

THE FA GUIDE TO ASSET TRANSFERS



BUILDING, PROTECTING AND ENHANCING SUSTAINABLE FOOTBALL FACILITIES





Welcome

This guide is aimed at community football clubs and leagues which are either considering or in the process of negotiating a change in the way they manage and secure the facilities which they use.

Opportunities for clubs and leagues to take on long-term leases and acquire football facilities through 'asset transfer' will increase over the coming years. This process will present many clubs and community based organisations with great opportunities to set down permanent roots and further develop their football plans with the benefit of a secure tenure on their site.

The process of acquiring long-term access to sites is often complex and demanding, the purpose of this guide is to provide advice and practice examples to clubs and leagues that are considering this approach.

Clubs and leagues are central to the longer term development of facilities. Those clubs best placed to create revenues and re-invest are those that have sound foundations in the shape of strong volunteer structures, security of tenure with facilities capable of supporting growth, well thought through business and development plans, a growing participation base and a good reputation for the delivery of quality coaching.

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This guide has been prepared by The Football Association with contributions from: Sport England, Locality, London Borough of Ealing, Middlesex FA, Kent FA, Alcester Town FC, Enfield Town FC, Southwark Community Sports Trust, Supporters Direct, Redcar Town FC, Wyrley Junior FC.

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What Is an Asset Transfer?



Local authorities are not obliged to undertake community asset transfer but many do as they recognise that transferring assets to another owner is likely to increase the investment and sustainability of that asset

An asset transfer occurs when a public sector body, usually a Local Authority, passes on the management and/or ownership of facility to a community group.

Local Authorities have the general power to dispose of land in any way it wishes, (sections 123 (1)/127 (1) Local Government Act 1972), including the sale of freehold interest and granting a lease. When dealing with outdoor space, metropolitan open land or public open space, the general professional advice is to retain the freehold interest in the site so that a level of control is maintained assuming that there has been full disclosure regarding the nature of the site. However the length of lease can be up to 125 years effectively meaning a disposal for commercial and investment purposes.

Any such disposals are usually done on a purely commercial basis because there is a general legal requirement that the authority must achieve best price for the site, also known as 'best consideration'. However, the government has recognised that there may be circumstances where it is appropriate for a local authority to dispose of land at below market value – known as an 'under value'. These circumstances are when such a disposal will secure a benefit to the community

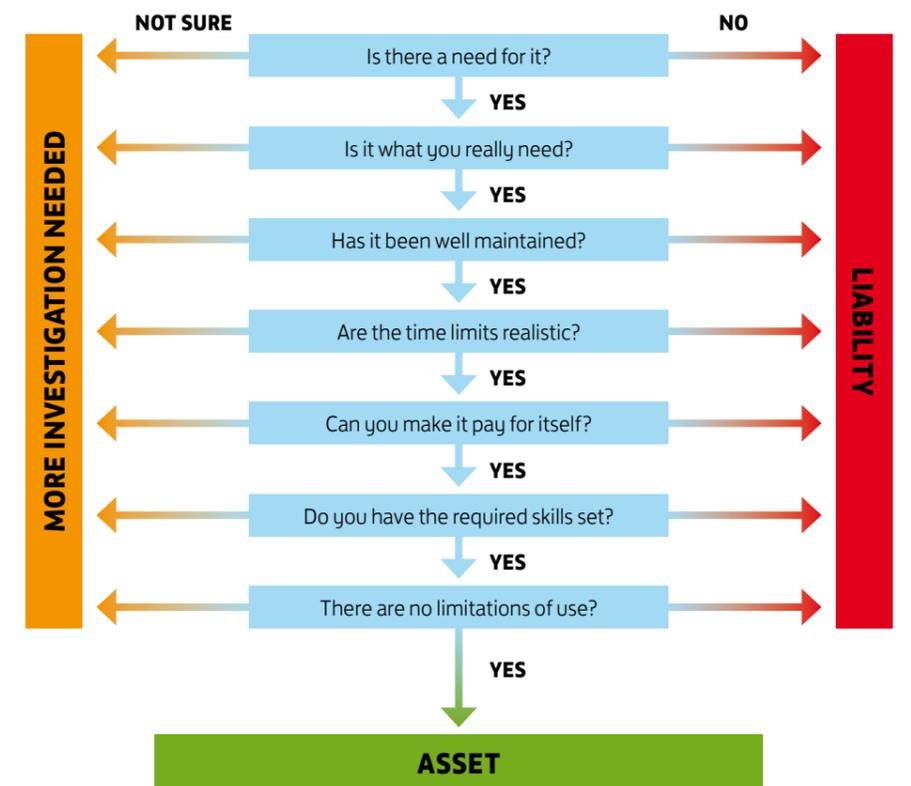
which can be measured by an improvement in economic, social and environmental well being. This is known as 'community asset transfer'. In some circumstances it means that an asset can be disposed for very little or even no consideration. Local authorities are not obliged to undertake community asset transfer but many do as they recognise that transferring assets to another owner is likely to increase the investment and sustainability of that asset.

This agenda has been around for some time, at least on a case by case basis, but the key difference in more recent times is the strategic policy approach that successive governments have sought to promote. Local Government will be seeking to deliver local services in a very different way in the future, concentrating on efficiencies and cost savings as public spending is cut. For some clubs and leagues, this will create opportunities to take on some control/management/ownership of facilities and their maintenance and in so doing create strong foundations for future growth through independence.

It should be noted however that this approach would not suit all clubs and leagues – the taking on of management or maintenance responsibility for facilities is a serious undertaking.

Asset or liability?

It is important to realise that not all land and buildings are assets. They will only constitute being assets if they are capable of generating net revenues within a given time frame.



