



RESPONSE TO WELSH GOVERNMENT CONSULTATION ON PROTECTING COMMUNITY ASSETS

September 2015



WLGA • CLILC

INTRODUCTION

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales. The three national park authorities, and three fire and rescue authorities are associate members.
2. It seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.
3. The WLGA welcomes this opportunity to comment on this Welsh Government (WG) consultation on Protecting Community Assets which is timely given Councils current deliberations and activities in delivering sustainable local services.

GENERAL OBSERVATIONS

4. Councils are much more than providers of everyday local services. They have a community leadership role and a broad power of wellbeing, they are charged to lead, influence and support partner organisations to work to common goals to meet the needs and aspirations of their communities. This position has been reinforced by the Wellbeing of Future Generation (Wales) Act 2015 and the Social Services and Wellbeing (Wales) Act 2015. As democratically accountable bodies with wide reaching powers, functions and influence councils are central to the lives and futures of the communities they serve.
5. Against a continuing background of diminishing resources, Councils across Wales are working in partnership with their citizens and stakeholders, considering alternative models of delivery of sustainable local services including community asset transfers (CATs), to enable communities to enhance or maintain community facilities and services. Some of these have been more successful than others. It is imperative that we learn the lessons acquired from these experiences, both good and bad, to ensure that mechanisms and processes to undertake successful community asset transfers best meet the local needs of communities and providers in terms of viability, robust business planning, due diligence and long terms financial sustainability.

This has been an evolving process and guidance has been developed to support CATs including: CATs toolkit developed by the National Asset Working Group (NAWG); more specific guidelines relating to CATs of leisure & sports facilities, commissioned by Ken Skates AM, Deputy Minister for Culture, Sport & Tourism; and the pilot programme commissioned by Lesley Griffiths AM, Minister for Communities & Tackling Poverty to support community organisations in the Gwent area aiming to take over and manage local assets and building on existing work in Blaenau Gwent County Borough Council.

Emerging good practice and knowledge is shared across Welsh public sector organisations and communities through learning events and on-line via Good Practice Wales <http://www.goodpractice.wales/asset-transfer>

6. The key messages emerging from these discussions are:

- Councils are addressing a range of options in terms of sustainable delivery of services. A more holistic approach needs to be addressed when a building is identified as a community asset for example, what is the community need for the services or the building or both.
- It is important that other public sector partners such as the WCVA and Wales Co-operative Centre are engaged in pre and post support for community interest groups and social enterprises in developing robust business cases and sustainable financial models and forecasting that will result in successful CATs.
- Some assets and services may not be financially viable, however are fundamental to the wellbeing of the community such as leisure centres. Traditionally these would be grant funded, however in the current financial climate this is no longer an option for Councils. Welsh Government need to consider additional support to maintain national priorities.
- The aspiration of a community to create, enhance or maintain a service or facilities must be weighed objectively against the practicality of doing so over the projected term.
- The need to undertake comprehensive mapping and evaluation of the CATs undertaken to date across Wales, to fully understand the scale and issues that need to be addressed and which will usefully inform the development of a national register.

7. In these times of austerity, CATs should only be undertaken where there is a robust and sustainable business case, underpinned by due diligence and sustainability. Experience suggests that not to do so may result in unsustainable and costly burdens being placed on communities, which in turn will be detrimental to community spirit, blunting aspirations, undermining the relationships and trust necessary to develop future opportunities.

8. Much effort has gone in to the voluntary collaborative approach. It would make sense to continue building on the successes of collaboration. Care should be taken not to stifle the Council's service transformation initiatives that are currently underway, by aligning any new requirements through further engagement with local government and their stakeholders to avoid the creation of new barriers. Uncertainty about a possible statutory framework could also create barriers. Future success is more likely and more efficient if it can build on existing successful local relationships.

Completed Response Form: Responding to the Consultation

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Question 1 – Do you feel the definition of Assets of Community Value contained in the Localism Act 2011 is appropriate for use in relation to protecting assets in Wales?

No

9. The given definition of Assets of Community Value appears to be broadly appropriate in terms of the Localism Act 2011, however, there is a logic in community assets being defined by function and nature; rather than the characteristics or ownership. A community asset should also be defined by its value to the community; not just who owns it, or its current function.
10. The definition of Assets of Community Value also needs to consider the historic and cultural significance of the asset; in the place it resides. The current definition is weaker in this aspect.

Question 2 – Please give your views on the following three questions

Should Community Assets registers be administered at a National level or by Local Authorities?

Local

11. The demographics and needs of communities are diverse. The development of a Community Asset register that can meaningfully support the values and aspirations of communities can only be achieved through local engagement and collaboration. Councils have extensive tried and tested mechanisms to engage with communities and stakeholders and would be best placed to administer such a register. It also ensures the alignment with other relevant local strategies such as CAT/disposal of assets, Single Integrated Plans, Local Development plans and regeneration strategies etc.

