



BIG Lottery Fund



Evaluation of the Community Asset Transfer Programme

Process evaluation report

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1. Introduction

- 1.1. This is the first report of the evaluation of the Community Asset Transfer programme (CAT). CAT is a £13 million programme jointly funded by the Big Lottery Fund in Wales (BIG) and the Welsh Government, comprising capital and revenue grants. BIG is administering the grants on behalf of the Welsh Government.
- 1.2. The programme designed for Wales is strongly influenced by the experience of the Scottish and English programmes that were in turn developed in response to the Quirk review of 2007¹. This review demonstrated the real opportunity for community empowerment that exists when public assets are transferred to community ownership and management, particularly where this is part of a wider strategy of partnership working between communities, the third sector, and the public sector.
- 1.3. The CAT programme in Wales seeks, through the provision of funding for the transfer and development of assets from public sector bodies, to create more sustainable communities by supporting asset transfer to enterprising organisations that actively involve and benefit the communities they serve.
- 1.4. The expected programme outcomes are:
 - To build the capacity of enterprising communities to take on and develop community assets that can provide solutions to the challenges they face.
 - To contribute to the regeneration and economic sustainability of communities.
 - To promote and strengthen the independence of third sector organisations by enabling social enterprise.
 - To improve partnership working between the public sector, the third sector and other sectors.
- 1.5. The programme is being delivered in three rounds. So far:
 - **An initial 'Fast Track' Round** - 5 projects (out of 28 applications) have been awarded a grant in the Fast Track Round,
 - **Round 2** - 10 projects (out of 28 applications) have been invited to submit a Stage 2 application in Round 2.
 - **Round 3** - 29 applications have been received in stage 1 of Round 3 and are currently being assessed.
- 1.6. In general applications are managed through a 2-Stage process with a focus on the nature of the enterprise project and the business plan at stage 1 and on the detailed capital implementation project at stage 2. Development funding up to a maximum of £35,000 is available to support this process for Rounds 2 and 3. The initial Fast Track Round has been managed slightly differently in that only an Expression of Interest was required initially with the full application stage then requiring the complete documentation for the enterprise and

¹ Department for Communities and Local Government (2007), *Making assets work, The Quirk Review of community management and ownership of public assets*

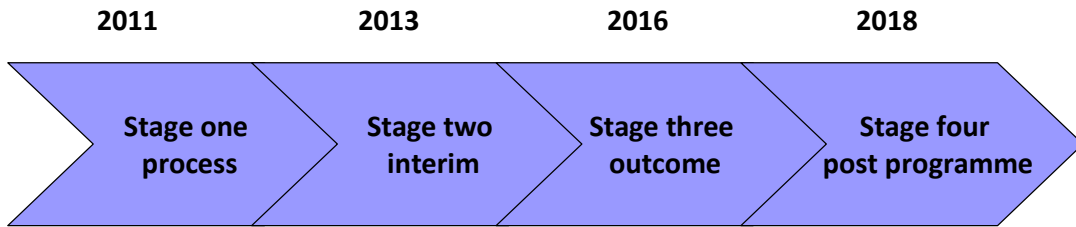
- capital project implementation. Development funding was not available to the Fast Track projects.
- 1.7. The aim of this evaluation is to identify and measure the impact of the CAT programme on local communities and wider stakeholders and to assess whether this represents value for money. The evaluation takes a longitudinal approach and will accompany the implementation of the CAT programme as a whole and the individual asset transfer projects in four evaluation stages:
1. **Process evaluation** (commenced in December 2010)
 2. **Interim evaluation** (to commence in 2013)
 3. **End of programme outcome evaluation** (to commence in 2016)
 4. **Post programme outcome evaluation** (to commence in 2018)
- 1.8. This is the evaluation report for the Process evaluation with the following objectives:
- To examine the rationale for the development of the programme and to assess the suitability of the delivery mechanisms, including application processes and materials, in meeting the programme aims and objectives.
 - To review the suitability and effectiveness of the partnership between BIG and the Welsh Government in the development and delivery of the programme.
- 1.9. The report is structured in six main sections. Firstly, the evaluation methodology is set out in section 2 followed by an analysis of the programme rationale and policy fit. Section 3 presents the results of a detailed process review before considering, in section 4, the results of an initial demand analysis stage. Finally, section 5 sets out the baseline results for the five Fast Track projects with conclusions and recommendations provided in section 6.
- 1.10. Stakeholder interviews have been an important source of evidence for this first Stage of the evaluation. We have therefore used verbatim comments from interviewees to illustrate and enliven the report text as appropriate. Where this is done we have highlighted such quotes in italics.

2. Evaluation methodology

Evaluation stages

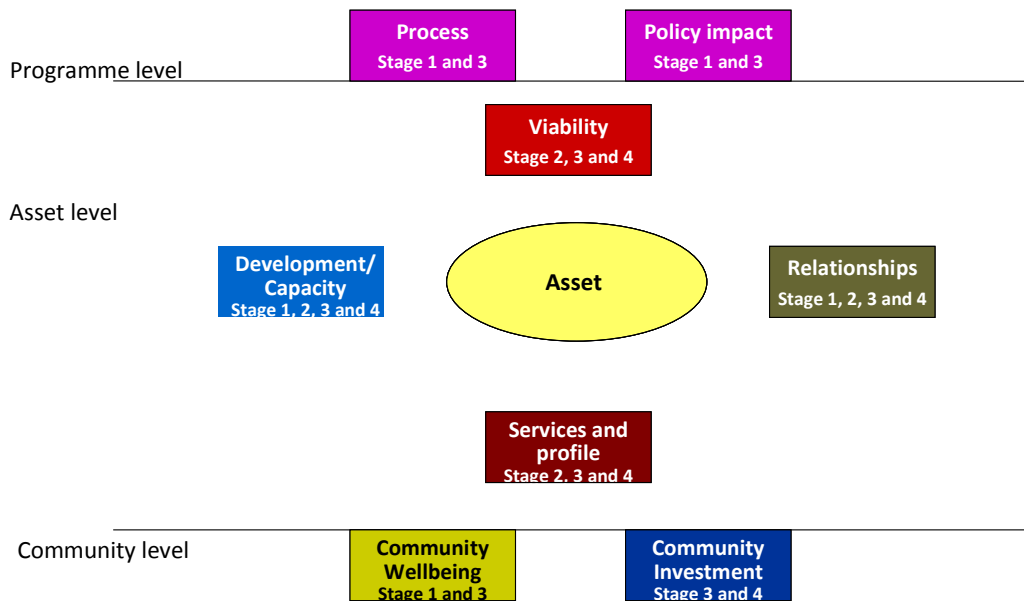
- 2.1. The CAT evaluation is designed to accompany the programme over the course of the funding and further with a final evaluation stage 8 years after the initial funding was made available. Each evaluation stage will have a slightly different emphasis so that the totality of evaluation results will allow an overall assessment of the programme's effectiveness and value for money. The following diagram sets out simply the sequence of evaluation stages and associated evaluation focus.

Diagram 1: Evaluation stages



- 2.2. At each evaluation stage, different dimensions of CAT performance and impact will need to be considered. In particular this is because the programme is designed to make an impact at three levels – the use of the asset transferred and developed; the communities served by the projects supported; and, finally, the cumulative effect of the programme on the behaviours of all concerned and the culture underpinning community asset transfer as a whole within Wales.
- 2.3. This is illustrated in the diagram below that sets out the overarching evaluation framework.

Diagram 2: Evaluation framework



Stage 1 - process evaluation

- 2.4. The focus of the process evaluation is on creating the basis for an outcome-focused evaluation programme that supports action learning. This suggests a dual approach. Firstly, learning about the asset transfer process itself and how the respective third sector organisations and their communities are able to use the asset for sustainable enterprise activities and, secondly, gathering data on the outcome and impact dimension of the projects in order to assess programme processes and effectiveness. This dual approach is set out in the table below.

Table 1: evaluation dimensions

Process evaluation – intelligence	Outcome & impact – performance measurement
<ul style="list-style-type: none"> • Focus on the nature of change • Mapping the journey • Increasing the understanding of asset transfer dynamics 	<ul style="list-style-type: none"> • Focus on the scale of change • Comparing baseline to change over time • Assessing the effectiveness of the programme

2.5. In order to support these dual processes, the CMI and Rocket Science consortium has developed a suite of research and analysis tools to gather the respective data and information. The tools, as set out in the table overleaf, create a sequence beginning with a reflection on the programme rationale and its aims and objectives (with strong stakeholder input and validation of the overarching evaluation framework) to data gathering and finally, to the analysis in light of the research questions.

Table 2: Core tools used in the process evaluation

Tool	Description
Theory of Change maps ²	<p>Theory of Change maps are a useful way of understanding sometimes complex sets of relationships between activities and their intended outcomes allowing the measurement of ‘the right things at the right time’. This is especially valuable for programmes that achieve their ultimate impact after a medium or long term period.</p> <p>The maps were developed on the basis of CAT programme documentation and validated by the CAT Evaluation Panel. They take the understanding of the different dimensions and levels of the CAT evaluation as set out in the evaluation framework one step further by describing how the CAT programme will achieve its long term objectives through the achievement of specific outcomes at different stages of project and programme implementation.</p> <p>They form the backbone of the evaluation in that they were used to:</p> <p>Consider the underlying rationale for the CAT programme in terms of each level individually and the interaction between them,</p> <p>Reflect on the assumptions behind each of the outcomes and consider whether the CAT programme processes are appropriate and sufficient to produce these outcomes,</p> <p>Identify a set of key performance indicators for each level that will structure the research tools and presentation of results.</p>
Evaluation Panel ³	<p>An Evaluation Panel was set up in order to secure the involvement of a broad cross section of stakeholders who are knowledgeable on issues relating to asset transfer and community empowerment in Wales and who will contribute their experience and perspective to the evaluation at each of the four stages.</p> <p>The objective of using a Panel is to ensure that diverse perspectives on the CAT Programme are taken into account throughout the project, from methodology development to the interpretation and presentation of results.</p> <p>Evaluation Panel membership included representatives from the Big Lottery CAT programme team, the CAT project selection committee, the Welsh Assembly Government team working on the programme, a successful Welsh asset development project, Welsh Social Enterprise</p>

² Details of all documents reviewed for the evaluation are included in Annex 3.

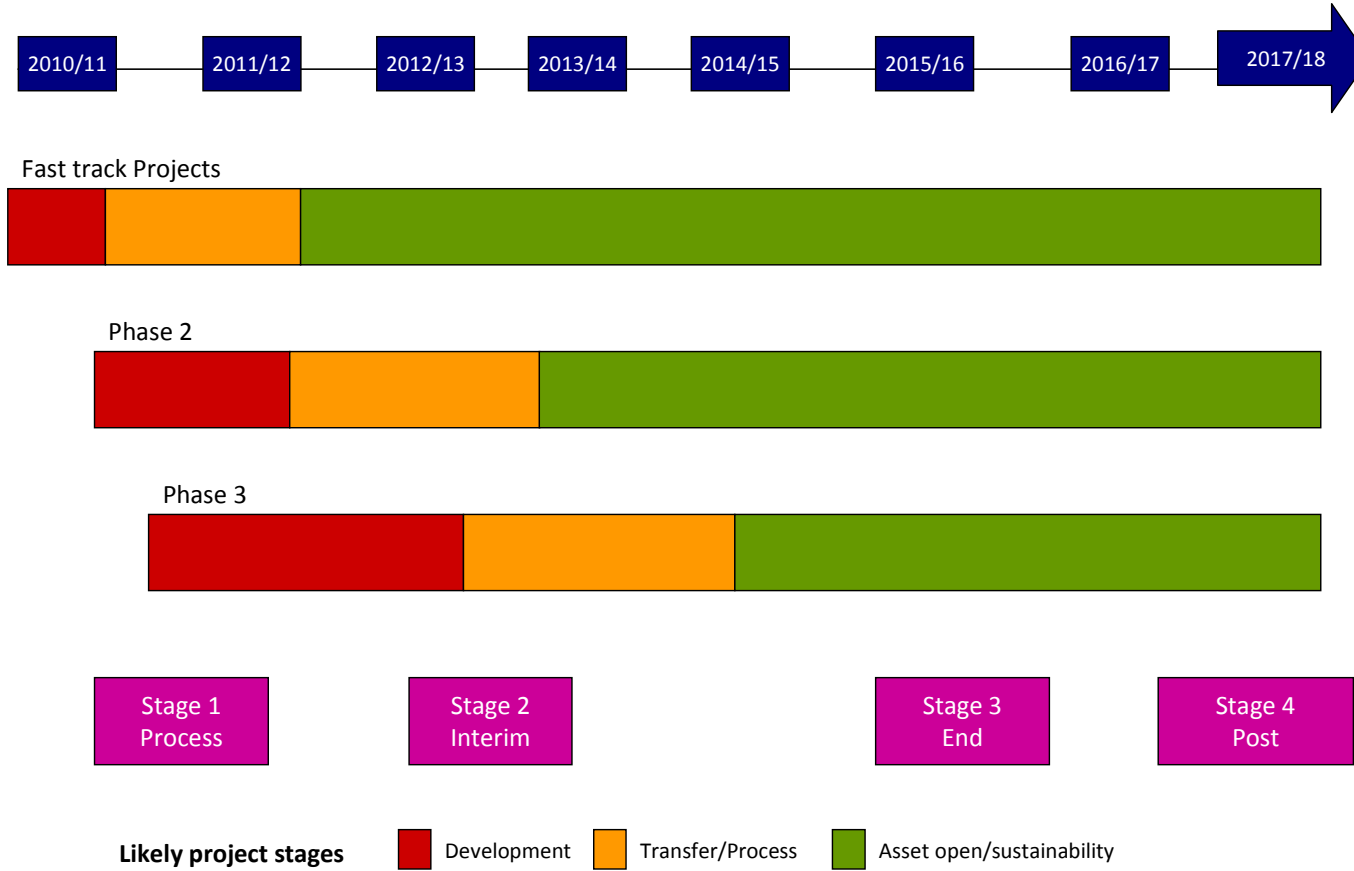
³ Details of all stakeholders consulted as part of the evaluation are included in Annex 4.

	<p>support organisations and, a representative of Local Government in Wales</p> <p>The Evaluation Panel complements the immediate internal Big Lottery evaluation project management. The Evaluation Panel's input is sought on a consultative basis not an approval or 'steering' basis. It will serve to inform the internal Big Lottery evaluation project manager and consultancy team's deliberations around methodology development, data collection and the analysis and interpretation of results.</p> <p>An initial Evaluation Panel meeting was held at the end of March 2011 to test and review the evaluation framework and tools. As the evaluation progresses, the panel will play a role in offering an additional perspective on findings and providing advice and access around policy areas.</p>
Scorecard	<p>A key challenge for the CAT evaluation is to capture the 'distance travelled' of the funded projects while also reflecting on the nature of their journey. In order to provide continuity and measurability for the results of the qualitative interviews to be undertaken with all projects funded under the CAT programme, a scorecard tool was developed that captures the current state of play of each project along the following five dimensions: Partnership; Capacity; Enterprise; Community; Asset.</p> <p>Interviews were undertaken with the five Fast Track projects that are under way so far and the scorecard will subsequently be used to support the 'baselining' of all CAT projects under Rounds 2 and 3 as well as at the later evaluation stages. The scores will be used as a tool to complement the analysis and presentation of qualitative findings rather than as an assessment tool in its own right.</p>
Process evaluation	<p>A detailed process evaluation was undertaken on the basis of a literature review and the results of a series of stakeholder interviews. The 3 Es analysis model (Economy; Efficiency; Effectiveness) was used to structure the detailed review of the different components of the process put in place to deliver the CAT programme:</p> <ul style="list-style-type: none"> ▪ Programme development and launch ▪ Strategic choices and eligibility criteria ▪ Application and selection process ▪ Ongoing interaction with successful projects <p>Note: Due to the timing of the evaluation in relation to the application process for Rounds 2 and 3, the findings from this initial stage of the process review have yet to be tested and refined on the basis of the results from a survey of all applicant organisations. This will be undertaken in January 2012.</p>

Demand analysis	<p>An analysis of data relating to the demand for the CAT programme on the basis of data from the application forms and business plans submitted was to form part of the first evaluation stage. This is designed to identify the scale and nature of demand for the programme and any trends or patterns emerging from individual application rounds and provides additional scope to reflect on the rationale for the programme and how this has been translated into the detailed processes used by CAT.</p> <p>Dimensions to be considered include the type of asset and level of funding required, the correlation between the nature or length of a partnership and application success or failure, types of activities to be delivered and whether there are common activities across types of assets and communities, and the location of the asset for example whether it is an urban or rural area, how this relates to socio-economic indicators such as deprivation and whether there are links to previous or current regeneration programmes.</p> <p>The demand analysis depends crucially on the availability of a complete data set for a range of project dimensions. This has not been available for this first stage of the evaluation and a cut-down version of the demand analysis has therefore been included in this first report. A fuller demand analysis will be delivered as part of the January 2012 bridging stage of the evaluation.</p>
Outcome and impact evaluation	<p>Baseline interviews were undertaken with all five Fast Track projects approved. The interviews followed a semi-structured interview guide and considered the experience of the application and transfer process so far as well as issues of capacity, partnership working and community engagement.</p>

- 2.6. An aspect that is important to note at this stage is that the timing of the CAT application rounds, which are spread over a period of around 2 years from June 2010 to June 2012, means that the evaluation process needs to adapt to the different time-lines of projects to be funded. At this first, process evaluation stage, this has in particular impacted on the extent to which applicant feedback could be obtained and integrated into the evaluation findings. As a result, a further evaluation stage will be undertaken in January 2012 encompassing a full applicant survey and the baseline interviews for Round 2 projects that will be granted funding in December 2011.
- 2.7. The diagram overleaf illustrates the time line for the different rounds of CAT funding and how they relate to the evaluation stages.

Diagram 3: CAT programme and evaluation time line



3. Programme rationale

- 3.1. A key objective of Stage 1 of the CAT evaluation programme was to examine the rationale for the development of the programme and to review the suitability and effectiveness of the partnership between BIG and the Welsh Government in the development and delivery of the programme. Two dimensions are of relevance to this task:
1. a review of the rationale for the programme in terms of the specific sequence of outcomes to be achieved and the extent to which this is shared and supported by the various programme stakeholders and
 2. an analysis of this rationale in light of the broader policy context for community empowerment and social enterprise and specific related policy areas.

Mapping outcomes

- 3.2. Programme documentation⁴ was reviewed and a wide range of stakeholder interviews undertaken with the aim of:
1. developing an in-depth understanding of the CAT programme rationale and
 2. gaining stakeholder perspectives on the appropriateness of the rationale and the way this had been translated into programme aims and objectives.
- 3.3. The four overarching outcomes set out for the programme (see diagram 4) formed the starting point for the interviews and documentary review which were used to refine the picture of how these outcomes are to be achieved.

Diagram 4: CAT programme outcomes



- 3.4. The development of these maps and their validation with the Evaluation Panel confirmed that outcomes are expected to be achieved by the programme at three levels, namely the level of the asset itself, the host community and the programme's interactions with the wider policy

⁴ Details of all documents reviewed for the evaluation are included in Annex 3.

environment. This understanding was translated into detailed outcomes maps for each of these levels. The detailed outcomes maps are included in Annex 1.

