

# Making assets **work**

The **Quirk Review**  
of community management  
and ownership of public assets

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# Foreword



The Local Government White Paper *Strong and Prosperous Communities* set out a new relationship between local government and its communities.

It is a relationship based on trust and devolving power.

Reforms will give a greater say over local services to the people who rely on them. They will enlist communities in the drive to improve services from waste to transport, from parks to libraries. They will make it the norm for local people to be informed, consulted and involved in the issues that matter to them.

It is in the same spirit that I asked Barry Quirk and his team to carry out this review.

Owning an asset can give individuals greater confidence to plan for their future. That is why I consider Child Trust Funds – which will give today’s children a little money as they start their adult life – so important, and why I want to make it easier for people to own a stake in their property.

In part, this report is about applying similar thinking to communities.

There are clear benefits to local groups owning or managing community assets – such as village halls, community centres, building preservation trusts and community enterprises.

Community ownership can bring people from different backgrounds together. It can foster a sense of belonging. It can play a role in enhancing the local environment, alleviating poverty and raising people’s aspirations.

Fundamentally, it’s about giving local people a bigger stake in the future of their area.

The case studies in this report are inspiring: the village hall that renewed morale in a dwindling rural community; the community centre that regenerated the local economy; the market that reclaimed its role at the heart of an area’s economic and social life.

In all these cases, it’s clear that what the state puts in is more than matched by the additional benefits generated by the local community. As part of a wider set of actions, community ownership can be an effective way for local government to achieve its goals.

But sometimes there are barriers to community ownership of assets. Too often there is uncertainty about what local authorities can do, and how; too often community groups don’t know what to expect, or how best to organise themselves.

This report sets out recommendations for overcoming those barriers.

I welcome it – and thank Barry Quirk and his colleagues on the review team, Andrew Robinson and Stephen Thake, for their hard work.

The report makes clear that what is required is not legislation, but guidance. Not creating new powers, but helping people understand and use existing powers better. Not being put off by the risks, but learning to manage them effectively.

The government will implement these proposals in full. We will outline how in due course.

But it is already clear that partnership – across central government, between central and local government, and between local government and its communities – will be the key.

Together we can ensure that local management and ownership of assets helps make our communities proud, strong and prosperous for years to come.

A handwritten signature in black ink, appearing to read 'Ruth Kelly', written in a cursive style.

**Rt Hon Ruth Kelly MP**

Secretary of State for Communities and Local Government

# A Vision for the Future

## Imagine this!

It is 2020 and communities across England have been revitalised from within. Local councils have been central to this economic and social renewal, working alongside each and every community in the country. Capable and confident, these communities are ready and willing to respond to the challenges and opportunities of the fast paced modern world. And after twenty years of sustained investment in community infrastructure, local economies are strong, particularly in those areas where poverty has persisted for generations. A new civic spirit sweeps through urban, suburban and rural communities alike – galvanising communities to harness their energies for the wider public good.

The explosive growth of social entrepreneurs and a shift in the expectations of society has resulted in the development of a more socially responsible corporate business sector. And at the local level, this growth in social enterprise has been driven by community-based organisations and enabled by progressive councils who take on a more facilitative and catalytic role. Grass-roots community organisations work alongside social entrepreneurs, and local government and the wider public sector make ever better use of public assets. Local authorities work with their local public sector partners to plan and manage public assets together. These public assets have been rationalised and modernised – stimulated by a flexible framework from government. In every locality a proportion of all public assets are in the ownership or management of sustainable and energetic community organisations. Communities regularly conduct “calls for action” to stimulate change locally and bring under-used assets into better public use, putting their case to their local councillor, their MP and their council.

## How do we get there?

How do we travel from here to there? The starting point is the recognition that optimising the use of public assets is not the primary objective: the over-riding goal is community empowerment. Sir Michael Lyons (2004) has highlighted for us the relationship between active community involvement and economic development. In a sense, we are moving from an assumption that the state’s role is to try to solve all social problems, to one where the state’s role is to help communities solve their own problems. In this changing world, the role of local government is also changing. Local government needs to be more than simply a deliverer of public services and an advocator of the interests of localities and places. Instead local government needs to focus more on the overall welfare of its communities: their cohesion



and harmony and the capacity for self-management. Across the country there are hundreds of examples of councils successfully achieving these changes – they do so through investment in public infrastructure and through detailed and long-run community engagement strategies.

When viewed from Whitehall there is a tendency for the variety and distinctiveness of communities to be over-looked. Each community has its own unique story – of landscape and heritage, of conflict and compromise, and of hopes and fears. Each confident community has the internal resources to generate its own energy to change and develop. Of course, it may need external help and support – but ultimately its success is in its own hands. This is why community development is central to successful local government and effective local government is necessary for communities to succeed.

The strongest assets of any community are its people; their character and their personal connections with the wider world. The fixed public assets in a community – the roads, the parks, the publicly owned land, buildings and facilities – are key resources for communities in their search for success but they are neither necessary nor sufficient conditions for that success. Confident, capable and ambitious community groups and social entrepreneurs can succeed on the flimsiest of asset bases and despite the apathy of established authority. But they are more likely to succeed if they are less under-capitalised and if they receive support and assistance from local public and other agencies.

This Review is focused on how to optimise the community benefit of publicly owned assets by considering options for greater transfer of asset ownership and management to community groups. In the course of our Review, we have received the benefit of advice and assistance from local authorities, community groups, voluntary organisations and social enterprises about what works locally. We discovered a rich stream of experience in transferring the management and/or ownership of public assets to community groups. We need to learn from what works to see how best practice can be spread more widely.

In gathering our evidence, the review team has been careful in considering the assumptions that underlie current thinking in this policy area. Throughout the country, public assets are undergoing considerable change and investment; councils are in the process of transforming their governance and management to meet new challenges; and community groups are themselves subject to substantial pressures for change. Indeed, the transfer of management and/or ownership of public assets to community groups generates its own demands upon community groups.

Of course, we recognise that the interests of community groups and councils (or other local and central government owners of public assets) are not always the same. Different community groups will have differing and contrary purposes. And councils may need to balance the interests of different community groups as well as make judgements about competing claims for the use of public assets. But this is not new. Contrary objectives can often be reconciled. And special interests can often be expanded to meet broader public purposes – after all the development of this civic virtue is the very purpose of government locally.

## Foundational factors

We have examined the nature of the current barriers to the transfer of ownership and management of public assets to community groups and we have identified a number of issues that need to be addressed for this approach to become more widespread. In so doing, we recognise the following ten foundational factors:

- community groups and social enterprises are amazingly heterogeneous in scope, scale and capabilities and pursue a bewildering array of purposes and missions
- generally, community groups and social enterprises are seriously under-capitalised and therefore are constrained in their ability to realise their ambitions to heighten community and social benefit
- from a community perspective, the term “public assets” includes all public assets in a locality. Many of these are in the ownership of local authorities but a good deal are in the ownership of other public institutions (such as police authorities, fire authorities, health trusts, central government departments and so on)
- over the past twenty years, local authorities have been required to produce various plans and strategies to demonstrate their effective and efficient use of public resources – but community empowerment and asset management plans have not been at the forefront of these requirements. The proposal, in the *Local Government and Public Involvement in Health Bill*, for councils to produce an over-arching sustainable community strategy opens the prospect of a genuinely holistic approach to be developed at the local level
- a considerable number of local authorities have used public asset transfer or asset management by communities as a policy instrument for empowering communities. However, too often approaches to asset transfer have been locally responsive and tactical and insufficiently located in a strategic plan for community empowerment and public asset management
- at the same time, while we have concluded that there are no substantive impediments to asset transfer to community groups, there is nevertheless considerable variation in the extent to which local authorities actively consider options for greater community ownership and management of public assets when they are setting their asset management plans
- relationships between councils and their local community and voluntary sectors are subject to considerable change and renewal. While there is some evidence of robust multi-year compacts between statutory and voluntary agencies at the local level, in too many instances the old orthodoxy of grant giving and rent subsidies has simply given way to a pseudo-contractual relationship based on annual service contracting. Too often this has produced unhealthy short-term horizons for councils and community groups alike
- local authorities are beginning to adopt a “stewardship” or convening role in respect of other public services in their localities. This development has been stimulated by local public service agreements and, more recently, by the government’s promotion of Local Area Agreements (LAAs), and the proposed duty on Local Strategic Partnership (LSP) partners to co-operate in the development and implementation of the LAA

- the asset base of the public sector (including local authorities) is currently subject to considerable investment, rationalisation and re-configuration, presenting both problems and opportunities to the development of this policy area. Councils need to sell a good deal of their asset base to finance investment in their retained assets. This review is concerned with the transfer of ownership and management of assets and not liabilities
- it is not sensible to attempt to “engineer” changes in policies for communities and councils as diverse as are found in Cornwall, Camden, Coventry and Carlisle. Engineering is achieved by “blueprints” – rules and practices that need to be followed precisely to structure the intended outcome. Communities and their councils cannot be engineered through blueprints. Instead they need “recipes” with ingredients and guidelines that they can follow themselves and which will enable them to discover which particular mix makes most sense in their unique circumstances

The review team has focused on a small number of targeted recommendations, which we feel together form an integrated package of measures that will stimulate and facilitate a major advance towards the vision I have set out here. We have recognised that it is not sensible to promote uniform approaches to asset ownership and management across such a diverse landscape of unique places and distinctive communities. Our approach is based on the simple idea that councils need to be encouraged to build their capacity in this area through smarter asset management planning and more active community engagement strategies; and at the same time community groups (and the third sector generally) need to be encouraged to develop their capabilities through the adoption of smarter social investment strategies. Put simply, we need to stimulate a renewal of both civic and community enterprise.



