

# Community Assets

October 2022



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# Community Assets

October 2022



# About the Committee

The Committee was established on 23 June 2021. Its remit can be found at:  
[www.senedd.wales/SeneddHousing](http://www.senedd.wales/SeneddHousing)

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Current Committee membership:



**Committee Chair:  
John Griffiths MS**  
Welsh Labour



**Mabon ap Gwynfor MS**  
Plaid Cymru



**Jayne Bryant MS**  
Welsh Labour



**Joel James MS**  
Welsh Conservatives



**Sam Rowlands MS**  
Welsh Conservatives



**Carolyn Thomas MS**  
Welsh Labour

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## Chair's foreword

Community assets make a big contribution to the lives of the people living in the communities they serve. There are many different types of community assets across Wales and many ways in which these can make a difference to people's lives and their wellbeing. They can be buildings such as community centres, leisure centres, libraries and pubs, which act as hubs for their local areas and where people can access information, services, learn new skills, come together to socialise and to share experiences. They can be places such as parks green and spaces where people can relax or exercise and children can play; they can even provide homes for people.

In Wales, we can be proud of the great enthusiasm and commitment demonstrated by communities across the country to maintaining local assets and ensuring their sustainability. We have seen that people want to be involved in running community projects to make sure they can access amenities in their local areas, now and in the future. However, maintaining a community asset isn't an easy task – as well as enthusiasm and commitment, plenty of time and money are also needed.

It was very useful for us to meet with community groups to hear directly of their first hand experiences. Their evidence helped us to better understand the benefits of community ownership, but also some of the challenges and barriers faced by communities.

We would like to make it easier for local groups to be able to get involved in running assets that are right for their communities. In this report, we have made a series of recommendations, which we believe will help to maximise opportunities for greater community empowerment.

I would like to thank everyone who has contributed to our report.

**John Griffiths MS**

Chair

## Recommendations

**Recommendation 1.** 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.....Page.16

**Recommendation 2.** The Welsh Government and Ystadau Cymru should review and update its existing guidance on Community Asset Transfers. The review should begin within twelve months of this report’s publication. In conducting its 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.....Page.28

**Recommendation 3.** 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. ....Page.28

**Recommendation 4.** 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.....Page.29

**Recommendation 5.** 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. ....Page.29

**Recommendation 6.** 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. ....Page.30

**Recommendation 7.** The Welsh Government should, when reviewing the guidance on community assets, 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.....Page.30

**Recommendation 8.** 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. ....Page.30

**Recommendation 9.** 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. ....Page.37

**Recommendation 10.** The Welsh Government should make arrangements to explore options, including legislative approaches, to find solutions that can empower communities and give them an equal opportunity when competing against private investors to purchase assets of interest. This work should be undertaken by the commission we have recommended.....Page.41

**Recommendation 11.** 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.....Page.48

**Recommendation 12.** 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. ....Page.48

**Recommendation 13.** The Welsh Government should set out how it intends to make the process of ascertaining ownership of land and 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. ....Page.54

**Recommendation 14.** The Welsh Government should establish a specific Welsh fund for community housing projects, similar to the funds available in England and Scotland. ....Page.59

**Recommendation 15.** 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.  
.....Page.67

**Recommendation 16.** The Welsh Government should make arrangements to review  
Welsh planning guidance to ensure it empowers communities and supports assets  
transfers.....Page.67

## Introduction

1. At our meeting on 23 March 2022, we agreed the terms of reference for our inquiry into community assets, with specific focus on barriers and opportunities to acquire built assets for community use. The terms of reference were to explore how the statutory and policy framework encourages and supports the development of community assets for the benefit of communities. Issues to be considered included the following:

- Whether the current statutory and policy framework empowers communities in Wales to develop community assets;
- The extent the Community Asset Transfer scheme promotes and supports effective development of community assets;
- To explore barriers and challenges faced by communities in taking ownership of community assets, including finance and support services;
- To discover what lessons can be learnt from beyond the Welsh border.

## Evidence gathering

2. We gathered evidence in writing and by holding oral evidence sessions with stakeholders. A **public consultation** was launched on 29 April and closed on 24 June 2022. We received 37 responses to the consultation.

3. We heard oral evidence from stakeholders on 7 July and from Rebecca Evans MS, Minister for Finance and Local Government and Julie James MS, Minister for Climate Change on 13 July.

4. In addition to the formal evidence sessions, we visited a number of community run assets and projects in north and south Wales. On 30 June, Members visited **Partneriaeth Ogwen**, Bethesda; **Antur Nantlle**, Penygroes; **Ty'n Llan**, Llandwrog; **Maindee Unlimited**, Newport; **Abergavenny Community Centre** and **Brynmawr Market Hall Cinema**.

5. We are grateful to everyone who took part in the inquiry.

6. Details of all evidence gathered can be found in the **Annex** to this report.

## 1. Background

A 'community asset' can be broadly defined as anything that can improve the quality of community life. A community asset can include the built environment (e.g. use of buildings and facilities); land, including green space and parks; and also the people living within it (e.g. their skills, knowledge and social networks).

**7.** Community groups, social enterprises and community councils have often stepped in to save or maintain services and facilities for the benefit of the local community. This is often driven by a local authority or a public body's need to reduce costs. Libraries, leisure centres and community centres are some examples of services and facilities that have been transferred into community hands.

**8.** Similarly, community groups have sought to establish new community facilities and deliver creative uses for buildings due to be sold off or left derelict. Recent examples include communities purchasing pubs, hotels and religious buildings.

**9.** We heard clear evidence from witnesses on the benefits and opportunities community-owned or managed assets can bring. Cwmpas highlighted a range of benefits, from "improving community cohesion to providing employment, skills and training opportunities and better health and well-being outcomes" as well as providing places for communities to meet and to socialise. Cwmpas added that the social and employment opportunities they bring help young people to stay in their local communities.<sup>1</sup> We heard from the Institute of Welsh Affairs ("IWA") that "communities can reshape the area they live in via the assets that they take control of", adding that the core benefit is giving "communities a tangible say in what their local areas look like, rather than it just being dictated to them by the market".<sup>2</sup>

**10.** The Welsh Local Government Association ("WLGA") told us that a "big benefit" of a community group taking on a service as well as an asset can be the continuation of a service

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<sup>1</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p6-7

<sup>2</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p11

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which a local authority would not be able to provide if there was no financial benefit to the wider council, noting:

*"if there wasn't a community group taking on the provision of service as opposed to just purely the asset, then that service may actually cease. So, that is a significant benefit."*<sup>3</sup>

**11.** Building Communities Trust ("BCT") referred to research focused on England which demonstrated that:

*"areas that experience greater deprivation but have a higher concentration of community assets and community actions have better health and well-being outcomes, higher rates of employment and lower levels of child poverty, compared with deprived areas that don't have high levels of community assets or community action."*<sup>4</sup>

**12.** We heard from the Institute for Community Studies that "communities have a way of mobilising assets in a way that their previous public sector or private sector provider wasn't able to". They referred to research which found this was due to:

*"the extra factor that local people put in because of a love of a place and a love of an asset they want to see remain open and remain of use to the community."*<sup>5</sup>

**13.** The Plunkett Foundation told us that around 94 per cent of the businesses they have supported have enjoyed a long-term success rate over five years, adding:

*"Because they are led by residents, they are usually able to identify the most vulnerable individuals in their community and create services that mean that they are addressing local social needs. We see that the businesses that we work with also have a tendency to see how they can work through the local supply chain, so often are contributing to the wider local economy."*<sup>6</sup>

**14.** However, in addition to highlighting the benefits of communities taking on services and assets, the Plunkett Foundation was also clear that "community ownership doesn't work everywhere", adding:

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<sup>3</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p138

<sup>4</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p140

<sup>5</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p255

<sup>6</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p258

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*"some groups actually need to be empowered to make that decision that, 'Actually, this is more of a liability for us, as a set of residents and a community of volunteers', rather than progressing."*<sup>7</sup>

## The situation in Wales

**15.** This inquiry took place at a time when the benefits of community ownership have been the subject of much discussion, prompted by significant pieces of research by Cwmpas and the IWA.

**16.** In February 2022, the IWA published its report, *Our Land: Communities and Land Use*, which noted that in Wales, there are "few limited mechanisms for community control", beyond those provided by Community Asset Transfers. The report goes on to state that there is:

*"no statutory right for communities in Wales to buy land or assets as in Scotland, and no right to bid, challenge, or build as in England".*<sup>8</sup>

**17.** Part 5, Chapter 3 of the UK **Localism Act 2011** provides for a scheme called Assets of Community Value ("ACV"). It places a duty on local authorities to maintain a list of assets of community value. The ACV Measures came into force in England in 2012. The IWA's report highlights a decision made by the then Welsh Government not to commence the provisions in Wales.

**18.** The IWA note that, instead, the previous Welsh Government established the Welsh Co-operatives and Mutuals Commission, which reported in February 2014. The Commission recommended:

*"The Welsh Government considers legislation to enable communities to list their community assets and have right of first refusal to bring assets into community ownership. In any such legislation, consideration should be given to include sports clubs as community assets."*<sup>9</sup>

**19.** In a Written Statement issued in October 2014, the then Minister for Communities and Tackling Poverty, Lesley Griffiths MS, noted, in relation to Part 5, Chapter 3 of the Localism Act, that:

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<sup>7</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p311

<sup>8</sup> Institute of Welsh Affairs, *Our Land: Communities and Land Use*, February 2022

<sup>9</sup> *Report of the Welsh Co-operatives and Mutuals Commission*, February 2014, Recommendation 11

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*"During the Bill's passage through Parliament, the then Minister for Local Government and Communities, agreed a consultation exercise would be carried out prior to any implementation of the Measures in Wales."*

**20.** The Written Statement set out the Welsh Government's position on ACV, stating that the then Minister did "not intend to implement the ACV Measures in Wales at present", due in the main to legislative and resource pressures.<sup>10</sup>

**21.** The then Minister subsequently made a further statement in March 2015 to update Assembly Members on actions to be taken on ACV provisions in Wales. She announced her intention to "produce a Consultation Paper in May 2015, which will set out the current policy and practice context and analyse options to take forward a Welsh model".<sup>11</sup>

**22.** Following the consultation on ACV, the then Minister stated in a Written Statement in December 2015:

*"The consultation found popular support for establishing a Welsh scheme which would enable community groups to nominate land or buildings, either public or privately owned, if they are judged to enhance a community's social wellbeing or social interests.*

*If a successfully nominated asset is subsequently put up for sale, this triggers a process whereby community groups are permitted the opportunity and time to bid for the asset during a moratorium period.*

*[...] legislation in relation to this issue, including making a commencement Order to bring into force the relevant provisions of the Localism Act 2011 will take place after the National Assembly for Wales election next year. I am not in a position to commit a future Government to any specific action, however, I believe there is cross-party support for action on this issue."<sup>12</sup>*

**23.** To date, it does not appear that this work has progressed. In its 2022 report, the IWA states that communities in Wales "appear to be some of the least empowered on this island", and that:

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<sup>10</sup> Welsh Government, Written Statement, [Assets of Community Value measures contained in the Localism Act 2011](#), 14 October 2014

<sup>11</sup> Welsh Government, Written Statement, [Assets of Community Value](#), 25 March 2015

<sup>12</sup> Welsh Government, Written Statement, [Assets of Community Value](#), 7 December 2015

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*"Wales' system of community empowerment – to the extent that any system exists at all – seems to be entirely driven by a top-down approach."*<sup>13</sup>

**24.** In March 2022, Cwmpas published its report, *Community ownership of land and assets: enabling the delivery of community-led housing in Wales*, which recommended:

*"The Welsh Government should establish a commission to stimulate innovative thinking on community ownership of land and assets in Wales."*<sup>14</sup>

**25.** In a letter of 27 June 2022 to Cwmpas, which the Minister for Climate Change shared with us, she stated:

*"I can confirm I am minded to agree with your proposal to the establishment of a commission. But I also think we should wait for the conclusion of the Senedd committee evidence session, as the remit of the commission will I am sure you agree, need to have regard to the Committee's report and its recommendations."*<sup>15</sup>

**26.** In its 2020 report, *Productive Community Assets: generating the benefits*, the Bevan Foundation highlighted the potential of community assets to drive economic development in the south Wales valleys. Amongst the report's conclusions were calls for better community rights and control, and measuring and demonstrating social impact/value.<sup>16</sup>

## Arrangements elsewhere in the UK

### Community Right to Bid - England

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**27.** Under Part 5, Chapter 3 of the UK **Localism Act 2011**, councils in England are required to maintain a list of 'community assets'. Community assets can be nominated by parish councils or by groups with a connection to the community. Individuals cannot nominate community assets. If the nomination is accepted, local groups will be given time to come up with a bid for the asset when it is sold.