Culture change for enterprise

3.5. A further key objective of this stage of the evaluation was to obtain a detailed understanding of how the notion of enterprise and associated culture change for a wide range of stakeholders is at the heart of the programme rationale.

Third sector organisations (TSOs)

3.6. Stakeholders recognised that changing the culture of TSOs regarding their interactions with funders and customers or service users forms an important part in the process of developing the capacity of TSOs.

3.7. Expectations of the participating TSOs are considerable, ranging from:

- Strengthening trading activities to overcome grant dependency,
- Improving facilities and services available in their host communities,
- Levering the asset on their balance sheet – ‘sweating the asset’
- Developing a social enterprise business model for the asset that
 - creates public benefit above and beyond what the public sector partner might have achieved through using the asset (e.g. accessing additional funding sources such as trust funds and social investment sources, achieving superior outcomes) and
 - will overcome the cost-value gap⁵.

3.8. Ultimately, these expectations towards TSOs are bound up in a bigger agenda around the development of a new understanding regarding the balance between public and third sector delivery of community services. Stakeholders including those involved in the development and/or delivery of the programme saw it as part of the programme rationale that the asset transfer process should strengthen TSOs in their engagement with public sector partners and allow them to learn to constructively challenge public sector organisation (PSO) decision-making. This was seen by one stakeholder interviewed for the evaluation as *‘getting to the heart of key policy questions around the structure of society and how essential services and support should be made available to communities and individuals’*. Another interviewee related this to wider debates around the *‘mutualisation of public services’*.

Host communities

3.9. By extension, the expectation of culture change also relates to the host communities of the TSOs receiving the asset transfer.

3.10. CAT aims to embed the social enterprises receiving funding for a transfer in their local community through involving the community very closely in the development of a portfolio of products and services as well as the ongoing management and governance of the asset. Such close involvement is expected to contribute towards a move away from a dependency culture

⁵ i.e. the difference between the investment made in an asset and its market value

and engage community members in the actual delivery of services in order to reduce their reliance on external provision.

Public sector organisations (PSOs)

- 3.11. Conversely, CAT also explicitly aims to change the perceptions, attitudes and decision-making around asset transfer of PSOs and their wider strategic engagement with TSOs.
- 3.12. CAT is seen as a first step towards a more strategic engagement of PSOs with the asset transfer agenda and away from what some third sector stakeholders described as a '*disposals culture*', namely transferring liabilities to third sector organisations. Strategic engagement between PSOs and the TSO is necessary in order to ensure that a TSO asset transfer is framed in the context of a shared understanding of how the asset will enable the TSO to contribute to improved outcomes for community members. Beyond this, however, strategic engagement is also the route to enable public sector representatives to more fully understand how asset transfer is potentially linked to a wide range of policy areas, from poverty and skills to economic development and waste.
- 3.13. It is important to note, however, that the wider culture change that CAT is expected to contribute towards on the part of public sector organisations, is closely connected to the question of how public sector outcomes can best be achieved. Mirroring the expectations towards the third sector organisations to actively seek engagement with public sector partners, CAT is expected to create a momentum towards the public sector partners in turn working closely with TSOs in supporting them and increasing their skill levels working towards organisational sustainability. Ultimately this is aimed at nurturing an understanding of PSOs as enabling the delivery of outcomes by a wide range of organisations including the third sector rather than the public sector as sole provider of services to communities.

Big Lottery Fund

- 3.14. Stakeholders agreed that delivering CAT represented a culture change for the Big Lottery Fund itself.
- 3.15. The focus of Big Lottery delivered programmes has typically rested on achieving social outcomes. The CAT programme is a departure from this focus in that the explicit focus on enterprise requires Big Lottery staff to develop an understanding of how social and economic dimensions combine to produce certain outcomes. On the face of it, this relates to procedural issues around the assessment of applications and selection of projects to be funded. Considering this further, however, it becomes clear that such procedural changes need to be underpinned by a different mind-set that allows Big Lottery staff to appreciate how CAT funding will support a project or organisation rather than an 'issue' and how one of the key requirements in managing this process is the ability to manage risk in the funding of enterprising projects.

Overarching policy context

- 3.16. Against the backdrop of the culture change dimension of the CAT rationale, it is important to consider how this relates to the wider policy context in Wales. A key aspect, particularly in view of the importance attributed to the partnership between the Big Lottery Fund and the Welsh Government in delivering the programme, related to the question of whether the

programme would be effective in delivering on policy agendas around community empowerment and social enterprise.

- 3.17. BIG's role as an intelligent funder, i.e. one that *'[secures] greater impact and influence from [its] work'*⁶ and that funds innovation, suggests that CAT needs to be seen in the context of other policy initiatives and funding streams. Stakeholders were clear that much of the onus here rests on the Welsh Government to develop a broader coherent mechanism around community asset transfer and its role in community empowerment.

Welsh Government response to Quirk

- 3.18. The stakeholder interviews suggest that there is widespread support for the CAT programme as a response to the Quirk Review. Indeed, on the part of the Welsh Government the programme is seen as the primary response to the Quirk review and the wider community asset transfer agenda. However, while a view of CAT as a relatively small scale pilot scheme is shared by The Welsh Government representatives and the broader stakeholder base for the programme, third sector and public sector stakeholders were keen to stress that CAT must be seen as additional rather than filling gaps in funding from elsewhere. Therefore, although CAT may be regarded as a *'small step in the right direction'*, the nature of this funding is regarded as additional to other resources invested in third sector capacity building generally and asset transfer in particular.
- 3.19. A number of stakeholders noted that the CAT programme had made some strategic choices in terms of how the funding is being targeted. By definition, such strategic choices may have limited the reach of the programme albeit with the aim of leveraging limited funds effectively and ensuring that the impact is not diluted by spreading funding too thinly. Stakeholders were clear regarding the need not to lose sight of those areas of activity that were not eligible under CAT, and that may form an important part of the community empowerment jigsaw.
- 3.20. In this context, a number of stakeholders also raised concerns regarding the perceived lack of a broader strategic vision for community capacity development on the part of the Welsh Government itself. Views were expressed that there appears to be no overarching policy on asset transfer that could lever in and integrate the wider policy stakeholder base both within the Welsh Government itself and with regard to policies adopted by other public sector organisations and bodies (e.g. the WLGA or the NHS). While individual activities are being pursued it appears that these are not integrated into a coherent policy approach that could enable a strategic assessment of the effectiveness of individual tools and implementation elements and trigger additional activities and funding as required.
- 3.21. In particular, when it comes to considering the wider context for asset transfer, on issues ranging from the availability of loan and equity funding to legal and cultural obstacles and potential transferring organisations, the Welsh policy environment is in its infancy. We are, however, aware that a Code of Practice was agreed in March 2011 between the Welsh Assembly Government, the Welsh local authorities and Welsh Health Boards that requires the third sector to be a partner in asset transfer and establishes the principle that due diligence costs associated with community asset transfer investigations should be shared between the TSO and the public bodies involved in the asset transfer.

⁶ Big Lottery Fund (2009), *Big Thinking, Our strategic framework to 2015*

3.22. A particular risk identified relates to a potential narrowing down of the policy agenda because CAT may end up being seen as the only route to community asset development. This was expressed as a concern that CAT may be '*setting communities up to fail*' if they try to fit the CAT model rather than being able to use different policy approaches and funding sources to allow communities to explore different routes to asset development and developing the capacity to get to that stage in the first place. It was widely recognised by stakeholders that, as a pilot project, CAT should work in tandem with other activities if it is to achieve significant impact.

Community Facilities and Activities Programme - CFAP

3.23. The Community Facilities and Activities Programme (CFAP) caters for community groups that have not yet reached the CAT stage of developing a full social enterprise business model around an asset. In existence since 2002, it offers smaller capital grant amounts (up to £300k) for community facilities.

3.24. To some extent the CFAP programme can be seen as fulfilling the function of supporting asset-related capacity development for voluntary and community groups by providing capital funding for such organisations that are not as far down the road of considering social enterprise business models. However, CFAP funding has been used quite extensively used as match-funding for CAT applications which suggests that a considerable amount of the funding available under CFAP has effectively been redirected to support CAT. This arguably curtails its core function from being delivered effectively.

Communities First

3.25. A second important related policy area is the Communities First programme. A conscious decision was taken at the start of the CAT programme to have an all Wales programme to ensure that bids can be submitted from all areas in order not to stifle potentially innovative and good quality bids just because they are not in an eligible area. Nevertheless, there was an early expectation for close interaction between Communities First and the CAT programme.

3.26. This interaction has occurred at the local level to an extent with some CAT project applications being closely linked to Communities First agendas and partnerships or Communities First groups offering an interface for community engagement. It will be important for the CAT programme to actively lever the link to this line of policy to ensure that the BIG role as intelligent funder comes into its own in this respect and to contribute to further regeneration policy integration and development. In view of discussions regarding the way forward for Communities First and the role of different fora and organisations at the local level in making change happen, the extent to which CAT funding will indeed help catalyse activities in Communities First areas is an essential consideration in ensuring maximum impact from CAT funding.

3.27. A connection between the two programmes was also established at the conceptual level by some stakeholders. A potential danger was identified where the CAT programme might *'try to create a fixed model or blue print rather than thinking in terms of recipes for success and putting trust in communities themselves to identify the most appropriate ways of developing capacity'*. One stakeholder saw this as an analogy to issues arising in the context of the early stages of the Communities First programme.

Wider public service delivery agenda

3.28. In light of recent and future restrictions to public sector budgets, a strong policy focus in Wales has rested on the public service agenda. In particular the Welsh Government-sponsored 'Efficiency and Innovation Programme' is reflecting on how public services can be delivered more efficiently and effectively. The CAT programme is conceptually linked to this activity in that the TSOs benefiting from CAT funding for an asset transfer are expected to play a role in enhancing the delivery of services to the community.

3.29. On the one hand this means that an understanding of how TSOs can contribute to the types of outcomes that their public sector counterparts work towards needs to be developed. On the other hand, however, this understanding needs to be translated into very practical ways of embedding such an understanding into strategic asset management approaches.

3.30. Currently, it appears that neither of these two considerations is prominent in wider public sector work around improving the delivery of public services.

3.31. Rather, a key focus in policy work around the delivery of public services in Wales tends to rest on efficiencies through joint working between different public sector organisations with only limited recognition of a potential third sector contribution to improving outcomes. The National Asset Management Work Stream under the Efficiency and Innovation Programme, for instance, has concentrated predominantly on developing protocols for transfers and joint use of assets between different public sector organisations themselves. Examples of these initiatives are a land transfer protocol (in its second edition) and the promotion of e-PIMS as a central tool to create a central resource for the identification of assets in different ownership and to consider any surpluses or options for shared occupancy with the intention of rolling this out to all PSOs in Wales during 2012.

3.32. There is some pilot project activity taking place that relates to the role of the third sector in contributing to this agenda. For example, a joint asset review process involving the third sector is being implemented in Carmarthenshire and a joint public and third sector asset board is being established in Blaenau Gwent. Here again, effective policy integration will be required to allow the CAT dimension around understanding and embedding the specific TSO contribution to using assets effectively to contribute to public sector outcomes to come into its own.

Other related policy initiatives

3.33. The CAT programme approach is supported in general terms by the Social Enterprise Strategy which recognises *'the potential of asset transfer for the social enterprise sector and also acknowledges that this is not happening frequently or very quickly'*⁷. It also refers to some of

⁷ Social Enterprise Strategy for Wales (June 2005), Welsh Assembly Government

the legal foundations having been put in place, but does not make specific reference to any policy objectives in that respect.

- 3.34. This is followed up in the 2009 Social Enterprise Action Plan by announcing the CAT programme with reference to the Quirk review and the way it highlights that *'factors preventing this kind of transfer have more to do with people's resistance to change and risk, than with any legal or procedural constraints. It urged local authorities to adopt smarter asset management plans and more active community engagement strategies'*⁸.
- 3.35. Finally, the role of the Development Trust Association (DTA) in supporting the process of embedding asset-based community development approaches in Welsh policy and practice was raised by a number of stakeholders. Most third sector stakeholders thought that the potential role of the DTA had not been built into the delivery of the CAT programme sufficiently to make the most of the depth of experience and knowledge that could be available to projects funded through CAT and the programme as a whole. Some public sector interviewees at the local level and indeed some of the Fast Track projects were less aware of the role the DTA had played in putting asset transfer on the agenda.

Effectiveness of the partnership between BIG and the Welsh Government

- 3.36. In view of the fact that the partnership between the Big Lottery Fund and the Welsh Government in delivering the CAT programme is seen as a new departure by the two partners, a particular emphasis in the evaluation rests on understanding the effectiveness of this partnership.
- 3.37. At this early stage of the evaluation programme, this assessment is based largely on a review of the programme development process and the ways in which mutual aims and objectives have been aligned in the ultimate programme model.
- 3.38. Both partners have identified the need for an asset transfer mechanism as part of their policy review and stakeholder engagement activities. This forms the backdrop for the identification of a partnership approach to delivering a community asset transfer programme. Tangible partnership working should build on pre-existing relationships from the delivery of the Life Skills project, an earlier Objective 1 funded project. For the CAT programme in particular, the chosen delivery model of joint funding, with the Big Lottery Fund being charged with administering the fund, is seen as a distinct advantage by internal BIG and Welsh Government stakeholders, since it provides a degree of independence and avoids any potential perception of political influence on decision making.
- 3.39. As regards the partnership structure, the CAT programme represents an example of strategic partnership as opposed to a procurement-based relationship. This was seen as *'a first for WAG'* by Welsh Government interviewees. Against this backdrop, the Welsh Government representatives working on the programme act as observers to the detailed delivery of the programme, thus preventing any potential perception that there could be political influence in the selection process while still demonstrating WAG's commitment to implementing the

⁸ The Social Enterprise Action Plan for Wales 2009 (February 2009), Welsh Assembly Government, p. 25

policy commitment to community asset transfer. At the same time, the structure is well aligned with the Big Lottery Fund's commitment to act as an 'intelligent funder'. In many ways, this collaboration can be seen as a test bed and model for further collaborations along these lines.

- 3.40. Regarding the actual structure of the fund itself, there was widespread stakeholder consensus that the combination of the capital funding provided by the Welsh Assembly Government and the revenue funding contributed by the Big Lottery Fund was a very useful way of maximizing the effectiveness of the limited funds available. A review of the programme development documentation clearly suggests that the fund was developed on both sides in response to high demand for capital and revenue funding for the development and support of community facilities.

Conclusions regarding the CAT programme rationale

- 3.41. The research undertaken for Stage 1 of the CAT evaluation suggests that the CAT rationale is supported widely by stakeholders in both the public and third sector. The pivotal role attributed to nurturing a culture change towards leveraging enterprise for community empowerment is in particular widely shared by stakeholders.
- 3.42. The support provided through the CAT programme is seen as an appropriate first step towards embedding asset transfer practices in Wales. However, stakeholders emphasised that, to enable the third sector to take a much more active role in enhancing the provision of community services and generating revenues allowing them to become more independent and benefit their host communities, the CAT programme alone would not be sufficient to bring about the scale of change required.
- 3.43. The partnership between BIG and the Welsh Government is strongly supported internally in both organisations and the stakeholder interviews confirmed that there is wide external agreement with the benefits to be derived from this cooperation. However, in light of the feedback regarding the scale of results that can be achieved through the CAT programme alone, the BIG-Welsh Government partnership may need to develop further its effectiveness in respect of policy integration and dissemination.
- 3.44. The extent to which the CAT programme has so far accounted for the need to integrate activities within the wider policy environment is considered in the process review discussed in the following section of this report. This dimension will also be reviewed and evaluated in subsequent evaluation stages allowing an assessment of this aspect of CAT performance on the basis of the outcomes achieved at the three different levels of programme intervention.

4. Process review

4.1. Building on the review of the programme rationale, the second main requirement for this first Stage of the CAT evaluation was to assess the suitability of the delivery mechanism, including application processes and materials, in meeting the programme aims and objectives.

4.2. It is important to note that the process review currently draws on the evaluators' review of the CAT processes together with general stakeholder perspectives and the perspectives of only 5 successful projects so far⁹. The beneficiary perspective may therefore well be biased. The results will need to be tested and refined on the basis of the results from a survey of all applicant organisations. This will be undertaken in January 2012.

4.3. Drawing on project team and stakeholder interviews as well as a detailed documentary review, the evaluation team developed a detailed model of the processes adopted by the CAT programme. The following diagram sets out the overarching delivery framework.

Diagram 5: CAT overarching delivery framework

		Fast Track	Round 2	Round 3
Date process commenced		Oct-09	Mar-10	Nov-10
Date process completed		Jun-10	Oct-11	Jun-12
1st stage	Applications received	28	28	30
	No. successful	5	10	<i>due July '11</i>
	Approval rate	17.90%	35.70%	-
	No. Development Grant Awarded	Not applicable	9	-
	Value Development Grant Awarded	Not applicable	£239,316	-
	% of projects receiving Development Grant	Not applicable	90%	-
2nd stage	Received	Not applicable	<i>due June '11</i>	<i>due Jan '12</i>
	Success	Not applicable	<i>due Dec '11</i>	<i>due Jun '12</i>
	Approval rate	Not applicable	-	-
	No. Dvpt Grant Awarded	Not applicable	-	-
	Value Dvpt Grant Awarded	Not applicable	-	-
	% Dvpt Grant Awarded vs No Dvpt Grant	Not applicable	-	-

4.4. The programme is being delivered in three rounds with:

- an initial Fast Track round that invited projects that were well developed already with only an Expression of Interest stage as initial filtering mechanism, and,
- 2 subsequent rounds in two stages with the option for projects to apply for a development grant of up to £35,000 to develop their project further ready for the second stage of the application process.

Detailed maps of the precise application process are included in Annex 2.

⁹ Due to the timing of the evaluation in relation to the application process for Rounds 2 and 3, a survey of all applicant organisations could not be undertaken yet.

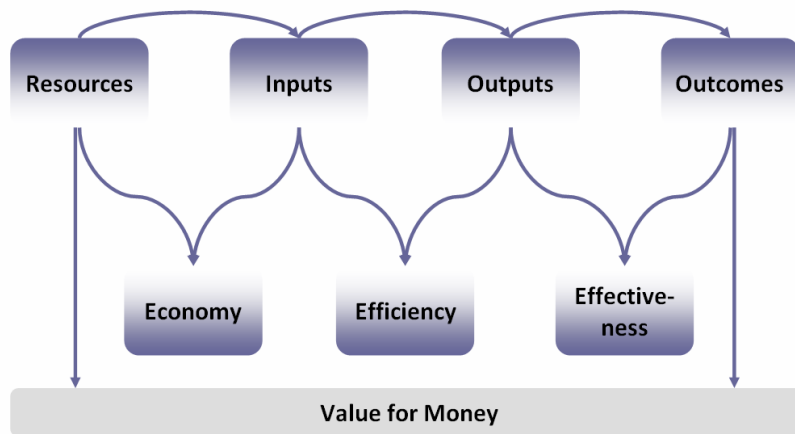
4.5. Building on the initial mapping and modelling process, the methodology adopted for this part of the evaluation consisted of a ‘3Es analysis’ using the Theory of Change maps to guide the analysis of individual features of the delivery mechanism.

