

Agenda – Local Government and Housing Committee

Meeting Venue:

Committee Room 5

Meeting date: 7 July 2022

Meeting time: 09.00

For further information contact:

Manon George

Committee Clerk

0300 200 6565

SeneddHousing@senedd.wales

Pre-meeting (09.00 – 09.15)

1 Introductions, apologies, substitutions and declarations of interest

2 Papers to note

(09.15)

(Page 1)

2.1 Correspondence from the Welsh Cladiators group in relation to building safety

(Page 2)

2.2 Letter from Gareth Wilson to the Minister for Climate Change in relation to building safety

(Pages 3 – 8)

3 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the following items: 4 and 8

(09.15)

4 Inquiry into the provision of sites for Gypsy, Roma and Travellers – consideration of the draft report

(09.15 – 10.15)

(Pages 9 – 55)

Break (10.15 – 10.30)



5 Inquiry into community assets – evidence session 1

(10.30 – 11.30)

(Pages 56 – 80)

Casey Edwards, Community-led Housing Advisor, CWMPASS – Wales Co-operative Centre

Harry Thompson, Economic Policy Lead, Institute of Welsh Affairs

Break (11.30 – 11.40)

6 Inquiry into community assets – evidence session 2

(11.40 – 12.40)

(Pages 81 – 116)

Eleri Williams, Policy Officer, Building Communities Trust

Jon Rae, Director of Resources, Welsh Local Government Association

Geoff Bacon, Head of Property Services, Swansea Council

Lyn Cadwallader, Chief Executive, One Voice Wales

Ben Lloyd, Head of Policy, Wales Council for Voluntary Action

John Rose, Director for Wales, National Lottery Community Fund

Lunch (12.40 – 13.30)

7 Inquiry into community assets – evidence session 3

(13.30 – 14.30)

(Pages 117 – 148)

Tom Chance, Chief Executive, Community Land Trust Network

Chris Cowcher, Head of Policy and Communications, Plunkett Foundation

Tom Stainer, Chief Executive, CAMRA

Natalie Sargent, Development Manager – Wales, Coalfields Regeneration Trust

Richard Harries, Associate Director, Institute for Community Studies

8 Inquiry into community assets – consideration of the evidence received under items 5, 6 and 7

(14.30 – 14.45)

Agenda Item 2

Local Government and Housing Committee

7 July 2022 – papers to note cover sheet

Paper no.	Issue	From	Action point
Paper 1	Building safety	Welsh Cladiators group	To note
Paper 2	Building safety	Gareth Wilson to the Minister for Climate Change	To note

Agenda Item 2.1

Further to your recent correspondence from the Chair of the LG & Housing Committee - dated May 26 2022. Sadly the Minister's replies told us nothing that we did not know and provided little in depth detail that we desperately need from the WG.

We remain deeply concerned about the slow rate of progress on Welsh home fire safety and would ask that you communicate to the Chair that on 5/6 April Welsh developer Redrow committed to remediate their English defective homes. As of today Redrow have yet to make any announcement about their seriously defective Welsh homes. At the same time Laing O'Rourke who the Welsh Government paid £350m to build the new Grange University Hospital has failed to even engage with the Minister on their defective builds in Cardiff Bay. One of which the WG has already funded repairs to the tune of £1.75m. We would like to know if the WG intends to litigate against LOR to recover those tax-payer monies?

We also have no indication from Minister Julie James about when very critical legal protections contained within the English Building Safety Act will be enacted in Wales. We also have no indication as to when funding will flow to impacted developments. Meanwhile innocent Welsh homeowners are unable to sell their homes and live with 24/7 mental stress and financial worry. Some of our members are now having to face developers like Redrow and others in the courts. We are facing expensive teams of QCs with all the attendant financial risks. This cannot be fair when we are innocent victims.

On 14 June it will be five years since the Grenfell tragedy and we have no way of knowing when our misery will end

We again request an opportunity to appear urgently before the Committee to express our concerns. We look forward to hearing from you

With regards

Welsh Cladiators Group

Gareth Wilson

Julie James
Minister for Climate Change
Welsh Government

30 June 2022

Dear Minister,

Re: Welsh Building Safety – Leaseholder Support Scheme announced 27 June 2022 (“the Scheme”)

We have met and communicated before on building safety issues. As you know, I am a leaseholder and director of the residents’ management company at Celestia. I am also the lead claimant in the high court claim currently being pursued by Celestia residents against the developer, a Redrow PLC subsidiary company, which is now dormant. I, amongst others, have been urging you and your government to take urgent effective legislative steps to fulfil your oft stated promises to leaseholders.

Against that background, I have read with great dismay and sadness the Scheme you have just announced. It is a cruel deception on vulnerable leaseholders, building up unreasonable expectations. It reads like a marketing pitch from a financial adviser, similar to those available all over the internet and appears to be written by the same people. In fact, the only people likely to benefit from the Scheme are those that have advised you to adopt it i.e. the “financial experts” whose advice you acknowledge and who will be paid for further advice.

The pitch is valueless. It works in two ways: -

- first, you don’t give proper guidance on eligibility for the scheme (very few will qualify) and
- second, if a leaseholder gets to the end point where Welsh Government (“WG”) offers to buy a flat, there is no indication of a price point – other than “*fair market value*”. This, by definition, is a price that could be obtained on the open market without WG interference.

Poverty

To be clear, I have read the Scheme. The eligibility criteria appear to be mythical and certainly not easily identifiable. You do not say where the “*Social Metrics Commissions’ definition of significant financial hardship*” can be found and my own brief research suggests no such definition exists. The implication is that it is a definition of poverty (as this is the function of the Social Metrics Commission) and your “Guidance” confirms “*You will also be required to show how your disposable income puts you close to or below the poverty line.*” That is an entirely inappropriate measure for any meaningful help, though it is a recognition of the depths of penury and despair to which you believe some leaseholders will have sunk.

The fair market value at which WG might buy at flat will then take into account the state of the flat i.e. including all its defects. In effect, all the “support” offered by the Scheme does is

acknowledge that the leaseholder has been reduced to a state of poverty. It does not alleviate that poverty. To have his/her new status as having fallen below the poverty line confirmed, the leaseholder will need to go through a laborious application process based on a standard financial information request used with the industry for, e.g., a mortgage application.

Smoke and Mirrors

In a letter dated 22 June 2022 to Vaughan Gething, you used the expression “*smoke and mirrors*” to describe information provided by the UK Treasury. Your Scheme is just that, but is more reprehensible because it is directed – as the Scheme anticipates - at very vulnerable individuals.

I wrote to Linda Thorne, Chair of the Housing Committee on Cardiff City Council, on 14 March 2022 and a copy of that letter has been put before the Senedd committee and sent to you. I attach a further copy. Paragraph 10 of that letter reads: -

*“My personal view is that you should also seek to dissuade WG from wasting any time, energy and resource on the plan announced by Julie James to bail out the very small minority of leaseholders worst affected. **This will do nothing to repair a single building and will be unworkable. It would be divisive. It is distracting resource and planning. It is a waste of public money.**”*

All those anticipated criticisms – which I have not repeated above - have been borne out. The Scheme is actually worse than I anticipated, which seems to be a consequence of the realisation within your department that the Scheme is unworkable: it is now so vague as to be impossible to judge. The best possible outcome is that the Scheme is ignored by leaseholders and no further funds are wasted on financial advice or administration costs.

Effective Legislation

In the meantime, progress on the real issues remains glacial. Survey work is progressing so slowly that it will be years before it is completed. The flow of information is almost zero: we at Celestia have heard nothing since lodging an Expression of Interest 9 months ago. We do not even know: -

- What list we are on i.e. whether our buildings require further intrusive surveys
- What further surveys might be required
- When those surveys will be done.
- Where we are in the queue.

There is no news on legislative progress in Wales and nothing on any of the specific areas raised in my letter to Linda Thorne. There is a vague suggestion – three months on - that some developers will now treat Welsh leaseholders similarly to those in England, but

- You now seem to be linking this with final contracts rather than the pledges – and there is no news on progress there.
- The pledges themselves contained undertakings to provide remedial plans for developments where defects had already been identified e.g. Celestia, within 30 days. That period expired in England 8 weeks ago. When does that period begin to run in Wales?

- I note you refer to developers “contributing to” rather than “paying for”, which is clearly a significant step back.
- Your recent announcements refer to “*fire safety issues*” rather than “*safety issues*”. This is at odds with WG’s holistic approach. Some of the significant safety issues at Celestia are not fire related.

The most critically important actions required are those related to the Remediation Orders and Remediation Contribution Orders referred to in my attached letter (though the section numbers have changed since the draft available in March to SS 124 & 125).

I am sure all leaseholders would be grateful if you could answer the questions set out in §9.1 – 9.4 of my attached letter.

Kind regards



Gareth Wilson

Cc Mark Drakeford FM
John Griffiths MS
Andrew RT Davies MS
Vaughan Gething MS
Jane Dodds MS
Rhys ab Owen MS
Linda Thorne – Head of Housing CCC

Gareth Wilson

Councillor Lynda Thorne
Cabinet Member for Housing and
Communities

14 March 2022

Dear Lynda,

Re: What can Cardiff City Council (“CCC”) do to help solve the building safety crisis in Cardiff – without further damaging delay?

Thank you for inviting me to the Zoom meeting on Thursday, 10th March with Vaughan Gething. At the meeting, you expressed your clear desire to assist in solving the building safety crisis in Cardiff, but highlighted CCC’s funding difficulties. You asked for comments and suggestions, and I write to set out a clear path forward for CCC.

Unworkable suggestions

1. **Council tax relief:** CCC does not have funding available to repair buildings itself. Welsh Government (“WG”) has the budget. Any major CCC contribution, for example, to give relief against council tax would necessarily have to be found from elsewhere i.e. other council tax payers. I agree with you that this is a non-starter.
2. **Council funded sprinklers:** Sprinklers are a good thing, but CCC funding simply introduces a layer of unnecessary bureaucracy, delay and cost. WG has the funds. These can be made available direct to CMCL and others rather than through the council.

Summary: Practical low-cost proposals

3. Delay is the key issue. There are proposals in English draft legislation, the Building Safety Bill (“BSB”) that will help leaseholders in Wales. Therefore,
 - 3.1. CCC needs to pressurise WG to ensure that those proposals are enacted into Welsh law at the soonest possible date.
 - 3.2. CCC also needs to enforce the new legislation immediately it is enacted.
 - 3.3. CCC can also pressurise developers and builders even before the measures become law by announcing and demonstrating its intention to take immediate action.

The key legislative proposals

4. Sections 125 and 126 of the Building Safety Bill (attached) contain provisions for “*Remediation Orders*” and “*Remediation Contribution Orders*” to be made against a “*relevant landlord*”, which is widely defined to cover developers and their associated companies.
5. Both Orders can be sought by a local authority. However, because this area is devolved, section 29(2) of the BSB effectively restricts the provisions to England.
6. CCC will therefore be able to apply for Orders provided only that similar legislation is enacted in Wales.

Process and timetable in Wales

7. I have now asked two key Senedd members, including Vaughan Gething at our Zoom meeting what the process and timetable is for enacting this legislation in Wales and intend to continue to ask that question of all Senedd members. As you will have heard from Vaughan, in both cases the answers have been totally unsatisfactory i.e. “*I don’t know.*” I interpret this as “*there is no meaningful plan.*”
8. We all know that the first step is for the BSB to be passed in Westminster and that is not within our control. However, we also know that the BSB is expected to be passed within the next couple of months and the time for detailed planning to take this forward in Wales has long since passed.
9. CCC should be making clear to WG its urgent need to be granted the powers under Sections 125 and 126 of the BSB and its intention to use them immediately. To that end CCC should ask WG to provide it with assurances that will happen and to publish details of :-
 - 9.1. What steps WG has taken to date to prepare Welsh legislation?
 - 9.2. What resources are being devoted to this?
 - 9.3. What the process is for passing the legislation?
 - 9.4. Most importantly (and bearing in mind the legislation has cross-party support) a **detailed timetable for the legislative process and the date** – which could be related to the passing of the BSB i.e. within 6 weeks of enactment of the BSB – on which WG expects the legislation to reach the timetable.
10. My personal view is that you should also seek to dissuade WG from wasting any time, energy and resource on the plan announced by Julie James to bail out the very small minority of leaseholders worst affected. This will do nothing to repair a single building and will be unworkable. It would be divisive. It is distracting resource and planning. It is a waste of public money.

CCC’s preparations

11. The council itself needs to plan, train and resource so that it is in a position to enforce the legislation – including issuing Remediation Orders and Contribution Orders – from Day 1. This will require a clear legal understanding of the new legislation and an early identification of target developments.
12. As stated above, developers could be notified of the council’s intention to issue Orders even before the new legislation reached the statute books. It is still possible that the threat of the use of the powers will be enough for some developers to take action.
13. CCC will need to liaise with South Wales Fire and Rescue and also with other “interested persons” to prevent duplication of effort. Fire authorities should have power to apply for both Orders. Other interested persons e.g. leaseholders can apply for Contribution Orders.
14. It would be helpful if you could keep us advised of the steps you are taking as this will impact directly on our planning and the financial strains this will put on leaseholders. As I expect you know, I have been in contact with Dave Holland over the last two years and I

am sure he will be keen to move forward on this. I would be happy to contribute in any way I can.

The reality of leaseholders' position and potential impact on CCC

15. CMCL is currently trying to raise a small part (20% this year) of our total estimated repair bill from leaseholders. The first half of this £1.2 million (10% of total) should have been paid on 1 January this year. As of now, only 147 of 457 leaseholders have paid in full. 196 leaseholders have paid nothing. A further 33 are falling behind instalment plans that CMCL have agreed with them.
16. A further £1.2 million will be due on 1 July – less than 3 months away. We will have to ask for further substantial payments at the end of the year as the money we are currently attempting to collect will not be sufficient even for Phase 1 of our planned remediation. The prospects for many leaseholders look very bleak.
17. It is CMCL's duty to pursue leaseholders who do not pay and letters before action are going out this month. If we pursue debt action, this will affect credit ratings, further costs will be incurred and ultimately, we will be forced to foreclose. It is a downward spiral and CCC will ultimately be picking up the pieces of potentially hundreds of people rendered homeless. This is happening **now**.
18. Delay will effectively negate any possible benefit of a WG scheme to remediate. A perfect scheme that does not appear in time is not perfect, it is useless. The one thing that could ameliorate a delay is the interim and immediate availability of WG backed or sponsored loan finance, which will enable CMCL to undertake repairs without bankrupting and otherwise destroying the lives of leaseholders in the process.

As there is no process for leaseholders and management companies like ours to contribute to the WG's thinking, it would be helpful if you could do this for us. Better still, persuade WG to set up a process that enables leaseholders to contribute.

I am sure this has wide cross-party support within CCC and am copying this to other councillors listed below. I hope this is helpful and look forward to hearing from you.

Kind regards



Gareth Wilson

CC: Huw Thomas, Adrian Robson, Rhys Taylor, Saeed Ebrahim, Neil McEvoy,

Document is Restricted

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted

Agenda Item 5

By virtue of paragraph(s) ix of Standing Order 17.42

Document is Restricted



[Cwmpas](#) is a development agency working for positive change. We are a co-operative, and our focus is on building a fairer, greener economy and a more equal society, where people and planet come first. The current economic system is failing to tackle the key challenges our communities face today, from climate change to economic hardship. It does not have to be this way. Established in 1982 as the Wales Co-operative Centre, at Cwmpas we've made it our mission to change the way our economy and society works.

Our Communities Creating Homes project offers support and advice to new and existing organisations looking to develop community-led housing schemes in Wales. In March 2022, we published a report titled "Community ownership of land and assets: enabling the delivery of community-led housing in Wales" to stimulate discussion on community ownership in Wales in relation to housing. Below, we will respond to the terms of reference set out in this consultation in the context of how they relate to community-led housing in Wales.

- **Whether the current statutory and policy framework empowers communities in Wales to develop community assets;**

There is a clear political will for community-led housing to be developed further in Wales. Community-led housing is set out in the Programme for Government as a specific aim, with Welsh Government stating that "*We will... Support co-operative housing, community-led initiatives, and community land trusts*". Communities Creating Homes works to support community-led housing projects across Wales with funding from the Welsh Government, and we engage consistently with them and other partners and stakeholders to support the development of the sector.

However, there are clear barriers within the statutory and policy infrastructure that must be removed in order to achieve a supportive and empowering framework. Our "Community Ownership of Land and Assets" report found that "In Wales, we have far fewer options for community ownership of land and assets" and that Scotland and England have more progressive legislation than Wales to allow community ownership of land and assets. It noted that "while we already have some community ownership rights in Wales, we need to strengthen these and develop a bespoke approach that works for our communities across the country".

Recent reports from the [Bevan Foundation](#) and the [Institute of Welsh Affairs](#) agree with this assessment in relation to rights to community ownership. The Institute of Welsh Affairs found that communities face an "an arduous and demoralising process" and that it was "extremely likely" that the situation in Wales has led to many assets being permanently lost to communities.

- **The extent the Community Asset Transfer scheme promotes and supports effective development of community assets;**

Whilst some community ownership rights already exist in Wales, Community Asset Transfers and Compulsory Purchase Orders, they do not go far enough to enable communities to take real control of land and assets to deliver more affordable homes. While the programme has had some success, there have been several issues, mainly relating to lack of capacity and support for community groups, and public bodies transferring liabilities, not assets.

