



**In community hands:**  
lessons from the past five years of  
Community Asset Transfer



It's what we do

in association with

**locality**



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It's what we do

## Locality

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# Forewords



At the Co-op AGM in May 2019, we launched our Co-operate 2022 Community Plan, based on the insight gained from developing our Community Wellbeing Index and through subsequent engagement with members and customers. We announced that we would be focussing our community work over the coming years on spaces, skills and wellbeing, because we know that individually and collectively, these issues are critical to the strength of local communities across the country. As part of this, in June 2019, we launched our Endangered Spaces report with our valued partners Locality. It heralded the start of our work to empower and enable local communities to save the spaces that matter the most – those where ordinary people can connect in extraordinary ways.

Since then, we've supported over 450 local communities through the Co-op and Locality Advice Line Service; and through our Local Community Fund, we're supporting 1,466 groups to enhance and improve spaces in their local area. Our charity, the Co-op Foundation, has awarded almost £900,000 to help organisations make better use of spaces in their community, through their Space to Connect partnership with DCMS.

What's clear to us is the extent to which spaces – of all kinds, from libraries and leisure centres to parks and green spaces – are vital for individuals to come together with their communities.

Take, for example, Jubilee Pool in Penzance – the UK's largest outdoor seawater lido, built in 1935, but in need of massive investment as a result of years of decline and then a catastrophic storm in 2014. The local community came together as a Community Benefit Society, developed a business plan to tackle the challenges of a limited summer opening period and expensive winter maintenance costs, and worked in partnership with both Cornwall Council and Penzance Town Council to deliver a successful Community Asset Transfer. Support for the lido has come in many forms – from over a thousand community shareholders, to major grant makers, including the Co-op Foundation. It's an inspirational success story of a local community coming together to save an iconic space in their town – and its future is secure for the generations to come.

At this time where division and disconnect is rife in our society, there is an urgent need for more inspirational stories like that of Jubilee Pool, and to reverse the loss of the very spaces where conversation and connection can thrive. The action we've been taking in communities across the country since May 2019 is welcome, but we believe that significantly more needs to be done to disrupt the status quo.

That's why this report is so important. As well as working with Locality in local communities, we've been collaborating with them to deliver this critical piece of research. I'm encouraged by our finding that 1,703 local communities are thriving thanks to the fact that they have been able to take places and spaces that matter to them into community ownership through the Community Asset Transfer mechanism over the past five years. However, with an estimated 4,000 spaces a year being lost to private ownership, the scale of the challenge still remaining is worryingly clear. There's an urgent need to build the skills and capacity of community leaders and to develop the approach of local authorities, so they can also benefit from the learnings in those areas where Community Asset Transfers have been a success.

As we enter into this new decade, it will take expertise from across all sectors and from communities across our nation to develop sustainable solutions to the scale of this challenge, which starts here – through building the evidence base as to just how far we need to travel. I hope you'll join us in this.

**Paul Gerrard**  
**Co-op Director of Campaigns**  
**and Public Affairs**







At Locality we believe in the power of community. We know that when people come together to create change, extraordinary things happen. This new research shows that power in action, shining a light on the hundreds of communities across the country who are working together to take ownership of their local spaces and buildings.

Through community ownership, these places thrive - harnessing the energy, ideas and expertise within our neighbourhoods to create the inclusive spaces which are the lifeblood of our communities. From delivering affordable housing, to revitalising high streets - community ownership also leverages local enterprise and resident-led action to create solutions for the priorities that matter locally.

But these communities are doing this incredible work in the face of extremely worrying trends. In 2018 Locality revealed the extent of the threat facing our publicly-owned land and buildings. Our Great British Sell Off research found that on average more than 4,000 publicly-owned buildings and spaces in England are being sold off every year. Once sold-off, these spaces are lost to the community forever.

Community ownership is a vital route for protecting these community spaces for generations to come. But we require a major injection of investment, support and skills into community ownership to unlock this power.

So we are very pleased to be working in partnership with the Co-op, to protect, support and improve community spaces. This research contributes new data to our understanding of Community Asset Transfer and provides case studies on some of the councils and communities that are leading the way. Learning lessons from these places, we show why more councils and communities should work in partnership to unlock the social, economic and environmental value potential of community ownership.

**Tony Armstrong**  
CEO Locality





# Executive summary

Across the country, local authorities are supporting communities to take ownership of much-loved buildings and spaces – and they are achieving real social, economic and environmental benefits in return. Through Community Asset Transfer (CAT), councils and residents are working in partnership to revitalise our civic infrastructure and transform neighbourhoods.

This research, using new data gathered from local authorities across England, paints a thriving picture of Community Asset Transfer. But we have also found that they are doing this incredible work in the face of very difficult circumstances. A decade of austerity has pushed local services to the brink and left many of our community spaces shuttered up, under threat or falling into disrepair. And while community ownership is a powerful solution, it is a drop in the ocean when compared to the scale of the sell-off that's taking place across the country.

**The volume of CAT taking place year on year is approximately 1/12th of the size of the volume of sales on the open market. Community Asset Transfers represent less than 1% of the total asset portfolio of local authorities.**

This report showcases the pioneering local authorities and community organisations who have been leading the way on Community Asset Transfer. Often driven initially by austerity to keep buildings open, these councils have since reaped the benefits of working in partnership with citizens to unlock the wider social and economic benefits of community ownership. Together they have unleashed the potential of resident-led action. What might have started as a cost-cutting exercise has unlocked new opportunities for transforming places through community power.

From Penzance to Cleethorpes, people and communities are benefiting from these partnerships. Not only is community ownership injecting new ideas, innovation and creativity into the governance and activities of local spaces – it is also bringing communities together, creating connection and delivering real local economic benefits.

Yet Community Asset Transfer is not an 'easy fix' or a slick sticking plaster for local authorities to paper over the impact of financial hardship. Each and every Community Asset Transfer is a long and complex process, requiring long-term commitment, partnership and support from local authorities. Many of the local authorities we interviewed have learnt the hard way how to develop successful approaches to community ownership. We have heard that a major challenge is securing the capital funding to support community assets, alongside the availability of technical support, expertise and skills for community groups.

In recent years, major Government support programmes for CAT have ceased. Yet the announcement of a new £150million Community Ownership Fund signals a welcome renewal of support. This new funding, with expanded scale and scope, could provide significant opportunities to turbocharge the community ownership agenda.

Putting local buildings and land in the hands of local people gives communities the resources and power to shape the future of their towns, cities and villages. From delivering affordable housing to revitalising high streets – it gives communities a greater stake in the priorities that matter to them. Through our new research, we explore the lessons from the past five years of Community Asset Transfers and provide recommendations for how the power of community ownership can be unlocked for the benefit of all communities.

## Methodology

Our research methodology involved:

- A Freedom of Information (FOI) request to all local authorities (with 280 responses) to generate new data about the scale of Community Asset Transfer, CAT policies and terms of asset transfers taking place.
- Interviews with six local authority officers and additional written survey responses from three local authority officers.
- Case study interviews with three community organisations who have taken on local assets.
- Policy analysis of a sample of twenty CAT policies.



## Our findings

This report uses data from a Freedom of Information (FOI) request to all local authorities in England to show the scale of Community Asset Transfer (CAT) across the country. We find a steady picture of community ownership, with an estimated average of 341 buildings and spaces being transferred into community ownership each year for the last five years.

However, when we compare these figures to Locality's 2018 Great British Sell Off, which found that 4,000 council-owned buildings and spaces are being sold-off on the open market each year, we can see that the rate of community ownership is a fraction compared to the wider sell-off we are facing.<sup>1</sup>

These findings therefore show the urgency for unlocking the potential of community ownership as a powerful alternative to sale, including by developing local authority approaches to CAT and the skills of community leaders and local organisations to take on these assets.

Yet our findings also reveal a lack of strategic approaches to CAT by local authorities. Less than half of local authorities (45%) have a local policy in place to guide their process and decision-making for CAT, and less than 20% of councils said they review assets available for CAT as part of their future asset management and planning. This suggests that for the majority of councils, CAT remains an ad hoc process, rather than playing an embedded role in their local plans.

We also find that those assets that are being transferred by councils without a CAT policy are more likely to be transferred on shorter term leaseholds. This can make it harder for community owners to leverage external funding and develop sustainable business plans.



## Recommendations

### A national strategy to support a step-change in community ownership:

We welcome the Government's commitment to a new £150m Community Ownership Fund. However, this new funding needs to be introduced within a holistic strategy in order to support a step-change in community ownership and unlock its currently unrealised potential.

The national strategy should include:

1. LONG-TERM FUNDING
2. NEW LEGISLATION
3. SPECIALIST SUPPORT AND EXPERTISE
4. LEADERSHIP IN GOVERNMENT

### Long-term funding

**An ambitious Community Ownership Fund should not be piecemeal or limited to specific categories of assets. It should include:**

- Access to funding for community assets acquired through both Community Asset Transfer and current Community Right to Bid routes.
- Capital and revenue support, as well as flexible grant funding, to support all points of the community assets journey. This should include funding to establish trading in early years, ensuring community assets are equipped to grow well and on a sustainable basis.
- Commitment to sustained investment over the next ten years, including through co-ordinating pooled investment with other funders and social investors. For example, unlocking the Dormant Assets fund (unclaimed pensions, insurance, stocks and shares) could bring a further £500million into community assets over the next ten years.

<sup>1</sup> Locality. 2018. 'Great British Sell Off'. Available at: <https://locality.org.uk/policy-campaigns/save-our-spaces/the-great-british-sell-off/>



## New legislation

The national strategy for community ownership should be supported by new legislation. To truly level up and unleash the potential of all parts of the UK, the government must reboot the localism agenda with a new wave of powers to support community-led activity. This should include new powers for community ownership:

- Reform Assets of Community Value (ACV) legislation to cover other local amenities and services, not just physical assets. Community potential should also be applied to disused assets and the definition of 'recent past' for community use should be extended. ACVs should be protected from change of use planning applications, and there should also be an appeals route for rejected ACV applications.
- A new 'Community Right to Own' which would give first refusal to community owners for ACVs purchased on the open market, with a one-year moratorium for communities to mobilise and fundraise.
- New powers for communities to force the sale of neglected high street assets that are derelict and leading to local decline.<sup>1</sup>
- Legislative protections to safeguard existing assets in community ownership from private sale, should they run into difficulty – as being developed through the Protecting Community Assets inquiry.<sup>2</sup>

## Specialist support and expertise

**Community Asset Transfers, as well as other routes of community ownership, work best when accompanied by a package of advice, technical support and capacity building to support long term skills and partnerships.**

The community ownership strategy should include a national programme community asset transfer support, managed independently of government. This would include access to advice and specialist expertise for community organisations and for local authorities, as well as a programme of peer-learning, enabling all communities to unlock the opportunities of community ownership. This programme of support should include a champions network of local authorities who are leading the way on community ownership.