**Barry Quirk**

Chair of the Review

Chief Executive of Lewisham Borough Council

# 1 Summary

As a review team, we drew heavily on past work in this field, on submissions from and discussions with a wide range of stakeholders, on the advice of officials from across Communities and Local Government as well as the Office of the Third Sector and HM Treasury, and from our own personal experiences, spanning local government, the voluntary and community sector and social enterprise, Registered Social Landlords and academia.

We were driven to three firm conclusions:

- assets are used in service of an array of social, community and public purposes. Any sale or transfer of public assets to community ownership and management needs to realise social or community benefits without risking wider public interest concerns and without community purposes becoming overly burdened with asset management
- the benefits of community management and ownership of public assets can outweigh the risks and often the opportunity costs in appropriate circumstances. And if there is a rational and thorough consideration of these risks and opportunity costs, there are no substantive impediments to the transfer of public assets to communities. It can be done, indeed it has been done legitimately and successfully in very many places
- there are risks but they can be minimised and managed – there is plenty of experience to draw on. The secret is all parties working together. This needs political will, managerial imagination and a more business focused approach from the public and community sectors

We considered these in relation to the whole spectrum of community management and ownership of assets. The stake that community-led organisations have in particular assets extends from short-term management agreements, through to leasehold ownership on leases of varying lengths and freehold ownership. It also stretches from small volunteer-run village halls and community centres to multi-million pound, multi-purpose community enterprises. We recognised that the greater the stake, the greater the financial and legal responsibility the organisation takes on, but also the greater the freedom to exploit the asset's potential.

As a result, we concluded that five key actions could make a decisive difference:

- the publication of comprehensive, up-to-date and authoritative guidance on all aspects of local authority asset management, including within it detailed and explicit guidance on the transfer of assets to community management and ownership
- the publication of a toolkit for local authorities and other public bodies on risk assessment and risk management in asset transfer to communities

- much greater access for local authorities and community organisations to expert advice and organisational development support relating particularly to the transfer and management by communities of land and buildings
- the smarter investment of public funds designated for community-led asset-based developments, where permissible, through the involvement of specialist financial intermediaries with expertise in the field and the ability to achieve high leverage ratios
- a major campaign to spread the word, through seminars, roadshows, training, use of the media, online and published information, and the dissemination of good practice, as well as promotion of “bottom up mechanisms” such as the proposed Community Call for Action and the Public Request to Order Disposal (PROD) scheme<sup>1</sup>

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<sup>1</sup> See further explanation in section 6.

## 2 Community Management and Ownership – the Present Position and the Potential

### The present position

In this Review we were asked to focus particularly on the greater stake that community-led organisations could have in public assets, that is land and buildings currently owned by central or local government or their agencies. In doing so, we recognised that the reality of community stewardship of land and buildings across England already covers a wide spectrum of situations, from small village and community halls run entirely by volunteers to major community enterprises with multi-million pound asset portfolios. The common feature of all such organisations is that they are independent and their governing board or committee includes a majority of community representatives, which we might define as people living in the area. The community organisation's stake in these asset-holdings may range from a short-term management agreement or license to occupy a particular building, through to leasehold ownership on shorter or longer leases and freehold ownership of one or indeed a portfolio of assets. Where the community organisation is not the freehold owner, the landlord might be a local authority, other public authorities such as the National Health Service or the police, central government departments or agencies (such as English Partnerships), or the third sector (such as a charitable foundation).

In referring to “community management and ownership” throughout this report, we are not describing two hard and fast opposites, but rather a spectrum on which the variable is the stake in the asset held by the community organisation concerned. The greater the stake, the greater the financial and legal responsibility the organisation takes on, but also the greater the freedom to exploit the asset's potential. It is clear from experience across the country that different arrangements are appropriate for different situations. However, it is our considered view that increasing a community organisation's stake in an asset in a careful way and with support can in many cases bring extra benefits for the community, the relevant public bodies, and for the organisation itself.

In addition, in the field of affordable housing, there is a long tradition of management or ownership by tenants, community-led housing associations, co-operatives, or other structures in which tenants or community representatives are involved. Given the scale of programmes already implemented in this field, we decided to limit the focus of our Review to non-housing assets. At the same time, we recognised that we can learn from experience in the housing field, and also that there are major examples of community-led asset-based development which include a housing component alongside other elements (such as Coin Street Community Builders) and which may offer models for others to follow.

The following gives a sense of the current scale of activity in the field on non-housing community assets:

- **village or community halls** – usually run by voluntary management committee often with no paid staff. According to Action with Communities in Rural England (ACRE), there are around 9,000 village halls across the rural areas of England. Others might be church halls or other faith group premises, or halls run by other local community organisations such as uniformed organisations or tenants associations. Some may be in the freehold or leasehold ownership of village hall committees, community organisations, faith groups, local trusts or parish councils. Others may be licensed from a statutory or charitable body. Many may be self-sufficient in revenue terms, but most will need grant support for the kind of capital work that may be needed to renovate and modernise, to ensure they are equipped to respond to current needs and to attract new, more diverse users
- **community centres** – often run by community associations with no or few paid staff, but with a more explicit community development objective than many smaller community halls. Community Matters (the national network of community centre-based organisations) estimates that there are around 4,500 across England and Wales, mostly in urban areas. Over 50 per cent are owned by local authorities and leased or licensed to community associations. Some rely on rental income, others on subsidy from trading profits, others from grant support, particularly in more deprived areas. Capital grant will be needed for capital works, as with village and community halls
- **building preservation trusts** and other similar charities which have taken on and developed redundant historic buildings as a community facility and resource (examples, some dating back to before the Second World War, include former town halls, swimming baths, schools, libraries). Development may have been funded through grants or loans
- **multi-purpose settlements and social action centres** – most will provide a base for a range of funded projects with professional staff. Over 100 across Britain are networked through bassac (the British Association of Settlements and Social Action Centres). They receive a mix of income from charitable fundraising, project grants and rental. Building ownership varies
- **development trusts and community enterprises** – community-led organisations with an enterprise base, using buildings both as a resource for community activity and as a way of generating independent income. Building use might include social and community facilities, workspace for small businesses and community organisations, office space, retail premises, training facilities and even housing. The Development Trusts Association (DTA) has 350 members, with total assets of £300m. In some cases, organisations of this type own a portfolio of assets. In a few local cases, New Deal for Communities (NDC) projects and development trusts are seeking to establish a Community Land Trust to take on a wider asset-owning responsibility within their area, with the potential to make available assets to smaller groups on varying terms

## The potential

At the smaller end of the community assets spectrum, a good indication of the likely level of future demand is already emerging from early stages of the Big Lottery Fund's three-year £50m Community Buildings Programme, which will fund the creation and improvement of

facilities in community buildings. The Programme offers maximum grants of £500,000 and expects to average grants of nearer £250,000. It is already very heavily subscribed with preliminary bids, even in advance of the first full application window.

As an indicator of the potential for asset-based enterprise development, UnLtd, the Foundation for Social Entrepreneurs, works with up to 1,000 social entrepreneurs a year across the UK, helping them turn their ideas into community organisations or social businesses, using income primarily from the Millennium Commission Endowment of £9m in 2005-06.

The DTA has estimated that there will be a pool of nearly 1,500 community organisations of all kinds seeking to develop an enterprise route to sustainability over the next 7 years. The Association estimates that an investment of £150m over the same period would lead to the accumulation of £500m of assets in community ownership.

At the enterprising end of the spectrum, there are striking examples of multi-million pound community-led asset-based organisations, which have developed very successfully in recent years and demonstrate very clearly what can be achieved. These examples include Coin Street Community Builders in South London, Neighbourhood Services Partnership in Liverpool, Royds Community Association in Bradford, Goodwin Centre in Hull, and the Shoreditch Trust NDC project in East London.

