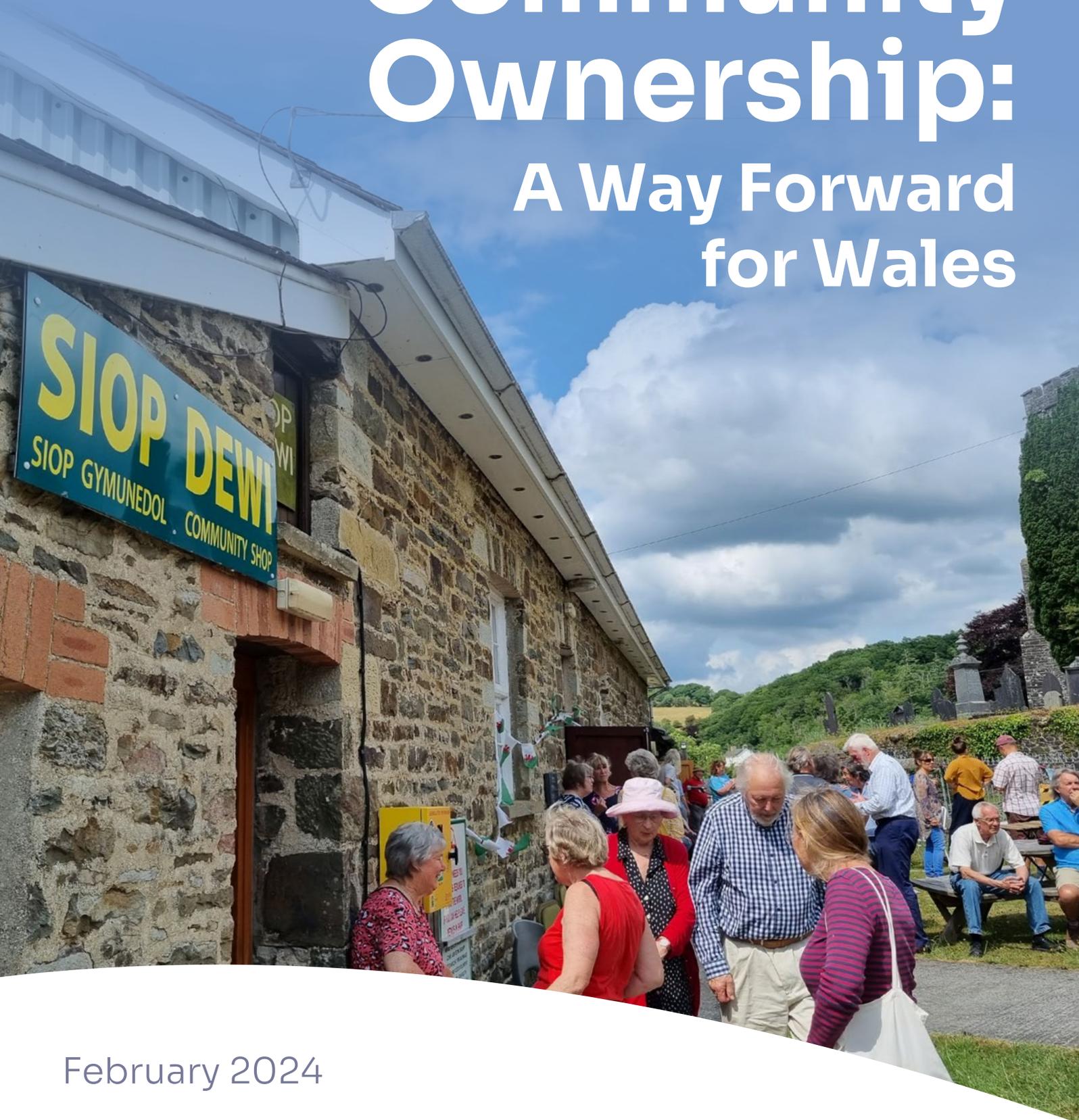


Community Ownership: A Way Forward for Wales



February 2024



Gwirfoddolwr
Cletwr
Volunteer

Gwirfoddolwr
Cletwr
Volunteer

Coelcerth a Than Gwyllt
Bonfire & Fireworks
New Water & Tackwood
Friday 3rd November

PARTI CALAN GAEL
HALLOWEEN PARTY
6.30pm - 10.00pm

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Executive summary

Evidence has demonstrated that the existence of community assets – and the opportunities they provide for people – are critical for the wellbeing, recovery, and resilience of communities across Wales. BCT commissioned Plunkett UK to investigate what can be learned from existing legislation and policies in England, Scotland and Wales, to create a more enabling environment for communities to take ownership of assets in Wales.

Strengths and Weaknesses of Existing Legislation in England and Scotland

- The **number of community-owned assets has grown a much faster rate in Scotland compared to England**, since legislation was introduced.
- Once triggered, the **Community Right to Buy is several times more effective than the Community Right to Bid**. Only **1.5%** of nominated community assets make it into community ownership in England, compared with **57%** in Scotland.
- However, there are still flaws with the application process in Scotland, due to the complexity of the process and lack of transparency around land ownership.
- Despite the Community Right to Buy being used only 24 times, there is evidence to suggest that **first refusal has given communities leverage for negotiating the sale of assets outside of the legislation**.
- **In England, there is wide variation between local authority areas** in the use of ACVs. Of the 303 councils in England, 67 account for over 57% of nominations received since 2011, whereas 209 have received fewer than 10 nominations in that time.
- There is evidence to suggest that **the criteria for ACV applications is not fit for purpose**, as it does not account for the "potential" use of neglected/underused assets. This has resulted in **decisions not being made in line with the legislation**.

Community needs and aspirations

According to a survey of developing/recently completed community buyout projects, with 92 responses:

- **87%** wanted to save the asset from being lost to the community (the most common motivation for a community ownership project).
- **Only 7%** were offered the chance to take ownership of the asset.
- **77% of communities reported challenges** when trying to acquire their asset. The most common causes were capital costs, high price of the asset, and uncooperative sellers. **Assets in private ownership were more likely to report difficulties with an uncooperative seller** (44% compared with 10% of publicly owned assets).
- **Prior awareness of community ownership may mean that communities are more likely to take on assets**. Two-thirds (**67%**) said that they were already aware of community ownership prior to starting the project.
- The **most common ways of hearing about community ownership were** from **other community buyout projects** (33%) **word of mouth** (27%) and **online search** (25%).
- **100%** of successful community buyouts had received support (most groups accessing 4–5 types of support). Capital funding and business advice are equally crucial.
- **Welsh groups** had the **lowest level of prior awareness**, whereas Scottish groups had the highest. Welsh groups accessed information and support from a more limited range of sources; were more likely to report lack of skills/knowledge being a barrier; and were more likely to rely on informal contacts and peer networks.

1. Introduction



1.1 Who are Plunkett UK?

We are a national charity supporting people in rural areas to set up and run successful businesses in community ownership.

Community-owned businesses are owned and controlled by community members, who each have an equal and democratic say in how the business is run. They can be any type of business ranging from village shops, pubs and cafes, through to woodlands, fisheries and farms.

We currently represent over 750 trading community-owned businesses and a further 300 in the process of setting up.

Plunkett UK is a member of the Community Ownership Group (COG) in Wales, a network of organisations who wish to see more assets being run by communities. The COG includes Building Communities Trust, Pembrokeshire Association of Voluntary Services (PAVS), Powys Association of Voluntary Organisations (PAVO), Development Trusts Association Wales (DTAW), The Green Valleys, Interlink RCT, Institute of Welsh Affairs (IWA), The Coalfields Regeneration Trust, Cwmpas, Social Farms and Gardens, and Wales Council for Voluntary Action (WCVA).

1.2 Who are Building Communities Trust?

Building Communities Trust (BCT) is Wales's only national community development organisation. BCT's mission is to enable residents to build on the strengths and talents within their communities and take action to make their areas even better places to live. Funded via a Lottery endowment we run the Invest Local programme in 13 local communities across Wales, providing them with £1m each to spend over 10 years to strengthen their areas in whatever way they see fit.