## Leadership in government

The national strategy should drive best practice and commitment to community ownership across multiple government departments and public bodies, led by MHCLG. This should include a cross-government taskforce, with a remit to champion community ownership at a high level. This would a focus on:

- Embedding community ownership opportunities in other national programmes and funding. For example, through post-Brexit funding and the Towns Fund. We believe at least a quarter of such funds should go directly to community-led partnerships, to build grassroots solutions to local economic challenges, including through community ownership.<sup>3</sup>
- Creating opportunities to unlock land and buildings available for community ownership. For example, creating a strong community benefit focus within the One Public Estates programme, and working with other public bodies which hold property, such as Homes England and NHS England, to ensure that community ownership is a core consideration within their estate's management programmes.

## Local government leadership and support for Community Asset Transfer

Our research uncovers learning for local authorities on developing local CAT approaches. We also have published a separate guidance for local authorities which can be found at [locality.org.uk](https://locality.org.uk). Supported by a national strategy on community ownership with access to advice and support, local authorities should:

- Develop a CAT policy that is strategically adopted across the council with a cabinet lead for community assets. Councils should work in partnership with the community sector to develop the local approach CAT and identify local outcomes for community ownership.
- Support sustainable asset transfer by providing long-term leases of at least 30 years to provide community owners with the time to embed their business plans and leverage external funding.
- Support for community owners including through: expertise and direct support from council officers to support business planning; contracts with local organisations to support capacity building; access to funding and finance including through low cost loans for capital projects and tapered grant funding to support viability in the early stages.

<sup>1</sup> Power to Change, 2019. 'Take Back the High Street.' Available at: [https://www.powertochange.org.uk/wp-content/uploads/2019/09/PCT\\_3619\\_High\\_Street\\_Pamphlet\\_FINAL\\_LR.pdf](https://www.powertochange.org.uk/wp-content/uploads/2019/09/PCT_3619_High_Street_Pamphlet_FINAL_LR.pdf)

<sup>2</sup> Protecting Community Assets Inquiry: [http://www.protecting-community-assets.org.uk/Full\\_Interim\\_Report.pdf](http://www.protecting-community-assets.org.uk/Full_Interim_Report.pdf)

<sup>3</sup> Find out more at Communities in Charge: <https://locality.org.uk/policy-campaigns/communities-in-charge/>



# Introduction

## Why our community spaces are vital to our society

There is widespread recognition of the value of our community spaces. Our swimming pools, parks and community centres; these are the places where we get to know our neighbours and access vital services. They underpin the vitality of our neighbourhoods and people's sense of pride and belonging in the places where they live.

The Co-op and Locality's research 'Endangered Spaces' shows that people value community spaces as safe and inclusive places, where new friendships are formed and where they can keep fit and healthy.<sup>3</sup> Evidence from the What Works Centre for Wellbeing also shows that community hubs widen people's social networks, bring together different social or generational groups and increase social capital and build trust.<sup>4</sup> These are the places where the connections and relationships that bind our society and keep us healthy are formed.

We know that 1 in 5 people across the UK feel lonely always or often. Without access to community spaces, bringing people together and increasing social cohesion becomes even more difficult. In some cases, we know that a shared meal in a community setting is the only contact some people have with others for days, weeks or sometimes even months – without the space to meet, connections can be lost and loneliness sets in.

Loneliness is one of the biggest public health issues of our time – it's been reported to be as bad as smoking 15 cigarettes a day. With such detrimental long-term health consequences, loneliness across the life-course needs to be tackled. The Co-op's research 'Trapped in a Bubble' highlights that loneliness is often triggered by key life events such as becoming a young new mum, a bereavement, or retirement.<sup>5</sup> With the decline in local spaces, activities to support people at these trigger points – such as mum and toddler groups – are being lost, further compounding the impact of loneliness.

The role of community spaces as a key part of tackling loneliness should not be underestimated. In an increasingly divided society, the spaces that bring us together and forge new relationships are precious to the wellbeing of our local communities and the fundamental health of our democracy.

## The threat to community spaces

Yet despite what we know about the fundamental benefits of community spaces, they are under threat. Over half the public surveyed in our Endangered Spaces research identify their community spaces are at risk, and three quarters of people aged 24-35 have seen the closure of a community centre, swimming pool or playing field in their local community.<sup>6</sup> Access to inclusive and sustainable community buildings and places varies significantly across the country, and there is evidence that the poorest communities have the fewest community assets.<sup>7</sup>

Local authorities have faced significant cuts, with spending on local services down 21% over the last decade.<sup>8</sup> These pressures combined with cuts to non-statutory services have led to the closure and sale of associated buildings and spaces in neighbourhoods across the country. The option to use capital receipts from surplus assets to fund revenue costs of service transformation has been an additional driver for councils to dispose of assets on the open market to the highest bidder.

As Locality's 2018 Freedom of Information (FOI) request to local authorities found, approximately 4,000 publicly-owned assets are being sold off each year – including many vital community buildings and spaces.<sup>9</sup>

In the face of these threats, Community Asset Transfer can be a powerful alternative to sale. Across the country thousands of local people have been coming together in community organisations to step up and fight to save these buildings through community ownership. Yet the benefits of community ownership go far deeper than this. When done well and properly supported, community ownership can be central to the wellbeing of local places.

<sup>3</sup> The Co-op and Locality. 2019. "Endangered Spaces". Available at: [https://assets.ctfassets.net/bffxiku554r1/3TBBOOMARpJ4QR3lnkseh/9e49f2c28e52e5d2dc4b9f6f7e8d80a6/COP21860\\_-\\_Community\\_Report\\_Redesign\\_B\\_V3.pdf](https://assets.ctfassets.net/bffxiku554r1/3TBBOOMARpJ4QR3lnkseh/9e49f2c28e52e5d2dc4b9f6f7e8d80a6/COP21860_-_Community_Report_Redesign_B_V3.pdf)

<sup>4</sup> Bagnall, A. et al. 2018. 'Places, Spaces, People and Wellbeing.' Available at: <https://whatworkswellbeing.org/product/places-spaces-people-and-wellbeing/>

<sup>5</sup> Kantar Public, the Co-op, the British Red Cross. 2016. 'Trapped in a Bubble: an investigation on triggers for loneliness in the UK'. Available at: <https://www.co-operative.coop/campaigning/loneliness>

<sup>6</sup> The Co-op and Locality. 2019. "Endangered Spaces". Available at: [https://assets.ctfassets.net/bffxiku554r1/3TBBOOMARpJ4QR3lnkseh/9e49f2c28e52e5d2dc4b9f6f7e8d80a6/COP21860\\_-\\_Community\\_Report\\_Redesign\\_B\\_V3.pdf](https://assets.ctfassets.net/bffxiku554r1/3TBBOOMARpJ4QR3lnkseh/9e49f2c28e52e5d2dc4b9f6f7e8d80a6/COP21860_-_Community_Report_Redesign_B_V3.pdf)

<sup>7</sup> Archer, T. et al. 2019. 'Our assets, our future.' Available at: <https://www.powertochange.org.uk/research/assets-future-economics-outcomes-sustainability-assets-community-ownership/>

<sup>8</sup> Institute for fiscal studies. 2019. 'English council funding: what's happened and what's next?' Available at: <https://www.ifs.org.uk/publications/14133>

<sup>9</sup> Locality. 2018. 'The Great British Sell Off'. Available at: <https://locality.org.uk/policy-campaigns/save-our-spaces/the-great-british-sell-off/>



## The benefits of community ownership

Community ownership of land and buildings isn't new: it has a long and rich history going back centuries. In recent decades, many local authorities have worked in partnership with communities and local organisations to establish shared models of governance, management and ownership of land and buildings, for the benefit of the local community.

The legal basis for Community Asset Transfer (CAT) is the 2003 General Disposal Consent. This enables the transfer of ownership of public land and buildings to a community organisation at less than market value, on the presumption of securing long-term local social, economic or environmental benefit.

In 2007 the national Quirk Review inquiry injected momentum into the community ownership agenda. It positioned CAT as more than an asset management mechanism, setting out its potential to deliver economic and social renewal through unlocking community power, local enterprise and self-determination.<sup>10</sup> The Localism Act 2011 also created new opportunities for community ownership, including through the opportunity for residents to register land and buildings as 'Assets of Community Value' (ACVs), driven by the ambition for a 'fundamental shift in power to communities'.<sup>11</sup>

Community Asset Transfer is a route to transferring genuine power and resources to local people, giving residents a greater stake in the future of their communities. It can stimulate community action, involving volunteers and local people in the governance of local spaces.<sup>12</sup> When done well and properly supported, it also unlocks service improvement and innovation and can improve skills of local VCSE organisations<sup>13</sup>, as well as improving their financial resilience<sup>14</sup>, underpinning the strength and sustainability of community infrastructure.

There is also a burgeoning evidence base on the economic benefits of community ownership. Power to Change and the Ministry of Housing, Communities and Local Government (2019) have recently commissioned research from Sheffield Hallam University and IVAR which finds that community-owned assets contribute an estimated £220million to the economy each year.<sup>15</sup> Community ownership models can bring opportunities for local enterprise, creating more training and job opportunities for local people.<sup>16</sup> Indeed a Locality study of 10 community organisations found that they had collectively enabled approximately 1,400 jobs and contributed £120m of gross value added to the local economy through their tenant organisations.<sup>17</sup>

So while community ownership has grown up during our era of austerity, it should not be seen through this prism. Indeed, the benefits of community ownership are best realised when it is centred on creating a long-term partnership between enterprising communities and a supportive public sector.