Source: Sport England Running Sport Resources



Why consider an asset transfer

There are many different reasons why clubs and Local Authorities might consider a change of ownership/management for a particular site. Local Authorities may consider asset transfer due to financial pressure or changes in legislation. As with any proposed changes there are a number of risks to be mitigated, but there are also a significant number of opportunities.

Drivers for the local authority are:

- Response to legislation and guidance
- Focus for community-led service provision
- Opportunity for new funding and partnerships
- More efficient and effective use of assets
- Potential capital receipts
- Unlocking latent enterprise and volunteer commitment
- New approach to a long-standing problem
- Reduce liabilities
- Cost savings.

Drivers for a football club:

- Freedom to operate and have security of site provision
- Improving the quality of the experience for all its members/users
- Opportunities to increase its membership
- Opportunities to increase its facilities and progress through the National League system
- Strengthen community relationships and support the development of new partnerships
- Provide a solution to a failing site or a site at risk of closure
- Strengthen the operational, legal and governance structure of the club
- Help encourage new volunteers and increase and develop skills / knowledge base of the club.

Reduce the risks in asset transfer

Asset transfer is not new and whilst there are many successful examples, there are equally many poor examples where insufficient research and preparatory work resulted in certain issues being overlooked which ultimately turn the asset into a liability.

These include:

- Historic lack of investment in facilities
- Hidden structural problems
- Limited market demand for an asset due to changing tastes and needs by customers
- Poor location of an asset
- Costly environmental liabilities such as contaminated land or asbestos
- Restrictive leases for clubs
- Unrealistic expectations by all parties
- Lack of strategic alignment
- Failure to explore all current and anticipated costs (management and maintenance) on the site.

As a result of one or several of the above a number of football sites fell into a state of disrepair and unfortunately in some cases had to be disposed of, with all football being lost on the site.

Therefore The FA recommends that in taking the initial decision to pursue an asset transfer clubs should follow the guidance contained in this booklet.

Ten steps to a successful asset transfer

1 Is there a clear football need?

What are the needs of your football club? How will your club meet the needs of the transferring body?

2 What options have been considered?

Is an asset transfer the most effective way of realising the sites potential whilst protecting and safeguarding football and the community interest on the site?

3 Seek independent legal advice

Early professional advice will help protect the clubs interests.

4 Agree outline objectives between all parties

Set out in broad terms the expectations of each organisation.

5 Set realistic time scales

Ensure that the football club are afforded the time to work up realistic and deliverable proposals.

6 Develop a business plan / feasibility plan

You need to demonstrate a sustainable solution for the club and the site.

7 Openly consult stakeholders

Jointly assess the strategic need for the facility and proposed use with relevant stakeholders (this helps to align the political, policy and community support). It may be appropriate to seek support from other clubs or the relevant league.

8 Manage the risk

Protect the Football Club by not executing the legal terms until a sustainable solution is agreed and achieved in light of independent legal and financial advice.

9 Protect the asset

The site should remain open and current levels of operation/subsidy maintained whilst negotiating an alternative solution.

10 Adopt a partnership approach

Can the Local Authority support you by providing access to specialist support (project managers, grant funding officers) small grants for feasibility and professional fees, high quality historical site information, maintenance contributions, low rent, procure any capital works and capital investment as a lever for external investment?

Tools:

Sport England Asset Transfer Toolkit

The Sport England Community Asset Transfer toolkit is a bespoke, interactive web-based tool that provides step by step guide through each stage of the asset transfer process.

www.sportengland.org/assettoolkit/

Locality – Communities Ambitious for Change

Locality is a national network with over 700 community-led organisations supporting community asset ownership. They provide hands-on support to their members.

www.locality.org.uk/assets

Common Approaches to Asset Transfers



Most asset transfers take around 18 months to complete; clarity at the outset is key

There are two main approaches to asset transfer:

1 Demand-led

This is where a community organisation such as a football club expresses an interest to the asset owner to take over the ownership of an asset.

2 Supply-led

This is where the asset owner - usually the local authority - makes an offer to transfer an asset to a community group.

Demand-led asset transfer often depends on the leadership of a community group, such as a football club, realising that in order to develop or sustain the organisation it needs to own its own home. This could be a particular asset such as a playing field that the club already uses; it could also be a more general expression of interest in securing ownership of a site within a given area.

Once a club has decided that it would like to take on the ownership of an asset the most important step is to start discussions with the local authority. When talking to the local authority it can be useful to involve both officers and councillors in your discussions. Local councillors can be a great source of support. They will often help you by arranging meetings with the right people at the local authority as asset transfer often involves several different departments.

Key questions

These are some of the key questions you may want to discuss at an initial meeting:

- **Is the local authority in principle amenable to undertaking an asset transfer?**
- **Does the local authority have an Asset Transfer Policy or some other policy commitment to support and help the voluntary sector?**
- **What are the terms on which the local authority will undertake an asset transfer?**
- **Are you interested only in one particular asset/site or are you willing to consider a range of options?**

Answers to these questions will help you determine whether it is worth proceeding with the idea of an asset transfer.

How to proceed

A local authority may refuse all asset transfer requests. In such circumstances your only course of action is to lobby councillors for a change in policy. If, however, the local authority does not rule out the possibility of a transfer then it is worth moving onto the next stages in this guide. It is important to reiterate that most asset transfers take around 18 months to complete. Clarity at the outset is key; too many projects flounder down the line due to a lack of understanding of each other's expectations and what constitutes success in the long term.

