a land and property portfolio worth £250 billion[14], so there is almost certain to be some scope for transfer.

Local authorities have powers to dispose of land and buildings (including the sale of freeholds, granting and assigning of leases and the granting of easements) for the best consideration reasonably obtainable. Under the *General Disposal Consent (England) 2003* (see D4), local authorities have the power to dispose of any asset at less than best consideration where this will secure the promotion or improvement of the economic, social or environmental well-being of an area. The approval of the Secretary of State is required if the discount exceeds £2 million. Therefore, local authorities are not obliged to secure the highest price obtainable, and may negotiate with potential partners to seek non-financial benefits.

The basis on which assets are transferred to communities can include gifting or donating the asset, sometimes with an endowment, or sale at a discounted value, but with conditions to secure any benefits. Research undertaken for the North of England Civic Trust and Heritage Works[15] emphasises the importance of understanding and evaluating the options before proceeding to transfer.

Transfer typically involves a period of working in partnership with a prospective recipient to work up a proposal and start raising funds or equity investment. Development agreements may ensure a 'safety net' if the project were to fail. Sometimes the right solution may be for the local authority to retain ownership, but lease or license parts of the asset out to different organisations. In other cases the best approach will be to combine the resources of a community group with those of a commercial developer, with, for example, the community taking over parts that involve public access, as at Oxford Castle[16].

Drawing on advice from the Asset Transfer Unit and the Communities and Local Government funded *Advancing Assets for Communities* programme[17], a number of local authorities have developed a strategy, policies and procedures for how expressions of interest from community groups will be dealt with. An example is the *Asset Transfer Policy for the Third Sector*[18] published by Portsmouth City Council in December 2008. Similarly, Sheffield City Council has set out a 'route map', in the *Sheffield Compact*[19] for strengthening relations with the voluntary and community sector. Their Community Buildings Team issues a Premises Pack, with a Building Search Request Form. Torbay Council's *Asset Rationalisation Project*[20] calls for voluntary and community groups to take on buildings that are prospective transfer opportunities and the council has also fixed notices to the buildings to raise interest. In the Wirral a *Community Asset Transfer Policy*[21] has been established, with a website where community groups can view details

[14] www.audit-commission.gov.uk/nationalstudies/localgov/Pages/roomforimprovement17jun2009.aspx
[15] *Adding Value: Third-sector partnerships in heritage-led regeneration,* North of England Civic Trust and Heritage Works, January 2010 www.regenmomentum.co.uk/developing.asp
[16] www.english-heritage.org.uk/publications/conservation-bulletin-63/cb-63-pp28-49.pdf
[17] www.dta.org.uk/activities/campaigns/communityassets/advancingassets1
[18] www.portsmouth.gov.uk/media/cab20090112r_item7_app.pdf
[19] www.sheffield.gov.uk/in-your-area/neighbourhood-renewal-and-partnership/policy-support-team/compact
[20] www.torbay.gov.uk/index/business/property-pm-procurement/assetmanagement/asset-rationalisation.htm
[21] www.wirral.gov.uk/my-services/community-and-living/community-centres/community-asset-transfer

of properties currently available and download expressions of interest forms. Gloucestershire County Council have recently advertised a 'big community offer'[22] which will see local people take over the running of thirty community facilities, as part of an overhaul of local public services.

The key to successful transfer is a realistic business plan and the capacity of the community organisation to put this into practice. Responsible transfers of publicly-owned assets require due diligence, examination of the recipient organisation to ensure they are able to deliver the objectives of the transfer successfully, and a clear audit trail recording the decision-making processes for accountability purposes.

There is an issue of how much discount should be provided by the authority. Community groups are usually unable to compete with commercial buyers; however, they can offer something that the private sector does not, warranting transfers at less than market value for assets which add value to a local area and support the public sector's strategic objectives. The discount should leave the recipient as well-placed as possible to raise associated development capital. The London Borough of Lambeth has developed explicit policies for a tapering subsidy over four years on rentals to allow groups to gradually adjust to the full market rate.

Some councils have produced checklists, with a scoring system, breaking down the benefits of transferring assets into different categories. Efforts are being made to develop the idea of Social Return on Investment (see D1), but it is far harder than assessing commercial returns. The Prince's Regeneration Trust offers some useful advice.[23]

Checklist

- Does the local authority have a strategy, policies and procedures outlining when and how assets should be transferred? Was the community involved in its development?
- Is there a clear process for how transfers are to be handled, with a timescale for a staged decision-making process?
- Is there someone within the authority, such as a Heritage Champion, with responsibility for ensuring the best outcome for all sides?
- Is there a policy for giving community groups a discount on the market value?
- Is there a practical method for taking account of the benefits that community ownership may bring, both to the community and the asset itself?
- Does the transfer ensure best value in the light of planning constraints?

[22] www.gloucestershire.gov.uk/index.cfm?articleid=101761
[23] *Sustainable Heritage: An Online Toolkit for Asset Management* www.princes-regeneration.org/sustainableheritage

Asset transfer: the community perspective

C

C1 Considerations for community organisations

Social enterprises and community-based organisations involved in asset transfer vary widely in their size and complexity. Many are small groups of volunteers motivated by a desire to support a local service or amenity, such as a community hall or leisure facility. These small groups traditionally depend on local authority support or subsidy, including professional advice on the management of the asset. Others start as campaigning groups, determined to save a heritage asset which is at risk of decay or closure. At the larger end of the scale there are community trusts and social enterprises which have the capacity to manage larger and more complex assets, or even multiple assets in an area.

Though often small on their own, many community groups can benefit from being part of wider associations, and can access specialist sources of support and funding. For example, the Development Trusts Association has grown to over 500 community enterprise members and the UK Association of Preservation Trusts has members in most parts of England. Details of these and other organisations that can provide support or advice are listed in Annex D3. The contribution of the community sector to heritage-led regeneration has been explained and illustrated in *The Heritage Dynamo*[24], published by The Heritage Alliance.