### Community Right to Buy - Scotland

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**28.** Under **Part 2 of the Land Reform (Scotland) Act 2003**, a 'Community Right to Buy' ("CRtB") allows communities throughout Scotland to apply to register an interest in land and

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<sup>13</sup> Institute of Welsh Affairs, *Our Land: Communities and Land Use*, February 2022

<sup>14</sup> Cwmpas, *Community ownership of land and assets: enabling the delivery of community-led housing in Wales*, 2022

<sup>15</sup> *Local Government and Housing Committee, 29 September 2022, paper 8*

<sup>16</sup> Bevan Foundation, *Productive Community Assets: generating the benefits*, June 2020

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gives them the first option to buy that land when it comes up for sale. This mainly applies to privately-owned land or buildings.

**29.** Community bodies can register an interest in any land, such as churches, pubs, estates, empty shops, woodland, fields and more. Community bodies can also register an interest in rights such as salmon fishing rights and certain mineral rights.

**30.** A registered interest in land lasts for five years (from the date of approval from Scottish Ministers) and can be re-registered on an ongoing basis at five-year intervals. The sale involves an owner who has decided to sell (termed a 'willing seller'). CRtB should be used where the community has identified land and has proposals for that land that could further the achievement of sustainable development.<sup>17</sup>

**31.** An application is normally required to demonstrate at least 10% support from their defined community to register an interest in land.

**32.** Local authorities in Scotland also have to establish and maintain a register of property which is held by the authority as part of the 'common good', and engage with local communities in setting up these registers. An asset transfer request can be made by a community transfer body to a public body.<sup>18</sup>

**33.** The Community Ownership Support Service (COSS)<sup>19</sup>, a Scottish Government funded programme, supports community groups to take on assets for their community. It is a free, advisor-led service delivered Scotland-wide, providing individual community groups with a 'bespoke support service'.

## Our view

**34.** We note the overwhelming evidence that a community group taking on the running of services or assets can bring substantial benefits to the communities they serve. It is good to hear of so many groups with the desire and enthusiasm to undertake such a commitment. We are also aware that running an asset involves a lot of hard work from members of the community, many of whom are volunteers. However, we also heard that community ownership is not always the best option and, even where it is, not every group will succeed.

**35.** During our visits and evidence sessions we saw and heard that where communities have the enthusiasm and ambition to take on the right project for them, the benefits can be

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<sup>17</sup> [Community Ownership Support Service, Module One B – Introduction to Community Right to Buy](#)

<sup>18</sup> Scottish Government, [Asset transfer: summary guide](#)

<sup>19</sup> [Community Ownership Support Service](#)

numerous. All groups will need appropriate support and access to funding, which we explore later in this report, but the benefits and opportunities are clear, and we would like to see opportunities for greater community empowerment maximised.

**36.** We note the recommendation made by Cwmpas that the Welsh Government should establish a commission to stimulate innovative thinking on community ownership of land and assets in Wales, and that the Minister for Climate Change has stated that she is minded to agree with such a proposal. The evidence we have gathered through this inquiry has demonstrated that, although there is enthusiasm from communities to have greater control over assets, changes are needed to empower those communities to achieve their objectives and maintain effective assets. We believe there is merit in establishing a commission to give further consideration to the issues we raise in this report.

**Recommendation 1.** 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.

## 2. Community Asset Transfers

A Community Asset Transfer (“CAT”) occurs when a public sector body transfers the management and/or ownership of a property, land or services to a community council or a third sector/community group. This avenue presents opportunities for communities to own and manage facilities that might otherwise be closed. Transferring an asset could include a number of different tenures, including a management agreement, a licence to occupy, a short or long lease, or a freehold transfer. A local authority (or other public authority) is not obliged to undertake a CAT and can only initiate the process themselves.

**37.** The Welsh Government issued **guidance** (commissioned by its assets collaboration network, Ystadau Cymru) on CATs; it notes that:

*“CATs for community ownership and asset development have been successful in Wales, but there are also cases where a lack of experience or insufficient research and preparation have turned an asset into a liability.”*

**38.** The Welsh Government’s website also provides information on CATs, including **case studies** and an example of the **CAT process**. The case studies provide a brief analysis of the benefits an asset transfer can bring to a community, and in some cases, wider economic and social benefits to the area. They also highlight lessons learnt by those involved in the transfer process, to inform those considering a CAT.

**39.** Local authorities usually dispose of public assets on a commercial basis in order to achieve best value for the property, which would normally involve a full tender/sale process. However, in certain circumstances, a local authority may dispose of assets at below full market value when that would benefit the community. The Welsh Government’s guidance provides details around the process for disposing of assets at below market value, and notes the following:

*"As part of any strategy around potential transfers or disposal, an authority should alert its Local Town or Community Council, Third Sector Organisations and Community Groups, at an early stage if it might dispose of an asset of potential community value. This gives interested parties the time to consider whether or not the asset, and potentially the services which are delivered through it, is something they might wish to apply to take over; and to organise accordingly."*

**40.** In 2018, Audit Wales carried out a review into the **Provision of Local Government Services to Rural Communities: Community Asset Transfer**. In evidence submitted to us, Audit Wales said that its review found "the approach was variable and policy documentation did not consistently support the successful transfer of assets to communities."<sup>20</sup>

**41.** The latest research by the Welsh Government to review CATs, published in March 2021, recommended that local authorities should "adopt a more strategic approach to CAT which places the needs of the community front and centre". It also recommended a more formalised approach to "engaging with transferees at every stage of the CAT process."<sup>21</sup>

## **CAT Guidance**

**42.** Several witnesses and consultees noted the guidance produced by the Welsh Government and Ystadau Cymru in 2019.

**43.** BCT noted that although there is guidance in place, "this does not automatically translate into policy provision or dedicated CAT personnel within local authorities." They referred to the Welsh Government research from March 2021, which referenced a survey of local authorities and other public bodies, carried out during May and June 2019. 15 of the 22 local authorities in Wales responded; of those 15 local authorities, 11 had a formal CAT policy in place and four did not. The research also found that:

*"Four authorities had a lead CAT officer or team and three stated that no specific group or individual had responsibility for CATs. The most common approach to managing CATs therefore appears to be cross-departmental to allow for varying expertise to contribute to completing a transfer."<sup>22</sup>*

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<sup>20</sup> Written evidence, **CA20, Audit Wales**

<sup>21</sup> Welsh Government, **Community asset transfer: research with the third sector, local authorities and community and town councils**, March 2021

<sup>22</sup> Welsh Government, **Community asset transfer: research with the third sector, local authorities and community and town councils**, March 2021

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**44.** BCT recommended that there should be a review of current CAT guidance to update and revise it, based on experiences of those who have completed an asset transfer.<sup>23</sup>

**45.** Social Farms and Gardens said they did not feel the current CAT guidance:

*"considers much, if any, of the two rounds of detailed internal Welsh Government research that has been carried out which sought to constructively critique the initial guidance and inform the revision. This research team made some clear recommendations, but we are yet to see this being picked up in a guidance revision. We and many others fed into this research and its disappointing to see two separate rounds of research being ignored in this way."*<sup>24</sup>

**46.** The Community Ownership Group recommended that the Welsh Government refresh its CAT guidance following consultation with community groups.<sup>25</sup>

**47.** We heard from Cwmpas that there is a "disconnect" between the Welsh Government's guidance and the implementation of CATs on a local authority level, adding that whilst there should be a standardised practice, there should also be flexibility for local authorities, as each will face different challenges.<sup>26</sup> Cwmpas recommended in its report, *Community ownership of land and assets: enabling the delivery of community-led housing in Wales*, that:

*"The Welsh Government should develop a formal process for Community Asset Transfers (CAT) so that there is a standardised approach across all local authorities and public bodies."*<sup>27</sup>

**48.** Several witnesses referred to disparity across local authorities in how the CAT process is implemented. Landworkers' Alliance Cymru said there was a:

*"lack of consistency across local authorities with respect to Community Asset Transfer (CAT) policies, with many lacking public facing policies or clear support mechanisms. This leads to a situation where the success or failure of a community acquiring assets is very much dependent on the capacity and views of individuals within the council, whom they are able to contact. It can*

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<sup>23</sup> Written evidence, [CA11, Building Communities Trust](#)

<sup>24</sup> Written evidence, [CA21, Social Farms and Gardens](#)

<sup>25</sup> Written evidence, [CA34, The Community Ownership Group](#)

<sup>26</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p79

<sup>27</sup> Cwmpas, [Community ownership of land and assets: enabling the delivery of community-led housing in Wales, 2022](#)

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*also mean a lack of transparency over how decisions are made with respect to asset transfers.”<sup>28</sup>*

**49.** Social Farms and Gardens said “only a few” local authorities have a “clear pathway” for communities to take forward a CAT. They went on to say:

*“whilst others have no public facing policy at all and it’s often very difficult, even for us as professionals, to navigate the numerous departments to even make an initial enquiry.”<sup>29</sup>*

**50.** The IWA told us that its research had demonstrated that “consistency is a real issue” in terms of the support for taking on assets, adding:

*“I think the Welsh Government’s own research showed that only a handful of local authorities actually had a dedicated person for community asset transfers, and the stories we got when we spoke to communities were really negative, actually. They often said there wasn’t a clear process in practice for community asset transfers.”<sup>30</sup>*

**51.** Coalfields Regeneration Trust told us of the importance of multiple local authority departments working together to implement the CAT process:

*“We work quite closely with RCT council, and they have got dedicated resource in terms of the community element. However, what they are lacking, and they’re struggling with at the moment, is the other departments, so your corporate estates, your legal, surveyors. Those are the ones then that need to also be supported to help the asset transfer process through.”<sup>31</sup>*

**52.** Audit Wales highlighted a range of areas from its 2018 review where asset transfer policies fell short. They identified a number of key building blocks that needed to be put in place, including having a clear policy for CATs that sets out how the process works and the respective responsibilities of all parties; identification of all assets, their current condition, running costs, lease conditions and future maintenance needs; identification of risks and liabilities associated with each asset; and clearly setting out the aftercare and support provided by the authority post CAT.<sup>32</sup>

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<sup>28</sup> Written evidence, [CA31, Landworkers’ Alliance Cymru](#)

<sup>29</sup> Written evidence, [CA21, Social Farms and Gardens](#)

<sup>30</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p32

<sup>31</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p291

<sup>32</sup> Written evidence, [CA20, Audit Wales](#)

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**53.** The WLGA highlighted the pro-active approach taken in a number of authorities including:

- Rhondda Cynon Taf where 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 which advertises land and building assets that have the potential to be transferred; and
- Vale of Glamorgan Council which has a comprehensive toolkit with guidance and templates and signposts applicants to further information and including potential financing.<sup>33</sup>

**54.** The WLGA told us that Swansea Council has one community development officer who was supporting a CAT process, but that "it's nowhere near the level you would expect". We heard that Rhondda Cynon Taf have five officers dealing specifically with CATs, which is "about the level that I think you'd need if you are going to run it properly." The WLGA acknowledged that "there's no real consistency" across local authorities.<sup>34</sup>

**55.** The WLGA also told us that, often, other public sector bodies "don't think community asset transfer applies to them", and that it would be useful if something could be done to reinforce that message.<sup>35</sup> This was also noted by Social Farms and Gardens:

*"Other public bodies such as our health boards, Natural Resources Wales and indeed Welsh Government don't even have their own CAT policies."<sup>36</sup>*

**56.** The Welsh Government acknowledged the inconsistencies in approaches by local authorities across Wales, the Minister for Finance and Local Government told us:

*"We do have guidance, but not every local authority has its own guidance. I think that there has been some criticism, which I'm sure you've heard, that not all local authorities are applying the guidance consistently."<sup>37</sup>*

**57.** The Deputy Director for Land Division added:

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<sup>33</sup> Written evidence, [CA36, Welsh Local Government Association](#)

<sup>34</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p231

<sup>35</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p220

<sup>36</sup> Written evidence, [CA21, Social Farms and Gardens](#)

<sup>37</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p41

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*"The whole idea of that guide was to provide some consistency around this agenda, and we haven't cracked that. I think it's clear at the moment that there is inconsistency in terms of application across all local authorities.*

*Some local authorities have used the guide as their template for how they proceed with the community asset transfer process, but also it's obviously disappointing that some local authorities actually don't have a community asset transfer policy in the first place. So, I think that's the push we need to do—to ensure that local authorities, as a step 1, have a community asset transfer policy in place, and then what we need to work with them on is to have a consistent approach in terms of community asset transfers."*<sup>38</sup>

