

The Sustainable Communities Act proposal form

Using this form

This form should be used to submit proposals under the Sustainable Communities Act to the LGA for short listing. Please complete all sections and then email a copy to selector@lga.gov.uk. These must be received by **July 31st 2009**, and you will receive confirmation that the form has been received.

Once submitted, information within this form may be made publicly available, unless you request for it to be kept private. We will treat information submitted sensitively. If you wish to attach any relevant presentations or graphs etc. please attach them separately in the email.

For questions regarding the act or the role of the Selector, please see our [FAQs](#). Any further questions can be directed to selector@lga.gov.uk.

Section 1: Proposal Summary

Proposing Authority

Under the terms of the Sustainable Communities Act, all proposals must be submitted by a local authority, or group of authorities, in England. Any group, organisation or individual may originate or develop a proposal. However all proposals will require Local Authority endorsement and submission to the Selector.

Parish councils and other organisations and agencies must seek support and formal endorsement from a proposing local authority (defined in the Act as county councils, district councils (including metropolitan, non metropolitan and unitary authorities), the common council of the city of London or the Council of the Isles of Scilly).

1.1 Lead Authority name

South Hams District Council

1.2 Is this proposal submitted by this authority alone, or is it a joint proposal with other local authorities? (If joint please list authorities)

By this authority alone; but it is believed other authorities are submitting similar proposals e.g. Newcastle City Council

1.3 Who is the lead contact (s) in the authority for this proposal? Please provide email address and telephone number - *The LGA will direct any enquiries to this contact.*

Laura Payne, Policy Implementation Officer
laura.payne@southhams.gov.uk 01803 861325

Supporting Organisations

Whilst proposals may only be submitted by a local authority, we acknowledge that local partners and outside organisations may wish to register support for the proposal. This is entirely voluntary.

1.4 Please provide details below of supporting organisations to your proposal. Please explain if the organisation is a charity, company, unincorporated association or other body. If a charity or company please provide registration numbers. If a local partnership please explain the relationship to the Local Strategic Partnership for the area.

This proposal was put forward at our Sustainable Communities Act event by a community representative who is a member of the Totnes and District Community Strategy Group (a Registered Charity). Support for the proposal has been expressed by Totnes Development Trust (Companies House 03670634) and the South Hams Sustainability Group. All of these groups are members of the Community Partnership Forum of the South Hams Strategic Partnership. The Forum meets up twice a year to give feedback to the LSP.

Summary of your proposal

Please summarise your proposal. You may wish to include:

- The main elements of your proposal
- What issues your proposal is addressing and how it will promote the sustainability of the local community
- Who is affected by this proposal and how?
- Which public bodies might be affected?
- What are the main actions needed from Government?
- What do you expect this proposal to achieve?

1.5 Please enter your summary below (word limit 1000 words)

Main elements: The COMMUNITY ASSET TRANSFER (CAT) proposal would make it easier for communities to set up projects such as affordable housing schemes for local people, or to buy and run local shops or pubs that were going out of business.

CAT proposals would give communities legal rights to buy privately owned land or buildings put up for sale; and to buy publicly owned assets (e.g. playing fields, schools) where Councils declared these surplus to their needs. Improved national funding is also proposed, which would help communities finance the initial work to set up schemes, and would also be available to support asset purchases.

Issues Addressed: The Government is encouraging local people to take responsibility for shaping their future, and the wellbeing of their community. This is becoming more and more important as the economic downturn continues. Even more young people can't afford to buy houses; even more local people are being excluded from housing opportunity by pressure from second homes. More local shops and pubs are closing, causing serious damage to the viability and sustainability of communities, particularly in rural areas. Facilities such as community meeting rooms are more

crucial to community cohesion as recession bites, but accommodation for them is more and more difficult to find.

Communities could take up these challenges more often if there was better national funding to support community-led projects, as there was in Scotland through the Scottish Land Fund¹ (now Growing Community Assets). At present there are a number of different funding schemes in England and Wales, which need bringing together under statutory legislation with substantial increases in funding.

Many projects fall by the wayside because suitable land or buildings are put up for sale but are sold by the time people in the community can get their act together. Unlike Scotland (Land Reform Act 2003), there is no Act that provides the community with the right to purchase and to do so at a fair independent valuation.