In recent years, there has been a growth in the investment of government funds through community development finance institutions: these experienced financial intermediaries have demonstrated the possibility of high leverage, bringing with it access to private sector finance not previously available to support community enterprise development. The Adventure Capital Fund (sponsored by the Cabinet Office, Communities and Local Government, and the Department of Trade and Industry) has invested £8m of government funding in order to enable projects costing £43m in total to proceed. In other words the government investment has enabled the projects to access around £35m from other sources, including commercial banks, which would often not have been available otherwise. This represents a leverage of about 5:1. Charity Bank reports a 13:1 leverage ratio on its initial deposits by private investors, funding 127 community asset-based developments with a total value of £20.3m over the last two years. It is currently involved with two projects worth £35m between them, illustrating significant growth potential. More generally, there is a view, supported by the government's Social Enterprise Strategy *Social enterprise: a strategy for success*, which suggests that we are poised on the brink of a major expansion in social enterprise.

In terms of public assets particularly, there is significant scope for new approaches: as local authorities work with their LSP partners to reconfigure their assets to meet current needs – the Building Schools for the Future programme will provide £2.2bn for capital investment to rebuild or renew every secondary school in England over a 10 to 15 year period; major rationalisation continues in local health facilities; 78 sites belonging to the former British Railways Board have been disposed of since 2004; and a growing number of local authorities are considering how they can devolve responsibility for community facilities. For example, over the last 5 years Hillingdon Council has leased 23 assets at less than market rate to community organisations. All these major programmes of investment and asset disposal offer important opportunities for expanding community involvement, whether as partners, managers or owners.



### 3 Achieving the Potential – What is Holding us Back?

In our original remit, we were asked to identify barriers to the transfer of public assets to community management and ownership, as perceived by local authorities and other public sector asset holders and by the third sector, and particularly community organisations. People raised a number of hurdles with us:

*'There are no particular benefits – why should we bother?'* (local authority)

*'It's too risky – projects will fail, or be captured by minority interest groups.'* (local authority)

*'The government is telling public sector landlords to make the best use of their assets to meet their objectives. That surely means disposing of surplus assets at best price, to maximise capital receipts – there is no room for offering discounts to communities. Anyway local authorities and other public bodies don't have the powers to act even when they want to.'* (public body)

*'We often don't know how we can get our ideas heard, if the local authority doesn't appear to want to listen.'* (community organisation)

*'Managing and developing buildings or land is a complex, technical business, especially for community organisations – it's difficult for community organisations to access the technical advice and organisational development support that's needed.'* (community organisation and local authority)

*'Asset-based development costs money – the funding isn't available.'* (a community organisation)

*'Public bodies and communities are often both confused about what the law actually allows.'* (central government)

Although these are issues that need to be recognised, they are not barriers in themselves. In our view, there are no substantive impediments to the transfer of assets to community management and ownership. If there is a barrier, it lies in the fact that people, both in the public and community sectors, are often not sufficiently equipped to understand, assess and manage the risks that are inherent in the process of asset transfer and asset management.

So we have focused our work on highlighting what can be done, indeed is being done, to support and facilitate successful asset transfer and community management and ownership, and what practical action the government, with key partners, can take to turn the exception into the norm.

In doing so, we have relied heavily on work carried out in 2005-06, which resulted in two significant reports *Communities Taking Control: Final report of the Cross-sector Work Group on Community Ownership and Management of Assets* – a joint report by the Office of the Deputy Prime Minister (ODPM) and the Home Office – and *Community Assets: The Benefits and Costs of Community Management and Ownership*, a research report by Stephen Thake. These two reports drew on wide consultation with stakeholders, a literature review and careful policy analysis. In addition, we have invited and received input from local authorities, statutory and charitable funders and third sector networks and intermediaries. We have conducted three intensive workshops with key stakeholders and we have undertaken further investigation particularly in relation to public sector asset management and funding.

## 4 The Benefits of Community Management and Ownership

*'There are no particular benefits – why should we bother?'*

### **Case study 1**

#### **Gamblesby Village Hall, Cumbria**

The example of Gamblesby Village Hall in Cumbria illustrates how community ownership of a key local building can contribute significantly to restoring the morale of a declining neighbourhood.

Over the last few decades Gamblesby's population has fallen to below 200 and those remaining have watched its public facilities gradually disappear. The foot and mouth epidemic in 2001 was the final straw for the local economy but, led by an energetic and visionary chair, a local action group was formed and decided that revitalising the village hall would be an important element in and also a symbol of the village's recovery.

The building itself was built with an endowment to the village from a farmer in the nineteenth century. On the strength of this the village mounted a successful campaign to reclaim it from the local council and place it in the ownership of a village hall trust. The trust went on to secure funding from a range of sources to renovate the hall and bring it back into use. The result is that now Gamblesby has an attractive focal point for their social activities that is sustainable and secure and has a planned maintenance programme in place to prevent future maintenance crises.

The project has done much to restore pride in the community and some economic opportunities may also be opening up through the establishment of the hall as a venue and the associated demand for catering. The whole process has enabled local people to develop skills and increased confidence that may open up future avenues for collective activity to benefit the village.

There are many examples of the successful transfer of public assets to community organisations, as a base for community services, as a source of income to support community activities and reduce grant dependence, and as a vehicle for building confidence in a community and empowering residents to take control of their future. The benefits are spelt out in *Community Assets: The Benefits and Costs of Community Management and Ownership*. They are illustrated by case studies in that study and in this report. The benefits can be summarised as follows:

## Community benefits

There can be significant direct and indirect benefits for the community in which an asset is situated:

- users of assets that are in the control of the community, whether individuals or groups, are better able to plan for the future
- wealth creation activities, often deliberately aimed to create jobs for local people, will directly bring increased income and improved health within the local community
- wealth creation and the revaluing through new use of an existing facility, be it a centre, a shop, a housing estate, or a school, can have a powerful multiplier effect. It can restore confidence in that place, it can restore the viability of local businesses, it can help to reverse the exodus of residents and businesses, it can help to restore land values and attract new investment
- asset-based, community anchor organisations with a broad community remit and a multi-purpose function can play a powerful role in promoting community cohesion by bridging the ethnic, faith and other divisions that may be present in communities, and promoting mutual understanding and harmony. Asset ownership can have a major effect in building community confidence and a sense of worth
- the surpluses generated by the community organisation remain in the community and can support innovative projects through small grants and the availability of community facilities and development support
- the buildings that are taken over by communities will sometimes occupy iconic status in that community – perhaps a miners' welfare centre, a disused town hall, or a redundant church. Restoring them to productive use, that directly addresses current local needs, can give a significant psychological boost to local communities giving them a new hope in their future

## Case study 2

### Burton Street Project, Sheffield

The Burton Street Project in Sheffield clearly demonstrates the positive impact that community ownership can have on the local area. In 1994 local people set out to turn a disused Victorian school into community buildings, from which they would generate income by renting out space at affordable prices to local groups. The centre now provides a home for 100 groups and over 2,000 people use the centre each week. The organisation also uses the building for its own regeneration work and for delivering services: skills training, assisting people into employment, social enterprise development, family support, services for people with learning difficulties and mental health problems and arts, sports and recreational activities.

The Burton Street Project initially moved into the property rent free from the Local Authority in lieu of improvements to the building. Over time the people running the organisation realised that purchasing the building would enable them to put their services on a more sustainable footing and, working closely with the regeneration team in Sheffield City Council, managed to buy the premises for £130,000 (approximately £320,000 below market value). Through the services it provides the Burton Street Project is making a valuable contribution to the economic regeneration of the city.

## Benefits to external stakeholders

Local service-providers can also benefit both directly and indirectly from community ownership and management of assets in a number of ways:

- local service providers may find themselves with a local partner which can tap resources they cannot, complement the services they provide, and act as a channel for user and community feedback in response to service provision
- asset-based organisations can often offer a base for neighbourhood-based service provision, making it more accessible to local people. This is particularly important in rural areas, where services are being lost
- asset transfer can enable community organisations to support a public body in delivering its objectives in a ways that are more community-responsive and more closely related to local needs
- the impact of the community benefits described above will have a direct and positive effect on the pressures experienced by local services, such as the National Health Service, welfare support, education and the Criminal Justice System, enabling them to focus their resources on the highest priority needs

### **Case study 3**

#### **Heywood MAGIC, Rochdale**

In 2002 Heywood Market Traders Committee in Rochdale took over the management of their market, which was under the threat of closure by the local council, and successfully re-established it as a thriving base for community activity and training that is now having a positive impact well beyond the confines of the market place.

In an effort to save the market the traders approached the council with a number of redevelopment suggestions, which ultimately resulted in the formation of a community-led trust to bid for the management of the market. The Trust, MAGIC (Market Action Group In the Community), developed a business plan to show how they would run the market profitably and identified an additional need for a base for community activity and training. Their bid was not successful initially as it was not the most profitable option for the council, however, the decision was later reversed on the basis that their bid would provide the greatest wider benefit to the people of Heywood.

