



Inquiry into community assets, Local Government and Housing Committee

Response from the Social Enterprise Stakeholder Group, June 2022

About the Stakeholder Group

The Social Enterprise Stakeholder Group believes that the social enterprise sector in Wales can play a key role in helping to rebuild a fairer, more inclusive, and sustainable economy. Our members include: Cwmpas, Development Trusts Association Wales, Social Firms Wales, UnLtd and WCVA.

Introduction

Social enterprises are ideally placed to develop and run community assets. They are anchored in their communities; are frequently community owned; employ locally and often have improving their local area at the heart of their social aims.

Many social enterprises have experience of considering and completing asset transfers. For our response, we wanted to reflect the experience of social enterprises on the ground and share learning of what works well and areas needing improvement.

To inform our response, we spoke with several social enterprises and ran an online survey to gather evidence about their experiences of the asset transfer process. Some of the social enterprises we spoke with wished to remain anonymous due to concerns about potentially disrupting asset transfers which are ongoing. Those who consented to being identified are listed in our response below.

From our research, half of those who considered an asset transfer proceeded with the process. The reasons given for not proceeding included:

- Uncertainties about the process of initiating asset transfers
- Challenges of communicating with local authorities and a perceived reluctance of some local authorities to engage.
- Uncertainties over who owns or is responsible for an asset
- Larger organisations becoming interested in the asset at the expense of smaller, community-based organisations.

This evidence shows that there is a need to support social enterprises from the outset of the asset transfer process with initial advice and guidance. We would welcome advice and funding for social enterprises considering community asset

transfer. Such support should recognise the specific needs of social enterprise and community businesses. Social enterprises require specialist business advice services to meet their unique needs. While they face many of the same challenges as any mainstream business, they also face unique challenges. Social enterprises have different drivers and deliver holistic solutions, integrating their environmental and social objectives with economic ones. They have specific governance structures and are accountable to multiple stakeholders. They access funding in different ways and from different places, for example from trusts and foundations, social investment providers and community share schemes. These businesses need to be supported in ways which are sympathetic to their means of delivery and social impact.

We note the recent good work in this field by the [IWA](#) and broadly support its recommendations. We also support the recent research by our partners Cwmpas on [Community Ownership of Land and Assets](#). In particular, we support the recognition that community assets include land as well as buildings. Community groups need access to land for a range of reasons including to ensure local services are run efficiently, to save local amenities and facilities, to protect the environment for future generations. But community ownership of land and assets can also help to deliver more affordable community-led housing.

The current statutory and policy framework

We do not believe that the current statutory and policy framework fully empowers communities to acquire and develop community assets in Wales. Studies by the Bevan Foundation and the Institute for Welsh Affairs demonstrate this in detail. Wales has some of the weakest provisions for community rights of ownership and control in the UK and it is likely that this has led to assets being lost to communities in Wales. We have outlined the challenges that the current system and legislative framework have caused for social enterprises in Wales below.

We also echo the findings of the Community Ownership Group, including:

- The need for a register of community assets. This should be maintained by the local council but allow submissions from community groups and individuals relating to inclusion.
- Rights in relation to community ownership of assets. Welsh Government should develop policy specific to Wales that provides communities in Wales with similar rights to those outlined in Scotland's Land Acts and the Localism Act in England.
- Welsh Government should explore alternatives to ownership. Welsh Government should work with public bodies to co-produce, with communities as equal partners, future asset management plans that reflect community

values and vision but also reflect the legal and professional requirements of asset management.

Challenges for social enterprises in the current framework

Relationships with local authorities was commonly cited as a challenge by social enterprises. Several thought that local authorities were poor at communication. It was felt that local authorities lacked urgency and understanding of the role of the sector or of the long-term benefits of asset transfer.

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

The availability of suitable assets was also a challenge. This was particularly the case for organisations working with vulnerable or disabled people. Assets that met accessibility requirements were limited and there was limited funding available to make assets more usable and accessible. A register of community assets could help to address these issues. Some social enterprises felt that when assets became available, they were quickly acquired by larger organisations that were better placed to pull together funding but possibly missing the links into the community that community-based enterprises have.