Supply-led asset transfer is becoming increasingly common as local authorities seek to reduce their asset base. It is important that any supply-led asset transfer takes place in an orderly fashion. Beware of any organisation simply offering you the keys; you do not know what risks or liabilities you could be taking on board. The disposal of an asset by a local authority should follow a transparent process where there is plenty of dialogue between the local authority and the receiving organisation in order to identify the risks and expectations on both parties (see carrying out an initial feasibility).

Some local authorities will have an Asset Transfer Policy which will detail how they will undertake the transfer. It is possible for the local authority to deal exclusively with an anchor organisation, eg. offering the freehold to a club that has used a particular site for over 50 years.

However it is more common for the authority to undertake some kind of market testing through an 'expressions of interest' or tendering exercise. This is not a strict requirement but it is often good practice for local authorities to do this to ensure that it is receiving best consideration for the asset. The market testing will detail the basis on which the LA is willing to undertake the transfer such as allowing an 'under value' if the community benefits can be identified.

Once you have been through a market testing exercise and you are the preferred bidder you can then start negotiations with the local authority based around the remaining sections of this guide. You may be asked to complete an 'expectation agreement' or memorandum of understanding which just sets out in broad terms the details of the asset transfer and the steps both sides will undertake before the legal transfer takes place. These documents are very helpful as they help keep both sides focused and on track. They have no legal authority and even after signing an expectation agreement you are not obliged to undertake the asset transfer.

The local authority is not likely to undertake the transfer until it is satisfied that your organisation is fit and proper to receive custody of a public asset. The next section will help you ensure you are in good shape to meet this requirement.

Accountability and Governance



Clubs will need to demonstrate that they are 'fit and proper' and as such it is recommended that clubs look at their internal structure and how they are organised.

Have you assessed your readiness for an asset transfer? This table asks some questions you may wish to consider.

ARE YOU READY FOR AN ASSET TRANSFER?		
	Yes	No
Is the committee an elected body and is accountable to its members?		
Do you have a clear and agreed mission, aims and objectives which have been defined through consultation and evidence of need?		
Does the governing structure prevent personal profit being made by members of the Board and any surpluses generated are re-invested back into the organisation?		
Do you have a business plan that describes the operational costs of running the club?		
Do you have written financial procedures for subscriptions, bookkeeping, expenses, petty cash, late payments etc. with checks and balances to avoid misuse of funds which are regularly reviewed?		
Do you have a Football Development Plan aligned to your aims and objectives that the committee actively reviews performance against?		
Have you developed a good and active relationship with the County FA and Club/League representatives?		
Have you developed links with key agencies/stakeholder organisations in the local community/neighbourhood?		
Do staff and volunteers have clearly defined roles and responsibilities and you have a plan to replace those people as and when they leave?		
Are you aware of the range of skills your members could provide if called upon?		
Do you have experience of managing a facility and understand the requirements and legal undertaking?		
Do you have sufficient operating reserves to cover legal fees and any start up costs required for a facility?		

Governance and management structure

Governance and management structure must be considered from the outset of the project. How a community based organisation is set up and what legal 'vehicle' it operates through will determine its powers of governance and management in relation to its assets.

For any club that is wishing to own and/or manage its sports facility, it is important that they have a robust governance structure in place with a legal form which enables them to take on the responsibilities and financial liabilities.

For many clubs this will mean incorporating the legal form of the club of which there are a variety of options to consider:

- Companies limited by guarantee
- Companies limited by shares
- Community Interest Company
- Community Benefit Society (as defined under Industrial and Provident Society legislation).

Clubs should also consider registering for Community Amateur Sports Club (CASC) status or applying to become a charity. Unincorporated associations, companies limited by guarantee and community benefit societies qualify and benefits include a range of tax relief including Gift Aid and business rate relief.

A club should seek independent legal advice in relation to the most appropriate structure and form that it should adopt and the steps to be taken if a club is considering making any changes to its structure including but not limited to incorporation. Before making any structural changes the club should give prior notice to The FA (and the league and County FA of which it is a member), in relation to the application of football's rules.

Tools:

The FA Club Structures Guide

The following document provides detailed information on the common forms that football clubs can adopt together with some advantages and disadvantages of that form.

Club Legal Structures

A table of comparisons for sports clubs. At a glance comparisons between the different legal forms of unincorporated associations, limited companies and charities.

Tax Regimes for Sports Clubs

At a glance guide of the regulation and incentives for clubs considering CASC or charitable status.

For all of the above areas, visit www.TheFA.com/GetintoFootball/parentsandvolunteers/runningaclub

Advice on Community Benefit Societies

Supporters Direct can provide advice and guidance on establishing Community Benefit Societies in sport. They have sponsored rules with the Financial Services Authority, which can be tailored to your club's requirements.

www.supporters-direct.coop

Types of Tenure In Asset Transfer

The type of tenure will determine the legal responsibilities for the site

The main characteristics of the types of tenure used in asset transfer are set out in the table opposite, together with a summary of the advantages and disadvantages both for local authorities and community groups.

This is one of the ways of managing the risks associated with asset transfer and the type of tenure will determine the legal responsibilities and liabilities for the site. The options can vary but for most transfers where external funding is required to develop the asset, community asset transfer is usually taken to mean a long lease, of at least 25 years or a freehold.

Asset Lock

An asset lock is a legal mechanism to protect any public or community assets that are transferred to ensure that there can be no private benefit in the event of any sale or development of the asset.

This includes ensuring that all profits are reinvested into the organisation running the asset and in the event of any sale or dissolution any funds are given to another similar organisation.

By definition all charities and Community Interest Companies have asset locks, while Community Benefit Societies can also apply an asset lock to their rules.

Tools:

The FA Legal Support

With community asset acquisitions there are several legal considerations that clubs will need to seek independent and professional advice. To support clubs in the legal areas highlighted throughout this document The FA has joined forces with Muckle LLP to provide free legal support to FA Charter Standard Clubs and Leagues.