Even where Councils decide that publicly owned land or buildings are surplus to requirements, it is difficult for them to pass them to community enterprises. Councils are entitled to transfer them, if necessary at less than market value....but they also have a conflicting duty to make as much money as they can through any sale. The community has no rights in the matter, and the end result is usually a movement of public assets out of any form of public ownership.

If active communities are to successfully tackle their own needs and problems, proper cash support is essential; there must be a right to purchase from private and public vendors; and Councils need to acquire rights, obligations and incentives to part with public assets to sound community projects.

Who is affected: This proposal will benefit those community groups who wish to obtain land in order to build (or convert property into) more affordable housing, or those who wish to start a new business or keep a vital local service running. This proposal stands to benefit all in the community, but particularly those in rural areas where affordable housing and loss of local services are common issues.

Public bodies affected: Public assets referred to in this proposal can belong to any public service provider, whether local authority, police, NHS or fire service. All public service providers should have a duty and the financial support to keep surplus assets within public or community ownership. However this proposal is not limited to public assets.

Main Actions from Government:

- Government needs to consolidate funding schemes such as The Community Asset Fund, Community Builders Fund, and Adventure Capital Fund into a single **Community Asset Transfer (CAT) Fund**;
- Legislation needs introducing to establish a **Community Right of Purchase (CROP)** giving properly constituted Community Bodies the right to purchase land or buildings being offered for sale, at a market value determined by independent valuation – where this could be shown to be in the public interest and to have strong public support;
- Legislation be enacted to give Councils a **CAT Duty** to transfer any inefficiently utilised asset, upon request from a properly constituted Community Body with a sound business case, wherever it can reasonably be argued this is in the public interest and has community support. This Duty would confirm the obligation to publish and annually review a Schedule of Land and Building Assets, identifying those considered to be inefficiently utilised;
- Government should establish a **CAT Support Grant** for Local Government in recognition that full market value of assets may have to be foregone;

- Government should set up a **CAT Arbitration Service** to decide on matters of dispute between a Council and its community about surplus assets and transfer issues.

Benefits: By way of example, the following projects would be much more likely to succeed in the future:

- Establishing a Community Land Trust for an affordable (possibly self-build) housing project for local people/first-time buyers/other disadvantaged groups;
- Purchasing land to establish gardens for the community to grow its own fruit and vegetables;
- Buying a redundant school building for community meeting rooms/crèche facilities/etc.;
- Acquiring poorly utilised land for play space or other recreational use;
- Taking over a local sports facility from a private operator making insufficient profit, to be run as a not-for-profit organisation;
- Taking on a failed village stores to be run as a community cooperative.

Many communities are becoming less viable in terms of accessing affordable housing, produce and local services. Such communities may only survive as healthy and sustainable entities if local people are empowered to manage some things for themselves, in their own interests.

¹ Evaluating the Scottish Land Fund. http://www.biglotteryfund.org.uk/eval_slf.htm?fromsearch=-uk

Section 2: About your proposal

The form asks a set of questions to gather as much information as possible to allow for assessment and short-listing by the Selector. A word-limit is stated for each part of the form.

We appreciate that SCA proposals will vary in range and scope, and some questions will be more relevant than others for any one proposal. Please do not feel that answers are required for every questions or that the full word limit need be used in respect of each and every question box. If you are submitting a joint proposal, please include evidence for all areas.

Impact on sustainability *(word limit 2000 words)*

2.1 Please explain how your proposal promotes sustainability as defined locally (for example in your Sustainable Communities Strategy or LAA)

Within our SCS, we have defined sustainable development as '*taking into account the future affects of our activities so that the ability of future generations to meet their own needs is not compromised*'. Our SCS aims to ensure that communities in the South Hams continue to be desirable places to live and work, with good quality local public services and an environment to cherish. It also aims to reflect the local culture of South Hams, ensuring promotion of equality and diversity. By providing the legislative framework and appropriate funding to allow community groups to acquire surplus public assets, this proposal would ensure that residents of the South Hams, as well as those throughout England had more affordable places to live within their local area and community facilities to utilise and enjoy.

2.2 Over which geographic area will your proposal impact? (e.g. neighbourhood, town, city, sub-region)?

This proposal will impact on all levels of geography, from small rural villages trying to save their local post office, to urban neighbourhoods wanting to build a community garden on a brown field site. This proposal has the potential to transform all 'surplus' public land and property into useful spaces or facilities for communities throughout England.