## The challenge and our research purpose

Across the country, local authorities are using Community Asset Transfer to create partnerships with communities, unlock enterprise and transform local services. Yet we know that many more councils are not exploring the options of community ownership – or are approaching it as an ad hoc solution for individual spaces but are not unleashing the full benefits of a holistic approach to community ownership.

Through this research we wanted to find out the total picture across the country; how the areas who are doing CAT well are going about it; what the barriers are; and how we can share the learning journey and best practice across all councils.

<sup>10</sup> Quirk, B. 2007. 'Making Assets Work'. Available at: [https://libraries.communityknowledgehub.org.uk/sites/default/files/making\\_assets\\_work\\_-\\_the\\_quirk\\_review\\_of\\_community\\_management\\_and\\_ownership\\_of\\_public\\_assets.pdf](https://libraries.communityknowledgehub.org.uk/sites/default/files/making_assets_work_-_the_quirk_review_of_community_management_and_ownership_of_public_assets.pdf)

<sup>11</sup> Locality, 2018. 'People Power: findings of the Commission on the Future of Localism'. Available at: <https://locality.org.uk/wp-content/uploads/2018/03/LOCALITY-LOCALISM-REPORT-1.pdf>

<sup>12</sup> Locality, 2017. 'Places and Spaces: the future of community asset ownership.' Available at: <https://locality.org.uk/wp-content/uploads/2018/03/Locality-Places-and-spaces-report-final.pdf>

<sup>13</sup> Locality, 2017. 'Places and Spaces: the future of community asset ownership.' Available at: <https://locality.org.uk/wp-content/uploads/2018/03/Locality-Places-and-spaces-report-final.pdf>

<sup>14</sup> NCVO et al. 2015. 'Financial sustainability review of voluntary sector.' Available at: [https://www.ncvo.org.uk/images/documents/policy\\_and\\_research/funding/financial-sustainability-review-of-the-voluntary-sector-july-2015.pdf](https://www.ncvo.org.uk/images/documents/policy_and_research/funding/financial-sustainability-review-of-the-voluntary-sector-july-2015.pdf)

<sup>15</sup> Archer, T. et al. 2019. 'Our assets, our future.' Available at: <https://www.powertochange.org.uk/research/assets-future-economics-outcomes-sustainability-assets-community-ownership/>

<sup>16</sup> Crisp, R. et al. 2016. 'Community-led approaches to reviewing poverty in neighbourhoods.' Available at: <https://www4.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/community-led-approaches-to-reducing-poverty-in-neighbourhoods.pdf>

<sup>17</sup> Locality 2017. 'Keep it Local for Economic Resilience.' Available at: [https://locality.org.uk/wp-content/uploads/2018/03/LOCALITY-KEEP-IT-LOCAL-ONLINE\\_revised-260318\\_full.pdf](https://locality.org.uk/wp-content/uploads/2018/03/LOCALITY-KEEP-IT-LOCAL-ONLINE_revised-260318_full.pdf)



# The scale of Community Asset Transfer: The national picture

A Freedom of Information (FOI) request to all local authorities in England, issued in August 2019, has uncovered new data about the scale of Community Asset Transfer, the types of leasehold and freehold arrangements with community owners, and how approaches differ across the country.<sup>18</sup>

## A steady picture of CAT over the last five years

We identified a total of 1390 assets which have been transferred from the local authority to community ownership over the last five years, based on the 80% of councils that responded to our FOI. Extrapolating these results across England, we estimate there have been approximately 1,703 Community Asset Transfers over the last five years, with an average of 341 per year.

This appears to show a thriving picture of community ownership. **However, if we compare this with data from Locality's 2018 FOI request, the volume of CAT is approximately 1/12<sup>th</sup> of the size of the volume of sales on the open market, which was approximately 4,000 building and land assets per year.**

**In our FOI request we also asked local authorities the total number of assets they own and found that Community Asset Transfers represent less than 1% of the total asset portfolio of local authorities.**

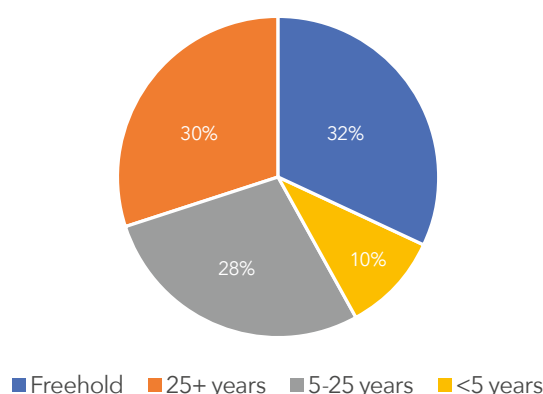
## Over a third of Community Asset Transfers were on a lease of less than 25 years

Freehold, 99+ year leases or long leases of at least 25 years on unrestricted terms are the most secure forms of community ownership.

These terms provide genuine community control and allow community organisations to take long-term decisions to secure community benefit and leverage additional external funding. At the same time through an 'asset lock' councils can ensure there remains accountability that the community owner will use the asset for community value and purpose, preventing profit for private gain.

Findings from our FOI, however, show that 28% of the total assets transferred were on a lease of 5–25 years, and 10% of the total assets transferred were on a lease of less than five years.

**Fig. 1: Terms of asset transfer across all local authorities**



<sup>18</sup>A FOI was issued to all local authorities in August 2019. We had a total of 280 responses. The questions were:

1. Does the authority have a published Community Asset Transfer policy?
2. If applicable, when was the CAT policy last updated or reviewed?
3. How many land or building assets has the authority transferred to community ownership\* through Community Asset Transfer in the following time periods (financial years): 2014/15, 2015/16, 2016/17, 2017/18, and 2018/19?
4. Of those assets that have been transferred, how many are on: a. a freehold agreement. b. a long lease of at least 25 years or more. c. a lease of between 5 years and 25 years. d. a lease of less than 5 years.
5. Currently, how many land or building assets does the authority own in total?
6. How many of the authority's land and building assets are currently identified as potential assets available for CAT?



## Over half of councils do not have a local CAT policy in place

Having an effective Community Asset Transfer (CAT) policy is critical for local authorities to realise the benefits of community ownership and protect much loved local buildings and spaces. Locality's experience working with local authorities to support Community Asset Transfer has demonstrated the importance of a CAT policy for the quality and success of Community Asset Transfers, as well as the transparency of decision making.

Our FOI revealed that 45% of councils responding had a CAT policy in place – either as a 'standalone' policy or embedded into another strategy. However, we also found that a third of these policies had not been updated within the last five years. Most incorporated CAT policies were contained within asset management strategies, which potentially limits the potential of community assets as just 'bricks and mortar', rather than linked to wider social impact opportunities.

We also found that 28% of the total Community Asset Transfers have been completed by councils without a CAT policy in place. This suggests an ad hoc pattern to these Community Asset Transfers, rather than a strategic one, where decision-making is potentially less transparent.

## Councils without a CAT policy are more likely to transfer assets on shorter leases

We explored whether councils who have a CAT policy in place are more likely to offer more secure and longer-term transfers to community owners.

The results showed that 55% of transfers by councils without a CAT policy were on a lease of less than 25 years, compared to 30% for councils with a CAT policy in place.

Fig. 2: Terms of asset transfer for councils with no CAT policy

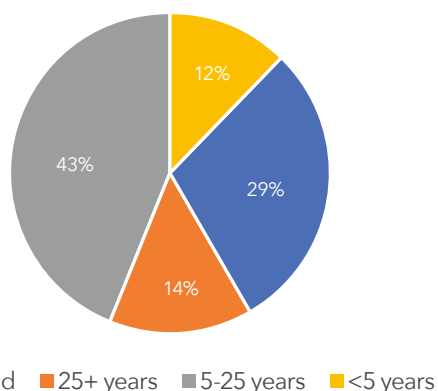
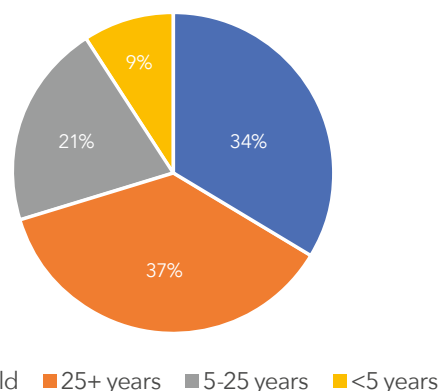


Fig. 3: Terms of asset transfer for councils with a CAT policy



## Most councils are not currently identifying assets available for CAT in the future

Our FOI asked councils how many of the authority's land and building assets are currently identified as potential assets available for CAT. This question returned varied responses showing the range of different ways in which councils might approach their planning for future asset transfers. We categorised the information received, to gain a better understanding of the trends around future planning.

Our findings show that only 19% of councils provided evidence around future planning for asset transfer. However, for councils who have a CAT policy this figure rose to 32% compared to 10% for those councils who do not have a CAT policy in place. This shows that councils with a CAT policy were more likely to consider strategic planning around community assets.

