



Llywodraeth Cymru  
Welsh Government

Our ref: RE/371/2023

John Griffiths MS,  
Chair,  
Local Government & Housing Committee

[John.Griffiths@senedd.wales](mailto:John.Griffiths@senedd.wales)

17 November 2023

Dear John,

Further to my original letter on 03 November, I am writing to you to provide some further assurance in respect of Recommendation 1, as it also has implications for several of the other recommendations detailed in the 2022 Local Government and Housing Committee Report on community assets.

The work on establishing the Commission, its membership, scope and how it will work is well advanced. I expect to be in position to make a formal announcement on the chair and membership of the Commission by early January 2024. The work to support the Commission is also progressing to the point where some important research work will shortly be commissioned looking at relevant legislation from across the UK and beyond and its impact on community ownership of assets. It is also looking to gather detailed case studies at where community ownership of land and assets has worked well and examples where the process was not successful.

I am expecting the Commission's work, including recommended proposals and suggested next steps to be concluded by the end of March 2025. As previously advised, I will continue to provide updates on progress with the Commission and its work.

Yours sincerely,

**Rebecca Evans AS/MS**  
Y Gweinidog Cyllid a Llywodraeth Leol  
Minister for Finance and Local Government

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Rebecca Evans AS/MS  
Y Gweinidog Cyllid a Llywodraeth Leol  
Minister for Finance and Local Government



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Local Government & Housing Committee

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03 November 2023

Dear John,

Thank you for your letter requesting an update on actions arising from the 2022 Local Government and Housing Committee Report on community assets.

The written update on progress against each recommendation is set in the document annexed to this letter, including details of the activities we have been supporting in respect of recommendation 14 and funding for community-led and cooperative housing.

I continue to support his valuable work and will continue to provide updates on progress with the commission and its work.

Yours sincerely,

Rebecca Evans AS/MS  
Y Gweinidog Cyllid a Llywodraeth Leol  
Minister for Finance and Local Government

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## **ANNEX 1 Update to Chair of the Local Government and Housing Committee entitled Community Assets November 2023**

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### **Recommendation 1.**

The committee recommends that:

The Welsh Government should take action to establish a commission to stimulate innovative thinking on community ownership of land and assets in Wales. The commission should be established within 12 months of the publication of this report and should work with stakeholders to develop an action plan for its work. The commission should make recommendations to the Welsh Government.

### **Original Response: Accept in Principle**

The Minister for Climate Change has already stated that she is minded to agree to a commission. The form and scope of a commission will need to be carefully considered before action is taken to implement this, and other recommendations making reference to a commission. It is important that stakeholders are involved in that work.

The establishment of the commission within the recommended timescale must also have regard to our existing Programme for Government commitments, which will remain our key priorities.

**Financial Implications:** Yes. Current resourcing will not support the development of this work within recommended timeframe.

### **November 2023 Update**

Engagement has taken place with stakeholders on the proposed form and scope of the commission. Stakeholders have been supportive of the proposal. This will be taken forward in 2023-24 and 2024-5, subject to resources being available.

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### **Recommendation 2.**

The committee recommends that:

The Welsh Government and Ystadau Cymru should review and update its existing guidance on Community Asset Transfers. The review should begin within 12 months of this report's publication. In conducting the review, the Welsh Government should consult relevant stakeholders, including community groups with direct experience of the CAT process, to ensure their feedback can be used to shape updated guidance.

### **Response: Accept**

Our evidence presented to the Committee acknowledged that a further review of the current guidance would be undertaken and that this should include wider

engagement. It is also important that any revised guidance aligns with wider community policy.

**Financial Implications:** Yes. Current resourcing will not support the development of this work within recommended timeframe. External resource can be procured, subject to confirmation of Ystadau Cymru budget for 2023-24.

### **November 2023 Update**

Current guidance reflects the present position in Wales. Revised guidance will be considered during the work of the commission and will be delivered after the commission's recommendations have been considered.

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### **Recommendation 3.**

The committee recommends that:

The Welsh Government should make arrangements for consideration to be given to whether community groups who meet agreed criteria should be able to instigate the asset transfer process for themselves. This work should be undertaken by the commission we have recommended.

### **Response: Accept**

Community Groups are already able to instigate the assets transfer process.

The committee's comments recognise, however, that there is inconsistency across local authorities, with not all having a CAT policy. We also acknowledge that there is evidence that other public bodies are less active in transferring assets to communities and that they play an equally important role in asset transfers.

Officials consider that similar impacts can be derived by improving the guidance and ensuring consistency without setting or creating overly ambitious community expectations. This guidance could include sample policies which have been shown to be effective.