We also undertake policy and advocacy work and facilitate networking and learning among community organisations across Wales. We continue to focus on the themes identified in our manifesto: more recognition and rights, more respect and more investment for communities.

1.3 The context of this report

Community assets can be buildings such as community centres, leisure centres, libraries, pubs and shops, where people can access information and learn new skills, or come together to socialise and share experiences. They can also be places such as parks and green spaces, where people can relax or exercise; they can even, in some cases, provide homes for people. Research recently published by BCT, setting out a new [Wales Community Assets Index](#), concluded that:

"Communities with fewer places to meet, a less engaged and active community and poorer connectivity to the wider economy, experience significantly different social and economic outcomes compared to communities possessing more of these assets."¹

Plunkett UK's own research has found that assets owned by local communities deliver multiple benefits. For example, in 2023 they found that [community-owned businesses continued to put people first](#) during the cost of living crisis, with two-thirds of businesses absorbing price increases to protect their customers, and over 50% offering their staff a pay rise of more than 5% to help with the cost of living.²

Evidence has demonstrated, time and time again, that the existence of community assets – and the opportunities they provide for people – are critical for the wellbeing, recovery, and resilience of communities across Wales.

In 2022, the Welsh Parliament Local Government and Housing Committee conducted an inquiry into community assets. Their report on [Community Assets](#) stated the intention to establish a commission, to bring forward the inquiry's recommendations.³ BCT commissioned Plunkett UK to investigate what can be learned from existing legislation and policies in England, Scotland and Wales, to create a more enabling environment for communities to take ownership of assets in Wales. This research is intended to inform the newly established commission, which is anticipated to be launched in early 2024. The findings also have relevance for organisations and policy makers working in Scotland and England.

1.4 Methodology

The research concerns community groups in England, Scotland and Wales, who:

- Took ownership of an asset in the last 5 years
- Who are currently in the process of trying to acquire an asset
- Who have previously attempted, unsuccessfully, to acquire an asset.

The methods consisted of:

- A desktop review of existing literature on policies supporting community-owned assets in Wales, Scotland and England
- A review of data from Assets of Community Value data (England) and the Register of Community Interests in Land (Scotland)
- An online survey of community ownership groups undertaking community projects/owning community assets, with 92 responses (11 from Wales, 10 from Scotland, and 71 from England).
- Two online focus groups with stakeholder organisations and community groups that had acquired/were trying to acquire an asset
- Interviews with four community ownership projects in Wales

The research focuses only on Wales, England and Scotland, due to the specific political context in Northern Ireland, and the fact that England and Scotland are the only two nations with existing "Community Rights". However, Development Trusts Northern Ireland (DTNI) has published research on this topic and are actively campaigning for a Community Right to Buy.⁴

¹ 'Resilient Communities: Meeting the Challenge of Being at the Margins' (Building Communities Trust, September 2023), <https://www.bct.wales/wcai>.

² 'Community Ownership: A Better Form of Business' (Plunkett UK, 2023).

³ 'Community Assets' (Welsh Parliament Local Government and Housing Committee, October 2022).

⁴ 'Community Rights: Space, Place & Participation', 2021.

1.5 Definition of "Asset" and "Community-owned"

For the purposes of this research, we are focussing on physical assets, e.g. buildings or land. The asset could be a new build or an existing asset. An asset is community-owned if:

- the asset is owned by an incorporated organisation — such as a Community Benefit Society (CBS), Co-operative, Community Interest Company (CIC) etc.
- this organisation is answerable to its members, the majority of which are based in the local area (e.g. through an annual AGM)
- community residents form the majority of the governance board or decision-making body that controls the asset
- the asset is used for the benefit of the local community in which the asset is located.

The above definition draws on the one used in Power to Change's 2019 report, *Our assets, our future*. We accepted responses from community groups that owned the freehold or were on a long-term lease (i.e. more than 25 years).

Our research received input from community groups concerning assets that were previously/ currently in private ownership, public ownership, or owned by other bodies such as in the case of churches or railway stations. Assets were acquired through a variety of means such as Community Asset Transfer (CAT) from public bodies,⁵ or from a private party.

For the purposes of this research, we primarily focus on "communities of place", but we also acknowledge that there are "communities of interest", whose members may not all be based in the same geographic area (the importance of assets to communities of interest will be addressed with reference to previously published research). Legislative wording and procedural requirements, such as the need to define a community by postcode area under the Community Right to Buy (Scotland), restrict the application of community rights to "communities of place".



⁵ *Ystadau Cymru* provides the following definition: 'A Community Asset Transfer (CAT) happens when a Public Sector Body transfers the management and/or ownership of a property asset to a community council or Third Sector/ Community Group. This will sometimes include the delivery of any associated services.' ('Community Asset Transfer', October 2019)

Produced for the Welsh Government by Ystadau Cymru, October 2019. Community Asset Transfer (CAT): guidance for applicants.

2. State of the Sector in Wales

The following statistics have been drawn from research by organisations currently working with community assets in Wales.⁶

BCT



438

community-led or owned assets across Wales

641

services

contributing to the foundational economy

At least

255

have existed for over

10 years,

showing a strong level of sustainability within the sector.

The most common types are community halls, hubs or centres with mixed services.

Gwynedd, Powys, and Rhondda Cynon Taff had the most community-owned assets, while the Isle of Anglesey, Monmouthshire, and Swansea had the least.

Plunkett UK

has recorded at least **58 community-owned businesses in Wales**, of which around half own their premises or land.

23

community pubs

20

community shops

Cwmpas

Increase in businesses trading for social benefit
now

2,800+

social businesses



an increase of

22%

in two years

Community Energy Wales

36

active community energy groups

grew

6%

from 2021



29.2 MW of community-owned energy capacity.

Community Supported Agriculture (CSA)

10

CSAs

with

11

in development

owning

70

hectares of land⁶

⁶ *'Mapping Community Assets in Wales'* (Commissioned by Building Communities Trust in partnership with WCVA, Wales Cooperative Centre, DTA Wales, Coalfields Regeneration Trust and Planed. Written by Rosie Cribb (Funding Assist) in collaboration with Graham Davies, Dr Sam Edwards and Chrissie Nicholls, May 2020); *'Mapping the Social Business Sector in Wales: 2022 Census'*, (Cwmpas); *'Welsh Community Energy: State of the Sector Report 2022'* (Community Energy Wales, 2022); Tony Little and Nikki Giles, *'Evaluation of the Impact of Community Supported Agriculture in Wales'*, July 2020.

3. Overview of existing legislation to support community ownership in UK nations

This section summarises the current legislation that enables communities to take ownership of assets in the UK nations. It also raises issues that prevent the legislation from achieving its full potential.

3.1 What "Community Rights" currently exist to support community-ownership projects, for assets that are in **private ownership**?

In England	In Scotland
<ul style="list-style-type: none"> ■ The Localism Act 2011 includes community rights to empower community ownership and control of assets ■ Most relevant to community-owned asset projects is the Community Right to Bid ■ Communities can register an "Asset of Community Value" (ACV) with their local authority, justifying the social value of the asset ■ If the asset becomes available for sale the community are given an initial 6 weeks (referred to as a moratorium period) to confirm their intention to bid on the asset ■ Once the community have confirmed their intention to bid, they are granted a further 6-month moratorium to become a legally constituted organisation, develop their business plan and raise the finance to bid on the asset ■ An ACV registration lasts for 5 years. After it expires, a full application must be made to re-list the asset. 	<ul style="list-style-type: none"> ■ The Land Reform (Scotland) Act 2003 and Community Empowerment (Scotland) Act 2015 actively promote community ownership of land and assets ■ Communities can apply to list an asset on the Register of Community Interests in Land, which is maintained centrally by the Scottish Government. ■ There is a Community Right to Buy including a right of first refusal for the community to purchase the asset when it becomes available for sale ■ The community must form a legally constituted body, provide sufficient evidence of support from the community, and state how they would use the asset for wider benefit ■ Scottish Government may underwrite an independent valuation to determine the purchase price ■ Assets remain on the Register for 5 years, and can be relisted expiring. ■ The Rights to Buy Abandoned, Neglected or Detrimental Land and to Buy for Furtherance of Sustainable Development (implemented in 2018 and 2020 respectively) are two other options open to communities, if the asset is not on the market.⁷

There are currently no "Community Rights" in **Wales** and **Northern Ireland**.

