Asset-based development and community wealth building

Trademark Belfast

QUEEN'S UNIVERSITY BELFAST | COMMUNITIES AND PLACE

DTNI
Empowering Communities

Contents

Key messages

- Asset-based development and community-owned land and property have been significant drivers of regeneration across some of the most socially deprived places in the region. They create employment, labour market access, business start-up, and specific supports for social enterprises.
- They also deliver a range of social and community outcomes including retail facilities, mental health and wellbeing programmes, environmental regeneration, physical activity improvements and family support.
- There are barriers, including the lack of appropriate legislation, weak capital investment, and a risk-averse culture across the public sector (partly in response to the lack of regulatory certainty).
- Legislation is therefore essential to underpin effective practice, make Community Asset Transfer a priority (not an exception), and to ensure that transfers are managed effectively and efficiently. This includes a Community Right to Challenge and Community Right to Buy as applied in other parts of the UK.
- A General Disposal Consent provision is essential but should reflect the configuration of the public sector in Northern Ireland and should not just be confined to local government.
- Financial guidance on the disposal of assets to the community and voluntary sector is required to ensure that a progressive attitude is taken to asset transfer by agencies, programme managers, and auditors.
- The public sector asset register (including NDPBs and local government) should be systematically evaluated to identify a pool of assets with potential for community transfer.
- Financial resources are required to underpin the policy although there are significant opportunities in the Levelling Up Prospectus, the Community Ownership Fund in particular, as well as in PEACE PLUS.
- Aftercare is critical, with blended capital and revenue finance required to make sure schemes are not liabilities for the user or the public sector.
- The borrowing capacity of development trusts also needs to be strengthened with an emphasis on contract- and investment-readiness, although the supply of social finance would be improved by strengthening patient capital, especially for start-up community businesses.
- It should be emphasised that skills and knowledge around the practice and potential of asset transfer needs to be strengthened across the public sector as well as among development trusts.
- Market analysis is also needed to identify the growth sectors for asset transfer in the medium to long term, especially in areas such as business services, informatics, and green technologies.
- Consistent evaluation metrics could better show the full economic cost and benefits of asset transfer and such calculations could be included in the determination of the undervalue in specific schemes.

Background

This Technical Advisory Paper reviews the implications of the research and awareness building programme for the use of land and property assets within the Community Wealth Building agenda. It draws on the evidence from the consultation events, thematic focus groups, and survey of development trusts to highlight the barriers, impacts, and implications of asset-based development in general and Community Asset Transfer in particular. The then Department for Social Development (DSD, 2014) introduced the Community Asset Transfer policy in 2014 to embed practice in public sector agencies, develop skills among officials and communities, and strengthen awareness across government agencies. The recent 'Community Asset Transfer Strategic Insight Lab' (DoF, 2019) highlighted significant barriers to implementation of that policy among asset holders and potential users and the importance of legislation to enable efficient low-cost projects, better aftercare (especially in the start-up phase), and a stronger funding regime to enable transferred projects to develop as viable schemes. Making better use of assets across government, the potential of community planning and the need to secure social and environmental as well as financial outcomes, was also highlighted by the Northern Ireland Audit Office and Strategic Investment Board (NIAO and SIB, 2019). This paper summarises the implications for asset-based policy within the Department, government agencies, and in the community and voluntary sector.

Asset-based development

It is important to place land and property in a wider understanding of asset-led development. Deprivation and social need are important, especially to prioritise geographies of poverty and how they are spatially reproduced. But the cases presented in the development trust survey all emphasise the potential of an asset-led approach to regeneration, which shifts the emphasis away from measuring deprivation and dependency on to the physical, economic, and social capabilities that every community possesses. Mapping assets (rather than just poverty statistics) for many groups offers a more realistic approach to development, and places the focus on community infrastructure, the performance of anchor institutions, and the way in which land and property, as collateral, can drive local plan-making.

What do assets do?