**58.** The Deputy Director said that the guidance "has been successful to a point", but acknowledged that evidence pointed towards the need for it to be reviewed, including wider engagement and community input for an updated version.<sup>39</sup>

**59.** A number of stakeholders suggested that guidance should be proportionate to the scale of the transfer; Coalfields Regeneration Trust commented:

*"a small scale transfer for a community growing project should not require the same level of information and business plan as a leisure facility."*<sup>40</sup>

**60.** Audit Wales noted that its 2018 review:

*"found that too often authorities did not differentiate between the size of asset to be transferred and operated a 'one size fits all' policy."*<sup>41</sup>

**61.** Landworkers' Alliance Cymru also raised the issue of proportionality, noting:

*"Currently, there is insufficient flexibility to reduce the admin burden on both sides where assets are of limited value or tenure length is short. For example community groups are often still required to submit full business plans for low value assets on short tenancies."*<sup>42</sup>

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<sup>38</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p42-43

<sup>39</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p45

<sup>40</sup> Written evidence, [CA07, Coalfields Regeneration Trust](#)

<sup>41</sup> Written evidence, [CA20, Audit Wales](#)

<sup>42</sup> Written evidence, [CA31, Landworkers' Alliance Cymru](#)

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## Instigating the CAT process

**62.** The CAT process can only be instigated by a local authority or another public body. The guidance issued by the Welsh Government states:

*"Public Authorities in Wales are not obliged to undertake community Asset Transfers and Local Authorities have to initiate the process themselves.*

*Public Bodies/Local Authorities should have a robust asset management planning process that includes regular reviews of their property holdings. The disposals process should include those assets identified as surplus to requirements that have the potential to be transferred to the community. Where appropriate, assets identified as suitable for community transfer should be flagged through a "Window of Opportunity" process to ensure fairness and transparency."*<sup>43</sup>

**63.** Several organisations referred to the initiation process; BCT noted:

*"Communities are reliant on public bodies actively choosing to dispose of assets, without a formal entrance route of their own."*

**64.** BCT also highlighted the Welsh Government's research from 2021 which found that "the primary driver leading local authorities to initiate CATs appears to be cost reduction, following a protracted period of austerity." They said that this was "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." BCT emphasised:

*"There is a clear mismatch between the guidance issued and communities' experience of asset transfer across Wales."*<sup>44</sup>

**65.** Coalfields Regeneration Trust commented:

*"Although advertising on a 'window of opportunity' is included within Ystadau Cymru CAT guidance in practice this rarely happens."*

**66.** They recommended that the guidance should be followed and assets should be advertised on a 'window of opportunity' which is then:

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<sup>43</sup> Welsh Government / Ystadau Cymru, Community Asset Transfer

<sup>44</sup> Written evidence, CA11, Building Communities Trust

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*"widely circulated through elected representatives, social media and third sector support organisations."*<sup>45</sup>

**67.** Blaenau Gwent County Borough Council noted that asset transfers were initially undertaken "on an as and when basis when community groups expressed an interest" but more latterly have "been driven by cost saving measures." They highlighted sports facilities where funding reductions meant facilities faced closure, so clubs either took them on or saw the facility closed.<sup>46</sup>

## Social value and well-being

**68.** Many witnesses argued that the social value of transferring an asset was often not given as much weight as the financial value. The Welsh Government's CAT guidance states:

*"there will be circumstances where a Local Authority may dispose of an asset at below full market value, usually when a disposal will benefit the community through the "promotion or improvement" of the economic, social or environmental well-being of the area or when the value of the asset disposed is less than £2 million."*

**69.** In its report, the IWA recommended that the Welsh Government should adopt a social value policy that applies to public bodies looking to dispose of or lease land or assets. The IWA told us it believes that a social value policy should be auditable because "a lot of public bodies are really worried about being audited and giving away assets not for the best price." The IWA suggested using the **National TOMS framework** as a starting point.<sup>47</sup>

**70.** Public Health Wales referred to the relationship between community assets and social prescribing, noting:

*"The growth of social prescribing mechanisms within the health and care system provides opportunities to encourage people to engage with community-based activities to improve their health and wellbeing, this relies on having available community assets (place-based and associational assets) which people can be referred to in a reliable way over time. Examples from England demonstrated the contribution that social prescribing can have to the strengthening of place-based community assets, where social prescribers work with community organisations and community development initiatives*

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<sup>45</sup> Written evidence, [CA07, Coalfields Regeneration Trust](#)

<sup>46</sup> Written evidence, [CA08, Blaenau Gwent County Borough Council](#)

<sup>47</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p78

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*to improve understanding of local health needs, the availability of local community assets and initiate collective action to improve and strengthen health-promoting assets.”<sup>48</sup>*

**71.** The WCVA told us that it would like to see a community asset policy that would “rebalance that capacity for the community interest to be taken into account to the same degree, or certainly to rebalance it slightly away from financial concerns.”<sup>49</sup> They went on to say that such rebalancing is not always “universally understood or particularly well implemented” and raised the difficulties in quantifying the social value benefits of community ownership.<sup>50</sup>

**72.** Social Farms and Gardens highlighted best practice in some authorities, but also said others “hide behind the need for capital receipts from land without considering whether more benefits (and goals under their wellbeing plans) could be delivered for their communities if a community asset transfer took place.”<sup>51</sup>

**73.** Cymdeithas Trecadwgan raised a number of concerns following their efforts to buy an asset in Pembrokeshire. They called for a review of existing legislation “to reduce any risk to councils that sell below the highest possible financial return on the basis of social and environmental benefit.”<sup>52</sup>

**74.** Coalfields Regeneration Trust called for a consistent approach from local authorities to measuring the social value of CATs, referring to the current situation as a “disparate process”, adding:

*“The problem is, we don't know how they calculate that social value. There isn't a process that's followed by every local authority.”<sup>53</sup>*

**75.** The Community Land Network Trust suggested:

*“introducing a clearer duty for public bodies in Wales to consider requests for asset transfers in light of the future generations Act, and to look positively on whether proposals from communities could lead to a greater social value for the community and for future generations, with either community ownership or a community stewardship arrangement of that asset, as compared to its current use.”*

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<sup>48</sup> Written evidence, [CA32, Public Health Wales](#)

<sup>49</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p187

<sup>50</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p225

<sup>51</sup> Written evidence, [CA21, Social Farms and Gardens](#)

<sup>52</sup> Written evidence, [CA24, Cymdeithas Trecadwgan](#)

<sup>53</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p359

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**76.** They also suggested there should be an appeals process if communities feel that a public authority has not engaged with the process properly.<sup>54</sup>

**77.** The WLGA told us that when undertaking a CAT:

*"in line with Welsh Government guidance, we would tend to assume that we would generate a capital receipt if we can, but quite often the margins are quite low on some of the assets we bring forward."*<sup>55</sup>

**78.** We heard from the Minister for Finance and Local Government that the Welsh Government had commissioned research and advice from Cwmpas around social value and understanding how well social value is understood across the public sector in Wales. She told us:

*"One of the findings was that there were different views as to what social value meant, and how it was driving local decisions. [ ] But that, I think, has been helpful in terms of shining a light on this from a local government perspective."*<sup>56</sup>

## **Sharing best practice on community asset transfers**

**79.** We heard from several witnesses that sharing best practice on initiating and implementing CATs, the processes involved and the support required could be improved. Blaenau Gwent County Borough Council noted that its Third Sector Support Group "acts as a good co-ordinator and awareness raising group for information and funding but there is no CAT dedicated forum or group for local authorities." They suggested that a "more co-ordinated initiative to discuss and disseminate CAT information/ approaches/ examples/ solutions" could be taken forward, perhaps by Welsh Government or Ystadau Cymru. They also noted that attempts are made to signpost groups to existing groups that may have already completed the process. However, this is on an ad hoc basis and they commented that "it would be good if this could be done on a Blaenau Gwent level or indeed on an all-Wales level."<sup>57</sup>

**80.** Cwmpas also told us that a more co-ordinated approach by local authorities to communities taking over assets would be useful as the support from authorities "varies across Wales", they said:

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<sup>54</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p354

<sup>55</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p214

<sup>56</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p40

<sup>57</sup> Written evidence, [CA08, Blaenau Gwent County Borough Council](#)

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*"it would be nice to have a more co-ordinated response. And then, perhaps those officers and local authorities could signpost to the more detailed support that's available, perhaps, from us or other organisations across Wales."*<sup>58</sup>

**81.** Cwmpas went on to say that a peer network of people who had been through the CAT process would be "really invaluable", adding:

*"Those peer networks can help spread best practice, but also the networks of, maybe, local co-ordinators, organisations such as us, WCVA, Building Communities Trust. If there was that group that came together to specifically focus on community assets, I think that would be really helpful."*<sup>59</sup>

**82.** The Welsh Government's Deputy Director for Land Division referred to the best practice case studies of successful CATs that are available on the Welsh Government's website and told us that the Welsh Government is working to improve the availability of the case studies. The Deputy Director acknowledged the value of sharing the knowledge of people who had been through the process to help other groups, adding:

*"There's nothing better than that, really—to understand what hoops they've had to go through, but also for us to understand the hoops they've gone through and how we improve that."*<sup>60</sup>

## **Our view**

**83.** The evidence we received pointed to clear inconsistencies in the implementation of the CAT process across Wales. Whilst the Welsh Government's guidance is useful, we were concerned to hear that it has not resulted in parity. We appreciate that local approaches will be different based on circumstances, however we feel that the general principles should be on par across Wales. We note the calls from several organisations that the guidance be reviewed, with input from those who have experience of the process. This was acknowledged by the Welsh Government.

**84.** As the guidance has not been reviewed since 2019 and it is clear that it is not being implemented consistently across Wales, we feel that now would be an appropriate time to undertake a review. As part of the review, the Welsh Government and Ystadau Cymru should ensure there is thorough engagement with people who have recent experience of the CAT

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<sup>58</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p25

<sup>59</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p27

<sup>60</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p89

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process, as learning from this experience will be invaluable to ensuring the updated guidance is fit for purpose. The engagement should include hearing directly from community groups as well as the interested stakeholder organisations.

**85.** We note the calls made by some stakeholders that the CAT guidance should be sufficiently flexible to allow for an element of proportionality to be considered, depending on the financial value of an asset, so that the administrative burden may be reduced. We believe that this should be considered as part of a review by the Welsh Government and Ystadau Cymru.

**Recommendation 2.** The Welsh Government and Ystadau Cymru should review and update its existing guidance on Community Asset Transfers. The review should begin within twelve months of this report's publication. In conducting its 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.

**86.** We are concerned by the evidence that not all local authorities have a formal assets transfer policy. We believe that each authority having a policy will improve consistency across Wales. Although policies will be designed to meet local needs, we believe that having policies in place, along with implementing updated guidance will lead to all communities having similar opportunities to undertake asset transfers.

**87.** We are concerned to hear that the window of opportunity for advertising assets is not routinely being followed by local authorities and other public bodies. The Welsh Government, when updating its guidance on assets transfers, should make it clear that every local authority is expected to have a formal asset transfer policy in place.

**88.** We note the concern raised by some stakeholders that the asset transfer process can only be instigated by local authorities or another public body and that community groups are unable to do so. We believe there could be merit in enabling qualifying community groups to instigate the asset transfer process for themselves, rather than relying upon a public body. We appreciate that this will require further consideration, which we believe should be undertaken by the commission we have recommended.

**Recommendation 3.** 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.

**89.** We note the comments from the WLGA that public bodies, other than local authorities, often do not believe that CATs apply to them. Whilst we acknowledge that most transfers involve local authority assets, it is important that other public bodies are aware that CAT policies also apply to them. Although the guidance issued by the Welsh Government and Ystadau Cymru refers to local authorities and other public bodies, this could be made clearer in updated guidance. Updating the guidance will also provide an opportunity for the Welsh Government to reflect this and remind all public bodies that the asset transfer process is applicable to them.

**Recommendation 4.** 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.

**90.** We were concerned to hear that the social value benefits of transferring an asset are not always given as much weight as the financial benefits. We appreciate that local authorities have a duty to ensure they don't suffer financially as a result of any asset transfer they undertake, it is therefore natural they are cautious to avoid financial losses. However, it is also important that the social value benefits of transferring an asset are properly taken into consideration and sufficient weight given to these.