⁷ Further information can be found in the overview provided by [DTAS](#).

3.1.1 Limitations of the current legislation

In England	In Scotland
<ul style="list-style-type: none"> ■ Low levels of awareness of the Community Right to Bid or ACVs ■ Inconsistency across local authorities in the process of assessing ACV applications ■ No obligation for a seller to sell to the community within the moratorium, or to accept their offer even if it reaches the desired asking price ■ The seller can command their own price, even if an independent valuation determines it is excessive ■ Communities can struggle to raise enough money to purchase the asset within the short timeframe of six months 	<ul style="list-style-type: none"> ■ The process for applying to list an asset on the Community Interests in Land can be very time consuming for community groups and the complexity can be off-putting ■ There is a lack of transparency around land and asset ownership (as in other UK nations) which undermines the Right to Buy ■ Without funding such as the Scottish Land Fund, which provides up to 95% of the purchase costs, there is a danger that community groups may not be able to raise sufficient funds to buy the asset

3.1.2 How effective are the Community Rights to Buy (Scotland) and to Bid (England)?

It is difficult to quantify the effectiveness of the legislation in England and Scotland because the Acts were introduced at different times and the data about applications has not been recorded in the same way. The estimates below, however, provide a starting point to understand the impact of the legislation on the number of community owned assets in England and Scotland.

The sources of data used were:

- ‘Our Assets, Our Future: The Economics, Outcomes and Sustainability of Assets in Community Ownership’. Power to Change Trust, 2019.
- ‘Keep It in the Community’, an online database of ACVs, maintained by Plunkett UK. The data was last refreshed in June 2022, by accessing available records from local authorities (each local authority is responsible for keeping their own records of ACV applications, but there is no centralised register as in Scotland).



- ‘Community Ownership in Scotland: 2022’. An annual publication by the Scottish Government, showing the extent of community ownership in Scotland.
- Register of Community Interests in Land (RCIL). The register is updated within days of applications being received/determined. The data in this report is correct as of December 2023.

The sources in the commentary below are noted as abbreviations (PtC 2019, KIITC 2022, SG 2022, RCIL 2023).

3.1.3 Recent growth in community-owned assets

Existing research in Scotland, England and Wales has recorded the growth of community-owned assets over a 10-year period:



The Community Right to Bid in England appears to have had relatively little impact on the growth of community-owned assets. The **rate of growth was slower than in Wales, a nation where no such rights exist** (noting that there may be other factors affecting sector growth).

The **rate of growth in community ownership was much higher in Scotland**. This may be due to a combination of the right policies (e.g. right of first refusal on assets) and funding through the Scottish Land Fund.

Research from England and Scotland suggests that **community buyout projects most frequently concern assets in private ownership**, rather than public ownership. Hence, legislation that focuses on enabling to take ownership of privately-owned assets will have broader impact.

- According to a survey of community-owned assets in England in 2019, **most assets came into community ownership from a private source (41%)**.⁸
- In Scotland, an evaluation of asset transfers found that relevant authorities received 139 asset transfer requests between 2017-2019, of which 81 were accepted (more asset transfers may have taken place prior to the introduction of asset transfer legislation under the Community Empowerment Act (Scotland) 2015, but there is no official data on this). Current Scottish Government data estimates that there are 754 community-owned assets in Scotland. It is therefore likely that most of these were from private ownership.⁹

3.1.4 Likelihood of acquiring assets through legislative processes

Using the available data and existing research, we can compare the conversion rates of asset nominations to listings and community ownership under the Community Right to Bid (England) and the Community Right to Buy (Scotland).

Based on the available data and existing research, it is evident that **when triggered, the Community Right to Buy is significantly more effective than the Community Right to Bid for bringing assets into community ownership**. This is likely due to the right to 'first refusal', meaning that community groups are guaranteed to have their bid accepted.

⁸ 'Our Assets, Our Future: The Economics, Outcomes and Sustainability of Assets in Community Ownership' (Power to Change Trust, 2019).

⁹ 'Community Ownership in Scotland 2022' (Scottish Government, October 2022); Carolyn McMillan, Artur Steiner, and Clementine Hill O'Connor, 'Community Empowerment (Scotland) Act 2015: Asset Transfer Requests - Evaluation' (Glasgow Caledonian University, July 2020).

Assets of Community Value (ACVs), England

8000+ nominations received since 2011

Only 4% of ACVs have been triggered

Fewer than 1% of ACVs have made it into community ownership*

Source: Keep It In the Community, Plunkett UK (based on 8425 records, 2011-2022).

* According to a Power to Change report (Our Assets, Our Future, 2019), only 15 in every 1000 ACVs become community-owned.



8000 nominations received 2011-2022

5000 nominations accepted and listed

200 moratoriums triggered

75 ACVs community-owned (estimate)*

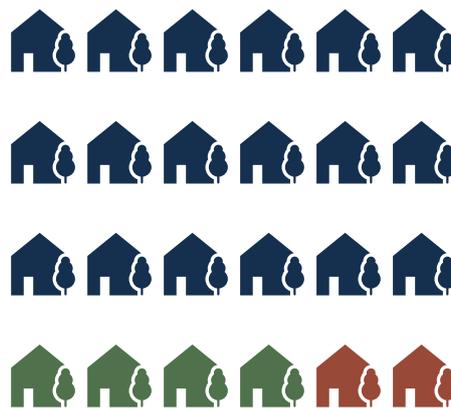
Register of Community Interests in Land, Scotland

266 nominations received since 2015

16% of nominations were listed

57% of assets that were listed became community-owned

Source: Register of Community Interests in Land, Scottish Government (December 2023)



266 nominations received 2015-2023

48 listed

24 moratoriums triggered (all resulted in community ownership)

Note: some assets were listed and then 'deleted' from the register, so the actual figure of listed assets may be higher.

Far fewer assets were nominated and accepted for the RCIL compared to KIITC. The reasons for this may be due to the more rigorous criteria required for an RCIL application, and consequently the administrative burden on communities. A higher standard for applicants in Scotland makes sense, considering that the Right to Buy (if triggered) will result in the community owning the asset. The responsibility for owning the asset, particularly in the case of significant land acquisitions, entails a rigorous process. RCIL decisions are made by Scottish Ministers, so there is also a reputational risk for the Government if the community buyout were to result in the asset becoming misused or neglected.

Based on discussion with stakeholders in Scotland, we learned that the **Right to Buy is not often by communities used because it is considered a "last resort" for community groups.** The existence of the Right encourages owners to meet communities at the negotiating table, rather than risking a drawn-out legal process. Therefore, the number of community groups engaging with the legislation is not a reliable indicator of its success – many community groups could be benefitting indirectly from the legislation, but this is more difficult to measure. The fact that over 700 community buyouts have taken place in Scotland, without the need to recourse to legislation, could be regarded as a success rather than a failing.

3.1.5 What if the asset is not on the market?

For the Right to Buy to be triggered, the asset must be put up for sale. The Right to Buy Abandoned, Neglected or Detrimental Land and the Right to Buy for Furtherance of Sustainable Development were introduced in 2018 and 2020, to give communities the opportunity to purchase assets even if it has not been put up for sale. Only 4 applications have been made by 2 communities to use the Right. Three applications were rejected, and one is pending (RCIL 2023).

No legislation exists in England that can force the sale of privately-owned assets to a community group. There is currently no data on the use of Compulsory Purchase Orders and the Right to Reclaim Land by community groups to acquire assets. To the best of our knowledge at Plunkett UK, and based on anecdotal experience of working with community groups, these mechanisms are rarely attempted or used successfully.

3.1.6 Reasons for rejection: Register of Community Interests in Land

If only 16% of applications for the RCIL were listed, why were so many applications not listed? The RCIL does not state how many applications are rejected. Instead, the 266 applications are broken down into the following categories:

- "pending" (when the application is awaiting a decision)
- "registered" (when an application is successful)
- "RTB activated" (when the asset is put up for sale)
- "Deleted" (e.g. when the application is ineligible, rejected or withdrawn)

Reasons for deletion are not listed on the register, but can be found in digital copies of the correspondence with Ministers.