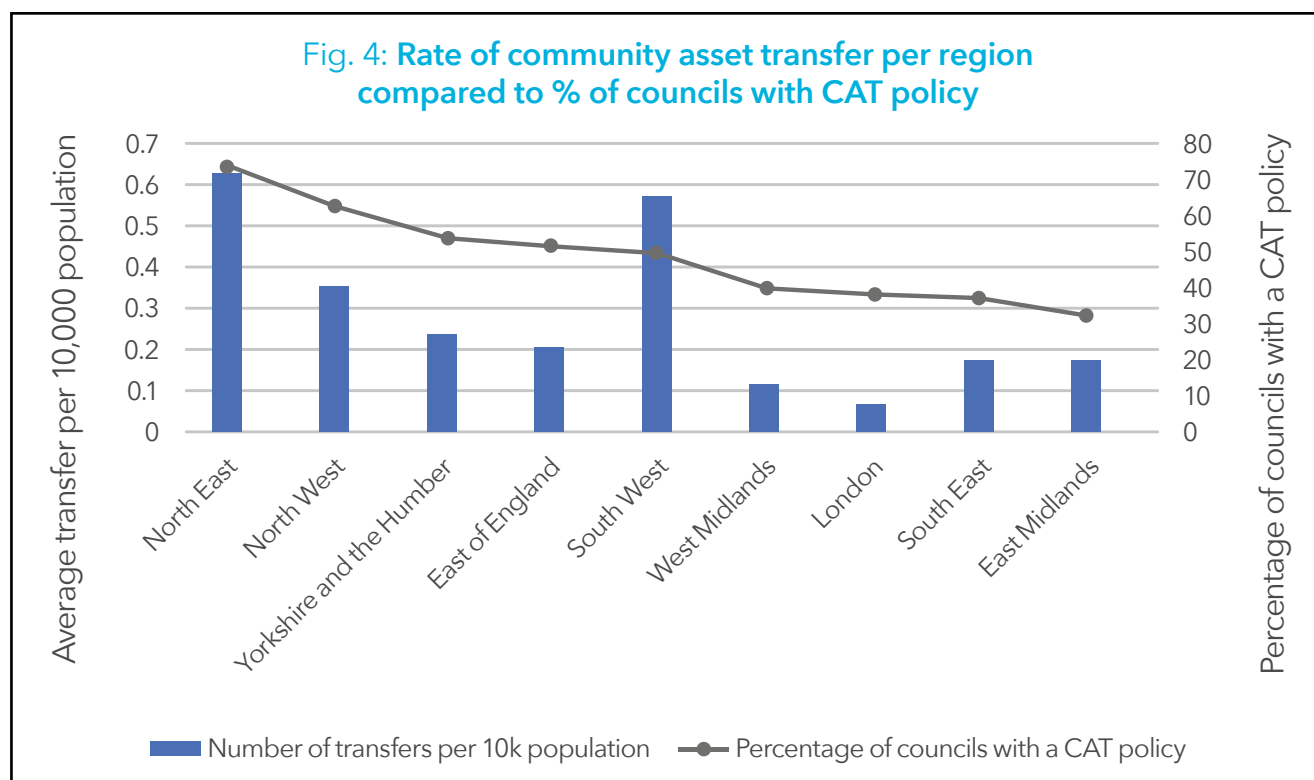


Table 1: Approaches to listing assets available for future CAT

Approaches to listing future assets available for CAT	Total	Percentage	Percentages for councils with a CAT policy	Percentages for councils without a CAT policy
We don't review in this way	128	47%	46%	48%
None identified	81	30%	19%	39%
Focus on surplus	4	1%	2%	1%
Not currently, but plan to work this way in future	4	1%	1%	2%
Evidence of future planning	52	19%	32%	10%

## Regional variations

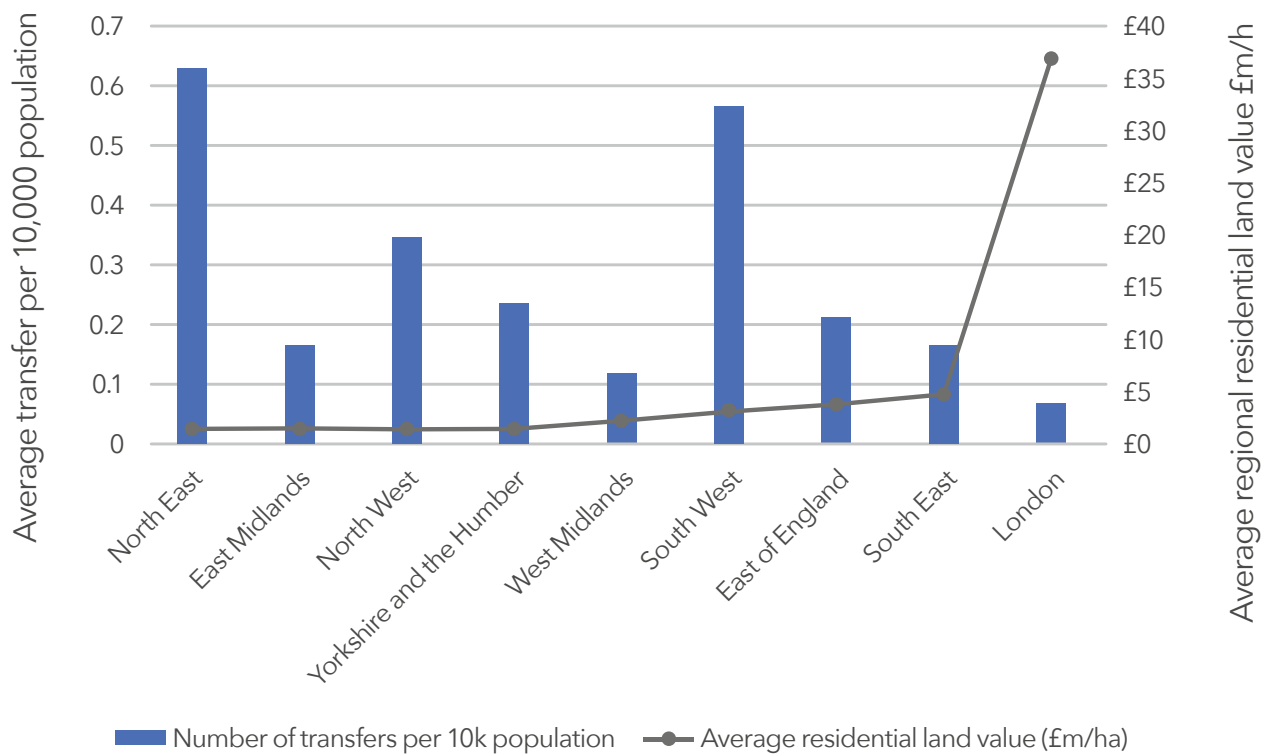
Our results show that, per 10k population, the highest volume of asset transfers has been in the North East. The region also has the highest percentage of councils with a CAT policy. London, in contrast, has the lowest rate of Community Asset Transfers and one of the lowest percentages of councils with a CAT policy.





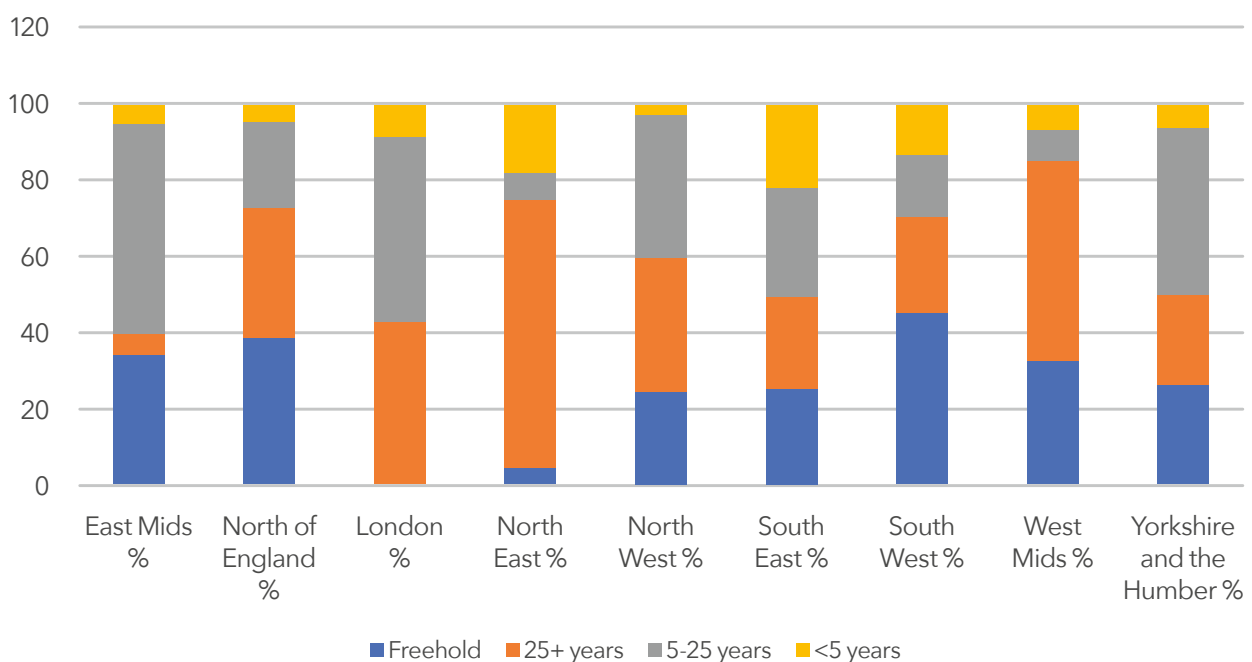
Land value appears to be one factor in these extremes, suggesting that in regions where average residential land value is significantly higher, the rate of Community Asset Transfer is lower.

**Fig. 5: Rate of community asset transfer compared to land value**



We also found that councils in the East Midlands followed by London were the most likely to offer Community Asset Transfer on short-term lease arrangements. This would suggest that councils without CAT policies in place are the least likely to offer long-term more sustainable leasehold or freehold arrangements.

**Fig. 6: Leasehold length and freehold per region**





## Variation by council type

Our results also show that Unitary Authorities, Metropolitan Districts and County Councils have the highest rate of Community Asset Transfers. County Council and Metropolitan Districts are most likely to have a CAT policy in place – in both groups, approximately 80% of councils responding have a CAT policy in place.

District Councils are least likely to have a CAT policy in place – with only 25.5% of district councils responding having a CAT policy in place. This demonstrates the potential for more support to be available to district councils to explore the options for community ownership locally.





# Local approaches to CAT: Council case studies

Through our interviews with six local authorities, and an additional four written survey responses<sup>19</sup>, we explored the policy drivers and enablers for Community Asset Transfer from the perspective of council officers.<sup>20</sup> All respondents were selected because their councils have a local CAT policy and asset transfer activity. We discussed how their approach to community ownership had changed over the last five years, as well as their views on future trends.