The report published by the IWA also highlighted the inconsistency in the scheme across Wales, with people in some areas seeing CATs as a collaborative process, whereas in other areas there is perceived to be a lack of trust. We have recommended that the Welsh Government should develop a formal process for Community Asset Transfers so that there is a standardised approach across all local authorities and public bodies.

- **To explore barriers and challenges faced by communities in taking ownership of public or privately owned assets, including finance and support services;**

Through our work supporting community-led housing projects in Wales, we have seen the barriers that exist to the development of this sector, and have identified policy levers that can be used to overcome them:

Access to Land

One of the fundamental obstacles that we have identified facing several potential community-led housing projects in Wales is finding suitable sites available for purchase. As already discussed, policy has been developed in England and Scotland that could be replicated (and improved) in Wales. More information on this is given in response to the next question.

Access to Capital

The most common barrier or challenge for groups looking to set up community-led or co-operative housing projects is access to finance. This can come in different forms, including:

- A shortage of grant funding/risk capital for pre-development costs such as finding accessible sites and planning applications
- Lack of dedicated funding for land acquisitions
- Lack of a single financial pathway for making multiple applications to different funders.

The establishment of a capital fund, such as the revolving loan fund set out in the report, is necessary to ensure that community groups are able to make the leap from group formation and development of their plans to accessing land and making headway on developing homes. Whilst we have supported some groups who have overcome the lack of available public finance, this has often been via the involvement of philanthropic land-owners,

sympathetic to the aims of the community groups seeking to develop CLH. As an example, a group we are supporting in Gwynedd have been offered a site at £100,000 below market-rate by a former resident of the area, who is keen to ensure that the community survives despite an extraordinarily high rate of second home-ownership. Elsewhere, we have seen the potential of loanstock offers (where a community invest in a CLH proposal at a low return rate) to deliver some of the finance needed to provide affordable housing. Again, this requires a philanthropic mindset: loanstock is unsecured and the interest rates involved are small. Helping CLH groups tap into their wider communities' altruistic aspirations is undoubtedly part of the service that the CCH programme can further explore, but this alone cannot be relied upon to secure affordable housing for all CLH groups in future. Input of grant funding was necessary to move CLH forward in England (£163 million was made available in 2018) so it is reasonable to determine that the same will be true in Wales.

Cwmpas have been working with WG officials to develop a 'proof of concept' capital grant fund for CLH schemes. If successful, the fund will enable groups to access the much-needed capital grant to purchase the land/buildings necessary to deliver truly affordable homes.

Skills

The different stages of preparing, successfully launching and managing a community-led or co-operative housing scheme each present challenges, and require a variety of skills and knowledge. As a result, ensuring that these projects have access to specialist support is essential. Communities Creating Homes has had considerable experience of nurturing and growing this sector in Wales, and we look forward to continuing to do this as the model expands even further.

Lack of Awareness

It is vital that communities are aware of the potential of this model of housing and development, and particularly that they are aware of their rights as a community to have a say in the future of housing and the wider economy of their area. While success stories across Wales and elsewhere, as well as the policy initiatives within Government, are increasing the awareness of this model as a potential option, more needs to be done to ensure that everyone in Wales is aware of the benefits and potential of community-led housing. This is true of both the general public and communities themselves, and awareness within Government, Local Authorities and other public bodies, who must play a key role in the development of this sector.

- **To discover what lessons can be learnt from beyond the Welsh border.**

In Scotland, there have been consistent policy interventions seeking to develop community rights and community ownership. The Land Reform Act 2003 provided certain community bodies with a pre-emptive right to have the first option to buy land that went to the market. The Community Empowerment Act 2015 allows communities to have a greater say in decision-making, increased the level of funding available, and extended the right to buy to all communities. The Land Reform Act 2016 developed a Land Rights and Responsibility

Statement and developed the right to buy land for sustainable development. In addition, the Scottish Land Fund has allowed greater levels of funding for community-led projects. They have developed a Route Map for Asset Transfer Requests that can be seen [here](#) to fully explain the process to communities.

In the past 10 years, there has also been a growth in policy in this area in England, including the Localism Act 2011 and the development of the Community Right to Build, Challenge and Bid for Land. Wales lags behind in this area of policy, at present.

While Scotland and England have more progressive legislation than Wales to allow community ownership of land and assets, it is important to understand the barriers still faced by communities when trying to take on ownership of land and assets, this will allow us to develop a system that works for the people of Wales. Some of the barriers remaining that have been identified include:

- Land Valuation Systems - When a community nominates an asset and registers an interest, the sale price is determined by an independent assessor. While this is fairer than the English system (where the land/property owner determines the price), it still makes community ownership impossible for many.
- There is limited capital funding available for feasibility studies, meaning the pre-launch stage of developing community-led housing proposals is extremely challenging.
- There remains a limited level of capacity, resources and skills within communities, and further support is necessary. In addition, the level of capacity within communities is inconsistent across different places, with those in rural areas or highly-deprived areas, for example, less likely to have access to the necessary skills and resources.

If you would like to know more about the work of Cwmpas and Communities Creating Homes in developing the community-led housing sector in Wales, please get in touch and we would be delighted to meet to discuss further.

IWA Briefing: Community Empowerment

A briefing for the short debate 'Protecting community spaces: taking back control' tabled by Rhys ab Owen MS on 09 03 2022

During 2021 the Institute of Welsh Affairs undertook research into community empowerment measures in Wales, Scotland and England.

We spoke to policy professionals working on this topic, undertook desk-based research into community rights in Scotland and England, and held policy roundtables with community groups and farmers.

Key Findings

- We found that **Welsh communities are the least empowered in Britain.**
- Community groups we spoke to had near-universally negative views of the situation in Wales – they told us about an **arbitrary, demoralising scenario** with little real process for communities to take ownership of public or private assets.
- Scottish communities have a statutory **right to buy** (essentially a right of first refusal to buy) community assets such as land or pubs when they come up for sale or transfer.
- Scottish communities can even buy assets **without a willing seller** if they are derelict or if it is for sustainable development, if Scottish Ministers agree.
- English communities have a statutory **right to bid** for community assets – with a six-month moratorium on sale if communities express an interest.
- English communities also have a **right to build** (small-scale developments such as community-led housing with fewer planning restrictions) and a **right to challenge** to take over public services.
- Welsh communities have **no statutory rights** of this nature– [various commissions](#) have recommended Wales develop its own system of community empowerment but this has never materialised.
- We are concerned that some decision-makers do not see the value of community empowerment – we believe that as well as revitalising high streets, enabling community-led renewable energy and housing projects, and more, **community empowerment is a desirable outcome in itself.**

Our Recommendations

Recommendation 1: The Welsh Government should begin work on a **Community Empowerment Bill** that establishes a register of community assets, and gives communities a statutory first right of refusal over these assets when they are proposed for sale or transfer.

It is vital that any community empowerment rights in this Bill do not endanger the viability of the agricultural industry that underpins rural Wales, and it should therefore not be considered without a mechanism to ensure land and assets are sold for market value. We do not recommend compulsory purchasing measures as in Scotland, due to the differential context in Wales, the fragility of rural communities, and their importance to the Welsh language.

Recommendation 2: The Welsh Government should establish a well-financed **Community Asset Fund**, based on the successful Scottish Land Fund that distributes grants of between £5,000 and £1m. This should be dedicated to underpinning the Community Empowerment Bill's provisions, financially supporting community ownership, and ensuring that those seeking to sell receive a fair price for their assets.

Recommendation 3: The Welsh Government should establish a **coordinated support package** to support communities that are seeking to buy or lease land or assets. This should be particularly targeted at deprived communities to ensure those without the resources or time to engage as fully in the process are not disadvantaged.

Recommendation 4: The Welsh Government should adopt a **social value policy** that applies to public bodies looking to dispose of or lease land or assets. This should be auditable and communicated clearly with local authorities, public bodies, and Audit Wales. The National TOMs Framework should be used as a starting point to develop this social value policy.

Recommendation 5: In situations where asset transfer is not possible, the Welsh Government should support public bodies to co-produce, with communities as equal partners, future **asset management plans** that reflect community values and vision but also reflect the legal and professional requirements of asset management.

YouGov Polling

We commissioned [YouGov polling](#) that found overwhelming support for our recommendations amongst the Welsh public – crucially, amongst all parties and demographic groups in Wales.

1. To what extent, if at all, would you support or oppose the Welsh Government introducing legislation that gives communities a right of first refusal to buy key community assets such as land, village halls and pubs before they are listed on the open market?

Total Support – 68%, Total Oppose – 8%

2. To what extent, if at all, would you support or oppose the Welsh Government funding grants for communities to buy or lease community assets such as land, village halls and pubs to be run by the community?

Total Support – 71%, Total Oppose – 8%

3. To what extent, if at all, would you support or oppose the Welsh Government creating a coordinated support package (i.e. advisors, detailed guidance) to help assist communities to run their assets such as land, village halls and pubs?

Total Support – 67%, Total Oppose – 9%

4. The Welsh Government, local authorities and public bodies sometimes sell off public assets for various reasons. When a decision is made to sell a public asset, which of the following comes closest to your view?

0

Assets should be sold to whoever offers the wider social benefits, even if this is at a lower price – 59%

Assets should be sold to whoever offers the highest price, even if this doesn't have wider benefits – 8%

Further Reading

[Our Land: Communities and Land Use](#) – Institute of Welsh Affairs

[Libraries and public land lost in Wales as people lack power - report](#) – BBC Wales

[Welsh public overwhelmingly back giving communities more land rights, says new poll](#) – Nation.Cymru

[IWA report finds support for boosting community right to land](#) – The National

[Community Ownership and Empowerment Act would lead to the delivery of more affordable community-led housing in Wales](#), says Wales Co-operative Centre

[Report of the Welsh Co-operative and Mutuals Commission](#)



Submission to Inquiry into Community Assets

About the Building Communities Trust

Building Communities Trust is a Welsh charity. We support local people to build on the strengths and talents within their communities and take action to make their areas even better places to live.

We do this through our Invest Local programme which is Wales' largest asset based community development initiative. Running since 2016 and funded by a Lottery endowment of over £16m it has supported residents in 13 communities across Wales. At the heart of the programme is the "offer" of £1m to each of the communities who decide how and what they spend the money on. We also run a network of support, learning and advocacy for over 120 community-based organisations.

This response

This response is informed by [Mapping Community Assets in Wales](#), a national exercise identifying Wales' large number of community-run assets, our 2021 Manifesto [Strong Welsh Communities](#), and findings from a recent survey completed by our stakeholders telling us about their experiences and knowledge of Community Asset Transfer (CAT). We also conducted a small number of informal discussions with key members within our network.

Overview

Building Communities Trust believe in supporting people in their own communities to do the things that matter to them. We've previously called on Welsh Government to "give communities stronger rights to own and control buildings and local land, with new legislation based on the 2015 Scottish Community Empowerment Act."¹ We believe this consultation should act as a precursor to developing a community strategy which recognises the fundamental role played by grassroots community groups spanning Wales. We note this committee's remit includes local government, communities and housing.

We already know that investment in community assets can create wide ranging benefits for local communities by providing spaces for community groups to operate and enabling local people to meet and stimulate community action. However, these outcomes require hard work and are by no means certain. One respondent told us that their "club has gone from strength to strength since we entered the Asset Transfer process. However, it's been a challenge at times...we manage as best we can but ultimately our club/business is currently built on sand."

¹ Building Communities Trust, [Strong Welsh Communities: A manifesto for healthier, happier, more resilient communities in Wales](#), 2021, p. 3

Research by Local Trust in England shows that poorer areas with greater community assets and action have better health and wellbeing outcomes, higher rates of employment and lower levels of child poverty compared to poorer areas without.² This correlates with our own experience in Wales, and we are developing further research to examine this, with publication likely in late 2022. These research findings support our view that community assets are crucial not only in providing physical spaces and meaningful opportunities for individuals and community groups, but also in terms of fostering community resilience. Nevertheless, the process of asset transfer requires significant change to maximise its positive impact in our communities.

The current statutory and policy framework

We do not consider the current statutory and policy framework around CAT to particularly help communities in Wales to develop community assets or protect assets at risk of loss to the community. The Institute of Welsh Affairs argue that Wales is “severely lagging behind in giving communities a right to access land and other assets, with an arduous and demoralising process that seems almost designed to keep assets out of community control....[resulting in] communities in Wales hav[ing] by far the fewest statutory rights in Great Britain in relation to land”.³

The existing Welsh statutory and policy framework in relation to Community Asset Transfer (CAT) is weak. There is national level guidance from Welsh Government regarding CAT but this does not automatically translate into policy provision or dedicated CAT personnel within local authorities. Nor is there currently any statutory requirement or obligation on local authorities to transfer land. Communities are reliant on public bodies actively choosing to dispose of assets, without a formal entrance route of their own. When considering community groups’ rights to own privately owned land and assets the picture is even bleaker- with no real mechanism for community groups to buy land or assets in Wales, other than traditional purchase. The lack of any formal mechanism means that community groups face open competition with the rest of the market, which is often better resourced.

Research commissioned by the Welsh Government and Ystadau Cymru found that of the 15 local authorities surveyed, 11 had a formal CAT policy in place which “laid down a set process and guidance for CAT officers managing an asset transfer.” On the other hand, only 4 of the 15 surveyed had a lead CAT officer in post, with some choosing to adopt a cross service team which discussed CAT matters as and when required.⁴ Moreover, 65% of respondents to our survey were not aware that guidance from Welsh government existed despite a significant number of respondents having completed an asset transfer. One went

² Local Trust/OCSI, [Left behind? Understanding communities on the edge, 2019](#)

³ Institute of Welsh Affairs, [Our Land: Communities and Land Use](#), 2022, p.2 -7.

⁴ Coates, J., Nickson, S., Owens, N., and Smith, H. [Community asset transfer: research with the third sector, local authorities and community and town councils](#) Cardiff: Welsh Government, GSR report number 33/2021 p.26-27.

as far to say: “still to this day I’m not aware of Welsh Government’s guidance on this, despite being heavily involved in two asset transfers.”

Despite national guidance, the existence of local-level policy and resources to support CATs is far from universal across Wales, suggesting that the current statutory and policy framework requires strengthening or re-framing, particularly at a local level. Our research demonstrates rates of CATs are highly variable across Wales, with only a small number of authority areas appearing to have proactively pursued this policy.⁵ The areas which appear to have undertaken CATs more commonly include Blaenau Gwent, Rhondda Cynon Taf and Neath Port Talbot.⁶ We acknowledge differing circumstances and perspectives but suggest that the national guidance is revised, encouraging policy development and implementation at local authority level. Many respondents to our survey highlighted lack of capacity within local authorities as a major challenge inhibiting the progress of their CAT. Revised guidance must take this into account; encouraging adequate resourcing to support and deliver CATs.

RECOMMENDATIONS:

- Review current Welsh Government CAT guidance to update and revise it, based on experiences of those who have completed asset transfer.
- Develop a mechanism that obliges local authorities, and other public bodies to review and publish their own CAT policies as well as adequately resourcing asset transfer.
- Ensure that this work on Community Assets sits within the development of a holistic community strategy for Wales.

The CAT scheme promoting and supporting effective development of community assets

The way in which CAT currently operates places initiation power in the hands of public bodies, most notably local authorities. As the guidance states “[p]ublic Authorities in Wales are not obliged to undertake community Asset Transfers and Local Authorities have to initiate the process themselves,” raising serious questions about the level of community control and input into the scheme.⁷

Furthermore, the primary driver leading local authorities to initiate CATs appears to be cost reduction, following a protracted period of austerity.⁸ This is in direct contrast to the communitarian approach promoted by the Welsh Government guidance which states CATs support community empowerment, should be community led, meeting “community need and demand.”⁹ There is a clear mismatch between the guidance issued and communities’ experience of asset transfer across Wales. Respondents to our survey told us that CATs were

⁵ BCT, WCVA, Wales Co-operative Centre, DTA Wales, Coalfields Regeneration Trust, [Mapping Community Assets in Wales](#), 2020, p.5

⁶ [Mapping Community Assets in Wales](#), p.33

⁷ Welsh Government, [Community Asset Transfer Guidance](#), 2019, p. 5

⁸ [Community asset transfer: research with the third sector, local authorities and community and town councils](#) p.44

⁹ [Community Asset Transfer Guidance](#), p.3

“essentially imposed” on them, to ensure continuation of service delivery: “we could have said no, but that would have been a lose-lose scenario.” “If we didn't complete the transfer and take on the pitch ourselves, the council said they would no longer maintain the facility.”

Even if the current CAT framework is revised, there are other factors which affect the development of community assets. Regardless of the statutory and policy framework in relation to CATs, the development of a community asset also requires the skills, and commitment displayed by individuals, and community groups; alongside the completion of an asset transfer- ultimately a transactional and legal process. Without dedicated individuals and community groups, the development of community assets would remain impossible. To enable effective development of community assets it is necessary to revisit the current policy and statutory framework regarding CATs, whilst also recognising and investing in community groups. Experience dictates that individuals and community groups require support not only at their inception, but on an ongoing basis and especially when undertaking significant developments such as asset transfers.

Clearly, experiences vary and there is not a single, linear path to developing community assets. Whilst CATs have a part to play in this, they represent a small but essential piece of a much broader picture. There is currently no formal register of community assets in Wales, resulting in severe challenges to fully quantifying the range and scope of community assets in existence. Research commissioned by ourselves and others demonstrates that asset transfer only constitutes a small part of community action taking place across Wales. Of the 438 assets identified in [Mapping Community Assets in Wales](#) the researchers were able to establish only 63 community asset transfers (CATs), although some of these were ‘in process’ rather than completed. This figure constitutes approximately 14% of the assets mapped in this study, with a further 21% of those mapped owning their premises either through purchase or historical ownership and approximately 11% possessing a long-term lease from the local authority.¹⁰ The relatively narrow focus on Community Asset Transfer only represents a slim proportion of the more nuanced experiences of community asset development across Wales.