**91.** Although the Welsh Government's guidance states that there will be circumstances where a local authority may dispose of an asset at below full market value, authorities may be reticent to do so without further assurances. When reviewing the guidance, we would like the Welsh Government to consider how this aspect can be strengthened in order to provide greater clarity and assurance to local authorities.

**92.** We see strong links between the social value of asset transfers and the Well-being of Future Generations Act. There is an opportunity for public bodies to consider how asset transfers can help achieve the Act's well-being goals whilst also ensuring the asset transfer process is underpinned by the five ways of working. We note that the Well-being of Future Generations Act is referred to in the current guidance on asset transfer, but see an opportunity to embed the principles of the Act more extensively across the asset transfer process through clearer guidance. When reviewing the asset transfer guidance, links with the Well-being of Future Generations Act should be strengthened to ensure that the guidance is clearly underpinned by the Act.

**Recommendation 5.** 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.

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**Recommendation 6.** 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.

**93.** We welcome the commitment from the Welsh Government to improve the availability of case studies relating to successful asset transfers as these are a useful way of groups learning from the experience of others. Whilst the information currently available is useful, we note that the projects which have been included are now several years old; we think it would be useful to also include more recent case studies.

**Recommendation 7.** The Welsh Government should, when reviewing the guidance on community assets, 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.

**94.** It is evident that more opportunities are needed to facilitate greater sharing of best practice, between local authorities and between groups who have experience of the process. We heard, when we visited Partneriaeth Ogwen and Antur Nantlle, of the value of likeminded organisations sharing their experiences and practices, however there is no formal mechanism for this. We believe it would be particularly helpful for community groups who are new to the CAT process to be able to access a peer network where they would be able to learn from the experiences of others who have already been through the process.

**Recommendation 8.** 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.

### 3. Barriers and challenges faced by communities

Many witnesses and consultees detailed the barriers and challenges faced by community groups in taking ownership of public or privately owned community assets. These included access to the finance and support services available.

**95.** Research commissioned by BCT, *Mapping Community Assets in Wales*, highlights some of the key barriers to CAT – as expressed by people interviewed as part of the research:

- 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; and
- Dependency on external funding needed to support the development of an asset.<sup>61</sup>

#### Supporting communities with advice and skills

**96.** We heard that community groups need a wide range of skills and knowledge to take over the ownership or management of an asset. It was also clear that on-going support and advice is needed to maintain an asset throughout its lifetime. We saw and heard about this at first-hand on our visits to projects across Wales.

**97.** The IWA recommended in its report that:

*"The Welsh Government should establish a coordinated support package to support communities that are seeking to buy or lease land or assets. This*

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<sup>61</sup> *Mapping Community Assets in Wales*, May 2020

*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.”<sup>62</sup>*

**98.** The IWA told us that, although support is available through organisations such as Cwmpas and the WCVA, a more co-ordinated response is needed; they added that a form of peer network to learn from others who have been through the process would be “really helpful”.<sup>63</sup> Cwmpas agreed that a peer network of local co-ordinators and relevant organisations which specifically focused on community assets would be useful.<sup>64</sup>

**99.** Coalfields Regeneration Trust suggested that there should be “a community asset network to deliver general support and training across the sectors and share best practice.” They note that they are contracted to provide CAT support to groups in Bridgend – working with Cwmpas as well as the local authority. This support 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.”<sup>65</sup>*

**100.** BCT noted that support is not only needed at the inception of a community group, but on an ongoing basis. They said that whilst some support was free, “specialist support such as legal expertise or advice about listed buildings typically incurred costs.”

**101.** BCT also said:

*“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.”*

**102.** BCT recommended that the Welsh Government should develop a practical toolkit or checklist for community groups looking to find out more or undertake an asset transfer. They

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<sup>62</sup> Institute of Welsh Affairs, [Our Land: Communities and Land Use](#), February 2022, Recommendation 3

<sup>63</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p25

<sup>64</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p27

<sup>65</sup> Written evidence, [CA07, Coalfields Regeneration Trust](#)

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also said Welsh Government should expand the cost-free support provision available to community groups looking to undertake asset transfer.<sup>66</sup>

**103.** The Institute for Community Studies noted that:

*"The complexity of the process has proven the need for technical capacity and specialist advice that might not already exist within community looking to pursue community asset ownership."*

**104.** They went on to highlight that assets typically have multiple funding sources "that require understanding of a greater diversity of sectors and can introduce additional risk to manage." They said that an evaluation of Power to Change's grant programme found tailored one-to-one support was effective.<sup>67</sup>

**105.** The Social Enterprise Stakeholder Group said it "would welcome advice and funding for social enterprises considering community asset transfer". It noted that social enterprises: "require specialist business advice services to meet their unique needs."<sup>68</sup>

**106.** During our visit to Antur Nantlle, the Welsh Government's Farming Connect service was cited as a useful resource for farming communities to access advice and it was suggested that a similar scheme where community groups could access on-going support and advice on running assets would be helpful. Abergavenny Community Centre told us about the many challenges they faced in taking their project forward and noted the difficulties they had faced getting practical help or assistance to move the project on.

**107.** Social Farms and Gardens highlighted its **Community Land Advisory Service**<sup>69</sup> and welcomed longer-term funding from Welsh Government to support this.

**108.** The Bevan Foundation noted that "the growing pace of asset transfer raises important issues about responsibility for delivering essential public services." They went on to say that:

*"some assets are so resource-hungry that they cannot be transformed simply by a change of ownership, while some communities do not have the skills and resources to manage them. The result is a loss of essential premises and services on which many people depend."<sup>70</sup>*

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<sup>66</sup> Written evidence, [CA11, Building Communities Trust](#)

<sup>67</sup> Written evidence, [CA10, Institute for Community Studies](#)

<sup>68</sup> Written evidence, [CA12, Social Enterprise Stakeholder Group](#)

<sup>69</sup> Written evidence, [CA21, Social Farms and Gardens](#)

<sup>70</sup> Written evidence, [CA09, Bevan Foundation](#)

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**109.** The National Lottery Community Fund said that:

*"Having access to a sufficient volume of volunteers or paid staff with the appropriate skill sets is vital to the success of any asset transfer."*

**110.** They highlighted project management, construction expertise and quantity surveying as skills evident in some of the more successful projects they have funded. They said the role of project manager was particularly important "ideally one who is employed full time to take the pressure off volunteers and trustees." Typically, they found that "one or two board members took on the lion's share of the work" and it was vital that these groups had access to support if they needed it.<sup>71</sup> We saw the benefits of a dedicated project manager when we visited Maindee Unlimited.

**111.** BCT noted that regardless of the statutory and policy framework, asset transfer 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."<sup>72</sup>*

**112.** We saw this across the projects we visited as part of our inquiry. For example, Antur Nantlle told us that personnel is a big issue. We heard that having a strong board of directors is important and that it is useful to have people who have different backgrounds and can offer different areas of expertise. We were told that having the right mix of people is important e.g. having an accountant who gives good financial advice on the viability of schemes. We also heard about the need for legal expertise. Maindee Unlimited told us how they had access to a lawyer who gave their time on a pro-bono basis and the Market Hall Cinema in Brynmawr had an experienced lawyer amongst their trustees. Financial skills were also invaluable, and Abergavenny Community Centre told us how a former local authority Director of Finance was their Treasurer.

**113.** The National Lottery Community Fund said that most of the transfers it has funded have originated from local authorities. Successful transfers have seen local authorities offer support in several key areas, including:

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<sup>71</sup> Written evidence, [CA25, National Lottery Community Fund](#)

<sup>72</sup> Written evidence, [CA11, Building Communities Trust](#)

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- *"Advice and guidance on the procurement of contractors and professional advisers;*
- *Advice on managing TUPE situations and dealing with pre-existing tenants*
- *Council legal departments expediting the transfer of paperwork to assist the process*
- *Support in managing disputes with contractors and advisers*
- *Ongoing (often reduced) financial support."*<sup>73</sup>

**114.** Some witnesses mentioned the limited capacity of some local authorities to provide support. BCT told us that a survey of its network demonstrated that support received by organisations:

*"tended to come from other third sector organisations or infrastructure bodies or their county voluntary council. It didn't tend to come from a local authority or a public body."*<sup>74</sup>

**115.** Audit Wales said its 2018 review found that:

*"local authorities needed to do more to make CATs simpler and more appealing, help build capacity, provide clearer guidance in raising finance, and look to support other community development models such as social enterprises that add social value and widen citizen involvement. We found that clear rationale of the risks associated with the transfer were not always set out. Further, business cases to support transfer were often lacking in detail focussing too much on why the local authority needed to make a transfer rather than setting out how they would ensure the transfer was sustainable and successful in the long-term."*

**116.** Audit Wales also highlighted the need to help communities who may not have the capacity or skills to be able to take on or manage assets and local authorities could pro-actively help build that capacity.<sup>75</sup>

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<sup>73</sup> Written evidence, [CA25, National Lottery Community Fund](#)

<sup>74</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p173

<sup>75</sup> Written evidence, [CA20, Audit Wales](#)

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**117.** One Voice Wales noted that the community and town council sector manage approximately £200 million of assets. However:

*"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."*<sup>76</sup>

**118.** One Voice Wales told us:

*"if we want to do community asset transfer properly, then we need adequate resources to sit and help those organisations use the information that's been provided."*<sup>77</sup>

**119.** On our visit to Ty'n Llan, we heard that the Plunkett Foundation had been able to put the group in direct contact with an experienced person who was able to share their knowledge, including helping with a business plan.

**120.** The Community Land Trust Network told us that, "contrary to perception" Community Land Trusts "were overrepresented in the most deprived parts of the country." They went on to note that:

*"it's not necessarily the case that community assets don't work in deprived areas or that deprived communities don't have the capability to do these things."*<sup>78</sup>

**121.** The Minister for Climate Change shared her response to Cwmpas' report with us. The Minister notes in the response:

*"Conversations with partners are telling us there is a need for a fresh look at community policy in the light of the pandemic, when local action was so vital. We are now taking the first steps in developing a Communities Policy which will in turn develop new, co-productive, ways of working with our communities. This will help to ensure that the principles of community*

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<sup>76</sup> Written evidence, [CA27..One.Voice.Wales](#)

<sup>77</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p178

<sup>78</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p318

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*empowerment already built into our primary legislation are translated consistently into effective local engagement.”<sup>79</sup>*

**122.** The Minister for Finance and Local Government told us that the Minister for Social Justice was leading work for the Welsh Government on community policy, including “considering whether there does need to be a central hub to have this information”.<sup>80</sup>

### **Our view**

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**123.** Running a community asset is not an easy process, it is vital that community groups have ready access to the advice and support they need. We know they will need different support depending on their circumstances, so the advice that is available should range from initial support for establishing a group, through to implementing a CAT and on-going business support to ensure projects are viable and sustainable. We want support to be available to all our communities that need it. Some communities may have ready access to people with the skills, knowledge and experience they need whilst others will need to draw on external support. Whatever their circumstances, we want all communities to have the opportunity to take forward community asset projects.

**124.** We acknowledge the various sources of advice and support available, however we are concerned that these are not easily accessible, especially to newly established groups who will be less familiar with arrangements. We are aware that the IWA recommended that the Welsh Government should establish a coordinated support package to support communities that are seeking to buy or lease land or assets. We agree and believe that the Welsh Government should establish such a support package.

**125.** We acknowledge the comments made by the Minister for Finance and Local Government about the work being undertaken by the Welsh Government on a new Community Policy, including whether a central hub for advice and information is needed. We believe the evidence presented to us has demonstrated a clear need for such a provision.