4.6. Three main questions structure the 3Es analysis as follows:

- **Economy** – *how much does it cost to deliver the CAT programme and what measures are employed to deliver the process as economically as possible?*
- **Efficiency** – *is the process being delivered in line with expectations and what measures are in place to ensure efficient delivery of the process?*
- **Effectiveness** – *is the process likely to produce the required outcomes?*

4.7. The relationships between the three Es can be depicted as shown below.

Diagram 6: 3Es analysis



4.8. Under each of the three dimensions (3Es) the following stages in the CAT delivery process were considered:

Diagram 7: CAT delivery mechanism components:



Economy

4.9. The guiding question for this part of the process review was: How much does it cost to deliver the CAT programme and what measures are employed to deliver the process as economically as possible?

4.10. The key measure to assess the economy of a programme relates to the cost per grant ratio. However, at this initial stage, it is not possible to calculate this. Internal BIG documentation relating to the CAT programme suggests that the overall cost of CAT programme

development, assessment and management is estimated to be 10.3% of the total grant budget and expected to be approximately £1.4 million for the life of the programme.

- 4.11. The administrative costs incurred by the Lottery distributors are currently the subject of a national review and wider debate about the appropriateness of different cost levels as a function of the size and number of grants made. A cap of 5% plus 3% for additional costs including such things as technical support and outreach has recently been introduced adding up to a total for Lottery grant programme running costs of 8%. Subsequent evaluation stages will need to revisit this point and consider whether the above estimation has been accurate and how this reflects on the economy performance of the programme.
- 4.12. In terms of the effort made to control the costs involved in delivering the programme, there is clear evidence that a focus has rested from the very early programme development stages on considering the resource implications. Detailed processes such as time sheets and resource recording and management have been built into the interactions between the Big Lottery and the Welsh Government all the way through.
- 4.13. Attention to detail is also evident in identifying the most appropriate delivery model. The Direct High Impact model, an established Big Lottery grant distribution model, was chosen and adapted for the CAT programme in Wales on the grounds that it has previously proven its value in terms of securing good quality applications and managing demand effectively.
- 4.14. Reflecting on the delivery model from the perspective of grant applicant resources invested in the process, initial feedback from the five successful Fast Track projects¹⁰, internal stakeholder feedback and our own documentary review suggests that guidance on eligibility criteria and application processes was clear and accessible avoiding the potential for waste of resources in both applicant organisations and the delivery team. In addition, the staged assessment and selection process that uses an initial filtering process before applicant organisations develop the full project documentation for a Stage 2 application appears to have been effective in minimising the investment of resource on both sides.
- 4.15. One aspect that has come to the fore at the delivery stage is that the detail of the assessment process in terms of the number of criteria and judgement points used in combination with the extensive documentation required in the development of capital projects of this nature have sometimes challenged the resource planning assumptions for the assessment team. Careful time management has helped to address this issue.
- 4.16. Finally, regular programme management interactions between the Big Lottery CAT team and the Welsh Government officer responsible for the programme have been used to ensure that the programme is delivered to agreed performance standards (e.g. % delivery against published turnaround times, % of files compliant at assessment stage, % of disputes resolved within agreed timeframe etc.). Monthly update reports to inform these meetings have focused entirely on the financial and administrative profiling of CAT activity to date.
- 4.17. The meetings were described by both parties as constructive open meetings that reflect a positive relationship between the partner organisations.

¹⁰ Due to the timing of the evaluation in relation to the application process for Rounds 2 and 3, the findings from this initial stage of the process review have yet to be tested and refined on basis of the results from a survey of all applicant organisations. This will be undertaken in January 2012.

Economy – issues raised

4.18. The highly detailed assessment process in two stages, while acting as an effective filtering device, carries the risk of a duplication of effort between Stage 1 and Stage 2 of the application process. Particularly in view of the relatively small number of applications in the Welsh programme and the pivotal role of the selection committee with a high degree of discretion in making the ultimate decision regarding the projects to be funded, the question does arise, whether the level of detailed analysis undertaken is a little heavy-handed.

Efficiency

4.19. The guiding question for this part of the process review was: Is the process being delivered in line with expectation and what measures are in place to ensure efficient delivery of the process?

4.20. As set out above, the CAT assessment process was developed using an established Big Lottery grant distribution model as the blueprint. This meant that detailed manuals were available and provided clear guidance to the grants officers in going through the assessment process.

4.21. The process was further helped by the fact that a small internal project team worked closely together during the concentrated assessment periods allowing for close collaboration and regular communication. As a result of this combination of clearly guided individual assessment combined with joint consideration of consistency and continuity issues in the conclusions arrived at, the assessment process appears to have been characterised by considerable transparency.

4.22. In particular, the assessment grid was seen as an effective tool to structure efficient and consistent programme team discussions. Indeed, the key performance indicators as included in the Big-Welsh Government programme monitoring reports indicate that:

- the 'delivery against turn-around times (applications)' target was 100% achieved, and,
- the 'grant contracts accepted within agreed deadline' target was also 100% achieved.

4.23. Early stakeholder feedback from the Fast Track projects confirms this picture and indicates satisfaction with the application and assessment process.

4.24. Most of the projects found the fast track application process 'fit for purpose' and not overly bureaucratic or onerous. This in part because the support provided by the Big Lottery Capital Delivery Team and Grant Officers was clear and helpful. It was also in part because some of the projects had the benefit of local authority professional or revenue funding support on the capital project side. One of the TSOs did find complying with the RIBA¹¹ construction stages daunting and recommended mentoring for smaller organisations.

4.25. However, a more detailed assessment of this aspect will need to be made on the basis of a full applicant survey including unsuccessful applicants and the Round 2 project baseline interviews¹².

Efficiency – issues raised

¹¹ Royal Institute of British Architects

¹² This will take place in January 2012 when all applications for Rounds 2 and 3 will have been received.

- 4.26. The Big Lottery assessment and project monitoring process relies extensively on paper-based files. This is meant to be complemented and supported by Merlin, the CRM system used internally by BIG. However, issues arising with regard to the availability of complete and reliable data on applications received for this evaluation suggest that there may be areas for improvement in the efficiency of data management in the CAT programme.
- 4.27. This has caused some difficulty for the demand analysis undertaken as part of this first process evaluation stage. More importantly, however, data availability, accessibility and consistency will be key to efficient and effective monitoring interactions with funded projects as time progresses.
- 4.28. A further issue identified relates to the role of the selection committee in taking the final decision regarding which projects will be funded. The creation of, and recruitment for, the selection committee is entirely in line with the rationale for the programme as set out in Section 3 of this report. In particular, it reflects the focus on enterprise in that the selection committee members bring in-depth knowledge of the social enterprise and commercial environment in Wales as well as a detailed understanding of business models and the factors influencing the likely long-term viability of enterprise ventures in this area. An issue does arise, however, in terms of the interface between the very detailed internal Big Lottery assessment process (requiring considerable resource and detail as indicated above) and the selection committee decision. The assessment results (presented to the selection committee as a narrative analysis of each application and the overall assessment of the two overarching criteria¹³) are of relevance to the ultimate decision. However, the fact that the specific enterprise-related judgement sought from the selection committee carries so much weight in the ultimate decision reinforces the possibility that the resource invested in the detailed two-stage assessment process may be out of balance with the weight given to it in the final selection decision.
- 4.29. Therefore, with a view to further embedding an enterprising mind set and culture in the Big Lottery as an organisation, further attention should be paid to aligning, integrating and balancing these aspects of the assessment and selection process in a blueprint for the grant distribution model that is more specifically designed for the Welsh programme setting.

Effectiveness

- 4.30. The guiding question for this part of the process review was: *Is the process likely to produce the required outcomes?*

Programme development and launch

- 4.31. There is clear evidence of a detailed policy review prior to programme development.
- 4.32. On the part of the Big Lottery, the impetus for the programme goes back to an analysis of applications received for other programmes and the incidence of requests for capital funding for asset development or transfer and to the Big Thinking consultation, which confirmed high levels of demand for this type of funding. Similarly, making funding for community asset transfer available had been identified as a priority within the Welsh Government policy and

¹³ 1. The proposed project outcomes meet an identified need and help achieve the programme outcomes.
2. The applicant can deliver the project well and achieve the proposed outcomes.

strategy context. The fit between the CAT programme and the wider policy context in Wales as outlined in Section 3 of this report therefore forms a sound foundation on which to develop the programme.

4.33. As noted earlier, feedback from those involved in the process points to a highly constructive, open working relationship between the two organisations. Internal documentation of the programme development process delivered by a joint Big Lottery / Welsh Assembly Government working group further suggests that the process was characterised by considerable attention to detail and careful considerations of different delivery options in terms of:

- the strategic focus and how eligibility criteria would allow appropriate targeting of the funding,
- the structure of the actual fund in terms of the capital and revenue elements as well as the integration of the development grant as an additional element,
- decisions regarding the potential procurement of a support programme and the staging of the application rounds in order to create the right conditions for TSOs to undertake appropriate development work while being able to progress their project within an adequate time frame
- the ‘mechanics’ of the assessment and selection process including the assessment criteria and the nature and role of the selection committee

4.34. There is also evidence of extensive stakeholder consultation during the initial programme development stage, although documentary evidence is limited and has therefore limited the extent to which a detailed assessment has been possible.

Eligibility criteria and effect of strategic choices on uptake

4.35. In any programme, the eligibility criteria for participation that are developed are an expression of the strategic choices made in developing the programme. In the case of the CAT programme, they also act as an important initial filter for project applications. With a competitive funding programme of this nature, it is not surprising that stakeholder perceptions vary on the appropriateness of the choices made in determining eligibility criteria. However, the choices made inevitably lay the foundation for CAT programme effectiveness in achieving the outcomes set out for the programme and a number of detailed aspects and issues were raised as part of the evaluation and are set out in the following paragraphs.

4.36. The application requirements and detailed project development process was seen by many stakeholders as being potentially ‘off-putting’ to smaller organisations. While there was recognition that CAT is specifically targeting a middle band of TSOs able to develop the capacity to deal with an asset transfer and capital project implementation within the CAT time scales, questions were raised as to whether this would ultimately result in the ‘right projects’ being funded. This relates also to the issue of achieving the right balance between funding projects on the basis of a community’s needs as opposed to the commercial viability of a social enterprise project and the issue of how the CAT programme is contributing towards capacity development.

4.37. Similarly, the strong focus on projects having to evidence the strength and commitment of existing partnerships backing a CAT application was seen by some stakeholders as potentially creating a dependence on existing personal relationships. While there was a recognition that

to an extent, even such established partnerships were only coming into their own with the funding for a community asset transfer being available and acting as 'glue', concerns were raised that the CAT funding was therefore not sufficient to create opportunities for new partnerships to be established.

- 4.38. The move to open up community asset transfer to public sector organisations other than Local Authorities was welcomed, although some stakeholders commented that in itself this may not be enough to actually stimulate activity. Legal frameworks are not as developed in some of the other PSOs (e.g. NHS or the police). More specifically, however, with a more limited service portfolio the extent to which social enterprises are best placed to actually deliver on some of the outcomes that need to be achieved is less obvious for other types of PSOs and this in itself might limit the willingness to engage around this agenda in the first place.
- 4.39. There were mixed views regarding the decision to allow both leasehold and freehold transfers under the CAT programme. Many third sector stakeholders thought that it was a mistake to allow leasehold transfers on the grounds that this acts as a constraint on the independence of the TSO, because the public sector partner (typically the freeholder) is in effect able to withdraw the asset at a later date. This was seen as acting as an obstacle to genuine community empowerment. Considering this issue from a public sector perspective, however, it appears that including leasehold as an option may have increased the likelihood of public sector partners engaging in a community asset transfer relationship. Several public sector stakeholders still expressed a considerable degree of scepticism regarding the ability of TSOs to take on the successful management of an asset. Risk management is therefore an overriding concern for the public sector partner in a transfer project and including the leasehold option may well have been necessary in order to nurture greater commitment to involving the third sector in the strategic asset management agenda.
- 4.40. The decision not to allow transfers from a private sector partner was questioned in the context of the economic situation that might have created commercial opportunities that could not be tapped into by CAT applicants. In light of the enterprise focus adopted for the programme, some stakeholders felt that this represented a missed opportunity.
- 4.41. Excluding private sector transfers from CAT was also linked by one interviewee to the wider issue of the extent to which the programme facilitates a process of identifying and exploiting transfer opportunities from a wide range of public sector organisations. A very specific case was put forward in relation to the role of Housing Associations. Themselves categorised as private sector organisations, these could have taken on a 'bridging function' between TSOs engaging in new social enterprise activities and public sector organisations beyond Local Authorities.
- 4.42. Many of these latter have less of an inclination to engage with smaller TSOs directly. Excluding Housing Associations who could have acted as transferring partner themselves, thus mediating transfers to smaller TSOs, is bound up in the strategic positioning of the CAT programme. However, in a tight funding environment, with CAT being one of the few sources available to fund a community asset transfer, the question was raised as to whether the programme was losing out on the social capital that some of these larger TSOs had built up with organisations such as for instance the NHS.
- 4.43. The more general point of whether adequate investment is being made in existing third sector capacity was raised by several third sector interviewees.

- 4.44. A number of stakeholders questioned the decision not to procure a support programme to accompany the CAT project development process. The decision not to provide a support programme was based on the argument that the development grant would enable TSOs involved in a CAT project to source the specific support they required rather than funding a support team that may not necessarily offer the right support at the right time.
- 4.45. One of the Fast Track projects was concerned that the legal charge placed on the property by the CAT programme¹⁴ in combination with a second legal charge by the Local Authority reduced the value of the asset on the balance sheet to the £1 paid by the TSO. This was seen as effectively transferring all the risk onto the third sector organisation without the corresponding returns fully accruing to them. While such a legal charge will in effect make it more difficult for the TSO to raise secured finance, the concern may have been slightly exaggerated. It does suggest, however, that the financial implications of receiving the CAT funding are not necessarily entirely clear to the recipient organisations.
- 4.46. Some minor concerns were raised regarding the specific combination of capital and revenue funding pointing to the fact that the availability of revenue funding for an extended period of time at the early stages of enterprise development bears the risk of creating dependency on this funding and weakening the focus on structuring viable and robust business plans from the start.
- 4.47. Finally, a remaining lack of clarity regarding State Aid regulations was raised by some stakeholders. With State Aid acting as a constraint on truly enterprising projects being funded and PSOs being able to discount the value of any assets being considered to be transferred in the first place, this may become an issue for some of the projects that are being funded as well.
- 4.48. As a result of the nature of this initial evaluation stage that considers the rationale for the programme at the very early stages of delivery, these issues and concerns raised by stakeholders will need to be integrated as specific evaluation questions in subsequent evaluation stages in order to assess the extent to which they have actually impacted on the results that can be achieved through the CAT programme.

Mechanics of application process

- 4.49. Only very tentative statements can be made regarding the mechanics of the application process, since the fuller applicant survey could not be undertaken at this stage, because final decisions on Round 2 and 3 applications have not been made yet (see introductory note to the process review section). However, initial generic feedback from TSO and PSO stakeholders together with the evaluation team's documentary review suggests that:
- Delivery of the programme in 3 distinct rounds is generally seen as appropriate in accommodating projects at different stages of development. An issue does arise, however, in that an overlap in the timing of the assessment and selection process for Rounds 2 and 3 does not allow projects that have been unsuccessful in Stage 2 of Round 2 to reapply in Round 3.

¹⁴ The CAT programme guidance notes for Round 3 state: *'If you are awarded a capital grant you will need to provide a legal charge over the land and buildings before we can make any payments. This will be in the standard form we require. The legal charge will remain in place for 20 years.'* The legal charge acts as a form of security against a property or land to ensure payment of a debt, in this case a repayment of the grant, if the project fails.

- The availability of the development grant is generally seen as contributing to programme effectiveness in nurturing capacity. It is also seen as an element of the programme that extends the capacity development results to a wider group of TSOs than the successful applicants.
- Stakeholders did think, however, that pre-application advice and support would be necessary for smaller community groups to be able to consider submitting a project application under CAT.

Project assessment and selection

- 4.50. Our review of the project assessment and selection process is largely based on a review of the processes adopted and the documentation supporting the implementation of this process.
- 4.51. To begin with, a review of the suite of materials used for the grants officer assessment of project applications suggests that the assessment criteria and judgment points in combination with the selection committee's focus on considering the enterprising capacity of the TSO clearly reflect the programme outcomes (notwithstanding our concerns regarding the efficiency of the interplay between the two as outlined above). The results can therefore be expected to provide an effective assessment of project applications.
- 4.52. The CAT selection committee in particular integrates a broad representation of stakeholder perspectives and integrates in-depth local knowledge into the selection process. This must be seen as a strength of the programme.
- 4.53. However, beyond concerns over the efficiency of the combination of the grants officer assessment and the considerable discretion exerted by the selection committee, questions can also be raised regarding the effectiveness of this process. The 'back office' assessment process generates the materials on the basis of which the selection committee makes its discretionary judgement of applicants' enterprise capacity. In view of the fact that this is new terrain for Big Lottery grants officers, this may not have been the most effective way of processing the information provided by applicant organisations, since it places considerable responsibility on the grants officers.
- 4.54. This does raise a number of specific questions, for instance in relation to the strength of the property valuation as part of the selection process. In particular the question of whether any potential cost-value gap is sufficiently identified and the ability of the TSO to indeed develop a business model around ownership of the asset that will lever the asset to greatest effect is a key area in that respect.

Interaction with projects

- 4.55. Finally, a key area for the evaluation is to assess the interaction between the CAT programme team and funded projects (information provided, advice on completing the application forms, confirmation of details required for the different components of the application process etc.). Early feedback from the five successful Fast Track projects suggests high levels of satisfaction with the extent and nature of their interaction with the CAT programme grants officers and the Capital Delivery Unit around the application and grant award process.
- 4.56. However, against the backdrop of high expectations regarding the ways in which the CAT programme will act as a catalyst for community asset transfer policy and practice, post-approval support focused interactions between the CAT team and successful projects appear fairly limited. While the focus of post-approval interactions offered as part of the CAT

implementation process remain on monitoring project implementation rather than on support provision or reflection, the programme will have very limited influence on the success of the individual projects. Therefore, the application, selection and initial asset transfer and capital project implementation interactions are the only lever to ensure that CAT projects do indeed deliver the outcomes as anticipated in terms of the Theory of Change maps for the three levels of the asset itself, the community and the programme as a whole, placing a strong expectation for this early support to set the projects up for success. If the direct Big Lottery interactions with funded projects are limited to a monitoring relationship, the question remains as to where wider support is going to come from?