The point is that asset-based development and community asset transfer as a key policy instrument is there to achieve other community regeneration outcomes, and the survey shows that these include:

- The regionally distributed network of larger trusts is central to local economic development, providing workspace, business support, employment, and investment. Moreover, this is often the most significant (frequently the only) form of economic activity in deprived communities where public and private markets have evidently failed.
- Most significantly, they provide tailored work opportunities, cash income, the dignity that employment brings, as well as opportunities for career progression and social mobility.
- Intermediary labour market intervention, especially to target those furthest from employment, people with disabilities, women, and ex-offenders.
- A number of groups link facilities with social enterprise support, such as West Belfast Development Trust's Social Economy Village, which is based on clustering social enterprises in one of the most deprived areas of the city.
- They also provide services in demand-deficient areas, including shopping complexes, community supermarkets, and food banks, and emergency Covid relief where the social enterprise has provided risk investment to build a viable retail sector.
- These have brought significant physical regeneration benefits by removing blight, putting land and buildings to productive use, and significantly contributing to environmental sustainability in community energy projects and in creating more walkable neighbourhoods. The Connswater Greenway is estimated to produce a value (in reduced health costs, security, economic development, flood reduction, access to work and so on) of between £101m and £204m and will effectively pay for itself between two and six times over its 40-year life (Hunter, n.d.).
- Indeed, many have significantly impacted on public health, opportunities for physical activity, and in delivering a range of mental health services, programmes, and facilities.
- There has also been significant development of assets in interface areas; others offer a shared space for local development, and collaboration across communities has strengthened business development. There are opportunities to put asset-based local development at the centre of peacebuilding in divided communities and in particular in the EU PEACE PLUS Programme (Institute for Economics and Peace, 2021).

Moreover, there is evidence that heritage assets, local tourism initiatives, and clusters of projects show the sector penetrating into higher-growth markets.

Heritage is a critical sector for development trusts, and the Great Places heritage cluster in North Belfast supported 13 projects, which are themselves significant businesses in their own right. For example, they employ 69 people, generate £1.38m in salaries per annum, have 183 volunteers, have a turnover of £3.17 million, and host 19,540 visitors per year.

These sectors have potential but also need bespoke technical support, tailored financing, and the type of clustering evident in Great Places to build scale economies and sectoral resilience (Historic England, 2015).

The survey is interesting because it demonstrates the potential of asset-based social enterprises to scale their work to enable them to provide a wider range of integrated services, facilities, and employment. The average income for the projects surveyed was £1.18m and the average asset value was £2.21m – these are not small-scale organisations offering marginal services, but are often well capitalised, professional, and high-impact businesses. The analysis below shows the scale that a number of development trusts have reached and how they act as anchor organisations for their respective areas, sectors or beneficiary groups.

- The Inner City Trust in Derry/Londonderry operates an extensive portfolio of retail centres, community services buildings, the Fashion and Textile Design Centre, a museum, and more recently a hotel in the city centre. The Trust also operates a business centre supporting 30 companies and has built an asset base valued at £16.7m. It should be emphasised that this form of regeneration is significant in a city that has witnessed decades of deindustrialisation, capital flight, peripherality, and a sense of policy abandonment. The Trust supports services in business development, training, and community relations, and every year invests nearly £200,000 in a range of social projects including poverty relief, drug and alcohol interventions, and suicide prevention.

- Eastside is a social enterprise in East Belfast that trades via Eastside Property and has eight developments and a fixed asset base of £5.24m. They have led risk investment in a shopping and multi-service centre in Dundonald when the private sector withdrew; operate their own Airbnb properties; provide tourism services; and have advanced plans for a hotel beside their visitor centre in CS Lewis Square. Eastside also led the £40m Connswater Greenway project and now provides activities that engage 32,4000 people annually, emphasising the public health benefits of green and blue urban spaces in the city.

- The Fermanagh Trust is a community foundation that has built a sustainable endowment to support local community development and build the capacity and the financial resilience of the sector. The £1.6m Fermanagh House in Enniskillen has allowed the Trust to operate as a catalyst for organisations operating across sectors, rural communities, and in the shared education sector. The Trust generates £785,000 in income and provides micro-grants as well as larger investments from wind farm community benefit funds.