**Recommendation 9.** 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.

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<sup>79</sup> Local Government and Housing Committee, 29 September 2022, paper 8

<sup>80</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p84

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## Private assets

**126.** The Institute for Community Studies identified a number of challenges facing communities seeking to acquire private assets. They said research “found that stubbornly high rents and traditional long-term leases offered by private owners and developers invariably locks out communities” and that the way leases were structured was “incentivising landlords to chase the highest rent-payer for every unit.”<sup>81</sup>

**127.** BCT highlighted the challenges in taking ownership of private sector assets saying there was “no real mechanism for community groups to buy land or assets in Wales, other than traditional purchase.” BCT went on to say that:

*“The lack of any formal mechanism means that community groups face open competition with the rest of the market, which is often better resourced.”<sup>82</sup>*

**128.** The Social Enterprise Stakeholder Group highlighted some specific issues with private sector assets:

*“Obtaining assets from the private sector has also been challenging. This included issues around negotiating on the value of the asset or on a reduced rent. Some social enterprises felt that the concentration of private ownership of buildings with a small number of owners in their local area is a challenge”<sup>83</sup>.*

**129.** The Architectural Heritage Fund noted that when trying to buy assets in the private sector:

*“Communities are completely at the whim of the individuals who can simply change their mind at any point with no recourse. This is particularly difficult to accept when communities have spent considerable time, effort and money in developing their plans for it all to fall down if the owner decides to retain the property or to place it on the open market.”<sup>84</sup>*

**130.** The IWA told us that they are “really concerned” about private sector assets as “there’s almost no process at all”.<sup>85</sup> They emphasised the importance of putting a system in place:

*“in terms of private sector assets, we really need to get a system in place that allows community groups to have a chance when they're competing against*

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<sup>81</sup> Written evidence, [CA10. Institute for Community Studies](#)

<sup>82</sup> Written evidence, [CA11. Building Communities Trust](#)

<sup>83</sup> Written evidence, [CA12. Social Enterprise Stakeholder Group](#)

<sup>84</sup> Written evidence, [CA17. The Architectural Heritage Fund](#)

<sup>85</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p94

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*the market. [ ] community groups end up in a situation where something comes up for sale, they're really concerned about losing it, but there's no established legal identity, there's no funding and it just goes to the market. They lose out every time; they can't compete. So, I think the Welsh Government and the Senedd really need to do something to empower communities to compete on a level playing field for these assets."*<sup>86</sup>

**131.** Cwmpas said that another barrier and challenge to accessing private assets is that the engagement work undertaken by a group interested in obtaining the asset can increase its value, pushing it further out of reach.<sup>87</sup>

**132.** The WCVA also told us of the difficulties faced by communities wishing to purchase a privately-owned asset:

*"the broadest challenges are that the timescales are shorter, which makes raising funding much more difficult, it makes having access to that advice that we discussed earlier much more difficult. Also, ultimately, at the end of the process, I suppose, when it's a wholly privately owned asset, there's nothing really restricting the owner from disposing of it in the way that they see fit."*<sup>88</sup>

**133.** Witnesses called for Wales to have greater opportunities to obtain private sector assets, through schemes such as a 'community right to bid' which exists in England or a 'community right to buy' as in Scotland. The IWA noted that "English communities have a statutory right to bid for community assets – with a six-month moratorium on sale if communities express an interest" whilst Welsh communities had no such rights.<sup>89</sup> The IWA recommended in its report:

*"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."*<sup>90</sup>

**134.** Coalfields Regeneration Trust also noted there was no right to bid or right to buy assets of community value in Wales. They recommended the introduction of a 'Community Right to Buy'

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<sup>86</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p96

<sup>87</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p99

<sup>88</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p238

<sup>89</sup> Written evidence, [CA04, Institute of Welsh Affairs](#)

<sup>90</sup> Institute of Welsh Affairs, [Our Land: Communities and Land Use](#), February 2022, Recommendation 1

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in relation to abandoned, neglected or detrimental land. However, they also highlighted inadequacies in the system in England:

*"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."*<sup>91</sup>

**135.** BCT also raised the limitations of the system in England. They told us that although the community right to bid can offer a six-month moratorium where community groups can raise funding, "often that time frame isn't long enough".<sup>92</sup>

**136.** We heard from CAMRA that not having a right to buy is preventing many groups, even if they are able to raise funds, from buying an asset as the owner of the asset can refuse to sell:

*"until you have that right to buy community assets, you're always going to see communities struggle to get over the line."*<sup>93</sup>

**137.** When we visited Ty'n Llan, we heard the first-hand experience of villagers who came together to purchase the pub when it came up for sale. We heard there was strong community support for purchasing the pub and the group were able to act quickly to consult the community on how they would like to see the building used. We were told that the organising committee was lucky to have people with particular experiences on board, including business, marketing and advising community groups. Such experiences were advantageous in enabling the group to act quickly, however they also raised concern that groups in Wales do not have the same rights to bid for or buy assets as groups in England and Scotland, and they called for greater powers in Wales.

**138.** The Minister for Climate Change told us that the Welsh Government preferred "a slightly different approach in Wales" to the legislative approach in England and Scotland. We heard that the Welsh Government have several plans in Wales, such as 'Future Wales: the national plan 2040' and 'Planning Policy Wales' and that the "whole basis of our plan-led system in Wales is to build resilient, diverse communities". The Minister added:

*"a local authority properly implementing that plan, through the LDP and through the now corporate joint committees [ ] will be doing the regional strategic planning guidance, and they should be looking at whether their communities are resilient. And that should leave the local authority, in its*

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<sup>91</sup> Written evidence, [CA07, Coalfields Regeneration Trust](#)

<sup>92</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p248

<sup>93</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p371

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*plan, to talk about community facilities, in its widest possible sense, that would make that community resilient.”<sup>94</sup>*

**139.** The Welsh Government’s Deputy Director for Land Division<sup>95</sup> and the Minister for Finance and Local Government<sup>96</sup> acknowledged the difficulties faced by groups in the timescales often involved in mobilising and getting to a position of being able to purchase an asset.

## **Our view**

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**140.** We are concerned by the difficulties faced by community groups who wish to purchase a privately-owned asset, in particular the amount of time needed to establish themselves and secure funding compared to an individual or established company who would be able to do so quickly. We acknowledge the comments made by several stakeholders that communities in Wales have no statutory rights to purchase or to bid for assets when they become available and the suggestions that legislation should be brought forward to implement such rights.

**141.** We concur that communities should have greater powers to be able to compete against private individuals or companies when assets become available for purchase. We believe that, without empowering communities in that way, many will be at a disadvantage and could lose their assets forever.

**142.** We recognise that the IWA and Cwmpas have previously recommended that the Welsh Government bring forward community empowerment legislation, to give communities statutory rights. We note the comments by the Minister for Climate Change regarding the role of the planning regime in building resilient communities. Whilst we acknowledge this as being the aim of the Welsh Government, we feel more could be done to make this aspiration a reality. We believe that further work is needed to explore options, including legislative approaches, to find solutions that can empower communities and give them an equal opportunity when competing against private investors to purchase assets of interest. This could be undertaken by the commission we have recommended.

**Recommendation 10.** The Welsh Government should make arrangements to explore options, including legislative approaches, to find solutions that can empower communities and give them an equal opportunity when competing against private investors to purchase assets of interest. This work should be undertaken by the commission we have recommended.

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<sup>94</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p131

<sup>95</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p130

<sup>96</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p140

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## Funding

**143.** Witnesses also referred to the difficulties faced by community groups in accessing funding to formally establish themselves and the difficulties around accessing the various funding streams to maintain their asset(s). We heard that there was often a range of funding sources involved. For example, Abergavenny Community Centre has received funding from a range of sources including the Welsh Government, the local Town Council, private foundations and individuals – in addition to generating its own income from sources such as room hire. We heard on some of our visits that it was particularly challenging to get funding for ‘core’ running costs. Abergavenny Community Centre told us that few funders would provide grants to meet those costs.

**144.** The Welsh Government provided details of the range of funds available for community assets:

- The **Welsh Government’s Community Facilities Programme** (CFP) offers grants of up to £250k and can be used to purchase or improve community assets. The CFP has a budget of £6.5m in 2022/23, 2023/24 and 2024/25, a total of £19.5m to invest in communities in Wales.
- The Community Asset Loan Fund (CALF) offers long term loan finance to help communities take ownership of assets. Loan of up to £300k are available up to a term of 25 years. The CALF is operated on behalf of the Welsh Government by **Social Investment Cymru**, part of the WCVA.
- The UK Government’s **Community Ownership** provides grants of up to £250k to help communities take ownership of assets. It can provide up to £1m if the community is intending to take ownership of a sporting facility. The £150m Fund expects to commit around £7m in Wales, will operate to 2024/25 and will hold a minimum of 8 bidding rounds.
- **Funding Wales** is an online portal which provides information on a wide range of funding options to suit all types of community project.<sup>97</sup>

**145.** The IWA told us that “the Welsh Government community facilities programme does a lot of good work, as does the National Lottery.”<sup>98</sup> However, they felt that reducing the number of funding streams available to simplify the process would be beneficial:

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<sup>97</sup> Local Government and Housing Committee, 29 September 2022, paper 8

<sup>98</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p42

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*"It was fed back to us by community groups that it would be really simple just to have one pot of money that they could go to for grant or loan funding, similar to the Scottish land fund, which is for all community assets, not just land—it just started off as a land fund. So, I think having one simple pot of funding would just help to reduce that admin time we've talked about. [ ] I think it's really important that you just make the process as simple as possible. And I think the Welsh Government's community facilities programme is a good start on that, but I think there are a lot of other little pots of money; it's a bit more of a complicated system in Wales."<sup>99</sup>*

**146.** The IWA recommended in its report that:

*"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."<sup>100</sup>*

**147.** BCT also referred to the challenges around accessing the numerous funding streams available, especially funding for refurbishment costs:

*"Raising money for the refurbishment is challenging. There are lots of avenues to acquire funding, but you do have to, typically, combine multiple funding sources, and the timescales to get that don't tend to line up. So, it's all these barriers that cumulatively create a really difficult circumstance for groups to do this."<sup>101</sup>*

**148.** BCT stated:

*"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."<sup>102</sup>*

**149.** Coalfields Regeneration Trust noted that there was no dedicated funding pot for CAT in Wales. They acknowledged the Welsh Government's Communities Facilities Programme, but said that that fund is "is not specifically for Community Ownership." They went on to say that while the UK Department for Levelling-up, Communities and Housing had made some funding

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<sup>99</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p60

<sup>100</sup> Institute of Welsh Affairs, [Our Land: Communities and Land Use](#), February 2022, Recommendation 2

<sup>101</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p199

<sup>102</sup> Written evidence, [CA11, Building Communities Trust](#)

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available this had to be matched at 50 per cent, and was also retrospective, so groups had to find the money first and then claim it back, adding that:

*"this is a barrier to most organisations – particularly in more deprived communities."*<sup>103</sup>

**150.** Others highlighted difficulties around accessing initial funding, as high street banks were not prepared to lend to newly established community groups; Cwmpas told us:

*"We've had groups who have had difficulty even opening a bank account, because they don't have the funding to be able to maintain a business bank account, but then they're less likely to be able to open a bank account with a high-street bank because they just don't recognise—a lot, in our case—social enterprises, so there is that initial barrier that they come across straight away."*<sup>104</sup>

**151.** Cwmpas went on to say:

*"It's just a case with the high-street banks that a lot of the time it's just lack of awareness; they're not aware of these different approaches to building housing, they're not aware of the different approaches to businesses, they're quite familiar with the standard company limited by guarantee, but when you start talking about co-operatives, community benefit societies with open membership where communities members can join and vote, banks just don't really understand those kinds of processes. So, I think there is definitely an exercise needed to educate banks about all of these different approaches to housing and business, and we as Cwmpas have done some of that, but, obviously, these banks are quite large organisations, so it's sometimes beyond us."*<sup>105</sup>

**152.** We heard from the WLGA that groups have also experienced difficulties in accessing funding if they did not have a long-term lease agreement; however, they also noted that the National Lottery had been helpful in providing funding to groups with shorter agreements.<sup>106</sup>

**153.** On our visit to Ty'n Llan, we heard that it can be challenging to know which grants are available. We were told that the group was lucky in that its Chair had experience of advising groups and a good knowledge of the available funding streams. They noted that applying for

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<sup>103</sup> Written evidence, [CA07, Coalfields Regeneration Trust](#)

<sup>104</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p46

<sup>105</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p57

<sup>106</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p92-193

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funding was an onerous task and involved completing many forms, which could be daunting for anyone not familiar with such processes.