RECOMMENDATIONS

- Undertake a mapping exercise of community assets, and those at risk of loss throughout Wales in order to develop a publicly available, accessible register of community assets, disaggregated to local authority footprint.
- Explore the options available to introduce a community right to bid, as opposed to only permitting public bodies to initiate a Community Asset Transfer.

The barriers and challenges faced by communities

The barriers and challenges faced by communities in taking ownership of public or privately owned community assets are numerous and well publicised. One respondent to our survey stated the group they belong to have deliberately chosen **not** to pursue asset transfers due

¹⁰ *Mapping Community Assets in Wales*, p.19

to the “nightmare experiences” they’ve heard about. Others who had completed a transfer said that with hindsight, they would “steer clear” of them in the future.

There are many reports of the “significant length of time involved and the complexity of the process which often appeared to be beset by lack of capacity and clarity.”¹¹ *Mapping Community Assets* summarises the key barriers to community asset transfers proceeding as:

- The market value of the asset
- Lack of capacity within local authorities to deal with the complexities of asset transfer
- Political opposition
- Lack of willingness and trust between a local authority and community groups
- Lack of confidence, skills and availability of community members to take on the running of an asset
- Lack of professional support to help upskill communities to develop business planning and funding applications
- Dependency on external funding needed to support the development of an asset.¹²

Many of the barriers outlined above were further elaborated upon by survey respondents.

Funding

When asked about challenges nearly 65% survey respondents mentioned costs and financial barriers, which included grant funding arrangements being contingent on meeting certain milestones in the transfer process. Financial barriers are not only present in the initial purchase of an asset; there are often ongoing costs for asset development and in some cases, its repair. Many community asset transfers and long-term leases are based on ‘full repair’, meaning that community groups are liable for any repairs and maintenance of often antiquated buildings with ageing facilities. Members of our network told us about how they have had “problems with the heating system which has cost almost £1000 to keep going”, and how “raising money for the refurbishment is challenging.” Another respondent told us that their group was “aware of the general utilities etc. but it's the statutory testing which really hampers the business thriving!”

That said, there are several avenues to access funding for community assets including the [Community Asset Loan Fund](#)- a repayable loan of up to £300,000 which can provide 100% of the property value unlike traditional bank loans and the [Community Facilities Programme](#) a capital grant scheme providing grants up to £250,000 for the purpose of improving community facilities. We’ve previously called for the Community Facilities Programme to be enhanced to support activities and development work that builds community capacity as well as facilities, which we consider more fully below.¹³ There is also the [Community Ownership Fund](#), which Welsh community organisations can apply to, providing a rare opportunity for community groups to access privately owned assets. We understand the Community Ownership Fund to require an element of match funding, which may act as a further barrier for smaller, more nascent community groups, or those located in areas experiencing greater socio-economic deprivation. Whilst there is a range of funding avenues available, access to these funding streams will typically require groups to be constituted and have evidence of managing funds previously. Clearly this is required for due diligence

¹¹ *Mapping Community Assets in Wales*, p.5

¹² *Mapping Community Assets in Wales*, p.33

¹³ *Strong Welsh Communities*, p. 5

purposes, but it acts as a further barrier for emerging, grassroots community organisations in pursuing a community asset transfer.

There are also examples of fundraising by innovative methods such as community shares. However, this approach is not always possible, especially in areas experiencing greater socio-economic disadvantage. Additionally, it is likely that the current cost of living crisis will impact on people's ability to contribute to community share schemes at least for the foreseeable future.

Capacity within local authorities and public bodies

A further 40% of survey respondents mentioned the lack of knowledge and/or capacity within local authorities to deliver on a CAT. One respondent told us the change they would like to see happen in relation to asset transfer was more "support from LA, rather than feeling there are constant barriers." Another stated: "Council had no response and continued to drag their feet, which helped nobody. They still own the asset." Similarly, we're aware that some organisations feel that once an asset transfer has occurred, they are left to their own devices, with some suggesting it would have "been helpful to have an ongoing dialogue, someone they could speak to, who would listen, support and show an interest. In particular, highlighting the need for support on aspects such as legal, HR, and health safety, given the complexity of community asset transfer."¹⁴

Another individual interpreted the "zero knowledge" level of CAT within the local authority differently. They found they were able to work with key individuals to craft an approach which worked for their group. This included a pilot phase where the organisation occupied the building for a year, under a licence agreement before undertaking a full transfer in due course resulting in a 99-year lease agreement. This individual also recalled their experience of spending a day with the property's caretaker, trying to glean as much practical knowledge about the boiler and operational matters as possible due to the lack of paperwork about existing contracts or fittings.

71% of respondents to our survey had been able to access support in relation to their CAT and strikingly this support tended to come from other third sector organisations or third sector infrastructure bodies like Community Voluntary Councils (CVCs). The provision of support is variable across Wales, with some specialist agencies only operating within a limited geographical footprint. Most support accessed was provided freely to community groups, but specialist support such as legal expertise or advice about listed buildings typically incurred costs. One respondent told us that "at the start there are lots of organisations giving you advice (some good and some pointless) but as time passes this help falls away," suggesting that ongoing or quarterly visits might be advantageous. One individual called for "a decent toolkit or checklist" covering the main things a group looking to undertake the running of an asset should be aware of: health & safety procedures, how to manage key holders, opening and locking up, insurance etc.

Members of our network agreed there is a need for additional cost-free support for groups wanting to explore or undertake an asset transfer. However, opinions are, understandably, divided as to where this additional capacity would be best placed; internally within local

¹⁴ *Mapping Community Assets in Wales*, p.34

authorities, third sector infrastructure bodies or specialist organisations focusing on asset transfer.

Timescales

Another common barrier mentioned was the timescales involved in a CAT. Many stakeholders spoke of lengthy delays which directly impacted the condition of the asset. A respondent described asset transfer as “a great way of old bad state of repair buildings being off loaded to community which get in a worse state as the process takes so long.” A common response we hear is that it’s not so much as asset transfer, but a transfer of liabilities. Others called for a streamlined and sped up legal process. The challenge of lengthy timescales is more acute when groups are sourcing external grant funding, as timelines are unlikely to align causing further uncertainty.

Capacity within community groups

Community groups are far from homogenous and as such capacity levels will vary within them. One respondent told us of the “significant staff capacity” that was dedicated to their asset transfer, yet this individual “felt totally overwhelmed” and wondered if the group had made the right decision. Others tell us that the resourcing challenge really makes its presence known once the transfer has gone through: “the main problem is a shortage of people prepared to get involved in the day to day running of the facility.”

Beyond these specific examples, consideration about the skills, knowledge and expertise within community groups is required. There are individuals and community groups who can and do manage asset transfers effectively. However not all community groups will possess the skills and expertise required. For example, expertise needed to develop a business plan, as part of the due diligence process. Many smaller more informal groups will not have a record of managing grant finance or have the right governance arrangements in place. Clearly, appropriate due diligence is required when considering an asset transfer, but there could be additional efforts made to build community capacity. Our *Strong Welsh Communities Manifesto* called for the enhancement of the Communities Facilities Fund to support activities and development work that builds community capacity as well as facilities.¹⁵ In our view you cannot have strong community assets or facilities without strong community organisations. Whilst a publicly available accessible register of community assets would not serve to directly build capacity within community groups, its development could enable informal mentoring and peer learning opportunities for those looking to build their expertise in relation to asset transfer.

RECOMMENDATIONS

- Enhance the Community Facilities Programme to support activities and development work that builds community capacity as well as facilities. This capacity building support should be ongoing and cost-free, pro-actively minimising the barriers to uptake.
- Develop a practical toolkit or checklist for community groups looking to find out more or undertake an asset transfer.

¹⁵ *Strong Welsh Communities*, p.5

- Encourage transferring bodies to develop innovative approaches to ensuring due diligence checks are met whilst pro-actively seeking to minimise barriers faced by community groups.
- Expand the cost-free support provision available to community groups looking to undertake asset transfer.

Lessons from beyond the Welsh border

Our manifesto called for the next Welsh Government to give “communities stronger rights to own and control buildings and local land, with new legislation based on the 2015 Scottish Community Empowerment Act.”¹⁶ Part 5 of the act introduces a right for communities to make requests to local authorities, Scottish Ministers and a range of public bodies for any land or buildings they feel they could make better use of. This represents a clear difference in approach here and in Scotland. Whilst we’d like to see stronger rights for communities to own and control buildings and land, it is clear that any legislation developed must ‘speak to’ or strengthen the already crowded Welsh legislative landscape.

RECOMMENDATIONS

- Grant communities stronger rights to own and control buildings and local land based on learnings from the 2015 Scottish Community Empowerment Act, in a way that speaks to or strengthens the existing Welsh legislative landscape.

Please contact our Policy Officer Eleri Williams for more information on this response.

¹⁶ Strong Welsh Communities, p. 3



Evidence to Senedd Local Government and Housing Committee: Community Assets

Jon Rae, Director, Director of Resources

Welsh Local Government Association - The Voice of Welsh Councils

The Welsh Local Government Association (WLGA) is a politically led cross party organisation that seeks to give local government a strong voice at a national level.

We represent the interests of local government and promote local democracy in Wales.

The 22 councils in Wales are our members and the 3 fire and rescue authorities and 3 national park authorities are associate members.

We believe that the ideas that change people's lives, happen locally.

Communities are at their best when they feel connected to their council through local democracy. By championing, facilitating, and achieving these connections, we can build a vibrant local democracy that allows communities to thrive.

Our ultimate goal is to promote, protect, support and develop democratic local government and the interests of councils in Wales.

We'll achieve our vision by

- Promoting the role and prominence of councillors and council leaders
- Ensuring maximum local discretion in legislation or statutory guidance
- Championing and securing long-term and sustainable funding for councils
- Promoting sector-led improvement
- Encouraging a vibrant local democracy, promoting greater diversity
- Supporting councils to effectively manage their workforce

Introduction

1. Over the last two years of the pandemic, there is a shift in culture, practice and relationships between communities and public services, with the strength of community action becoming increasingly visible, valued and respected. For those involved across the various sectors, there is a collective desire to ensure that the momentum and progress made is embedded within recovery planning. In some cases this work was entirely new and in other cases building on work and



relationships developed before the pandemic. In all cases it offered lessons and ways of working that many people wish to continue and build upon.

2. Local collaborations between community & town councils, third sector organisations including County Voluntary Councils (CVCs) and councils have been instrumental in utilising Welsh Government funding to improve volunteering, loneliness and isolation, community support hubs projects etc. to protect and support citizens and communities.
3. Furthermore, as we grow out of the pandemic, existing policies and resource pressures, reinforced by the cost-of-living crisis will drive the need to make services more community focused and will require greater collaboration between the partners.
4. CAT aligns with Welsh councils' localism agenda and building resilient and empowered local communities. Councils will continue to work in partnership, delivering citizen and community centred models of sustainable local services including CATs to enable communities to enhance or maintain community facilities and services.
5. Attached as **Appendix A**, is the Welsh Branch of the Association of Chief Estates Surveyors observations to the inquiry, which have informed the WLGA's response.
 - **Whether the current statutory and policy framework empowers communities in Wales to develop community assets;**
6. Currently councils undertake CAT through the General Disposal Consent, which allows public bodies to transfer the ownership and management of land and buildings to local communities at "less than best consideration" and in keeping with the Land Transaction Procedure Rules.
7. New and existing relationships with partners and stakeholders have strengthened to meet the challenges of austerity and recovery from the pandemic. Any additional requirement should support and strengthen the existing voluntary collaborative approach, building on existing relationships and sharing and learning from good practice from each sector, utilising existing national and local multi-agency partnerships to facilitate effective CATs.
8. Any consideration of further statutory requirement should be a permissive power rather than an obligatory and binding power, which will allow communities to initiate asset transfer discussions with a public body where there are proposals to close or downscale a community asset or where there was broad community



consensus that the community wished to manage a particular community asset in future.

9. Any proposed power should therefore be framed as a 'community expression of interest' to make it clear that it is not a power that could override public bodies' asset management plans or go ahead without appropriate approval from the elected members. Appropriate safeguards would also need to be put in place, to ensure 'due diligence' of constituted community organisations, clear evidence of wider community support, benefiting economic and citizen & community wellbeing, and the development of a viable business case for long term financial sustainability.
10. Evidence to date indicates that successful CATs require significant pre and post community support.
11. There will be significant resources implications for councils in the management of any proposed register of public and private assets and supporting communities to undertake the management of CATs. A national commitment to resourcing for councils and other agencies, to ensure that CATs contribute effectively to community empowerment and building community resilience, will be required.

The extent the Community Asset Transfer scheme promotes and supports effective development of community assets;

12. Over the last decade, Community Asset Transfers (CATs) has been an evolving process and guidance has been developed to support CATs including: CATs toolkit developed by the National Asset Working Group (NAWG) now called Ystadau Cymru, relaunched an updated version at its first conference on 3rd October 2019, more specific guidelines relating to CATs of leisure and sports facilities, commissioned by Ken Skates AM, the then Deputy Minister for Culture, Sport & Tourism; and the pilot programme commissioned by Lesley Griffiths AM, Minister for Communities & Tackling Poverty to support community organisations in the Gwent area aiming to take over and manage local assets and building on existing work in Blaenau Gwent County Borough Council.
13. The WLGA and One Voice Wales (OVW) set up a member- led task and finish group in 2019 to consider the outcomes of a Welsh Government [Independent Review of community and town councils](#) and how relevant recommendations could be progressed collectively by the WLGA and OVW. The topics included strengthening local partnerships, asset and service delegation, place based planning, local democracy and widening participation.



14. The resolutions from the group in relation to CATs have since been superseded by national approaches, such as [Ystadau Cymru](#) and Welsh Government intentions to implement the recommendations of the [Community Asset Transfer study \(March 2021\)](#) and the proposed Community Policy will all influence approaches.
15. The promotion of good practice across the sectors has proved to be a valuable in encouraging effective CAT. The WLGA have been engaged in WG and Ystadau Cymru conferences.
16. There are notable examples of good practice is CATs, such as:
 - Rhondda Cynon Taf County Borough Council who have declared a number of assets as surplus to their needs (referred to as 'Assets of Community Value'). The Council's website includes guidance, online templates, a detailed building description and a single point of contact for information, all aimed at helping to ensure the smooth transfer of assets.
 - Powys County Council advertises land and building assets that have the potential to be transferred. Online expressions of interest forms and a business case template is available that encourages a detailed and shared understanding of project risks.
 - Vale of Glamorgan Council has a comprehensive toolkit with guidance and templates and signposts applicants to further information and including potential financing
17. The national experiences, indicate that successful and sustainable CATs which best meet the needs of local communities are best delivered through effective engagement with potential providers i.e. community and town councils, third sector organisations and community groups through supporting and building community capacity in areas such as robust business planning, due diligence and long term financial sustainability.

To explore barriers and challenges faced by communities in taking ownership of public or privately owned assets, including finance and support services;

18. The Welsh Government's undertook a [study](#) to understand the experiences of CATs within the Third Sector and Community & Town Councils sectors in May 2019. The headline findings, from the fifteen LAs that responded included the following:
 - Eleven responded that they had a formal policy on CATs.



- Five councils reported that their CAT policy was formalised and couched within the overarching Assets/Estates policy or corporate plan of their organisation.
- Councils reported that the need for CATs has increased in recent years due to austerity.
- The downsides to CATs included the lack of funding and resources required to undertake timely transfers when the process is often complex and in some cases a dedicated officer was required.
- Identified the need to improve capacity for recipients in receiving and managing assets in specialist areas, including premises management and maintenance, health and safety and other regulated areas.

19. In addition, the Audit Wales report: *Provision of Local Government Services to Rural Communities: Community Asset Transfer (November 2018)*¹ made the following recommendations:

“To help sustain rural communities, public services need to act differently in the future...councils do more to develop community resilience and self-help by working with relevant bodies such as the Wales Co-operative Centre [now [Cwmpas Cymru](#)] to support social enterprise and more collaborative business models...enabling local action by supporting community asset transfer identifying which assets are suitable to transfer...”.

20. It is critical that communities are given full support to enable them to make an informed decision as to whether to proceed with an asset transfer. If community groups are interested in taking on an asset they are often overly optimistic on running costs, usage etc. their abilities/time etc. Therefore, it is in the Council’s interest to be upfront in terms of running costs, Health & Safety requirements, public liability etc. (if council asset) and to work with them or identify another organisation that can work with them to prepare a realistic business plan.
21. Budgetary engagement between councils and potential applicants, is therefore a key element for such decisions. Early engagement around budget forecasting and planning is good practice; although there are often late changes to the local government settlement, indicative or provisional local budget assumptions.
22. Furthermore, councils should explore with partners possible service implications of such budgetary assumptions, to provide them with as much time as possible to

¹ http://senedd.assembly.wales/documents/s81164/PAC5-31-18%20PTN2%20-%20AGW%20Report%20-%20Community%20Asset%20Transfer_e.pdf



consider their potential role in supplementing or delivering any services and in planning their own budgets.

23. Such discussions may include whether there is scope for transition funding relating to any service delegations or transfer of assets and this should be a key consideration before any alternative arrangements are agreed. In the past decade of austerity, councils have had to protect statutory services such as education and social services and discretionary services and budgets have been hardest hit; it is these budgetary pressures and overall real term reductions in the Revenue Support Grant that have led to many community-based services being cut or transferred to other providers such as community and town councils or the third sector.