Photograph page 13:

Hebden Bridge Town Hall, West Yorkshire

Andrew Bibby, a trustee, in the Council Chamber. The Town Hall has been transferred from Calderdale Council to the Hebden Bridge Community Association on a 40-year lease, along with funds for basic maintenance work. Substantial volunteer time is now being put into renovation works and fundraising to secure the building's future, including business and community facilities.

Photograph © English Heritage.NMR

A community group may have an interest in acquiring an asset that it currently rents, or it may want more suitable space for its activities. However, before agreeing to take on a heritage asset, the group will need to make an assessment of the risks involved. The management of a heritage asset will require skills, resources and organisational development, as well as enthusiasm. Ultimately the success of the transfer will depend on being able to generate more value from the asset than in the past, while containing the costs within the resources that can be raised. A realistic and robust business plan is essential; so too are individuals with the necessary knowledge and experience prepared to put in plenty of time, often on a voluntary basis, and the flexibility to consider a range of options both for uses and forms of tenure or partnership.

It is vital that the management committee or board of trustees fully understand what is involved in taking on the development and management of a heritage asset. They may need to commit considerable time to the project and be prepared to accept responsibility as trustees or company directors. This means:

[24] www.heritagelink.org.uk/docs/heritage_dynamo.pdf

- Establishing the community needs that a heritage asset could accommodate, and the range of uses that would be both appropriate and viable (see C2).
- Seeking an existing organisation or setting up a 'special purpose vehicle' (see D1) to take ownership of the property (see C3).
- Undertaking a full assessment of the risks to the organisation and the asset to ensure that they are understood, assigned ownership, mitigated or averted and resolved for each stage of the project (see C4).
- Knowing the range of options for tenure, such as length of lease, and the implications for attracting funding (see C5).
- Building the capacity to take on the project, either through staffing or arrangements with partners or consultants, or the use of volunteers; understanding the skills required to develop and manage the asset, and how they are to be acquired and applied (see C6).
- Having a realistic financial strategy or business plan that allows for upsets and delays as well as the impact of factors such as Value Added Tax on repairs (which may not have been allowed for in grants) (see C7).
- Ensuring that the project is viable in the longer term, by being realistic about future operational and repair costs, and allowing for changing circumstances (see C8).

Assessing options for use

One of the first steps is to establish what the community needs are that a heritage asset could accommodate, and the range of uses that would be both appropriate and viable.

It may be possible to raise extra revenue through different or more intensive uses of the asset. Ideas can be generated through consultative events, or by studying examples of what has worked in similar situations. At the start of a project the outcome is often unclear, with considerations such as relevant permissions and consents to be negotiated. Risks can be reduced if contact is made with the local planning authority early in the project. During the development period, interim, or 'meanwhile'[25] uses such as storage or artists' studios can help to keep the building aired and secure. It may be worth considering a live-in guardian under a temporary occupation agreement.

To meet the requirements of a new occupier, a building might need to be altered or extended. In the case of a park or other open space, new development might be required to provide additional facilities or services as an income stream. A private developer might be motivated by the prospects for securing a profitable end-use, but community groups will be more interested in the communal value of the asset, and its potential uses that will meet community needs. They need to be realistic about what offers the best, overall long-term value for money, and the prospects of securing capital grants as well as covering running costs.

[25] www.meanwhile.org.uk

Shine Centre, Leeds

Following a period of dereliction, this grade II listed Victorian school building was re-opened in 2008 as a venue for a Community Interest Company, providing a business and community hub. The company aims to generate income which will be invested in local enterprises through a venture fund.

CASE STUDY →

Photograph © English Heritage.NMR

It is important to ascertain whether any land adjoining a heritage asset (such as a car park) has development potential, bearing in mind that the surroundings or its 'setting' may be protected. If new development such as an extension or a new building is possible, the value of the land can be used to help fund the heritage asset. Some form of public-private-community partnership may be appropriate.

Carrying out a feasibility study or options appraisal (see D1) tests potential uses and funding sources, to find the best way forward. It is complex and requires a detailed brief to ensure that the study provides the necessary answers and represents value for money rather than repeating information already in the public domain. It usually involves professional work to cost and value the options; design input on ways of using the available space; and entrepreneurial flair to think of imaginative uses and approaches to development. Other work, such as condition surveys, should be carried out at this stage to assess risk and avoid unforeseen or abortive expenditure on repairs which can overwhelm a voluntary organisation. The local authority should be encouraged to provide their asset management plan and an up-to-date condition survey for the property. Maintenance and repair records, plans and drawings, asbestos registers, information on services, conservation management plan, disaster management plans and any historic or other relevant information, may also be required as part of the transfer process.

As well as a feasibility study showing refurbishment and conversion costs, a business plan is needed to show how all the running costs are to be covered including maintenance, security, insurance and loan repayments. As this may require professional

advice, some public funding may be required. Where work is being undertaken by local authorities and partners on securing efficiencies through co-location of services, more intensive re-use of a heritage asset could prove the solution to problems. There are many good examples of buildings that were redundant which now house voluntary organisations or creative businesses (for example, the case study of Shine business centre, a former school in Leeds). Surplus town halls may be used as meeting places, or conference or arts centres, thus allowing continued public access. However these uses may require significant investment.

Feasibility studies can be expensive, but can help in negotiating an agreement, once interest has been generated in possible uses. Helpful advice for community groups on commissioning professional work is set out in the *Regeneration Through Heritage Handbook*, available from the Prince's Regeneration Trust. The feasibility study process is set out in *Industrial Buildings*[26], by Michael Stratton, which provides further examples of adaptive re-use involving local authorities and community organisations. Examples of feasibility studies on buildings, mainly in north-west England, can be viewed on the Heritage Works website[27]. Funding for an options appraisal study may be available from the Architectural Heritage Fund.

TIP

After consultation, form a steering group of the different stakeholders to take the transfer process forward and ensure that the group is led by an experienced person with adequate support.