2.3 Who would benefit from your proposal?

This proposal stands to benefit all residents of England, but it will particularly impact in areas where affordable housing is a problem, or where community services are in decline. Within the South Hams, house prices leapt from £115,000 in 2000 to £262,000 in 2004, peaking at £280,000 in 2007. Current prices (May 2009) indicate that an average property in the South Hams is just over 13% higher than the national average* at £254,703, likely to be pushed up due to the high percentage of second homes currently at 9.75% (2008), where nearly one in ten houses is a second home. This high number of second homes inflicts many problems for the local people of the South Hams, beyond rising house prices such as loss of local services like schools, pubs and shops. Through Community Asset Transfer, the local community would be given an opportunity to rectify some of these issues by taking ownership of public service assets and privately owned assets in order to provide affordable housing and/or community facilities, responding to what the community really needs.

* (£224,064 May 2009)

2.4 What steps will you take to mitigate any adverse affects on sustainability from your proposal (if relevant)?

We do not foresee any adverse affects on sustainability arising from this proposal.

2.5 What project, activities and changes would take place in your area if your proposal was successful?

Transition Town Totnes (the internationally well-regarded community sustainability model) is already seeking to initiate innovative, affordable, eco-friendly housing initiatives in Devon, but is frustrated by land access issues. There are a number of other community organisations in the south-west interested in the same possibilities. These organisations would be invited to come together to form a Land Trust to access land and build funding (e.g. from the Housing and Communities Agency), on the basis of CAT powers, with the purpose of making affordable and environmentally responsible rural housing a significant force in tackling housing poverty, rural regeneration, and climate change.

2.6 Does your proposal involve transfers of responsibilities between public bodies in the area? If so what are these? What budgetary implications might be involved?

This proposal would not result in a transfer of responsibilities between public bodies, but an increase in transfer of assets to community groups. There are budgetary implications in providing community groups with assets at less than market value for public bodies, but these will be covered by the additional financial support from the Government through the CAT Support Grant.

Local authorities are required to 'have regard' to a set of specific issues when deciding whether to support SCA proposals. These are matters listed in Schedule 1 of the Act, as passed by Parliament¹. It is worth noting that the issues listed in the Act are not supposed to be exhaustive and that ideas can cover anything that promotes the sustainability of the local area.

Many of these matters may not be relevant to any one proposal. If you are submitting a joint proposal please include evidence for all areas.

2.7 Please identify which, if any, of the issues authorities are required to have regard to, are relevant to this proposal and include any data and information which you feel would be helpful in the assessment process.

a) the provision of local services

This proposal will empower communities to utilise surplus public assets for community use. A CAT will not take place unless a sound business case and community benefit has been demonstrated to the public authority by the community group; therefore all transfer of assets will result in an increase in provision of useful services for local communities, for example a community garden, crèche or local shop.

b) the extent to which the volume and value of goods and services that are- i) offered for sale, ii) procured by public bodies, and are produced within 30 miles (or any lesser distance as may be specified by a local authority in respect of its area) of their place of sale of the boundary of the public body.

c) the rate of increase in the growth and marketing of organic forms of food production and the local economy

d) measures to promote reasonable access by all local people to a supply of food is adequate in terms of both amount and nutritional value

e) the number of local jobs

f) measures to conserve energy and increase the quantity of energy supplies which are produced from sustainable sources within a 30 mile radius of the region in which they are consumed

g) measure taken to reduce the level of road traffic including, but not restricted to, local public transport provision, measures to promote walking and cycling and measures to decrease the amount of product miles

h) the increase in social inclusion, including an increase in involvement in local democracy

i) measures to increase mutual aid and other community projects

Increasing the viability of community ownership of property or land, will result in an increase in community projects throughout England. This proposal will build community cohesion and well-being.

j) measures designed to decrease emissions of greenhouse gases

k) measures designed to increase community health and wellbeing

Community ownership of property and land will improve community well-being. This proposal will result in an increase in services for local people, through facilities or affordable housing.

l) planning policies which would assist with the purposes of this Act, including new arrangements for the provision of affordable housing

Although this proposal does not directly affect planning policies, it will result in the provision of more affordable housing, as community groups who acquire land/property will be able to build or convert properties to affordable units, if it is in the community's greater interest.

m) measures to increase the use of local waste materials for the benefit of the community

¹ The Sustainable Communities Act is available here : http://www.opsi.gov.uk/acts/acts2007/ukpga_20070023_en_1

Existing Barriers

(Please do not write more than 1000 words for 2.8 and 2.9)

2.8 What are the existing barriers to implementing your proposal?

Despite there being an empowering piece of legislation that not only allows Councils to dispose of their assets for less than the highest price, but also allows them to act without Government permission where this would promote the economic, social or environmental wellbeing of their area. (The Local Government Act 1972 as amended by The General Disposal of Consent (England 2003)); the viability of Local Authorities to allow the 'transfer' of assets to community groups to take place at less than highest price, is complicated by the competing pressure to 'exercise a fiduciary duty' (i.e. realise maximum value from a sale), in order to not let the 'cost' fall to the Council Tax payer.