5. Demand analysis

- 5.1. The following is an initial analysis of demand for funding under the CAT Programme. In total, there were 86 applications¹⁵ over three rounds.
- 5.2. An analysis of demand is an important part of the application review process of this evaluation. It helps to identify the scale and nature of demand for the programme and any trends or patterns emerging from individual application rounds. To enable a thorough analysis, consideration ideally needs to be given on the extent to which the following factors influence demand for the programme;
 - type of asset and level of funding required,
 - nature or length of the partnership and project and through further analysis how this relates to the success or failure of applications and to the overall success of the programme,
 - types of activities to be delivered and whether there are common activities across types of assets and communities, and,
 - the location of the asset for example whether it is an urban or rural area, how this relates to socio-economic indicators such as deprivation and whether there are links to previous or current regeneration programmes.
- 5.3. This analysis is an important quantitative aspect of the evaluation, the findings from which allow for further exploration and review of these factors with stakeholders and projects, in this and subsequent phases of the evaluation.
- 5.4. A Project Information Database has been constructed in Excel format containing application information (where available) that can then be analysed in a number of ways. A complete database is also critical to inform the application process survey of successful and unsuccessful projects scheduled for January 2012 as well as providing a central record of key information for all applications and projects for the duration of the evaluation.
- 5.5. As information is not available for all projects (with 19 missing in total) an agreement has been reached with BIG that an initial assessment of demand is produced at this first reporting stage which looks at application data by the three rounds and by county.
- 5.6. We have been able to access some asset postcode data which has allowed us to produce a series of maps which show the spread of applications related to deprivation. Deprivation is a

¹⁵ This number refers to Fast Track applications and Stage 1 applications in rounds 2 and 3.

key dimension of analysis, because the type of community economic regeneration offered through asset transfer is a key policy tool for such areas. The intention is to explore the extent to which deprivation – in other words the CAT criterion of need - impacts on whether or not applications are successful in the project review planned in 2012.

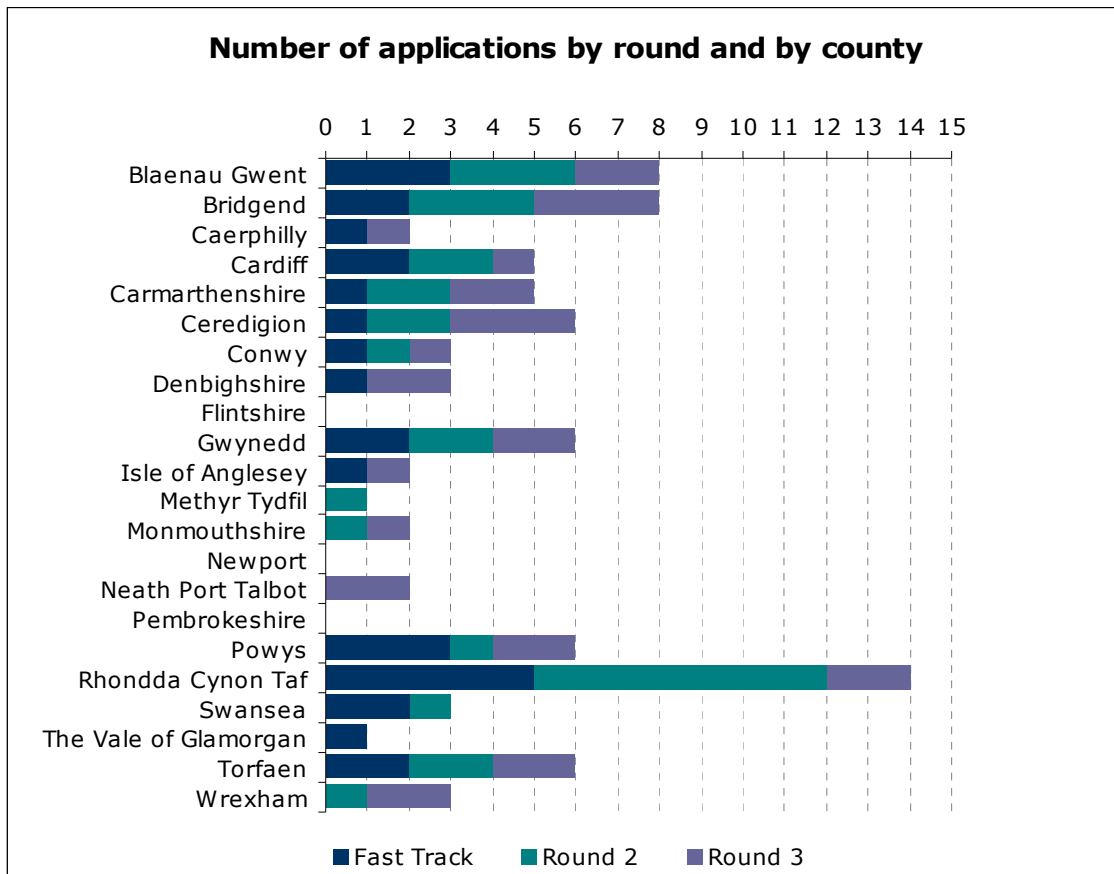
- 5.7. Detailed and accurate project information has been difficult to access and not always consistent from different sources (i.e. application forms where available, assessment reports where available, CAT summary formats where available). At the same time, this first evaluation stage was taking place at a time when the internal BIG CAT team was facing a very high work load, because it coincided with the Round 3 Stage 1 applications being submitted.

5.8. Note: As a result of these difficulties not all discrepancies between different data sets could be reconciled. The financial and asset level data used in this analysis is therefore based on the information provided by the BIG evaluation project manager on the 2nd June 2011. We have used this information as the definitive dataset.

- 5.9. Work is, however, continuing to bring the Project Information Database up to date and as complete as possible.

Numbers of applications

5.10. The 86 applications were received from 19 out of the 22 Welsh counties. No applications were received from Flintshire, Newport and Pembrokeshire.



5.11. This shows that there has been a spread of applications across Wales, with most applications being received from organisations in Rhondda Cynon Taf. It will be useful for BIG to compare data to see whether this application pattern is consistent with other BIG funded programmes. This will allow a consideration of whether this might be related to the effectiveness of BIG networks and promotion activity or whether there are other reasons for the geographical and organisational reach of this programme. As part of the survey of all applicant organisations to be undertaken in January 2012, the ‘marketing’ of the CAT programme will also be considered.

5.12. In comparison to the community asset transfer programmes delivered in Scotland and England, the use of multiple application rounds has been unique to this programme. This has allowed projects that were unsuccessful in the first round to bid again¹⁶. It is therefore important to make a distinction between unique applications for individual assets as this will give a more accurate assessment of demand for community asset transfer funding. Several applications in Rounds 2 and 3 were from organisations that had applied in previous rounds.

¹⁶ With the exception of the unsuccessful applicants at Stage 2 of Round 2 who will not be able to apply to Round 3

Due to the issues over data availability as outlined above, at this stage we cannot determine whether these applications were for the same assets. As an alternative, we have therefore analysed the number of unique organisations applying across the three rounds in each county. This analysis reduces the number of applications for the whole programme by 19 (22%) to a total of 67.

Table 3: Number of unique applicant organisations per county

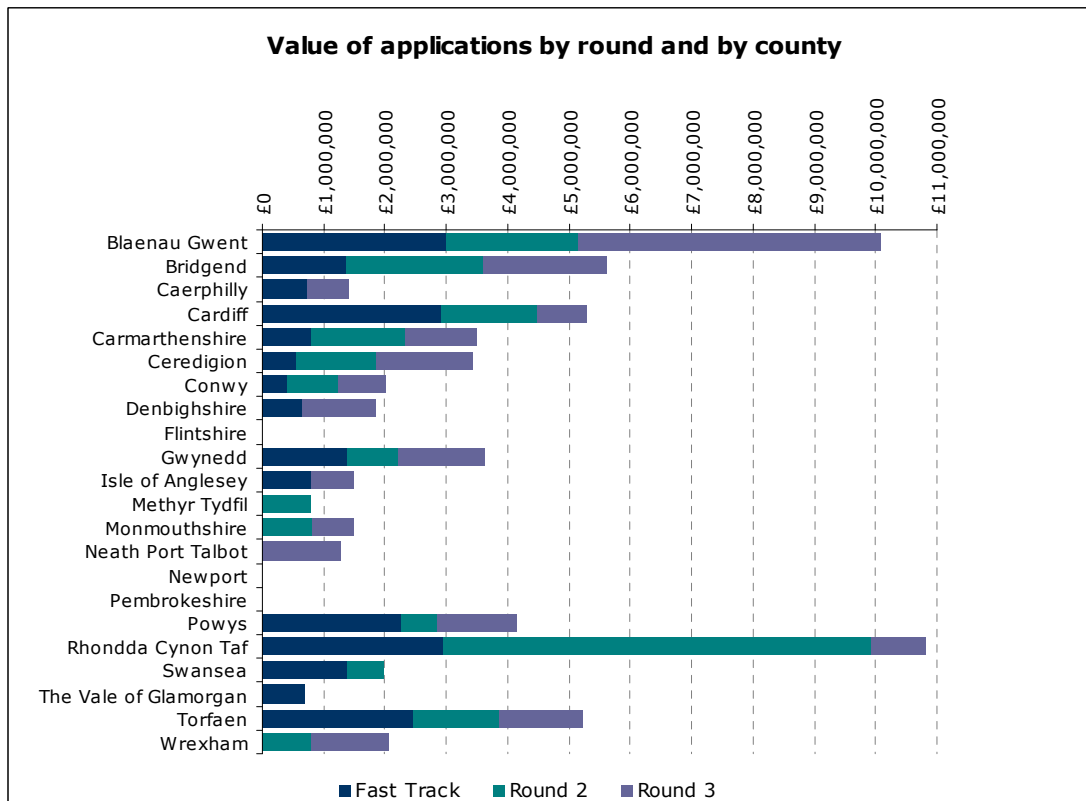
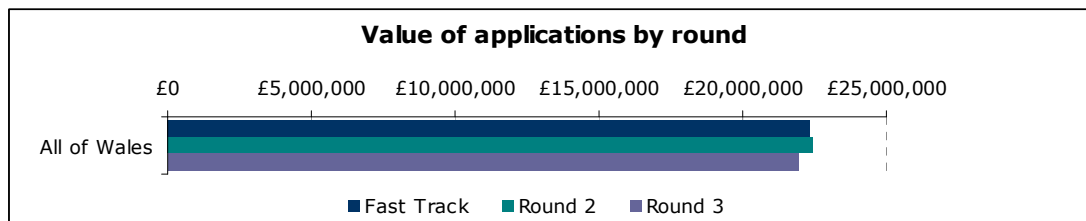
County	Number of organisations applying
Blaenau Gwent	6
Bridgend	6
Caerphilly	2
Cardiff	4
Carmarthenshire	4
Ceredigion	5
Conwy	3
Denbighshire	3
Flintshire	0
Gwynedd	5
Isle of Anglesey	2
Merthyr Tydfil	1
Monmouthshire	2
Newport	0
Neath Port Talbot	2
Pembrokeshire	0
Powys	4
Rhondda Cynon Taf	9
Swansea	2
The Vale of Glamorgan	1
Torfaen	4
Wrexham	2
Total	67

- 5.13. It will be important as part of the survey of all applicant organisations to understand whether the option of submitting applications across three rounds has helped projects to refine their approach and be successful in securing a grant award.

Value of applications

- 5.14. The total value of applications for the £13 million fund is £66,725,027.00 showing that the fund has been approximately five times oversubscribed; this is similar to the experience of the English programme. However, the oversubscription rate is likely to reduce to around four times if measured by unique application and assuming a corresponding 22% reduction in funding based on 67 unique applications. An accurate assessment of this can be done based on the availability of all asset postcode data in future analysis.
- 5.15. Initial calculations suggest that the average Fast Track round grant award was of £739,937. This compares to an average of £784,999 for the CAP in England.

Table 4: Value of applications by CAT Round



- 5.16. The first of these two tables show that similar values of total funding have been applied for in each of the three rounds, with a slight decrease in Round 3.
- 5.17. The second table shows the spread of funding applied for by each round and by county which shows some marked differences between counties:

- **Merthyr Tydfil and The Vale of Glamorgan** projects have applied for the least amount of funding;
- **Rhondda Cynon Taf** and **Blaenau Gwent** projects have bid for significantly more funding (50%) than projects in **Bridgend, Cardiff and Torfaen** (totals for all three counties account for over £5 million each);
- **Rhondda Cynon Taf** projects bid for the most funding in Round 2. However funding applied for from **Blaenau Gwent** applications in Round 3 were of similar value to the combined value of applications for both the Fast Track and Round 2;
- Comparing the number of unique applications, projects in both **Blaenau Gwent** and **Bridgend** have submitted a total of six applications for each county, yet the total value of those applications for Blaenau Gwent are more than double those of Bridgend. Comparing unique applications against amount applied for, this suggests that projects in **Blaenau Gwent** are significantly more expensive or ambitious than in other counties.

5.18. Investigating this effect on successful awards will be a key element of the January 2012 **survey which will be the opportunity** to explore the reasons why projects chose to apply in particular rounds.

Assessing the link between deprivation and applications

- 5.19. This final section of the report provides an analysis of applications (where we have the postcode data for the asset) by deprivation score. The Welsh Index of Multiple Deprivation 2008 (WIMD) is the official measure of deprivation for small areas in Wales. It was developed for the Welsh Assembly Government by the Assembly's Statistical Directorate and the Local Government Data Unit (Wales).
- 5.20. In this report we have compared applications against WIMD to assess whether there has been any correlation between applications for CAT and areas of deprivation. This is to help explore the extent to which the CAT Programme has reached areas with the highest deprivation and might have a corresponding need for community and economic regeneration.
- 5.21. The easiest way to represent this is using GIS mapping which allows postcode level data to overlay ranks of deprivation at LSOA¹⁷ level. These are represented using different shades of colour. In the following examples deprivation is mapped by shades of purple – the darkest areas being the most deprived and the lightest, the least deprived. Yellow dots indicate the area where the asset is based.
- 5.22. We have also – in separate charts - analysed the amount applied for in each round and as a whole to show how deprived the projects' host communities were, based on the following deprivation scale which is derived from WIMD¹⁸:

¹⁷ Lower Super Output Area

¹⁸ The analysis shows where demand is from within a broad scale, it is not intended to add up equally to 100%. The categorisation used for the maps is slightly different than that used for the charts, because using the quintiles for the maps did not lend itself to create a clear illustration of the spatial spread of applications.

Group 1 – most deprived 20% (LSOAs ranked 1-380)

Group 2 – most deprived 40% (LSOAs ranked 381-760)

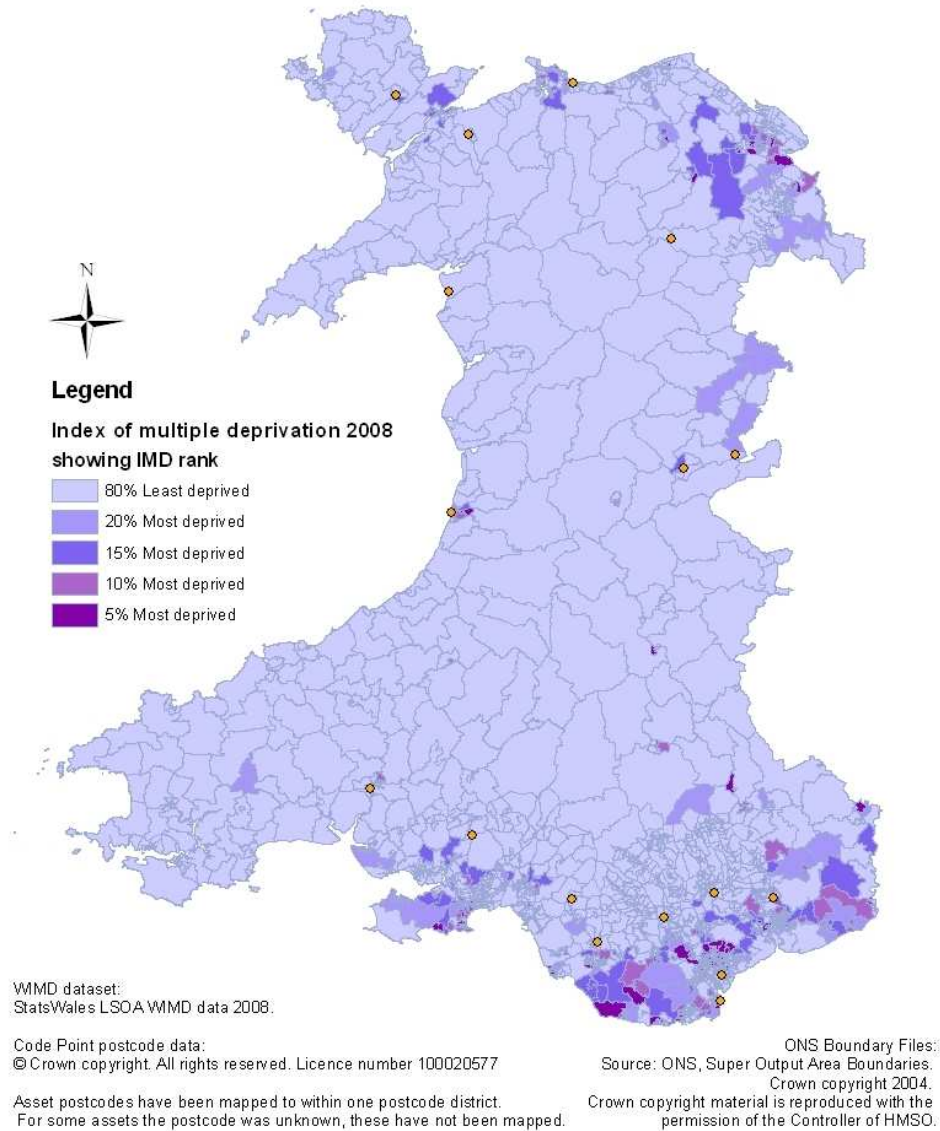
Group 3 – most deprived 60% (LSOAs ranked 761 – 1140)

Group 4 – least deprived 40% (LSOAs ranked 1141 – 1520)

Group 5 – least deprived 20% (LSOAs ranked 1142 – 1896)

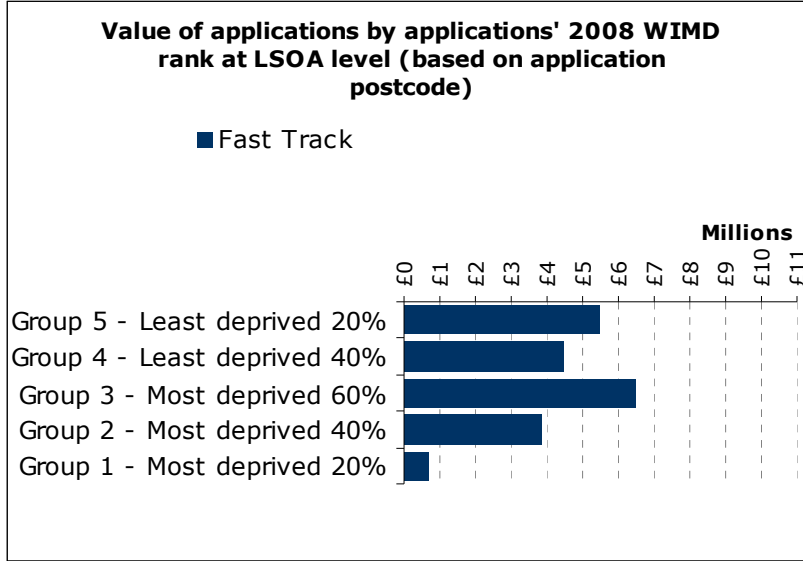
Diagram 8: Fast Track applications in relation to areas of Multiple Deprivation

Wales Community Assets Transfers - Fast Track:
Deprivation of areas making applications
(All of Wales)