## From firefighting austerity, to delivering long term community benefit

Council officers all identified that the impact of austerity was a major catalyst for CAT, particularly in the early stages. The pressures to secure revenue savings meant that transferring assets to communities was a vital option for keeping community buildings open and services running. This is reflected in the fact that some CAT policies were originally designed around one specific service area. Wirral Council, for example, developed their initial CAT policy in 2010 to manage the staged transfer of 20 community centres to their tenant community associations.

Yet, for these councils, these austerity pressures came alongside other drivers for community ownership, including community empowerment, localism and service transformation. Interviewees identified the significance of national policy drivers, including the Quirk Review (2007) and later the Localism and Big Society agendas in shaping their councils' thinking around asset transfer. For some of the councils we interviewed, the combination of the pressures of austerity and these agendas taking root within local policy development was seen as the genesis of asset transfer "taking off" in the period 2011 – 2014.

Since this period, community ownership has become embedded within other key local government strategies. All interviewees recognised that Community Asset Transfer should be part of a local authority's whole place strategy, rather than just the ad hoc transfers of buildings the council cannot afford to run.

We heard from Bradford Council, for example, about the importance of community assets in their community and procurement strategies. Bradford Council, in partnership with Locality, have been developing their commitment to a 'Keep it Local' approach to commissioning.<sup>21</sup> Another example is Cornwall Council, where community ownership is embedded within their localism strategy.

All interviewees highlighted how CAT has unlocked opportunities for transformation in local non-statutory services. When properly supported, community ownership can leverage additional community capacity, volunteering and external funding which can improve the reach and outcomes of local services and amenities. For example, Leeds City Council (see case study on page 21) transferred the council-run community centres into local ownership, by building long term capacity within neighbourhoods to run and manage the spaces, which has led to increased use and new local activities.



<sup>19</sup> The local authorities who took part in telephone interviews or via a short survey were: Bradford Council; Wirral Council; Gateshead Council; Cornwall Council; North East Lincolnshire Council; Leeds City Council; and four other councils who wished to remain anonymous.

<sup>20</sup> Eight of our respondents were based within estates and property management teams with responsibility for CAT, and one was based in a voluntary and community sector (VCS) team.

<sup>21</sup> For more information on Keep it Local please see: <https://locality.org.uk/policy-campaigns/keep-it-local/about-keep-it-local/>



## Cornwall Council case study: Community Asset Transfer and localism

Localism within Cornwall is advanced, compared with other local authorities in England. This is partly due to the creation of a single unitary authority and dissolution of districts in 2009.<sup>22</sup> They have had the highest volume of asset transfer in the country, with over 100 projects being completed, including many land and building assets now falling under local management within the community over the last five years, the majority to parish and town councils. This is in addition to the early work transferring 200+ public toilets in local control and more recent libraries transformation work which has seen over 20 facilities being transferred to communities to run in partnership with Cornwall Council.

Cornwall Council have emphasised the importance of culture change as part of their localism agenda. There has been some criticism in the early years of Cornwall's localism journey that devolution of assets has been too 'top-down' and their framework too rigid, passing on responsibilities and liabilities to communities rather than working in partnership.<sup>23</sup> Cornwall have therefore sought to develop a greater dialogue and "bottom-up" solutions for place-based asset management.

Cornwall Council are currently refreshing their localism strategy, seeking a collaborative approach to shaping this with residents, community organisations and town and parish councils. They are also assessing their own estate, taking stock of the volume of assets that the council own and manage, and using that to co-develop place-based offers with communities.

Scott Sharples, devolution specialist at Cornwall Council describes that local conversations have so far addressed the "low hanging fruit". Their future approach is linked to their wider culture shift around partnership and empowerment as part of their localism strategy, to unlock new opportunities and capabilities within the community for locally based service delivery so that those communities have a greater say about what matters most to them.

They are also working to ensure that community ownership and service delivery agendas are linked into their future Environmental Growth Strategy. The Climate Emergency is a priority action for the Council and increasingly many local councils and community groups, and they are currently looking at how to strengthen their green infrastructure through ambitious proposals such as the Forest for Cornwall. Land and asset management is a key part of this and they are looking at how community ownership and devolution can be baked-into this way of working.

## Financial pressures remain a key factor in council decision making

Council officers also highlighted that the sustained financial pressures on local authorities means that the need to secure capital receipts from asset disposals remains strong. As one council officer summarised:

*"It's a fine balance between capital receipts and the desired outcomes for communities. If the project is in the capital receipts programme - it is already in the budget for the authority. Central Government might say austerity is ended - but the support from central Government is being slashed year-on-year. Every penny counts."*

– Local government assets management officer

In this context, the priority which local leadership gives to social value within the council decision making is a significant factor. For example, in Bradford Council, the community ownership strategy has high level support from councillors and the leader, as well as the Chief Executive. It is seen as an integral component of their future neighbourhoods' strategy. There have been new resources allocated within the council to support asset transfer, with an estimated 68 CAT projects currently in the pipeline.

However, council officers also highlighted that access to funding to support community assets is limited, including grants and capital funding. Often council budgets only allocate 'bare minimum' funds for health and safety repairs prior to transfer. This can create challenges for buildings in poor condition and repair, particularly where community owners have business plans which involve more ambitious refurbishment to transform or repurpose the space.

<sup>22</sup> Locality, 2019. "Power Partnerships: lessons from Cornwall". Available at: <https://locality.org.uk/policy-campaigns/localism-devolution/power-partnerships/>

<sup>23</sup> Locality, 2019. "Power Partnerships: lessons from Cornwall". Available at: <https://locality.org.uk/policy-campaigns/localism-devolution/power-partnerships/>



Other councils identified reductions in council staff teams, with a particular impact on community development and neighbourhood management teams, which have limited their potential to support CAT. Some identified that during the first 'wave' of asset transfers, they still had staff resources associated with those assets (such as community buildings teams). However, these resources have largely been cut, placing a limit on the support that can be offered for future transfers.

## Future trends for community ownership

We discussed with interviewees their expectations for the future of community ownership within their council. Whether they expected community ownership to increase or decrease in future years, their responses highlighted the importance of:

**Political leadership:** In councils, where political commitment to community ownership has been significant, there are likely to be more internal resources to develop the supply pipeline and work with the community to build capabilities for community ownership over the long term. For example, in Cornwall where there is significant high-level ambition for localism, the Community Estates strategy will involve a new comprehensive map of assets available for community ownership in the future.

**Creating local momentum and community support through showing 'what's possible':** For example, Leeds Council highlighted that the transfers they have already completed are building the appetite and energy for community ownership within the wider community sector. The council is looking to continue to support this growth of interest.

**The local 'pipeline':** some councils pointed out that they might be reaching 'saturation point', because those assets that were obvious and ripe for transfer have already been transferred. North East Lincolnshire Council, for example, have a steady stream of 'demand led' proposals for asset transfer coming from the community. Yet, to develop their supply pipeline, the council requires additional expertise and resources to map, identify and develop a support programme and local partnerships for this pipeline. They see the development of a pipeline as critical to continuing to reap the benefits of more empowered communities in the long term, generating new community activity and thriving neighbourhoods.

## Strengthening the existing community assets portfolio:

Gateshead Council described that, whilst they have still got CAT projects in the pipeline, their strategic focus is now on making the community assets already in community ownership (primarily community centres) strong and successful. This involves support with business planning and commission readiness, to develop these community centres to a position where they have the potential to host and deliver contracts for community-based services. Ian Stevenson, services manager at Gateshead Council, describes that now there is a portfolio of community hubs across Gateshead, they want to empower local communities further, using these centres for local enterprise development, bringing new skills and employment into areas via local procurement strategies. In this way community ownership will become part of a wider community wealth building strategy, to work with communities and tackle poverty at a neighbourhood level.

*"A key priority is, for organisations that have been running a building successfully for many years, are they thinking far enough ahead to secure investment for improvements to the buildings to enable them to deliver the opportunities of tomorrow."*

– Ian Stevenson, services manager at Gateshead Council





# Community Asset Transfer policies – developing best practice

Having an effective Community Asset Transfer (CAT) policy is critical for local authorities to realise the benefits of community ownership and protect much loved local buildings and spaces.

Our research sought to develop a better understanding of what makes a successful CAT policy and why it is important locally. A review of CAT policies and supplementary information supplied through our FOI data (from 2018 and 2019) showed that having a CAT policy is not, in and of itself, the end goal.

Some CAT policies are ineffective, and common challenges include: lack of detail on a transparent process for decision making; limiting asset transfer to only short-term leases; misinterpretation of community ownership as charity lettings; limiting asset transfer only to parish councils, missing opportunities for other governance options for community assets.

From this review of CAT policies and challenges, we developed a framework for assessing the quality and effectiveness of CAT policies.

We used this framework to develop a topic guide for our interviews with council officers to explore different approaches and experiences to CAT.





## Local authority learning on CAT policies

Local authority interviewees highlighted the benefits of having a CAT policy, which included:

**Clarity for community organisations:** setting a local CAT policy can facilitate improved communication around process, eligibility and application. It can also provide guidance for community organisations in terms of expectations (for example, timeframes and business plans) and availability of support. If Community Asset Transfer is perceived to take a long time, without good communication of process and likely timeframes, this can mean that the energy and enthusiasm within the community dissipates.

**Accountability for decisions:** when CAT is undertaken on an ad hoc basis, this can potentially lead to challenge and open up the council to disputes on individual cases, if there is a perception of a lack of fairness. Interviewees highlighted the benefits of a CAT policy for councillors who can make decisions based on a consistent and established set of criteria.

**Strategic benefits:** setting a CAT policy can enable a more strategic approach to asset transfer, which can incorporate several other council objectives. For example, interviewees highlighted the benefits of incorporating the aims of Community Asset Transfer within commissioning strategies. Others highlighted local economic strategies and the role of community ownership in strengthening local enterprise.

**Aligning support for community owners:** having a CAT policy in place can align the support available for community ownership, outlining available external funding sources as well as aligning internal sources of support as part of the policy.

Gateshead Council's CAT policy sets out clearly the Council's approach to community asset transfer, who is eligible and the commitment to facilitating community ownership. To help oversee the process a small working group which brings together multiple teams (neighbourhoods, property and building management, and legal) to ensure that the process runs smoothly and also to provide community owners with access to internal expertise.