Checklist

- Is there a shortage of spaces for community activities and has demand been sufficiently assessed?
- Have all other uses been considered – for example, housing, offices, leisure – and the most promising options market-tested?
- Has an options appraisal been carried out, with an assessment of the likely costs and benefits of different options?
- Could a combination of uses maximise income and funding potential?
- Does the configuration of the asset or its condition rule out some uses, or suggest others?
- Have pre-application discussions been held with the local planning authority regarding development proposals (including change of use) and any other work that will require their permission or consent?
- If the heritage asset has statutory designation (such as a listed building) or is recognised locally as worthy of protection, have the constraints on use and alterations been clarified with the local planning authority?
- Will the heritage asset need to be repaired or adapted before the community can make use of it?
- If the asset requires substantial investment in renovation and conversion, can the work be phased, and the asset transferred to the community in stages?
- Have similar projects been visited and studied, to learn from their experience?

[26] *Industrial Buildings: Conservation and Regeneration*, edited by Michael Stratton, E & FN Spon, 2000
[27] www.heritageworks.co.uk

- Are there viable commercial uses that would attract a private investor, and would they be sufficient to overcome any backlog of repairs and maintenance?
- Are there viable community uses that would cover the ongoing running costs?
- Is there land available for ancillary uses (eg car parking) or for an extension to provide additional accommodation (eg lettable space to provide revenue, or a circulation tower to resolve disabled access issues)?
- Is there potential for development on adjoining land to cross-subsidise the restoration or re-use of the heritage asset?[28]

Developing support for the project

All transfers will be different according to the type of asset involved and local circumstances, including the strength of community support and the scope for raising funds. The case studies which accompany this guidance illustrate a range of different projects.

Transfer to a community-based organisation is most likely to succeed when:

- There are people in the community who are committed to supporting the asset and the services or amenities it provides;
- Volunteers can supplement the work of paid staff;
- The organisation brings relevant experience and skills;
- There is potential for capital funds from a wider range of sources than either the local authority or a private owner could access;
- There are good relations between the community group and the local authority;
- Where appropriate, a suitable partner has been selected to work on the project;
- There is strong support within the local community for the aims of the project.

It will help if organisations engaging in asset transfer have pre-existing roots in the local community. Where they do not exist, links should be forged with voluntary and community groups in the area. This needs to happen at an early stage, when the purpose is still being defined. People are more likely to support a project when they can influence its development.

[28] See *Enabling Development and the Conservation of Significant Places*, English Heritage, 2008 www.english-heritage.org.uk/publications/enabling-development-and-the-conservation-of-significant-places

Oxford Castle, Oxford

This nationally important complex of historic buildings was purchased from HM Prison Service by Oxfordshire County Council in 1997. A successful partnership between the Oxford Preservation Trust, the Council and The Trevor Osborne Group has resulted in the creation of a new cultural quarter with a hotel and commercial businesses operating alongside educational and cultural services. The scheme has received over £34million of investment from both the private and public sectors, including a grant of nearly £4million from the Heritage Lottery Fund.

© Oxford Preservation Trust: Charlotte Wood

Building preservation trusts (BPTs) can enable a community group or developer to take on a heritage asset by sharing expertise and enabling the community group to develop its own role, possibly as an occupant of the property. BPTs can be very useful where grants need to be packaged and sensitive repairs undertaken in preparation for community management and use.

The UK Association of Preservation Trusts (see D3) can provide information on existing BPTs in the locality, and other successful trusts.

Checklist

- Does the heritage asset being considered for transfer have a potential profit-generating use that is compatible with its heritage significance?
- Have potential developers or development partners been properly considered?
- Is there an organisation, such as a building preservation trust, with an interest and track record in bringing vacant heritage assets back into good use, who can take on the project, or provide support to a community group?
- Is there an individual or group who will provide the necessary driving force to get development going, and sustain it over a period of years?
- Are there others who have assumed responsibility for comparable assets who could give advice about the challenges and opportunities?
- Has a written undertaking or statement of intent regarding transfer been obtained from the local authority before costs are incurred in carrying out detailed studies or preparatory works?
- Is the governance model (eg charitable body, development trust, social enterprise, limited company) right for the project?

TIP

Build good relations with the local authority, including councillors. The council officers may be able to offer support and advice at the outset of a project and in the longer term.

Managing the risks

Development inevitably involves risks of various types. These need to be fully understood, assigned ownership, mitigated or averted and resolved for each stage of the project. External advice will be required if the organisation does not have sufficient experience of the risks. There is helpful guidance on risk analysis in CLG's guide *Managing Risks in Asset Transfer* (2008)[29] and in the Quirk Review (see A3). Some of the main areas of risk and uncertainty are as follows:

Risks associated with regulations. Any project involving changes to an asset, whether change of use or physical alterations, is likely to be subject to planning, building, safety and environmental regulations. At the outset of the project there are likely to be some uncertainties regarding what consents or permissions may be required, and whether the asset complies with relevant regulations. For example, it would be necessary to check if the means of access to a public building complies with current regulations, as physical alterations to improve access could prove to be costly. The local authority may be able to provide technical help and expertise on issues such as asbestos, legionella, fire risk, energy conservation and accessibility. Otherwise, professional advice will be required to clarify which regulations and controls are likely to apply, whether it is possible to comply with them, and any costs or delays that might result.

[29] www.communities.gov.uk/publications/communities/managingrisks

These include:

- Building Regulations to ensure that buildings are safe, healthy, accessible and sustainable[30]
- Health and Safety regulations[31]
- Construction (Design and Management) Regulations 2007 which require that a Construction-Design-Management (CDM) co-ordinator be appointed[32]
- Regulations concerning access under the Disability Discrimination Act[33] and anti-discrimination regulations under the Equality Act 2010[34]
- Planning legislation[35]
- Heritage-related consents including Listed Building Consent, Conservation Area Consent, (both administered by the Local Planning Authority), and Scheduled Monument Consent, (administered by English Heritage)
- Regulations to protect areas of wildlife habitat or ecological importance such as Sites of Special Scientific Interest (SSSI)[36]
- Environmental regulations, for example to protect water sources[37]

Project development costs. Cost control is essential for any community organisation. Estimates of repair costs should be based on an inspection and report by a professional adviser with specialist conservation experience, before transfer terms are agreed. Guidance on managing heritage assets, including advice on how to commission condition surveys, has been published by English Heritage[38]. In addition to the costs of repairing the asset and adapting it for use, there may be professional fees, administrative charges, VAT, insurance and operational costs. It may be better for the local authority to do basic repairs prior to transfer so that VAT is not chargeable. There are also costs related to securing the asset and keeping buildings wind and weathertight (see A2). These works may include 'mothballing' part of the building, or undertaking a 'facelift' to make it more attractive, without going to the major expense of bringing it back into beneficial use all at once.