5.23. This map shows that applications for the Fast Track Round were generally concentrated in the south of the country.

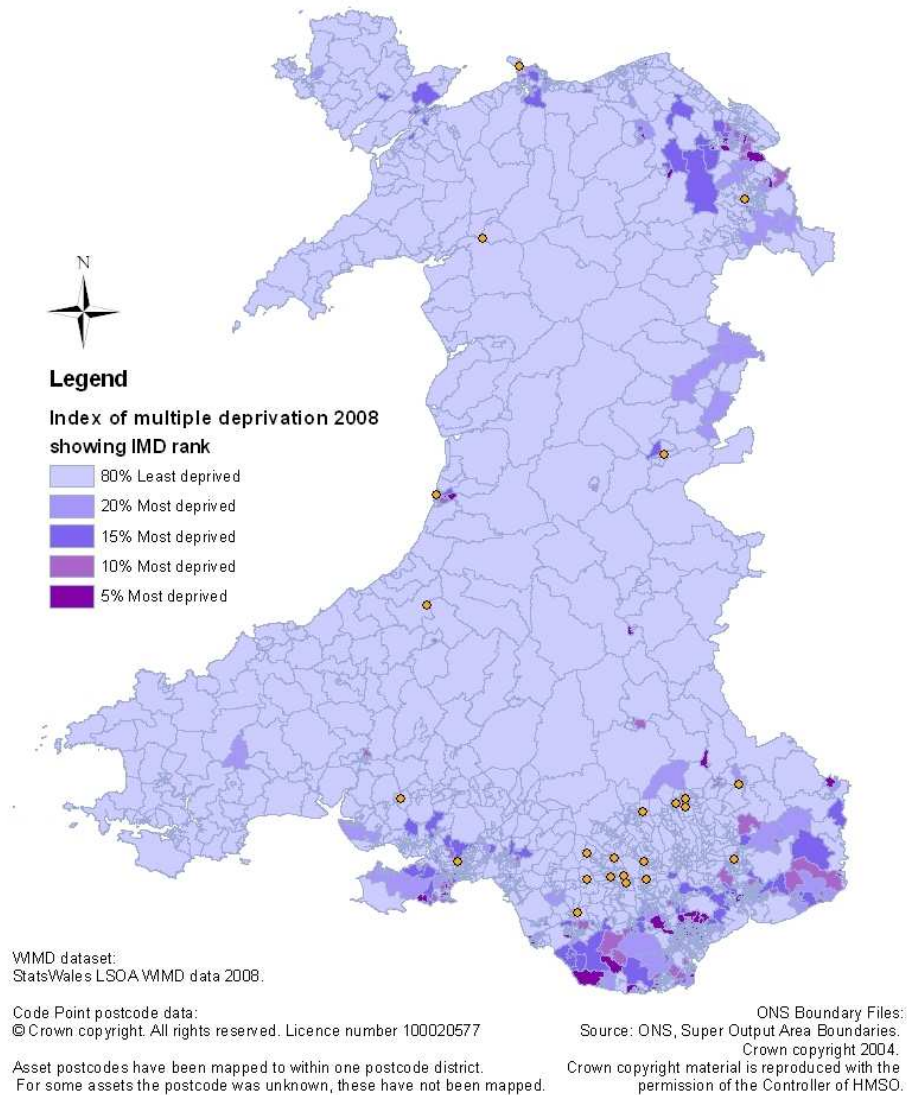
Diagram 9: Value of Fast Track applications by WIMD



5.24. Diagram 9 shows the amounts applied for aggregated for the deprivation groupings based on the postcode of the applicant organisation (rather than the asset itself). It reveals a relatively equal spread of amounts applied for across the different types of areas with the exception of the most deprived areas which have applied for the lowest amounts of funding. Only one application was received from an area in the top 20% most deprived areas. 46% of applications were from the 40% and 20% least deprived areas. This suggests that there was little correlation between deprivation and numbers of applications in this round.

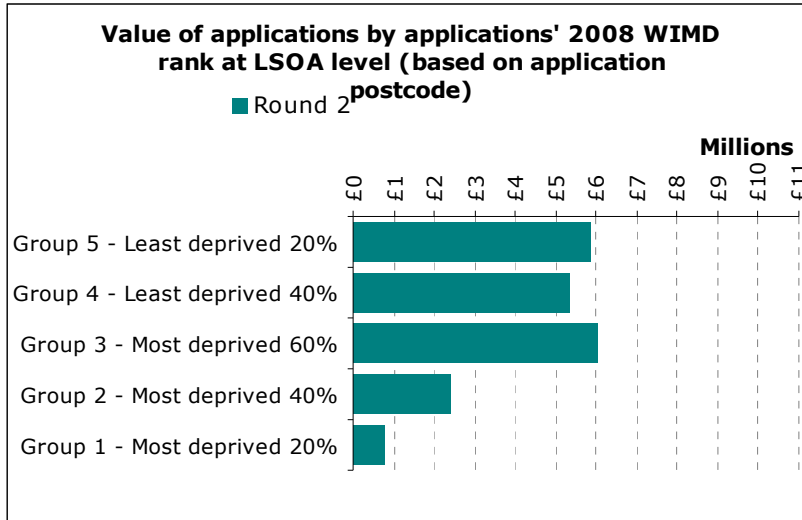
Diagram 10: Round 2 applications in relation to areas of Multiple Deprivation

Wales Community Assets Transfers - Round 2:
Deprivation of areas making applications
(All of Wales)



5.25. This map shows that applications for Round 2 were more concentrated in the south of the country. The pattern of applications was similar to that of the Fast Track Round – which could be a result of organisations that were unsuccessful in the Fast Track Round reapplying under Round. 2.

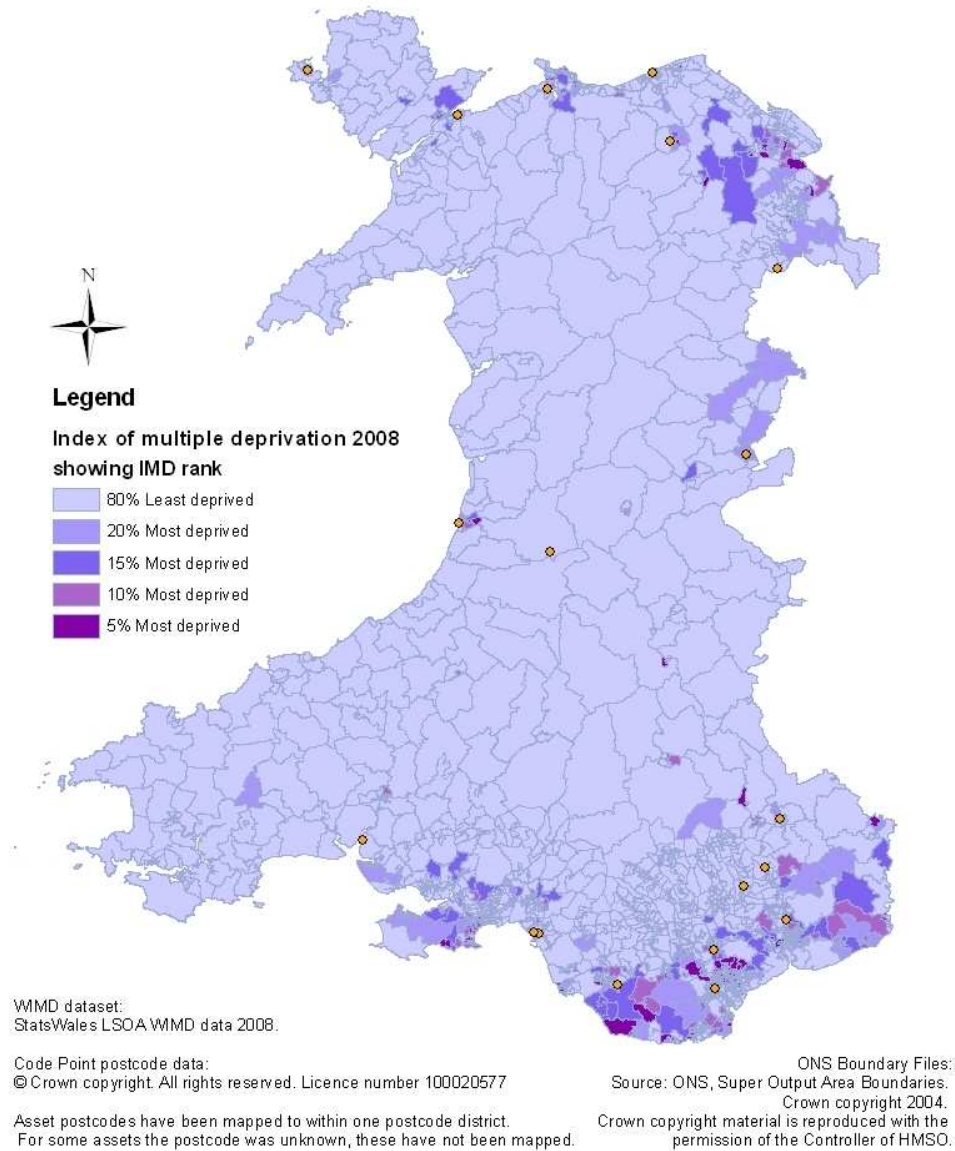
Diagram 11: Value of Round 2 applications by WIMD



5.26. Diagram 11 shows a reduction between rounds in the amounts applied for by the 40% most deprived areas and a relatively even spread of amounts applied for between areas with an average to least deprived ranking. The pattern is thus similar to the Fast Track Round.

Diagram 12: Round 3 applications in relation to areas of Multiple Deprivation

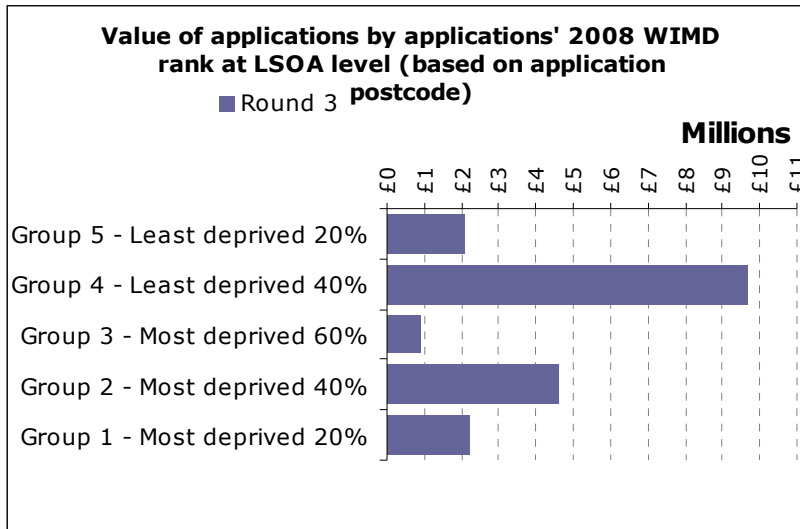
Wales Community Assets Transfers - Round 3: Deprivation of areas making applications (All of Wales)



5.27. This map shows that applications were again concentrated in the south of the country, although there is a more even split between Mid Wales and the north of the country than in previous rounds.

5.28. One third of applications came from the 20% and 40% most deprived areas – a significant increase from previous rounds. Although nearly two thirds of applications were from the 40% and 20% least deprived areas.

Diagram 13: Value of Round 3 applications by WIMD

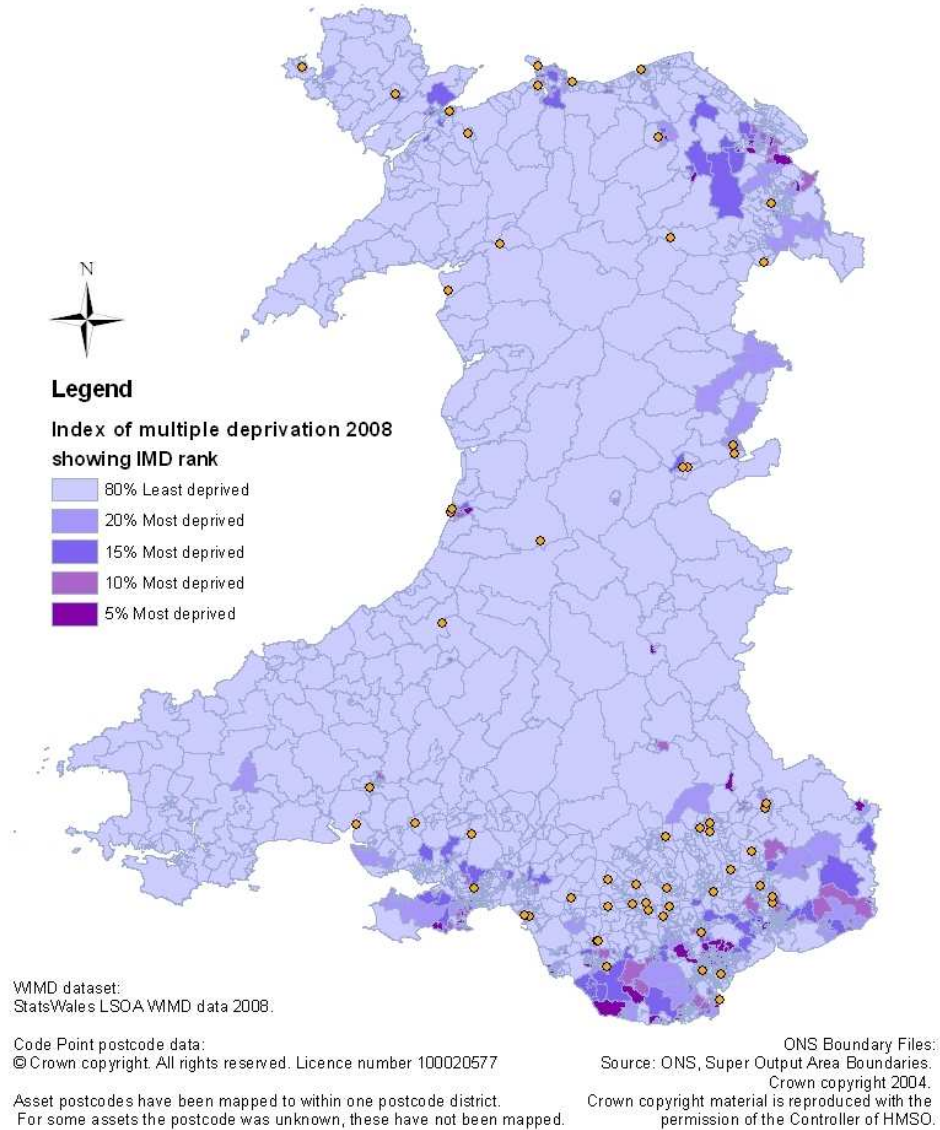


5.29. Diagram 13 shows that the balance of amounts applied for in Round 3 is very different to the two previous rounds with a marked increase in the amounts applied for from projects in the 40% least deprived areas and those in the 40% and 20% most deprived areas. This difference may be explained by improved communications reach, support or awareness of asset transfer as a means for community regeneration and empowerment in those communities. One third of applications came for the 20% and 40% most deprived areas – a significant increase from previous rounds. Although nearly two thirds of applications were from the 40% and 20% least deprived areas.

5.30. It will be important to measure the success of applications and whether those in the least deprived areas have been more successful than those in the most deprived areas and, if so, what the reasons for this might be.

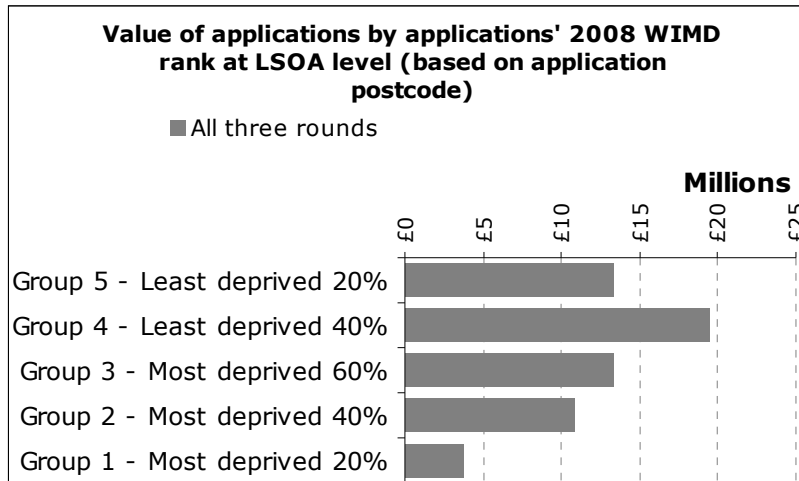
Diagram 14: All applications in relation to areas of Multiple Deprivation

Wales Community Assets Transfers: Deprivation of areas making applications (All of Wales)



5.31. This map draws together information on applications from all three rounds based on unique projects. This shows that looking at unique applications, these have been concentrated in the south of the country with a fair number spread across the north.

Diagram 15: Value of all applications by WIMD



5.32. Diagram 15 combines the amount applied for in relation to the index of multiple deprivation for the whole CAT programme. This shows that the programme has been significantly more popular in areas that are least deprived. We will consider reasons for this pattern as part of the survey of all applicant organisations in 2012

Demand analysis summary and conclusions

5.33. Project applications under the CAT Programme have been received from 19 out of the 22 Welsh counties. This suggests that the programme has had a broad reach at county level. However, there has been little correlation between CAT applications and areas that are characterised by significant levels of deprivation. Understanding why this has been the case will be an important aspect of the next stage of the evaluation with a view to helping policy-makers, local authorities and stakeholders understand the barriers faced by deprived communities in taking on an asset transfer project.

5.34. Blaenau Gwent stands out as the county with project applications that have applied for 50% higher levels of funding than other counties. It will be important to understand why some projects appear to be more expensive than others i.e. is this relative to the condition of the current asset base or a reflection of the ambitions of the asset transfer projects.

5.35. Flintshire, Newport and Pembrokeshire have not made any applications for funding – it will be important to understand why this is the case.

5.36. Whilst the pattern of applications by deprivation area was similar in the Fast Track Round and Round 2, there was a marked difference in the spread of applications in that respect Round 3. Further investigation needs to be undertaken in the 2012 survey to ascertain possible reasons for this.

6. Fast Track projects – baseline analysis

6.1. At this first evaluation stage, the five fast track projects were reviewed in order to learn from their experiences. The fast track project review took the following form:

- A visit was made to each project at which the main contact from the TSO was interviewed. For some projects, the key representative of the partner PSO was also interviewed.
 - Each project was reviewed using a bespoke scorecard which awarded scores against a range of criteria covering: partnership, capacity, enterprise and community. A further category relating to the asset itself was not considered yet, because none of the assets had yet opened.
- 6.2. The purpose of the review was to develop a baseline against which 'distance travelled' can be measured. It is stressed that the 'scores' themselves are only intended to be indicative and not to be used in isolation without the full range of qualitative information on each project deriving from the interviews.
- 6.3. The project interviews followed a guide designed to elicit comparable information covering: finances for the project, the organisation, the partnership, the CAT project objectives, experiences with the transfer process and community empowerment impacts.