- Ortus has led in the regeneration of West Belfast with integrated economic, neighbourhood, and service centres across the area. They hold £9.63m worth of assets and generate an annual income of £2.7m per annum. Their four principal service sites let 360,000 square feet of commercial space (95% occupancy), supporting 150 companies that generate an annual turnover of £50m. These now employ around 1,100 people which in turn generates an annual salary of £15m into the neighbourhood economy.

- WorkSpace Enterprises was set up in 1985 to promote economic development and has a range of companies delivering, among other services, home insulation contracts across the UK. Operating from Draperstown, the organisation has assets worth £8.6m and generates a turnover of £7.8m with a profit of £700,000. The company's pivotal role enables them to deliver the Mid-Ulster Council's Social Enterprise Programme, which aims to assist the start-up, development, and growth of new and existing social enterprises.

Challenges, barriers and priorities

The analysis of the seminars, area meetings and survey, as well as the Insight Lab in 2019, showed that Community Asset Transfer is not working effectively and that both supply and demand factors are important. On the supply side:

The whole process of asset transfer needs to be simplified

Funded appropriately, and proactively supported by officials

- Many argue that project transfer processes have been worse since the policy was introduced and that without legislative permission, authorities are reluctant to transfer at less than best value. Many groups prefer or feel forced to buy commercially simply because it is easier and quicker.

A comprehensive programme of legislative reform

- Based on what has been available across Britain for some time, is needed in Northern Ireland to make transfers easier, more cost efficient, and on terms that make schemes viable.

Legislation

- However, needs to be supported with a programme of technical support, capacity building in the public sector as well as among users, and with significant aftercare when communities take ownership of the asset.

Aftercare

- Part of this aftercare is to ensure that the project is financially viable and has time and investment to start up as a viable social enterprise.

However, there are also significant challenges within the development trust sector itself:

7.19%
Loan-to-value ratio

- The development trust survey showed that the loan-to-value ratio was just 7.19% and that bank loans were preferred over social finance. The sector is risk-averse, especially in scaling operations, using assets as collateral for debt finance and in having the ambition to diversify businesses, services, and social impact.

There is demand for seed investment

- There is demand for seed investment, unsecured and working capital, and for bespoke forms of patient finance that blend grant and debt with low interest rates, repayment holidays, and technical support.

It is crucial to help groups move forward

- This is also crucial to help groups move into more profitable and higher-value markets (professional services, IT, energy and so on) with contract- and investment-readiness training a priority for high-growth social enterprises.

Community Asset Transfer in operation

DTNI (2020) set out a comprehensive comparative analysis of Community Asset Transfer in Britain and the potential to draw on key instruments, legislation and support systems to build the socially productive use of land and property.

England

The need for a legislative base for asset transfer in Northern Ireland has been raised persistently, over time and across sectors including government. In England, the Localism Act (2011) and its provisions are important for asset transfer, including a General Power of Competence (which gives local authorities the freedom to act in the interests of voters) which some advocates argue should link to a 'power of wellbeing' for Northern Ireland (Carnegie Trust, 2021). The emphasis is on what asset transfer is there to do rather than being seen as an instrument in and of itself.

The Act also brought in a combination of rights – including the Community Right to Challenge, Community Right to Bid, and Community Right to Build¬ – that gave local authorities and community groups an interest in taking over a local service or facility that could be operated more effectively or efficiently. The Community Right to Buy requires local authorities to maintain a list of assets of community value that groups and individuals may buy for a community use. A critical component of the regulatory context is General Disposal Consent, which gives public authorities permission to transfer public assets at less (often nil or nominal) than best value.

What is General Disposal Consent?

General Disposal Consent (England) 2003 enables the disposal of land for less than the best consideration that can reasonably be obtained. This provides a facility that enables the local authority to transfer an asset at below market value where it contributes to community wellbeing and the specified circumstances are:

a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area:

i) the promotion or improvement of economic wellbeing;

ii) the promotion or improvement of social wellbeing;

iii) the promotion or improvement of environmental wellbeing.

b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000.