Fundraising (see C7 for further details).
The risks of raising finance will be influenced by location (for example whether it is an area eligible for grants), as well as the nature of the asset, strength of local support, potential for matched funding, and development opportunities. The risks can be reduced by establishing an appropriate form of organisation (see C6).

Operational costs. These include heating, insurance and security, as well as maintenance (planned and unplanned). Items with large costs, such as boilers, may have to be repaired or replaced. There will also be the issue of how much to invest in reducing energy costs, for example through extra insulation, low-energy lighting, or some form of renewable energy source. A 'whole-life costing' exercise could help in deciding on the best long-term solution[39].

TIP

Look for ways of phasing building work and attracting rent-paying uses incrementally.

[30] See www.communities.gov.uk/planningandbuilding/buildingregulations
[31] See www.hse.gov.uk/construction/areyou/client.htm
[32] www.hse.gov.uk/construction/cdm.htm
[33] www.direct.gov.uk/en/DisabledPeople/RightsAndObligations/DisabilityRights/DG_4001068
[34] www.equalities.gov.uk/equality_bill.aspx
[35] The principal acts regulating the planning system are the Town & Country Planning Act 1990 as amended, the Planning and Compulsory Purchase Act 2004 and 1990 as amended
[36] See www.naturalengland.org.uk
[37] See www.environment-agency.gov.uk
[38] *Managing Heritage Assets*, English Heritage Government Historic Estates Unit, 2009
[39] For more information see The Prince's Regeneration Trust *The Green Guide to Historic Buildings* www.princes-regeneration.org/publications.php

Checklist

- Has a comprehensive risk register been compiled and kept up to date and its recommended measures implemented?
- Are steps being taken to comply with all relevant regulations and legislation (as detailed above)?
- Is there some form of 'expectations' document setting out responsibilities of each party, support offered, and how the asset will be run?
- Are there adequate arrangements for reviewing both the development strategy and the financial performance?
- Is the project in touch with (and drawing advice from) other similar projects or appropriate sources of advice and expertise?
- Is the business plan flexible enough to cope with the unexpected, such as cost overruns?
- Is it possible to develop the project in stages, for example by mothballing parts of the asset or accepting a lower specification as an interim measure?

Agreeing terms

Once there is a clear and agreed plan for transferring an asset, progress will depend on agreeing the terms. The terms on which a heritage asset is transferred need to strike a balance between the financial interests of the local authority and securing social, economic or cultural benefits for the community. These include the benefits of maintaining heritage assets in sustainable uses. It is advisable for both parties to have to an independent valuation of the asset before reaching agreement. The District Valuer can advise the local authority on what the asset is worth.

By being transparent about the expected costs and values, and a project's income generation potential, it will be easier to reach agreement on what is a reasonable value to set on the asset as it currently stands. A feasibility study can help to answer questions about the likely level of demand for a set of proposed uses. Similarly, an up-to-date condition survey can help to determine the level of investment required in repairs.

In some cases the local authority will transfer to a building preservation trust to carry out the building works before onward transfer to a community group. Councils can also use Compulsory Purchase Order (CPO) powers (see D1) to acquire heritage assets and then transfer them onwards, as was the case with Arnos Vale Cemetery in Bristol (see p.23).

The transfer of assets may involve the progressive transfer of an interest in land or buildings, for example:

- Licence (the right to use property on certain terms, but without security)
- 'Meanwhile' lease (see C2)
- Short-term lease (normally less than seven years)
- Long-term lease (eg over 25 years and often 99 or 125 years)
- Freehold (either on a sole basis or through a joint partnership arrangement)

Options include allowing a community group to start occupation on a licence and then later taking on a lease as it gains maturity and the level of investment increases. A licence enables the building to be occupied and used without granting any long-term rights. An option may be granted to purchase the lease for a prearranged 'consideration' (or value). Option agreements to acquire leases are a good way to give community groups the security to start raising finance.

Experience shows that local authorities and community groups who work together and share appropriate information, enjoy a much easier and less costly transfer process. It is good practice to make notes of agreed points in negotiations about the terms of transfer which both parties agree as a correct record. Setting a provisional and realistic timeframe for the transfer will also focus the minds of those involved. Such notes may also be helpful later, particularly if personnel or attitudes change. Some local authorities seek to ensure a positive ongoing relationship through the signing of an 'expectations document' or 'framework agreement' so that both parties are clear about each other's position.

Arnos Vale Cemetery, Bristol

The City Council served a compulsory purchase order to acquire this historic cemetery before awarding a licence to manage the site to the Arnos Vale Cemetery Trust. The project was subsequently awarded £4.8m of funding from the HLF towards repair and restoration costs.

CASE STUDY →

Photograph © Arnos Vale Cemetery Trust

The key subject areas of the lease or freehold are initially captured in a Heads of Terms statement (see D1). The parties will need to ensure that these match their respective needs and any conditions that may affect the transfer, such as charitable issues, powers, policy or funding requirements. The Heads of Terms will form the basis of the formal lease or transfer documentation but consideration should also be given to any other agreements that need to be entered into.