Government needs to recognise the wider positive impacts that community ownership of land can have on a local area, in terms of improving service provision, as well as cohesion, well-being and sustainability. To support this, the Government needs to provide funding to public authorities, in a means of compensating them for a loss of potential income, through CAT.

2.9 What actions are needed by Government to make your proposal possible?

Government needs to consolidate funding schemes such as The Community Asset Fund, Community Builders Fund, and Adventure Capital Fund into a single Community Asset Transfer (CAT) Fund which would provide set-up costs and advice for projects, followed by funding for all or part of purchase and running costs (subject to risk assessment, sound business plans, income projections, etc.).

Legislation needs introducing to establish a Community Right of Purchase (CROP) giving properly constituted Community Bodies the right to purchase land or buildings being offered for sale, at a market value determined by independent valuation – where this could be shown to be in the public interest and to have strong public support. Such legislation could be modelled on The Land Reform (Scotland) Act 2003, simplified and extended to urban as well as rural areas.

The Local Government Act 1972 as amended by The General Disposal of Consent (England 2003) not only allows Councils to dispose of their assets for less than the highest price, but also allows them to act without Government permission where this would promote the economic, social or environmental wellbeing of their area. But this needs to be supported by legislation which removes from Councils the onerous competing pressure to 'exercise a fiduciary duty' (i.e. realise maximum value from a sale).

It is therefore proposed that legislation be enacted to give Councils a CAT Duty to transfer any inefficiently utilised asset, upon request from a properly constituted Community Body with a sound business case, wherever it can reasonably be argued this is in the public interest and has community support.

This Duty would confirm the obligation to publish and annually review a Schedule of Land and Building Assets, identifying those considered to be inefficiently utilised. It would also require Councils to make transfers at sufficiently beneficial terms of tenure or purchase price as to make the community project feasible after allowing for all the financial assistance the community can access.

Government should establish a CAT Support Grant for Local Government in recognition that full market value of assets may have to be foregone. This should be constructed as an investment into community regeneration, as additional Rate Support Grant ring-fenced for this purpose. Any remaining 'deficit' against full market value should be positively described in accountancy practice as a local authority CAT Investment.

Finally, Government should set up a CAT Arbitration Service to decide on matters of dispute between a Council and its community about surplus assets and transfer issues.

Part 3: Local Authority Endorsement

This section should be completed by the proposing local authority. (Under the terms of the act this means a county council in England, a district council (including metropolitan, non metropolitan and unitary authorities), a London borough council, the Common Council of the City of London or the Council of the isles of Scilly)

3.1 Have consultation requirements been met? (500 words max)

Please confirm that your authority has met the statutory requirements for consultation on this proposal, via one or more panels of local representatives and persons from under-represented groups constituted in accordance with the Act and statutory guidance as set out in [Strong Safe and Prosperous Communities](#).

You may wish to describe who has been involved in discussions and development of the proposal (*e.g. council, local community organisations and residents groups, parish or town councils, local partnership bodies, local or national organisations, political parties, church and faith organisations, local businesses or chambers of commerce and others.*)

If you have not done so already please give brief details of relevant panel meetings.

Please note if you are submitting a joint application please provide details of consultation and local support across all areas.

South Hams District Council developed the scope of our implementation plan by taking into account the requirements of the Act, as well as the viability of successful implementation through limited time and resources.

Our proposals were raised at a special Sustainable Communities Act event for the Community Partnership Forum (CPF) and all South Hams District Council Members on 23rd February 2009. The CPF exists under the South Hams Strategic Partnership (SHSP) and consists of close to 200 organisations including voluntary, community, church and faith, statutory organisations and charities, as well as all of our local town and parish councils. Members of the SHSP and other interested local district councils and Devon County Council were also invited to attend. Members of the CPF include organisations that represent under-represented groups within the district such as BME and youth groups. Both these groups were able to attend the event.