Since the Trust took over the management of the market, it has been a success. Current trader occupancy is 100 per cent at a time when many markets are failing. They are now developing additional stalls and are looking to use these to get people into work and to meet requests from traders placed on the waiting list for stalls becoming vacant. The training facility is used on a regular basis by local Primary Care Trusts, Manchester University and other training organisations as well as by community groups, such as New Deal, Community Transport and the Queens Park Restoration, who use the facilities on favourable terms. The training facility is so popular that officers from the council or other agencies are frequently turned away in favour of bookings from the community sector. As a result of the full occupancy, foyer areas are now used for community consultation events, which used to be placed on vacant stalls. Each year the Board of MAGIC have made community grant awards out of the profits made.

## **Organisational benefits**

The benefits to a community organisation are immense. They can be listed briefly as follows:

- embarking on the journey towards asset ownership and the related sustainability brings hope to an organisation and greater confidence in a secure future, by giving it status, recognition and indeed power
- effective asset ownership and management requires a transformation in the culture of an organisation in terms of management capacity and organisational development, which can be empowering for all those involved
- acquiring the necessary finance and meeting the legal requirements will bring an organisation into contact with a wider range of players both locally and often well beyond the locality, opening new horizons to those involved
- organisations will be opened up to external scrutiny, which will be a difficult, but important threshold to overcome

- ownership of a capital asset can be one of the key factors in providing collateral for further borrowing, in leveraging in additional assets, and generating surpluses to finance new activity, thus providing a springboard for further growth

#### **Case study 4**

#### **Aston-Mansfield, Newham**

The ownership of assets has been crucial to Aston-Mansfield's development and growth into a significant community anchor organisation for the people of East London. A charitable organisation with a long history of providing resources and facilities for disadvantaged residents in the London borough of Newham, Aston-Mansfield has an asset base that generates approximately 25 per cent of its total income. Activities developed within its properties also enable it to attract nearly £1.8m per annum through grants, donations and contracts for delivery, to develop and carry out its work within the local community.

The skills and experience that Aston-Mansfield has acquired in developing and managing its asset base have helped the organisation to establish community centres in Forest Gate, Manor Park and Plaistow and an Outdoor Centre and Farm at Lambourne End in Essex. Their services and support are all user-led and aim to develop the community wealth of East London and promote a diverse and inclusive society. Without its buildings and land, none of this work would be possible.

Our conclusion is that there are clearly evidenced benefits of community management and ownership of assets, but a promotional and educational campaign needs to be urgently undertaken to raise awareness amongst all sectors. We address this in more detail in Chapter 9.

## 5 Risk Assessment and Management

*'It's too risky – projects will fail, or be captured by minority interest groups.'*

In their submissions to the Review, and in other contexts, local authorities have been very explicit about their concerns about the wide range of risks involved in transferring assets to communities. For their part, community organisations and their networks have been quick to point out the danger of transferred property becoming a liability, and no asset at all. So there is a clear consensus that risks exist. However, it is our firm view from examining the record of successful projects on the ground that this need be no barrier to action, as long as proper steps are taken to assess and manage the risks involved. We were made aware of many of these, which we have summarised in a table of risks involved in asset transfer and ways to manage them at appendix A on page 39. As the table illustrates, the package of proposals that we have set out in this report will contribute to better management of the risks inherent in asset transfer.

One proposal addresses this barrier very specifically.

**Our key proposal on risk assessment and management is therefore:**

- **that Communities and Local Government, the Local Government Association (LGA) and the Community Alliance develop and publish a toolkit for local authorities on risk assessment and risk management based on existing good practice, and informed by both local authority and third sector experience. It would include advice on measures to safeguard against the capture of particular assets by minority interests, and protect assets from diversion to other than socially beneficial purposes. It would expand on the material included in the revised local authority asset management guidance.**

**The impact of this proposal will be:**

- to challenge reference to unreasonable and ill-founded concerns about risk as a barrier to action in support of community management and ownership of assets
- to give local authorities and others a very practical tool to undertake risk assessments, and introduce appropriate risk management measures



## **Case study 5**

### **Butterworth Hall, Rochdale**

In 2003 and perhaps inspired by the old adage that 'where there's a will there's a way', a community in Rochdale was able to work with the local metropolitan borough council to overcome fears of the risks associated with transferring an asset to the community and successfully negotiated a 999 year lease for their local community hall at a peppercorn rent.

The council could not justify continuing to subsidise the running of Butterworth Hall in Milnrow for a dwindling elderly people's lunch club. However 11 community groups also used the hall informally providing facilities to around 350 people a week. All these users faced losing their premises.

Both the council and the community were aware of the risks involved in transferring a property to community ownership, particularly the risk that the users of the property would change over time and that the user's committee may not be sustainable in the longer-term. Coincidentally, however, a Community Development Trust had been set up locally with the aim of taking forward regeneration schemes in partnership with the community and applying for funding unavailable to the council. The natural solution was that this trust, the MoorEnd Development Trust, could hold the lease to the hall on behalf of the users thus helping to allay concerns.

Council officers met with the Trust and representatives of the users and surveyed the building to establish the cost of urgent repairs. It was also identified that the rent for the premises had not been increased in recent years and did not cover the running costs. Pennines Township then made a small grant available to pay a consultant to work with the community groups on a feasibility study to test the viability of increasing the rent and finding additional occupants. This gave the community confidence in taking on such a project and officers were then able to argue that by making the necessary repairs and with a small grant for two years to cover the cleaning costs the council would save money within three years. After lobbying, Rochdale Metropolitan Borough Council finally agreed to give a 999 year lease to MoorEnd Development Trust at a peppercorn rent. And, there is now a formal arrangement in place between the Hall Management Committee – which comprises the users – and the Trust.

Since taking over the hall in early 2004 the management committee has increased the number of groups which use the hall, despite the necessary increase in charges. They have also raised funds for the purchase of new furniture, equipment and to completely refurbish the interior.

## 6 Public Sector Asset Management

*'The government is telling public sector landlords to make the best use of their assets to meet their objectives. That surely means disposing of surplus assets at best price, to maximise capital receipts – there is no room for offering discounts to communities. Anyway local authorities and other public bodies don't have the powers to act even when they want to.'*

*'Communities often don't know how they can get their ideas heard, if their local authority doesn't appear to want to listen.'*

### Local government

Following the publication of the 2004 Lyons Report *Towards Better Management of Public Sector Assets: A Report to the Chancellor of the Exchequer*, the practice of asset management planning has become much more widespread within local government. Often, though not always, it will take place within the context of a strategic approach to the use of assets across the local authority.

The 2006 Local Government White Paper *Strong and prosperous communities* establishes a wider policy context, by presenting a vision of local areas in which local authorities and their partners, including the third sector, work together in partnership to achieve the objectives set out in their shared Sustainable Community Strategy (the long-term vision for their area), and the targets agreed jointly with the government in their LAA. With this in mind, it makes sense for local authorities to develop a strategy for the use of their assets which is corporate across the local authority, and integrated with other public bodies locally, including particularly the National Health Service, the police and the third sector, as well as, where appropriate, central government departments and agencies. One way in which some local authorities are approaching this task is through area property reviews, focusing either on a locality or on a particular type of asset. An important example of this could be for local authorities to work in partnership with the local third sector on a strategy for meeting the sector's asset needs.

In particular circumstances, the best option may be for an asset to be transferred to community management and ownership. Local authorities have been given discretionary powers under the Local Government Act 1972 to dispose of land in any manner they wish and the government recognises that there may be circumstances where an authority considers

it appropriate to dispose of land or property undervalue. Further guidance is contained in the ODPM Circular 06/2003, *Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained*, which includes a general consent for small disposals ("the 2003 General Disposal consent"). The decision needs to be made by comparing the benefits to be gained from a market value disposal and the more and less tangible community benefits that would accrue from a transfer to community use.

In 2005, ODPM (now Communities and Local Government) and the Royal Institution for Chartered Surveyors (RICS) developed up-to-date guidance on local authority asset management *Guidance to Funders: Improving funding relationships for voluntary and community organisations. A Response to Recommendations 19 and 21 of the Cross Cutting Review*. This provides the professional benchmark for good practice in asset management within the local government sector. Since 2005, the Local Government White Paper *Strong and prosperous communities* has set a new agenda which, as explained above, has important implications for asset management within local authority areas. Government policy will be further affected by the current review taking place within the context of the 2007 Comprehensive Spending Review.

Furthermore, and most significantly for this Review, the 2005 guidance was almost silent on the transfer of assets to community management and ownership as a legitimate and beneficial option for consideration. This has meant that there is very little sharing of good practice between local authorities about how they have approached the issue or the legal powers that enable action to be taken. Recent evidence of the demand amongst local authorities for the opportunity to learn and share has been provided by the high attendance at regional seminars, funded by the national Finance Hub, which have focused particularly on asset transfer.

We were asked to consider whether local authorities and other public bodies have sufficient powers to take the initiative to transfer assets to community management and ownership on preferential terms, where they feel there is a justifiable case. Our conclusion was that local authorities (and other statutory bodies covered by the same legislation) do have the powers they need. The barriers are the widespread lack of awareness of those powers and how they could be used and, in some cases, an unwillingness to make use of them.