To discover what lessons can be learnt from beyond the Welsh border.

24. In England, the UK Government through the Localism Act 2011, has moved to introduce a new 'Community Right-to-bid' to empower communities to respond to these challenges by taking even greater control of land and buildings where they live. The Local Government Association (LGA) working with [Locality](#) to develop a number of resources for communities and elected members to support effective CAT approaches.
25. The Community Empowerment (Scotland) Act has defined a legal process for asset transfer, which gives new rights to communities and places duties on public bodies. The [Development Trust Association Scotland](#) have developed a number of resources to support communities to take on community assets.
26. [New Local](#) have also identified a number of resources and case studies about how local facilities can thrive under community ownership.



Appendix A

Geoff Bacon
Head of Property Services Swansea Council
Chair of Welsh Branch of the Association of Chief Estates Surveyors

Community Asset Transfers

Community Asset Transfer is an established mechanism used to enable the community ownership and management of publicly owned land and buildings.

The General Disposal Consent allows a range of public bodies to transfer the ownership and management of land and buildings they own to local communities at 'less than best consideration' – at less than full market value.

Communities can enter into discussions with public bodies about Community Asset Transfer where it is their intention to promote social, economic or environmental well-being.

Swansea Council have an adopted Community Asset Transfer that is embedded within the Constitution as part of the Land Transaction Procedure Rules. It sets out that any proposal for a Community Asset Transfer must be supported by a Head of Service and the relevant Cabinet Member. If the proposal does not have internal support then it cannot proceed.

If supported then under the Council's Land Transaction Procedure Rules (LTPR), the Head of Property Services must be consulted. The latter will assess the status of the property, its tenure, open market value and potential for realisation of a capital receipt and liaise with the supporting department. Property Services and Finance must be consulted prior to reporting to consider the financial implications of the CAT and to ensure it does not breach subsidy controls. Legal, financial and any possible Equality and Engagement Implications will also need to be considered and discussed at this stage.

The supporting department must then be willing to present a report to Cabinet detailing how the proposal benefits both the Council and the community by promoting social, economic or environmental well-being in the relevant area.

The ultimate aim of Community Asset Transfer is community empowerment – that is, to ensure that land and buildings are retained or transformed for public benefit through community asset ownership and management.



The Swansea Council's procedures on Community Asset Transfer are underpinned by the following principles: -

- Generally the transfer will only be approved of property required for continuation of a service;
- The transfer must create a mutual benefit to both the Council and the Community by promoting social, economic or environmental wellbeing and supporting the aims and priorities of the Authority;
- More often than not there should be an initial element of financial benefit to the Authority.
- The Authority will encourage collaboration between community based groups and the sharing of assets to optimise social value and value for money;
- The proposed use of the asset must be for the benefit of the community, and would offer real opportunities for successful and independent, community or third sector organisations to become more sustainable in the long term;
- The Authority is not obliged to undertake Community Asset Transfers.
- The basic terms of any transfer will generally be non-negotiable and will be on the basis that the organisation that the asset is being transferred by way of a long lease at a peppercorn with the lessee taking full responsibility for repair and all outgoing of that land or asset.

The policy works on the basis that we will react to a request from a local group, town or community council. Swansea Council does not proactively market but it must be confident that all community groups are engaged and it encourages collaboration between community based groups and the sharing of assets to optimise social value and value for money.

Any interested party has to first set out an expression of interest.

The above sets out a clear process and this is a similar story for all Welsh Local authorities and whilst there a lot of positive examples out there, common issues do present themselves.

- Any interested organisation needs to be properly “constituted” and robust enough to take on the challenge
- Quite often the requirement to fill out an expression of interest form is enough to stop any interest being taken any further!
- The wider community needs to be engaged however not everyone will be supportive



- An advocate service within the Council needs to take responsibility to champion the cause
- The support any organisation requires to take on responsibility is considerable and needs properly resourcing

In that regards Carmarthenshire County Council recently undertook a consultation exercise with all Town and Community Councils regarding their experiences to date in dealing with Community Asset Transfers. The majority of the assets transferred over the years have been parks and playgrounds.

The main points highlighted by the Town and Community Councils were:

Response 1: 'It is not so much that the asset transfer was unsuccessful, it is just the financial strain these assets have put on the Community Council. In 2020 the Council had to spend £14,230 so far on the Ash Die back problem in the park with more felling done in 2021 at a cost of £1,100 and there are still Ash trees remaining within the park which have signs of the disease and are being monitored.'

Response 2: 'The Community Council took over the playground in June 2019 after many residents said they didn't want to lose the playground. The equipment in the playground is deteriorating and needs replacing. The Community Council does not have the money to do this. A maintenance grant from Carmarthen County Council would be of great help, and if we could have this it would help enormously.'

Response 3: 'The assets should have been transferred as a freehold as opposed to leasehold basis. There was insufficient information available on the properties being transferred. It would be useful to have a more open dialogue with the County Council and a joint initiative to ensure the future success of a facility as opposed to the transfer of a liability.'

Response 4: 'Comprehensive information pack in relation to the asset would be useful such as reports, searches etc...'

Response 5: 'Insufficient experience of Community Councils including ongoing planned maintenance of the assets. Training would be useful.'

The above reinforces the point that the support an organisation requires to manage not just the physical asset but the service to be delivered is considerable and in many cases local authorities have lost the resources required to support communities.



One Voice Wales submission to the Local Government and Housing Committee inquiry into Community Assets July 2022

Introduction

One Voice Wales is recognised by the Welsh Government as the national representative body for community and town councils in Wales. It represents the sector on the Local Government Partnership Council and over 89% of the 732 community and town councils are in membership, with numbers growing year on year. As well as our representative role, we also provide support and advice to councils on an individual basis and have previously launched, with Welsh Government support, a modular training programme for councillors. We believe strongly that community councils are well-placed to develop the economic, social and environmental well-being of the areas they serve and, as such, are active and proactive in debating key issues such as energy policies, environmental issues and strategic planning. Our sector is therefore well placed to contribute to a successful future nation, building community and public services from the bottom up.

One Voice Wales is delighted to contribute to the Local Government and Housing Committee's inquiry into Community Assets. The response has been co-ordinated and written by Mr Lyn Cadwallader, Chief Executive of One Voice Wales. He has represented the Community and Town Council sector on the Welsh Government Ystadau Cymru Advisory Board (formerly known as the National Assets Working Group) for over 10 years and has been leading on the work on community assets within this group. Our response to the 4 broad areas identified in the Committee's terms of reference are set out below:

1. The current statutory and policy framework empowers communities in Wales to develop community assets.

One Voice Wales has witnessed the growth and importance of the community asset agenda to community and town councils over the last decade. As Unitary Authority budgets have been challenged increasing opportunities for community and town councils to take on the assets (and associated services where applicable) of principal councils has become increasingly prevalent. At the same time there has been a significant volume of work undertaken by Welsh Government and other

national bodies to support these developments - One Voice Wales has played an active role in supporting government and stakeholder organisations. Working with Welsh Government and other bodies a number of developments have occurred over this 10 year period:

- The National Assets Working Group (NAWG) publication Community Asset Transfers in Wales – A Best Practice Guide dated March 2016
- The development of an Assets and Services Toolkit for Community and Town Councils by Welsh Government (currently hosted on the One Voice Wales website)
- Two very detailed studies of the Community and Town Council sector via a Community Asset Transfer in 2018 (“Management and delivery of services and assets in community and town councils: Research with the sector” Welsh Government January 2018)
- and a second broader study covering the Third Sector, Local Authorities and Community and Town Councils released in 2021.
- A comprehensive review by Wales Audit Office on the “Provision of Local Government Services to Rural Communities: Community Asset Transfer” (Wales Audit Office, November 2018)
- The development by Welsh Government in collaboration with stakeholders of a Land Transfer Protocol which has subsequently been updated to Estate Co-location and Land Transfer Protocol - a Best Practice Guide for the disposal, transfer, shared use and co-occupation of land and property assets between publicly funded bodies in Wales. July 2020
- Welsh Government Community Asset Transfer Guidance (2019) which was designed for:
 - Decision makers within Transferring Bodies, primarily Public Bodies such as local government, who are planning to transfer assets in their area;
 - Town and Community Councils (TCCs) and Community-led Third Sector Organisations (such as Community Associations, Voluntary Organisations, Charities, Social Enterprises, Community businesses, Development Trusts, Co-operatives and Mutual Organisations), who are looking to apply for a CAT; and
 - The wider public who want to benefit from an Asset Transfer and the services it provides to the community.
- £5m community asset scheme launches for Welsh charities in November 2021.

Despite this significant volume of work One Voice Wales considers that much more needs to be done legislatively and on a policy front to enable community assets of value to be maintained within communities across Wales. One Voice Wales would direct the Committee to the two Welsh Government research reports highlighted above as well as the Wales Audit Office report that clearly set out the issues and challenges facing organisations involved with this agenda and articulate explicitly - in One Voice Wales opinion – the recommendations highlighted in the reports set out the actions needed to improve the current operating environment for Unitary

Authorities, Community and Town Councils, Third Sector organisations and community organisations. Broadly, this will require further legislation, dedicated financial resources to support each individual sector involved as well as a national strategy setting out the actions collectively required by those organisations mentioned to collaborate effectively within.

One Voice Wales agrees with the commentary within the recent report by the Institute of Welsh Affairs 'Our Land: Communities and Land Use' identifying that communities feel disenfranchised regarding community owned assets. Furthermore, One Voice Wales agrees with the proposals to give communities in Wales the first right of refusal to buy community assets that are proposed for sale or transfer, and to give social value a greater role in decisions around the sale of public property as well as the other key recommendations set out in the IWA's report below:

- The Welsh Government should begin work on a Community Empowerment Bill that establishes a register of community assets and gives communities (community and town councils, third sector, community organisations) a statutory first right of refusal over these assets when they are proposed for sale or transfer.
- The Welsh Government should establish a well-financed Community Asset Fund, based on the successful Scottish Land Fund that distributes grants of between £5,000 and £1m to the bodies set out above.
- The Welsh Government should establish a coordinated support package to support communities that are seeking to buy or lease land or assets. This should be particularly targeted at deprived communities.
- The Welsh Government should adopt a social value policy that applies to public bodies looking to dispose of or lease land or assets.
- In situations where asset transfer is not possible, the Welsh Government should support public bodies to co-produce, with communities as equal partners, future asset management plans that reflect community values and vision.

To enable the above to happen One Voice Wales would also welcome the piloting of a Community Partnership approach (community planning) at the sub unitary authority level that provides a model for collaboration (on community owned assets amongst other locally important matters) between community and town councils, third sector bodies and local businesses, that is, those entities who are most likely to be involved in taking on community assets.

2. The extent the Community Asset Transfer scheme promotes and supports effective development of community assets;

As set out above One Voice Wales believes that there have been some positive developments over the years in terms of guidance materials however for all the reasons set out in Welsh Governments own research reports in 2018 and 2021 and the findings within the Wales Audit Office report much more needs to be done to enable a scheme within the Wales which actively promotes and supports effective development of community assets.

In terms of the community and town council sector it manages approximately £200 million worth of assets and yet there are no specific specialist advisory resources available to the 732 community and town councils in Wales – within each of the Unitary Authorities, Natural Resources Wales and Health etc bodies there are dedicated specialist asset teams in part funded by Welsh Government. One Voice Wales as the advisory body for the sector does not have such resources to offer the sector.

3. To explore barriers and challenges faced by communities in taking ownership of public or privately owned community assets, including finance and support services

Again, One Voice Wales would direct the Local Government and Housing Committee to the Welsh Government research reports and the work of Wales Audit which clearly set out the issues faced by community councils, third sector organisations or community bodies in taking ownership of public or privately owned assets.

To address the issues the following recommendations were made:

Welsh Government research 2018:

1. Consideration is given to whether the guidance currently available on the management of services and assets could be improved, better signposted or more tailored to the needs of the sector
2. There would be benefit in reviewing the processes for initiating asset and service transfer from principal councils to better account for the capacities of community and town councils.
3. Further discussion could take place around the types of training that would be most beneficial to councillors and clerks and how that training could be delivered most effectively
4. The sector as a whole should revisit the role of charters as a means of strengthening partnerships with principal authorities.
5. Conduct further research with the sector around the degree to which councils understand and use specific powers
6. Facilitate opportunities for councils to properly consider the joint delivery of services or management of assets
7. Explore the benefits of centrally co-ordinating tailored communications to the sector

Welsh Government research 2021

Outlined below is a set of recommendations for LAs, transferees and support organisations to consider based on the findings of this report. The recommendations are presented as a set of strategic headings, with subsequent practical actions linked to these headings and aimed at particular stakeholders.

1. LAs should adopt a more strategic approach to CAT which places the needs of the community front and centre. It is suggested that LAs should re-orientate their approach to CAT in a way that places community need as the primary driver for decisions around asset transfer as opposed to the need to cut costs within the LA. This approach has already been adopted by a small number of LAs in Wales and the following actions are proposed to test the feasibility of this approach and share learning between stakeholders.

a. LAs that are taking a community needs-based approach to CAT should be provided with a platform to discuss their approach, share learning with others, and where possible, assist others to establish this approach in other LAs.

b. Welsh Government should work with LAs, transferees and WCVA to set up a programme of knowledge sharing for successful transfers, particularly in authorities taking a community needs-based approach. This could take the form of short sessions where LAs and transferees reflect on a particular transfer process and discuss how the strategic approach informed the transfer, key challenges and how they were resolved, and steps being taken to establish success indicators and the data used to evidence this.

2. LAs should develop a more formalised approach to engaging with transferees at every stage of the CAT process. The research revealed that engagement between transferors and transferees could be patchy, with lapses in communication causing delays to the transfer process at important stages. A formalised approach to communication during a CAT, adopting the following actions, may help to reduce delays and misunderstandings.

a. LAs are advised to undertake a programme of engagement at the start of the transfer process, particularly when a large programme of CAT is proposed.

This would outline the LAs objectives for asset transfer, the process and key stages, clear information about what should be included in a business case, and

how financial sustainability of the CAT will be assessed prior to transfer.

Engagement should take place at least annually and in time to inform transferees'

decisions on setting the precept (for community councils) or other sources of income so as to ensure transferees are prepared for any proposed CATs.

b. Formal CAT policies should be produced by all local authorities and made publicly available. Publication of each LA CAT policy has several benefits for potential transferees. Firstly, it helps understand the key principles and processes

of CAT, and helps transferees decide whether they have the capacity to undertake a transfer. It also acts as a roadmap in resolving delays in the transfer

process. It is recommended that CAT policies should be available on the LAs website in the interests of openness and transparency.

c. A nominated LA official should be responsible for day-to-day contact with transferees. Transferees reported positive relationships with designated CAT officers. It is suggested that having one point of contact for transferees would make raising and resolving issues easier, and enable potential risks and delays to

be quickly identified and addressed.

d. LAs and transferees should consider making a communications agreement for each transfer process. This could take the form of a memorandum of understanding to outline who the key contacts are, how delays are avoided, a checklist of actions to be completed, stating who is responsible for completing them.

3. LAs, support organisations and transferees should work together to understand the support that is required for effective asset transfer and post-transfer management, what the support gaps are, and how those gaps can be addressed. The research reported gaps in knowledge, expertise and capacity in LAs, community organisations and CVCs, both with regard to the transfer process and post-transfer. It is advised that gaps in the provision of support be identified holistically and proposals for addressing these gaps proposed strategically via the following actions.

a. Transferees should undertake an audit of gaps in their expertise and training needs to understand where support is required during and posttransfer. This would enable support organisations such as One Voice Wales, WCVA, and others to match their resources and capacity to address those skills gaps with training or seek alternatives where necessary.

b. Further engagement is required with CVCs to understand their capacity and capabilities to support community organisations in their locality, and specifically where demand for support is outstripping capacity. This would inform any potential increase in capacity to CVCs.

c. Data should be gathered on the uptake of grants and other forms of financial assistance to transferees, what they were used for, and whether they were sufficient for their needs post-transfer. These data would help build a picture of how financially sustainable a CAT has been and whether current offers of financial support from LAs and other organisations are sufficient to help achieve financial sustainability post-transfer. This could then feed into wider monitoring for evaluation purposes.

4. Transferees and LAs should ensure due diligence procedures regarding CAT and post-transfer arrangements are clear. In addition to developing effective communication between LA and transferee, it is also necessary to ensure that certain aspects of the CAT process identified in the research as problematic are addressed. The main issues for transferees included difficulty ensuring that the asset transferred would be financially sustainable post-transfer, and agreeing the terms of the transfer agreement, specifically the extent to which assets could be modified for community use.

The following actions are proposed.

a. Undertake a risk assessment of each CAT to ensure community organisations can sustainably manage the asset, and to prevent financial

risk to transferees before the transfer process is complete. Some transferees highlighted the issues they encountered around managing assets which could not generate income. These assets were in fact considered liabilities and were a considerable financial drain on the community organisation. Additional scrutiny of financial risk to transferees could enable a more sustainable transfer and reduce the risk of the asset being returned to the LA. License agreements, where assets are transferred on a trial basis to assess whether the transferee can manage them, are a tool that could be more widely used. Where non-income-generating assets are transferred e.g. public toilets, an accompanying asset that is income-generating could also be included to offset any financial losses.

b. Proposals around modifying the asset post-transfer should be discussed and agreed during the transfer process. This would allow any potential modifications to an asset under a leasehold agreement to be agreed upfront and would reduce the need for further negotiations which may negatively affect the management of the asset.