Any FA Charter Standard clubs or leagues can receive up to 30 minutes free advice on any one subject by calling 0191 2117799 or emailing CSLegalhelp@TheFA.com.

It is likely that you will need more than 30 minutes' phone consultation and therefore special rates are available.

www.TheFA.com/GetIntoFootball/parentsandvolunteers/Runningaclub/Settingupaclub/Legal

TYPES OF TENURE		
Description	Advantages	Disadvantages
FREEHOLD Buying the property as full owner through a legal document entitles a 'conveyance'	<ul style="list-style-type: none"> • Security of ownership • Creates a sellable asset • Independence • Can use asset to help raise debt and equity funding • Not subject to service charges • Freedom to improve or redevelop the asset and to attract grants to do so 	<ul style="list-style-type: none"> • Expense of purchase • Cost of repairs and insurance • May not be sellable if in poor condition or deeds forbid it • Much harder for Local Authority to restrict future use of the premises than other forms of tenure
LONG LEASEHOLD Buying a lease of 22 years or more and paying a 'premium' (initial capital payment) then a low annual ground rent; lessee has all the responsibilities of a freehold owner	<ul style="list-style-type: none"> • Security of ownership • Creates a sellable asset • Independence • Can use asset to help raise debt and equity funding • Local Authority can restrict future use of the premises using covenants placed on any lease 	<ul style="list-style-type: none"> • Expense of purchase • Cost of repairs and insurance • May not be sellable if in poor condition or deeds forbid it
LEASE Taking a lease for a fixed period of years at annual or 'rack' rent	<ul style="list-style-type: none"> • Security of tenure (usually) rights under The Landlord and Tenant Act 1954 • Local Authority can restrict future use of the premises using charges placed on any lease. • In some cases rent may be low or peppercorn • In some cases maintenance costs may be shared with landlord • The local authority may be better disposed to granting discretionary rate relief 	<ul style="list-style-type: none"> • Expense of rent and service charges (which may increase regularly) • Cost of repairs and insurance although LA can retain some responsibility • Shorter leases limit a group's ability to improve premises and to raise funds for improvement
TENANCY AGREEMENT A verbal or written open ended agreement with a monthly, quarterly or annual rent and which can be terminated by either side giving notice	<ul style="list-style-type: none"> • Easily terminated by the tenant • Rent may be cheaper • Often less responsibility for repairs and insurance • May have security of tenure • More likely to have discretionary rate relief 	<ul style="list-style-type: none"> • Normally little security of tenure especially if verbal or for a period of less than six months • May be restrictions on use of premises • Makes fundraising more difficult
LICENCE TO OCCUPY Permission (verbal or written) to occupy for a short period (usually up to one year); can be terminated by either side giving notice.	<ul style="list-style-type: none"> • As with a tenancy agreement, except no security of tenure • May be exempt from business rates • May allow a new group a chance to demonstrate its capacity to operate and its case for occupying the premises on a more secure basis 	<ul style="list-style-type: none"> • May be restrictions on use of premises • Local Authority may often need to give only a short period of notice
TENANCY AT WILL A licence to occupy at the will of the owner/ landlord; tenant may be evicted at any time on as little as 24 hours notice	<ul style="list-style-type: none"> • As with Licence To Occupy 	<ul style="list-style-type: none"> • As with Licence To Occupy

Source: 'Managing risks in asset transfer, Department for Communities & Local Government

Who Needs to be Involved?



A skills audit of the volunteers and supporters available to you may help to identify the right people for the right tasks

Managing a facility or a football site is a demanding responsibility that requires not only time and commitment from a team of people but also the necessary skills too.

It is vitally important that before embarking on an approach to take on a facility/site, you should assess the tasks that will need to be completed and the time and skills of people available to the project to carry out those tasks.

There are a number of key skills that the club may need to consider when embarking on an Asset Transfer including but not limited to:

- Negotiation skills
- Financial skills, preparation of a budget and business planning
- Project management
- Strategic planning and community consultation;
- Fundraising
- Managing human resources
- Marketing skills
- Operational management skills
- Legal
- Technical professionals, architects, surveyors, planning etc.
- Property maintenance
- Pitch maintenance.

For some tasks, a club will require independent and professional support for example Legal (see Legal Support on page 1 and technical professionals. It may help to assign role responsibilities to an appointed team member with the relevant skills.

Whilst the individual may not be the 'technical expert', they must be able to convey the options clearly and concisely in order to understand the requirements and legal undertakings for the club.

A skills audit of the volunteers and supporters available to you may help identify the right people for the right tasks.

Tools:

Community Rights Support Programme

An advice service run by Locality will help community groups to buy and manage land and buildings in community use. This include pre-feasibility and feasibility grants for capacity building tasks associated with community ownership and management of assets.

www.mycommunityrights.org.uk/community-right-to-bid/grants

Sport & Recreation Alliance, Skills Audit and Matrix for the Board

A web based resource for sports clubs/organisations assess the skills and experience that will help the club develop.

www.sportandrecreation.org.uk/smart-sport/board-new/resources

Feasibility Study



The feasibility study will enable you to gain local knowledge of the site and to engage with the local community, which will help you gain an understanding of their needs whilst mobilising support for your club in the local community

It is prudent that a building surveyor carries out a condition survey of any buildings that are considered to be part of the transfer. Ideally it is recommended that the transferring body (usually the Local Authority) takes responsibility and meets the costs for undertaking the necessary site surveys and includes as part of any expectation documents.