The Community Right to Bid enables organisations to nominate an asset to be included on a 'list of assets of community value' which the local authority is required to maintain. The nomination needs to be validated by the council (in Northern Ireland this could be a nominated crown body) and the owner can challenge the listing. If the owner assents and then wants to sell the asset, a six-month moratorium will be triggered during which the asset cannot be sold. This period gives community groups time to develop a proposal and raise the required capital to bid for the property when it comes onto the open market at the end of the moratorium.

Community Asset Transfer (CAT) only applies to publicly owned assets whilst the **Community Right to Bid** (RTB) applies to both public and some private assets. Whilst CAT is the transfer of management or ownership at less than market value, the RTB provides a six-month pause on the sale for the community to raise money to purchase on the open market (My Community Rights, n.d.). CAT is also a voluntary process whilst RTB is a permeative legal right pertaining to communities, and applies to all assets listed as Assets of Community Value. Assets of Community Value (ACVs) can only be nominated if they are of interest socially (such as for sport, culture or recreational uses) or increase the wellbeing of the community. A community group that is legally defined and constituted, such as a society, parish council, neighbourhood forum, not-for-profit organisation or a group of at least 21 locally connected individuals, can nominate an asset to the local authority. Listed Assets of Community Value stay on the local authority's list for up to five years (Locality, n.d.).

The Department for Communities and Local Government (2012) set out guidance on the Right to Challenge, which enables relevant authorities to consider social value in expressions of interest and in carrying out procurement exercises. This is specifically reflected in the Public Services (Social Value Act) 2012 and the general duty of best value in the Local Government Act (1999). Expressions of interest should demonstrate how the proposal might offer social, economic or environmental benefits to the community, and take into account social considerations over and above the provision of the service. This could include creating local jobs, improving skills, increasing volunteering opportunities or improving environmental conditions.

There is a need to strengthen the validity and reliability of social value measures and to deliver a comprehensive audit of what value (economic, social and environmental) transferred assets (and asset-based development more broadly) creates, especially in local communities. In 2020, the Northern Ireland Executive agreed a new policy, brought by the Minister of Finance, to mandate that (from June 2022) public procurement tenders must include a minimum of 10 per cent of total award criteria to social value. This will apply to service contracts valued above £123,000 and construction contracts valued above £4.7m, accounting for approximately 97 per cent of total government procurement spend. The minimum weighting will increase to 20 per cent from June 2023 subject to review and approval by the Executive. This emphasises the need to connect social value, asset transfer, and disposal consent legislation to create a more supportive environment for the social enterprise sector, especially in urban regeneration and local development.

Since the introduction of the Localism Act (2011) many parish and town councils have been developing Neighbourhood Plans, which provide an important context for asset transfer schemes. Again, the policy environment in England stresses that the projects themselves must fit within a wider strategy and, in particular, the need to connect regeneration and planning policy at the point of delivery, especially through councils and Community Planning Partnerships.

Neighbourhood Development Orders/Community Right to Build Orders. In addition to providing for Neighbourhood Development Plans, the Localism Act 2011 also allows communities to produce Neighbourhood Development Orders and Community Right to Build Orders. A Neighbourhood Development Order effectively gives communities planning permission for development that complies with the order. It removes the need for a formal planning application to be submitted to the local planning authority. Neighbourhood Development Orders can be used to permit a specific development or a type of development. They can grant planning permission for things such as new houses, a new shop or pub, or permit extensions of a certain size or scale across the whole neighbourhood area. A Community Right to Build Order is a type of Neighbourhood Development Order that gives permission for small-scale, site-specific developments by a community group, without the need for planning permission.

Wales

In Wales, the £13m Community Asset Transfer Fund was established with the assistance of the then Big Lottery Fund (now the National Lottery Community Fund), and the 2005 Social Enterprise Strategy also prioritised community transfers, particularly where they are linked to area regeneration programmes. A recent review of policy in Wales (Coates et al., 2021) emphasised the importance of the asset in delivering a more integrated approach to local development, although the need for stronger due diligence processes on the capacity of groups to sustain the project was also highlighted. For communities, there were risks in transferring assets of limited value, allowing competition for services (and facilities), and the lack of financial planning skills needed to sustain delivery.