A review of the guidance will include promotion of the benefits of asset transfer through the use of case studies.

**Financial Implications:** None. The planned work can be accommodated within existing resources.

### **November 2023 Update**

Current guidance reflects the present position in Wales. Revised guidance will be considered during the work of the commission and will be delivered after the commission's recommendations have been considered. Communities in Wales are able to instigate the asset transfer process themselves.

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#### **Recommendation 4.**

The committee recommends that:

The Welsh Government should, when updating its guidance on Community Asset Transfers, make it clearer that the transfer process is applicable to all public bodies, not just local government.

#### **Response: Accept**

The recommendation can be incorporated into any revised guidance, accepted in our response to Recommendation 2.

**Financial Implications:** Yes. A review and update existing guidance is accepted subject to confirmation of a Ystadau Cymru budget for 2023-24.

#### **November 2023 Update**

Current guidance reflects the present position in Wales. Revised guidance will be considered during the work of the commission and will be delivered after the commission's recommendations have been considered.

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#### **Recommendation 5.**

The committee recommends that:

The Welsh Government should, when reviewing the guidance on Community Asset Transfers, consider how it can be strengthened to provide clarity and assurance to local authorities on assessing the social value benefits of transferring an asset, including in circumstances which result in transferring it for lower than the market value.

#### **Response: Accept**

This recommendation can be incorporated into any revised guidance, accepted in our response to Recommendation 2. Stakeholder engagement will assist in developing a framework to assist public bodies to identify and measure the social value arising from transfers.

**Financial Implications:** Yes. A review and update existing guidance is accepted subject to confirmation of a Ystadau Cymru budget for 2023-24.

#### **November 2023 Update**

A social value matrix has been developed and tested on a selection of asset transfers. Further consultation and development will take place as part of the work of the commission.

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### **Recommendation 6.**

The committee recommends that:

The Welsh Government should, when reviewing the guidance on Community Asset Transfers, strengthen its links with the Well-being of Future generations Act to ensure the guidance is clearly underpinned by the Act.

#### **Response: Accept**

The recommendation can be incorporated into any revised guidance, accepted in our response to Recommendation 2.

**Financial Implications:** Yes. A review and update existing guidance, is accepted subject to confirmation of a Ystadau Cymru budget for 2023-24.

### **November 2023 Update**

Current guidance reflects the present position in Wales. Revised guidance will be considered during the work of the commission and will be delivered after the commission's recommendations have been considered. The social value matrix referred to in Recommendation 5 has been structured around the Wellbeing of Future Generations Act.

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### **Recommendation 7.**

The committee recommends that:

The Welsh Government should, when reviewing the guidance on Community Asset Transfers, improve the availability of case studies relating to successful asset transfers, and should also include more recent projects among the studies. The Welsh Government should review the case studies periodically to ensure the most up to date examples are available for others to learn from.

#### **Response: Accept**

Ystadau Cymru continue to develop case studies and promote best practice as part of their core work. Case studies are included in their newsletters and have an important role in the annual conference. This work forms part of the current Ystadau

business plan which includes a review of how best to disseminate good practice case studies.

A review of the guidance will include promotion of the benefits of asset transfer through the use of case studies.

**Financial Implications:** None. The planned work can be accommodated within existing resources.

### **November 2023 Update**

Ystadau Cymru continue to promote case studies through its newsletter and annual conference. The Assets Collaboration Wales Grant Fund has assisted Community Groups and their public sector partners in collaboration projects involving Community Assets. The fund is available to public sector bodies collaborating with another partner on assets-based projects.

Examples include grant funding to:

Wrexham and Powys County Council to procure decarbonisation assessments on leisure centres and community centres operated by third sector organisations.

Llanelli Town Council to improve community run sports facilities, to include a publicly accessible changing places toilet. This is understood to be the first of this type of facility in Wales. The Council were able to use their resources and expertise to support those communities which would not otherwise have had the capacity to do so.

Vale of Glamorgan Council to support decarbonisation of community run assets. The Council were able to use their resources and expertise to support those communities which would not otherwise have had the capacity to do so.

Wrexham Council to install solar panels on leisure centres operated by not-for-profit partners.

These projects are also promoted through the Ystadau Cymru newsletter and the annual conference and awards. Award categories include economic, environmental and social sustainability and innovation. Past winners have included community assets.

Examples include:

2022- Ogmore by Sea Village Hall - collaboration instigated by the Village Hall Association to overcome a range of legal and planning obstacles and construct a new village hall.

2021 – Newtown and Llanwchaiarn Town Council – acquisition of redundant town centre premises to create re-use and repair 'Emporium'.