Dimensions of analysis

Finances for the project

- 6.4. None of the five projects had changed their CAT grant amount which comprised a mixture of capital and revenue funding. The amount awarded ranged from 30% to around 70% of the funding required for the project.
- 6.5. All of the projects relied on a mix of other sources of funding, the most common of which was The Welsh Government Community Facilities and Activities Programme (CFAP). The use of CFAP funding to 'match fund' CAT Programme monies raises the issue of whether the range of project options is being narrowed as a small number of projects attract available grant funding and Welsh Government funding ceases to be 'additional'. Other sources of funding used included: Convergence Funding, local authority grants, grants from Trust and Foundations and in two cases a commercial loan.

The organisation taking on the asset

- 6.6. The most common legal form used is a not for profit company limited by guarantee, with in one case, a charitable arm. One is an independent charitable trust. All organisations are steered by a voluntary board made up of representatives of local organisations or the local area.
- 6.7. The five organisations vary greatly in terms of staff numbers from less than 10 to 42 full time equivalents. In addition, they also vary in terms of number of volunteers used from very few to over 530.
- 6.8. These differences reflect the differing nature of the projects and organisations themselves. What unites them is the fact that they are embarking on a development path around the use of a physical asset, which represents an important development dimension for third sector organisations in the current climate.
- 6.9. Although the projects vary with some being much more urban than others, the most common definition of 'community' for the organisations is the immediate county in which they are situated. Means of communicating with the community vary greatly from traditional

newsletters and meetings to online communication and web pages. Given the length of time that it takes to implement asset transfer projects and the need to navigate through phases e.g. possible threatened closure of a community asset, consulting on uses that should go into a community managed building, an on-site building project, etc., maintaining interest and support among the local community has been a challenge as illustrated by the quote below.

“The greatest challenge has been maintaining the support of the community – early on when (the asset) was under threat... (the project) ...had a lot of support, but as things have improved this support has dropped off so engagement is difficult”. TSO project lead

The partnership behind the project

6.10. Unsurprisingly, given that the fast track projects are all local authority asset transfers, the key partner for all the TSOs is the local authority or ‘Council’. In all but one of the fast track projects the relationship between the TSO and the local authority was pre-existing and strong. Two of the TSOs operate as strong ‘community partner’ organisations for the local authority; in one case reinvesting a large proportion of their surplus in local projects and in another as an important information and consultation conduit between the Council and smaller community projects.

6.11. In all but one of the projects the asset transfer was a pre-existing idea that had been discussed. In these cases the CAT Programme proved to be the catalyst that made advancing the project possible. In the case of the other project the asset transfer was a response to the threat by the Council to close a prized local building down. In this case relations were initially poor between the TSO and the Council. However, the arrival of a new chief executive and the production by the TSO of a workable business plan led to a shift in Council attitudes and an improvement in the relationship.

“The asset transfer package has been on the table since 2008 – (the asset) was a big issue for the community – an iconic building sat empty”. Fast track project TSO lead

6.12. The main contact in the Council for four out of five of the projects was the regeneration department. The regeneration officer can be seen as often playing a ‘promotional’ role in the Council and has often been responsible for persuading other departments with a more risk-averse approach to support the project.

“In the main... (the partnership with the Council) ...has been good – there is a strong relationship between the regeneration team and the project. It has been more difficult with other departments particularly on the legal issues and where other departments don’t get it. Regeneration team are often called upon to help navigate through”. Fast track project TSO lead

Project focus and long term viability

6.13. The focus of all of the five projects is the physical refurbishment of an asset with three also including an element of new build on the site. In terms of the business strategy underpinning the asset transfer, all projects are aiming for a mixture of earned income and grant funding.

6.14. Common sources of income include room hire and local authority and other contracts, although the assets also feature more unusual sources of income such as a bowling alley and climbing wall. There may be a need to keep business plans under review and monitor income trends carefully, however. Expectations regarding long term viability may not always be entirely realistic as illustrated by the fact that a third sector interviewee at one project viewed

a community café as a guarantee of long-term income. Evidence from similar projects elsewhere suggests that such ventures in and of themselves often generate marginal revenue only.

- 6.15. Several of the five Fast Track projects are making use of either time-limited Council revenue grant or revenue funding available through the CAT Programme to help cover running costs incurred over the first one to two years. Whilst it was difficult to assess long-term viability of the assets as none had yet opened, most of the projects recognise uncertainty due to the current economic climate and also the need to take on a more enterprise-focused approach and the implications for their organisation e.g. the need to develop new staff skills etc. One project was aiming to train its staff in customer care noting that this was a new skill that would become much more important given new uses proposed.
- 6.16. Several interviewees from the projects said they had made conservative projections in terms of likely income but also recognised that this was a new area for some of them and that the business plan may need to be revisited over the first few years.

“Financial sustainability will depend on the quality of the activities on offer and the relationships”. “We are having to work with outside agencies (e.g. the Welsh Cooperative Council) where expertise is lacking” Two fast track project leads

Fast track project experience with CAT Programme processes

- 6.17. All the fast track projects were positive about the CAT programme process and compared it favourably in terms of complexity and timescale with EU funding programmes and the CFAP initiative. The application forms and other processes were seen as ‘clear and specific’.
- 6.18. The requirement to produce RIBA advanced level drawings of the proposed building works was a challenge for less experienced projects. Here close links to the local authority often came in hand with in one case the Council’s property team taking on the role of ‘construction project manager’.
- 6.19. The experiences with Big Lottery Capital Delivery Unit officers was overall good although again in one case the language caused problems and all queries were passed onto the Council’s property team. Big Lottery Grant Officers (GOs) were seen as helpful in pointing out weaknesses in bids and areas for improvements. In one case the GO was ‘not visible’ although this was the exception.

“The Big Lottery is by far one of the best funders”. “The level of bureaucracy was fair, especially when compared to EU funding programmes” Two TSO project leads

- 6.20. One project among the five was notably less experienced and smaller than the others and this proved to be a major disadvantage in dealing with the application process. The project contact argued that they “may have made a mistake in not going for the later round” as they felt they would have benefitted greatly from the additional support available. Overall, however, the application process is seen as ‘fit for purpose’ with the level of bureaucracy at an acceptable level.

Asset transfer negotiations

- 6.21. The experiences of negotiating with the local authority on the asset transfer varied between fast track projects. Whilst some of the local authorities involved had already dealt with several asset transfers and felt comfortable with the TSO in question as a long-standing community

partner, others were noticeably nervous of being seen to be ‘giving away the family silver’ and of the risk of contravening State Aid policy through the discount giving a social enterprise a perceived unfair advantage. Such concerns, in turn, led to the inclusion of restrictive charges on one lease which may limit the ability of the TSO to use the asset to generate much needed income.

“(the asset transfer) was a very difficult experience. The local authority seemed very nervous on the issue of state aid and in being seen to give us an advantage through the asset transfer”. TSO project lead

Impacts on the organisation and wider community

6.22. In terms of impacts on the TSO itself, three of the five fast track projects are intending to employ more people with one planning also to take on more volunteers. Two of the organisations see the acquisition of an asset as a way of providing a base to enable it to generate a more secure income stream (one through delivery of public contracts) and enabling the TSO to reach a wider community. The asset transfers have also had the benefit of developing the capacity of the staff of the TSO especially in areas such as working with construction related experts and maximising the benefits of physical projects.

6.23. In terms of impacts on the wider community, one TSO referred to the asset as ‘glue’ to cement partnerships in the area in the face of cuts and threatened closures of community facilities. One referred to the potential for the asset to enable the organisation to be ‘a catalyst for change’ (see quote below).

“In a worst case scenario, (the project) would simply be pleasant and nice, but irrelevant. At its best, the company will be embedded in the community and act as a catalyst for change”. TSO project lead

6.24. Two TSOs also referred to ‘spin off’ benefits for the wider community which could accrue as a result of the asset being brought back into productive use and also through the physical improvement through refurbishment.

“The project will provide a hugely important social boost to a small community and will provide the organisation with a secure base, delivering expanded and new services to a range of communities”. TSO project lead

The baseline assessment tool

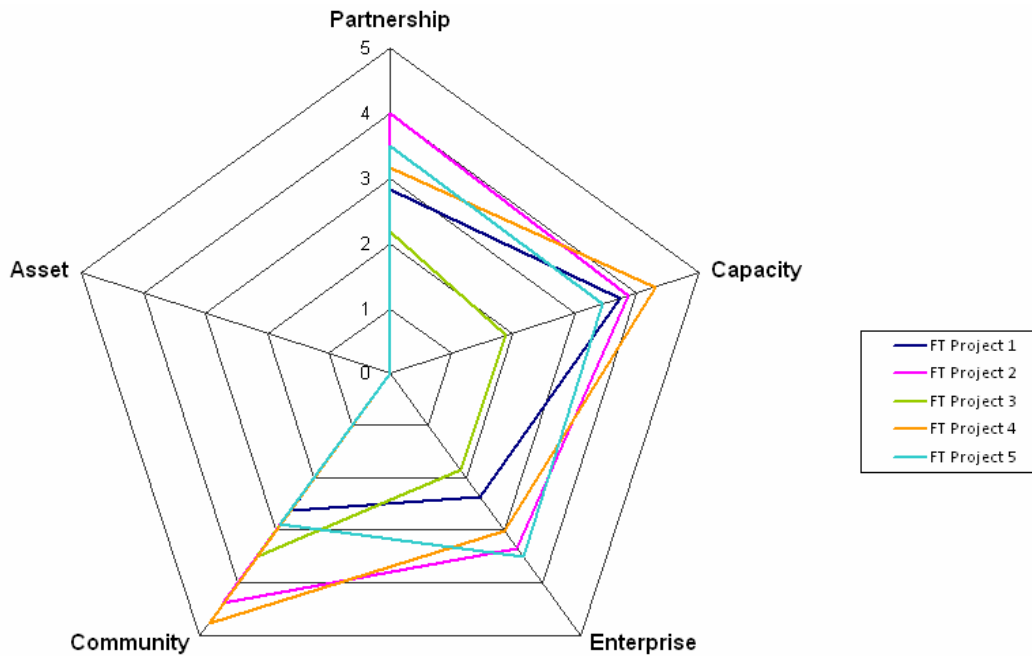
6.25. As part of the assessment of fast track schemes each project was scored by the evaluators following the interview using a set of criteria designed to allow a baseline to be established and ‘distance travelled’ calculated.

6.26. The broad headings for the five criteria are: **partnership, capacity, enterprise, community and asset** (given that building works at the projects had not been completed and none of the transferred assets had opened the final criterion – asset - was not completed).

6.27. For each of the other criterion a set of sub-criteria were used to allow a more fine-grained exploration of the current state of the project and also progress made over a range of areas at different stages through the evaluation. The scores shown on the chart below are an average of the project’s score for the sub-criteria within each main heading.

6.28. It is important to stress that the intention is not to publicly rank projects according to their score against the criteria and for this reason the results are presented in the diagram below in an anonymous way.

Diagram 16: Fast Track projects baseline position



Partnership

6.29. Under the partnership heading the strength and diversity of the partnership is measured as is the partner’s role in the governance of the asset, the partnership’s involvement in governance and strategy, as well as the TSO’s role in local decision-making and the attitude of the partner towards asset transfer.

6.30. Four of the projects had similar scores for their partnership with the local authority. However, one project, where the asset had originally been threatened with closure, was scored at a lower level.

Capacity

- 6.31. The capacity element of the tool related to the strength of the TSO mission and capacity in business management, financial management, asset management, governance, innovation and its processes for capacity development.
- 6.32. Whilst the ranking of projects is in a different order to the partnership scores, there was a relatively small difference between the scores for four of the projects with the same project scoring noticeably lower in terms of its capacity across all sub-criteria.

Enterprise

- 6.33. The enterprise section included the sustainability of the revenue stream, diversity of finance, asset leverage, community dividend, level of innovation and succession planning.
- 6.34. Here, there was a greater difference between the projects with two scoring noticeably lower than the other three. In addition, within the sub-criteria there is greater diversity in the scores with some of the projects with otherwise overall high scores characterised by weaknesses in areas such as asset leverage or succession planning.

Community

- 6.35. The final section covered by the tool is Community which has within it a wide range of sub-criteria covering: level and diversity of community engagement, role played by volunteers, engagement processes, delivery of services to the local community, the community role in governing the asset and links to wider regeneration and community empowerment activities.
- 6.36. Again, some of the projects which scored highly in other sections gained low scores on sub criteria such as community engagement or the involvement of the community in running the asset.

Fast Track baseline conclusions

- 6.37. The majority of fast track projects were, not surprisingly, characterised by long-standing and generally strong partnerships between the TSO and PSO. This has enabled the projects to benefit from a range of support from the local authority and generally helped to progress the asset transfers. The exception to this was a project which came together relatively recently in order to save an iconic community building and which therefore did not benefit from a long-standing relationship with the Council.
- 6.38. Relationships with key individuals in the Council are crucial and these are more often than not the result of long-term joint working and contact over a number of years. Such key individuals can help greatly in making the asset transfer process run smoothly. It is important that the individuals concerned have some clout or at least are well-connected in the Council to be able to influence the process.
- 6.39. In terms of whether the projects will be financially sustainable in the long term there remains great uncertainty partly because the assets are not open and also because of the volatile external economic situation. There will be a need for the projects to revisit their business plans once the assets are open in order to ensure that their assumptions and projections are still valid.

6.40. The extent to which the projects are embedded in the local communities varies as the contexts in which they are operating are very variable. In some cases there will be a need to reenergise community involvement once the assets are open to the public in order to ensure that they are recognised and used as ‘community owned assets’.

7. Conclusions and recommendations

Conclusions

- 7.1. There is broad agreement among stakeholders that the rationale for the CAT programme is a sound one. The programme has a good policy fit and the partnership between the Welsh Government and the Big Lottery fund in developing and delivering the programme is generally seen as an appropriate approach.
- 7.2. The delivery mechanism is also broadly seen as appropriate and the evidence reviewed for this evaluation suggests considerable attention to detail in developing the overarching programme approach and the programme products created for programme implementation processes.
- 7.3. There was a recognition that in view of limited funding available, strategic choices needed to be made (e.g. a focus on the ‘middle ground’, focus on project quality over and above other assessment criteria, allowing leasehold and freehold) and these were supported in principle. However, issues do arise with regard to the question of how such strategic choices are related back to the bigger strategic picture regarding third sector capacity development and the wider community asset transfer agenda.
- 7.4. This can be considered in terms of two related aspects. On the one hand, it is a question of the extent to which ongoing interactions between the CAT programme management team and individual funded projects will contribute to ensuring maximum impact for these individual projects.
- 7.5. The question of the implementation and delivery support available for individual projects funded under the CAT programme also relates to the wider question of how their impact will be scaled up and allow the CAT programme to live up to its wider policy role.
- 7.6. At a practical level, the expectation that individual community asset transfer projects can begin to change mind sets and organisational attitudes in the transferring PSOs needs to be embedded in consistent PSO approaches to asset management and scaled up beyond individual cases of community asset transfer. Several stakeholders commented that the current interest of PSOs in community asset transfer is to a large extent a result of relatively low property prices making a community asset transfer a viable option but that community asset transfer is not a mainstreamed commitment.
- 7.7. In order for the experience of the individual CAT projects to chime with the understanding and attitudes of both TSOs and PSOs across Wales a forum may be needed to develop wider understanding of the core assumptions behind community asset transfer, such as for instance, questions regarding particular issues that community asset transfers in deprived communities might face, where the disposable income needed to generate sustainable revenue streams may be more limited.

- 7.8. Similarly, capitalising on the CAT programme as a catalyst to spread the emerging learning and community asset transfer good practice needs more than the funding of individual projects. Upstream and downstream policy integration is required so that links can be made between this agenda and broader social enterprise and third sector aspirations on the one hand and strategic asset management in the context of reforming public service delivery in Wales on the other hand.
- 7.9. This will entail working with estate and property managers throughout the public sector in Wales to nurture understanding of strategic asset management approaches, raising awareness in Local Service Boards of the potential of TSOs to make a substantial contribution to outcomes and integrating wider third sector capacity development initiatives with asset development as a potential root for TSOs to develop the sustainability of their undertakings.
- 7.10. Current partnership working between the Big Lottery and the Welsh Government appears to be very much focused on the finalisation of CAT programme products, a reflection on the joint programme development process and monthly contract meetings for monitoring and programme management purposes. This will not be sufficient to secure and scale up the results of the individual funded projects into the effective development of a wider community asset transfer policy in Wales.
- 7.11. A particular opportunity in that respect relates to making the considerable knowledge and experience available through the English and Scottish programmes accessible to stakeholders in Wales.
- 7.12. The evaluation will go some way in capturing the experiences of the individual funded projects and the action learning groups that will form part of subsequent evaluation stages will contribute to a degree of peer-to-peer learning. However, this will need to be ramped up considerably with a wider programme of policy engagement for upstream and downstream stakeholders in policy and practice environments.
- 7.13. A key requirement here is to make appropriate connections for the CAT learning to be made available to relevant initiatives such as for instance the use of asset registers using E-PIMMS, a system procured by the Welsh Government for public services in Wales or the piloting of individual Local Authority approaches to strategic asset management tying in third sector players.
- 7.14. While there is some cross referencing of relevant organisations specifically through the selection committee, a much wider process of engagement around the community asset transfer agenda will be required going forward in order to lever CAT as a small scale pilot project. This will be particularly necessary if the programme is to successfully achieve the 'culture change' necessary. A wider programme of policy engagement to sustain stakeholder buy-in and support and maximise upstream and downstream policy integration in line with the 'intelligent funding' rationale will be needed.

Recommendations

Issue: CAT medium-term interactions (beyond the initial capital project implementation period) with individual funded projects tend to be limited to a monitoring relationship.

Recommendation 1

BIG and the Welsh Government need to work with partners to ensure that ongoing support is available (at the lower end of ToC maps, in other words during the early stages of implementing the capital project and initiating the anticipated enterprise activity) to assist organisations to manage assets effectively in the long term.

Issue: Beyond the programme development stage, the potential for learning from England and Scotland Directorates and between individual projects has not been fully factored in.

Recommendation 2

In order for the programme in Wales to complement investments made elsewhere in the UK, more active live links between funded projects should be established. The Big Lottery Fund has a key role to play in establishing and leveraging this connection.

Issue: CAT seems to be targeting the middle ground between small community organisations that aren't ready to take on an asset, (but need capacity development support that may not always be available elsewhere), and existing capacity in larger organisations that could work with budding SEs themselves.

Recommendation 3

An ongoing assessment of how different initiatives with a connection to the role and potential of community asset transfer in Wales relate to and could potentially reinforce each other is required. The Big Lottery Fund and The Welsh Government partners would need to take the lead in initiating and facilitating this exchange among a wider stakeholder base involved in such activities.

Issue: Beyond the practical level of existing initiatives, policy integration around the role of community asset transfer for community empowerment, regeneration and the broader public service delivery agenda is required to embed a strategic approach to asset management in Wales.

Recommendation 4

The collaborative momentum between the Big Lottery Fund, the Welsh Government and a wide range of stakeholders engaged in the consultations at the programme development stage should be sustained for ongoing policy exchanges. More active top down stimulus and support for policy integration e.g. through a joint promotion of key messages in collaboration with professional officer societies, local government membership groups, etc. would be required to link up with bottom up activities occurring on the ground.