## Central government

Central government departments and their agencies do not have the same explicit discretionary powers to dispose of assets at less than best consideration without specific consent. However, there is provision for them to do so in *Government Accounting*, which provides the accounting framework for their actions and moreover is currently under revision. Our investigations demonstrated a lack of consistency of policy and attitude across departments on this particular question. In this context, it may be helpful that the Office for Government Commerce will be producing an implementation plan for the Varney Review in mid-2007, which will require departments to move to developing a property strategy, and to collaborate with other departments in managing the government's estate in a more strategic and integrated way.

## Case study 6

### Scott Hospital site, Plymouth

There are examples, dotted around the country of public bodies other than local authorities transferring assets to communities, but these are often dependent on the local authority being willing and able to act as an intermediary. One such success is in Plymouth where the city council bought a local site from the National Health Service for around £300,000 below market value and later transferred it to the Wolseley Trust to establish a business park and community facilities.

Wolseley had been building a good reputation locally for working in partnership with Plymouth City Council on a number of economic and community regeneration initiatives in an area of high unemployment and a lack of community facilities. The business park on the former Scott hospital site now provides rentable business space to help stimulate local jobs and small businesses and uses its trading surplus to provide a range of community facilities and developments.

Opened in July 2003, the Scott Business Park (as it is now called) is leased from the council on a 25 year lease and is managed by the Wolseley Trust as an independent development trust – a community run Limited Company. Membership to the company is open to all local residents, local businesses and local community groups who elect the Board of Directors.

## Legal redress open to communities

We did give careful consideration to the proposal for introducing a Community Right of First Refusal provision in England, based on the Scottish Community Right to Buy legislation.<sup>2</sup> The primary aim would be to create a window of time for community organisations to purchase surplus assets at an independent valuation when land or buildings of potential community benefit become available, before they are put on the open market. It would bring into view possibilities for use and other considerations that local people may be aware of that are hidden to the market and the public sector. The Scottish experience has also demonstrated that the opportunity for community organisations to register an interest in a particular asset can be empowering in itself.

It became clear to us however that there would be major difficulties in introducing a Community Right of First Refusal in England, particularly if it was to apply in urban and rural areas alike. It could have a significant destabilising effect on the property market, introducing severe delays and inflexibilities, despite the fact that many sites would not be suitable for community management or ownership. Complex questions would be raised about how to define the catchment community for a particular asset, how to define eligibility for organisations who could register an interest, and how decisions would be made between different community organisations competing for the same asset.

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<sup>2</sup> The Land Reform (Scotland) Act 2003 enables rural communities in Scotland with a population of less than 10,000 to establish a community body and register an interest in land or buildings, thereby creating an option for the body to purchase the land/buildings, following a community ballot, at an independent valuation, if they come up for sale.

We therefore concluded that the benefits of introducing legislation in England would be heavily outweighed by the costs and difficulties involved, and therefore we could not recommend it at this stage. However we felt this might need to be revisited in the future in the light of experience following the implementation of the Review's recommendations.

Our discussion of the idea of a Community Right of First Refusal did highlight the importance of strengthening the hand of community organisations wishing to bid for the management or ownership of a particular public asset, who find their proposal is not being taken seriously by the public agency that owns the land or building. In the case of a local authority, citizens and community groups can of course press for a response through any elected councillor. If the response is not considered satisfactory, the councillor will, under the provisions of the *Local Government and Public Involvement in Health Bill*, be able to have recourse to a Community Call for Action, which will mean that the matter will be referred to the authority's Overview and Scrutiny Committee for review.

In the more specific case of vacant, derelict or underused land or buildings, members of the public may also have recourse to a scheme known as PROD. Under this existing scheme they may ask the Secretary of State (for Communities and Local Government) to exercise her power to direct public authorities (local authorities and other specified public bodies) to dispose of their land or buildings where it is not being used or not being sufficiently used for the performance of the public authorities' functions. The aim of PROD is to deter public sector landowners from holding on to vacant land or derelict buildings unnecessarily. Since its introduction in 1980, this scheme has been infrequently used. However recent publicity has led to a significant increase in use (there are currently around 25 'live' cases), suggesting that more systematic promotion of the scheme could offer an important way for citizens and community groups to highlight proposals for community use of unused or underused assets.

In addition, we are in discussion with the LGA, which, we believe, may have a role to play in ensuring that their members do in fact take requests for community management and ownership of particular assets seriously.

The Local Government White Paper (2006) set out the government's continuing commitment to tenant empowerment through measures designed to create more opportunities for tenant management. This means taking a fresh look at the existing Housing (Right to Manage) Regulations, which came into force on 1 April 1994. The aim of the review is to create more opportunities for tenants to get involved in the management of housing, community facilities (including community centres, recreational areas, and shops) and other neighbourhood environmental services, resulting in more responsive services and empowered communities. It will focus on simplifying the processes involved; considering how residents might have greater opportunities to manage other housing related services, such as caretaking or grounds maintenance in their own area; and how to increase opportunities for tenants of Registered Social Landlords to become more engaged in housing and neighbourhood decisions.

The aim is for new regulations resulting from the Review to come into force by 1 October 2007. It is important therefore that close links are maintained between the work on the Right to Manage regulations and the implementation of the proposals in this Review.

**Our key proposal on public sector asset management is therefore:**

- **that Communities and Local Government, RICS, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the LGA, in partnership with key third sector stakeholders, jointly publish more comprehensive, up to date, and authoritative guidance on local authority asset management. This should reflect the government's views on best practice in asset management, as will be set out in the Comprehensive Spending Review and cover all local authorities as defined in the Local Government Act 1972, ie including police authorities, metropolitan fire and rescue authorities, metropolitan passenger transport authorities, and certain others. In particular, the new guidance should include a whole new section covering the transfer of assets to community management and ownership. This section would deal in detail with:**
  - **the powers that can support transfer of assets to community management and ownership**
  - **the processes that can ensure its inclusion in options appraisals**
  - **specific advice on how to compare the tangible and less tangible community benefits that would result from the transfer of assets to community management or ownership and the capital receipts that might otherwise be realised**
  - **clear guidance on the assessment and management of the risks involved including those associated with the State aid rules**
  - **specific guidance to ensure authorities have regard to HM Treasury's revised guidance on clawback, and other relevant provisions within *Guidance to Funders (2003)***
  - **advice on the conduct of area property reviews and ways in which they can be used to promote consideration of asset transfer to communities**

We understand the work could begin in 2007 with a target publication date of Spring 2008 following consultation.

**Supporting proposals are that:**

- the broad position on local public sector asset management set out above is reflected, as appropriate, in the Place-Shaping guidance to be published following enactment of the *Local Government and Public Involvement in Health Bill*, and will be borne in mind when the Department commissions the Audit Commission and the other inspectorates to develop methodologies for the Comprehensive Area Assessment, inspection and audit
- the government simplifies and makes more flexible the budget and accounting framework in *Government Accounting* that governs the disposal of assets by central government departments and agencies, so as to give them greater encouragement to consider the option of transferring an asset to community ownership at less than best consideration where it may be appropriate
- the guidance relating to the proposed Community Call for Action makes it clear that community organisations or local residents could use this mechanism to draw attention to a proposal for asset transfer, through any elected councillor, where they do not feel that it has been given serious consideration

- there is more systematic promotion of the PROD scheme
- there is further discussion with the LGA about how they might drive this agenda forward proactively with their members
- Communities and Local Government works with the Improvement and Development Agency for Local Government (IDeA), CIPFA and the Institute of Public Finance (IPF) to learn from their area property review pilots, and disseminate the lessons learnt
- continuing links are maintained with the current review of the Right to Manage regulations, to ensure that the proposals that emerge are consistent with ours
- links are maintained with the Varney Review, to ensure that it takes proper account of the option of asset transfer to community management and ownership, as part of the emerging cross-government strategy

**The impacts of these proposals will be:**

- to lead to an improvement in the quality of public sector asset management in local areas, with impacts on public service delivery, efficiency and use of resources
- to dispel the illusion that local authorities have no ability to consider asset transfer to community management and ownership at less than best consideration, and to make good practice advice on how to do it much more accessible
- to empower property professionals, other officials and elected members in public bodies, to be more pro-active in initiating or supporting asset transfers and collaborative projects with communities
- to empower community and other third sector organisations to make the most informed case to support their requests for the transfer of public assets to enable them to deliver on their objectives, and to make use of all the mechanisms that are available to them, to ensure their proposals are given serious consideration by the public landlord concerned

## 7 Building Skills and Capacity

*‘Managing and developing buildings or land is a complex, technical business, especially for community organisations – it’s difficult for community organisations to access the technical advice and organisational development support that’s needed.’*

The Review found a widespread consensus around the view that successful asset transfer to community management and ownership depends on community organisations having sufficient access both to technical advice and organisational development support. These need to cover both those topics such as sound business and financial planning and robust governance arrangements, which are generic to the third sector as a whole, and also those more technical areas of skills and knowledge, such as property development, premises management, negotiating skills and commissioning professionals, which are specific to asset-based development.