5. All parties should implement formal monitoring and evaluation approaches to both the CAT process and post-transfer period. The research revealed that different parties in the CAT process have different definitions of success and have different levels of interest in the outcomes of a CAT post-transfer. It is argued that it is in the interests of all parties to measure the outcomes of a transfer, both to assess the benefits to the community and to improve CAT processes in the future. The proposed actions are;

a. The steering group for this research should consider the proposed indicators and data sources provided in Tables 6.1 and 6.2 of this report and engage with transferors, transferees and support organisations as to what data are obtainable and practical to use as evidence of impact. It is advised that indicators and associated data that could be collected against agreed-upon indicators be collected by both transferors and transferees to improve the CAT process, but also to ensure the sustainability of assets once transferred and that they continue to provide a valuable service to the community.

b. Knowledge sharing sessions should be used to share new approaches to monitoring and evaluation approaches. This would allow stakeholders to assess whether these approaches could be used in transfers they are involved with.

c. Training for community organisations in the key principles and benefits of monitoring and evaluation should be considered. Building expertise within community organisations would enable them to undertake their own monitoring, and more importantly they would be able to recognise the benefits of doing so for highlighting their successes and challenges. This would potentially be useful in leveraging future funding and undertaking long-term planning and development of transferred assets.

Wales Audit November 2018

Recommendations included:

R1 Local authorities need to do more to make CATs simpler and more appealing, help build the capacity of community and town councils, give them more guidance in raising finance, and look to support other community development models such as social enterprises that support social value and citizen involvement. In addition, we recommend that local authorities monitor and publish CAT numbers and measure the social impact of CATs.

R2 Local authorities have significant scope to provide better and more visible help and support before, during, and after the community asset transfer process. We conclude that there is considerable scope to improve the business planning, preparation, and aftercare for community asset transfer. We recommend that local authorities:

- identify community assets transfer's role in establishing community hubs, networks of expertise and clusters of advice and prevention services;
- work with town and community councils to develop their ability to take on more CATs;
- identify which assets are suitable to transfer, and clarify what the authority needs to do to enable their transfer;
- ensure their CAT policy adequately covers aftercare, long term support, post transfer support, signposting access to finance, and sharing the learning about works well; and
- support community-based leadership by developing networks of interest, training and coaching, and encouraging volunteering.

As the Local Government and Housing Committee will observe from the three sets of recommendations there is a degree of repetition and overlap – the challenge will be to secure the resources and commitment to take these actions and make them a reality across the communities of Wales. To date many of these recommendations remain merely recommendations. One Voice Wales believes that these should be used to develop a national strategy for community assets taking into account the work of Scottish Government around this agenda as well as the work of some Unitary Authorities in England who have developed detailed approaches such as Cornwall and Dorset Unitary Authorities.

4. To discover what lessons can be learnt from beyond the Welsh border.

One Voice Wales would direct the Local Government and Housing Committee to the following:

1. Scottish Government – Community Empowerment (Scotland) Act 2015

The **Community Empowerment (Scotland) Act 2015** is an Act of the Scottish Parliament. The act is notable for expanding the Community Right to Buy established by the Land Reform Act (Scotland) Act 2003 to include urban communities and for introducing new powers for Scottish Ministers to compel owners of abandoned or neglected land to interested community bodies.

Provisions

Provisions of the act are spread over eleven parts, covering different areas relating to community empowerment and public participation in policy and planning.

Part 1, National Outcomes, requires Scottish Ministers to continue the existing practice of setting national outcomes for Scotland, to which public authorities, people and organisations are to have regard when carrying out public functions. Ministers must regularly report progress toward them and to review them at least every five years.

Part 2, Community Planning, creates a statutory basis for Community Planning Partnerships, imposing duties on them to involve community bodies in the delivery of local outcomes and to produce “locality plans” for particularly disadvantaged areas.

Part 3, Participation Requests, provides a mechanism for community bodies to request participation in services to improve local outcomes, which can include community bodies taking responsibility for the delivery of services.

Part 4, Community Rights to Buy Land, amends the Land Reform (Scotland) Act 2003 to extend the community right to buy to communities of any size, allowing urban communities to register an interest in land granting them first right of refusal should the land come up for sale. The act also introduces a new community right to buy land which is abandoned, neglected or causing harm to the environmental wellbeing of the community. This allows Scottish ministers to compel private owners of land to community bodies if they deem the sale likely to contribute to sustainable local development.

Part 5, Asset Transfer Requests, provides community bodies with the right to request to purchase, lease, manage or use land and buildings held by local authorities, Scottish ministers and other Scottish public bodies, of which relevant authorities will be required to create and maintain a publicly available register. In deciding whether to agree to asset transfers, public bodies are to consider the reduction of inequalities though there is a presumption of agreement unless there are reasonable grounds for refusal.

Part 6, Delegation of Forestry Commissioners’ Functions, allows for different types of community body to be involved in forestry leasing and to request asset transfers from Scotland’s National Forest Estate.

Part 7, Football Clubs, provides powers for Ministers to make regulations to facilitate supporters’ involvement in the decision making, and potentially ownership, of football clubs and give fans rights in these areas.

Part 8, Common Good Property, requires local authorities to establish and maintain a register of all [common good property](#) which they hold. It also requires local authorities to inform and consult community bodies before disposing of or changing the use of common good assets.

Part 9, Allotments, updates and simplifies legislation on allotments. It requires local authorities to take reasonable steps to provide [allotments](#) if waiting lists exceed certain trigger points and strengthens the protection for allotments. Provisions allow allotments to be 250 square metres in size or a different size that is to be agreed between the person requesting an allotment and the local

authority. The Act also requires fair rents to be set and allows tenants to sell surplus produce grown on an allotment, provided this is not intended to produce a profit. There is a requirement for local authorities to develop a food growing strategy for their area, including identifying land that may be used as allotment sites and identifying other areas of land that could be used by a community for the cultivation of vegetables, fruit, herbs or flowers.

Part 10, Participation in Public Decision-Making, creates new regulation-making powers enabling Ministers to require Scottish public authorities to promote and facilitate public participation in the decisions and activities of the authority, including in the allocation of its resources.

Part 11, Non-domestic rates, allows councils to create and fund their own localised business rates relief schemes, in addition to existing national rates relief.

2. Cornwall - [Localism - Cornwall Council](#) which sets out the approach the Unitary Authority has undertaken over several years to manage the transfer of assets and services to the local level.
3. Dorset - [Transfer of community assets - Dorset Council](#) which details the two approaches Dorset Council take to assets of low value and assets of high value.

Mr Lyn Cadwallader

Chief Executive, One Voice Wales

24 June 2022

Community Ownership Group

Grŵp Perchnogaeth Gymunedol

About the Community Ownership Group

The Community Ownership Group is a network of organisations who wish to see more assets being run by communities, especially if those assets are at risk of loss to the community otherwise. We all see access to community spaces – whether they are buildings or land – as an essential part of thriving communities, and we know from our work and the work of other groups that this provides a wide range of benefits to communities and to community life.

A list of those organisations who have specifically endorsed this document can be found at the end of the document. Whilst some of us are membership bodies, our members take their own views on these issues.

Whilst the Community Ownership Group is focussed on promoting community ownership of assets, we do not believe that this should sit in isolation to wider changes to Welsh Government's community policy; including developing a new communities strategy, examining additional sources of funding for community organisations and building community wealth. Indeed, a strong community assets policy would reinforce these.

Introduction

Community assets, whether they are land or buildings, provide enormous benefits to local communities by providing spaces for voluntary sector groups to operate and enabling local people to meet and stimulate community action. Research by Building Communities Trust found that Wales is home to thousands of local community groups, with hundreds running significant assets covering a huge variety of activities from tourism to sport and leisure, shops and social centres.¹ Governments have provided funding to support communities to acquire and develop assets.

However, a study by the Local Trust in England has also shown that poorer areas with greater community assets and action have better health and wellbeing outcomes, higher rates of employment and lower levels of child poverty compared to poorer areas without.² This correlates with our own experience in Wales, and we are developing further research to examine this.

A recent report from the Institute of Welsh Affairs found that communities face an "an arduous and demoralising process" and that it was "extremely likely" that the situation in Wales has led to many assets being permanently lost to communities³. The Bevan Foundation highlights that a better set of rights and frameworks for community ownership can help new forms of community innovation and regeneration to emerge.⁴

¹ BCT, WCVA, Wales Co-operative Centre, DTA Wales, Coalfields Regeneration Trust, May 2020, [Mapping Community Assets in Wales](#)

² Local Trust/OCSI, 2019, [Left behind? Understanding communities on the edge](#)

³ Institute of Welsh Affairs, 2022, [Our Land: Communities and Land Use](#)

⁴ Bevan Foundation, 2020, [Productive community assets: generating the benefits](#), p.8 & Summary

Assets can either be land or buildings. They can be owned by a public body, from a private body. Some assets may also be commercially viable, whereas others would need ongoing support. Notably, purchases of assets held by a charity can be legally and financially complex, and have implications for the ongoing viability of the organisation's work, which would need to be considered from all perspectives by Welsh Government in any new community assets policy.

Whether the current statutory and policy framework empowers communities in Wales to develop community assets;

We do not believe that that the current statutory and policy framework empowers communities sufficiently to acquire assets that are at risk of loss to the community or to ensure that they are developed. There should be a wider package of support for community ownership, alongside a new community strategy. Transferring assets to a community can be complex and there are a number of ways that this can be supported, such as advice and support, defining a community asset, improving guidance around CATs, promoting a better understanding of the value of community ownership, and legal changes. Changes to the statutory and policy framework should cover all of these factors.

Legal changes

Wales does not have a **register of community assets**. Various voluntary sector organisations have attempted to map and quantify community assets across Wales however, this remains a challenge. As a result, it is hard to assess provision in individual communities, and to identify which assets and community spaces may need protection. Any register should be maintained by the local council but allow submissions from community groups and individuals.

The Welsh Government should develop policy tailored to Wales that provides communities in Wales with a greater opportunity to acquire assets which are at risk of loss to the community. This should take into account the particular make-up of communities in Wales, as well as our own legislative and policy framework. Most notably this would include the implications of the Wellbeing of Future Generations Act and our own local government structures. The Welsh Government should develop policy **on enhancing community ownership**, building on the work done by the voluntary sector, the Welsh Co-operatives and Mutuals Commission, and the Welsh Government Community Assets Working Group. This work should involve all stakeholders and should examine:

- Mapping community assets and creating a register of those assets.
- Communities' rights if assets are at risk of loss to the community
- The community involvement and wellbeing ambitions in the Future Generations Act
- The challenges faced by poorer communities in terms of raising capital and developing capacity to take on an asset.

Funding

Community ownership of assets requires **funding**, whether for the initial purchase, for development, or (in some cases) for supporting ongoing costs. In recent years, governments across the UK have looked at ways to support communities to retain buildings and land that have been in community use, whether in public or private hands. Here in Wales, for example, Welsh Government has funded WCVA's [Community Asset Loan Fund](#) and runs its own [community facilities programme](#). Likewise, Welsh organisations can bid into the UK Government's [Community Ownership Fund](#).

Respondents to the IWA's research project were broadly positive about the availability of funding provided by government bodies and major funders. We do note however some of the challenges of raising funds in short timescales permitted for community groups to do so. As well as this, significant rises in the value of land compared to income can make it more challenging for communities to raise funds, a trend we expect to continue in some parts of Wales. This is also true due to the rise in costs for day-to-day expenses such as fuel.

Finally, we support the use of **community shares** as a way of supporting some community-ownership projects. This is a form of long-term, patient finance and also creates a "membership" or a "movement" to support a community-ownership project. This is a growing sector and across the UK over £200m has been raised through community shares in the last decade and that 92% of organisations that have utilised community shares are still trading.⁵

Alternatives to ownership

Ownership of assets, both land and buildings, can provide significant advantages to communities. However, full title transfer is not always either possible or desirable. A sole focus on title transfer can miss result on missed opportunities to support communities.

In situations where asset transfer is not possible, the Welsh Government should support public bodies to co-produce, with communities as equal partners, **future asset management plans** that reflect community values and vision but also reflect the legal and professional requirements of asset management.

The transfer of assets to the community is a successful way to give communities a say in the management of their local community and its environment. Where that is not possible, supporting the co-production of future management plans and giving **communities long-term rights under a stewardship agreement** can provide many of the community benefits of asset transfer.

We recommend that:

- the Welsh Government immediately undertake a process of mapping community assets, be they in the public, private, or voluntary sectors.
- The Welsh Government develop policy on supporting community groups' ability to acquire assets which are at risk of loss to the community. The specific mechanism for this should be informed by the systems in England and Scotland, but tailored for Welsh

⁵ Co-operatives UK (2021). [Milestone £200 million invested to transform communities](#)

circumstances. This should also include alternatives to ownership such as long-term leasing.

- This policy include continued access to flexible funding to support acquisition and development of community assets.

The extent the Community Asset Transfer scheme promotes and supports effective development of community assets;

Most assets which have transferred into community ownership in recent years have done so as part of the Community Asset Transfer scheme, under guidelines by Welsh Government. Community groups have had varying experiences with how successful this has been.

In particular we are concerned that the process of Community Asset Transfer is not consistent across Wales. The status quo does not provide a level playing field for communities across the country as a whole. We believe a new community asset policy needs to address the imbalance in access.

Relationships with the public sector

Relationships vary between public bodies, and often within them. For example, in some areas Community Asset Transfer is seen as a collaborative process while in others it is defined by **lack of trust**, with the public sector often disregarding the voluntary sector's ability to manage assets well. Research by the Welsh Government shows that "predominantly the context for [initiating a transfer] was the need of the local authority to reduce their costs each financial year⁶".

This is related to a wider concern about procurement processes for longer-term leasing. We acknowledge the work that the Welsh Government is doing around social value and believe that this should be reflected in longer-term leasing and land management contracts.

There were varied experiences about the challenges facing community asset transfer. Some noted that sometime communities felt they were being handed **unsustainable assets**, or that there was a mindset with some officials that community activity leads to limited activity, or would be run by a group with a lack of commercial acumen⁷.

It is important to stress the **additional value that comes from community use**. The first is that, in some cases, the asset is managed in a way that stimulates the local economy, especially if there is a commercial aspect to the project. However, there are also community benefits in terms of wellbeing, maintaining public spaces and in bringing people together.

Finally, we believe that the debate around community ownership of assets too often focusses solely on Community Asset Transfer and the publicly-owned buildings. Whilst this

⁶ : Coates, J., Nickson, S., Owens, N., and Smith, H. (2021). [Community asset transfer: research with the third sector, local authorities and community and town councils](#) Cardiff: Welsh Government, GSR report number 33/2021

⁷ Research by the Plunkett Foundation on [community-owned shops](#) and [community-owned pubs](#) shows that the sectors have a 92.5% (shops) and 99% (pubs) long-term success rate (in terms of trading beyond 5 years).

is an integral part of promoting community ownership, it should sit as part of a wider strategy which covers a wider range of assets.

We recommend that:

- the Welsh Government refresh its Community Asset Transfer guidelines following consultation with community groups.
- a programme of work to improve understanding the value of community asset transfer and how to ensure community assets are transferred successfully.
- that the Community Asset Transfer scheme sits within a wider set of policy to promote community ownership of assets, especially those at risk of being lost to the community.
- ensure that, where community asset transfer is not possible, communities are involved in discussions about the future of community assets. This is especially important in relation to land.

To explore barriers and challenges faced by communities in taking ownership of public or privately owned assets, including finance and support services;

As well as legal and funding challenges, there is plenty of evidence that smaller barriers exist for community groups seeking to run assets.

There is a particular challenge facing **communities facing deprivation** who want to develop community assets; such as lower levels of community capacity and skills, and challenges with fundraising locally. This would likely require additional support, and this support would need to be more than simply finance and may include community capacity building and mentoring for community leaders. Similar challenges may be experienced by some **communities of interest**.

In addition to these challenges, there are a wide range of models for community ownership, as outlined above, and this leads to a wide range of challenges for organisations seeking to bring an asset into community ownership. Some of these challenges were felt by different types of community groups.

These included challenges at the start of the process of community ownership, such as the **required speed of fundraising** being beyond the capacity of community groups. There was often **a lack of information on running costs** available from public bodies prior to transfer and even less information available for assets currently held privately. There is a need for **frontloading of finance** for professional services such as surveyors so that informed decisions about taking on an asset could be made.

Assets can also be liabilities, especially in relation to maintenance and repair work. Business models need to reflect this. This is especially true at the moment, when the cost of running a venue is increasing (in part due to fuel costs, although other factors are also important) but income is not.

Finally, many groups would benefit from **support and mentoring** in relation to making an asset financially sustainable (whether it is designed to be commercially viable or not). This includes advice in relation to maximising income streams. This is especially relevant during the current cost of living crisis.

We recommend that alongside other changes to the policy framework for community assets and community ownership, there should be technical support for communities and public bodies, including:

- A co-ordinated package of support for organisations looking to acquire and run assets.
- Front-loaded finance to develop proposals, especially in more deprived communities.
- Supporting capacity-building within communities, especially in more deprived communities.
- Better co-ordination and understanding within the public sector for community ownership.
- Education at a grassroots level about the value of community ownership.

To discover what lessons can be learnt from beyond the Welsh border.

There are plenty of examples of successful community ownership projects in the rest of the UK, and across the world. These often come from an environment which promotes community ownership of assets through legal and financial support. Submissions from other organisations will highlight examples from their specific areas of work.