At the event, close to 200 proposals were raised and discussed and a shortlist was created by attendees voting on the proposals they would like to see taken forward. The shortlist of eleven

proposals was formulated into a survey for our Community Sounding Board. Our Sounding Board is a panel of close to 1,000 local residents that are demographically and geographically representative of our whole community; this Panel also included under represented groups. We felt it was necessary for our wider community to rank the shortlist in order of importance to the local community as, at the time of planning, we were uncertain of the time available and resources required to write proposals up for submission due to the unknown publication date and style of the LGA Submission Form. We felt that, as there was a risk not all of our proposals would be written-up in time, we had to focus our resources on those of most importance to our community. We believe that by involving more than one 'panel' both containing under represented groups / individuals and agreeing our proposals with a large number of our community, South Hams District Council has met the requirements of the Act.

3.2 What are the views from this consultation? You may wish to provide evidence of local support for your proposal? This might include petitions or letters of support from the public, local councillors, Members of Parliament, businesses, public bodies and agencies? Please describe this evidence below. *(The local authority submitting the proposal is likely to wish to review such material and to summarise its content. Onward submission to the Selector of all original documentation will not normally be required).*

This 'Community Asset Transfer Proposal' was put forward by one of the attendees of the CPF event who is a member of the Totnes and District Community Strategy Group. The proposal was supported on the day by representatives from the South Hams Sustainability Group, Ermington Parish Council, Devon County Council, and Transition Town Totnes. It was voted on by all who attended the event and received 83 votes, being placed **top** of the 11 proposals short listed that received 10 or more votes. The Community Sounding Board voted this proposal as their 9th priority out of the eleven short listed.

Proposals may include a change/transfer of functions from one person to another. If this is relevant to your proposal please confirm that the duties under clause 2, subsection 3 of the act (consulting with organisations affected by a change in location of a function) have been carried out.

3.3 Please give brief details of consultation with any affected organisations

N/A

3.4 Confirmation of council support

The process for formal endorsement is a matter for local discretion; however we anticipate that authorities will wish to gain political endorsement and clearance for the proposal through the relevant processes at local level. Please give details of how formal approval has been attained.

A report detailing all eleven proposals short-listed from our CPF event and ranked by our Sounding Board was taken to the South Hams District Council Executive Committee on 16th July 2009. The Executive resolved to endorse / approve this proposal for submission to the LGA for consideration for implementation under the Sustainable Communities Act.

3.5 General comments

This is an opportunity for the local authority to express any additional comments or views on the proposal: This may include: *(1500 words max)*

- the council's view of levels of local support for the proposal
- any local opposition or objections that the Selector should be aware of
- relevance of the proposal to the area's Sustainable Community Strategy and Local Area Agreement
- outcome of any local authority discussions with agencies or public bodies affected
- potential regional/national significance of the proposal, if replicated elsewhere
- any major resource implications for the council or its local partners
- any other factors influencing viability and achievability of the proposal

This proposal was very well supported by local organisations, but less so by individual citizens, who may have found it more difficult to perceive the rather complex benefits compared with some other proposals. No objection to the proposal was encountered, and certainly it accords well with this Authority's Sustainable Community Strategy and Local Area Agreement, especially with the emphasis on affordable housing and community empowerment. It also seems to chime with national priorities.

If rolled out nationally, the proposal has the potential to significantly tackle a critical part of the national housing shortage, the regeneration of community facilities everywhere, and in particular the revival of rural communities.

The costs to public organisations could be considerable, and would have to be fully addressed by national government, but the net position may well be favourable if the hoped-for results are achieved.

Part 4: Assessment by the Selector

SCA proposals will be assessed by the LGA as Selector. This will include consideration, short listing and negotiation with the Secretary of State via the LGA Selector panel made up of councillors from the four parties represented on the LGA

The LGA Selector Panel is committed to undertaking the role in a transparent manner; as such reasons for decisions on proposals will be made available.

There will be no appeals process in relation to decisions of the Selector Panel.

4.1 Do you confirm your agreement to abide by the outcome of the Selector's assessment and decision-making processes?

Yes, South Hams District Council confirms to abide by the outcome of the Selector's assessment and decision-making processes.

4.2 Would your council, accompanied by the originators of the proposal, wish to make a short verbal presentation to the Selector Panel, should this opportunity be available?

Yes

Thank you for completing this form.

Please email it to selector@lga.gov.uk by 31 July 2009.