Given the time constraints of this research, we were not able to check the correspondence to ascertain how many applications to determine all reasons for deletion. Instead, a small sample of 12 records were chosen from recent years, and the reasons for "deletion" were as follows:

Of 12 applications that have been 'deleted' from the Register of Community Interests in Land...

33% of applications were initially accepted (and later declined)

3 were accepted and listed, but subsequently **withdrawn voluntarily by the community** (e.g. the community reached an agreement with the landowner)

1 was accepted and listed, but subsequently **appealed and overturned by the asset owner**

42% of applications were declined outright or not considered in full

3 applications **could not be considered**, because the **landowners /creditors address was out of date**, and could not be contacted by Scottish Government

2 applications were declined, because they **failed on technical grounds** (e.g. signatories of petition not on electoral register; sale of asset already agreed) landowner)

Only 24% of applications were considered in full, and rejected

3 applications were considered in full, and rejected for various reasons (e.g. lack of detail on the long-term financial sustainability of running the asset)

Source: Register of Community Interests in Land, Scottish Government (December 2023)

The fact that 4 of the sampled 12 "deleted" applications were initially successful indicates that the 16% listing rate of RCIL applications (42 out of 266) could be higher in reality (potentially 98, or 37%, if based on a rough projection from this very small sample).

Of the remaining 8 applications that were considered, **it is concerning that most of these were rejected on technical grounds**, without consideration of the full application (i.e. due to inaccurate address for the owner and not meeting the eligibility criteria). If an initial application or EOI stage were available, these community groups could have been spared the enormous effort of making a full application. Additionally, greater transparency around land ownership would help community groups more accurately identify the details of owners. Greater transparency is a major motivation for the proposed [Land Reform Bill](#).

3.1.7 Reasons for acceptance/rejection of ACV applications

Approximately 600 rejected and 200 accepted ACV nominations had a reason recorded. The reasons were recorded as comments in a free text box. Within the scope of this research, it was not possible to count reasons by category, owing to the size of the dataset. For the records where a reason was present, the text was put into the AI platform Chat GPT to summarise the key reasons for rejection or acceptance (batches of text were sampled and cross-compared with the AI-produced summary for accuracy).

The following lists the main reasons for rejection or acceptance in no particular order:

- **Current Community Use and Significance:** how the asset currently enhances the social wellbeing or interests of the local community, or evidence of community groups currently using the asset.
- **Evidence of Past Community Benefit:** as above, where the asset was used by the local community in "the recent past". No period is stipulated in the legislation and it is left up to the discretion of the person assessing the application. The longer an asset remains disused, the further it could run the risk of failing to meet this requirement.
- **Realistic Expectations for Future Use:** it was deemed unrealistic to expect that the property or land could be used in a way that would further the social wellbeing or social interests of the local community (e.g. in the next five years).



It was surprising to see that expectations for "future use" were recorded as reasons for accepting/rejecting an application. Communities only need to demonstrate current use or use "in the recent past". They do not need to present a plan for acquiring and running the asset in the future (in contrast to the RCIL process in Scotland).

In the case of assets that had been under-used or neglected for a long time, community groups may have felt compelled to make the case for potential future benefit, or local authorities may have considered the potential for community benefit. Recourse to application criteria that lie outside of the legal wording clearly demonstrates that **the legislation does not meet the needs of people nominating and assessing ACVs**.

An emphasis on past or present value, rather than its potential value, limits communities that want to transform spaces for future generations and find innovative solutions to meet local needs. There is clearly a **need to account for the potential benefit of underused and neglected assets, where no current or recent benefit can be evidenced**.

An additional reason for rejections of ACV applications was incomplete or insufficient information, relating to the nature or use of the asset. This may be due to lack of consistent local authority guidance about what is required in an ACV application.

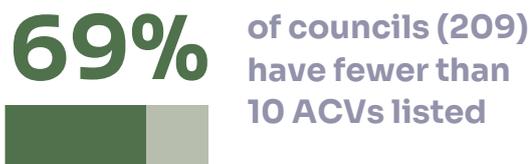
3.1.8 Geographical distribution of RCIL and ACV applications

There is large variation in the number of applications for both RCIL and ACVs across different council areas.

In Scotland,



In England,



The majority of the nominations were received by a small number of councils in both Scotland and England.

While acceptance rates varied somewhat between councils, on the whole **areas in England with fewer listings had a correspondingly low number of nominations.**

In addition to geographical variation, there was also variation in the listing of assets by type. **Certain types of asset were more likely to be successful in their ACV applications.** For example, 97% of allotment nominations were listed, compared to 59% in the "Food and Drink" category (many of which are pubs). Pubs were by far the most common type of asset on KIITC, with over 3000 nominations.

Possible reasons for the variation in the number of ACV nominations received by local authorities could be: differing sizes of council areas; public and council awareness of the ACV process; availability of assets to nominate; council capacity to promote and engage with the ACV process; campaigning activities relating to specific types of asset (e.g. CAMRA and saving pubs). There are a number of socio-economic factors that could place a role such as relative deprivation, participation in community and voluntary action, and feelings of empowerment and belonging.

3.2 What mechanisms exist to help communities take ownership of assets in public ownership?

The mechanism for transferring assets from public ownership (e.g. a local authority) to community ownership is Community Asset Transfer (CAT). Public bodies may be local authorities but could also be Health Boards or National Park Authorities. The table on page 14 shows the variations in the CAT process across England, Scotland and Wales. CAT can refer to the transfer of ownership outright, or a long-term lease or management agreement.

As noted in the previous section, community ownership projects in Northern Ireland were outside the scope for this study. However, CAT guidance and relevant policy recommendations for Northern Ireland has been produced by DTNI.¹⁰

¹⁰ <https://www.dtni.org.uk/asset-transfer/>

Overview of Community Asset Transfer policies

In England & Wales	In Scotland
<p>The General Disposal Consent (England) 2003 and the General Disposal Consent (Wales) 2003 permit a range of public bodies to transfer ownership of land and assets to communities at ‘less than best consideration’ – i.e. less than full market value.</p> <p>Assets sold for an undervalue of £2m or less, and ‘which the authority considers will help it to secure the promotion or improvement’ of the economic, social or environmental well-being of its area.¹¹</p> <p>The Consent applies to any disposals by the public authority, not exclusively into community ownership.</p> <p>Public authorities, including local authorities, are not required to produce CAT policies or publish a register of asset transfers. No legislation in England or Wales obliges public authorities to respond to community asset transfer requests.</p> <p>In some situations, the Community Right to Bid may be used for publicly owned assets. The Right to Reclaim Land¹² may be used for to "vacant or derelict" land owned by public bodies.</p>	<p>CAT is formalised in Part 5 of the Community Empowerment (Scotland) Act 2015, which allows a community body to make an asset transfer request from a public authority.</p> <p>Section 102 of the Act requires local authorities to establish and maintain a register of property that they hold for ‘the common good’ (a "common good register").¹³ Section 94 requires public authorities to publish and maintain a register of the land that it owns or leases. All public authorities must publish decisions in response to transfer requests, and a list of asset transfers and requests.</p> <p>The community body must justify their request to buy, lease or have access to the land. They may also need to provide additional information, such as plans for transferring ownership of the freehold if the community organisation were to be wound up.</p> <p>The community body must have a constitution that defines their community and sets out how their organisation is accountable to and is run for the benefit of the community. Communities of interest are eligible for CATs.</p> <p>Once the asset transfer request has been made, the local authority must not transfer the asset to anyone else (unless it was already for sale).</p>
<p>Guidance for England by Locality is available through the MyCommunity website, and by Ystadau Cymru in Wales</p>	<p>Guidance by Development Trusts Association Scotland (DTAS) Scottish Government Guidance</p>

Ystadau Cymru describes the **Well-being of Future Generations (Wales) Act 2015** as one of the “key levers” to encourage public bodies “to work collaboratively and to deliver improvements for the well-being of people and communities across Wales.”¹⁴ The Act aims to improve social, economic and environmental well-being in the long term. Public authorities are obliged to publish well-being targets and plans, to meet the goals stated in the Act. Research participants said that the Act provided a helpful shared frame of reference for public authorities and community groups. However, the legislation is essentially aspirational, as it does not require public authorities to respond to requests for CATs.

