

Community Ownership: A Way Forward for Wales

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 we can learn from existing legislation and policies in England, Scotland and Wales, in order to create a more enabling environment for communities to take ownership of assets in Wales.

Strengths and weaknesses of legislation in England and Scotland

- The number of community-owned assets has grown at 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, and 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 Scottish application process, due to the complexity of the exercise and the lack of transparency around land ownership.
- Despite the Community Right to Buy being used only 24 times in Scotland, evidence suggests that first refusal can give 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 Asset of Community Value (ACVs). Of the 303 councils in England, 67 account for 57% of nominations 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, resulting in decisions not being made in line with the legislation.

Key findings (from developing or completed community buyouts)

- 87% wanted to save an asset from being lost to the community (the most common motivation for a community ownership project); but only 7% were offered the chance to take ownership.
- 77% of communities reported challenges when trying to acquire their asset. Common causes were capital costs, high price of the asset and uncooperative sellers.
- Groups trying to purchase 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 communities are more likely to take on assets – 67% said they were 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 received support (most groups accessing 4-5 types of support); capital funding and business advice were equally crucial.
- Welsh groups had the lowest level of prior awareness, while 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.

Recommendations

The research findings provide further consolidation of the recommendations made in response to the 2022 inquiry into community assets. We suggest that a series of both short and longer-term actions be taken by the Welsh Government and the newly formed Commission for Community Ownership in Wales, to create a more enabling environment for communities to take ownership of assets in Wales.

Short-term recommendations

Encourage peer networking

Networks require relatively little funding, could be in-person and/or online, and be managed by groups already providing support to community ownership projects in Wales (to enable efficient signposting of members to supportive resources).

Increase awareness

Publicise examples of good practice to create a 'ripple effect', where successful buyouts would be used to encourage others locally. This could go hand-in-hand with enabling peer networks.

Access to online resources

Ensuring access to online resources could involve signposting to and consolidation of existing resources; adapting and translating existing resources for a Welsh context; or commissioning new ones such as a "road map" for these types of projects in Wales.

A one-stop-shop for Wales

Research participants said that having information about advice, support and funding relevant to community ownership in one place would be highly beneficial.

Longer-term recommendations

A Community Right to Buy

Introduce a Community Right to Buy and offer communities first refusal on assets coming on to the market. The majority of projects examined in this research were concerned with privately-owned assets, so a mechanism enabling communities to acquire these is essential.

Capital/revenue funding

The Communities Facilities Programme was cited as very helpful by community groups interviewed, therefore continuing and expanding capital/revenue funding to groups in Wales is necessary.

Consolidate administration

Groups stated that having to apply for multiple local/national funds - often providing similar information but having to meet multiple criteria - was difficult and time-consuming, if application processes for funding could be consolidated this would ease the burden.

Well-being of Future Generations

Currently public authorities are not obliged to engage with communities about asset transfers or community ownership; the Commission could consider refreshing guidance and introducing mechanisms to give groups the power to request transfer of neglected/underused assets, or help raise awareness of this as an option.