**154.** The National Lottery Community Fund noted that groups should seek a diverse income base, rather than being heavily reliant on grants which they say is “not sustainable in the longer term.” They went on to say:

*“This is much easier for those assets that are multi-purpose or not constricted by their former use, but more challenging for facilities like libraries, sporting venues and other single-function assets.”<sup>107</sup>*

**155.** Many stakeholders mentioned community shares as a funding model for community ownership; BCT noted:

*“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.”<sup>108</sup>*

**156.** The Plunkett Foundation said that community shares was a form of finance used by most community businesses it supports; it said:

*“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.”<sup>109</sup>*

**157.** The Community Ownership Group also supported the use of community shares. As well as raising funding, they said this was also a way to create a “membership” or a “movement” to support a community-ownership project.<sup>110</sup>

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<sup>107</sup> Written evidence, [CA25, National Lottery Community Fund](#)

<sup>108</sup> Written evidence, [CA11, Building Communities Trust](#)

<sup>109</sup> Written evidence, [CA28, Plunkett Foundation](#)

<sup>110</sup> Written evidence, [CA34, The Community Ownership Group](#)

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**158.** The Plunkett Foundation also noted the range of costs that community ownership brings, in addition to the cost of buying a building or taking on a lease. They highlighted professional fees in particular and that:

*"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."<sup>111</sup>*

**159.** We also heard concerns that groups are facing greater pressures on their finances as living costs increase; the WCVA told us:

*"the costs of running any building, particularly community assets, at the moment are going up and are likely to go up again in October as fuel prices rise as well."<sup>112</sup>*

**160.** BCT added:

*"rising living costs having a huge impact on everyone. I've heard very recently from community groups who have got upwards of 20 per cent increases on their budget lines. They don't know how they can sustain their opening hours. They're having to reduce their opening hours when they're facing higher needs and requests than ever before. We've been told that buildings have had problems with their heating system and it has cost £1,000 to keep going. Raising money for the refurbishment is challenging. There are lots of avenues to acquire funding, but you do have to, typically, combine multiple funding sources, and the timescales to get that don't tend to line up. So, it's all these barriers that cumulatively create a really difficult circumstance for groups to do this."<sup>113</sup>*

**161.** We were told during our visits that high interest rates can be a significant issue for groups and that a low interest funding source would be a big help. Cwmpas also commented on the high interest rates charged by banks:

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<sup>111</sup> Written evidence, [CA28, Plunkett Foundation](#)

<sup>112</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p166

<sup>113</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p199

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*"I think that's one of the main issues with high-street banks, and as well, even with some of the ethical lenders, the interest rates on those can be extremely high as well, which can make these projects unsustainable."<sup>114</sup>*

**162.** The Minister for Finance and Local Government referred to the financial support that is available from various sources and acknowledged:

*"we need to make sure that there is clarity for people who are looking for support in this space."<sup>115</sup>*

## **Our view**

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**163.** Of all the barriers and challenges that need to be overcome for an asset transfer to be successful, it is clear that navigating the complexities of financing an asset transfer through its various stages, from inception to everyday running costs is undoubtedly one of the most significant. Whilst we heard calls for additional financial support, we also heard about the range of funding that is currently available. For example, we heard about the availability and importance of "seed" funding when an asset transfer, or development, is being considered.

**164.** We are concerned that the current increases in the cost of living will severely impact community groups and could jeopardise their viability, particularly as maintenance and energy costs continue to rise. Whilst we heard about community assets being used to generate an income that ensures their sustainability, we are conscious that this will not always be sufficient and there may still be a dependence on grants or some form of subsidy, depending on the asset. We are concerned about the impact increased running costs will have on already expensive assets, for example swimming pools, which as we heard from the Welsh Government are one example of a community asset that is expensive to run. The Minister for Climate Change noted that swimming pools are subsidised but "communities can't afford subsidy, so you have to come up with different plans to do it."<sup>116</sup>

**165.** We were concerned to hear of some of the particular challenges faced by groups in order to access funding, including having to establish themselves as a legal entity within a short timescale, difficulties in accessing funding if they did not have a long-term lease agreement and that funding may be time-limited and can run out before the transfer process is complete.

**166.** We appreciate that it can be a daunting task, particularly for newly established community groups, to understand the various funding streams and mechanisms that are available to them.

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<sup>114</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p58

<sup>115</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p84

<sup>116</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p131

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This can also be very time consuming and problematic for groups who may be competing against private individuals or organisations to purchase an asset. Our Recommendation 9 calls for a support package for communities, and this should include support with financial matters, many of which are complex and need specialist knowledge.

**167.** We are concerned to hear that groups face difficulties in securing low interest rates and that this is impacting their ability to undertake projects. We believe that the Welsh Government should make arrangements to explore options to increase the availability of affordable loan finance for community groups. This could be undertaken by the commission we have recommended.

**Recommendation 11.** 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.

**168.** We acknowledge that the IWA has recommended that the Welsh Government should establish a Community Asset Fund, that distributes grants of between £5,000 and £1m. The commission we have recommended should give further consideration to the establishment of such a fund.

**Recommendation 12.** 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.

## Developing a register of assets

**169.** As previously mentioned, both Scotland and England have legislation in place that allows community groups to express an interest in land or assets. In Scotland, community bodies,<sup>117</sup> which must meet certain criteria, can apply to register an interest in land and have the opportunity to buy that land when it comes up for sale. Local authorities in Scotland also have to establish and maintain a register of property which is held by the authority as part of the 'common good', and engage with local communities in setting up these registers. In England, the Localism Act requires local authorities to maintain a list of community assets.

**170.** In its report, *Our Land: Communities and Land Use*, the IWA recommend that legislation should establish a register of community assets in Wales.<sup>118</sup> Cwmpas has called for the Welsh

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<sup>117</sup> Scottish Government, *Community right to buy*

<sup>118</sup> Institute of Welsh Affairs, *Our Land: Communities and Land Use*, February 2022

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Government to develop a land ownership registry/database that brings together existing databases and is easily accessible to communities. Cwmpas told us that current data sources are “all quite disjointed” and that it is often difficult to access information on who owns an asset:

*“if you’re just a community member wanting to find out who owns an asset or a piece of land in your community, it’s really quite difficult to do that. There are lots of different services and registers that you would need to tap into to get that information. So, I think that we just need a really simple place where all of this information is held, and I think we need to understand who owns the land and the assets around us.*

*I do think that we need just one register that can have all of this information, not only in terms of who owns the land and the assets and properties, but any planning requirements or planning permissions that are joined to that asset and that land, and any covenants on the land. [ ] I think it’s really important that we have a well-resourced database that contains all of this information.”<sup>119</sup>*

**171.** The IWA believed that the “real benefits of keeping a register of community assets [...] is more about what you do with it.” They told us that a register would be useful as “a step to the end goal of real community empowerment measures, where you take steps to get those assets in the hands of communities if they want them or to stop them being lost” and added:

*“you’re certainly not going to get the full benefit if you don’t use it, also, to empower communities in a tangible way.”<sup>120</sup>*

**172.** Cwmpas recommended in its report that:

*“The Welsh Government should develop a land ownership registry/database, which provides publicly accessible key data on land ownership/transactions in Wales (including publicising options agreements where future development may occur) bringing together existing databases e.g., HM Land Registry and the Welsh Government Land Division, to create a universal resource containing information on land.”<sup>121</sup>*

**173.** One Voice Wales also advocated the need for a register of community assets across Wales, highlighting the availability of data for community and town councils as “pretty patchy”,

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<sup>119</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p17-18

<sup>120</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p21

<sup>121</sup> Cwmpas, [Community ownership of land and assets: enabling the delivery of community-led housing in Wales, 2022](#)

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which “certainly could be improved”. They added that if asset data was available, transparent and accessible:

*“it would enable communities—both community and town councils and community-based organisations, third sector bodies—to collaborate, potentially, around saving assets that are increasingly coming under threat because of the financial pressures that unitary authorities are under.”<sup>122</sup>*

**174.** The WCVA told us that it would be “broadly supportive” of a form of asset register, but believed there should also be definitions of the types of assets that should and should not be registered.<sup>123</sup>

**175.** The Institute for Community Studies said that:

*“Across research and evidence, incomplete information about assets has also been found to act as a significant barrier or challenge. In the case of ownership by local authority, research highlighted that a majority of local authorities do not actively advertise surplus or underused assets or advertise them poorly online, leaving local communities in the dark about what opportunities exist – particularly those lacking digital skills or without existing relationships with relevant local authority officers. In some cases, local authorities are not aware of what they own and lack access to original deeds.<sup>19</sup> Where assets are privately owned, fragmented ownership and opaque information on who owns what makes it challenging for communities.”<sup>124</sup>*

**176.** BCT highlighted its 2020 research, *Mapping Community Assets in Wales*.<sup>125</sup> It recommended 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.<sup>126</sup>

**177.** The Plunkett Foundation called for a process to register assets of community value, commenting:

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<sup>122</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p144

<sup>123</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p153

<sup>124</sup> Written evidence, [CA10. Institute for Community Studies](#)

<sup>125</sup> [Mapping Community Assets in Wales](#), May 2020

<sup>126</sup> Written evidence, [CA11. Building Communities Trust](#)

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*"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."<sup>127</sup>*

**178.** They noted that the experience in England, where despite a register of 6,000 assets being in place, "only 15 out of every 1,000 assets listed has currently come into community ownership", adding that "there is an apparent disconnect between the process of identifying and listing an asset, and actually stimulating and facilitating the growth of the community ownership sector".<sup>128</sup>

**179.** The Plunkett Foundation believed the disconnect to be due to helping groups to feel confident and capable of taking community ownership of an asset, and went on to say:

*"If we were to see an asset registry in Wales, it would be really important to make sure that there is a genuine commitment that where a community sees value in that asset, they are empowered to take ownership of it, longer term, so that they can experience the benefit that they are setting out in the asset listing."<sup>129</sup>*

**180.** The Social Enterprise Stakeholder Group also called for a register of assets and suggested that this "should be maintained by the local council but allow submissions from community groups and individuals relating to inclusion." They said that a benefit of a register may help identify assets that were particularly suitable for organisations working with vulnerable or disabled people.<sup>130</sup>

**181.** Nationwide Foundation supported Cwmpas' recommendation for a land ownership database, noting that this would:

*"be a single access point for publicly available key data on land ownership and transactions in Wales, bringing together existing databases such as HM Land Registry and the Welsh Government Land Division. Each entry in the registry should include information on whether the land is owned by public bodies, private landowners or is unclaimed. With proper maintenance and transparency, this would greatly improve access to key information about potential sites for community-led housing groups."<sup>131</sup>*

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<sup>127</sup> Written evidence, [CA28, Plunkett Foundation](#)

<sup>128</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p272

<sup>129</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p274

<sup>130</sup> Written evidence, [CA12, Social Enterprise Stakeholder Group](#)

<sup>131</sup> Written evidence, [CA14, Nationwide Foundation](#)

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**182.** The Community Ownership Group said the lack of a register of community assets means that 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."*<sup>132</sup>

**183.** The WLGA expressed some concerns over the potential resource implications of local authorities managing a register of assets. They commented:

*"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."*<sup>133</sup>

**184.** The WLGA told us that a register would potentially be "another responsibility on local authorities to manage that we would wrestle with", adding:

*"It's very much a concern from ACES [the Association of Chief Estates Surveyors in Wales], in particular, that if this was imposed on Welsh authorities, I think they would struggle with it."*<sup>134</sup>

**185.** The WLGA went on to raise concern that a register could end up becoming 'a list', referring to the ePIMS database as an example. They commented:

*"We really have to think about the purpose of these things. [ ] if we do need these things, it needs to be really purposeful, and we need to think about why it's there. It's about community empowerment at the end of the day. If it's contributing towards that, that's absolutely fine, but I don't think we need another register of assets."*<sup>135</sup>

**186.** The Minister for Climate Change referred to all local authorities being required to keep a register of the assets they own, which are publicly available<sup>136</sup> and that:

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<sup>132</sup> Written evidence, [CA34, The Community Ownership Group](#)

<sup>133</sup> Written evidence, [CA36, Welsh Local Government Association](#)

<sup>134</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p151

<sup>135</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p157

<sup>136</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p62

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*"Trying to find out who owns a particular piece of land involves having to pay the Land Registry to do the search for you. It costs a very small amount of money."*<sup>137</sup>

**187.** In responding to the Cwmpas report, the Minister noted:

*"I agree that pulling multiple datasets together will result in a far more powerful information tool. Work is already underway through DataMap Wales and the replacement system to ePIMS (public sector property data base), to help realise this ambition."*<sup>138</sup>

**188.** The Minister for Finance and Local Government highlighted DataMapWales, "which is a resource that maps our publicly owned assets".<sup>139</sup>

**189.** The Deputy Director for Land Division explained that all publicly owned assets are mapped on the e-PIMS database, which despite not being accessible to the public, the information is now automatically transferred into DataMapWales, which is a publicly accessible database. He told us:

*"there are 23,000 publicly owned assets that have been captured on e-PIMS, which will now be transferred over to DataMapWales. And the other thing we've developed through Ystadau Cymru and e-PIMS, which is publicly accessible, is a Space Cymru portal, where publicly owned assets that are for sale or to let are advertised. So, that information is available, and, again, that's something that we're looking to improve and see how that can be developed, again for the benefit of people across Wales."*<sup>140</sup>

## **Our view**

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**190.** We note that the overwhelming evidence we heard supported the creation of a single register or database of community assets in Wales. Although, we also note the concerns raised by the WLGA around the potential additional responsibility on local authorities for its management, we acknowledge that local authorities in Scotland and England are already responsible for managing such registers.