At the outset this should include:

- Existing site details and set out aspirations for the site (title deeds from the Land Registry)
- Legal tenure that Council is prepared to consider
- Planning implications (including restrictions, listed buildings, floodlighting scheme etc.);
- Any restrictive covenants, way-leaves, or rights of access for the site;
- Site specific development order that will indicate the proposed/desired future development of the site;
- Identify and make available site conditions and building surveys;
- Assessment of current use and affiliated clubs (if any);
- Strategic priorities and policies influencing the site (eg. LA Facilities Strategies, playing Pitch Strategies etc.);

- Essential and desirable community facilities outcomes for the site;
- Full disclosure of all financial liabilities and income streams – current and projected;
- Full details relating to current and proposed maintenance programming on the site including any liabilities arising from on-going contracts with third parties for maintenance.

The club will also need to undertake a feasibility study, consulting with key local communities. This will provide you with answers to key questions:

- Is it really needed? (See opposite)
- What can be accomplished?
- Is it viable and sustainable in the long term?

The feasibility study will enable you to gain local knowledge of the site/facility and to engage with the local community, which will help you gain an understanding of their needs whilst mobilising support for your club in the local community. This will in turn influence the local authority's decision to transfer the site and may influence any planned development of the site that requires public support.

Further information on feasibility studies can be found by accessing the Sport England Asset Transfer toolkit.

Is it really needed?

In order to be objective you need to think about some of those “what if” questions:

- What would actually happen if the site closed?
- What alternatives are there?
- Where are the nearest accessible pitches?
- How many people actually use the site?
- How many people could use the facility?

How suitable is the facility for your club / organisation:

- What facilities is your club going to need in the next 5, 10, 15, 20 years?
- Does the facility you are being offered meet those requirements?
- If not, can it be expanded/developed to meet them?
- Do you know what condition the facility is in?
- How have you assessed this? Is there an up to date condition survey and have you assessed its implications?
- How much work is going to need to be done in the short, medium and long term to keep it up to standard or improve it to meet your needs?

- How much is this going to cost and where will the money come from?
- Have you consulted potential funders on the eligibility, priority and viability of your scheme? (Particularly important if you plan to secure funding from any public grant funding bodies)
- Will the local authority help you to undertake this work?

How realistic are the time scales for the transfer:

- How much time are the local authority giving us to develop our case to take on the asset?
- Is this long enough to do the work that we need to do? (This should be an absolute minimum of six to nine months, longer if needing to raise capital investment)
- Do we as an organisation have the time to dedicate to acquiring the facility as well as keeping our club running?

Feasibility Study

Is it really needed? (continued)

Is the site financially sustainable:

- Do we have access to current income and expenditure records for the site?
- How much is the facility going to cost to run?
- How much income will it generate?
- Are there any other potential income sources that are realistic to achieve?
- Are there ways we can reduce expenditure? eg. replacing paid roles with volunteers
- Can we attract in new users and do we have the proof that they will come?
- Have you spoken with a similar size club responsible for managing its site?

Are there any limitations to the use of the site?

- Are there any restrictions on how the facility can be used? Time, uses, trading etc?
- If you need to develop additional facilities, how likely are you able to get planning permission? eg. Is the site suitable to develop due to ground conditions, contamination, impact on neighbours, floodlighting, parking or traffic flow.

The more accurate information you can collate at this stage the more likely you are to formulate considered answers to these questions. This will help in assessing the risks involved with the transfer and consider the options available to the club and the site. The feasibility study will also be a good starting point for the business plan that will scrutinize the data and assumptions in more detail to be able to assess with confidence the viability of the transfer.*

Tools:

The FA Football Development Planning Toolkit

A football development plan will help address the feasibility of a transfer and help develop a shared vision for the club.

www.TheFA.com/GetIntoFootball/

Running Sport Asset Transfer Courses

Running sport is rolling out a programme of workshops aimed at sports clubs that want to know more about community asset transfers.

This will help in assessing the risks involved with the transfer and consider the options available to the club



* Source: England Athletics: Asset Transfer Guide Fact Sheet, with amendments by the author

Business Planning



The business plan should enable you to demonstrate that the asset can generate enough revenues for you to be financially sustainable

It is vitally important that the club develop a robust, long term business plan at the outset, outlining how the club will utilise the facility/site in line with its stated objectives. It should clearly describe the operational costs of running the club and that projected income and expenditure profile should be based on real data and fully explained assumptions.

The business plan should enable you to demonstrate that the asset can generate enough revenues for you to be financially sustainable. This in turn helps to satisfy stakeholders that you understand what is needed and build confidence and support for your scheme.

A local authority will want to be satisfied that the health and value of the asset do not decline under your tenure, whilst you and your members will want to ensure that you do not incur financial liabilities that you are unable to meet.

We recommend that you take the time to thoroughly research the information contained in your plan and consult other asset managing clubs to understand what it really takes to manage its assets. Your County FA can help you and there are also a number of tools and templates online to get you started.

CHECK AND CHALLENGE YOUR BUSINESS PLAN		
	Yes	No
Do you have a detailed business plan?		
Have you established a break even figure for your activities?		
Are the basis of your income & expenditure based on real life information; are they cautious rather than hopeful?		
Do you know what it costs to run the site under the current management arrangements and are there any existing tenancies/bookings that will generate revenue from day one?		
Do you have accurate capital costs identified for the site, and have you considered phasing any improvement works?		
Does the club have an agreed budget for the year, against which income and expenditure is regularly reviewed?		
Are management accounts presented regularly to Board/Committee?		
Can your club cover fluctuations in income, current liabilities and unplanned expenditure?		
Have you fully explored the opportunity to transfer the site on a low or nominal rent?		
It is possible that the local authority will be able to retain certain maintenance liabilities for the site?		
Have you explored the opportunity of a revenue/maintenance contribution from the local authority to cover the ongoing maintenance for a set period of time?		