The government’s ChangeUp programme, now delivered on behalf of the Office of the Third Sector by Capacitybuilders, has as its objective the strengthening of the generic infrastructure that supports frontline voluntary and community organisations and social enterprises. The major strand of this programme is to support local and regional generalist infrastructure organisations. However, we were persuaded that this by itself will not meet the more specialist needs of asset-based organisations because the expertise required is very specific and outside the normal competence of such organisations. Nor did the solution lie simply with generalist local authority support staff, for similar reasons. On the other hand, we were impressed with the technical expertise that is available in the field of community management and ownership, from both the key national third sector specialist networks (such as the DTA, Community Matters, ACRE, and Association of Preservation Trusts) and also some of the specialist funders in this field (such as Adventure Capital Fund, Venturesome and the Local Investment Fund). We were also made aware of the innovative approaches that have been adopted by some local authorities in this field to draw in expertise and allocate resources to this area of work.



### **Case study 7**

#### **Peter Street Centre, St Helens**

The Peter Street Centre in St Helens is an example of an asset transferred successfully to a community-led organisation thanks to recognition on the part of the local council that unless they provided the necessary support and transferred relevant knowledge and expertise with the site, it could easily become more of a burden than a blessing for the new owners.

St Helens Council's Neighbourhood Facilitation Team played a crucial role by supporting a community-led steering group to oversee the transfer process. The Centre was transferred from the local authority on a peppercorn lease and officers have driven the design, project management and the recruitment of tenants. The transfer has breathed new life into the local community but it wouldn't have been possible without the local authority's support in obtaining funds for refurbishment. It came from many sources, including: the Neighbourhood Renewal Fund, the Learning Skills Council, the European Regional Development Fund, the Community Chest Fund, the Single Regeneration Budget, the Disabilities Fund, the Council, Fair Shares Trust and Coalfield Communities Fund at a total cost of £1.7m.

We are also concerned that, if transfer deals, which can be complex and involve a number of different parties, are not to take an inordinate time to complete, then access to professional expertise and examples of good practice is as important for public bodies as for third sector organisations. Asset management in general, and asset transfer to community management and ownership in particular, seem to us to be priority areas for improvement within the competencies of local authorities and other public bodies operating at local level. In our view, Communities and Local Government should have careful regard to this in the development of priorities within the National Improvement Strategy being developed for local authorities and LSPs.

There is widespread agreement that the scale of current provision to meet these specific needs is neither adequate to the task, nor well enough known to prospective users. What is needed is a strengthening of capacity and available resource within both the local government sector and the third sector. On the local government side, much could be done to support the introduction of improved asset management practice, as set out in the proposed revised guidance, through training and improvement programmes. At the same time, the effective implementation of specific transfers will be greatly enhanced by local authorities investing in one or more officers with a role to broker involvement and collaboration in asset transfer activity across the authority (case study 8 of the Open Market in London Road, Brighton illustrates this very clearly).

On the community sector side, the priority lies in strengthening the specialist national third sector bodies, while developing the additional resource of a pool of expert advisers who could be made available to work with local partnerships and on major asset-based projects.

**Our key proposal on building skills and capacity is therefore:**

- **that Communities and Local Government collaborates with other key stakeholders to ensure that the need for a strengthened capacity building and organisational development programme specifically on community management and ownership of assets is addressed. The key partners in this should include specialist third sector organisations including DTA, Community Matters, bassac, ACRE, and the Association of Preservation Trusts, alongside the Regional Improvement Partnerships, the Office of the Third Sector, LGA/IDeA, CIPFA, RICS and Capacitybuilders**

**Components of the programme would include:**

- **recognition, within the government's National Improvement Strategy, of asset management as an area of capacity building need for local authorities and their partners**
- **strengthening of the capacity of key national third sector infrastructure organisations with expertise in this field, to ensure that they are resourced to operate at regional level to provide the growth in demand for specialist advice and support at all stages of an asset-based development stimulated by the implementation of the recommendations of this Review**
- **supporting access by community organisations to a national pool of expert advisors in the field of community management and ownership of assets, building on the pools of experts already being brought together by some of the existing third sector organisations**

**The impact of these proposals will be:**

- **that the incidence of failure in community-led asset-based projects will be reduced, and the pace of development of successful projects will increase**
- **that as citizens and community groups are able to acquire skills and knowledge through their involvement in asset-based development, they will also become more confident and better equipped to increase their engagement in other aspects of community life**

## 8 Funding

*'Asset-based development costs money – the funding isn't available.'*

### **A plurality of sources**

Many existing community assets are in desperate need of repair and improvement. Valuable new asset-based community projects are currently often delayed, reduced in scale and viability or, on occasion, aborted, because of a lack of appropriate funding to bring them to realisation. In other cases, community activists or entrepreneurs with imaginative ideas and proposals never get them off the ground because they cannot access the necessary assets and/or resources to get them to the starting blocks. The strengthening of the support mechanisms referred to in the previous section also needs funding to be able to expand in the way we are recommending.

We are in no doubt that the need for investment at all points of the community management and ownership spectrum is immense. Neither government nor any other single source of funding can meet the need – a plurality of sources is essential. This is particularly the case at a time when there are significant financial constraints on the public purse. Some specific current and potential future sources of capital and related revenue funding that we have been made aware of, in addition to the contribution of local authorities and charitable foundations, include:

- the Big Lottery Fund's £50m Community Buildings Fund
- the Futurebuilders £125m Fund, which in part funds third sector asset-based development, as part of its programme of support for voluntary and community sector capacity to deliver public services
- the Adventure Capital Fund's £13m programme of investment in community enterprises
- the new £30m Community Asset Transfer Fund, announced in the 2006 Pre Budget Report, and being established by the Office of the Third Sector to fund the refurbishment of local authority assets to facilitate their transfer to community management and ownership
- any share of the Unclaimed Assets funds that is in the future allocated to asset-based development, for instance through the proposed Social Investment Bank, should such funds become available as a result of current legislative proposals from HM Treasury and negotiations with the relevant banking institutions
- any funds dedicated to support for community management and ownership of assets that are identified in the government's forthcoming 2007 Comprehensive Spending Review

## Using government funding more effectively

At the same time, we are convinced that there is significant scope for more widespread adoption of innovative approaches to the use of existing and new funds, so as to lever in additional finance that is currently not being accessed (eg from commercial banks). There is clear evidence from the experience of specialist financial intermediaries (such as the Adventure Capital Fund, Charity Bank, Venturesome and the Local Investment Fund, referred to earlier) that a leverage ratio of 4:1 or 5:1 can be confidently expected from government or other relatively unencumbered investment, as long as it is clearly made with this expectation. In other words, government investment can be used in a smarter way.

### Case study 8

#### Open Market, London Road, Brighton

A good example of a local authority working with the community and other local partners to come up with innovative investment approaches is the Open Market in Brighton. Owned by Brighton and Hove City Council it has been in slow decline since the 1960s. The same period has also seen the decline of London Road as a shopping destination.

The council is unable to provide sufficient investment to revitalise the market, so the Open Market Traders Association has come together to propose that they should redevelop the site to create a new covered market, offering a diverse retail experience promoting fresh, healthy food and local producers together with the development of affordable housing. A hub for arts and crafts people and a venue for street art and entertainment, this would be run on a not-for-profit basis for the benefit of the community and contribute to the wider regeneration of the area.

The Council is sympathetic to transferring a long leasehold interest in the site and some adjacent property to a not for profit 'trust' set up by the traders for a peppercorn rent. Crucially, it is also employing a council officer to oversee the project and bring all the partners together (both externally and within the authority itself). The project envisages a forum style development on 2 storeys around an open space. The social housing part of the development would be self-financing and contribute around half the cost of the £11m development. The traders anticipate making an annual income of around £262,000 from the rest of their activities which could meet the project's running costs and the interest on a loan of around £2.5m. This would leave the project short by about £2.5m to £3m to meet the remaining cost of the development.

What this demonstrates is that an injection of capital to cover these remaining costs could enable the project to unlock the other forms of investment and therefore get off the ground. However, if private sector finance was sought to cover this remaining cost, the project would need to be able to generate a profit for investors and so the project income would not be sufficient to meet its costs. This is where appropriate government funding which does not require a return can make a real difference.

These and a small number of other community development finance institutions are able to broker successful financial deals on community-led asset-based projects because they are prepared to absorb the higher than normal transaction costs, and have lower expectations than commercial funders in terms of rate of return, speed of repayment, risk avoidance and the starting capacity of the organisation concerned. All of these come within their mission, and they have the expertise and the knowledge of the market to assist the organisations concerned in finding other funders – trusts, commercial banks, regional development agencies, other statutory bodies – who will come in to make up the necessary funding package. In this way they can bring into play investment finance from commercial banks, and indeed some forms of statutory and charitable funding, that would not otherwise be available for this kind of project.