**191.** We heard there are currently various sources of information around the ownership of land and assets but that it can be difficult for groups to access and navigate these to locate the

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<sup>137</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p64

<sup>138</sup> [Local Government and Housing Committee, 29 September 2022, paper 8](#)

<sup>139</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p65

<sup>140</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p68

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details they need. We believe it should be easier for groups to access information in a transparent way in order to make the process less onerous. A single database or register could be one option of streamlining the various sources.

**192.** Witnesses were clear that it would be beneficial to have the information located in one place, but that the purpose of a register or database must be more than simply a list of assets, it should also be a means of empowering communities to take control of assets should they become available. We heard that the register in England has not necessarily led to high numbers of assets being transferred to community ownership or management.

**193.** We acknowledge the Welsh Government's commitment to using DataMapWales as a means of listing all publicly owned land assets together on one database. Whilst we believe this to be a step forward, it is unfortunate that the database will not include privately owned land or assets. We would like the Welsh Government to set out how it intends to make the process of ascertaining ownership of privately owned land assets easier for communities and how the process can help to empower groups to take on assets they would like to see continue.

**194.** We acknowledge the specific recommendation made by the IWA that a register of community assets be established in Wales as part of a Community Empowerment Bill. We also note that Cwmpas recommended the development of a land ownership registry/database bringing together existing databases. The commission we have recommended could give further consideration to whether such registers/databases would be beneficial and how they would operate.

**Recommendation 13.** The Welsh Government should set out how it intends to make the process of ascertaining ownership of land and 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.

## 4. Community-led housing

Cwmpas describes community-led housing as ‘local people taking a leading and lasting role in creating secure, affordable homes and strengthening their communities’. Communities are empowered to decide what kind of homes and communities they want to live in, creating affordable homes which meet local community needs.

**195.** Co-operative and community-led housing can vary in form, from small groups of friends buying a house to share, to communities buying land on which to develop new housing. Cwmpas explained the benefits of community-led housing:

*“We did some research a couple of years ago into the softer outcomes that come with community-led housing. It ranged from helping to tackle loneliness and isolation, because, obviously, people come together and socialise with their neighbours a little bit more, to helping people to increase their confidence and their skills. The benefits of community-led housing are very wide-ranging, above and beyond providing an affordable roof over people’s heads.”<sup>141</sup>*

**196.** In its report, *Our Land: Communities and Land Use*, the IWA highlighted some differences in approach to funding community-led housing in Scotland, England and Wales. It notes:

*“in contrast to Scotland’s Rural Housing Fund and England’s Community Housing Fund – both of which provided funding to the community-led housing sector – stakeholders in this sector in Wales told us that there is no equivalent in Wales. These stakeholders told us that capital funding that exists for affordable housing in Wales is strictly reserved for Registered Social Landlords. It was felt that the Welsh Government resists registered community organisations as Registered Social Landlords, but that it had been supported in England.”<sup>142</sup>*

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<sup>141</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p8

<sup>142</sup> Institute of Welsh Affairs, *Our Land: Communities and Land Use*, February 2022

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**197.** In responding to our consultation, Cwmpas noted the political commitment to community-led housing in the Programme for Government but that:

*"there are clear barriers within the statutory and policy infrastructure that must be removed in order to achieve a supportive and empowering framework."*

**198.** As a result of their work supporting community-led housing projects across Wales, Cwmpas were able to highlight some of the barriers to development of the sector that need to be overcome. They noted access to land, access to capital, access to skills and a lack of awareness as barriers to more community-led housing.<sup>143</sup> They specifically highlighted difficulties around accessing pre-development finance:

*"for our groups it's really difficult for them to access pre-development finance—so, getting together and applying for planning, getting architects' drawings, feasibility studies, surveys and everything like that. Once a group has a piece of land or an asset that they would like to convert to housing, there are finance options available to them from ethical banks and community lending as well. So, it's that pre-development finance that we find for our community-led housing groups is a real challenge."<sup>144</sup>*

**199.** The Community Land Trust Network stated the current policy framework "hinders communities." They noted that to access capital grant funding from the Welsh Government, a housing provider needs to be a Registered Social Landlord, commenting:

*"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."*

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<sup>143</sup> Written evidence, CA19, Cwmpas

<sup>144</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p48

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**200.** The CLT Network highlighted, in particular, the challenges accessing pre-development finance. In England there is the Community Housing Fund, but CLT Network says that in Wales “we lack any equivalent.”<sup>145</sup> They also noted that there was a need to increase technical capability in the sector to support the development of community-led housing and told us:

*“I think the degree of technical knowledge that is required for new asset development, as opposed to asset transfer, is worth examining further, and supporting organisations like Cwmpas to continue to develop that. I do think, often, this conversation focuses mostly on transfer of existing assets, when, actually, many communities lack the assets in the first place that they need, and so they need to be supported to develop them.”<sup>146</sup>*

**201.** Nationwide Foundation, which part-funds work by Cwmpas, called for a revolving loan fund to be introduced to help groups seeking to deliver affordable housing. They noted that:

*“A revolving fund offering loans for pre-development costs and site acquisition and development would address the financial barriers faced by community groups in taking ownership of assets. It would enable the community-led housing sector to expand, allowing groups to retain independence and deliver the affordable housing they want for their communities.”<sup>147</sup>*

**202.** Cymdeithas yr Iaith said that encouraging community ownership could help to tackle the housing problem in Wales if the process was made easier and community groups were prioritised. They also said that the Welsh Government should fund a Community Land Fund as part of the Welsh Language Communities Housing Plan (similar to the Scottish Land Fund), as well as a Rotating Loan Facility for Welsh-medium community and co-operative housing initiatives towards construction or renovation costs, professional fees etc. They believe that these funds will enable community housing initiatives to realise the opportunities that will be created by the introduction of a ‘community right to buy’, which they have proposed.<sup>148</sup>

**203.** The Minister for Climate Change highlighted access to land as “the biggest problem for community land trusts or co-operative housing.” The Minister told us that the Welsh Government is developing “exemplar sites” on Welsh Government-owned land and working with local authorities to identify other public sector land that could be used for community-led

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<sup>145</sup> Written evidence, [CA03, Community Land Trust Network](#)

<sup>146</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p318

<sup>147</sup> Written evidence, [CA14, Nationwide Foundation](#)

<sup>148</sup> Written evidence, [CA29, Cymdeithas yr Iaith](#)

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housing. The Minister referred to work being done as part of the second homes pilot area in Dwyfor.<sup>149</sup>

**204.** The Minister for Climate Change also discussed the involvement of Registered Social Landlords (RSLs) with community-led housing projects. The Minister commented that the Welsh Government does:

*"encourage people who want to do co-operative housing or community land trusts to partner with a registered social landlord."*

**205.** The Minister said that this allowed access to Social Housing Grant and also the skills base of the RSL.<sup>150</sup>

### **Our view**

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**206.** Community-led housing provides an opportunity for communities to provide their own housing solutions. We commend the work of Cwmpas and, in particular, its Communities Creating Homes programme and welcome the Welsh Government's continued support for that work. However, more needs to be done to enable community-led housing across Wales. We believe that the recommendations in the Cwmpas report, *Community ownership of land and assets: enabling the delivery of community-led housing in Wales*, highlight the main issues that need to be addressed and we note the Welsh Government's response to those recommendations.

**207.** It is concerning to hear of the issues raised by stakeholders in relation to access to land and accessing funding, particularly as the Welsh Government's Programme for Government has a commitment to support cooperative housing, community-led initiatives, and community land trusts. However, we note that community groups can access existing funding streams, including Social Housing Grant, through partnerships with Registered Social Landlords.

**208.** We are concerned about the difficulties faced by many people in Wales in securing long-term suitable accommodation, and acknowledge that this is also a priority for the Welsh Government. We believe that one of the most effective ways of enabling more people to secure homes is to allow community groups to develop their own housing solutions. Whilst this will not be a viable option for everyone, we would like to see processes streamlined so that communities can access the land and funding they need to build appropriate homes.

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<sup>149</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p12

<sup>150</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p24

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**209.** We note that stakeholders have called for a fund in Wales, similar to the Community Land Fund in England and the Scottish Land Fund, and agree that a similar fund for Wales should be created.

**Recommendation 14.** The Welsh Government should establish a specific Welsh fund for community housing projects, similar to the funds available in England and Scotland.

## 5. Legislation for Wales

Many witnesses discussed the impact of the legislation that is in place in England and Scotland. While some saw merit in replicating much of the system in England or Scotland, others saw an opportunity for Wales to take a different approach.

**210.** The IWA has said that “communities in Wales have by far the fewest statutory rights in Great Britain in relation to land.”<sup>151</sup> Cwmpas noted that “Scotland and England have more progressive legislation than Wales to allow community ownership of land and assets.”<sup>152</sup> The IWA recommended in its report:

*“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.”<sup>153</sup>*

**211.** In its Community ownership of land and assets report, Cwmpas recommended:

*“The Welsh Government should introduce a Community Ownership and Empowerment Act that gives well-governed, sustainable community organisations the opportunity to have more control over land and assets in their communities.”<sup>154</sup>*

**212.** In discussing whether Welsh legislation should be similar to what is in place elsewhere, the IWA told us that potential legislation should be tailored for Wales. We heard that the English legislation “is an improvement on Wales with regard to private assets, but it does have flaws” and that Welsh legislation would look different to the Scottish Act as it “came from the historical land reform movement in Scotland”. The IWA added that Welsh legislation should be designed for Welsh needs, but that the community right to buy “is a really good idea”.<sup>155</sup>

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<sup>151</sup> Written evidence, [CA04, Institute of Welsh Affairs](#)

<sup>152</sup> Written evidence, [CA19, Cwmpas](#)

<sup>153</sup> Institute of Welsh Affairs, [Our Land: Communities and Land Use](#), February 2022, Recommendation 1

<sup>154</sup> Cwmpas, [Community ownership of land and assets: enabling the delivery of community-led housing in Wales, 2022](#)

<sup>155</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p107-109

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**213.** Cwmpas agreed that “we can learn from England and Scotland” but that “the legislation in England certainly isn’t perfect”, therefore Welsh legislation should not “be a carbon-copy situation of there”. They added that “the English legislation isn’t strong enough”, and “we need to develop a bespoke approach for Wales”, noting:

*“we can learn a lot from Scotland, and especially the community right to buy”.*<sup>156</sup>

**214.** The Bevan Foundation noted that there are currently “limited opportunities” to request a transfer of ownership and/or control of an asset that a public or private owner may not be minded to transfer.<sup>157</sup> It’s 2020 report, *Productive Community Assets: generating the benefits*, called for legislation to enable communities that wish to take on ownership of assets in their community to have the right to do so.