Issue: Strategic asset management approaches with associated implementation tools including a consistent consideration of a third sector role in maximising public sector outcomes needs to be embedded in PSO practice. A strategic focus around this is emerging in Local Government, but other PSOs are less proactively involved.

Recommendation 5

Local Service Boards are a key platform to engage a broader base of PSOs in the development of strategic asset management approaches at a very practical level. The Welsh Government should lever its role of working with Local Service Boards on public service delivery to strengthen this dimension and promote the integration of a third sector role in asset management agendas.

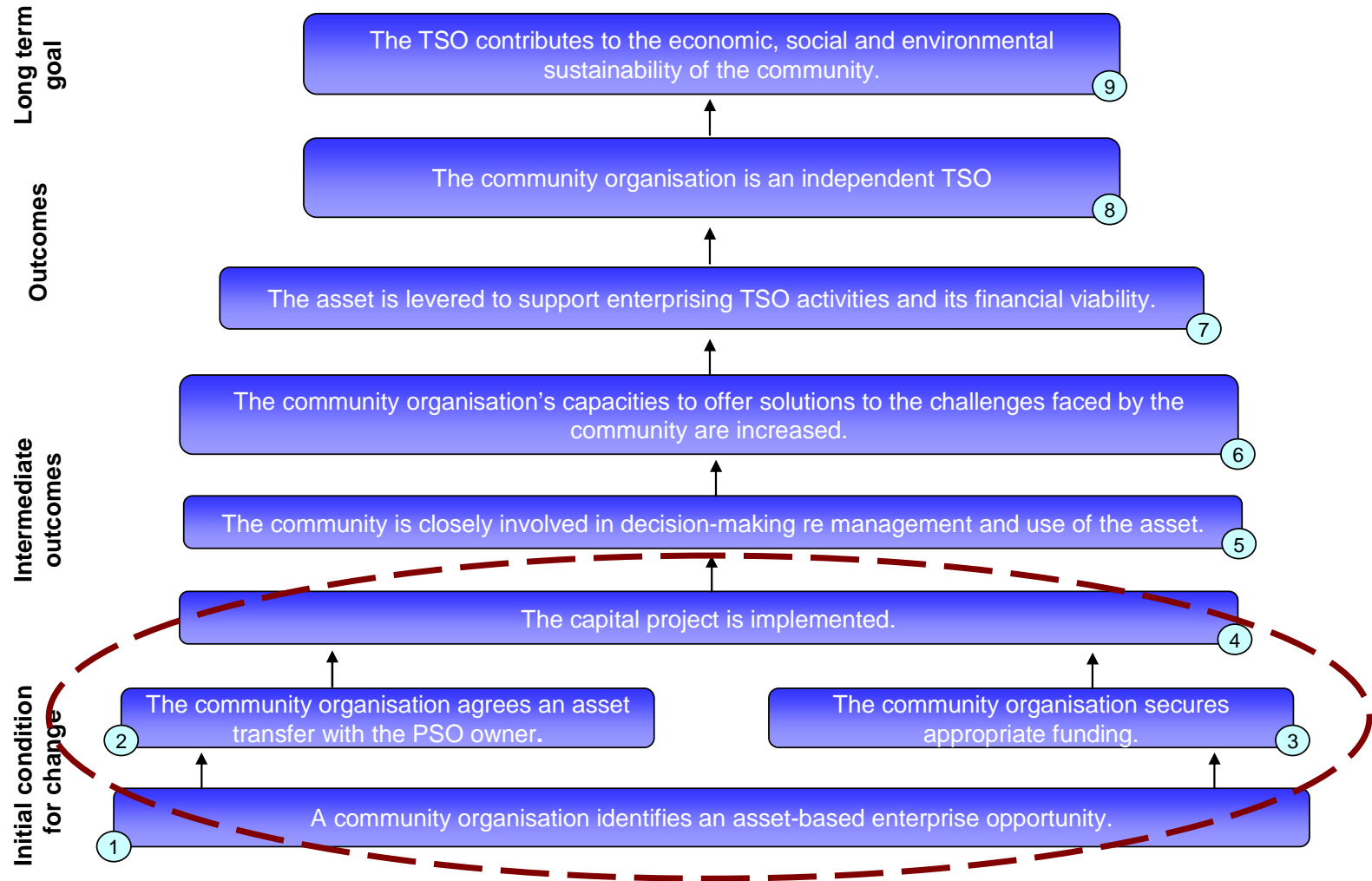
Issue: In order to scale up the impact achieved by the CAT programme as a catalyst for policy development, dissemination and engagement activities aimed at mainstreaming successful approaches would need to be an essential part of the funding model. The decision not to procure an accompanying support programme has meant that the opportunity to establish a peer-to-peer learning platform has not been exploited.

Recommendation 6

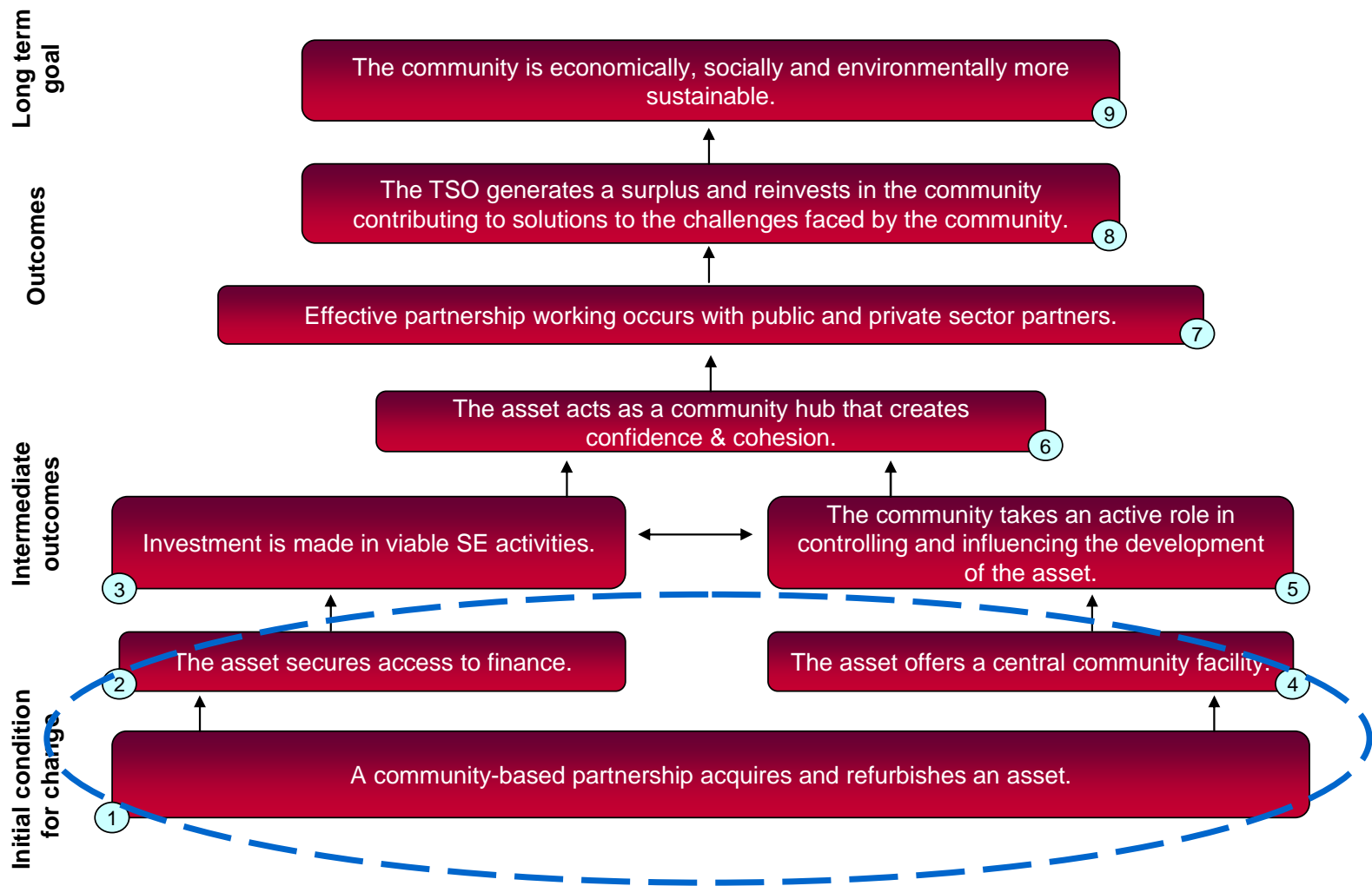
Beyond the programme management interactions and monitoring relationships with the individual projects funded under CAT, the Big Lottery Fund and The Welsh Government partnership should consider how peer-to-peer learning can be embedded in programme implementation over the course of the funding relationship with CAT projects.

Annex 1 – CAT programme Theory of Change maps

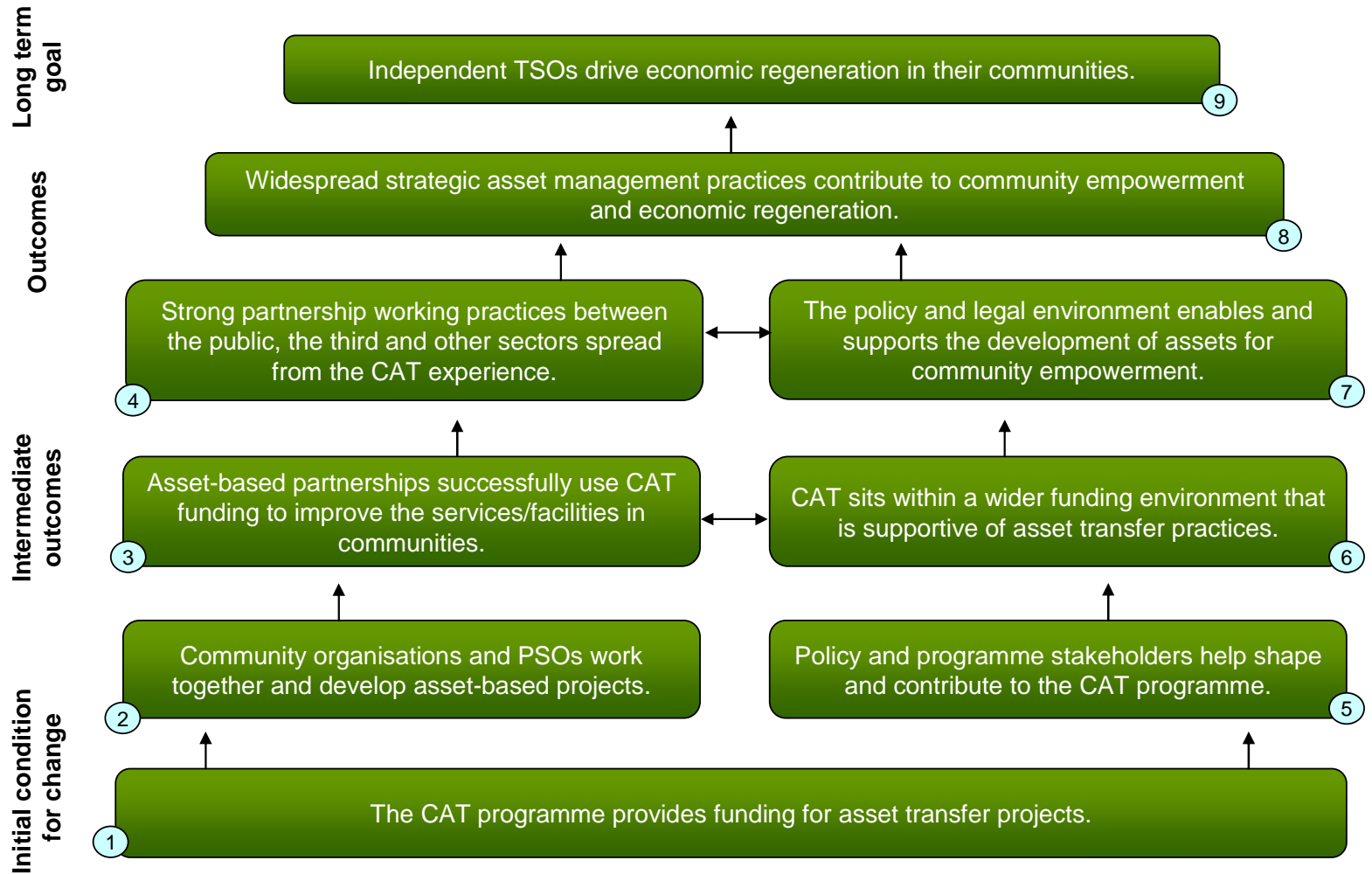
1. Asset level ToC



2. Community level ToC



3. Programme level ToC



Annex 2 – CAT process diagrams

Diagram 17: Fast Track application, assessment and selection process

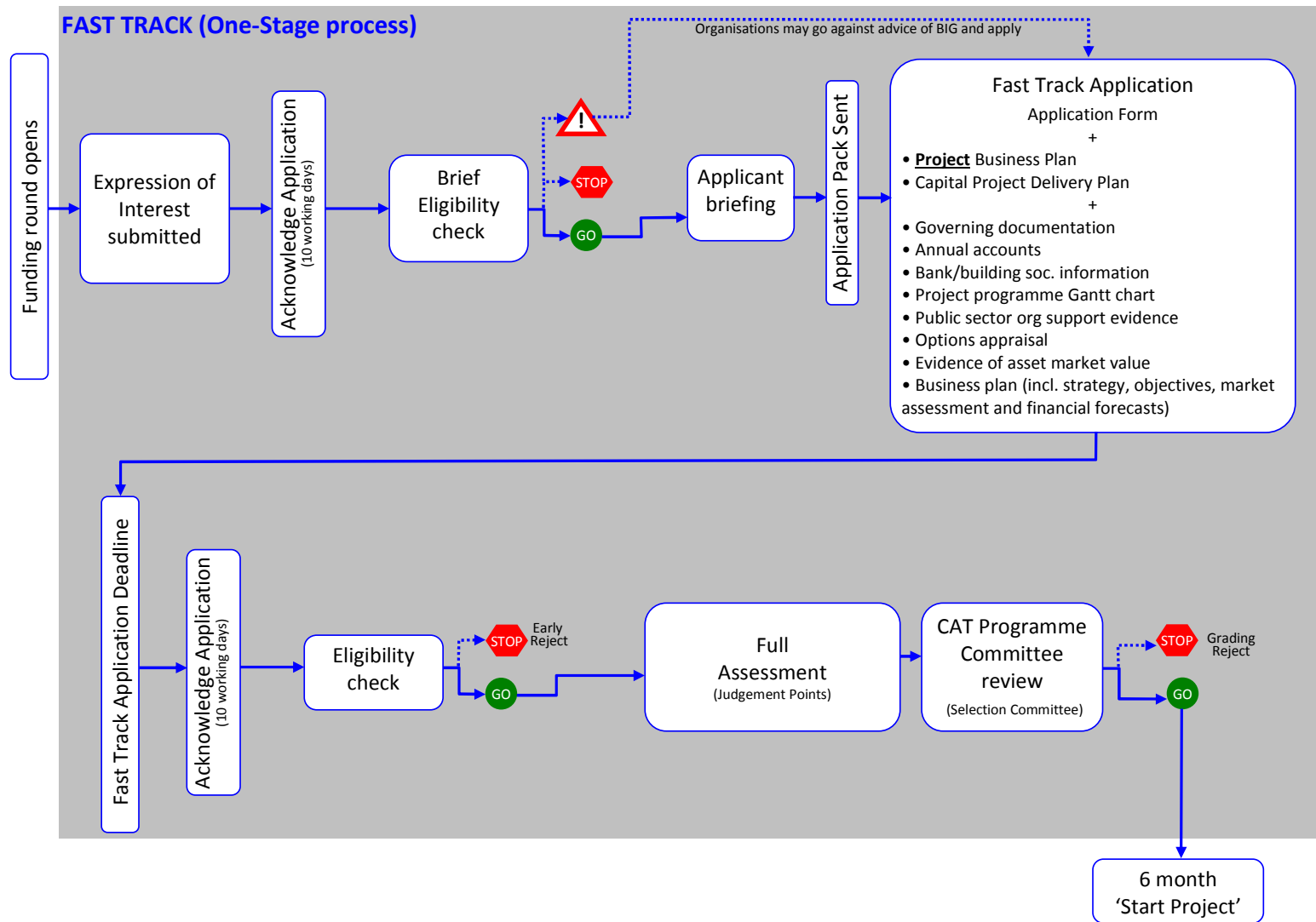


Diagram 18: Round 2 & 3 application, assessment and selection process

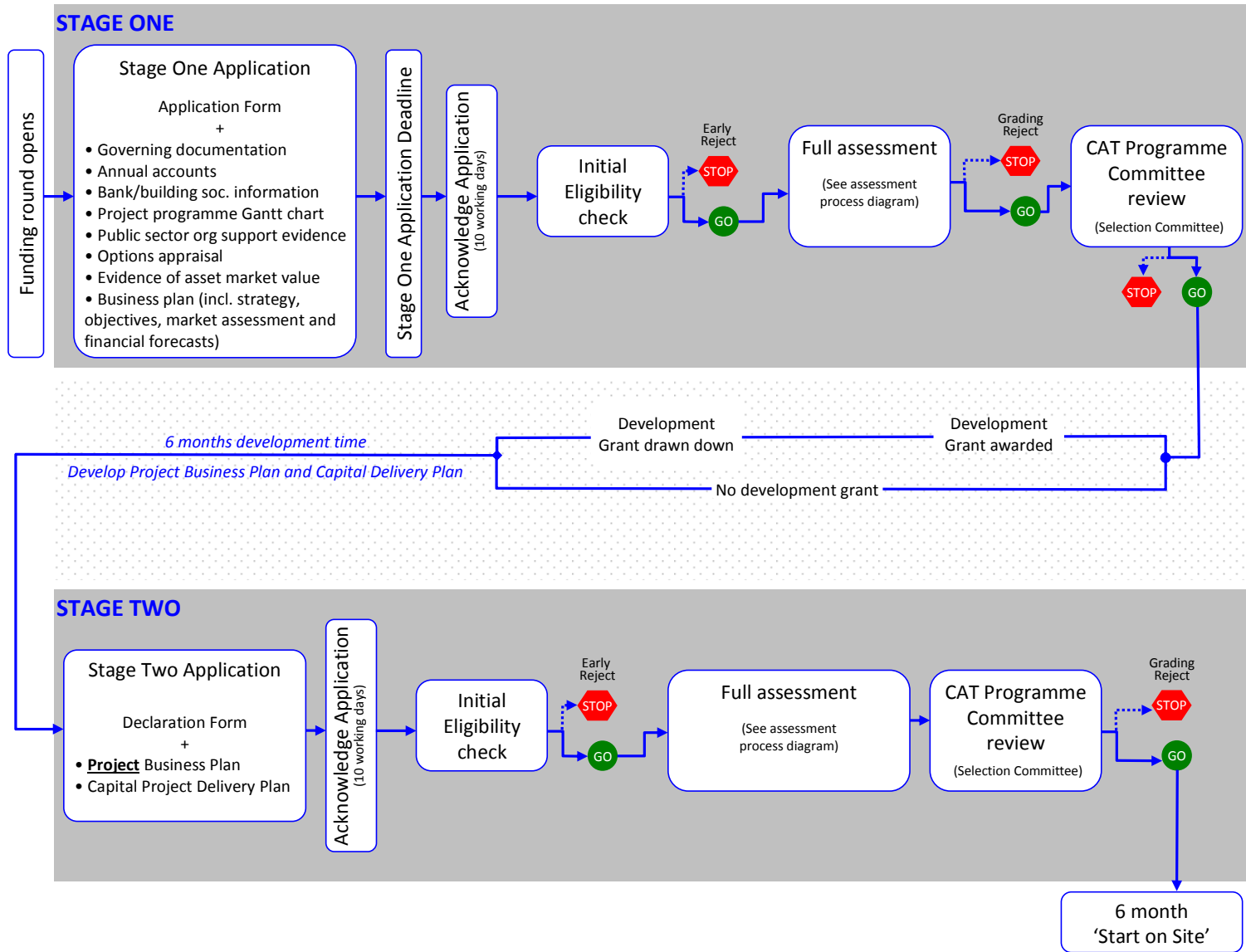


Diagram 19: CAT internal assessment process (repeated for Fast Track, Stage 1 and Stage 2)