Scotland

In 2003, the Scottish Executive introduced the Land Reform Act, providing a Community Right to Buy for rural communities. This essentially gives the community first refusal if land comes on to the market for sale. The Big Lottery Fund established the Scottish Land Fund to support the Act and in 2006 extended that work in a £50m Growing Community Assets investment programme covering both rural and urban areas. The Scottish Executive has built on this approach and is now one of the most progressive transfer economies, backed by specific legislative powers, mandatory community rights, dedicated support organisations and investment to support schemes, especially via the Scottish Land Commission. Land reform has driven much of the agenda but both land and property transfers have had a significant impact on community development and urban regeneration. Development Trusts Association Scotland (DTAS, 2012) showed that the policy had a significant impact on generating income for organisations, driving regeneration, and repopulating remote communities. However, it also showed that the process was cumbersome, that lower quality assets tended to be offered, and that finance was not sufficient to make the transfer viable.

This led to a process of reform, especially via the Community Empowerment (Scotland) Act 2015 and now asset transfer is embedded in a wider framework for local empowerment that emphasises consultation, community engagement, and co-production, especially in community planning (Scottish Government, 2017). The Act strengthens the outcomes approach but also creates a statutory basis for Community Planning Partnerships, and imposes duties to involve community bodies in the delivery of local outcomes and to produce locality plans for socially disadvantaged areas. Communities also have statutory rights to participate in service delivery that improves outcomes, including the management of facilities.

Part 5 of the Act significantly developed Community Asset Transfer by bringing in additional rights for community bodies; encouraging partnership working between service providers and communities, and enabling communities to make requests, not just to local authorities, but to a wide-ranging list of public bodies (for any land or buildings they feel they could use in a better way to deliver services). This applies to all assets owned by "relevant public authorities" and they, in turn, are required to publish a register of the land they own or lease to help communities identify suitable property. The authority must consider, in particular, whether the proposal will improve economic development, regeneration, health, social or environmental wellbeing, or reduce inequalities. The Community Ownership Support Service has been set up as part of Development Trusts Association Scotland (DTAS) to support the transfer programme.

McMillan et al. (2020) showed that between 2017 and 2019, public authorities in Scotland received 139 asset transfer requests, agreed 81 and refused 10. The majority of requests were submitted to local authorities (85% in 2017/18 and 79% in 2018/19) but the Scottish Land Fund has, since 2016, also awarded £33,176,137 in 177 grants, with an average award of £188,000. McMillan et al. underscore the need for legislation, streamlined processes, and funding to work together to build an effective policy regime for asset transfer in the country. Fischer and McKee (2017) also highlight the importance of community development infrastructure, skills, resources and legislative support in creating a comprehensive enabling environment in Scotland.

The impact of Community Asset Transfer

Cooperative and Locality (2020) found that an estimated average of 341 buildings and spaces have been transferred to community ownership in England each year for the last five years. However, Locality also showed in their 2018 review of the 'Great British Sell Off', that 4,131 council-owned buildings and spaces are being sold off on the open market each year (with an estimated value of local authority property sales at £9.1 billion since 2014/15), making CAT schemes a relatively small proportion of overall disposals. 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.

They also criticise the use of short-term leases that make it difficult for users to leverage external (and, in particular, debt) finance to develop and maintain their scheme. This suggests that for the majority of councils, CAT remains an ad hoc process rather than playing a central role in local plan-making. They also found 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. They propose more far-reaching legislation (see below) and it is important that policy in Northern Ireland is also future-proofed to build on the experiences across the UK.

- 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.
- Legislative protections to safeguard existing assets in community ownership from private sale should they run into difficulty (Cooperative and Locality, 2020, p.7).

Archer et al. (2019) showed that there are more than 6,300 community-owned assets in England, contributing nearly £220 million to the UK economy every year; that they are financially robust, with three-quarters stating that they are in good financial health; and that the sector is growing, with one-third coming into community ownership in the last decade. Indeed, a Locality (2017) study of ten 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. However, Crisp et al. (2016) emphasise the need to understand the way in which different types of assets create different values for communities. For example, they suggest that community-led housing has positive short-term impacts on pockets of deprivation by providing affordable housing, lowering fuel costs, and, in some cases, offering direct employment. In the longer term, they identified material (training and pathways into paid work) and non-material (higher satisfaction with area and housing, greater social cohesion and empowerment) benefits in locally owned, allocated and managed housing.