In addition to the license, lease or freehold transfer, related documents might include:

- Acceptable legal forms and governance arrangements to ensure that the asset will be retained for community use, such as representation on the asset's management committee[40]
- A development agreement or maintenance and management agreement to regulate how repairs or improvements are to be carried out and any public areas maintained
- Services on behalf of the transferring public body and any obligations that need to transfer across with the asset, such as existing occupiers or staff under the Transfer of Undertakings (Protection of Employment) Regulations 2006[41]

One possible arrangement outside major conurbations is for the head lease of an asset to be taken over by a town or parish council and then sublet or licensed to community groups or the local authority. The asset may then be transferred with a 'dowry' to cover the costs of expected refurbishment works, as set out in a schedule of dilapidations. Where the property forms part of a wider development site, it may be possible to negotiate a transfer of income-generating properties to cover future running costs.

TIP

An independent valuation of the building is essential to reaching agreement. The District Valuer can advise the local authority on what the property is worth as it stands.

Checklist

- Does the price agreed take into account any liabilities, including the cost of necessary repairs and future maintenance?
- Is a joint venture or partnership agreement more appropriate than outright sale?
- Is it clear who the negotiating parties are and do they have delegated authority and necessary skills for the negotiation?
- Has plain English been used in writing all documents (eg the expectations document, framework agreement, Heads of Terms)?
- Has a realistic provisional timescale for transfer been set?
- Are there any restrictions or obligations (eg land title documentation, funders' conditions, a Section 106 agreement, or a requirement by the local authority to maintain or subsidise particular uses) and are they addressed in the resulting documentation?
- What are the fallback arrangements if the project fails or one of the partners cannot fulfil their obligations under the agreement?

[40] Simply Legal is a free guide to legal forms by Co-operatives UK www.cooperatives-uk.coop/SimplyLegal

[41] www.legislation.gov.uk/uksi/2006/246/contents/made

C6 Building an effective organisation

Taking responsibility for a heritage asset (or part of a heritage asset) can be both time-consuming and complex. A group or organisation taking on such a responsibility needs sufficient capacity to do so in terms of people, skills, experience and organisational effectiveness. The local authority should, as part of its due-diligence procedures, ensure that the recipient organisation can deliver the objectives of the transfer successfully.

The Quirk Review (see A3) found that a successful transfer is dependent on the community organisation having access to both technical advice and organisational development support. Access to the required advice can come either directly through the membership of the group itself, from the local authority, or via an external source (access to which may incur a cost). Failure to obtain the necessary advice can lead to time, effort and resources being wasted and potentially jeopardise the project. There is a list of possible sources of advice in Annex D3.

It is the responsibility of both the local authority and the recipient group or organisation to ensure that such capacity exists. This can be done by:

- Carrying out a review of organisational capacity and reviewing that capacity at agreed junctures
- Developing and implementing an organisation development plan
- Identifying sources of third-party advice, ensuring that where necessary a budget is set aside for commissioning that advice
- Establishing a project team (see D1), preferably with representation from both the local authority and the community group
- Appointing an experienced Project Manager

The Project Manager may be a member of the existing community organisation, but it is important that they have relevant previous experience, can commit sufficient time to the project and have the trust of all involved. Selecting an effective and suitably-resourced Project Manager is vital to the success of any transfer. Further information can be found in the Communities and Local Government's publication, *Managing Risks in Asset Transfer: A Guide*[42].

TIP

Look at a variety of ways of building capacity within the group, including identifying a mentor, with direct experience, who can provide the group with support and advice as required.

[42] www.communities.gov.uk/documents/communities/pdf/869103.pdf

Checklist

- What changes will the organisation have to go through to respond to the new responsibilities which come with managing a heritage asset?
- Has some kind of 'skills audit' been undertaken to ensure that the organisation has the capacity to follow the project through?
- Is the organisation overly reliant on just a few individuals? Are responsibilities spread amongst sufficient numbers?
- Will commitment be retained in the medium and long term once the original enthusiasm has passed?
- Are steps being taken to build capacity within the community, for example by funding professional advice or project management, employing a mentor, or setting up small groups to take on specific responsibilities like fund-raising?
- Does the business plan and the capacity and experience of the organisation match up to the scale and complexities of the asset?

Raising finance

Most development projects depend on raising finance from a variety of sources. With increasing competition for funding, projects need to become more effective in identifying the most appropriate sources, and in putting together successful bids.

Part of the funding for development may come from bank loans, but grants or 'soft loans'[43] can make all the difference to whether a scheme is viable. It is vital to know whether offers of funding come with any restrictions or obligations. For example, is a lease of ten years too short to attract grants towards conversion to a new use? The Heritage Lottery Fund requires a minimum lease of at least 25 years where funding of over £200,000 is to be provided and commercial lenders can require a minimum term of 70 years.

The different sources of funding can be grouped into the following types[44]:

1. **Government grants** will largely be for end uses if there are economic benefits and the location has been targeted for assistance.
2. **Lottery funds** include not just the Heritage Lottery Fund (see D3), but also the Arts Council England[45] and the Big Lottery Fund[46], both of which have assisted the re-use of many heritage assets. The Heritage Lottery Fund (HLF) is the principal source of funding for heritage assets, offering a range of grants from as little as £3,000 to £5 million and more. The application process is competitive, with grants awarded to those projects that offer the best value for money in terms of benefits for heritage and for people. Depending on the size of grant

[43] A loan with below-market-rate interest, usually provided by the Government or social finance lenders to projects considered valuable or worthwhile
[44] See *Funds for Historic Buildings* www.ffhb.org.uk
[45] www.artscouncil.org.uk
[46] www.biglotteryfund.org.uk

required, funding might be available to help with the costs of developing a project, including professional fees and necessary investigative work such as a condition survey. HLF also offers an on-line pre-application advice service.[47]

3. **The local authority** can be important in supporting uses. It may also provide funding for repairs or negotiate funding from the private sector through Section 106 agreements, and through Landfill Tax[48] for environmental projects.
4. **The Architectural Heritage Fund** (see D3) is an important source of funding for buildings being transferred to building preservation trusts and other charities throughout the UK. It gives grants for options appraisal (up to £10,000) and project development (building preservation trusts only), as well as loans for acquisition or working capital of up to £750,000 at competitive interest rates secured by a charge on the property or a guarantee of repayment.
5. **Charitable trusts and foundations** tend to support very specific uses. Information can be obtained from Funds for Historic Buildings[49].
6. **Low-cost loans** may be available to charities from specialised institutions like the Charity Bank[50], Unity Trust Bank[51] and Triodos[52], as well as from banks and building societies in cases where the risks are small. Other sources of loans, grants and professional help include Community Land Trusts[53], Futurebuilders England[54] and Community Builders[55] and some of the funds managed by the Social Investment Business[56].