¹¹ ‘Disposal of land for less than the best consideration that can reasonably be obtained: circular 06/2003’.

¹² *The Right to Reclaim Land* is not exclusive to community groups – individuals and other organisations, such as developers, can also make use of it. There is no obligation on the public authority to sell to the applicant (as is the case with the Community Right to Bid). www.gov.uk/government/publications/youve-got-the-power-a-quick-and-simple-guide-to-community-rights

¹³ Further details about "common good registers" are available [here](#).

¹⁴ <https://www.gov.wales/community-asset-transfer-cat-guidance-applicants>

3.2.1 Limitations of Community Asset Transfer policies

In England & Wales	In Scotland
<p>General Disposal Consent does not offer communities a right for asset transfer applications to be considered.</p> <p>There is a risk that the transfer of assets by local authorities is motivated by making financial savings, and that the community may be taking on a financial liability.¹⁵</p> <p>Lack of affordable finance options and funding is a barrier to community groups. Funding is also required for additional costs such as feasibility studies.</p> <p>There is no obligation to publish CAT policies records of asset ownership and disposals by local authorities.</p>	<p>Financial and time constraints limit the promotion of CAT.</p> <p>There is a potential risk for communities acquiring assets that they could be taking on unsustainable financial liabilities through CAT.</p> <p>Some community bodies have experienced a ‘hostile’ or ‘obstructive’ culture, perhaps relating to a lack of trust in community competence to manage assets.</p>
<p><u>‘The Great British Sell-off’</u>, Locality (2022)</p> <p><u>‘Places and Spaces: The future of community asset ownership’</u>, Locality (2022)</p> <p>The DTAW guide to CAT cited above</p> <p>A <u>review of CATs</u>, undertaken by the Welsh Government in 2021</p> <p>There is little data relating to asset transfers from public authorities other than local authorities</p>	<p><u>Community Empowerment (Scotland) Act 2015: asset transfer requests – evaluation</u> (published July 2020)</p> <p>Following the publication of the above evaluation, the Scottish Government a new <u>National Asset Transfer Action Group</u> to progress the recommendations</p>

Challenges with asset transfer: The Bronllys Well Being Park CLT

For over a decade, *BWBP* has had a vision to create a Well-Being Community Hub, with the Bronllys Community Hospital at its centre, on approximately 50 acres of vacant land surrounding the hospital. The asset is currently owned by the Powys Teaching Health Board (PTHB). There has been support for the initiative from a major study conducted in 2011 by The Prince’s Foundation and public endorsement in 2021 from Sophie Howe (the first Future Generations Commissioner for Wales) and Tom Chance (CEO, National Community Land Trust Network). Communication with PTHB has reached a standstill, and it is unclear why they will not accept the request. The community group continues their campaign, but they have no means of bringing PTHB into meaningful discussion about transferring the asset.

"With so many government officials, politicians, and third-sector leaders endorsing and supporting our proposals, and with such a promising start a decade ago, why has there been so little progress in the realisation of our vision?"

¹⁵ A 2016 survey of English local authorities found that 85% agreed that financial savings was the most beneficial reason for CAT. 85% said without CAT a service could not have been maintained. This creates pressure for community groups to step forward to undertake CAT. A Schultz, 2016. ‘Community Asset Transfer: A review of progress and practice in post-recession England.’ Quoted in ‘Places and Spaces’, Locality, 2022.

3.3 Specific policies to support community housing, energy, and agriculture

The literature review for this research identified policy recommendations for specific types of assets.

3.3.1 Community-led Housing

Cwmpas has published a comprehensive comparison of policies that enable community housing in England and Scotland. Their recommendations would benefit multiple types of asset:

- Establish a Community Empowerment Act for Wales would benefit multiple types of asset, as it would introduce a right of first refusal on registered assets.
- Create a universally available, public register of land ownership. Transparency around land ownership, boundaries and transactions would help simplify the process for community groups attempting to acquire an asset or land.

3.3.2 Community Energy

Due to their community-led approach, local opposition is rarely a barrier to community energy projects. The 2022 State of the Sector report by Community Energy Wales found that, of projects that were stalled, 'no projects were stalled due to public opposition.' The Welsh Government set a target to have 1.5 GW of renewable energy capacity locally-owned by 2035.

To incentivise more projects to get set up, Community Energy Wales, has recommended:

- Enabling community energy projects to sell excess energy to local customers through a Local Electricity Bill (currently, energy can only be stored or fed into the grid)
- Reintroduce feed in tariffs, which would also improve financial viability of renewable community energy projects

3.3.3 Community Supported Agriculture

In 2020, the Community Supported Agriculture network produced an 'Evaluation of the Impact of Community Supported Agriculture in Wales' with Social Farms & Gardens and Tyfu Cymru/ Lantra.¹⁶ The report authors state that a benefit of CSA is mitigating against the financial uncertainty of running an agricultural business. By making 'regular mixed payments' such as a monthly subscription fee, CSA members 'help to mitigate cash flow issues, a problem for food producers the world over, and to enable effective financial planning'. To enable more CSAs in Wales, the report recommends:

- Support small-scale (under 5 Hectares) community food businesses through the new Sustainable Farming Scheme
- Prioritise CSAs for access to publicly-owned land
- Remove key planning restrictions to enable CSA businesses to grow (e.g. planning restrictions on the erections of infrastructure such as polytunnels).

¹⁶ Little, Tony, and Nikki Giles. 'Evaluation of the Impact of Community Supported Agriculture in Wales', July 2020.

4. Community group aspirations and needs

Community groups that take ownership of assets are driven by strong motivations, but in order to be successful they often need support. In this section we will analyse the results from the survey responses and feedback from the community focus group and interviews.

4.1 About the survey respondents

An online questionnaire ran during November-December 2022. It was open to: community groups that had taken ownership of an asset; community groups that were currently trying to acquire an asset; and community groups who had previously tried to acquire an asset.

- 92 responses were received (72 from England, 10 from Scotland, and 11 from Wales)
- **78%** of responses concerned **assets that were previously or currently in private ownership** (across all UK nations, and regardless of the stage of the project).
- **52%** (49) **were groups that had already taken ownership of an asset.**
- Of these, **96%** (47) owned the **freehold**, 2 had a long-term lease.
- **48%** (43) were from **groups that are currently trying, or had previously tried, to acquire an asset.**
Of these:
 - 63% (27) were actively pursuing community ownership
 - 19% (8) were temporarily stalled in their efforts
 - 19% (8) had decided to terminate their project to acquire the asset.

- The **most common asset type by far was "Food and drink"**, for **52%** (48) of all respondents (the majority of which were **pubs**). It was the most common type for respondents based in England (40 respondents) and Scotland (5 respondents).
- **Community hubs** were the second most frequent asset (total of 27 or 29% of all respondents).
- For Welsh respondents, community hubs were the most common type of asset (6), followed by "Food and drink" (3) and "Green space" (3).

4.2 Motivations for acquiring an asset

The majority of responses concern existing assets, many of which were pubs but also included churches, shops, post offices, farms, community hubs, health centres etc.

Figure 2: Motivations for community ownership

To save the asset from being lost to the community



Asset was neglected / underused



Could be better run by the community



Convert the asset to new purpose / set up new services



Community was offered the opportunity to take ownership of the asset



Other



Source: Plunkett UK survey Nov-Dec 2023, 92 responses.
Note: respondents could select more than one option

In all three nations, the most common reason for deciding to take ownership of an asset was to save it from being lost to the community, but there was often more than one motivation. The small number of "other" reasons cited referred to new build facilities and the opportunity to include a community-run service therein, and the addition of new services alongside an existing community facility. One respondent mentioned that community ownership would enable the project to engage volunteers to help with the extensive renovations needed to bring the asset back into use.