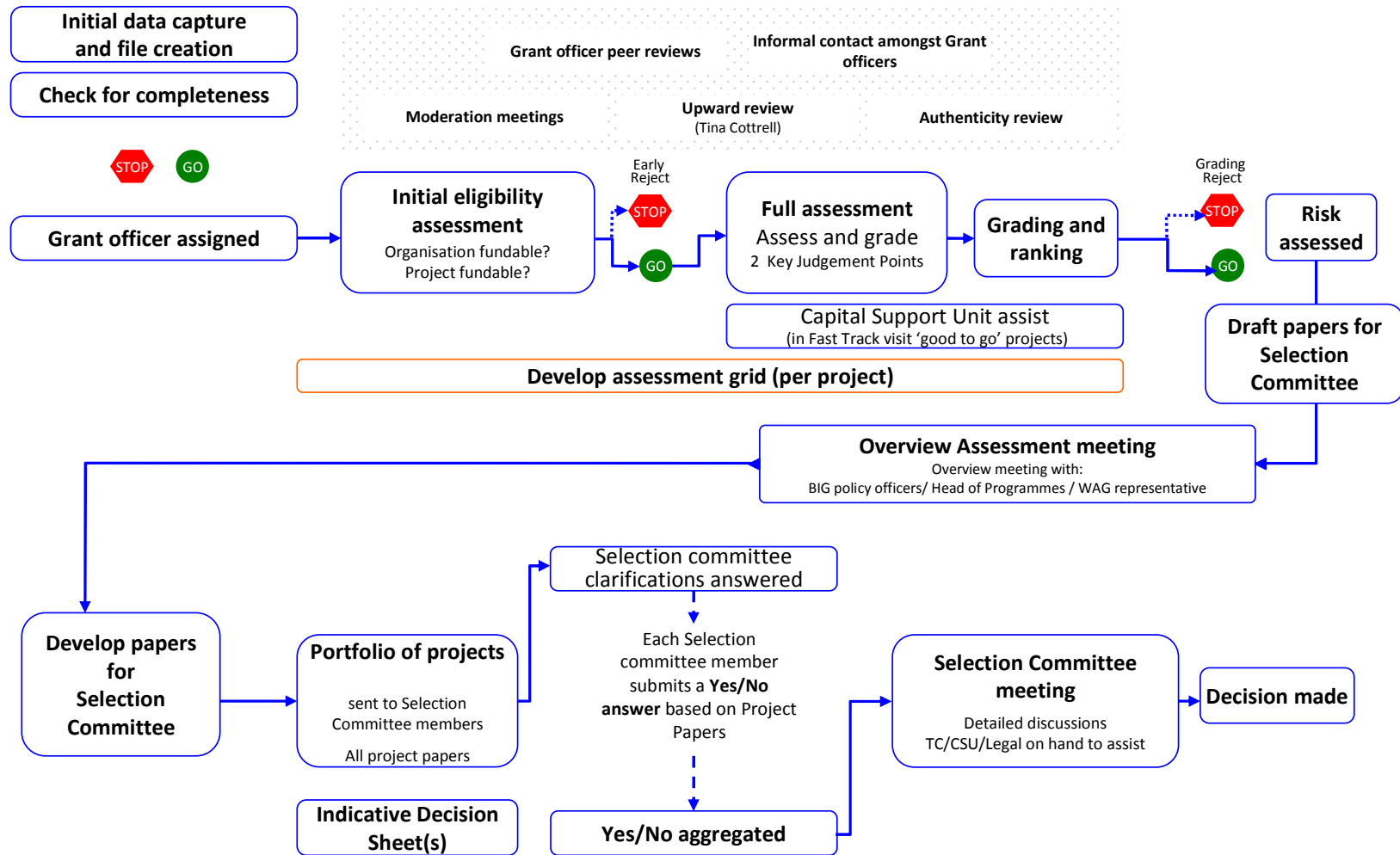


Diagram 20: Detail of CAT internal assessment process

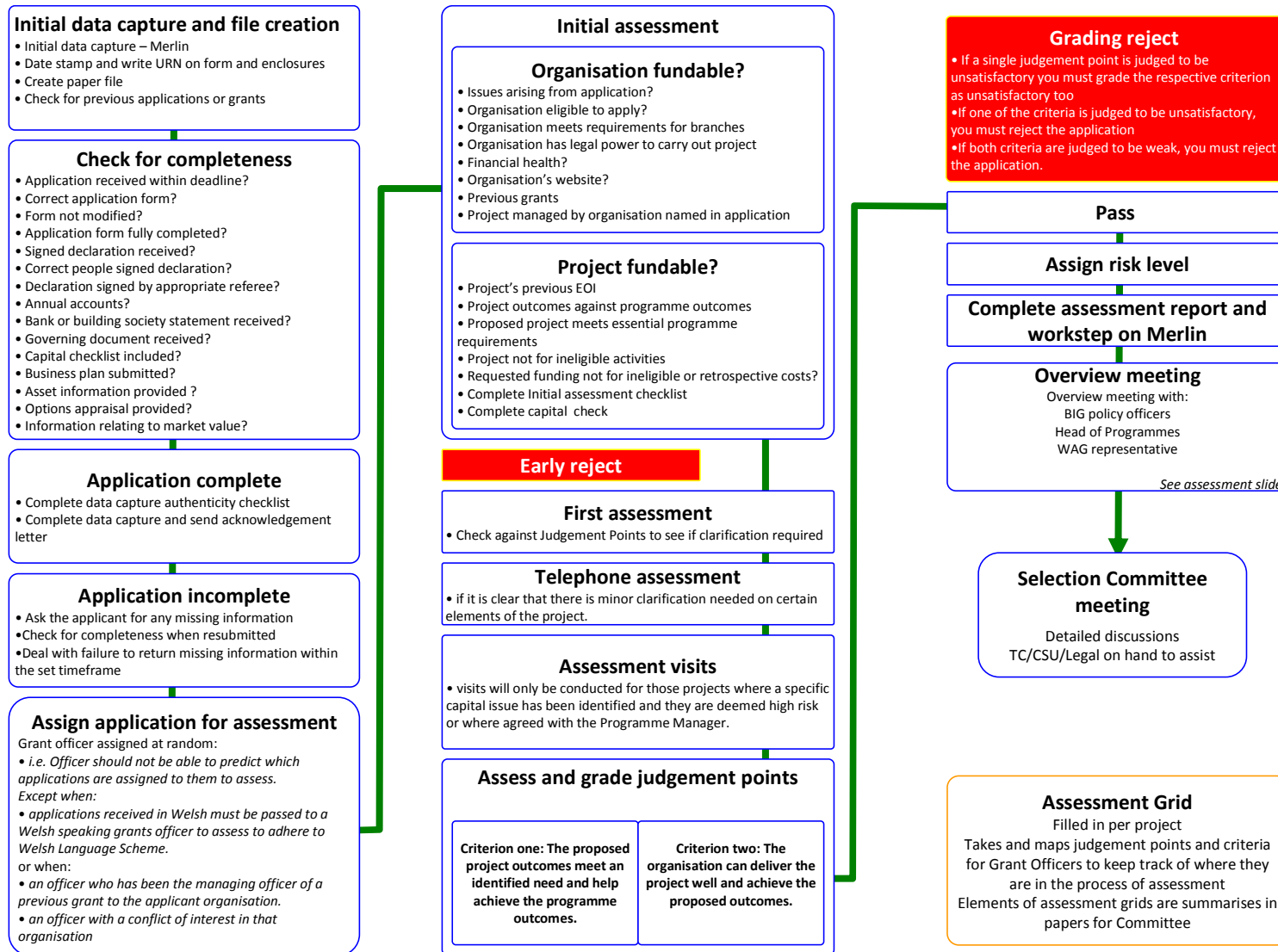
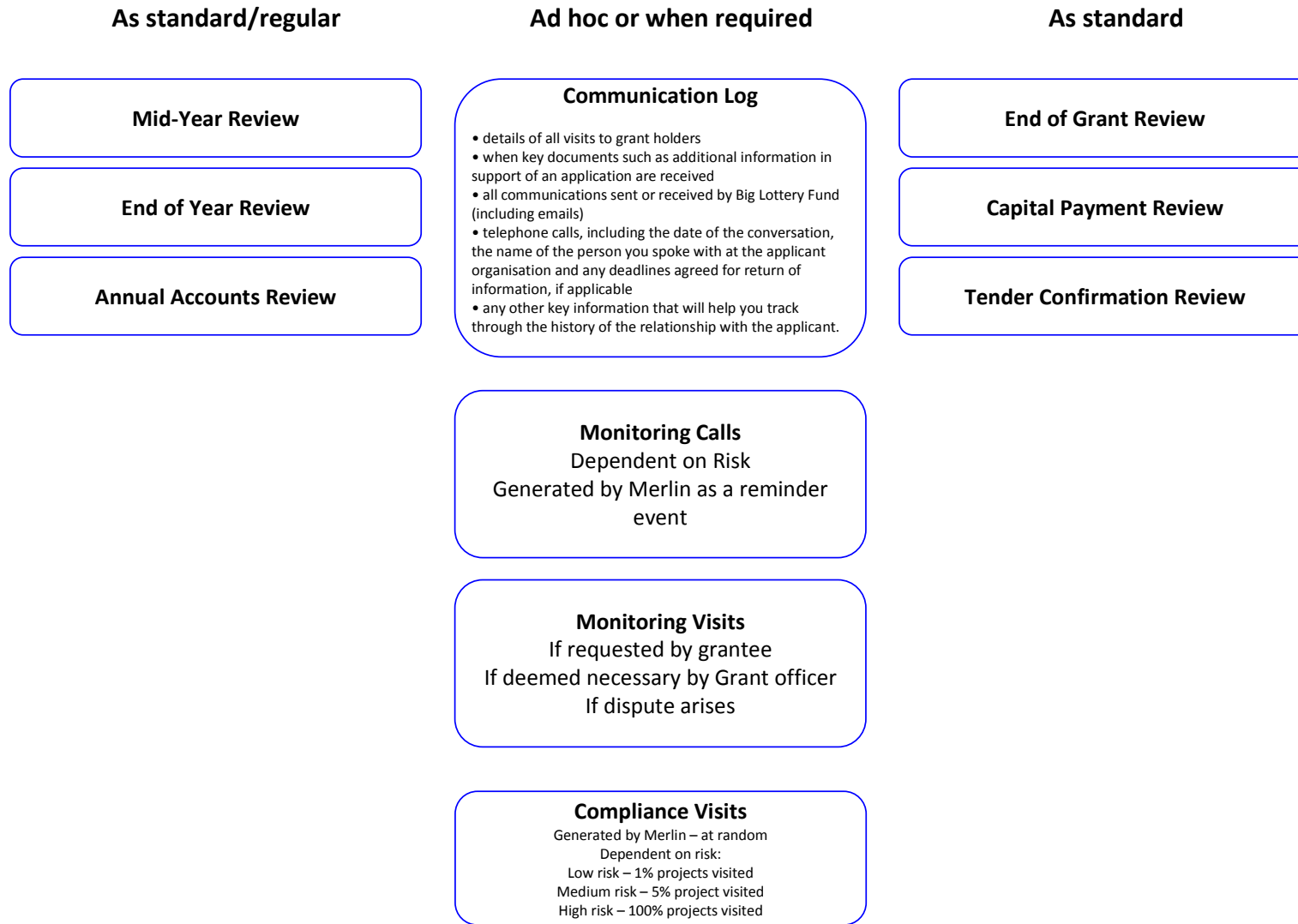


Diagram 21: CAT Monitoring arrangements



Annex 3 – List of documents reviewed for the evaluation

1. Big Lottery Community Asset Transfer documents:

Community Asset Transfer Fund Manuals & guidance

- Big Lottery Fund, *Community Asset Transfer (CAT) – Fast track grant set up and management manual*
- Big Lottery Fund, *Community Asset Transfer (CAT) – Fast track programme specific assessment manual*
- Big Lottery Fund, *Community Asset Transfer (CAT) – Round 2 grant set up and management manual*
- Big Lottery Fund, *Community Asset Transfer (CAT) Round 2: Development grant set up and management manual*

Community Asset Transfer Fund governance

- Big Lottery Fund (30th June 2010), Minutes of the First Meeting of the CAT Committee, CAT Round 1
- Big Lottery Fund (11th October 2010), *Community Asset Transfer Programme, Round 2 Stage One – Grant Making Paper*
- *Big Lottery Fund (30th June 2010), Community Asset Transfer Programme Round 1 (Fast-track) – Grant Making Paper*
- CAT Committee meeting minutes
- Community Asset Transfer Programme, Assessment Reports for Committee

2. Big Lottery governance documents

- Big Lottery Fund – Wales Committee Paper (March 2009), *Community Asset Transfer Programme, WBM 09/06*
- Big Lottery Fund – Wales Committee Paper (March 2009), *Community Asset Transfer Programme, Annex A to WBM 09/06*
- Big Lottery Fund (31st March 2009), *Community Asset Transfer Programme, Board/(P09)18*
- Big Lottery Fund (31st March 2009), *Community Asset Transfer Programme, Board/(P09)18, Appendix A*
- *Community Asset Transfer Fund Agreement between the Welsh Assembly Government and The Big Lottery Fund, 2009*
- Big Lottery Fund (16th March 2010), *Minutes of the Thirteenth Wales Committee meeting, Tuesday 16th March 2010, Cardiff, WBM 10/14*
- Big Lottery Fund - Community Asset Transfer Committee (30th June 2010), *CAT Committee Policy Overview Paper FINAL*
- Big Lottery Fund (14th December 2010), *Minutes of the Sixteenth Wales Committee meeting, Tuesday 16th March 2010, Cardiff, WBM 10/51*

- Big Lottery Fund (January 2011), *Community Asset Transfer Programme, CAT Management Info Report*
- Big Lottery Fund (31st February 2011), *Community Asset Transfer Programme, CAT Management Info Report*
- Big Lottery Fund - Wales Programme Board (29th March 2011), *Community Asset Transfer Programme Wales, End of Project and Lessons Learnt report, Paper Three*

3. Policy documents

- National Assembly for Wales (30th June 2008), *Answers issued to Members*
- SQW Consulting (October 2009), *Asset Transfer Unit Evaluation, Baseline Report for the Development Trusts Association, Revised Version*
- OGC (December 2009), *Total Place and e-PIMS The “e” Property Information Mapping Service*
- Big Lottery Fund (2009), *Big Thinking, Our strategic framework to 2015*
- SQW Consulting (June 2010), *Evaluation of the Asset Transfer Unit, Accelerating Change, Year 1 Interim Report for the Development Trusts Association*
- Department of Culture, Media and Sport (2011), *Base data, COSTS OF UK AND ENGLAND NATIONAL LOTTERY DISTRIBUTORS AND SELECTED GRANT-MAKING CHARITIES*, <http://www.culture.gov.uk/publications/7863.aspx>
- Department of Culture, Media and Sport (November 2006), *Directions Given to the Big Lottery Fund under Section 36e of the National Lottery Etc. Act 1993*
- WLGA (30th June 2010), *Expenditure Sub-group 2010, Final Report*
- Development Trusts Association/Asset Transfer Unit (September 2010), *To have and to hold, The Development Trusts Association guide to asset development for community and social enterprises (Second edition)*

Annex 4 – List of stakeholders consulted for the evaluation

1. Evaluation Panel members

- Chris Gittins, Welsh Government, Communities Division, Department for Social Justice & Local Government
- Duncan Anstey, Torfaen County Borough Council
- Ebony Redhead, Wales Co-operative Centre
- Elwyn James, Arts Factory
- Graham Benfield, WCVA
- Inge Dean, Big Lottery Fund
- Jonathan Field, Unity Trust Bank
- Karen Thomas, CAT project selection committee/Chartered Surveyor
- Mike Theodoulou, Chair CAT Selection Committee
- Peter Williams, Development Trusts Association Wales
- Sandra Leonard, Social Firms Wales
- Sian Jones, Welsh Government, Senior Research Officer – Communities, Social Research Division
- Tina Cottrell, Big Lottery Fund
- Tracy Beasley, Coalfields Regeneration Trust

2. Evaluation interviews

- Tina Cottrell, Big Lottery Fund, CAT programme manager
- Dewi Smith, Big Lottery Fund, Grants Officer
- Matthew Smith, Big Lottery Fund, Capital Support Unit
- Mike Theodolou, Mid and West Wales Chamber, Executive Chairman/Chair Big Lottery Wales Committee and CAT project selection committee
- Graham Benfield, WCVA, Chief Executive/CAT project selection committee
- Peter Williams, Development Trusts Association Wales, Director/CAT project selection committee
- Steve Cranston, United Welsh Housing, Head of Community Investment
- Caroline Turner, Welsh Government, Deputy Director, Expert Services (formerly Head of Communities Directorate)
- Ian Willox, Welsh Government, Head of the third sector, Social Justice and Local Government
- Mark White, Charity Bank, Funding Officer
- Dawn Davies, Creation Community Development Ltd., Chief Executive

- John Rose, Big Lottery Fund, Director for Wales
- Richard Davies, Forestry Commission Wales, Policy and Programme Advisor
- Vanessa Waddon, Blaeanu Gwent County Council, Principal Asset Officer
- Gareth Nutt, Chair of CLAW/ Head of Property and Regeneration Neath Port Talbot County Borough Council
- Jonathan Fearn, Carmarthenshire County Council, Head of Corporate Property/Chair or Chief Estates Conveyors/member of Welsh Government Efficiency and Innovation Programme National Asset Management work stream

3. Fast Track projects

- Mark Bennett, Towy Community Church Trust
- Amy Hawkins Regeneration Officer Carmarthenshire Council
- Anwen Elizabeth Barry, Harlech and Ardudwy Leisure
- Matthew Cole, Groundwork Caerphilly
- Jan Bennett, formerly Community Regeneration Manager, Caerphilly County Borough Council
- John Thomas, Property Surveyor, Caerphilly County Borough Council
- Alison Woods, Nofit State Community Circus
- David Baxter and Glender Charles, Cardiff County Council
- Mike Williams, Cardiff County Council
- Gerallt Llewelyn Jones, Menter Mon Cyf