*"Prior to having our Community Asset Transfer policy, we would work with groups and transfer ownership on an individual basis. We didn't have a strategy for thinking about the wider policy, or a formalised approach to dealing with requests and thinking more strategically about benefits.*

*With the development of the policy - we were able to position and explain the benefits of CAT clearly, for people and local neighbourhoods. We were also able to connect these directly to the council's strategic planning document"*

- Local government assets management officer

## North East Lincolnshire Council case study: co-designing the CAT policy

North East Lincolnshire Council used their funding as part of the Community Ownership and Management of Assets (COMA) programme to co-design a new CAT policy in partnership with communities and local organisations.

The council refreshed their existing policy, bringing together multiple community stakeholders (including VCSE groups and ward councillors) with officers to assess the benefits and weaknesses of their existing approach, and to co-design their new policy.

Wendy Fisher, capital and assets programme manager, reflects:

*"The first meeting was uncomfortable because it was about everyone getting their gripes out about how the process worked and what the challenges were. From this a relationship between the sectors formed, there was a new appreciation of different perspectives, and that relationship has continued... It was about the coming together of bad experiences and good, learning from that and understanding what's needed."*

One specific change that was made as a result of the co-design process, was to include clearer communication around the timescales and expectations for business plans for CAT applications. Previously, a lot of frustration from the community had stemmed from unrealistic timeframes, which meant that the experience of the process could feel quite protracted. Therefore, in the new CAT policy, the potentially lengthy timeframes (of up to 42 weeks) are highlighted upfront, and there is a clear flow-chart in place to demonstrate the stages and how long they will take.

One of the additional elements included in the new policy was a Community Panel as part of their decision-making process. This includes representatives from the VCSE sector and councillors, who provide advice on asset transfer decisions, as well as oversight and scrutiny. They also provide an expert source of support for potential community owners.



## Responsibility for community ownership

Most of the local authorities we interviewed had a cabinet or executive member with community assets within their portfolio. Officers identified several benefits from this, including:

- Providing profile for community ownership within the council and ensuring a coherent approach and recognition of benefits of community ownership across multiple departments and strategies.
- Driving forward and championing new developments and improvements in community assets approaches.
- Clarity and support across the whole council, can smooth out any potential concern from ward councillors about services being withdrawn from neighbourhoods.
- Political support for officers in driving forward community asset approaches.

*"Relationships are everything. [Success] requires officers, too, with the skillset to open the doors to these conversations - and [from leadership] it needs a passionate drive for communities, people and community regeneration."* – Scott Sharples, Cornwall Council



## Scope of CAT: freehold and leaseholds

Most of the councils interviewed have a preference within their CAT policy for long leaseholds (at least 25 years plus) rather than freehold. Describing their approach, for example, Wendy Fisher at North East Lincolnshire Council said:

*"Historically it has been preferred for the council to maintain some level of control. If something went pear-shaped, we would be able to transfer the asset back to the council. It's the main reason why we offer long leases initially."*

- Wendy Fisher, North East Lincolnshire Council.

However, most councils, including North East Lincolnshire Council, also referenced the importance of being flexible to the requirements of the community owner. For example, often community owners' business plans for the assets require bidding for external funding. Many funders will require a minimum 25-year lease to invest in community assets and if lenders require a longer term then this should also be a consideration.

The standard lease offered by Gateshead Council, for example, is a 30 year minimum full repair standard for their leases, as they recognise that to secure external funding most funders will expect groups to have a lease of at least 25 years on the building. The additional ten years is provided by Gateshead Council, as Ian Stevenson, Neighbourhoods Service Manager, explains: *"[This] allow[s] groups to establish and have time to develop business plans and funding bids, and still have sufficient length on the lease to secure funding. It gives groups time to get up and running, without needing to renegotiate the lease."*

Councils also described the need for flexibility over use of freehold, and to assess freehold offers on a case-by-case basis.



# Making Community Asset Transfers work in practice

## Case studies of Community Asset Transfers: learning and success factors

### Leeds City Council and Leeds Community Spaces

In 2014, supported by the national Community Ownership and Management of Assets (COMA) programme, Leeds City Council developed a multiple asset transfer (MAT) offer to put many of their council-run community and youth centres into community ownership. The council were looking for a consortium approach to develop community capacity to run the centres, and to work in partnership for a phased transfer of multiple assets over time.

A consortium of four community organisations - GIPSIL, Oblong, LS14 Trust and New Wortley Community Association - emerged from the initial expression of interest, all with experience of running and managing community assets across the city region. They carried out initial feasibility studies and developed business plans and worked with the council to map the assets eligible for transfer.

With support from Power to Change's Bright Ideas programme in 2017, which funded a development worker, the organisations developed their consortium approach, including governance development and business plans. In 2018, they incorporated as Leeds Community Spaces and the first two buildings, Meanwood Community Centre and Kentmere Community Centre, were transferred to them in November 2018.

### Funding and asset transfer approach

Leeds City Council provided a 'tapered-off' grant, to cover the running costs for the community centres for 5 years - from 100%, to 50%, to 25% over the five years. This means that the organisations are provided with initial financial stability, and the council achieves the required savings over a five-year period. The financial certainty has supported the organisation to employ a part time co-ordinator and a support staff, which has enabled them to deliver a business plan based on increasing the income from lettings and sessional hire.

### Outcomes of community ownership

Both community centres have been transformed through community ownership and are now offering significantly increased community activities. This includes spaces for bringing in local service providers - including pre-school, adult education and disability support services. Community ownership has also been a catalyst for increased volume of community activities and groups using the space and will be able to provide volunteering opportunities in the next few years.

This increased community use has also strengthened community engagement in the governance and activity of the centres. They have plans to establish local committees for each centre, to strengthen community accountability and lead local strategies for resident outreach and involvement in decision making. By growing this community capacity within these neighbourhoods, Leeds Community Spaces is planning to incubate local organisations to take on the management and ownership of the assets in the long term.





## Learning and success factors

The case study of Leeds Community Spaces highlights the following success factors:

- Funding available from the council to give certainty, enabling the organisation to establish the right governance and business planning.
- Time and patience from the local authority and taking a long-term approach.
- Access to external funding from Power to Change to buy in tailored development advice and support.
- A national programme (COMA) to act as the catalyst and provide local authority capacity to develop new approaches to assets management.

### Jubilee Pool, Penzance

Jubilee Pool is the U.K.'s largest outdoor seawater lido, built in 1935. Its unique design - a triangular shape coming out from the coast - means the pool is particularly vulnerable to the harsh coastal environment. In the 1990s the pool had gone into decline, and the Friends of Jubilee Pool was established in 1994 by residents to secure the future of the pool. They worked closely with the district council at the time to fundraise for renovation costs throughout the early 2000s.

However, in 2014, a massive storm hit once again with catastrophic effects. Cornwall Council, which owned the asset following local Government reorganisation, brought together partners to invest in the renovation of the pool - including £120k raised by Friends of Jubilee Pool. As part of Cornwall Council's devolution programme, they also laid out plans for the transfer of the asset to the community. Friends of Jubilee Pool formed a Community Benefit Society, Jubilee Pool Penzance Limited, and in 2017 they took over ownership and management of the pool on a 99-year lease.

## Creating the business plan

One of the key challenges for the Community Asset Transfer was to create a viable business plan. As an outdoor pool, it is only open for 16 weeks of the year. In the off-season there are significant winter maintenance costs as well as unplanned damage costs during stormier seasons. In order to be more sustainable, plans were developed in partnership with Cornwall Council to develop geothermal heating in the pool so that it could stay open for longer seasons each year. They also developed plans to upgrade and maximise the use of associated buildings, including the café and kiosk.

As a Community Benefit Society (CBS), Jubilee Pool was able to access funding that the council would not have had access to. In 2018 Jubilee Pool launched a community share offer, raising £526,000 towards the £1.8m capital project, and generating 1382 community shareholders. Nearly 1000 of these shareholders were from West Cornwall, living within a 15-mile radius of the pool. With one-member, one-vote, community shares create genuine and inclusive community ownership. Penzance is a low-income area, and so Jubilee Pool designed a minimum share offer that would be as inclusive as possible whilst still maximising the funds raised; they set the minimum share price at £50 but this was reduced to £20 for shareholders with a Cornish postcode.

Other loans and grant funding were accessed via charitable foundations and funders, including Power to Change, the Co-op Foundation and the Architectural Heritage Fund. Additional funding was also secured by project partner Geothermal Energy Limited from the European Union for the geothermal project.

The agreement from Cornwall Council was for a 99-year, full repairing lease on a peppercorn rent. As the asset is very exposed to unexpected storm damage, the first 10 years of the lease remain covered by Cornwall Council's insurance plan. However, all further insurance, including for new buildings and new structures, will be covered by the CBS for the future. Susan Stuart, Chair at Jubilee Pool, described that the length of the lease enabled them to borrow against the asset, whilst the freehold is currently still held by the Council, and that there had been "mutual reassurance" within the agreement that was made.



## Outcomes of community ownership

We interviewed Susan Stuart, Chair at Jubilee Pool, who described the benefits that had come about through community ownership:

- **Flexibility to achieve commercial success with community focus:** Within local authority ownership, Jubilee Pool was managed by the council's leisure contractor, which presented restrictions from a 'one size fits all' operating model. However, under community ownership, they have been able to develop plans which balance commercial objectives with community focus. For example, Jubilee Pool directly employ their workforce, rather than through a contractor; this has freed up overheads. They have also been able to expand community activities – including raft building days and an annual unicorn derby. The café has been transformed where profits have increased from approximately £2k to £30k per year.
- **Community pride:** Jubilee Pool is an iconic asset – one of only five seawater lidos in the country. It's an iconic part of Penzance; the whole community from aged 5 to 95 has memories and affection for it. Now it is in community ownership, this is a huge source of local pride. Changes have also been made to open up the space physically; there is no longer a 'walk through' turnstile and it is now more integrated as part of the promenade and public space on the seafront.
- **Longer season and opening times:** Lengthening the season was a vital part of the business plan, but it also has the potential to impact on the tourist economy within Penzance. Being able to stay open longer, the CBS is turning seasonal jobs into permanent full and part-time employment contracts, as well as supporting local businesses.