This briefing is endorsed by:



This briefing does not necessarily represent the views of members of the organisations listed above who are membership bodies.

Whether the current statutory and policy framework empowers communities in Wales to develop community assets;

The Future Generations Act has the potential to greatly empower communities. This would be by aligning public policy, and the use of community assets, to the long-term wellbeing of communities. This neatly aligns to the legal framework for the Community Land Trust (CLT) in particular, which is defined (as an English body in the Westminster Housing and Regeneration Act 2008) in terms that require CLTs to only use assets for the social, environmental and economic wellbeing of their local community.

However, in practice that Act - and related aspects eg of the planning system - have not helped. For example, a CLT Bronllys has been unable to secure any interest in the underused land in the local community hospital despite wide and universal political and community support, and a very compelling case that aligns with the statutory and policy framework. This is because the Powys Teaching Health Board doesn't want to engage, and there are no powers in the hands of the community to force them to.

In respect of housing - affordable housing being a key focus for many CLTs - the policy framework hinders communities. To access capital grant, a housing provider needs to be a Registered Social Landlord. But the Welsh Government is resistant to new organisations registering. This is in contrast to England, where 18 CLTs have become or are in the process of registering to become Registered Providers (the equivalent). So that path is effectively closed to communities. The alternative is for them to partner with an RSL, typically in a model whereby the community owns the freehold of the land and the RSL develops and manages the homes under agreement and with a leasehold arrangement. This is popular in England but has yet to take off in Wales, and there is nothing in the policy framework to encourage it. Cwmpas is working to establish the model, and there was some work by PLANED in Pembrokeshire that foundered - I believe - partly because of a lack of understanding or commitment to the idea of community led development on the part of the county council and the RSL involved.

The extent the Community Asset Transfer scheme promotes and supports effective development of community assets;

To date this scheme has not been used by CLTs, to my knowledge, so I have nothing to contribute on this.

To explore barriers and challenges faced by communities in taking ownership of public or privately owned community assets, including finance and support services;

There are three ingredients to CLTs taking ownership of and developing assets: the asset, finance, and support. These three are interlinked. But in brief:

- Accessing public assets depends very much on the attitudes of the public body and the degree to which it has any duties to local wellbeing vs its wider remit (e.g. the example of PTHB and Bronllys CLT mentioned above).
- Accessing private assets is less difficult but depends more upon finance being available at the right point, unless the landowner is supportive and patient.
- Support has been improving thanks to the work of Cwmpas, linked into a wider network of community led housing professionals covering England and Scotland as well as Wales. It is positive that the Welsh Government has part-funded this work.
- The hardest bit of finance is pre-development finance for a CLT to identify and secure a site and take plans through feasibility studies up to a planning application submission. Once a CLT has the land and planning it is able to access a variety of finance sources, or to attract a development partner that can do this. In England we have had - on and off - a funding framework to provide this called the Community Housing Fund, which provides a route for communities into the main capital programme for affordable housing. But in Wales we lack any equivalent.

To discover what lessons can be learnt from beyond the Welsh border.

I have discussed the learning from the Community Housing Fund with ministers, and attach a letter from 2018 describing this.

One other lesson is that I believe it is a mistake to focus on statutory 'community rights' frameworks in isolation from the planning system and an understanding of how land and other asset markets work. The Localism Act in England made this mistake, introducing a number of fairly tokenistic 'rights' which set communities up to fail. A tiny proportion - I believe about 0.5% - of Assets of Community Value have successfully been bought by communities. The Community Right to Build Order has almost never been used, and the one CLT that did regretted it - they found it was more expensive and bureaucratic than a normal planning application. The Community Right to Bid is pointless. The Scottish version, the Community Right to Buy, is more powerful but is again rarely used and - I am told by our

friends in Scotland - acts more as a threat in your back pocket and a way to give legitimacy to community ownership, rather than acting as a useful tool for communities.

I commend the work of the IWA and Cwmpas on this agenda, but caution against leaping to a similarly toothless set of 'rights'. Instead, Wales has a unique opportunity to build from its Future Generations Act and its planning system to genuinely empower communities to play a stronger role in the mainstream asset markets.

Yours sincerely,

Tom Chance

Welsh Parliament: Local Government and Housing Committee

Inquiry into community assets

Response from the Plunkett Foundation, 24 June 2022

Who are the Plunkett Foundation?

Plunkett Foundation is a national charity with a vision for resilient, thriving and inclusive rural communities. To achieve this, we support people in rural areas to set up and run a wide range of businesses which are genuinely owned by local communities, whereby members have equal and democratic control. Today, we represent over 800 'community-owned businesses' throughout the UK, from shops and pubs through to woodlands, farms and fisheries.

What is a community-owned business?

Plunkett defines a community-owned business as businesses that trade products and services for community benefit, and which is democratically owned and controlled by the local community.

What is the problem we hope to address?

Interest in community-ownership has never been at a higher level. Plunkett currently receives 500 new enquiries annually – this is 30% increase since the beginning of the pandemic. Of these new enquiries, only 1 in 10 succeed in bringing local assets into community ownership.

Plunkett Foundation records show that a lack of available premises (to trade from) and/or an uncooperative or unwilling seller are the biggest challenges facing community-ownership projects. We believe that with greater educational awareness of this form of business, improved access to support available and legislative change that the sector could grow significantly in Wales.

Plunkett activity in Wales

To date Plunkett Foundation has supported 51 community-owned businesses that are currently trading in Wales. This includes 21 shops, 14 pubs and 5 community woodlands as well as a range of other forms of enterprise including multi-service hubs, bakeries, food producers and farms.

Plunkett is also actively engaged and currently supporting a further 50 groups to progress their community-ownership ambitions. This pipeline includes a further 20 pub groups and 13 more projects looking at community-ownership of shops and post offices.

Community-owned businesses, based on a commercial operating model, are a remarkably resilient business type and have excellent survival rates. For the two main enterprise types

supported by Plunkett Foundation; shops have a long term survival rate of 92.5%¹ (12 out of every 13 survive); for pubs it is even higher at 99%.²

We feel that these statistics show that this is a sector worth investing in and supporting to grow in future.

Introduction

Plunkett Foundation welcomes this inquiry into community assets across Wales. Community assets, such buildings, land and other service centres are so important in creating inclusive communities where people are proud to work and live.

Community assets can often take the form of local businesses that are contributing significantly to the local economy, driving positive social action and those that are operating with a commitment to positive environmental practice. In the context of this inquiry Plunkett Foundation wishes to represent the views of the 101 community-owned businesses that we are working with in Wales, 51 that are already trading and a further 50 that are in development.

At present there is no legislative mechanism that empowers local residents in Wales to recognise and identify the assets of value in their community. In England, where communities are provided the power to register “Assets of Community Value” it has led to over 6000 assets being identified as locally important and providing an element of protection (by way of a moratorium period of 6 months) should the asset ever become available for sale.

The majority of community-ownership projects that Plunkett supports are the subject of a private sale, rather than a public asset transfer. At this present time they are also often the result of a reactionary measure by local residents seeking to reopen or “save” a closed business that becomes available for sale. Whilst legislation does exist to support projects in England and Scotland to explore community-ownership, the “Community Rights” available are inconsistent. In England the “Right to Bid” leaves communities beholden to a willing seller and in Scotland the lack of transparency around private land ownership has meant that the “Right to Buy” has, to date been relatively underused in terms of creating a significant number of new community-owned assets.

In Wales, there have been recently published reports by Cwmpas (formerly Wales Cooperative Centre³) and Institute of Welsh Affairs⁴, as well as recognised studies from the Bevan Foundation⁵ and Building Communities Trust⁶ that have led the calls for the implementations of community rights in Wales. Plunkett Foundation supports the calls for the creation of a Community Rights framework in Wales.

We believe that the existence of the Well-being of Future Generations Act 2015 in Wales will have significant and connected relevance for any future community ownership project in the country. The considerations for the long-term impact of decisions (made primarily by public bodies), to work better with people, communities and each other, and to prevent persistent

¹ [Plunkett Foundation \(2021\), Community Shops Better Business report](#)

² [Plunkett Foundation \(2021\), Community Pubs Better Business report](#)

³ [Wales Cooperative Centre \(2022\), Community ownership of land and assets: enabling the delivery of community-led housing in Wales](#)

⁴ [Institute of Welsh Affairs \(2022\) Our Land: Communities and Land Use](#)

⁵ [Bevan Foundation \(2020\) Community assets: generating the benefits](#)

⁶ [Building Communities Trust \(2021\) The Case for a Welsh Community Rights Act](#)

problems such as poverty, health inequalities and climate change could lead to some of the strongest Community Rights legislation in the UK.

Furthermore with an increase in centralised funding, delivered through the UK Government in Westminster, that could benefit community-ownership projects means that there has never been a greater need to have consistency in legislation across all 4 UK nations. Not having consistent community rights in all four UK nations is prohibiting the number of groups that succeed with a community-ownership project at present.

Through implementing consistent and supportive legislation UK-wide, offering a Right to Buy, it will create an equal chance for successful community-ownership regardless of where the project is located.

Plunkett responses to the following issues being considered by the inquiry:

Whether the current statutory and policy framework empowers communities in Wales to develop community assets:

Plunkett Foundation does not believe that the current framework empowers communities in Wales to proactively bring local assets in to community-ownership.

To encourage and nurture an increasing pipeline of community-ownership projects in Wales, Plunkett Foundation recommends:

1. **Create a process to register Assets of Community Value:** There needs to be a national register of community assets in Wales which enables local residents to identify community assets, and to register new assets of community value as appropriate. A project led by Building Communities Trust⁷ in partnership with WCVA, Cwmpas (formerly Wales Cooperative Centre), DTA Wales, Coalfields Regeneration Trust and Planed created a map of community-owned or run assets in Wales, and Plunkett Foundation⁸ also has our own UK map (which is searchable for Wales-only data) containing similar information. Having one single, comprehensive data set that contains records of all community assets in one place would support recommendation number 3, below, about raising awareness of how to bring more assets in to community-ownership longer term.

In respect of registering assets of community value, Plunkett Foundation has recently re-launched the '[Keep it in the Community](#)' online platform which contains information about 6700 community assets in England, of which 3700 are current registered Assets of Community Value with local councils using the Localism Act 2010 definition. The platform does not complete the registration process currently and that still has to happen with the appropriate authority. Our ambition, with KIITC, is to educate about community-ownership at the same time as getting people to review assets of value to them.

We believe that this is a fundamental improvement that could be made to the current legislation in England and would prevent spurious listing of assets, where there is no intention to pursue or explore community-ownership with assets being listed as an attempt to block any other kind of development. At present only 15 out of every 1000 assets⁹ listed in England ends up in community-hands, Plunkett Foundation believes that

⁷ [Building Communities Trust Mapping Community Assets in Wales](#)

⁸ [Plunkett Foundation Community Business Map](#)

⁹ [Power to Change \(2019\) Our Assets, Our Future](#)

a Community Right to Buy and improved awareness and education about community-ownership could close this gap.

2. **Enact a Community Right to Buy:** To enable more communities bring local assets into community-ownership, Plunkett is calling for a consistent *Community Right to Buy* to be enacted in all 4 UK nations.

We believe that where local residents have identified assets of value and importance to their community, that they should be afforded a *right of first refusal* to purchase the asset should it become available for sale. Furthermore we believe that the asset for sale, should be available a fair price that has been set by an independent valuation.

3. **Raise the awareness of the community-ownership model:** Despite receiving over 500 enquiries per year from groups looking at and considering community-ownership of a local business or assets, Plunkett Foundation recognises that more needs to be done to raise awareness of the community-ownership model.

Too few are seeing the model as proactive opportunity to future proof businesses, assets and services and at present it is a model of business that is more often than not progressed as a reaction to a negative situation such as business failure, closure and sale. Should the Welsh Government enact a Community Right to Buy, a coordinated communications campaign would be required to raise awareness of this community empowerment activity.

The current infrastructure in Wales should be supported and resourced to complete outreach work. The educational curriculum could cover community and social enterprise more widely and an intensive programme of training should be offered to all community and town councils across Wales, as well as representatives of the local authority network too. Plunkett Foundation produced a guide¹⁰ for local councils in England, working in association with the National Association of Local Councils and something similar should be produced for the Welsh context in future.

The extent the Community Asset Transfer scheme promotes and supports effective development of community assets;

Plunkett Foundation supports relatively few projects using Community Asset Transfer to achieve their community-ownership ambition in Wales.

Plunkett Foundation supports the observations and recommendations submitted by the Community Ownership Group (COG), convened by the Wales Council for Voluntary Action. A separate response from the COG has been submitted to this inquiry which includes the following recommendations:

4. the Welsh Government refresh its Community Asset Transfer guidelines following consultation with community groups.
5. a programme of work to improve understanding the value of community asset transfer and how to ensure community assets are transferred successfully.

¹⁰ [Plunkett Foundation \(2020\): Good Councillors guide to Community Business](#)

6. that the Community Asset Transfer scheme sits within a wider set of policy to promote community ownership of assets, especially those at risk of being lost to the community.
7. ensure that, where community asset transfer is not possible, communities are involved in discussions about the future of community assets. This is especially important in relation to land

To explore barriers and challenges faced by communities in taking ownership of public or privately owned assets, including finance and support services;

The amount of start-up funding required by a group looking to establish a community-owned business can vary hugely, e.g. depending on local market values and the amount of renovation work needed once an assets is in community hands. Groups may need to raise funds to value the building, buy the asset or lease the premises, refurbish the building, purchase stock, marketing activities etc. It is therefore a significant part of any community-ownership project and for some a real barrier to progress.

To address the barriers related to start-up funding, Plunkett Foundation recommends:

8. **Support and promote community shares:** A common form of finance used by most community business supported by Plunkett Foundation is community shares. Community businesses use this form of finance for two reasons: firstly to build a movement and momentum for their project by developing a membership base for their organisation. The fact that the majority of community pubs operate as a Community Benefit Society indicates a desire to embed democratic accountability in their operation. Secondly – and for many equally important – is to raise funding towards their project. Cooperatives UK estimate that community share investments have recently passed the £200m mark, this form of long-term, patient finance is a powerful resource available to support community-ownership ambitions.
9. **Create Welsh gateways to UK-wide delivered funds:** The presence of the Community Ownership Fund, delivered centrally by the UK Government provides groups with the opportunity to access up to £250k of grant investment (or 50% of their purchase cost) to bring more assets in to community ownership. Whilst work is underway to establish an infrastructure support body or consortium to operate alongside the fund and to support the pipeline of applicants, it will be imperative to ensure that groups in Wales are proactively encouraged to apply for funding. The Inquiry should consider whether more can be done to support the bodies already operating across Wales (such as the members of the Community Ownership Group), with a specific brief to encourage more applications for the Community Ownership Fund from Wales.

The same approach could be used to promote access to post-Brexit funding, such as the UK Shared Prosperity Fund, making sure it truly reaches the communities needing the support most in Wales.

10. **Enhance the funding offer from the Welsh Government:** Welsh Government has funded WCVA's [Community Asset Loan Fund](#), runs its own [community facilities programme](#) and funds [Social Business Wales](#). To continue growing the number of community-ownership projects in Wales it is important that such initiatives are expanded and extended to provide long term investments in the sector.

Beyond start-up finance, the revenue costs associated with community-ownership projects can be significant and in the main the responsibility for progressing such initiatives is shouldered by volunteers. For some groups there is also a lack of local capacity to progress a project, and even a lack of self-belief that a community-ownership initiative could succeed in their community. Groups in areas with lower social capital, or those originating in an area of deprivation may require additional support beyond capital finance to achieve their community-ownership ambition.

To address the barriers related to revenue support, Plunkett Foundation recommends:

11. **Fund capacity and revenue support:** In our recent research in to why there are currently fewer community-owned pubs in urban¹¹ areas we identified that “paid for” capacity and leadership (project management) could be transformative in terms of supporting more groups from “left behind” areas. This type of support already exists in Scotland, whereby community groups can apply for funding from programmes such as the Crown Estates Community Capacity Programme to “buy in” a project manager to work alongside and be accountable to the local community.
12. **Fund other revenue costs:** As well as raising funds to buy a building or take on the lease, community-ownership projects have to cover a huge range of other fees such as; professional costs for valuation of a premises, legal advice or costs associated with human resources. The majority of funding programmes currently supporting community-ownership projects do not sufficiently cover these costs and they are a burden for groups, which in some areas may prevent their progress or success. In Scotland, under the Community Empowerment Act 2015 it is the responsibility of Scottish Government to cover some of these costs including the setting of a fair valuation of an asset subject to a Community Right to Buy order – clearly this could be a huge benefit for communities if adopted UK-wide.

The majority of businesses that Plunkett Foundation supports to come in to community-ownership are commercial assets that have closed due to market failure, often purchased by local residents as a “last resort”. It is important the previous failures are therefore resolved prior to community-ownership status, so that the local area is not responsible for a liability longer term. Groups must therefore be able to consider the business viability and be fully confident of its sustainability longer term (with or without further grant investments) as part of their community-ownership project.

To address this challenge, Plunkett Foundation recommends:

13. **Promote transparency in the “support offer” available:** Plunkett Foundation is fully committed to partnership and collaboration in our operation. We seek to add value to the offer of support from other providers working with community-ownership projects and also address any gaps there may in support. It is important that groups in Wales do not have to navigate silos of support in order to progress projects which will benefit their local area. The Community Ownership Group, referenced multiple times in this submission is a great example of organisations working for a common goal. We would also like to promote initiatives that Plunkett Foundation contributes to in Scotland ([Community Business: Making it Easy](#)) and in England ([MyCommunity](#)). These are both web based resources, set up by our partners Community shares Scotland and Locality respectively, but which have a similar ambition of making it easier and simple to access

¹¹ [Plunkett Foundation \(2022\) “We need a Right to Buy, not to try”](#)

any advice and support available. For the community-ownership sector grow and flourish in Wales, we would welcome the opportunity to contribute to similar initiatives in Wales in future.

