

CA 27

Ymgynghoriad ar asedau cymunedol

Consultation on community assets

Ymateb gan: Un Llais Cymru

Response from: One Voice Wales



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

### Introduction

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

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

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

One Voice Wales has witnessed the growth and importance of the community asset agenda to community and town councils over the last decade. As Unitary Authority

budgets have been challenged increasing opportunities for community and town councils to take on the assets (and associated services where applicable) of principal councils has become increasingly prevalent. At the same time there has been a significant volume of work undertaken by Welsh Government and other national bodies to support these developments - One Voice Wales has played an active role in supporting government and stakeholder organisations. Working with Welsh Government and other bodies a number of developments have occurred over this 10 year period:

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

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Despite this significant volume of work One Voice Wales considers that much more needs to be done legislatively and on a policy front to enable community assets of value to be maintained within communities across Wales. One Voice Wales would direct the Committee to the two Welsh Government research reports highlighted above as well as the Wales Audit Office report that clearly set out the issues and challenges facing organisations involved with this agenda and articulate explicitly - in One Voice Wales opinion – the recommendations highlighted in the reports set out the actions needed to improve the current operating environment for Unitary Authorities, Community and Town Councils, Third Sector organisations and community organisations. Broadly, this will require further legislation, dedicated financial resources to support each individual sector involved as well as a national strategy setting out the actions collectively required by those organisations mentioned to collaborate effectively within.

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

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

To enable the above to happen One Voice Wales would also welcome the piloting of a Community Partnership approach (community planning) at the sub unitary authority level that provides a model for collaboration (on community owned assets amongst other locally important matters) between community and town councils,

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third sector bodies and local businesses, that is, those entities who are most likely to be involved in taking on community assets.

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

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

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

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

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

To address the issues the following recommendations were made:

### **Welsh Government research 2018:**

1. Consideration is given to whether the guidance currently available on the management of services and assets could be improved, better signposted or more tailored to the needs of the sector
2. There would be benefit in reviewing the processes for initiating asset and service transfer from principal councils to better account for the capacities of community and town councils.

3. Further discussion could take place around the types of training that would be most beneficial to councillors and clerks and how that training could be delivered most effectively
4. The sector as a whole should revisit the role of charters as a means of strengthening partnerships with principal authorities.
5. Conduct further research with the sector around the degree to which councils understand and use specific powers
6. Facilitate opportunities for councils to properly consider the joint delivery of services or management of assets
7. Explore the benefits of centrally co-ordinating tailored communications to the sector

### **Welsh Government research 2021**

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

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

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

b. Welsh Government should work with LAs, transferees and WCVA to set up a programme of knowledge sharing for successful transfers, particularly in authorities taking a community needs-based approach. This could take the form

of short sessions where LAs and transferees reflect on a particular transfer process and discuss how the strategic approach informed the transfer, key challenges and how they were resolved, and steps being taken to establish success indicators and the data used to evidence this.

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

communication during a CAT, adopting the following actions, may help to reduce delays and misunderstandings.

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

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

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

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

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

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

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

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

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

be quickly identified and addressed.

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

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

a. Transferees should undertake an audit of gaps in their expertise and

training needs to understand where support is required during and post-transfer. This would enable support organisations such as One Voice Wales, WCVA, and others to match their resources and capacity to address those skills gaps with training or seek alternatives where necessary.

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

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

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

The following actions are proposed.

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

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

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

- a. The steering group for this research should consider the proposed indicators and data sources provided in Tables 6.1 and 6.2 of this report and engage with transferors, transferees and support organisations as to what data are obtainable and practical to use as evidence of impact. It is advised that indicators and associated data that could be collected against agreed-upon indicators be collected by both transferors and transferees to improve the CAT process, but also to ensure the sustainability of assets once transferred and that they continue to provide a valuable service to the community.
- b. Knowledge sharing sessions should be used to share new approaches to monitoring and evaluation approaches. This would allow stakeholders to assess whether these approaches could be used in transfers they are involved with.
- c. Training for community organisations in the key principles and benefits of monitoring and evaluation should be considered. Building expertise within community organisations would enable them to undertake their own monitoring, and more importantly they would be able to recognise the benefits of doing so for highlighting their successes and challenges. This would potentially be useful in leveraging future funding and undertaking long-term planning and development of transferred assets.

## **Wales Audit November 2018**

Recommendations included:

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

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



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

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

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

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

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

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

##### **Provisions**

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

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

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

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

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

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

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

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

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

Part 9, Allotments, updates and simplifies legislation on allotments. It requires local authorities to take reasonable steps to provide [allotments](#) if waiting lists exceed certain trigger points and strengthens the protection for allotments. Provisions allow allotments to be 250 square metres in size or a different size that is to be agreed between the person requesting an allotment and the local authority. The Act also requires fair rents to be set and allows tenants to sell surplus produce grown on an allotment, provided this is not intended to produce a profit. There is a requirement for local authorities to develop a food growing strategy for their area, including identifying land that may be used as allotment sites and identifying other areas of land that could be used by a community for the cultivation of vegetables, fruit, herbs or flowers.

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

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

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

**Mr Lyn Cadwallader**

**Chief Executive, One Voice Wales**

**24 June 2022**