Tools:

The FA / Football Foundation Project Support Library

The support library offers essential guidance on the key elements of a project including business planning guidance and income and expenditure templates.
www.footballfoundation.org.uk/apply/facilities-grants/facilities-grant/help-with-your-application/project-support-library/

Sport England Club Leaders website

A free web based interactive site. The aim of the project is to help people develop their business skills so that they are better able to assist their club realise their full potential.
www.sportenglandclubleaders.com

Facility Development



Any capital programme will increase the risks of an asset transfer in respect of the type of development and suitability for the site, raising the finance and the time, skills and professional support required to deliver a successful project

In your initial assessment of the facility, you may become aware of the need to refurbish or upgrade the facilities to ensure that they are fit for purpose.

For buildings this most likely refers to the clubhouse/changing facilities for the site. Please refer to the The FA guidance note on refurbishment of existing changing rooms.

If the condition of the grass pitches is of concern then it is recommended that an agronomist is appointed to determine the condition of the pitches and identifies any work that needs to happen to improve the pitches to an acceptable standard.

For some sites it may not be feasible to alter or upgrade an existing building (assuming there are any) and that a new build is necessary in order to meet your needs. Whilst there are several distinct phases to a capital build project, some of which require professional input, there are key areas that can be discussed by the club in order to facilitate the optimal delivery of their facilities in line with your needs and budget. The successful delivery of a capital build project relies on a good project brief with clear aims and objectives from the outset.

To guide clubs through the processes and requirements for procuring quality provision for sports facilities, The FA have produced a guidance document 'Generic process for Facility Development'. It highlights various stages of the process and the key stakeholders involved. Assistance is available from The FA throughout the development stages of your project and these are referred to within the various stages of the process.

Any capital programme will increase the risks of an asset transfer in respect of the type of development and suitability for the site, raising the finance and the time, skills and professional support required to deliver a successful project. We strongly recommend that you consult your County FA at the earliest opportunity to share your aspirations and explore the realistic investment opportunities that you are eligible to apply to in support of your project.

Tools:

The FA Generic Process for Facility Development Guidance Notes

This guidance note has been prepared to help sports clubs and voluntary organisations to understand the processes and requirements for procuring quality provision for sports facilities.

The FA Guidance Notes on Refurbishing Existing Changing Rooms

This guidance note is designed to provide robust advice on the factors that need to be considered when looking to embark on such a project.

For all of the above areas, visit www.TheFA.com/GetintoFootball/parentsandvolunteers/runningclub

Facility Handover and Beyond



Monitoring and evaluating progress will be a key task in demonstrating your success to the transferring body, your wider community and any grant giving bodies that supported your project

The time spent on ensuring the feasibility and business plan is as accurate as possible will help in preparing the club for what will be a very busy handover period.

The first operational year is a crucial period to set the club on a sustainable path and ultimately towards a successful transfer. You will start to deliver your activities and embed your operational procedures whilst maximising the enthusiasm generated from the change. It is also a time when you iron out any unforeseen issues and put into practice a staffing structure that will cope with the change.

Handover

This is a crucial time, and if the transfer involves some capital improvements there is no need to wait until practical completion of the building to start delivering.

The football development plan, sessions on the site, marketing the club, school club link initiatives, in essence the people side of the project, can start well before the physical handover of the buildings.

Key operational tasks to consider

- Monitoring any build programme – lead in time before handover, snagging
- Fully understanding any operating manuals and procedures for the site
- Identifying and recording key operational contacts, local contacts
- Implementing a maintenance schedule from annual tasks to daily routines
- Applying for licenses
- Put in place the security arrangements and emergency procedures including opening and closing
- Establishing robust health and safety policies (eg., fire prevention and risk assessments, legionnaires surveys, food handling safety, activity risk assessments etc.)
- Marketing the site including a launch / opening event and updating websites, leagues, county FAs and clubs contact address (particularly if new to site).

Management

Whilst there are many practical operational tasks that consume the time particularly in the early parts of a transfer it is vital that the club doesn't lose sight of their aspirations, commitments and financial sustainability of the project.

It is important that the management committee take decisions that are consistent with the agreed football development plan and business plan. Monitoring and evaluating progress will be a key task in demonstrating your success to the transferring body, your wider community and any grant giving bodies that supported your project.

Key management tasks to consider

- Financial procedures, cash flow, reporting and taxation
- Asset registers for stock and equipment to keep secure, maintain and plan replacement
- Rent, rates and rate relief
- Staffing policies and procedures – volunteer and paid roles
- Lease and any development agreement undertaking
- Establishing any advisory / stakeholder groups that helps to embed the club in the local community
- Monitoring visits, reporting and evaluation controls to report progress.

Tools:

The FA Your Game website – What's Your Pitch?

An online marketing toolkit to help promote your club with a whole suite of information and templates to help you.

www.TheFA.com/GetintoFootball/parentsandvolunteers/Whatsyourpitch

The Football Foundation – Sustainability Toolkit

This guide has been designed to provide an introduction to consider when planning the longer term sustainability of a project or organisation.

www.footballfoundation.org.uk/your-grant/sustainability-toolkit

HM Government – A short guide to making your premises safe from fire

Provides simple and practical advice to people responsible for fire safety in small and medium sized businesses.

www.communities.gov.uk/publications/fire/regulatoryreformfire

HSE – Five steps to risk assessment

This leaflet aims to help you assess health and safety risks in the workplace.

www.hse.gov.uk/risk/fivesteps.htm

Case Studies

What is an Asset Transfer?