87% wanted to save the asset from being lost to the community



only **7%** were offered the chance to take ownership of the asset



96% of communities who already owned assets said that they had obtained the freehold, which potentially indicates that outright ownership is important for communities who want to safeguard an asset for future generations – particularly where the asset is privately owned and at risk. However, the freehold is not always obtainable, and long-term leases can be a preferable, more affordable or less financially "risky" approach for communities to take. Three of the four interviewees undertaking projects that related to large assets involving extensive renovations or land-based initiatives noted that a long-term leasehold option was being pursued for these reasons.

One of the main benefits of community ownership (whether freehold or long-term leasehold) is guaranteeing the future of the asset or business. According to Plunkett UK's 2022 report on **community ownership, community-owned businesses have a 92% survival rate**.¹⁷ This is corroborated by other research in the sector – the 2023 Community Shares Market report found that 92% of businesses that have run community share offers are still trading.¹⁸ This is much higher than for other types of business. In 2022, the ONS reported that the long-term survival rate for UK businesses was 39.6% (i.e. 60% of UK businesses born in 2017 failed within five years).¹⁹

The **long-term security that comes with community ownership is therefore a strong motivating factor** when it comes to assets that are threatened with closure. This is increasingly the case with pubs, in the wake of the pandemic and under increasing pressure from the cost of living crisis. Between 2012-2022, the British Beer and Pub Association reported 8,000 closures, a decline of 15%.²⁰ According to Plunkett UK's most recent figures, community pubs are the fastest growing type of community business, making up a third of enquiries and 60% of new openings in 2022.

Community ownership is not solely about preserving an asset – it is also about transforming land and buildings to meet community needs and to maximise social, economic and environmental benefit. This is evidenced by the fact that **42% of survey respondents thought that their asset was underused, and 40% thought that the asset could be better run by the community**. A significant proportion of **28% wanted to convert the asset to a new use** or add new services. Therefore, while community ownership might often be triggered by a moment of crisis, it can often lead to innovative solutions and adaptations that create better places to live.

¹⁷ 'Community Ownership: A Better Form of Business'.

¹⁸ 'Communities Doing It for Themselves: Celebrating a Decade of the Community Shares Unit' (Co-operatives UK, 2023).

¹⁹ 'Business Demography, UK – Office for National Statistics', 22 November 2023.

²⁰ <https://beerandpub.com/data-statistics/>

Local regeneration: Llandyrnog Community Shop

In May 2022, the only shop in Llandyrnog went up for sale. Emyr is a member of the steering group that set up a Community Benefit Society to take over running the shop and post office. The CBS was set up out of necessity to save a vital service, but it also has ambitions to transform the business.

"We are going to improve the financial stability of the shop, add more products and renovate the building. We want to diversify income and provide more benefit to the community in the form of a new café hub and affordable rental accommodation, with a 'local first' policy. We want to encourage and support local businesses too by stocking their products.

It's not just the shop that was looking tired. A landlord that owns some properties nearby (that have been empty for a while) has been inspired by what we're doing and has decided to refurbish them.

I want to put our little village on the map. I want somebody to read about our shop and think, 'I could do that in my village'."

4.3 Awareness of community ownership

We asked when the respondents first became aware of community ownership as a way to take ownership of local assets, and how they heard about it. The purpose of these questions was to ascertain whether work needs to be done to raise awareness of community ownership more widely, and whether there is variation in different nations (given the different support and policy contexts).

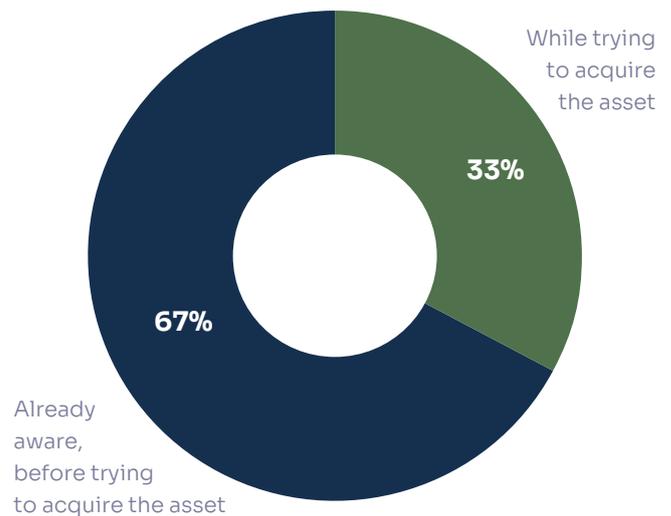
4.3.1 When did respondents first hear about community ownership?

Of the 88 respondents that answered the question, **a third said that they only heard about community ownership when they started to try to acquire the asset**. This suggests that the necessity of finding a way to save local assets leads people to find out about the community ownership model.

"A member of the local CAMRA Pubs Campaign Group attended an early meeting shortly after the pub was sold and closed. He explained ACV listing and community buy-outs."

*Christopher Faulkner Gibson,
The Merchants Arms Public House, Bristol.*

Figure 3: When did you first hear about community ownership?



Source: 88 responses to Plunkett UK survey Nov-Dec 2023 (excluding 4 blank responses).

However, **two thirds said that they were already aware of community ownership** prior to undertaking efforts to acquire the asset. They heard about it through a variety of channels, such as informal contacts in professional settings. There may be a potential correlation between existing familiarity with community ownership, and subsequently deciding to take ownership of an asset. However, it could also be that there is selection bias among survey respondents, i.e. the people responding to our survey may be strongly committed to promoting community ownership and therefore more likely to have heard of community ownership before their project began.

4.3.2 Awareness by UK nation

The following table shows a breakdown of awareness by UK nation. **Wales showed the lowest level of awareness (64%), while Scotland showed the highest (78%).** England had a similar level of awareness to Wales at 67%.

Figure 4:
Prior awareness of community ownership

UK Nation	% of respondents who were already aware of community ownership, prior to the project to take ownership of the asset
Wales	64%
England	67%
Scotland	78%
All responses	67%

Source: 88 responses to Plunkett UK survey Nov-Dec 2023 (excluding 4 blank responses).

This may be a reflection of the presence of more national policies that explicitly encourage community ownership in Scotland. It could also arise from the specific social, historical and cultural context of Scotland – for example, the history of the Highland clearances in Scotland may be an underlying factor driving forward community land ownership, access, and rights.²¹

"I've known for years, community ownership is part of our DNA up here."

Simon Lee, from the Farr North Community Development Trust, which is currently trying to purchase a shop based in the village of Bettyhill, on the north coast of Scotland.

A similar historical background of addressing inequality through collective action is present in Wales. Co-operative and friendly societies were set up in response to the post-industrial hardship experienced in coalfields communities, such as Brynmawr and Tredegar. In the former slate mining areas of North West Wales, Welsh language was and continues to be a source of pride and resilience.²² While South Wales continues to have a relatively low proportion of Welsh speakers, areas of North West Wales continue to be have a Welsh-speaking majority.²³ Now that some of the same areas are experiencing high levels of second home ownership and tourism, community-owned assets such as community pubs are continuing to preserve Welsh language and culture.²⁴

The connection between local regeneration, Welsh culture and language, and community ownership was acknowledged by the Commission for Welsh-speaking Communities in its 2022 position paper. Continuing and expanding initiatives such as Prosiect Perthyn, managed by Cwmpas and funded by the Welsh Government, could continue to raise awareness of community ownership.²⁵

4.3.3. How did the communities first become aware of community ownership?

Based on 88 responses to this question, the top three ways of hearing about community ownership were:

- **From another community project (33%)**
- **Word of mouth (27%)**
- **Online search (25%)**

Note: respondents could select more than one answer.

²¹ See Ewen Cameron (ed.), *Recovering from the Clearances: Land Struggle, Resettlement, and Community Ownership in the Hebrides* (Kershader: The Islands Book Trust, 2013) and Carey Doyle, 'Rethinking Communities, Land and Governance: Land Reform in Scotland and the Community Ownership Model', *Planning Theory & Practice* 24, no. 3 (27 May 2023): 429–41.

²² See R. Merfyn Jones, *The North Wales Quarrymen, 1874–1922*.