14. Fund more infrastructure support: With higher levels of interest in community-ownership there will be greater demand on the support available. More funding opportunities to run and deliver programmes of support for groups looking to create community-owned businesses would therefore be beneficial.

To discover what lessons can be learnt from beyond the Welsh border

The COVID-19 crisis has brought the benefits of community business sharply into focus. In our State of the Community Business Sector¹² report in June 2020, we highlighted how community businesses clearly stepped up to the plate to support their communities. Their long-term survival rate also makes community businesses an economically viable solution for preserving assets and services – particularly in rural areas, where these have been steadily declining, even before the pandemic.

With the increasing likelihood that the impact of COVID-19 and now the cost of living crisis, the impact of the war in Ukraine and Brexit will lead to more businesses and local assets facing closure and coming onto market – such as theatres, community hubs, cinemas, and pubs - now is the time to act. Bringing these assets into community ownership could offer an opportunity to continue delivering social value for their local communities.

We also see enormous potential for community ownership to tackle the climate crisis. Through our [Making Local Woods Work](#) and [Making Local Food Work](#), projects run by Plunkett Foundation we have seen first-hand how community businesses can reduce food miles and conserve green space and biodiversity. Furthermore businesses such as community-owned shops and pubs often rely on a local supply network, something brought sharply in to focus with the pandemic when national supply chains were under increased pressure and not fulfilling orders. We have also seen an increased interest in community businesses starting ‘refill’ schemes to reduce single-use plastic packaging; in installing charging points for electric vehicles; in green energy generation projects; in keeping business local and fostering 20 minute neighbourhoods. Community ownership has accountability built into its core principles, and we believe that is the key to ensuring a sustainable economy.

As shown in our recent annual Impact Report¹³ community-owned businesses:

- Improve community cohesion
- Boost the local economy
- Offer jobs, new skills and training
- Provide access to or host essential services, such as Post Offices or healthcare
- Protect and conserve the environment
- Promote good health and wellbeing

We therefore support this inquiry to consider how more community owned businesses a can be supported to open in Wales and thank you for the opportunity to submit a response.

¹² [Plunkett Foundation \(2020\), State of the Rural Community Business Sector](#)

¹³ [Plunkett Foundation \(2022\), Annual Impact Report](#)

Senedd Local Government and Housing Committee inquiry into community assets

Response from CAMRA, the Campaign
for Real Ale



1. Introduction:

1.1 - The Campaign for Real Ale, CAMRA, is a consumer group that campaigns for quality beer and thriving pubs in every community in Wales and across the UK.

1.2 - CAMRA is grateful for the opportunity to contribute to the Committee's inquiry into community assets. We will be focusing our response on protection and support for public houses as community assets.

1.3 - We are happy for our response to be published, and to be contacted further about the contents of our response.

1.4 - If you have questions about our response, please contact Paul Edgeworth, Campaigns Manager

2. The importance of pubs as community assets:

2.1 - Pubs are more than just businesses – they play a crucial role in building and maintaining cohesive communities. Pubs are the best place to enjoy alcohol responsibly, in a supervised environment, and they promote personal happiness and wellbeing. The role of pubs as community hubs is particularly important in rural communities where they often house other local services such as post offices.

2.2 - Pubs contribute to fulfilling the Welsh Government's wellbeing goals as set out in the Wellbeing of Future Generations Act 2015 – in particular, the goals to deliver a healthier Wales and a Wales of cohesive communities.

2.3 - The Welsh Government's 2018 *Subordinate Legislation Consolidation and Review* consultation acknowledges the importance of community pubs and trends of permanent pub closures in recent years. In addition, the Welsh Government's Loneliness strategy also recognises that the closure of community spaces like pubs make it difficult for people to develop and maintain social networks.

2.4 - Our latest statistics show that in 2021, 11 pubs in Wales closed permanently (were demolished or converted), with a further 24 being classed as a long-term closure where a premises is not currently trading.

2.5 It is vital that the statutory and policy framework in Wales protects local pubs as community assets, and supports communities to take ownership of a community pub when it is under threat of closure, conversion, or demolition.

3. Changes to the planning system in Wales:

3.1 - There are significant gaps in planning law in Wales. The lack of legislation to protect community pubs is leaving them particularly vulnerable to demolition or conversion to other uses. Pubs in Wales are afforded the weakest safeguards out of any UK nation.

3.2 - Allowing communities to own and run their local pub as a community asset is an important way to protect valued local pubs, however for this to be a realistic option for communities there needs to be changes to the law.

3.3 - Alongside the need for a community right to buy which we mention later in this response, for Wales to have a thriving community-owned pubs sector, there needs to be reform of the planning system to better protect pubs and to give local groups a fighting chance of saving their community pub.

CAMRA would like to see action in the following areas:

Use Class Orders:

3.4 - The planning system in Wales, and the lack of measures to ensure that all proposals to demolish or change the use of a public house require planning permission, mean that pubs in Wales have the lowest levels of protection within the planning system than anywhere else in the UK.

3.5 - The current Use Class Order is not fit for purpose in managing the social and cultural impact of changes of use. The Use Class Order fails to adequately value the role of community pubs not just as important community assets, but also as cultural and heritage assets.

3.6 - Amending the Town and Country Planning (Use Classes) Order 1987 to recognise pubs as a unique (*sui generis*) use would allow for greater protections and safeguards to be applied to public houses over and above the current A3 (food and drink) classification.

3.7 - Pubs and restaurants or other food and drink establishments serve different roles in the community with pubs offering a more informal setting and a space for the community to meet. Equally, pubs are unique to these islands, whereas restaurants can be found in similar formats across the globe. As an essential aspect of Welsh and British culture it is important that pubs are specifically protected.

3.8 - That is why CAMRA would like to see changes to the Use Classes Order to recognise pubs as a unique use class. Alternatively,

the Welsh Government could make sure that any new use class for drinking establishments and restaurants (as proposed in the Welsh Government's consultation on Permitted Development launched in November 2021) does not come with any permitted change of use from this use class without planning permission.

Permitted Development Rights:

3.9 - CAMRA believes that in Wales change of use or demolition without planning permission should not be permitted for a public house.

3.10 - Any change to a pub should always be subject to a full planning application. This is an important step in safeguarding public houses and allows for the community to object via the planning process should proposals for change of use come forward.

3.11 - The objective should not be to prevent all such changes but to ensure that appropriate evaluation is undertaken where public amenities are concerned before the change takes place. Local communities and local authorities are currently often powerless to protect those public houses that are valued by the community and financially viable.

3.12 - This would bring planning policy in Wales in line with England where protections are in place to require planning permission before a public house is allowed to be converted to another use, giving communities a chance to have their say through the planning process, and local authorities a chance to apply local planning policies on retention of community assets.

3.13 - Pubs are vital to both the Welsh economy, to our culture, enhance the personal and social wellbeing of those who use them, and play a unique role in our communities, both urban and rural.

3.14 - We remain extremely concerned that current planning law in Wales offers less protection than in any other part of Great Britain when it comes to protecting pubs from unwanted development and stemming the tide of unnecessary pub closures.

3.15 - Planning loopholes are systematically exploited by developers leading to the loss of community pubs. These pubs are often bought by companies looking to convert them into housing, other uses such as supermarkets and take-aways, or seeking to demolish them altogether and develop the land for another use.

3.16 - It is vital that the existing permitted development rights that allow pubs to be converted into other uses or demolished without local communities having a say through the planning process are be

removed. This is an important step in safeguarding public houses and allows for the community to object via the planning process

3.17 - CAMRA agreed with the proposals contained with the 2018 *Subordinate Legislation Consolidation and Review* consultation on proposals to consolidate and amend the General Permitted Development Order to change permitted development rights to afford greater protection to public houses in communities where their loss would unacceptably affect local amenity.

3.18 - We would urge the Welsh Government to take forward these proposals as part of the changes to Permitted Development Rights as a result of this consultation.

3.19 - Given the threats to the future of community pubs, both urban and rural, by speculative developers as the industry recovers from the COVID-19 pandemic, we believe that now is the correct time to introduce measures to require planning permission to be sought in every instance where a public house is facing a change of use or demolition.

3.20 - It is important to mention that it is not just rural pubs which are at considerable risk, or which are considerable community assets – in city and town centres, inner suburbs, and surrounding housing estates, pubs are just as vital to those who live around them and, in many cases, just as much at risk. The key is not the location but the function of the pub as a centre for social interaction, promoting community cohesion and the wellbeing of local residents

Changes to Permitted Development Rights in town centres:

3.21 - CAMRA is concerned that the Welsh Government's proposal to allow greater flexibility when it comes to change of use in town centres, as proposed in the Consultation on Permitted Development that was launched in November 2021. We fear that this would put pubs in urban areas at greater risk of being lost to communities.

3.22 - Research by the Plunkett Foundation shows that across the UK only 15% of trading community-owned pubs are in urban areas; and that community groups in urban areas often face greater challenges when trying to take community ownership of their local pub. The most common reason cited in research carried out by the Plunkett Foundation was private competition for the asset.

3.23 - CAMRA believes that it would be unacceptable for the Welsh government's proposals on relaxing change of use protections in town centres to be applied to pubs.

3.24 - Rather than consider a permanent relaxation in the already weak rules, we believe that the proposal should be amended to better protect public houses from demolition or change of use without planning permission.

3.25 - In order to safeguard public houses, CAMRA would like to see the Welsh Government make a slight alteration to exempt public houses from the permitted changes of use within town centres on a permanent basis in addition to the provisions for hot food for consumption off the premises and uses within Class B1(c) of Schedule 1 to the Use Classes Order.

3.26 - Temporary relaxation of planning controls in town centres introduced as a response to the COVID-19 pandemic must be reversed to prevent pubs permanently being converted into other uses and lost to communities for good.

3.27 - We do not believe that allowing a public house to be converted to another use in perpetuity under this proposal is fair or reasonable, and fear that this would lead to further closures of pubs without local communities being able to have a say over their future.

3.28 - As well as being key to increasing footfall and have a positive impact on shops, services and the local economy in town centres across the country, pubs are a vital part of our social fabric.

3.29 - Public houses have a significant positive impact on their community. Pubs in town centres and urban settings are just as vital to their communities as rural pubs and in many cases just as at risk.

Assets of Community Value:

3.30 - CAMRA would also like to see the Welsh Government reconsider its position on the introduction of an Asset of Community Value programme, similar to that operating in England.

3.31 - We are aware of a small number of communities in Wales successfully taking pubs into community ownership, however a lack of enabling listing system and support schemes mean that the process is significantly more challenging than in England and Scotland.

3.32 - Introducing an Asset of Community Value programme, with a genuine Right to Buy power, could help communities to be able to list their local pubs, demonstrating the importance of a pub to their area and offering an additional layer of protections for local pubs and social clubs.

Article 4 Directions:

3.33 - In the absence of planning protections for pubs across Wales, CAMRA would like to see the removal of the need for approval of the Welsh Ministers for Article 4 Directions made by local planning authorities.

3.34 - Article 4 Directions can be a tool to help local communities to be able to have their say through the planning process if a public house is facing change of use or demolition.

3.35 - Allowing Immediate Directions to be used would withdraw permitted development rights in relation to change of use, temporary buildings and uses, and demolition of buildings.

3.36 - The Welsh Government should also extend the ability for local planning authorities to issue Article 4 directions in relation to any public house or houses in their authority area, and not just in conservation areas, in order to offer some additional protections against the conversion or demolition of pubs as vital community assets.

3.37 - However, this would not be substitute for improved protections for community pubs in the planning system in Wales, as discussed elsewhere in this submission

4. Community Right to Buy:

4.1 - In addition to the need to reform the planning system in Wales to better protect pubs from conversion and demolition, CAMRA would like to see enhanced rights for community groups to buy community assets including pubs.

4.2 - There is a need for legislation on community rights to explicitly provide for the protection of privately owned assets such as pubs, over and above the current Community Asset Transfer scheme.

4.3 - It is our belief that a robust and effective route to community ownership of Assets is needed through the introduction of a genuine 'Community Right to Buy', as is already the case in Scotland where communities are afforded the first right of refusal.

4.4 - This would allow a community group putting in a genuine market level bid would be granted first refusal on purchasing any registered pub buildings when they come up for sale.

4.5 - This enhanced right to buy is needed rather than a 'Community Right to Bid' which currently operates in England. Under this right, does not guarantee that a bid (even a genuine, market level bid) will be accepted by an asset owner.

4.6 - Until communities have a right to buy a community asset, there will always be the problem of trying to fight off private competition for community pubs. Until legislation is reformed, finance needs to be available to help urban communities intervene quickly if their pub comes up for sale.

5. Finance and support services:

5.1 - Alongside a community right to buy, the Welsh Government should also provide funding and support services for community groups to successfully take on assets as community-run venues.

5.2 - CAMRA would like to see a pub-specific programme of funding and advice, as was the case with the successful *More Than A Pub* programme which operated in England and provided business development support and funding to enable community groups in both urban and rural areas to take on their local pub as a community-owned business.

5.3 - In England, CAMRA worked alongside organisations like Pub Is the Hub, Locality, the British Beer and Pub Association, Co-operative and Community Finance and KeyFund to support the Plunkett Foundation and Power to Change to support the *More Than A Pub* project.

5.4 - We would like to see a similar scheme in Wales supported by organisations across the beer and pubs sector as well as organisations promoting voluntary groups and community rights to offer support and funding to community groups looking to save their local pub and take it on as a community-owned asset.

5.5 - Any such scheme should include:

- a dedicated advisory service
- pre-project advice
- access to varied funding programmes covering both revenue and capital funding for community-owned pub projects
- support to build capacity within communities in order to successfully run a local pub as a community-owned business.
- Support for urban communities in addition to the existing support available for assets in rural areas

6. Conclusion

6.1 - In conclusion, CAMRA urges the Committee to consider making recommendations to the Welsh Government to act quickly to protect local pubs as valued community assets.

6.2 - As part of any solution, the Welsh Government should remove permitted development rights for pubs recognised as valued community assets, so that so communities have a say before a pub is demolished or converted to another use.

6.3 - Communities should be given a right to buy privately-owned community assets and a pub-specific funding and support programme should be introduced to ensure that all communities are empowered to save their local and take it on as a community-owned pub.

6.4 - CAMRA recognises that not all pubs can be saved and community ownership of pubs will not be a viable option in all cases. For us, the most important element of protecting community assets is to give local people the chance to save them from redevelopment and ensure they continue to serve local people.



Coalfields Regeneration Trust (CRT)

CRT welcomes this opportunity to engage with the Local Government and Housing Committee on their Inquiry into Community Assets.

Established in 1999 the Coalfields Regeneration Trust (CRT) is a national charity and social enterprise that is solely dedicated to building prosperity and opportunity in former mining communities across the UK. Since inception CRT has prioritised the protection and development of vital community assets and services and the creation of community owned businesses in some of the most deprived areas of the UK, working in long term partnerships to develop resilient communities and local economies for the future. Our mission statement is: “To create opportunities for social and economic growth, deliver a positive lasting impact and ensure former mining communities are not disadvantaged by the legacy of the past.”

The Trust is a registered Charity in Scotland (SCO39277) and England and Wales (1074930) and Company Limited by Guarantee (3738566).

As a UK organisation CRT has office bases in Tredegar, Pontypridd, Barnsley, and Kincardine operating across 60 Local Authority areas providing support community empowerment, public and third sector engagement at various stages of an asset transfer journey in some of the most deprived communities in Wales, England and Scotland.

Community buildings and community spaces play an important role in bringing people together for health, social, well-being, education and recreation purposes. The importance of people being able to access local facilities was emphasised during COVID-19. Many community buildings are in public ownership and as Local Authorities seek to reduce costs these assets are now at risk of closure, particularly those within deprived communities where they may not generate sufficient income to be sustainable. Austerity measures have further been compounded by COVID-19, the energy and cost of living crisis and **urgent** work is required to recognise and safeguard our current community facilities. The importance of place is a key consideration of Planning Policy Wales for future developments – we should not lose site of the importance of these physical and natural assets which exist now.

Response

1. Does the current statutory and policy framework empower communities in Wales to develop community assets?

Welsh Government have expressed a commitment “to work with communities to help maintain local facilities that bring people together, including pubs, libraries, museums, greenspace, arts and leisure centres, helping communities take ownership of assets in their local area where this is the best option”.¹ In 2015 the National Asset Working Group (NAWG) produced best practice guidance for Community Asset Transfer (CAT). This was updated in 2019 and published by

¹ Ystadau Cymru – Community Asset transfer Guide 2019-2020

Ystadau Cymru (previously NAWG). There is also the Protocol for Estate Co-Location and Land Transfer (2020) which focuses on disposal, transfer and shared use between public bodies but also recognises the important role of communities and assets which deliver well-being outcomes.

Our View

Whilst the commitment and guidance exists from Welsh Government, without regulatory requirement this guidance is not firmly embedded across all Local Authority areas which have resulted in regional disparities. Whilst we are aware that 'not one size fits all' and in the absence of a policy there could be a perception of greater flexibility, in our experience without open and transparent guidance it is reliant on individual officers to interpret and manage expectations of both parties and often take considerably longer.