Wyrley Junior FC

Established in 1982, the FA Charter Standard Community Club now runs 45 teams and two training academies for young players.

Needing a base, the club gained a 50-year lease from the Parish Council on a site providing a new facility can be provided and is opened up to the community all year round.

Wyrley Juniors FC became a charity and the committee members became Trustees of the charity with the aim to access funding to develop and sustain the club and demonstrate to its members and the community that the club is well managed in a regulatory framework. Tangible benefits included, grants to help fund the new build, zero VAT rating on the construction project (as the new build was classified as a quasi-village hall by HMRC), 80% mandatory rate relief and access on Gift Aid on donations and fundraising.

In October 2011 the club's £1.15m investment project at Long Lane, Essington opened. The club also created a subsidiary company (limited by shares) to operate and run a bar at the new facility as this is outside the objects of the charity. The charity owns the only share of the company, so all taxable profits are donated back to the charity on which it can then claim Gift Aid to ensure that all pre-tax profits are granted to the club.



Common Approaches to Asset Transfers

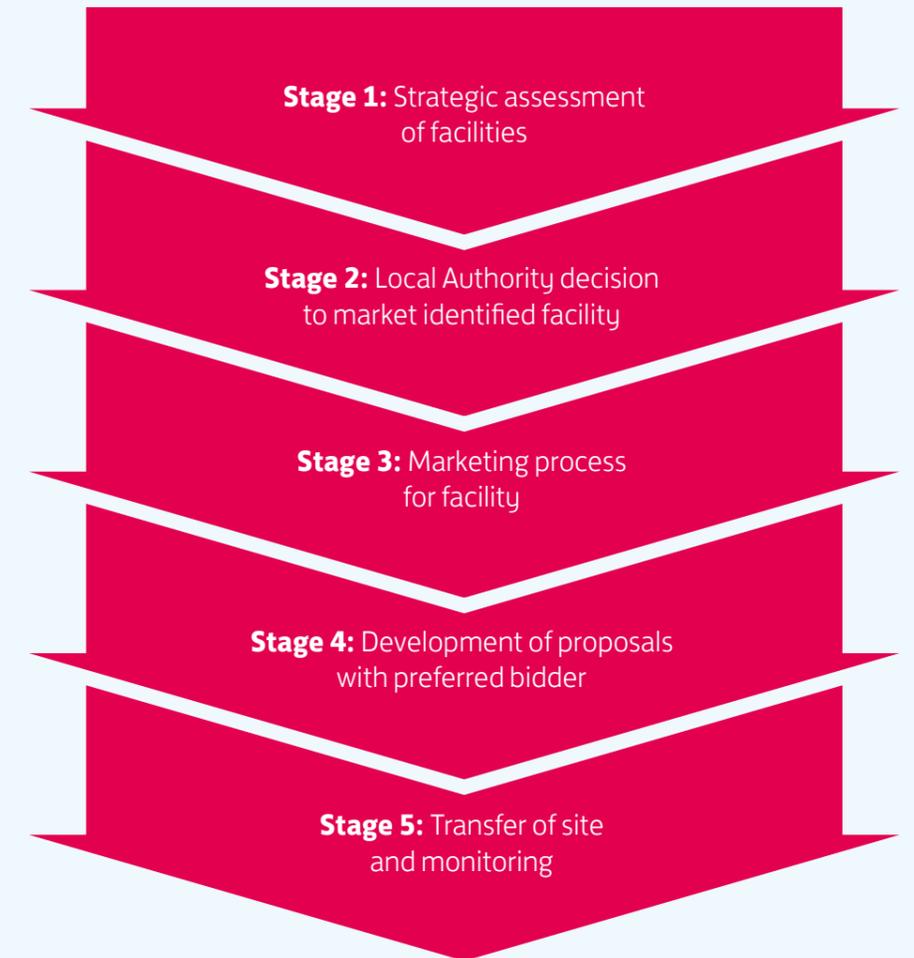
Middlesex FA and London Borough of Ealing Asset Transfer Process Model
Middlesex FA and the FA developed a model asset transfer process with the London Borough of Ealing that has helped to improve, protect and secure football facilities in the Borough.

London Borough of Ealing had already developed a 'best practice' model recognised by Sport England and the FA involvement has helped to enhance this model.

The five-stage process involves the The FA throughout from initial strategic assessment to the transfer and monitoring. It remains the responsibility of the Local Authority to lead and deliver the process and decide the outcome for the site.

The County FA and The FA acts in an advisory capacity and helps to shape the priorities. Ealing have ensured a total project life cycle approach to the transfer of its assets, support is offered to preferred bidders as part of the project development stage, and delivery of the capital construction is often taken on by the local authority to achieve VAT savings.

There are currently five football sites which are being progressed, with a potential joint investment into football worth in excess of £6m.



Case Studies

Accountability and Governance

Enfield Town FC

Enfield Town FC was formed on 23rd June 2001, when the members of the Enfield Supporters' Trust voted overwhelmingly to break away from the Isthmian League Club and start afresh.

Enfield Town Supporters Society Ltd, which owns the operating company, ETFC Ltd, is an Industrial and Provident Society. The first objective of the Trust was to re-establish a club, bearing the Borough name, in Enfield and set out to recreate the many facets of the old club. These included thriving youth and ladies' sections and a nationally recognised Football In The Community Scheme, full membership of The FA and the playing of a leading part in football within the County.

A significant barrier to the attainment of these wider objectives was the lack of a home. Working with the Local Authority the Club redeveloped the site and started operations at its new base, the Queen Elizabeth Stadium in Enfield in the 2011-12 season.

On completion of the stadium, the members of Enfield Town Supporters Society Limited, with the support and guidance of Supporters Direct, voted to apply the Community Benefit Society Asset Lock to help ensure the protection of this valuable asset for current and future generations.