Highton et al. also found in particular that areas with dense networks of community businesses were more resilient in the pandemic as they could offer the mix of non-economic services tailored to changing needs. For example, they showed that the largest increase in service provision was for mental health (88%), food provision (75%), health and social care (78%), and financial advice (80%). In short, having the asset-enabled social enterprises act as local anchors, or what Coutinho et al. (2021) refer to as 'catalyst organisations', capable of responding quickly to crisis conditions. However, as has been stressed in the Northern Ireland research, aftercare is critical (technical support, mentoring, revenue financing and so on) to sustaining projects. Thus, the approach needs to move beyond the transfer process itself. Practical Governance (2019) found that one in five community organisations holding assets are operating at a loss of 10% or more (equivalent to 1,300 assets), and a similar number have insufficient reserves to meet a modest unexpected expense or income shock. It is important that whatever asset is transferred can sustain itself commercially as well as in its social impact.

Asset transfer policy in Northern Ireland

Development Trusts NI (DTNI) (2020) outlines the policy context in Northern Ireland, which consists of an overarching policy that encourages schemes supported by guidance and historic legislation, such as around the general power of competence. The review notes that the community rights legislation was identified as an area for further examination based on the experiences in Britain since the 2011 Act.

Department for Social Development (2014) Community Asset Transfer in Northern Ireland: Enabling and Supporting Community Ownership and Management of Public Assets. This outlines the case for supporting Community Asset Transfer and the potential introduction of community rights legislation in reference to that in England and Scotland, and provides case studies underlining the benefits of transfer to organisations that operate in the not-for-private-profit sector. In particular, it supports the NI Executive's commitment in the Programme for Government (2011-2015) to 'invest in social enterprise growth to increase sustainability in the broad community sector'. This work also supports the concordat between the Voluntary and Community Sector and the government, which contains a commitment to investigate the potential for community asset management and ownership in Northern Ireland. It commits to working to identify resources to support the development of Community Asset Transfer. It includes the needs for cross-departmental working on CAT and considers methods to justify disposal of public assets at less than best consideration. In partnership with DTNI, it commits to supporting pilot demonstration projects and to widen the range of finance available to support them through, for example, community shares issues.

Land disposal at less than best consideration (Stormont Regulation and Government Property Act (Northern Ireland) 1933). Section 5 allows for the sale of assets by NI central government departments, at less than best consideration, to a body that does not trade for profit, subject to the consent of the Department of Finance NI.

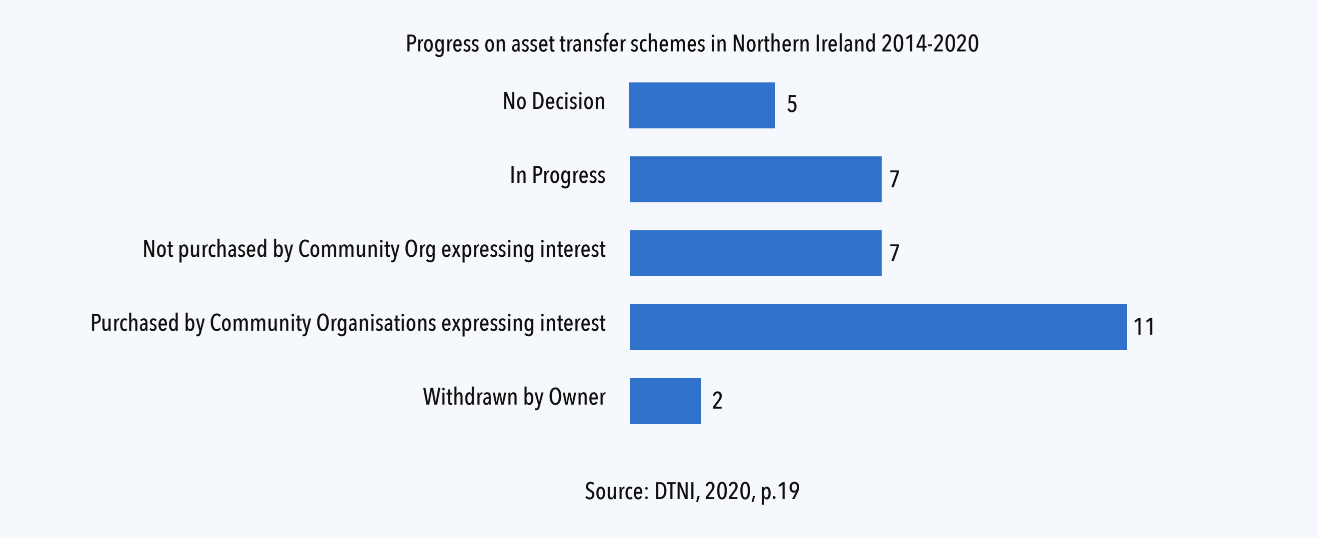
Local Government Act (Northern Ireland) 1972, Part vii Sections 95 and 96 allows councils in Northern Ireland to acquire and dispose of land for the purposes of carrying out their statutory functions. The power of disposals of land at less than best consideration requires ministerial consent.