²³ [Welsh Language Census 2021](#).

²⁴ <https://www.wales.com/economy/bringing-welsh-community-pubs-back-life>.

WCVA also commissioned a report on Welsh community pubs in 2023 from CRAFT Consulting in association with Alliance Manchester Business School.

²⁵ 'Commission for Welsh-Speaking Communities: Position Paper', June 2023, <https://www.gov.wales/commission-welsh-speaking-communities-position-paper.html>. Prosiect Perthyn provided small grants to 21 community co-operatives, for activities to protect and help the Welsh language to thrive.

Peer networking and clear online guidance were perceived by focus group and interview participants to be invaluable. Consolidation and signposting of online resources could be beneficial, to make them easier to find. A "road map to taking an asset into community ownership" was perceived as a beneficial resource which participants felt did not exist.

The lower levels of awareness in Wales may be due to the fact that **groups in Wales found out about community ownership from a more limited range of sources compared to England and Scotland.**

The main sources of information for Welsh respondents were word of mouth, from another community business, or online search. Groups in England and Scotland mentioned hearing about community ownership through the following channels:

- National community organisation/charity (14%)
- Local council/authority (13%)
- National/local news (12%)
- Other sources (11%)²⁶

Only 1 Welsh respondent said that they heard about community ownership through any of the above sources (i.e. local authority).

4.4 Type of support accessed

Community groups responding to the survey were asked about the types of support they accessed.

For all respondents that had completed their community buyout (49), the most frequently accessed forms of support were:

- **Professional business advice/support (78%)**
- **Capital funding grant (78%)**
- **Peer mentoring/networking (63%)**
- **Free online resources (57%)**

As noted above, there may be selection bias in the survey cohort, where respondents are more engaged in community ownership in general and are therefore more likely to have accessed support.

100% of successful community buyouts had received support

Fewer than half of the 49 groups accessed loans (third sector/private), revenue funding, and crowdfunding/donations. Only a handful of respondents said that they accessed formal training. There are many other forms of support that groups find helpful, such as peppercorn rents, community shares, formal accreditations such as the Community Shares Standard Mark, match funding and blended finance packages.

Previous evaluations of Plunkett UK support found that **capital funding is crucial, but that business advice and support is equally vital.** For example, the evaluation of the More than a Pub programme (2016-2021) found that community pub projects had a baseline 1 in 10 chance of reaching trading status (many fail to acquire their asset and were unable to trade as a result). However, for projects that received business support from a specialist advisor, this increased to 1 in 3.

Receiving business advice tripled the chances of community-owned pubs reaching trading status. When awarded the full grant and loan package of £100,000, 100% of community pub groups reached trading status.²⁷ Current Plunkett UK records for enquiries received from all kinds of community business, the current baseline success rate for all kinds of community business projects reaching trading status is 1 in 10. After receiving support, this increased to 1 in 3.²⁸

²⁶ "Other" sources included regional/national organisations such as Highland and Islands Enterprise and CAMRA. Some participants mentioned having prior professional experience in the fields relating directly or indirectly to community ownership (such as social investment).

²⁷ Plunkett UK Impact Report 2021, https://plunkett.co.uk/wp-content/uploads/FINAL_Impact-Report-2021-5.pdf

²⁸ Plunkett UK Impact Report 2023 (forthcoming). Based on Plunkett UK records for enquiries they received between 2018-2020.

1 in 10 community ownership projects reach trading status.

When given advice and support, this increases to 1 in 3.

4.5 Range of support

The survey results found that groups access a wide range of support during their journey to take ownership of an asset. **On average, community groups accessed between 4-5 different types of support** during the process of acquiring their asset. The key thing to remember is that every community project is different, and there are numerous processes associated with a community buyout such as legal registration, business planning, community engagement etc. Therefore, **a wide variety of support needs to be available to meet different needs.**

A variety of types of support were accessed, with variation between the UK nations:

- Community buyout **projects based in Wales accessed a more limited range of support**, accessing 3-4 forms of support on average, compared to 4-5 types in the other nations.

- Groups in Wales were **more likely to access peer mentoring/networking** compared to other nations.
- **Groups in England and Wales were more likely to make use of loans compared to groups in Scotland.** This is likely due to the fact that the Scottish Land Fund offers up to £1m in capital grant funding, whereas the UK Community Ownership Fund (COF) is capped at a lower amount with the requirement for the community to raise equivalent match funding. Some Scottish groups have also been funded through COF.

- **Just 33% of groups in Wales accessed free online resources**, compared to 100% in Scotland and 57% in England.

- Groups in Wales were somewhat more likely to access revenue funding compared to other UK nations. In the interviews, participants frequently mentioned the Welsh Government's Community Facilities Programme was helpful in this regard.

"There is much more support available now than there was in 2013. The Plunkett website and their Facebook groups are a great asset to any new group starting out. It is always good to talk to other groups who have been through the process – they can really help you with the nitty gritty."

Community-owned pub, South West England

4.6 Sources of support

The majority of respondents accessed the following sources:

- 75% - People within the community who had relevant knowledge, skills, or contacts
- 65% - Peer networking (i.e. people with previous experience of undertaking a community buyout)
- 65% - Local council/authority
- 63% - UK or national charity/community organisation (e.g. Power to Change, Cwmpas, DTAS, Plunkett UK etc.)

Source: 92 responses to Plunkett UK survey, Nov-Dec 2023. Note: percentages include both completed buyout projects and ongoing projects. Ongoing projects were at different stages, and may not have tried to accessed all forms of support yet.

Respondents were asked to rate how helpful they found sources of support they had accessed between 1-5, with 5 being very helpful and 1 being not helpful at all. The sources ranged from national sources, such as the UK COF, to local sources such as local authorities.

- **Informal sources of support** such as peer networking and local contacts **were consistently the most highly rated** across all UK nations (and were also the most frequently accessed).
- Relatively **fewer groups in Wales accessed peer networking and local contacts**, even though these were rated very helpful, as in England and Scotland.

Figure 5:
Sources of support and rating by UK nation

	Scottish Land Fund	UK COF	Other UK/ devolved govt. dpt./ agency	Local council/ authority	Local charity/ community organisation	National charity/ community organisation	Peer networks	People with relevant skills/ knowledge
Wales: 11 responses								
% of respondents that accessed	-	27%	36%	36%	27%	64%	45%	64%
Average score out of 5	-	5.0	4.5	3.0	4.7	3.4	4.6	4.9
England: 71 responses								
% of respondents that accessed	-	46%	21%	73%	51%	65%	69%	73%
Average score out of 5	-	3.8	2.7	3.6	3.8	4.3	4.4	4.3
Scotland: 10 responses								
% of respondents that accessed	100%	60%	30%	40%	50%	50%	60%	100%
Average score out of 5	4.7	3.7	3.7	3.3	4.2	4.4	4.2	4.0

Source: Plunkett UK survey, Nov-Dec 2023, 92 responses. Note: the question asked which forms of support that respondents had accessed, and to rate them between 1-5, with 1 being not at all helpful and 5 being very helpful. The '% accessed' is calculated as the number of respondents selecting that source to provide a rating. Many respondents accessed more than one source of support.

- **Infrastructure organisations/national charities** such as Plunkett, DTAS, and Cwmpas were **frequently accessed and well-rated, although less so in Wales.**
- **Over two-thirds of respondents sought help from their local authority, but this was rated as one of the poorest forms of support** across all nations. Local authorities were considered to be lacking in capacity to engage and in knowledge about community rights (in England).
- The **Scottish Land Fund was rated very helpful** (although this was by a relatively small number of respondents). There was clear consensus between Scottish respondents, with most rating it between 4-5.
- The **UK COF was felt to be considerably less helpful than the Scottish Land Fund** (3.9 compared to 4.7). Proportionally fewer respondents accessed the COF than SLF, which may be due to competition, not being ready, or ineligibility (the asset must be considered “at risk”). The main criticism expressed at the focus group for those who did apply was lack of feedback on unsuccessful applications (feedback is still not provided to applicants, despite other improvements introduced since 2021).