Enfield Town won promotion to the Ryman League Premier Division in its first season at their new home ground.



Types of Tenure in Asset Transfer

Alcester Town FC in partnership with Alcester Town Council

Alcester Town football club is made up of 20 teams from under-7 through to adult and is the largest youth club in South Warwickshire.

Its objective was to find a home for the club to secure its long term future. The club managed to secure a 25 year lease on a 13 acre site (which was the former Alcester Golf Centre) with a potential clubhouse building from a local landowner in partnership with Alcester Town Council.

The landlord was initially sceptical of agreeing to a 25 year lease for the football club. This problem was overcome by involving Alcester Town Council who offered to take on the lease and sublease it to the football club. The club formed a limited company 'Alcester Town Football Club (1927)', limited to avoid exposing the directors to crippling financial burdens. The club started using the site in 2010-11 season.



Case Studies

Who Needs to be Involved?

**Southwark Community Sports Trust
Dulwich Sports Ground, formerly known as
The London South Bank University Sports
Ground, closed the Turney Road sports
ground in September 2010, due to the
financial pressures that the University faced.**

The 22 acre site included five full size football pitches, two youth football pitches and three mini soccer pitches and was home to 20 different sports clubs including many football clubs.

In response, a group of club volunteer representatives collaborated to keep the playing pitches and facilities open for use. Working with the London Borough of Southwark, the clubs created a community interest company to manage the facilities and take over the remaining seven years of the lease. The founding member clubs committed funds and volunteers contributed considerable time to re-open the facility in January 2011.

In 2011-12, 546 games of football were played ranging from under-8 through to veterans football. Having successfully demonstrated to the landlords they are capable of running the site, the Trust are in the process of entering into a new 25 year lease on the site.



Initial Feasibility Study

**Spikes Bridge, Ealing
Ealing Borough Council's strategic
approach towards asset transfer has
unlocked the potential of a problem site.**

Formally Southall Municipal Sports Ground, Spikes Bridge Park is located in the heart of Southall. It is a 8.2 hectare open space site which was once the hub of an extremely diverse community, however, a lack of investment and intensive informal use had rapidly taken its toll on the ageing facilities.

A playing pitch strategy in 2007 had identified Spikes Bridge as a key site and the council decided to re-tender the opportunity to manage the sports facility in 2009.

An exciting community-led scheme involving two community based organisations – London Tigers (a football club and community organisation), and Southall Community Alliance (SCA – a local charity representing a wide range of smaller community groups in Southall).

A 25 year lease, a low rent and a revenue commitment from the council to cover grounds maintenance, (approximately £10k), and utility charges, will form the main terms of an agreement to regenerate the sport and leisure facilities in the park.



Case Studies

Business Planning

Bury MBC

Bury MBC gave notice of their intention to withdraw provision of football facilities across 11 sites in the borough with the aim to offer the sites to clubs prepared to take on the asset.

It was agreed to work in collaboration with the Local Authority to avoid the loss of any facilities. Good relationships already existed between Lancashire FA Development Team and Bury Sports Development and a group was established between the relevant stakeholders.

The participating clubs were all required to complete the same template business plan with a standard cost code system to enable the group to compare and contrast the data between clubs. It was emphasised therefore that accuracy of the information was paramount. It enabled the group to understand the key issues at stake with regards to the current running of clubs and enabled measures to be implemented with regards to collective working, negotiating with other key stakeholder – eg., training facility providers, identifying scope for investment with regards to fund-raising capability.

The operating costs / cash forecast were reviewed and discussions took place around the validity and level of accuracy with regards to each plan, and the clubs in turn were able to demonstrate to their members the actual costs of running football at this level. The collaborative business planning process that each club committed to was a fundamental task that determined whether or not a sustainable solution could be achieved for each site.



Facility Development

Redcar Town FC

Originally formed in the 1994-95 season, Redcar Town Football Club started from humble beginnings and involved just two teams at under 11.

Redcar Town's quality coaching, combined with team success on the field of play, was the catalyst for growth and the club very quickly went from being a "small club in Redcar" to one of the biggest junior football clubs in the area.

It became paramount that if the club wanted to continue to develop, they would need a playing facility they could call home and, more importantly, cater for all their teams' playing needs.

In 2007 the club, in joint partnership with Redcar & Cleveland Borough Council, secured a £420,000 grant from the Football Foundation, to develop and new football facility at the Trunk Road site at Dormanstown in Redcar, now home of Redcar Town FC.



Further Reading

Websites

General information on Asset Transfers

- Sport England – Community Sport Asset Transfer Toolkit www.sportengland.org/assettoolkit
- Asset Transfer Unit atu.org.uk
- Locality www.locality.org.uk

Developing the structure of your organisation

- Companies House www.companieshouse.gov.uk

Conducting condition surveys and developing plans to develop facilities

- The Institution of Structural Engineers www.istructe.org
- Royal Institute of British Architects www.architecture.com
- Royal Institution of Chartered Surveyors www.rics.org
- Royal Town Planning Institute – spatial, sustainable, integrative and inclusive planning advice www.rtpi.org.uk

Specific funding for projects

- The Social Investment Business – Community Ownership and Management of Assets grants programme <http://www.sibgroup.org.uk/communityrights>
- Sport England – Funding Guidelines www.sportengland.org/funding
- Football Foundation – Apply for a Grant www.footballfoundation.org.uk/apply

Information on Community Benefit Societies and raising capital finance from this legal model

- Supporters Direct www.supporters-direct.coop

Print

General information on Asset Transfers

- England Athletics – A Guide to Asset Transfers

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