General Power of Competence (Local Government Act 2014, part 11, Section 79, Section 80 boundaries of the power). As in England, this general power allows councils the ability to do anything an individual can do (subject to restrictions) rather than only what they are directly empowered to do.

Community Asset Transfer Guidance in Respect of Transfer of Central Government Surplus Assets 2018 sets out guidance for asset owners on the process to be used for considering Community Asset Transfer for property assets defined as surplus to government requirements by Land and Property Services (part of the Department of Finance Northern Ireland).

Source: DTNI, 2020, p.11.

DTNI (2020) points out that data on asset transfers in Northern Ireland is patchy, over time and across statutory bodies. The profile of the disposing bodies covers central government, local government and the Housing Executive, although the value of the assets being disposed of has frequently been withheld. Using data between 2014-20 provided by Land and Property Services Central Advisory Unit, the diagram below summarises the 32 asset transfer Expressions of Interest (EoIs) in the D1 Process (which deals with the disposal of surplus land and property held by the public sector). Community organisations make up approximately 21% of EoIs, of which 35% have been successful. However, of the 11 assets successfully purchased, only two were transferred at nil value, with the remainder bought at open market price. The average time from declaration of the asset being surplus to requirements to purchase was two years.



The analysis showed there was poor awareness and take up of the opportunities under the policy; lack of time and technical support for community-based proposals; weak understanding and familiarity of public bodies with non-financial returns from asset transfer; and a concern that schemes would benefit better organised affluent communities. The analysis also showed that transposing legislation from Britain to Northern Ireland is not straightforward. For example, some of the rights provisions that apply in England require local referenda, which could be problematic given the segregated nature of many local communities; without capital and revenue investment, legislation will have limited impact; and a change of culture is needed to accept an element of risk, generate a positive can-do attitude, and work more cooperatively across public authorities and the communities. The DTNI review emphasised the need to improve the effectiveness and efficiency of the current transfer process; strengthen integration between central and local government in making surplus and underused land and buildings available to community organisations; and to introduce legislation, drawing on learning from Britain, to fit the local institutional, policy and political context.

Implications

Community Asset Transfer is an enabling mechanism to deliver urban regeneration outcomes, stronger community development organisations, and service delivery in areas where the private (and often public) sectors are not working. Building community wealth and implementing a range of programmes including asset-based development clearly has implications for existing policies, extant programmes, and delivery mechanisms such as the complex range of area-based partnerships. A revised Community Asset Transfer programme could map the key outcomes (physical renewal, employment and training, business development and support, service delivery and so on); capital and revenue investment (financial and asset base); management of the asset registry; the legislative environment; and technical support and capacity building. Such a policy framework should address the key issues emerging from the analysis including:

- **Building the regulatory environment**. There is a need for an integrated programme of legislative reform including the Right to Buy, the Right to Bid and Challenge, and General Disposal Consent provisions. DTNI has suggested a single NI Community Rights Act (below) but clearly it will be for government to decide the appropriate legal competence of a department or departments to take forward each component of the overall framework. Accounting guidance in the public sector, linked to legislative change, would also be needed to enable and encourage authorities to dispose of assets at less than best value. Legislation is not an answer on its own, but without it there is little possibility of delivering a progressive asset-based strategy for Northern Ireland. A legal opinion on the transposition of Community Asset Transfer legislation, including General Disposal Consent, to the specific circumstances of Northern Ireland would help identify priorities and practical steps in developing a more effective policy framework.