Woodend Creative Workspace, Scarborough

This centre for creative industries has been established in a grade II* listed building converted from a private residence. The property was gifted by the local authority on a 30-year lease to a new not-for-profit trust.

Photograph © English Heritage.NMR

[47] For more information visit the Heritage Lottery Fund's website www.hlf.org.uk where a wide range of resource material can be found
[48] Further information is available on the HM Customs & Revenue website www.hmrc.gov.uk
[49] www.ffhb.org.uk
[50] www.charitybank.org
[51] www.unity.co.uk
[52] www.triodos.co.uk
[53] www.communitylandtrusts.org.uk
[54] www.futurebuilders-england.org.uk
[55] www.communitybuildersfund.org.uk
[56] www.thesocialinvestmentbusiness.org

7. **Community investment** is a way of raising money from communities through the sale of shares or bonds in order to finance enterprises serving a community purpose. Unlike charitable fundraising, community investors can get their money back, (subject to specific terms), and many also receive financial compensation in the form of interest on the money they invest[57].

In addition to grants and loans, funds may be generated from the development of adjoining land, often as part of a Section 106 agreement (see D1), or by commercial development of the asset itself, for example by selling on part of the asset for commercial use (subject to the agreement of the local authority). This was the case at the Explosion Museum[58] in Gosport, where the rest of the 22-acre Priddy's Hard site is being developed into leisure uses, whilst the museum already benefits from a new access road and pedestrian bridge funded by a Millennium Commission Grant. The Association of Independent Museums is a useful source of advice[59] for museum-related transfers.

TIP

Think in terms of putting a 'funding cocktail' together, and start with the most likely source of finance for each element, learning from the successes and failures of other projects. Map out the conditions attached to each funding source and the deadlines for submission.

Checklist

- Have the main sources of funding for which the project would be eligible been identified and are their funding requirements fully understood?
- Is the necessary supporting information available to enable bids to be submitted to funders, such as building surveys, ecological surveys, a conservation statement, forecasts of costs and income, and assessments of the community benefits that would flow from the project?
- Have pre-application discussions taken place with potential funders?
- Has the time required to raise the necessary funds been factored into the planning process?
- Are the deadlines for submission, the information required and the presentational format all understood?
- For match funding, have the time spent by volunteers, other 'pro bono' contributions or donations been taken into account?
- Have the opportunities for getting fund-raising work done on a 'pro bono' basis been fully explored, such as secondments?
- Have the opportunities for generating local investment been fully explored, such as community shares?
- Are arrangements in place to allow sufficient sub-letting to cover expected costs?
- Are the terms of the agreement sufficiently flexible to allow for changing circumstances?

[57] See www.communityshares.org.uk for more information
[58] www.explosion.org.uk
[59] www.aim-museums.co.uk

C8 Maintaining long-term viability

In taking on responsibility for a heritage asset, the community organisation must be able to demonstrate to the local authority, potential funders and its own supporters that it has a viable long-term project. This means being realistic about future operational and repair costs, and allowing for changing circumstances.

A business plan should include information on expected overheads (including insurance, utility bills and management costs) as well as maintenance. The capacity to cover running costs may be critical. The Heritage Lottery Fund stresses the importance of understanding full cost recovery, so that organisations take proper account of their overheads (see *Understanding Full Cost Recovery*[60], Heritage Lottery Fund). Some help on estimating running costs is available through the Association

The Brunel Museum, London

Opened as an accredited museum in 2006, management of the Brunel Engine House was transferred from London Transport to a charitable trust in the 1970s with the help of the London Borough of Southwark.

CASE STUDY →

Photograph © English Heritage

[60] www.hlf.org.uk/HowToApply/furtherresources/Documents/Understanding_full_cost_recovery.pdf

of Chief Executives of Voluntary Organisations (ACEVO)[61]. Guidance on improving energy efficiency in historic buildings is available from English Heritage[62].

Particular care needs to be taken with projects that propose cross subsidy of some activities by others, for example, where it is assumed that surpluses from some elements (such as rental income from workspace) will cover the costs of others (such as community use). The best way of covering all the costs is to have is a wide range of uses and activities so that if one fails another can take its place (see C2 above).

Particular attention needs to be paid to market research and estimates of capital and revenue costs to ensure that they are as robust and comprehensive as possible.

TIP

Put realistic figures into the business plan to allow for the cost of ongoing management and maintenance. Use a financial adviser with relevant experience who will have a 'duty of care' to the project and who will assist in financial planning.

Checklist

- Has a robust, realistic business plan been drawn up, taking into account how the project (or neighbourhood) may change over a 5-10 year period?
- Is the business plan kept under regular review?
- Have unforeseen costs or unexpected price rises been planned for?
- Is sufficient business expertise available, in-house, on the management board or from external advisers?
- Does the community group have a wide-enough remit or flexibility in terms of the lease to ensure long-term viability, for example for sub-letting?
- Are there arrangements in place for the condition survey to be regularly updated (on a four or five-year rolling cycle)?
- Have running costs been estimated for the next five to ten years?
- Is it possible to reduce long-term running costs by investing in energy-saving measures or more efficient building services?
- What sort of aftercare package will be in place post-transfer to monitor progress and ensure long-term success?
- Will the project continue to attract community support once the initial enthusiasm of reclaiming the asset has passed?

[61] www.acevo.org.uk

[62] *Energy Efficiency and Historic Buildings: Application of Part L of the Building Regulations to historic and traditionally constructed buildings*, November 2010 www.english-heritage.org.uk/publications/energy-efficiency-historic-buildings-partl

D1 Glossary

Asset
An item of property in ownership, guardianship or lease. In terms of asset management, relates to land and buildings, but may sometimes include other moveable items (see Heritage Asset).