## Learning and success factors

One key challenge for Jubilee Pool has been delays in the delivery of the Geothermal well. The opening of the heated pool was deferred, and this required additional bridging funding. Jubilee Pool lost a whole season of projected income and did not have the capital nor the reserves to manage those risks. Cornwall Council did provide a financial package, however there were also delays in the transfer of this funding. As Susan highlights:

*"With just £30k in the bank in reserves, delivering a £2m capital project, it makes it really challenging to plan for contingency grants and the 'what ifs'. This is a key challenge of devolution of major assets, when they are not capitalised fully from the beginning and then they run into challenges and delays."*

- Susan Stuart, chair at Jubilee Pool

Susan identified some of the key success factors for Jubilee Pool and advice for other community organisations who are approaching a similar project:

- **Capacity and skills:** The Friends of Jubilee Pool were long established before the CAT was proposed; they had skills within the trustee board in terms of finance and charity governance.
- **Community engagement:** establishing the community share offer was not only a vital funding stream, it was also an important route to engaging the community in the future of the pool. It developed community buy-in and support and provides a democratic base for the future direction and plans for the pool.
- **Partnership with the local authority:** with both Cornwall Council and Penzance Town Council, Jubilee Pool built a strong partnership approach from the beginning.

## Sussex Pavilion, Cleethorpes

In 2013, two residents in Cleethorpes approached North East Lincolnshire council, to enquire about the future of the pavilion in their local park. The pavilion had once been a thriving centrepiece in the park, used by residents and players from the bowling green and tennis courts, but it had fallen into a bad state of disrepair and was now used mainly as a toilet and makeshift hang-out for teenagers.

They discovered that the Council were no longer able to fund maintenance costs, and so a conversation about a possible CAT began. The residents recruited five other trustees and began organising within their community – establishing themselves as the Sussex Pavilion Community Group. In 2014 they secured a 25-year lease on the pavilion and are now in conversations about the management and ownership of the tennis courts and bowling greens.



## Developing the business plan with the community

To develop their business plan for the pavilion, they began with a community survey. Residents recalled memories of what the building used to look like years ago and wanted to make it fully available to the community again. They developed a business plan based on using the pavilion for commercial and community hire, and putting the surplus into maintaining the surrounding park, tennis courts and bowling greens.

Steve Pygott, chair of the Sussex Pavilion, emphasised the importance of community engagement in the success of the business plan. Word of mouth, and keeping people informed, through local communications and local press:

*"You'd be surprised how many come out of the woodwork to offer things."*

- Steve Pygott, chair of the Sussex Pavilion

## Outcomes of community ownership

Renovating and opening the pavilion has brought renewed pride to the local area. Before this, the neighbourhood lacked any community hubs. Now there are thriving new community groups, dance lessons, space for children's parties, an adult education provider offering evening classes and a refugee support group.

Bringing the pavilion back into use has also dispersed some of the low-level anti-social behaviour in the area. It has meant that people feel safer and more confident to use the park and it has brought other local assets – such as the small play area – back into community use.

Steve also describes the new partnerships that have come about: "It's led to things I wasn't expecting, because people know we are here now". For example, he noticed that people were coming to the pavilion as a space to report or talk about issues or problems in the local area. Sussex Pavilion therefore began discussions with the local police team, who now have a small office in the pavilion to use as a base for their community support officer.

Wendy Fisher, North East Lincolnshire Council, described the council's perspective on the transfer of the pavilion:

*"In the past we had bid for capital funding for the pavilion but failed. There are so many different priorities for the limited amount of capital the council has access to. Assets like these tend to fall off the priority list. The asset was in wrack and ruin...but under community ownership, and with a community champion behind it, it has transformed. It is now bursting with activities for the community to enjoy."*

Wendy also described how the asset transfer of the Sussex Pavilion has contributed to the council's "stronger communities" objectives, at a local level. The full programme of events run by the community including mothers' groups, dance classes and elderly groups. Providing a space for such clubs means people are forming new friendships, exercising, and sustaining support networks. This has a social and economic return in reducing access to crisis support or adult social care.

## Learning and success factors

Steve Pygott, who before taking on the Sussex Pavilion project with his neighbours had no experience of running a charity, highlighted his key learning and success factors for Community Asset Transfer:

- Support from the council: the council arranged for funding for ceiling repairs prior to transfer, which put them in a good position to be able to leverage additional funding for more substantial works.
- Support from local Big Local: this was invaluable in terms of guidance and advice, as well as providing a small grant to support the project.
- Community support, including volunteering and support during the transfer and refurbishment. These relationships are strengthened at this point, and then people will continue to support, use and champion the centre.
- Perseverance: *"Don't expect everything to happen at once...it is a long process, be prepared... Don't lose heart, otherwise it is a lot of work for nothing. The worst bit is the beginning - you want to get stuff done, then the barriers appear and the reality hits - don't be disheartened."*

- Steve Pygott, Sussex Pavilion



## Summary of key success factors

Our interviews with local authorities and community organisations have highlighted a number of key success factors. Community Asset Transfer is not an easy fix. It is a long and complex process, which requires significant support. But when done right and properly supported, it can unlock transformational results. Here we outline the key elements of success.

### Access to revenue support and capital funding

Councils emphasised that a key challenge for Community Asset Transfer is that they are often only able to make health and safety or urgent repairs prior to transfer. Grant funding from the council as part of a service-level agreement or support package is often limited. However, some councils have developed tapered funding models which provide maintenance support while the community owner becomes established; see for example, Leeds City Council case study.

Access to both revenue and capital funding is key to the success of sustainable asset transfer, from refitting or refurbishments to support for cash flow in the early years of trading. The key challenge for community organisations is in generating revenue quickly enough, particularly without significant reserves in place. Councils and community owners also emphasised a market gap for capital works for community organisations that would not burden them with debt.

Two of the councils we spoke to (Cornwall Council and Bradford Council) are currently exploring how to use capital loans to provide more opportunities for community owners to gain access to revenue to help tackle cashflow issues. In Bradford, the Executive are to consider if a new loan offer could support community ownership.

## Community capacity

Having the right community leadership can ‘make or break’ the success of a CAT. This includes specific skills (financial management, building management, bid-writing) as well as factors relating to the ‘time, willingness and passion’ of community leaders. Council officers also identified that community owners who were “creative” and “savvy” in seeking out funding and galvanising community input were considered more likely to succeed. Councils also emphasised the importance of succession planning, including making sure there will be the right trustees and volunteers involved for the future sustainability of the building.

Councils also identified the importance of support from local community infrastructure organisations, to provide capacity building and brokerage of CAT projects. For example, Leeds City Council highlighted the role of BARCA in Leeds, providing initial support, advice and momentum for the Friends of Bramley Baths. Bramley Baths is now one of the best ‘success stories’ of community ownership in Leeds and across the country. After being transferred to community ownership, opening hours doubled, the number of children taught to swim every week nearly doubled, and now young people can also access a lifeguard training programme to develop job opportunities.<sup>24</sup>

The process of Community Asset Transfer itself can build capacity through local peer-learning networks and developing the skills base of the local third sector. Several councils described how since completing initial CAT projects, capacity and activity in the wider community sector has grown.

Wendy Fisher at North East Lincolnshire Council highlights how councils can encourage the growth of these networks:

*“The council should celebrate and champion the success of community owners. We are able to demonstrate [the impact] across the borough now, with numerous success stories playing out. And this is snowballing, building other opportunities.”*

<sup>24</sup> Bramley Baths case study, Locality 2018. ‘The Great British Sell Off.’ Available at: <https://locality.org.uk/wp-content/uploads/2018/06/The-Great-British-Sell-Off-FINAL.pdf>



## Business planning

All interviewees emphasised the importance of business planning. An asset transfer is more than handing over a building, it is about ensuring there is a sustainable and long-term plan for delivering community benefit through that local resource. Officers highlighted that one of the key elements they look for is whether a business plan is realistic and whether the community owner understands what their obligations and outgoings will be in terms of maintenance and repair.

Officers highlighted that business plans which are explicitly about how to achieve community outcomes and social value, not just wanting to 'save the building' are more likely to succeed. Two interviewees said that it was easier to balance these decisions to offer a CAT against potential capital receipts which could be secured through sale. This is because of the value attributed to service outcomes and measurable social value rather than simply perceived "community protest" or the strength of local connection to a building.

Support for community enterprise development was identified as important to the success of Community Asset Transfer. In Cornwall, for example, a key consideration currently is how to develop more opportunities for town and parish councils to access 'commercial skills' alongside community-led approaches to asset management. Some of the most successful asset transfers (see the case study of Jubilee Pool) are where community owners have managed to successfully blend a business plan of "commercial savvy with community purpose." Community engagement, partnership building and bringing in community activities, go hand in hand with long term financial success for community hubs. As one respondent highlighted: "You can't keep the lights on if there is no one in the building."

Interviewees also emphasised the importance of understanding that the benefits and impact of Community Asset Transfer requires taking a long-term view. "Handing over the keys" is the start of the process, not the end. That's when the value and benefits start to be unlocked.

*"There is a tendency to rush a successful asset transfer. Often the paint is not dry before we start claiming 'success'. But after five years, that's when the real success shows. They've secured finance and developed value to the local community. Taking the time is key - but often community owners are under pressure to show how they've delivered immediately"*

– Local government assets management officer.

## Good communication and trust

Officers highlighted the need for frank and open understanding of the risks and challenges. It is important to emphasise that the process of Community Asset Transfer (CAT) is complex, and the best examples of success were through partnerships with groups that had their "eyes open" on those challenges.

Councils emphasised the role of officer support. Gateshead Council's neighbourhood management team, for example, supports community owners with business planning, financial planning and governance advice. Post-transfer, the team maintain contact with the group to continue to provide support and advise on building management issues. In Cornwall, a team of place-based localism officers provide practical support and strategic brokerage for community projects.

*"It's easy to underestimate how long building trust and relationships takes. [It requires] showing what's possible and the positive impacts, and people then want to get involved"* – Scott Sharples, Cornwall Council.