Development Trust NI has argued for integrated community rights legislation based on successful practice and learning across England, Wales and Scotland. A Community Rights Act could help communities shape the places in which they live through neighbourhood and community planning; provide communities with the right to buy, build and own assets – including both public and private assets; enable communities to participate in commissioning to improve the delivery of local services; move communities to a participative and ownership-based approach to economic and environmental development; and provide public authorities with clear guidelines to encourage transfer schemes.

- Integrated capital and revenue funding. Funding for capital development, to make the project viable and to help with start-up, is at the heart of successful practice. The Scottish model has worked effectively because of the integration between enabling legislation, dedicated finance, and technical support, and there is a need to access central, local, and new funding opportunities as part of any new regional approach. The Community Ownership Fund is a £150m investment over four years to support community groups to take ownership of assets. The PEACE PLUS programme consultation document specifically highlights social enterprises and shared spaces in the proposed Theme 1 Building Peaceful and Thriving Communities (€210m), and Theme 2 Delivering Regeneration and Transformation (€143m). Clearly, if new delivery programmes are proposed by Department for Communities (and as presumably extant initiatives run out) there is potential to realign capital and revenue investment in asset-based regeneration more broadly and in Community Asset Transfer specifically. The point is that there needs to be a coordinated approach to these funding lines within the Department and with partners in local government, agencies (such as the Housing Executive), and NGOs.
- Strengthening loan finance. It was pointed out that a large number of development trusts have not used their significant collateral base to leverage debt finance to replicate, scale or diversify the enterprise. Community Finance Ireland offers a range of loans for working capital and bridging finance, as well as longer-term secured investment, and has delivered the Covid Recovery Fund for DfC. However, other financial and fiscal instruments remain comparatively undeveloped, including Financial Transactions Capital and Social Investment Tax Relief (SITR). Cooperative Alternatives has led significant community shares schemes across sports, wellbeing and community energy, and demonstrates the importance of skills, technical support and financial competence to grow the sector. However, it was highlighted that full ownership of the title, and at least long-term secure leases, were critical if organisations were to adopt a more commercial approach to borrowing.
- Building investment readiness skills. A range of skills in financial and business planning – understanding risk, utilities management, programme and service delivery, and investment- and contract-readiness – emphasises the need for an integrated approach to technical support and training. It was stressed that this is as important for the public sector holding the asset as it is for the proposed community user.
- Building stronger connections with local government. Community planning offers an important framework to deliver an asset-based approach to local regeneration, prioritise schemes and bring community empowerment into area-based planning. Community Places (2021) undertook a participatory research project on community planning, and in particular how to embed wellbeing and coproduction into local authority policies. This also emphasises the need to better connect asset transfer with land use planning, comprehensive development powers, and local area strategies.
- Understanding impact. The rationale for Community Asset Transfer and the real return on investment is essential, especially in estimates of asset worth and best value. This will be especially important in understanding the difference between the under value and the market value in specific schemes. It will also be important to support development in market sectors that add value and to strategically invest in projects (asset-based social enterprises) in growth sectors. A consistent, valid, and reliable methodology to record social value in transfers, monitoring, and evaluation would be important, not least in understanding the aggregate effects of any future policy.

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Queen's Communities and Place | QCAP uses research and teaching to help tackle the complex challenges of socio-spatial deprivation. Our social economy strand works with people, NGOs and government to build a more inclusive approach to area-based regeneration.


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Thanks to the Department for Communities for supporting the production of these advisory papers which DTNI hopes will be taken into account in the formulation of future policy. It should be noted that the papers have been derived from research and conversations with the voluntary and community sector and other interested parties, and the conclusions and recommendations are the authors' own.