As a minimum the current guidance needs to be expanded to include disposal of charitable land where a public body is seeking to discharge their duties. We are increasingly seeing asset transfers where public bodies do not realise that there are restrictions on use, or if a lease over 7 years has been negotiated then the asset may have to be disposed of according to Charity Law. One community group have been stuck with a Local Authority Legal Department for over 5 years! Others have failed to transfer wasting public and community time and resources which has resulted in the loss of community assets.

We also feel that the guidance needs to be proportionate, a small scale transfer for a community growing project should not require the same level of information and business plan as a leisure facility.

Recommendations

The implementation of legislation and a regulatory framework which provides clear, transparent and proportionate processes. The process for identifying the social value and return should also be included within the framework.

In the absence of legislative policy to include in the current CAT guidance information on the disposal of charitable land or assets which may be subject to charitable trusts or restrictions for use.

Playing Field Regulations 2015 require Local Authorities to consult with communities prior to disposing of part/all of a playing field.

Our View

A Local Authority is often balancing competing interests. In our experience consultation only takes place as part of the planning process for proposed end use of the land, rather than the impact of the loss of the playing field itself and a separate impact assessment. Particularly as many of the playing fields within communities may fall under education department which are an exception for these regulations.

Recommendation

To be effective and empower communities Local Authorities should be required to undertake a public consultation on the loss, or change of use, of all community accessed playing fields and following this produce an impact assessment before proceeding to planning consultation. If at this stage a percentage of objections relevant to the population size were received, or was objected to by one of the statutory consultees then this could automatically trigger a referral to Welsh Government – or an independent Land Commission if one existed - for an impartial decision. Often if a decision is called in at planning stage then it is reviewed in line with Planning Law rather than these specific regulations which should be a pre-requisite to planning.

Future Generations Act 2015: securing economic, environmental, social and cultural well-being of future generations. Working collaboratively with communities and securing assets for the benefit of future generations is a requirement under this Welsh legislation.

Our View

Unfortunately the Commissioner cannot act on behalf of individual asset transfers/communities and once an asset is lost then it is too late.

Recommendation

Using a community of interest or place based approach to establish loss of assets in a geographical area, or type of asset, can indicate a systemic issue which could trigger the Commissioner's involvement. Currently public bodies have a duty to report on the impact of their decisions and consider the longer term implications of any actions taken if this was expanded to include reporting on the current community assets available and the scale of asset transfers undertaken this will improve oversight and help inform a targeted approach and can be done within the public bodies current reporting framework.

It is a requirement for public bodies to register their assets on e-PIMS – if this was expanded to include assets of community value then this would give a more accurate picture of any patterns of loss within our communities. A public body will know which of their assets are currently used by communities and therefore have a community value. This will not include assets which the community may value which are outside of the public estate, however the potential to expand the database could be a consideration.

Socio Economic Duty 2020: Public bodies should aim to reduce the inequalities of outcome which result from socio economic disadvantage. 2019 research by Local Trust and Oxford Consultants for Social Inclusion state that “**places to meet**, connectivity – both physical and digital – and an active, engaged community are vital to secure better social and economic outcomes for people

living in deprived neighbourhoods.”² Greater access to community facilities will have better health, well-being and economic outcomes than deprived communities with less access.

Our View

The closure of a community building, the loss of a green space or playing field is often looked at in isolation and the cumulative effect of these losses can leave many communities with limited access to services and recreational opportunities which can mean that people are further isolated and financially worse off as they may have to travel to access services and facilities elsewhere. There is also disparity with access to public transport outside of towns and cities with many bus services no longer operating their less profitable routes further impacting on disadvantaged communities.

Recommendation

Using a place based approach to ensure that people have access to facilities within a certain distance of their home e.g. Future Generations Commissioner states that people should have access to Green Space within 4 minutes from their home. If facilities have to close then this included within an impact assessment and where identified additional resources allocated to ensure that the facility/green space is supported to be retained within the community – this could be additional funding, or resources for community capacity building.

Local Government Act 1972: General Disposal Consent (Wales) 2003 allows Local Authorities to dispose of land for less than market value providing they can justify a social value for the asset.

Our View

There is disparity on how social value is calculated we are aware of unincorporated groups who have taken on public assets such as parks, playgrounds and public toilets at market value with no means to generate income to maintain and operate the asset. This then goes against the best practice guidance which states that assets should be sustainable. Many others have rent review periods linked to the market value of the property therefore as groups refurbish their property this could increase their market value so dis-incentivises them to invest in their property. There have also been others where rent reviews will be linked to income generation – again dis-incentivising groups to thrive.

Recommendation

To assist Local Authorities establish social value there are tools available e.g. The Social Value of Community Asset Transfers (CAT): Bristol and Bath CAT Social Value and Financial Savings Calculator 2019. If a legislative framework was introduced the process to calculate social value should be included to ensure a consistent approach.

² 2019 Local Trust and Oxford Consultants for Social Inclusion (OCSI) Left Behind? Understanding communities on the edge.

Although community assets are often linked to service delivery we are concerned to see Service Level Agreements (SLA) tied into a lease which may invalidate the lease. We have also seen many leases where the Local Authority divest themselves from the responsibility for an asset, yet wish to retain control and will insert clauses which would be considered unreasonable for the private sector.

Example of unreasonable clauses:

1. *The tenant is not to assign, sublet or **hire** out the whole or any part of the property without written consent from the Landlord's Estate Officer.*
2. *The tenant is not permitted to assign, underlet, charge or share any part of the demised premises without Landlords prior written consent.*
3. *The tenant must notify us of any media or political events happening from the premises. At least 1 weeks notice is required to the site manager (if applicable) or Head of Corporate Estates {Local Authority}. To fail to do so will invalidate this lease agreement.*
4. *Improvement of the pitch facilities with the ability to obtain any appropriate grant funding subject [to] prior discussions and written approval from the Councils Estates Department.*
5. *Within two months after the end of each year of this lease the Tenant shall deliver to the Landlord a certificate given by a professionally qualified accountant which shall confirm the amount of Gross Income receivable by the Tenant during the immediately preceding year of this lease by reference to the applicable payment rates and the amount of electricity generated, exported and sold. If that certificate discloses that the Gross Income for that year is greater than the Minimum Second Rent the Tenant shall pay to the Landlord the difference between the Gross Income for that year and the Minimum Second Rent within ten working days of the date of the relevant certificate.*

Recommendation

The examples provided are from Local Authorities which have CAT policies in place that recommend working in partnership with voluntary organisations. We would therefore recommend a package of training to support local authority officers involved in asset transfer to ensure that the principles of community empowerment is understood and embedded.

We would recommend that service delivery and income generation is kept separate from lease agreements which should just focus on the property.

Sharing Best Practice

Rhondda Cynon Taff County Borough Council established a community asset transfer group for the voluntary sector which involved a number of development agencies, funding bodies and local authority staff. The group would meet on a quarterly basis in a community building which had recently been transferred. The third sector organisation who had taken on the asset was invited to provide an

honest account of their journey and invited them to make recommendations for improvements and identify any areas for further support.

CRT chair and provide secretariat support to a CAT group in Blaenau Gwent comprising of Local Authority, development support agencies and representatives of national governing bodies these meetings provide an opportunity to discuss support requirements, opportunities and share learning.

White Paper Reforming Local Government: Power to Local People 2015
Local Government and Elections (Wales) Bill 2020 allows for greater transparency of Local Government decision making and encouraging communities to get involved.

Our View

At the consultation stage for this Bill it was suggested that communities should be given notice when assets of a certain value were under consideration for disposal – advertising these assets and encouraging communities to consider future use could have provided greater potential for collaboration and innovation.

Although advertising on a ‘window of opportunity’ is included within Ystadau Cymru CAT guidance in practice this rarely happens. Many Local Authorities may identify a ‘surplus’ asset and then identify and approach a potential anchor tenant directly. In this situation the tenant will often fear if they do not take it on their organisation/services will be at risk therefore starting with a power imbalance and often a fractious/distrusting relationship. Local Authorities should also consider whether it is within the power and objects of the community group to take on and manage an asset and whether advertising widely would encourage more people within the community to consider a wider range of uses for the community asset helping the asset to meet a community need and potentially becoming more cohesive and sustainable.

Recommendation

To follow CAT Guidance and advertise assets – whether identified by a community organisation, or local authority as surplus to requirements – on a ‘Window of Opportunity’ which is then widely circulated through elected representatives, social media and third sector support organisations.

2. To what extent does the Community Asset Transfer scheme promote and support effective development of community assets?

Our View

When communities express an interest to safeguard an asset which is at risk in their community then we should have processes in place to facilitate and encourage this. When an asset transfer is done well they provide communities with opportunities to protect valued local spaces, maintain local services, strengthen partnership working and can help build a vibrant local economy. We have the framework for doing this with the Future Generations Act, Power to Local People and Best Practice Guidance on Community Asset Transfer (CAT). If a group is undertaking a CAT then they have to consider how they are meeting a community need, what social value they are providing and how they will become

sustainable which may require them to diversify services or re-consider how they operate.

Case Study

Dyfed Road Bowls Club have recently taken on a long term lease on their pavilion and green from the Local Authority. Since doing so they have opened up their facilities for a local tennis and cricket club and become a hub for daytime well-being activities with residents from nearby sheltered accommodation and now have a kitchen, providing volunteering opportunities and training. The income raised from diversifying their activities has enabled them to become financially sustainable. The CAT process has therefore ensured that a community facility is retained and that it is meeting a wider community need and will be available for future generations.

However, not having a **proportionate scheme** can restrict the development of a community asset e.g. a small parcel of land required for community growing should not have to produce a 5-10 year business plan and require a group to become incorporated. A management agreement rather than a lease may then be considered proportionate.

Recommendation

A proportionate approach to an asset transfer which reflects both the type of asset and the period of transfer. This ensures effective use of resources for both the community group and the Landlord.

3. What are the barriers and challenges faced by communities in taking ownership of public or privately owned assets, including finance and support services?

At the time of this response our communities are facing an **energy and cost of living crisis** which is presenting additional challenges to an already difficult situation. The services which operate from many of our community facilities address a social need at the same time these assets, which are still recovering from COVID-19, are now facing a significant increase in energy costs. This may escalate the closure of community facilities our concern is that this will be at a dis-proportionate rate in more deprived communities. Voluntary organisations looking to retain these assets may find it even more difficult to provide a business plan and cash flow forecast which will show sustainability in the short term and therefore may not acquire the asset or the funding required to open.

Our view

- Dedicated CAT funding and support not available in most Local Authority areas.
- Disadvantaged communities often lack human as well as funding resource, they are also not able to raise the same funding through crowd source funding or community shares within these communities.
- Community buildings in areas of high deprivation are often used to provide valuable services such as food banks and other activities which they are not able to generate an income from, this means that they will

struggle to be sustainable and will either not be considered for transfer, or will remain at risk.

- Insufficient resource within third sector support agencies to provide capacity building. There are good examples of where this works well but resources to support capacity building do not meet the scale of need, particularly in deprived communities.
- Lack of consistency across Local Authority areas and between Local Authority departments.
- No CAT policy or process – or where it does exist, less flexibility for different types of asset e.g. small scale community growing projects.
- Estates Team prioritising assets for market value, or assets which are in a poor state of repair.
- No clear guidance on measuring social value impact.
- Lack of Local Authority staff/resources.
- Not completing Impact Assessments and consultations in accordance with guidance.
- Considering community assets in isolation rather than a place based approach.
- Insufficient information available on some assets e.g. running costs.
- No central register of publically owned assets of community value.
- No central register of publically owned assets available for community asset transfer.
- No 'right to bid' or 'right to buy' for assets of community value.
- No community right to reclaim disused land owned by public bodies.
- No dedicated funding pots for community asset transfer in Wales. Can access from Department of Levelling Up Housing and Communities however this has to be matched 50% and is retrospective so groups have to spend the money first and then claim – this is a barrier to most organisations – particularly in more deprived communities.

In September 2015 a consultation on community assets closed and a number of recommendations were considered which will help overcome some of these issues <https://gov.wales/written-statement-assets-community-value-0>

4. Lessons beyond the Welsh border?

It has been identified in the 2020 Bevan Foundation report: Productive community assets: generating the benefits and the more recent Institute of Welsh Affairs 2022 Our Land: communities and land use, that Wales falls behind the rest of the country in relation to powers related to community ownership. However, lessons should be learnt from our neighbouring UK countries on how effective this legislation is. The 'Community Right to Bid' in England allows communities to register an Asset of Community Value (ACV) and when that ACV is available for sale/disposal then there is a process in place to ensure that a community have time to submit an interest – 6 months is not long enough in most cases for a community to organise themselves, and get together a financial package to enable them to do this – and a right to bid is not the same as a right to buy.

Scotland have far more powers and established processes in place along with funding support either through their Scottish Land fund or Community Empowering Communities Fund and a 'Community Right to Buy'.

Summary of Recommendations

Implementation of legislation and a regulatory framework

To introduce legislation which provides clear, transparent and proportionate processes to include the process of measuring social value. In the meantime to include within the guidance the process for disposal of charitable land/assets.

Identify communities in need – placed based or communities of interest

Although each Local Authority may keep a record of assets which have been transferred to a community organisation there is no overview of scale of transfers and/or loss of facilities in a particular area to identify need for targeted support and capacity building. This could include the loss of certain types of facilities e.g. libraries, bowls clubs which generally find it difficult to demonstrate sustainability. It is recommended that further research is required to ensure resources are targeted effectively and to help inform policy.

The e-PIMS register of assets could be expanded to include those of community value which could then help identify any areas of concern.

Support a community asset network to deliver general support and training across the sectors and share best practice.

Since 2017 CRT has also created and supported regular multi agency community asset transfer groups pulling together public sector, community sector support agencies and sporting governing bodies to help support the scale of asset transfer of facilities in targeted local authority areas of high need with poor social infrastructure. We have also hosted and facilitated a number of community asset transfer workshops with key speakers including Ethical Property Foundation, Geldards Solicitors, funders, energy efficiency providers and third sector support agencies. It is recommended that this work is replicated in areas where resources are limited to further build the capacity of the sector.

Steady and long term investment:

- **Investment in local capacity building – empowering community ownership**

Development support required for both pre and post asset transfer. Since 2018 we have been contracted by a Local Authority to deliver CAT support to groups in Bridgend, South Wales. BCBC have a dedicated CAT Officer. The contract between CRT, Cwmpas and BCBC includes: organisation health checks; governance support;

feasibility; business planning; financial forecasts and developing fundraising strategies. They also have a specific fund allocated to support capital refurbishments post transfer. This level of support is not available in other regions. CRT would recommend additional similar resources to enable organisations to build their capacity.

CRT would also recommend that post transfer support is provided which will include training and support in land registry requirements, property management, statutory compliance, energy efficiency, measuring outcomes, monitoring requirements, publicising their project and sharing best practice. Post asset transfer support is critical given the cost of living and energy crisis pressures being faced by voluntary organisations

- **Further targeted investment in deprived communities**

We know that the scale of loss of community facilities effects those areas which are most deprived (OCSI, 2019). The additional unprecedented challenges of climate change³, COVID-19⁴ and the cost of living crisis will have a further disproportionate effect on deprived communities. We need to identify and target public investment. A tool for mapping areas with poor social infrastructure has been done in England but not yet in Wales and Scotland <https://ocsi.uk/left-behind-areas/>

- **Capital and revenue funding for communities.**

Prior to an asset transfer taking place communities require specialist technical and legal advice to ensure that they are making an informed decision for their community and their organisation. Unfortunately very few funders allow for professional fees such as: solicitors; conveyancing; building condition surveys; energy efficiency surveys; asbestos reports; HR (TUPE) support; fire risk assessment; health and safety risk assessments; property management training; accountancy support and pitch surveys. CRT would recommend revenue funding for professional fees attached to any potential community asset transfer support or capital funding programme.

Although we are aware of capital funding available through the Communities Facilities Programme this fund is not specifically for Community Ownership. The Community Ownership Fund (COF) administered by the Department of Levelling Up Housing and Communities is available in Wales, however this is retrospective funding and only for 50% of the costs. Organisations – particularly those in deprived communities – are not in a position to meet these costs therefore are being left further behind. The key barriers to accessing COF is community capacity, the ability to match fund or to have funding retrospectively. More work is needed to ensure that our communities benefit from levelling up funding.

Designated Land Commission and Fund

We recommend that a separate Land Commission and fund is established to improve access to public land where the land will be used for community growing, increasing

³ Joseph Rowntree Foundation 2014. Climate Change and Social Justice: an evidence review

⁴ Sheffield Hallam University – The Centre for Regional Economic and Social Research 2021. The Impact on Coronavirus Crisis on Older Industrial Britain.

biodiversity or establishing community owned renewable energy projects. These are key priorities for Welsh Government and communities can help Welsh government achieve their goals.

The Land Commission could also then hold a register for assets of 'common good' such as public parks, playing fields, monuments, playgrounds. A register and regulations already exist for areas of common land. There would be a specific process for disposing or changing use of these assets.

If approved (currently open consultation <https://gov.wales/coal-tip-safety-wales-white-paper>) there is proposed to be a supervisory authority for former coalfield sites and an asset register which could be incorporated into a Land Commission regulatory body.

Introduction of a 'Community Right to Buy' abandoned, neglected or detrimental land.

If a community right to buy process was established this would empower communities to improve the areas where they live and work.

Response submitted on behalf of the Coalfields Regeneration Trust by:

NATALIE SARGENT

Development Manager, Wales

The Coalfields Regeneration Trust

Date: 21st June 2022