



BCC Community Asset Transfer – Introduction to the Valuing Worth Methodology

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On behalf of Save Birmingham



Session will cover

- Introductions
- Recap – what CAT means in Birmingham City Council
- Background – Valuing Worth
- How its Done – Valuing Worth
- Hints, Tips and Reminders
- Final discussion and questions



Recap – What CAT means in BCC

- Leasehold not freehold – generally a fully repairing lease up to 25 years (negotiated break clauses)
- Economic rent offset by *Valuing Worth* – not “peppercorn”
- To bona fide “not for profit” community organisations – defined as one which uses any surplus revenues to realise its goals rather than distributing as profit or dividends plus “asset lock” and clearly stated social goals/ focus on community benefit
- Asset must be used for inclusive community use not just for organisation purposes
- *Preferred Community Partner* from EOI application and Interview undertakes Valuing Worth

REMINDER

- Be clued up on the CAT process and understand the jargon
<https://www.platformplaces.com/news/jargon-buster-property-and-community-assets>

Background - Valuing Worth

- Project funded by Advantage West Midlands as part of BCC's developing CAT Protocol and New Ways of Working 2008-2011
- Development of bespoke tools to measure social value and impact of asset transfer
- Tried and tested on 2 "live" transfer pilots in Birmingham at the time- Norton Hall and PerryCo Hall (WLCA)
- Action learning set of other countrywide LAs also run to test and adapt the approach
- Implemented in 2011/12 and still current practice within CAT Protocol with some updates/adaptations



Brief Overview – Valuing Worth

- Social Value Tool – values and measures activities of the organisation which previously were not valued or undervalued against current Council priorities etc. – gives a final £ figure
- “Snapshot” calculation
- Offsets economic rent – provides justification in the reduction in market rent
- Qualitative process
- Undertaken by preferred community partner organisation but guided by BCC Contact Officer – need to provide evidence of what put down
- Tool by no means perfect BUT emphasises the need to take account of the contribution/ value of organisations and their tangible worth in the delivery of desired outcomes in neighbourhoods.
- Provides an audit trail for decision makers and helps manage risks associated with transferring property and/or land



How the Tool Works – Valuing Worth

- Paper based
- Assesses financial resources and investment leveraged (capital and revenue) and viability of Business Plan
- Assesses contribution towards City Council and local ward/ neighbourhood priorities
- Calculates using financial proxies (i) Community usage (ii) Employment and Enterprise (iii) Agency service usage (iv) Savings to Council costs (v) Value of open land (vi) impact on adjoining sites
- Finally sums the values adjusting for “financial score” and contribution to local priorities
- Satisfies BCC Finance !
- Not overly complicated or resource intensive and encourages the completion to be done jointly by organisation and BCC (hopefully developing partnership working and mutual understanding)

ASSET TRANSFER SOCIAL VALUE TOOL- V13

Based on tool originally developed by Devon CC, not to be reproduced without permission of Birmingham City Council
 NB It is not expected that all sections will apply and only those that are relevant should be completed

PROPERTY/LAND TRANSFER OPPORTUNITY:	(Enter building name/land & area location):
NAME OF APPLICANT/COMMUNITY GROUP:	Brief summary of current use:
NAME AND DIRECTORATE OF COUNCIL SPONSOR:	Brief summary of proposed use:
DATE OF COMPLETION:	

FINANCIAL AND VIABILITY ASSESSMENT

A. CAPITAL INVESTMENT LEVERAGED	
% of total project capital costs secured (please include brief description of what these are)	
% of total project capital cost to be or already applied for (please include brief description of what these are)	
100% of investment achieved	20
75% of investment achieved; or decision expected on 75% or more within 3 months	15
50% of investment achieved; awaiting decisions on remaining finance within 6 months	10
25% of investment achieved; further funding sources to be identified within 12 months+	5
Less than 25% of total project cost funding in place	0
	SUB-TOTAL: /20
B. CONFIRMED REVENUE INVESTMENT LEVERAGED	
Investment leveraged (Assessment of the amount of funding that the group is able to access to invest in the project. This can include the value of pro bono professional fees that the group has managed to negotiate)	
0-5%	0
6-15%	5
16-29%	10
30-50%	15
51-75%	20
76-100%+	25
	SUB-TOTAL: /25

The Actual Form – Valuing Worth

- Form is broken down into different sections

Resources and Viability

- A – Capital Resources leveraged
- B – Revenue Investment leveraged
- C – Viability of Business Plan

Strategic Added Value

- D – Location by Priority Status
- E – Contribution to City Council Plan

Neighbourhood Added Value

- F – Contribution against Neighbourhood Priorities in Ward Plan

Form contd.

Proposed Activities and User Assessment

- G – Community Participation
- H – Employment and Enterprise Activity
- I – Other Agency Service Usage
- J – Value of Open Land
- K- Impact on Adjoining Sites
- L – Savings to BCC

Working out the Score

- Add up the points A-F e.g. 100
- Represent the points scored as a % of possible points (155)
 - i.e. if have a score of 100 out of 155 = 65%
- Sum of the Financial Value G-L e.g. £50,000
- Deduct shortfall from the %score – 35% - £17,500
- **Final Social Value score £50k - £17.5k = £32,500**

- This final score used to offset Economic Rent e.g. Annual Rent of £25,000 minus VW Score of £32,500 so NIL



Hints, Tips and Reminders!

- Only need to VW if you are the “preferred community partner”
- Don’t overdo it or exaggerate (only needed to offset economic rent) - you will have a rent review on a regular basis (currently every 5 yrs)
- You will need to evidence what you have written down (prove it!)
- You **do not** have to fill in every section
- Flexible form – add further points and explanations if needed
- Patience – the form looks more complicated than it is !
- Request the economic rent from BCC before completing VW if possible



Thank you

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