In general, the frequently accessed forms of support were rated more highly, probably because they are tailored to community ownership projects.

At the focus group, the sorts of skills and knowledge considered relevant were business experience, knowledge of planning and legal processes, experience in marketing/PR, business and finance experience, and experience applying for grants/working in the charity sector. On the one hand, it is positive that so many groups have been able to access this knowledge informally. However, it also indicates that where these skills may not already be present, there may be more work entailed for the community group. A disadvantage of so-called “experts” on a steering group was that there was an assumption they already knew how to set up a business, but were in fact just as lacking in knowledge about community ownership. **Acquiring skills and knowledge was not seen as the main barrier – it was having the time and capacity to do so** within a time-intensive project.

The presence of organisations such as Plunkett UK, DTAS and Cwmpas enabled people to gain knowledge and meet other community ownership projects. Linking up groups across the country, whether through in-person networking, social media, or on a map, enabled groups to learn directly from one another.

“We have found that the best advice was provided by people who had been through it before.”

Martin Glynn, The Crown Inn, community pub project based in North Yorkshire.

Few groups accessed support from local charities and organisations. One of the main difficulties in working with local charities/ organisations discussed by focus group and interview participants was that there was not much cohesion. To find support, a lot of legwork was required, contacting different people to obtain funding or support. Participants that were able to access multiple organisations through a single network or event found this useful e.g. attending a funding fair.

4.7 Challenges faced by community groups

Experiencing challenges during the process of a community buyout is extremely common. The types of challenge vary across asset types and can depend on whether the asset is being transferred from a public authority or being purchased from a private seller. Over three quarters of respondents said that they have experienced challenges (during both completed and ongoing buyouts).

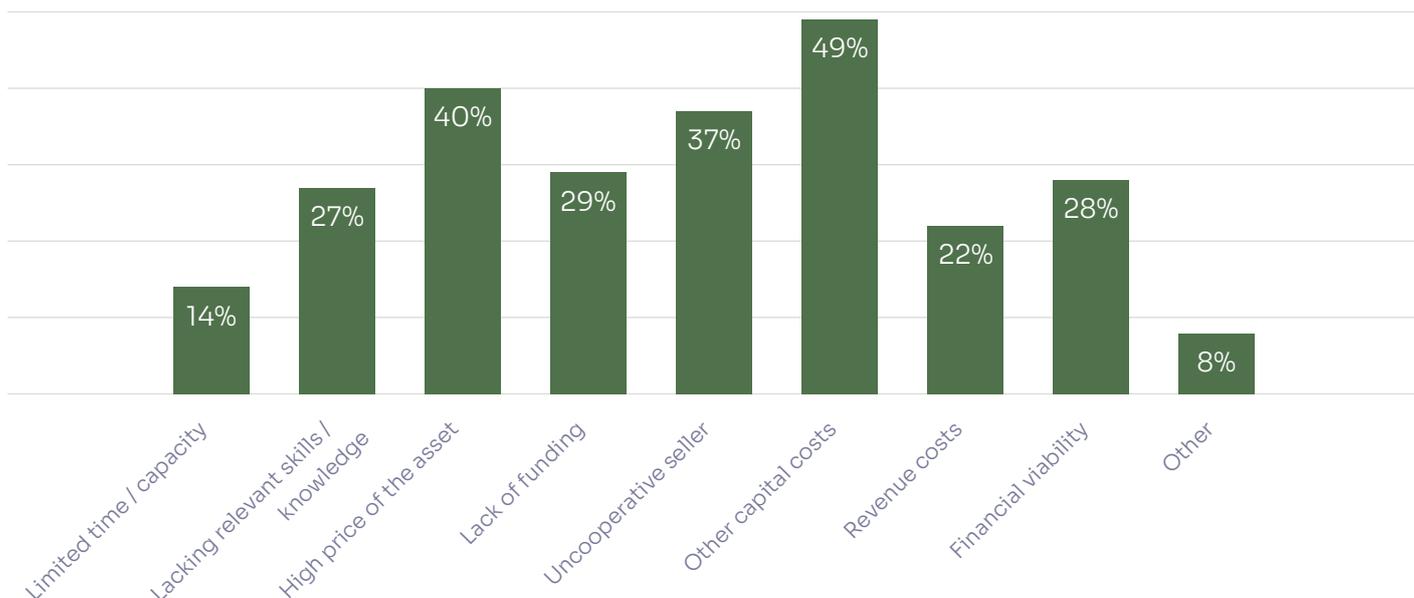
According to the survey responses, the three most common challenges were:

- **Other capital costs (49%)**
- **High price of the asset (40%)**
- **Uncooperative seller (37%)**

Based on figures provided by respondents (both ongoing and completed projects), the average purchase price for assets was £314,500, with very wide variation between £10,000 and £950,000 (the median was £294,000). The variation is unsurprising, given that the price will depend on the type of asset, its condition, potential use, and location.

77% experienced challenges when trying to bring an asset into community ownership

Figure 6:
Challenges faced by community ownership projects



Source: Plunkett UK survey Nov-Dec 2023, 92 respondents. Note: respondents could select multiple challenges.

Variation in challenges by nation and type of asset

Based on the small sample of responses from Wales, there were some differences in challenges experienced compared to groups responding from England and Scotland.

- **55% of groups in Wales reported lacking the relevant skills or knowledge, compared to 24% in England and 20% in Scotland.**
- Few of the Welsh respondents reported issues with access to funding (only 9%) compared to groups in England and Scotland. Based on feedback from the interviews, the main issue experienced was delays in decisions and the time involved in identifying and applying for multiple different small grants.

- 18% reported having issues with uncooperative sellers, compared to 39% in England and 40% in Scotland. It could be that the difference in asset types in Wales may skew this somewhat.
- 50% of 'food and drink' assets (mainly pubs in this survey cohort) in all nations had issues with an uncooperative seller, compared to 15% of other types of asset.
- Similarly, 44% of assets that were previously/currently in private ownership involved difficulties with an uncooperative seller, compared to 10% of assets previously/currently owned by a public authority.

These variations suggest that there is no 'one size fits all' solution to addressing the challenges that community ownership projects face.



5. Recommendations

The research findings provide further consolidation of the recommendations made in response to the 2022 inquiry into community assets. Below, we provide details of short- and longer-term actions to be taken by the Welsh government and the newly-formed commission for community ownership in Wales.

5.1 Short-term recommendations

- **Encourage peer networking** – networks require relatively little funding, could be in person and/or online, and be moderated by organisations already providing support to community ownership projects in Wales (to enable efficient signposting of network members to support they need). They could also take the form of study visits to community-owned assets, and maps/ lists of community-owned assets in Wales.
- **Increase awareness about successful projects** – publicise examples of good practice to enable a ‘ripple effect’, where successful buyouts encourage others locally. This could go hand-in-hand with enabling peer networks.
- **Ensure access to online resources** – this could involve signposting to/consolidation of existing resources; adapting and translating existing resources for a Welsh context; or commissioning new ones such as a "road map" for community ownership projects in Wales.
- **Create a "one stop shop" for community ownership projects in Wales** – participants said that having information about advice, support and funding relevant to community ownership in one place would be beneficial.

5.2 Medium- to long-term recommendations

- Introduce a **Community Right to Buy**, offering communities first refusal on assets coming on to the market. The majority of community buyout projects examined in this research were concerned with privately-owned assets, so a mechanism enabling communities to acquire these is essential.
- **Continue and expand capital/revenue funding** to Welsh community groups – e.g. the Communities Facilities Programme was considered very helpful by community groups interviewed.
- **Consolidate application processes for funding where possible** – feedback from Welsh interviewees was that having to apply for multiple local/national funds, often providing similar information but having to meet multiple criteria, was difficult and extremely time-consuming.
- **Public authorities should recognise the importance of community ownership to implementing the Well-being of Future Generations (Wales) Act** – currently, public authorities are not obliged to engage with communities about asset transfer or community ownership. Lack of communication from public authorities can stall and jeopardise community ownership projects. The commission could consider refreshing the CAT guidance, introducing mechanisms to give communities the power to request transfer of neglected/ underused assets, or more generally, in the form of awareness raising and education.



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