In addition, where community-led asset-based developments extend into wider areas of regeneration, such as the development of affordable housing, the development of growth areas, and the creation of enterprise and jobs, funders should recognise the opportunities for investment that such developments offer.

## Financial hurdles

When the financing of new community-led asset-based developments is under consideration, two other factors need to be taken into account. One concerns the possibility that a development will fall within the scope of the State aid rules<sup>3</sup>. This will need consideration on a case by case basis, and is a topic on which access to practical guidance based on the experience of successful developments is of critical importance.

The second issue is clawback. Traditionally, in order to safeguard the use of public money, where a public body has made a grant to a voluntary or community organisation for asset development, the public body has imposed a charge on the asset whereby it could clawback the proceeds if the asset were to be sold, or any profit were to be generated from its use. This has acted as a strong disincentive to enterprise and to organisations using assets as collateral for borrowing for further development of the asset or the services based there.

In June 2005, HM Treasury reviewed its guidance on clawback in order to allow a more flexible approach, and revised provisions were incorporated in its *Guidance to Funders*. Communities and Local Government has followed this guidance in revising its rules relating to NDC projects. However, it is of great importance that the benefits of HM Treasury's revised guidance are experienced more widely. This requires other government departments and public bodies at local level to be actively encouraged to follow suit.

The speed and efficiency within which this system of financing operates will increase further if communication and collaboration between the various funders involved is enhanced. It became clear during the Review that a number of third sector and other funders were keen to collaborate further in this way, so a limited intervention by government to facilitate this would yield considerable rewards.

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<sup>3</sup> For further explanation see Glossary.

**Our key proposal on funding is therefore that:**

- **government funding that is or could be designated for supporting community management and ownership is wherever permissible distributed in a way that maximises its leverage effect, primarily through the involvement of specialist financial intermediaries, and actively supports the good practice recommendations in this report**

**Our supporting proposals are that:**

- Communities and Local Government takes the lead in facilitating greater collaboration between funders who are committed to supporting asset-based development in the third sector, building on the discussions already initiated by the Review, by promoting more efficient information flow, disseminating good practice, and encouraging greater communication and co-ordination within government itself
- Communities and Local Government takes a lead, in liaison with HM Treasury and the Office of the Third Sector, to provide guidance on the interpretation of State aid rules, and to encourage central government departments, local authorities and other public bodies to review their approach to clawback in respect of grants to third sector organisations for asset acquisition and development in the light of the revised guidance HM Treasury has set out in *Guidance to Funders*

**The impact of these proposals will be:**

- that the leverage effect of government investment will be maximised in support of community-led asset-based developments
- that the funding system in which asset-based development operates will run more efficiently, drawing on a wider range of funding sources, including funding and finance not currently being accessed for this purpose
- that the number and scale of asset-based developments within the third sector will increase significantly

## 9 Getting the Message Across

*'Public bodies and communities are often both confused about what the law actually allows.'*

### **Case study 9**

#### **Blakenall Village Centre, Walsall**

Blakenhall Village Centre and its associated housing development work demonstrate what can be achieved when a local authority has the vision to exercise its legal powers to enable community groups to realise their aspirations. In 2002 New Deal:New Horizons bought four pieces of land containing derelict ex-local authority housing. They allocated one of these for the construction of the Blakenall Village Centre and the remaining three pieces for affordable housing. A key strength of the Centre is that it brings several public sector services together under one roof. However, negotiations to enable service providers to take up space in the Centre were complex. During the development process the project relied heavily on the support and advice of solicitors, architects, surveyors, planners, accountants, the council and other public agency staff who helped the residents negotiate their way through the maze of 'officialdom and red tape'.

The report *Communities Taking Control* clearly identified the need for a promotional campaign to raise awareness both of what the law allows in this field, and also what has been successfully accomplished by innovative authorities and enterprising community organisations. The Review's consultations and research have strongly reinforced this view. Indeed, as an illustration, the Review appears to have uncovered a widespread misunderstanding of the application of the 2003 General Disposal Consent, which allows a local authority to dispose of assets (freehold or leasehold) at less than best consideration within defined limits to secure the promotion or improvement of the economic, social or environmental well-being of its area. A number of other public bodies, such as police authorities and metropolitan fire and rescue authorities are covered by this very general provision, but there does not appear to be widespread awareness of this. Other examples where we believe that active promotion could yield valuable results is in the take up of the PROD scheme, and in the wider adoption by public bodies of revised clawback provisions, based on HM Treasury's latest guidance *Guidance for Funders*.

Furthermore a pro-active, high-profile three-year promotional campaign is needed, if the other recommendations from this Review are to have a significant impact. Such a campaign can

disseminate widely (through seminars, roadshows and targeted supplementary material) the good practice that will be set out in the revised local authority asset management guidance – including the legal powers that exist to support the transfer of assets to communities. It can make widely available, and support the use of, the proposed Risk Assessment and Risk Management toolkit. It can publicise the availability of strengthened advice and organisational development support to the community sector through online developments. It can promote a greater awareness of the benefits and potential of community management and ownership through imaginative collaboration with the media. It can make more available information about funding sources and ways in which they can be accessed.

**Our key proposal on getting the message across is therefore:**

- **that Communities and Local Government, in partnership with key stakeholders initiates a high-profile three-year promotional campaign on community management and ownership of assets, as a key element of the wider promotional programme to support the whole range of community empowerment measures within the Local Government White Paper (2006) and the *Local Government and Public Involvement in Health Bill*. The key partners in this campaign should include the LGA, the Office of the Third Sector, the key Third Sector networks and the Government Offices for the Regions**

**Components of the programme would include:**

- **an awareness raising campaign based on seminars and roadshows, media promotions, the publication and dissemination of case studies, targeted jointly at public bodies, including elected members, and the Third Sector**
- **development of an online gateway and supporting publications programme to provide much easier access to relevant information for both public sector and Third Sector audiences. Much information is already available (eg through Third Sector networks), but is not as widely accessible as is needed. The revised local authority asset management guidance would provide a primary source for the production of supplementary material**

We believe that, to maintain the momentum that interest in the Quirk Review has stimulated, the core promotional programme should start immediately on publication of the government's implementation plan.

**The impact of these proposals will be:**

- that asset management professionals, service officers, and elected members in local authorities and other public bodies will be better informed about what they can legitimately do, and what good practice experience they can learn from
- that there will be a better understanding in public bodies and communities alike of the benefits that community management and ownership can bring to a neighbourhood or a community
- that community organisations which have an aspiration for the development of a public asset in their area will have a clearer idea about how to put their case, and have it taken seriously by the authorities concerned



# 10 Glossary

This is an explanation of terms used in the report. These are not intended to be definitive definitions of the terms but to explain them in the context in which they are used in the report.

<b>Asset management</b>	a structured process adopted by a local authority or other public body in order to get best value for money from its land and buildings
<b>Asset ownership</b>	possession of the freehold or a leasehold stake in a building or piece of land
<b>Asset transfer</b>	passing ownership or management of a building or piece of land from a public sector body to a third sector organisation
<b>Asset-based organisation</b>	an organisation which holds a stake in land or one or more buildings, as a basis for its operations
<b>Best value duty</b>	the duty placed on local authorities and certain other public bodies by law, which requires them to seek to achieve continuous improvement by having regard to the efficiency, effectiveness and economy of their delivery of services. The <i>Local Government and Public Involvement in Health Bill</i> proposes a change which will require Best Value authorities to secure the participation of citizens, where appropriate
<b>Clawback</b>	condition attached to a public sector grant to protect against misuse of the grant. When applied to a capital grant for asset development, it often involves a charge on the asset so that all or part of the proceeds are recoverable if the asset is disposed of or used to generate a surplus
<b>Community anchor organisation</b>	community-led multi-purpose organisation, which supports local community activity through community development and capacity building
<b>Community association</b>	multi-purpose neighbourhood-based organisation led by a partnership of local residents, local groups and the local authority, often managing a community centre as a base for its activities

<b>Community call for action</b>	a provision enabling any elected councillor to ensure a request from a member of the public is given due consideration, by referring it to the council's Overview and Scrutiny Committee. This provision exists in law for crime and policing matters, and is proposed for extension to all local government matters under the <i>Local Government and Public Involvement in Health Bill</i>
<b>Community development finance institution (CDFI)</b>	sustainable, independent financial institution that provides capital and support to enable individuals or organisations to develop and create wealth in disadvantaged communities or under-served markets
<b>Community empowerment</b>	enabling people in local communities to have greater influence over the public decisions and services which affect their quality of life
<b>Community enterprise</b>	a business with primarily social objectives run by or for the benefit of a community
<b>Community organisation or group</b>	an organisation that is controlled by its beneficiaries, whether users, members or local residents, and that retains any surplus to support its continuing activity
<b>Comprehensive spending review</b>	process by which government reviews its commitments and sets future priorities for public expenditure
<b>Development trusts</b>	community-led organisations which cultivate enterprise and build assets, in order to promote community prosperity
<b>Freehold</b>	outright ownership of a building or piece of land
<b>Leasehold</b>	ownership of a building or piece of land under a lease, for a pre-determined period of time (eg 25 years)
<b>Leverage</b>	process whereby a grant or loan at no or low interest to a project enables the project to attract additional investment finance that would not otherwise have been accessible
<b>Local Area Agreement (LAA)</b>	an agreement between central government and a local authority and its partners, defining expected outcomes from the funding central government provides
<b>Local Strategic Partnership (LSP)</b>	a forum that brings together the public, voluntary, community and private sectors in a locality to co-ordinate the contribution that each can make to improving the locality
<b>Peppercorn rent</b>	literally a rent of one peppercorn, now normally replaced by a nominal rent of, say, £2 per year
<b>Public Asset</b>	a building or piece of land owned by a public sector body (government department or agency, local authority etc)