Asset Lock
An asset lock is a restriction arising from an organisation's legal status that means that any surpluses are reinvested in the project or the building, and used to support the organisation's stated purpose. This provision ensures the asset always remains in community benefit.

Asset Management
The activity that structures the land and buildings portfolio of an organisation in the best corporate interest of the organisation.

Asset Management Plan
A plan covering the organisation's asset strategy, together with other related matters such as repair and conservation standards, major projects, and disposals.

Building Preservation Trust
An organisation with charitable status whose main aim is to preserve and regenerate historic buildings.

Business Case
Sets out the justification for a project, together with financial and non-financial assessment of various options, and makes recommendations.

Business Plan
A business plan is a written document that describes a business, its objectives, its strategies, the market it is in and its financial forecasts[63].

Community Interest Company (CIC)
CICs are limited companies created for the use of people who want to conduct a business or other activity for community benefit. This is achieved by a 'community interest test' and 'asset lock' (see above). Registration of a company as a CIC has to be approved by the Regulator[64].

Compulsory Purchase Order
Under Part 8 of the Planning and Compulsory Purchase Act 2004[65], local authorities can serve a Compulsory Purchase Order (CPO) to acquire land by compulsory purchase if they think that it is likely to contribute to the promotion or improvement of the economic, social or environmental wellbeing of their area.

Conservation
The process of maintaining and managing change to a heritage asset in a way that sustains and where appropriate enhances its significance.

Conservation Management Plan
A document setting out why a heritage asset is important and to whom, based on its heritage values (see below) and setting out management policies to ensure that its significance is conserved. It may identify development potential or limitations. Further information is available from the Heritage Lottery Fund[66].

Development Trust
A community-led and run organisation, concerned with the economic, environmental and social regeneration of a defined geographical area.

Further information is available from the Development Trusts Association[67].

[63] Further information is available from Business Link www.businesslink.gov.uk
[64] www.cicregulator.gov.uk
[65] www.legislation.gov.uk/ukpga/2004/5/notes/contents
[66] www.hlf.org.uk/HowToApply/furtherresources/Pages/ConservationManagementPlanning.aspx
[67] www.dta.org.uk/aboutourmembers/whatisadevelopmenttrust

Enabling development
Enabling development is the means of securing the long-term future of a heritage asset when conservation through development in compliance with policy cannot do so. Detailed guidance on this topic has been published by English Heritage[68].

Feasibility study
An investigation into the potential benefits and risks associated with undertaking a specific activity or project. It is often used to refer to studies to develop proposals for a particular building or site. As such a feasibility study usually brings together a demand assessment, with related costs and likely sources of income, and may include alternative development options.

Heads of Terms
Heads of Terms represent an early agreement of key headings and principles before more detailed and formal documentation is agreed.

Heritage Asset
A building, monument, site, place, area or landscape positively identified as having a degree of significance meriting consideration in planning decisions. Heritage assets are the valued components of the historic environment. They include designated heritage assets (as defined in NPPF: Planning for the Historic Environment) and assets identified by the local planning authority during the process of decision-making or through the plan-making process (including local listing).

Heritage Champion
A Heritage Champion is usually a local councillor (though they are occasionally officers) who have been nominated by their authority to champion their local historic environment. The Heritage Champions network is a national scheme supported by English Heritage.

Heritage Values
The aspects of worth beyond cost value attached to a particular asset, as defined in *Conservation Principles* (English Heritage, 2008).

Maintenance
Routine work, both reactive and cyclical, necessary to keep the fabric of an asset in appropriate condition.

Mothballing
Securing a building and taking preventative measures to protect it from decay or damage while it stands vacant for an indefinite period.

Options Appraisal
An options appraisal is a tool which defines the objectives of the project then examines the ways in which those objectives can be achieved. This then informs how the project will proceed.

Project Team
A group of key individuals, with relevant skills and experience, who in partnership with the Project Manager are responsible for the day-to-day running of a project. The project team will often report to a Steering Group.

Repair
Work beyond the scope of maintenance, to remedy defects, including minor adaptation to achieve a sustainable outcome, not involving restoration or alteration.

[68] www.english-heritage.org.uk/publications/enabling-development-and-the-conservation-of-significant-places

Section 106 Agreement

A Section 106 agreement is a way of dealing with issues which are required in order for a development to be deemed acceptable in planning terms. Government guidance on the use of these agreements is contained in Circular 05/05[69].

Social Enterprise

A business with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners. Further information is available from Business Link[70].

Social Return on Investment (SROI)

SROI is a method used to calculate the value of long-term social outcomes that have been, or are to be achieved, as a result of delivering a project. Further information about SROI is available from the Prince's Regeneration Trust[71].

Special Purpose Vehicle

A legal entity (such as a charitable trust, not-for profit or limited liability company, mutual society, co-operative, venture company or trust) created to fulfil narrow, specific or temporary objectives.

Statement of Significance (of an asset)

A summary of the value of a heritage asset to this and future generations because of its heritage interest. That interest may be archaeological, architectural, artistic or historic.

Steering Group

A group of senior representatives of the key stakeholders involved in the transfer process which oversees the strategic direction of any project.

Third Sector

Non-governmental organisations which are value-driven and which principally reinvest their surpluses to further social, environmental or cultural objectives. It includes voluntary and community organisations, charities, social enterprises (see above), cooperatives and mutuals. An alternative term is 'Civil Society'. The Office for Civil Society (formerly the Office of the Third Sector) is part of the Cabinet Office[72].

[69] www.communities.gov.uk/publications/planningandbuilding/circularplanningobligations
[70] www.businesslink.gov.uk
[71] www.princes-regeneration.org/sustainableheritage/case-studies/social-return-on-investment-analysis
[72] www.cabinetoffice.gov.uk/big-society

D2 Different types of heritage asset

Battlefields. These are sites included in English Heritage's Register of Battlefields.