Red tape and legal jargon were also highlighted as a challenge. For example, one social enterprise has found it difficult to resolve difficulties around common land designation. Social enterprises require support and guidance through these challenges.

Raising funds to secure the asset has also been a challenge for social enterprises, particularly where there has been a time pressure on securing the asset before sale to the private sector. Securing grants and funds can be challenging and takes times. Some also found it difficult to co-ordinate different funding streams.

Other issues raised included a lack of volunteers to support the process, particularly following the pandemic.

The case studies below from Cwmpas' Community Shares Wales Resilience project also demonstrate the challenges facing social enterprises and community groups in acquiring and developing assets:

Woodlands Tavern, Llanvair – Discoed, Chepstow
<https://www.savethewoodlandstavern.org/>

Woodlands Tavern Community Pub Ltd. was a Community Benefit Society formed in March 2022 with the main aim to purchase the village pub. The Board spent a lot of time ensuring that they engaged the local community to understand their mission and more importantly believed in their idea and were hopeful that it could work. The Board worked with Cwmpas to put together all the documents needed for a community share offer. They also went through the process of being awarded the Community Shares Unit's Standard Mark, which is an award of best practice for community share offers. With a mix of grants, loans and a pending community share offer the group made an offer on the pub for the full asking price but were not successful and lost out to a private buyer.

Radnor Arms, Knighton, Powys

<https://www.herefordtimes.com/news/15073910.fight-to-save-radnor-arms-to-be-discussed-in-welsh-assembly/>

We have been working with the community of New Radnor to explore how they could "be ready" to move in action should their village pub come on the market. The pub has been empty for some time and was in a state of disrepair. They had attempted to engage with the owner but discussions had not got very far due to the owner not living locally and having no intention to sell. The owner had stated that they were prepared to sit on the asset until the Council allow a change of use for the building enabling it to be redeveloped as housing. The group are well connected and even run a community pub from a community hall one evening a week as a pilot to show there is demand in the village and to bring people together.

Friends of the Mid, Tonypany, RCT <https://www.friendsofthemid.com/>

We worked with Friends of the Mid Ltd. to set up as a Community Benefit Society in March 2021 to formalise their community action putting them in a position to raise the funding needed "to purchase the last piece of flat land in the Rhondda!" After many discussions, the group realised that they had the community support to save this piece of land and were in discussions around taking over the lease of land. Due to the support from the community, the local Council decided that they wouldn't give the lease to Friends of the Mid instead taking over the lease themselves and safeguarding the land from being sold to developers.

What works well in the current framework

Social enterprises told us that they had better relationships with local authorities where they had a named contact who understood the sector and the range of assets available.

Many cited support from agencies such as Architectural Heritage Fund, Coalfields Regeneration Trust, Cwmpas, Planed and WCVA. One also said that they benefitted from support from their local community council.

Lessons social enterprise would share

We asked social enterprises to share lessons based on their experiences of the process. This included:

- The importance of building a strong team to support the asset transfer
- Taking advice and guidance from organisations that have successfully completed asset transfers
- Not underestimating how long the process can be
- Finding experts in your community
- The importance of building relationships – between different community groups, social organisations and elected members at all levels.

We would be pleased to put the Committee in touch with social enterprises that have completed or considered asset transfers to hear first-hand their experiences on the ground.

Our research

The following social enterprises participated in our research. We are grateful to them and to those not named here for sharing their time and experiences to inform this response:

- UK Breakin'
- Pembroke Dock Community Assets Limited
- Carmarthenshire 50+ Forum and ReConnecting
- Glyn Wylfa Ltd
- Brynaman Lido Ltd
- Newport City Radio CIC
- Friends of Graigwen Woods Community Land Trust Limited
- Pembrokeshire Built Heritage CIC
- Amgueddfa Cae Hen - Bywyd cefn gwlad canrif yn ôl
- Canolfan Y Fron
- MENTER BROALED Cyf
- Caffi isa
- Cemaes Bay Nature For All
- ACE - Action in Caerau and Ely

- Autism life Centres CIC
- Handpost Community Library Association
- Haverhub CIC
- Norwegian Church Cardiff Bay

For further information on the issues raised in this response, please contact:

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