2021 – St David’s Befriending Group - use of local school premises and catering teams to support community meals on wheels service.

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### **Recommendation 8.**

The committee recommends that:

The Welsh Government should work with relevant partners to establish an asset transfer peer network to enable community groups to facilitate the sharing of experiences and best practice with each other.

#### **Response: Accept**

Ystadau Cymru have already begun to consider the best way to share good practice. This will form part of the work being undertaken in the response to recommendation 7.

**Financial Implications:** None. The planned work can be accommodated within existing resources.

### **November 2023 Update**

This work continues. The Ystadau Cymru Board are considering options for restructuring to enable a thematic workstream focussed on community assets. This work is ongoing and part of a wider review of Ystadau Cymru.

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### **Recommendation 9.**

The committee recommends that:

The Welsh Government should establish a coordinated support package to support communities that are seeking to buy or lease land or assets. The commission we have recommended should explore with stakeholders the package of support that should be available.

#### **Response: Accept in Principle**

Welsh Government provides support to community groups through the [Community Facilities Programme](#), and the [Community Asset Loan Fund](#), managed by WCVA on Welsh Government’s behalf. Other support is also available from other sources.



The terms of reference for the commission can include review of the support package available.

**Financial Implications:** Yes. Current resourcing will not support the development and establishment of a commission, within the recommended timeframe.

### **November 2023 Update**

This will be considered as part of the work of the commission.

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### **Recommendation 10.**

The committee recommends that:

The Welsh Government should make arrangements to explore options, including legislative approaches, to find solutions that can empower communities and give them equal opportunity when competing against private investors to purchase assets of interest. This work should be undertaken by the commission we have recommended.

### **Response: Accept in Principle**

Exploration of legal solutions adopted elsewhere and how they might empower communities in Wales can be included in the terms of reference of the commission.

The work of the commission in response to this recommendation will need to reflect the findings of independent evaluations of legislation enacted elsewhere to ensure that any legislative recommendation would achieve its intended aims and deliver value for money.

The work of our Communities Policy Board will be able to contribute to this recommendation. The Board includes cross government representation and is planning to develop pilot projects through Public Service Boards in a few Local Authority areas. The role and potential of community assets in empowering communities will be a key strand of this work. Feedback from the pilots will be shared with the commission once it has been established.

**Financial Implications:** Yes. Current resourcing will not support the development and establishment of a commission within the recommended timeframe.

### **November 2023 Update**

This will be considered as part of the work of the commission.

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## **Recommendation 11.**

The committee recommends that:

The Welsh Government should make arrangements to review funding streams that support community assets, including Welsh Government and local authority funding, and explore options to increase the availability of affordable loan finance for community groups. This could be undertaken by the commission we have recommended.

### **Response: Accept in Principle**

Welsh Government already invests in Community Assets through the [Community Asset Loan Fund](#), delivered for us by the Wales Council for Voluntary Action (WCVA), and directly through the [Community Facilities Programme](#).

A review of existing funding streams can be included in the terms of reference of the commission.

**Financial Implications:** Yes. Current resourcing will not support the development and establishment of a commission within the recommended timeframe.

Additional grant or loan finance will increase the financial obligations of Welsh Government during a period when we are looking to constrain non-Programme for Government spending.

## **November 2023 Update**

This will be considered as part of the work of the commission.

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## **Recommendation 12.**

The committee recommends that:

The Welsh Government should give consideration to the establishment of a Community Asset Fund. The commission we have recommended should give further consideration to the establishment of such a fund.

### **Response: Accept**

The Welsh Government is already meeting the intent of this recommendation. The [Community Facilities Programme](#) (CFP) provides grants of up to £300k to help communities buy, develop and improve community assets – buildings and green spaces. The CFP has provided over £41m in capital grants to projects across Wales since 2017. This fund works alongside the £5m [Community Asset Loan Fund](#)

delivered for us by the WCVA which provides up to £300k (100%) to enable communities to purchase assets.

**Financial Implications:** None. The planned work can be accommodated within existing resources.

### **November 2023 Update**

The Community Facilities Programme has provided nearly £50m in capital grants across Wales since 2017.

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### **Recommendation 13.**

The committee recommends that:

The Welsh Government should set out how it intends to make the process of ascertaining ownership of land assets easier for communities and how the process can help to empower groups to take on assets they would like to see continue. This should include making arrangements for considering whether a register of assets would be beneficial and be undertaken by the commission we have recommended.

#### **Response: Accept in Principle**

A review of whether a register of assets would be beneficial, or cost effective, can form part of the terms of reference of the commission.