Conservation areas. These can be designated by local planning authorities. The local planning authority should pay 'special attention' to the desirability of preserving or enhancing the character and appearance of that area, under Section 72 of the Planning (Listed Buildings and Conservation Areas) Act 1990 as amended.

Listed buildings. These are buildings of special architectural or historic interest. The protection afforded to a listed building includes its interior and exterior. Any object or structure fixed to the building, and any object or structure within the curtilage of the building which although not fixed to the building forms part of the land and has done so since before 1 July 1948, shall be treated as part of the building. The local planning authority shall have 'special regard' to the desirability of preserving the building or its setting or any features of special architectural or historic interest which it possesses (section 16 and 66 of Planning (Listed Buildings and Conservation Areas) Act 1990 as amended) when considering whether to grant listed building consent or planning permission.

Protected wreck sites. Under the Protection of Wrecks Act 1973, the Secretary of State has powers to designate wrecks, or any objects contained or formerly contained in them, of historic, archaeological or artistic importance.

Registered parks and gardens. These are sites included in English Heritage's Register of Historic Parks and Gardens of Special Historic Interest.

Scheduled monuments. These are scheduled under the Ancient Monuments and Archaeological Areas Act 1979 by the Secretary of State for their national importance. They can include remains of buildings, structures and archaeological sites, such as burial mounds and earthworks. They also include buried sites, sometimes built over by later development.

World Heritage Sites[73]**.** These inscribed under the UNESCO World Heritage Convention. There are other types of heritage asset that, although undesignated, can be a material consideration in the determination of a planning application.

Unlisted buildings where these make a positive contribution to the character or appearance of conservation areas and **locally listed buildings** where policies for their protection have been formally adopted by the local planning authority.

Undesignated archaeological sites. There are many heritage assets with archaeological interest that are not currently designated as scheduled monuments, but which are demonstrably of equivalent significance. Paragraph HE9.6 of PPS5 gives further advice on how they should be considered.

[73] Advice on the protection and management of World Heritage Sites is included in Circular 07/09 Protection of World Heritage Sites: www.communities.gov.uk/publications/planningandbuilding/circularworldheritage

D3 Sources of information and advice

The main national sources of advice available in relation to the transfer of heritage assets are listed below. At local level, advice is available from the local planning authority and the relevant Historic Environment Record[74].

Action with Communities in Rural England is the national umbrella body of the Rural Community Action Network, which operates at national, regional and local level in support of rural communities across the country.
www.acre.org.uk

The **Architectural Heritage Fund** through its annual reports provides an excellent set of examples of reusing different kinds of buildings. There are building preservation trusts in many parts of the country, often county based, and while many of these started by using revolving funds, increasingly they focus on a particular building. The AHF offers support, advice, grants and low interest loans to community groups, reporting and finding uses for listed buildings.
www.ahfund.org.uk

The **Asset Transfer Unit** helps to empower local people and organisations to transform land and buildings into community spaces whilst supporting the development of the third sector. It is a service of the Development Trusts Association – see below.
www.atu.org.uk

Association of Chief Executives of Voluntary Organisations (ACEVO) is the leading voice for chief executives in the third sector. ACEVO supports, develops, connects and represents third sector leaders.
www.acevo.org.uk

The **Churches Conservation Trust** provides support at all stages of project development. To help others learn from their experience, project planning templates are published on their web site; these cover governance, community profiles, consultation, assessments of significance, options development, business planning, and leases and licences.
www.visitchurches.org.uk

Community Matters is the national federation of community organisations. Community Matters has developed a quality standard called Visible Communities which is designed for voluntary organisations and endorsed by the Charity Commission. It comprises a set of seven core principles, known as The VISIBLE Standards. These are nationally accredited quality standards for medium to large-sized community organisations.
www.communitymatters.org.uk
www.visiblecommunities.org.uk

The **Development Trusts Association** is the UK's leading network of community enterprise practitioners. Development trusts are community owned and led, using self-help, trading for social purpose and ownership of buildings and land to bring about long-term social, economic and environmental benefits. Currently, there are 492 development trusts in the UK.
www.dta.org.uk

[74] Historic Environment Records (HERs), often held by County Councils, are publicly accessible records of heritage assets. Contact details for HERs can be found on the Heritage Gateway website www.heritagegateway.org.uk/gateway

English Heritage is the government's statutory adviser on the historic environment. It has a statutory role in responding as a consultee to planning authorities in connection with applications for planning permission, listed building consent and conservation area consent. It administers applications for scheduled monument consent on behalf of DCMS and provides related advice. In addition, it provides various types of non-statutory advice, including pre-application advice on important proposals affecting the historic environment in England, and advice on archaeology within Greater London. The English Heritage Charter explains its advisory services for planning and development.[75] As well as its own website, English Heritage also maintains the HELM website – see below.
www.english-heritage.org.uk

HELM (Historic Environment: Local Management) is the tool through which English Heritage provides training and guidance specifically to local authorities.
www.helm.org.uk

The **Heritage Lottery Fund** has been a key source of assistance for bringing historic buildings and places to new roles that encourage public use.
www.hlf.org.uk

Homes and Communities Agency is a non-departmental public body, sponsored by the Department for Communities and Local Government (DCLG). It is the national housing and regeneration agency for England.
www.homesandcommunities.co.uk

The **Prince's Regeneration Trust** works with organisations throughout the UK to rescue important historic buildings from neglect and dereliction. It provides a number of services on a fee basis. More information about the Trust is available on their website.
www.princes-regeneration.org

SAVE Britain's Heritage campaigns for the preservation of historic buildings and can be a useful source of information.
www.savebritainsheritage.org

The **Social Enterprise Coalition** represents a wide range of social enterprises.
www.socialenterprise.org.uk

The **UK Association of Preservation Trusts** is the national network of building preservation trusts driven by volunteers in local communities to bring new life to historic buildings. It provides advice, support and opportunities to share best practice.
www.ukapt.org.uk

[75] A Charter for Planning and Development Advisory Services
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