12. A successful register should be sufficiently resourced to provide a dynamic, flexible, easily accessible, transparent mechanism which provides added value to incentivise Councils, communities and private sector.
13. A nationally managed register which may be seen as a way of ensuring a consistent approach, will lend itself to become an overly bureaucratic and cumbersome and will lack the local knowledge and impact
14. It may be that a digital solution will offer some of the benefits of a nationally accessible register.

Should communities have power to initiate asset transfer from Public Sector Bodies?

Yes

15. The WLGA notes that there are differing views on this proposal, however, the majority of authorities support this approach.
16. This should be a permissive power rather than an obligatory and binding power, which would allow communities to initiate asset transfer discussions with a public body where there are proposals to close or downscale a community asset or where there was broad community consensus that the community wished to manage a particular community asset in future.
17. This proposed power should therefore be framed as a 'community expression of interest' to make it clear that it was not a power that could override public bodies' asset management plans or go ahead without appropriate approval from the elected members. Appropriate safeguards would also need to be put in place, to ensure 'due diligence', clear evidence of wider community support and the development of a viable business case.

Should communities have greater opportunity than in England to bid and purchase privately owned community assets when they are put up for sale ("first refusal")?

No

18. This would be difficult to achieve and suggest that the majority of private sector owners would be seeking to maximise the capital receipt from the sale of property and not accept an offer of below market value. For information BIG Lottery CATs fund was based on LAs transferring the asset at nil or below market value.

Question 3 – Which is your preferred option for the development of an Assets of Community Value Model in Wales?

Option A – Focus on collaboration

19. As mentioned in the general observations section, Councils are already working closely with stakeholders to deliver alternative models of service delivery. New and existing relationships with partners and stakeholders have strengthened to meet the challenges of austerity. Any additional requirement is to support and resource existing good practice development.
20. There is no need to create a statutory framework. There is a need is to strengthen the existing voluntary collaborative approach, building on existing relationships and sharing and learning from good practice from each sector.

Question 4 – What issues related to resources (including costs and community support) do you feel are most important in protecting community assets?

21. Capital and revenue funding for any group taking on an asset whether private or public needs to be realistic – where communities might secure this funding from is however not clear. Therefore where possible an asset transfer should tie in with other funding programmes, such as Vibrant & Viable Places. This is capital only and therefore the ongoing issue of revenue should not be ignored. The primarily focus of any community organisation should be the setting up of a viable and realistic business case. Previous experience has shown that it is helpful for Councils to provide detailed information on the condition, average annual running costs and maintenance responsibilities of a particular property. This assists groups to understand the implications and long term responsibilities associated with the venture and may result in withdrawal from the asset transfer discussions.
22. Many groups at the outset of a project often do not have either the technical or financial expertise to develop and manage the particular business proposal. The skills and capacity of the members of the community group is fundamental to a successful and sustainable CATs. Similarly, managing a transferred asset may require further development and support around skills and will require considerable ongoing commitment and capacity from the community. This is a key role for third sector support organisations such as WCVA and Wales Co-operative Centre.
23. Evidence to date indicates that successful CATs require significant pre and post community support. There needs to be a national commitment to effective resourcing for Councils and other agencies to ensure that CATs is developed as a models of alternative delivery of service and building community resilience.

Question 5 – Do you have any further comments or queries related to this consultation? If so, please use this space to report them.

24. If a community organisation taking on the responsibility of the asset can work in partnership with other stakeholders this can often reap benefits such as joint marketing of the area and ensuring adequate signage. Councils can often help bring groups together that can mutually support each other. There are examples of where Councils have improved the area surrounding the asset as part of a public realm scheme. This benefits the third sector organisation with responsibility for the asset as it improves the setting of the building and may assist in their promotion of the facility.
25. It is critical that communities are given full support to enable them to make an informed decision as to whether to proceed with an asset transfer. If community groups are interested in taking on an asset they are often overly optimistic on running costs, usage etc. their abilities/time etc. Therefore it is in the Council's interest to be upfront in terms of running costs, Health & Safety requirements, public liability etc. (if LA asset) and to work with them or identify another organisation that can work with them to prepare a realistic business plan.
26. The definition of 'Community Assets' needs to recognise buildings of historic interest (but not just listed buildings) e.g. chapels/workingmen's clubs etc. being transferred over and potentially historic features lost in refurbishment. It would be appropriate to therefore to build a 'flag' in the register to notify the local authority's conservation officer if a building on the register with historic interest is being considered for asset transfer
27. A small number of third sector organisations successfully secured BIG Lottery Community Asset Transfer Funding. The application process was detailed and as a result this ensured that applicants prepared business plans that identified realistic levels of income and expenditure. There may be lessons to be learned from this approach in terms of future asset transfer arrangements
28. A number of Council owned buildings are used as community assets already, for example youth facilities which are often used by voluntary sector groups for very low or no rent.