Officials have commenced a review of the data which is available. DataMap Wales already publishes data on publicly owned land in Wales which is freely available to the general public. The UK Land Registry holds data on land ownership of registered land which is also available to the general public. This covers approximately 85% of all ownership. We are making enquiries into the potential to expand the current data available through DataMap Wales to include privately owned, registered land.

The creation of new data, such as registers of assets, will require significant resources from central and local government and may duplicate existing sources of information on ownership. The creation of registers or databases on non-registered land is neither cost effective nor feasible.

Feedback from this work will be shared with the commission.

**Financial Implications:** Yes. Current resourcing will not support the development and establishment of a commission within the recommended timeframe.

Developing and maintaining additional datasets on DataMapWales, if available, will require additional resource.

## **November 2023 Update**

Officials have been considering how best to incorporate Land Registry data into DataMap Wales. Data on ownership is not likely to be available for assets outside of the public sector. This data is, however, available on a case-by-case basis from the Land Registry.

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### **Recommendation 14.**

The committee recommends that:

The Welsh Government should establish a specific Welsh fund for community housing projects, similar to the funds available in England and Scotland.

### **Response: Reject**

The Minister for Climate Change accepted a recommendation of the Independent Review of Affordable Housing Supply (May 2019) to streamline funding programmes for affordable housing. Community-led housing groups can access Social Housing Grant funding when they partner with a Registered Social Landlord, and the Minister for Climate Change has been keen to explore access to other existing funding streams for community-led housing groups. Officials are working with Cwmpas in connection with the development of a specific community-led housing proposition utilising the Land and Buildings Development Fund.

## **November 2023 Update**

Whilst the Committee's recommendation was rejected, work has been taken forward to provide access to further support and funding to Co-operative and Community-led Housing Groups.

Our support through Cwmpas is designed to do just that and we have increased funding through Cwmpas to £180,000 revenue funding for three years (2022-23 to 2024-25). This builds on our historical support of the sector since 2012.

The Gwyr CLT (Swansea) pilot, through which co-operative and community-led groups can access funding from the Land and Buildings Development Fund is progressing. The application is at grant offer stage and some final details are being worked through. Should this pilot prove successful, it could result in a Cwmpas-led initiative for community-led housing projects utilising the Land and Buildings Development Fund.

We continue to support co-operative and community-led housing groups wishing to develop new homes to access Social Housing Grant where they partner with a Registered Social Landlord.

Community-led housing groups can also access the Empty Homes Grant Programme. Applications have been made by Community-led Housing groups and these are currently being considered.

Support to community groups is also being provided through the Perthyn Small Grants Scheme as part of the Welsh Language Community Housing Plan. This allows community groups to apply for up to £12,500 each to support the development of new ideas and develop new social enterprises and community-led co-operative housing. In the first round, grants were awarded to 21 community groups, 7 of which are aiming to provide community-led housing. Round 2 of the funding opened on the 8 August.

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### **Recommendation 15.**

The committee recommends that:

The Welsh Government should make arrangements to consider options for developing Welsh specific legislation, tailored to meet Welsh needs. The commission we have recommended should consider the need for legislation to support community ownership and empowerment in Wales by the end of the current Senedd term.

#### **Response: Accept in Principle**

The terms of reference for the commission can include a review of legislative options for Wales.

The commission will, in implementing this recommendation, need to reflect on independent evaluation(s) of the impact of legal provisions enacted elsewhere, to ensure that a legislative recommendation for Wales would actually support increased community ownership and empowerment and deliver value for money.

**Financial Implications:** Yes. Current resourcing will not support the development and establishment of a commission within the recommended timeframe.

### **November 2023 Update**

This will be considered as part of the work of the commission.

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### **Recommendation 16.**

The committee recommends that:

The Welsh Government should make arrangements to review Welsh planning guidance to ensure it empowers communities and supports asset transfers.

**Response:**

**Accept in principle**

Planning Policy Wales (PPW) is supportive of the principles of placemaking which includes the provision of community infrastructure. Community assets will form a notable part of community infrastructure in some places and it is right that PPW should recognise that the transfer of assets can be beneficial to the sustainability of some communities.

We will look to enhance the policy guidance around the transfer of community assets; however, it should be recognised that the planning system regulates the use and development of land and should not differentiate between planning applications based on who the applicant is. Consequently, there may be instances where the transfer of an asset to the community, for a particular purpose, could run counter to established planning policies and any changes to PPW would not give such proposals any favourable consideration if they were evidently contrary to policy.

**Financial Implications:** None

**November 2023 Update**

This will be incorporated when PPW is updated, which is expected to be later this year.