**215.** The Social Enterprise Stakeholder Group called for the Welsh Government to develop policy specific to Wales that provides communities in Wales with similar rights to those outlined in Scotland’s Land Acts and the Localism Act in England.<sup>158</sup>

**216.** Cymdeithas yr Iaith said that the Welsh Government should introduce a policy similar to the Scottish ‘community right to buy’, which they see as an important step towards strengthening community ownership rights and mitigating the damaging effects of the open market on the sustainability of communities and the Welsh language. They said this could also help to grow the renewable energy sector, protect the natural environment and enable the regeneration of important community assets for other purposes.<sup>159</sup>

**217.** The Green Valleys called for the Welsh Government to:

*“Develop a white paper on supporting community groups’ ability to acquire private 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 circumstances. This should also include alternatives to ownership such as long-term leasing.”*<sup>160</sup>

**218.** The National Lottery Community Fund was unsure as to whether legislation is the right approach, referring to “more of a culture of community ownership that’s built up in Scotland over time” and noting that in Scotland “the primary driver of whether an asset is transferred is

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<sup>156</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p110-112

<sup>157</sup> Written evidence, [CA09, Bevan Foundation](#)

<sup>158</sup> Written evidence, [CA12, Social Enterprise Stakeholder Group](#)

<sup>159</sup> Written evidence, [CA29, Cymdeithas yr Iaith](#)

<sup>160</sup> Written evidence, [CA13, The Green Valleys](#)

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the availability of finance to allow that to happen, as opposed to the legislation allowing it to happen". They thought it would be helpful to build a culture of community ownership in Wales.<sup>161</sup>

**219.** BCT noted that they had previously called on the 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." BCT recommended that the Welsh Government should explore the options available to introduce a community right to bid, as opposed to only permitting public bodies to initiate a CAT.<sup>162</sup> BCT also told us:

*"if there was legislation it would need to be part of a wider toolkit and one element of a much more co-ordinated and coherent approach."*<sup>163</sup>

**220.** Cytûn discussed the six month moratorium under the Localism Act in England where communities have a right to bid for community assets. They said that even if it were extended to nine months or longer, "there is still a danger that this legally defined route becomes the default approach, communities cannot mobilise quickly enough to react, and owners proceed with open sale with impunity as soon as the statutory periods end." They would prefer to see a voluntary approach, rather than being constrained by a legal framework, and highlight examples of churches engaging in such processes. They noted that the actual purchases by community groups using powers under the Localism Act are few in number. They also said that powers under the Localism Act could be used by a community to prevent development, for example affordable housing. They cautioned against unintended consequences of legislative change that could potentially divide communities.<sup>164</sup>

**221.** CAMRA called for the Welsh Government to consider its position on the introduction of an Asset of Community Value programme, similar to that operating in England. They went on to note:

*"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.*

*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,*

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<sup>161</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p242

<sup>162</sup> Written evidence, [CA11, Building Communities Trust](#)

<sup>163</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p248

<sup>164</sup> Written evidence, [CA06, Cytûn – Churches Together in Wales](#)

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*demonstrating the importance of a pub to their area and offering an additional layer of protections for local pubs and social clubs.*"<sup>165</sup>

**222.** The Plunkett Foundation saw the legislative provisions in both England and Scotland as "inconsistent", noting:

*"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."*<sup>166</sup>

**223.** The Plunkett Foundation called for communities in Wales to have a right of first refusal where assets become available for sale:

*"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 [at] a fair price that has been set by an independent valuation."*<sup>167</sup>

**224.** They told us that funding and a greater emphasis on empowering communities should accompany legislation:

*"I think making sure that funding goes alongside legislation is absolutely critical, but I think the term 'empowerment' is what this inquiry should continue to focus on, because I think if you can empower residents to give the confidence that they can do this and that they have the backing of you as an institution and as a wide sector of organisations operating across Wales, that would be the most transformative thing. Having the legislation then becomes secondary, because you've got the empowerment at a grass-roots level. So, please keep focusing on how can you build that capacity at a grass-roots level so that these assets are genuinely seen as an opportunity for communities to take on."*<sup>168</sup>

**225.** The WLGA said that:

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<sup>165</sup> Written evidence, [CA30, CAMRA](#)

<sup>166</sup> Written evidence, [CA28, Plunkett Foundation](#)

<sup>167</sup> Written evidence, [CA28, Plunkett Foundation](#)

<sup>168</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p386

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*"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.*

*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."<sup>169</sup>*

**226.** Dr Sarah Nason, Senior Lecturer in Law at Bangor University, made us aware of research being undertaken into community asset transfers, and her article, *Legislating to Empower Communities: Comparing Community Asset Acquisition Law in the UK*. The article notes:

*"Legislation giving strong rights to communities can catalyse cultural change, including shifting the balance from a situation where owners must at least consider community asset transfer, to one where they must sell to community bodies unless doing so would be unreasonable. Asset acquisition legislation has had an impact on community bargaining power including in negotiated sales taking place outside new procedures."*

**227.** However, the article also acknowledged that "most community asset transfers occur through negotiated sale outside legislative procedures". Dr Nason concluded:

*"Extra funding and longer-term post acquisition support for communities is needed, and local authorities across the UK have considerable scope to learn from each other to improve their policies and practices. For the time being this is likely to be more impactful than legislative reform."<sup>170</sup>*

**228.** The Deputy Director for Land Division told us that when the Localism Act came into force in England, the view of the Welsh Government was that it "would take a policy-led approach

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<sup>169</sup> Written evidence, [CA36. Welsh Local Government Association](#)

<sup>170</sup> Dr Sarah Nason, [Legislating to Empower Communities: Comparing Community Asset Acquisition Law in the UK](#), September 2022

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and develop a stronger support mechanism around this agenda." In discussing the potential to bring forward legislation for Wales, he said:

*"We need to understand is there a need for the legislation and can we demonstrate the demand."*

**229.** The Deputy Director added that any Welsh legislation would need "to be the right legislation" and acknowledged issues in terms of the effectiveness of the Scottish and English legislation. He went on to say that the Welsh Government would need to consider whether:

*"there a strong enough evidence base being developed to demonstrate the need to introduce legislation and [ ] what does that legislation look like in fulfilling the objectives that it seeks to achieve?"<sup>171</sup>*

**230.** The Minister for Climate Change told us that she was not a fan of the Localism Act, and:

*"I think we need to develop a plan that works for our communities in Wales, and that is about the empowerment piece."<sup>172</sup>*

**231.** The Minister for Finance and Local Government added that she would consider whether something can only be achieved through legislation or whether there are policy and funding levers that could be used to achieve the same result. The Minister added that the Welsh Government has "a huge number of legislative commitments" before the end of the Senedd and commented about needing to be "realistic about what else could potentially be accommodated".<sup>173</sup>

## Planning

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**232.** We discussed with stakeholders whether any potential Welsh legislation should include provisions relating to planning. The IWA told us:

*"if you introduce that right to buy, if you did have a building that wasn't listed, and public bodies weren't willing to list it and the community thought it should be saved, you kind of resolve the issue anyway by being able to give it to communities. So, it doesn't necessarily even need the planning system if you have that right to buy."<sup>174</sup>*

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<sup>171</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p130

<sup>172</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p132

<sup>173</sup> Local Government and Housing Committee, Record of Proceedings, 13 July 2022, p133

<sup>174</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p116

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**233.** CAMRA told us:

*"we think any legislation must include changes to planning law so that pubs are recognised as community assets and planning permission is always required before they're converted or demolished."*<sup>175</sup>

**234.** The Minister for Climate Change provided a technical note relating to the planning process and demolition of buildings. The note explains that while most demolition is considered permitted development, that general permission can be withdrawn in a particular area by what is known as an Article 4 Direction. Specific consent is required to demolish a nationally listed building or building within a conservation area. Local planning authorities can also protect assets of particular local significance through local lists. The technical note provided further detail:

*"the general permission which the General Permitted Development Order 1995 grants for a particular development or class of development may be withdrawn in a particular area by a Direction made by the local planning authority or by Welsh Ministers under Article 4 of that Order ("an article 4 direction"). Such action will rarely be justified unless there is a real and specific threat.*

*One class of development which is likely to constitute exceptional circumstances and justify the use of article 4 directions are buildings which are locally listed."*<sup>176</sup>

## **Our view**

**235.** We have heard first-hand examples of communities across Wales embracing community ownership, despite the many challenges and obstacles they have faced. It should be easier for communities to support their own sustainability. We therefore see a strong case for legislation to support community ownership. Much of the evidence we received referred to the legislative provisions that are in place in Scotland and England and we note that, consequently, several witnesses believed communities in Wales to be in a weaker position with regards to being able to take on the running of assets. It is a concern to us that Welsh communities have no statutory rights should they wish to purchase an asset that becomes available for sale. The evidence we heard was clear that, despite the merits of the legislation in those countries, neither approach was perfect and that legislation for Wales should be tailored to meet Welsh needs.

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<sup>175</sup> Local Government and Housing Committee, Record of Proceedings, 7 July 2022, p384

<sup>176</sup> [Local Government and Housing Committee, 29 September 2022, paper 8](#)

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**236.** We heard that the ‘community right to buy’ approach in Scotland was preferable to the ‘community right to bid’ approach in England, by enabling a community to buy an asset rather than just being able to bid for it. We note that several witnesses suggested that a right to buy should be included in any Welsh legislation, and concur that embedding such a policy in legislation specific to Wales would ensure greater rights for communities who wish to purchase and manage a community asset.

**237.** We agree that Welsh legislation should be tailored to meet Welsh needs rather than copy the provisions elsewhere. We recognise the benefits of a community right to buy and support the inclusion of such a provision in any Welsh legislation. We understand that mobilising a community to establish a new group and securing funding to purchase an asset can be a lengthy process, we therefore agree with witnesses that the six month timescale included in the English legislation is insufficient. We believe that any Welsh legislation should provide a longer timescale for communities to exercise a right to buy an asset to ensure they have sufficient time to organise themselves, seek advice and secure funding for the purchase.

**238.** We acknowledge the specific recommendations for Welsh legislation that have been made by the IWA and Cwmpas. As many witnesses have pointed to a lack of legislative provisions in Wales as being a barrier, we believe there to be merit in exploring options for bringing forward Welsh specific legislation. We appreciate that developing and introducing legislation takes time and note the Minister’s comments on the Welsh Government’s busy legislative schedule. A lot of work has already been done in this area; stakeholders have undertaken research and lessons can be learnt from legislative provisions elsewhere.

**Recommendation 15.** 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.

**239.** We note that the significance of the planning system was raised in evidence by a number of witnesses. This included the Minister for Climate Change who highlighted the role of the planning system in building resilient communities. We see an opportunity to strengthen the focus within the planning system on community assets. This could be taken forward through updating existing guidance or issuing new guidance, such as a Technical Advice Note, on how the planning system can empower communities and support asset transfer.

**Recommendation 16.** The Welsh Government should make arrangements to review Welsh planning guidance to ensure it empowers communities and supports assets transfers.



## Annex A: List of oral evidence sessions.

The following witnesses provided oral evidence to the committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed on the Committee's website.

Date	Name and Organisation
7 July 2022	<p><b>Geoff Bacon,</b> Welsh Local Government Association (WLGA)</p> <p><b>Lyn Cadwallader,</b> One Voice Wales</p> <p><b>Tom Chance,</b> Community Land Trust Network</p> <p><b>Chris Cowcher,</b> Plunkett Foundation</p> <p><b>Casey Edwards,</b> Cwmpas</p> <p><b>Richard Harries,</b> Institute for Community Studies</p> <p><b>Ben Lloyd,</b> Wales Council for Voluntary Action</p> <p><b>Jon Rae,</b> WLGA</p> <p><b>John Rose,</b> National Lottery Community Fund</p> <p><b>Natalie Sargent,</b> Coalfields Regeneration Trust</p> <p><b>Tom Stainer,</b> CAMRA</p> <p><b>Harry Thompson,</b> Institute of Welsh Affairs</p> <p><b>Eleri Williams,</b> Building Communities Trust</p>

<b>Date</b>	<b>Name and Organisation</b>
<b>13 July 2022</b>	<p><b>Rebecca Evans MS,</b> Minister for Finance and Public Services</p> <p><b>Julie James MS,</b> Minister for Climate Change</p> <p><b>Richard Baker, Deputy Director Land Division,</b> Welsh Government</p> <p><b>Judith Cole, Deputy Director Local Government Finance Policy and Sustainability,</b> Welsh Government</p>

## Annex B: List of written evidence

The following people and organisations provided written evidence to the Committee. All Consultation responses and additional written information can be viewed on the Committee's website.

Reference	Organisation
CA 01	John Charles
CA 02	Individual
CA 03	Community Land Trust Network
CA 04	Institute of Welsh Affairs
CA 05	Friends of the Mid
CA 06	Cytûn – Churches Together in Wales
CA 07	Coalfields Regeneration Trust
CA 08	Blaenau Gwent County Borough Council
CA 09	Bevan Foundation
CA 10	Institute for Community Studies
CA 11	Building Communities Trust
CA 12	Social Enterprise Stakeholder Group
CA 13	The Green Valleys
CA 14	Nationwide Foundation
CA 15	Wellbeing Economy Wales – WEAll Cymru
CA 16	Incredible Edible
CA 17	The Architectural Heritage Fund
CA 18	Welsh Language Commissioner
CA 19	Cwmpas

<b>Reference</b>	<b>Organisation</b>
<b>CA 20</b>	Audit Wales
<b>CA 21</b>	Social Farms & Gardens
<b>CA 22</b>	Shared Assets
<b>CA 23</b>	Radix
<b>CA 24</b>	Cymdeithas Trecadwgan
<b>CA 25</b>	National Lottery Community Fund
<b>CA 26</b>	Arup
<b>CA 27</b>	One Voice Wales
<b>CA 28</b>	Plunkett Foundation
<b>CA 29</b>	Cymdeithas yr Iaith
<b>CA 30</b>	CAMRA
<b>CA 31</b>	Landworkers' Alliance Cymru
<b>CA 32</b>	Public Health Wales
<b>CA 33</b>	Grwp Resilience
<b>CA 34</b>	Community Ownership Group
<b>CA 35</b>	FOR Cardiff
<b>CA 36</b>	Welsh Local Government Association
<b>CA 37</b>	Save the Six Bells