## National support programmes

Interviewees emphasised the availability of national or local support packages and capacity building. This works best when it can be tailored and develop the long-term skills of community organisations.

Councils also emphasised the importance of access to resources to support their own peer-learning and strategy development. A number of the councils interviewed were part of the national Community Ownership and Management of Assets (COMA) programme, which provided resources for councils to develop their local approaches and partnership around community ownership. It also provided access to peer-learning with other councils that were developing similar approaches:

*"One of the advantages of the COMA programme was the learning, the support and connection. There is still some information out there - but the agenda has gone quite quiet. Councils have limited resources - for us there is a freeze discretionary spend, so it's increasingly difficult to access opportunities for sharing learning and experiences...The COMA programme had a legacy built through creating the learning, which has made a huge difference to successful asset transfers and approaches."*

– Wendy Fisher, North East Lincolnshire Council.



# Recommendations

This report has showcased the pioneering local authorities and community organisations who have been leading the way on Community Asset Transfer. Often driven initially by austerity to save local spaces and buildings, they have worked in partnership to unlock wider benefits from the power of community ownership. Together they have transformed local services, revitalised local economies and been a catalyst for new community activity and resident-led action.

However, we have also found that Community Asset Transfer – while a powerful solution across the country – is a drop in the ocean when compared to the scale of the sell off. Fewer than half of councils have a local CAT policy in place, and these councils are more likely to pursue ad-hoc and shorter-term asset transfers.

While Government have signalled that ‘austerity is over’, after a decade of cuts to local budgets, the scars in our neighbourhoods run deep. Many local authorities under financial pressures are still driven to seek short-term financial benefits, rather than considering the longer-term social and economic benefits that can be generated through community ownership.

Our findings show there is a need to inject support and capital into the community ownership agenda to unlock its transformative potential for communities. Our learning from councils who have been leading the way on community ownership shows the importance of tailored support, advice and peer learning.

## 1. Long-term funding

**An ambitious Community Ownership Fund should not be piecemeal or limited to specific categories of assets. It should include:**

- Access to funding for community assets acquired through both Community Asset Transfer and current Community Right to Bid routes.
- Capital and revenue support, as well as flexible grant funding, to support all points of the community assets journey. This should include funding to establish trading in early years, ensuring community assets are equipped to grow well and on a sustainable basis.
- Commitment to sustained investment over the next ten years, including through co-ordinating pooled investment with other funders and social investors. For example, unlocking the Dormant Assets fund (unclaimed pensions, insurance, stocks and shares) could bring a further £500million into community assets over the next ten years.

## 2. New legislation

**The national strategy for community ownership should be supported by new legislation. To truly level up and unleash the potential of all parts of the UK, the government must reboot the localism agenda with a new wave of powers to support community-led activity. This should include new powers for community ownership:**

- Reform Assets of Community Value (ACV) legislation to cover other local amenities and services, not just physical assets. Community potential should also be applied to disused assets and the definition of ‘recent past’ for community use should be extended. ACVs should be protected from change of use planning applications, and there should also be an appeals route for rejected ACV applications.
- A new ‘Community Right to Own’ which would give first refusal to community owners for ACVs purchased on the open market, with a one-year moratorium for communities to mobilise and fundraise.
- New powers for communities to force the sale of neglected high street assets that are derelict and leading to local decline.<sup>1</sup>
- Legislative protections to safeguard existing assets in community ownership from private sale, should they run into difficulty – as being developed through the Protecting Community Assets inquiry.<sup>2</sup>





### 3. Specialist support and expertise

**Community Asset Transfers, as well as other routes of community ownership, work best when accompanied by a package of advice, technical support and capacity building to support long term skills and partnerships.**

The community ownership strategy should include a national programme community asset transfer support, managed independently of government. This would include access to advice and specialist expertise for community organisations and for local authorities, as well as a programme of peer-learning, enabling all communities to unlock the opportunities of community ownership. This programme of support should include a champions network of local authorities who are leading the way on community ownership.

### 4. Leadership in government

**Community Asset Transfers, as well as other routes of community ownership, work best when accompanied by a package of advice, technical support and capacity building to support long term skills and partnerships.**

The community ownership strategy should include a national programme community asset transfer support, managed independently of government. This would include access to advice and specialist expertise for community organisations and for local authorities, as well as a programme of peer-learning, enabling all communities to unlock the opportunities of community ownership. This programme of support should include a champions network of local authorities who are leading the way on community ownership.

### Local government leadership and support for Community Asset Transfer

Our research uncovers learning for local authorities on developing local CAT approaches. We also have published a separate guidance for local authorities which can be found at [locality.org.uk](http://locality.org.uk). Supported by a national strategy on community ownership with access to advice and support, local authorities should:

- Develop a CAT policy that is strategically adopted across the council with a cabinet lead for community assets. Councils should work in partnership with the community sector to develop the local approach CAT and identify local outcomes for community ownership.
- Support sustainable asset transfer by providing long-term leases of at least 30 years to provide community owners with the time to embed their business plans and leverage external funding.
- Support for community owners including through: expertise and direct support from council officers to support business planning; contracts with local organisations to support capacity building; access to funding and finance including through low cost loans for capital projects and tapered grant funding to support viability in the early stages.





# Annex 1: Freedom of Information Request

## Background to FOI request:

The FOI request was sent to all councils in England in August 2019. We received completed responses from 280 councils, which is a 80% response rate. Not all councils were able to provide data for all questions.

## The FOI questions:

**1. Does the authority have a published Community Asset Transfer\* policy?** \*Community Asset Transfer enables local authorities to transfer the ownership/management of their assets to community organisations at less than full market value in order to achieve a defined public benefit.

- If yes, please provide a web-link to the policy.
- If no, is Community Asset Transfer (CAT) integrated into another policy within your local authority – such as wider asset management strategies or VCSE (voluntary, community and social enterprise) policies? Please provide a web-link to this, if so.
- If no, does the authority have a CAT policy that is not-published / only available on request? Please provide a copy if available, if so.

**2. If the authority has a CAT policy (whether integrated into another strategy or a non-published policy), when was this last updated or reviewed?**

**3. How many land or building assets has the authority transferred to community ownership\* through Community Asset Transfer in the following time periods (financial years): 2014/15, 2015/16, 2016/17, 2017/18, and 2018/19?**

\* For the purpose of this question, please provide the number of assets that have been transferred using the General Disposal Consent (England) 2003 (Local Government Act 1972), which enables the transfer of assets at less than best or nil consideration to achieve a defined community benefit.

**4. Of those assets that have been transferred, how many are on:**

- A freehold agreement.
- A long lease of at least 25 years or more.
- A lease of between 5 years and 25 years.
- A lease of less than 5 years.

Please provide this information for the same time periods as Q3 if possible.

**5. Currently, how many land or building assets does the authority own in total?** Please exclude social housing assets from this total.

**6. How many of the authority's land and building assets are currently identified as potential assets available for CAT?** Please state if you do not review assets available for CAT in this way.





# Annex 2: Freedom of Information Request Findings

## Total CAT

1390 total Community Asset Transfers over the last five years.

Extrapolated = 1703 or, on average, 341 per year for the last five years.

## Presence of a CAT policy

Percentage with CAT policy	Total	%
Standalone	84	31
Incorporated	37	14
No policy	149	55
standalone + incorporated	121	45

## Terms of asset transfer

\*Not all Councils were able to provide details on lease length of asset transfers.

Leasehold lengths - all councils	Total	%
Freehold	403	32
25+ years	375	30
5 - 25 years	343	28
<5 years	122	10
Total	1243	
Transfers with no CAT policy	Total	%
Freehold	112	29
25+	55	14
5- 25 Years	162	43
<5	46	12
Total	375	
Transfers with a CAT policy	Total	%
Freehold	291	34
25+	320	37
5- 25 Years	181	21
<5	76	9
Total	868	



## Full regional breakdown

	East Midlands	East of England	London	North East	North West	South East	South West	West Midlands	Yorkshire and the Humber
Percentage of councils with a CAT policy (%)	31.6	51.3	37.5	72.7	61.3	36.2	48.3	39.1	52.9
Total number of CAT	108	147	45	162	190	155	385	57	141
Number of transfers per population	0.17	0.21	0.07	0.63	0.35	0.17	0.57	0.12	0.24
Average residential land value (£/ha) <sup>27</sup>	1,371,027	3,614,300	36,825,758	1,037,083	1,481,667	4,953,358	2,528,243	1,773,500	1,533,333
Average cut to LA grant from 2009/10 to 2019/2026	79%	83%	81%	79%	79%	69%	75%	78%	81%

## Terms of asset transfer by region

Freehold / lease length	East Midlands %	East of England %	London %	North East %	North West %	South East %	South West %	West Midlands %	Yorkshire and the Humber %
Freehold	34.6	39.8	0.0	5.5	25.1	26.0	46.0	33.3	26.7
25+	5.6	32.8	43.6	69.5	35.2	24.0	24.7	52.1	23.7
5 – 25 years	55.1	23.4	48.7	7.8	36.9	28.7	16.8	8.3	44.3
<5	4.7	3.9	7.7	17.2	2.8	21.3	12.5	6.3	5.3

## Presence of CAT policy by council type

	County	District	London Borough	Metropolitan Districts	Unitary
No policy	20%	74.5%	62.5%	20%	28.6%
Standalone + incorporated	80%	25.5%	37.5%	80%	71.4%

## Terms of asset transfer by council type

Freehold / lease length	County	District	London Borough	Metropolitan Districts	Unitary
Freehold	47.7%	39.7%	0%	11%	32.6%
25+	12.6%	28.4%	43.6%	52.2%	26.9%
5-25 years	33.9%	21.1%	48.7%	28.8%	27.9%
<5	5.8%	10.8%	7.7%	8%	12.6%

<sup>26</sup> From TUC and NEF analysis: <https://www.tuc.org.uk/news/councils-north-east-will-face-ps12bn-funding-gap-2025>

<sup>27</sup> From MHCLG, 2018, Land values estimates for policy appraisal 2017: <https://www.gov.uk/government/publications/land-value-estimates-for-policy-appraisal-2017>



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