<b>Public Request to Order Disposal (PROD)</b>	a little known legal power, which enables any member of the public to request the Secretary of State to direct a local authority (or certain other public bodies) to dispose of a building or piece of land in its ownership that is unused or underused in meeting the public body's functions
<b>Registered Social Landlord</b>	third sector organisation registered with the Housing Corporation to provide affordable social housing
<b>Social action centre</b>	community-based organisation which provides services and community development support, and hosts smaller community initiatives
<b>Social enterprise</b>	a business with primarily social objectives whose surpluses are principally invested for that purpose in the business or in the community
<b>State aid</b>	a State aid is any form of support given by central government, either directly or via another public body such as a local authority, and other than through open competition, to help one undertaking in preference to another. Undertakings include third sector organisations which are engaged in economic activity. Such aid is illegal unless expressly allowed by exemptions under the European Treaty or approved by the European Commission
<b>Statutory agency</b>	an organisation established by statute (such as a local authority, central government department or primary care trust)
<b>Under-capitalised</b>	the situation of organisations, such as community organisations and social enterprises, which do not have the financial capital or physical assets necessary to operate effectively

# 11 Appendix A: Table of Risks Involved in Asset Transfer and Ways to Manage Them

The particular actions that are appropriate to manage risk will depend on the type and use of the asset and local circumstances. The table focuses on local authorities as the public bodies transferring assets, but the possible actions could be adopted by other public sector landlords.

Risk	Possible actions to manage risk
<p><b>1 Organisation does not have the capacity to take over and manage the asset</b></p> <p>Possible harmful effects:</p> <ul style="list-style-type: none"> <li>■ failure of project or organisation</li> <li>■ time, effort and money wasted by both parties</li> <li>■ wider community let down</li> <li>■ problems have to be resolved by landlord or local authority</li> </ul>	<ul style="list-style-type: none"> <li>■ review of organisational capacity to be undertaken with input from a respected and experienced third party</li> <li>■ develop, fund and implement an agreed organisational development plan adopting relevant quality standards (eg Community Matter’s VISIBLE standard for community centre organisations)</li> <li>■ ensure that organisation has adequate ongoing third party advice</li> <li>■ require organisation to be transparent on matters of material importance</li> <li>■ take an incremental approach and make progress on transfer conditional upon implementation of organisational development plan</li> <li>■ review organisational capacity over the cycle of the project</li> </ul>

Risk	Possible actions to manage risk
<p><b>2 Community organisation cannot raise the cash needed to purchase or refurbish the asset offered</b></p> <p>Possible harmful effects:</p> <ul style="list-style-type: none"> <li>■ expectations raised in vain</li> <li>■ time, effort and money wasted by both parties</li> <li>■ building and organisation not operating to their full potential</li> <li>■ wider community let down</li> </ul>	<ul style="list-style-type: none"> <li>■ commission and fund conditions survey and outline improvement proposals at outset</li> <li>■ review disposal value in context of future use and liabilities</li> <li>■ consider phasing the improvement programme to match future income streams or investment opportunities</li> <li>■ community development finance institutions are involved, with specialist experience of community asset-based development, in order to maximise leverage for other funds</li> <li>■ local authority through LSP or LAA ensures closer collaboration between funders, locally and nationally, to ensure maximum impact is obtained</li> <li>■ landlord commits to initial investment in asset, in a way that helps to lever in other investment, and ensures the initial condition of asset is sound</li> <li>■ local authority maintains capital funding budget for necessary major investment, repairs and safety work to community assets, particularly to smaller organisations with less potential for enterprise and self-sufficiency</li> </ul>
<p><b>3 The ability of public bodies to support a particular project is limited by State aid rules or other restrictions</b></p> <p>Possible harmful effects:</p> <ul style="list-style-type: none"> <li>■ organisation not able to access all the funds available</li> <li>■ time required to argue case</li> </ul>	<ul style="list-style-type: none"> <li>■ ensure there is clear understanding of the exemptions allowed for by the rules</li> <li>■ ensure that local authority and community organisation have access to expert information and case studies of comparable projects, which have been shown to be outside the State aid rules</li> </ul>

Risk	Possible actions to manage risk
<p><b>4 Inability of community organisation to manage asset effectively</b></p> <p>Possible harmful effects:</p> <ul style="list-style-type: none"> <li>■ building and organisation not operating to their full potential</li> <li>■ financial liabilities incurred</li> <li>■ organisation or project collapses</li> <li>■ wider community let down</li> <li>■ local authority left to deal with the consequences</li> </ul>	<ul style="list-style-type: none"> <li>■ develop a viable business plan based on documented evidence, possibly subject to third party review and supported by a ‘balanced scorecard’ approach to business development, as piloted by Adventure Capital Fund</li> <li>■ ensure that community organisation has access to the specialist information, advice, and training that is available from national networks (eg ACRE, Community Matters, DTA)</li> <li>■ local authority can adopt an incremental approach to full asset transfer or offer long leasehold transfer (model leases designed for this purpose are available from Community Matters and ACRE)</li> <li>■ transfer freehold or leasehold interests to a larger development trust, community land trust or similar organisation that holds portfolio of assets on behalf of smaller community-based organisations but can intervene if an individual organisation runs into difficulties</li> </ul>
<p><b>5 Asset not used in public interest, taken over by an unrepresentative or unaccountable minority, access to asset not inclusive</b></p> <p>Possible harmful effects:</p> <ul style="list-style-type: none"> <li>■ funds misappropriated</li> <li>■ under-utilisation of asset</li> <li>■ local resentment and risk to community cohesion</li> <li>■ negative impact on other stakeholders and wider community</li> </ul>	<ul style="list-style-type: none"> <li>■ landlord and community organisation develop an ‘expectations document’ which forms the basis of an ongoing partnership that outlines their aspirations for the future</li> <li>■ insistence that organisation’s governing instrument and other policy documents have a strong commitment to working with the ‘whole community’, to equal opportunities and to open, accountable and transparent governance procedures</li> <li>■ transfer the asset to a multi-purpose community organisation which can then provide space for and community development support to a range of smaller, single-purpose organisations</li> <li>■ leasehold or freehold documents to include covenants which determine the purposes for which the asset can be used without unduly restricting the receiving organisation’s ability to innovate and exploit asset</li> <li>■ include ‘asset lock’ which imposes restrictions on sale of freehold or lease to third parties, such that assets cannot be used for purposes other than those defined in the organisation’s governing instrument eg registered charity, community interest company, industrial and provident society. These are all subject to external regulation and model documents are available</li> </ul>

Risk	Possible actions to manage risk
<p><b>6 Community organisation is not able to invest in the asset to meet its longer term liabilities for upgrading and cyclical maintenance</b></p> <p>Possible harmful effects:</p> <ul style="list-style-type: none"> <li>■ value of the asset depreciates</li> <li>■ asset becomes a liability and not used to its full potential</li> <li>■ organisation turns inward and loses direction</li> </ul>	<ul style="list-style-type: none"> <li>■ consider the income earning potential of the assets transferred at outset</li> <li>■ develop a business plan that allows receiving organisation to develop income generating enterprises, and thereby generate sufficient surpluses to accommodate future liabilities</li> <li>■ leasehold transfer under which landlord retains external and/or major repairs liabilities</li> <li>■ asset to be handed over with an endowment (cf National Trust) to cover future maintenance costs, or a commitment to funding for running costs at least for an initial period</li> <li>■ transfer to a larger development trust, community land trust or similar body that can use its asset portfolio to generate income for property maintenance or improvement through cross-subsidy</li> </ul>
<p><b>7 Reliance of smaller receiving organisations on volunteers through lack of resources for professional/support staff</b></p> <p>Possible harmful effects:</p> <ul style="list-style-type: none"> <li>■ governing bodies and staff overwhelmed</li> <li>■ pioneers unable to find successors</li> <li>■ organisation and project go into decline</li> <li>■ wider community let down</li> </ul>	<ul style="list-style-type: none"> <li>■ consider establishing a wider community-based partnership or network</li> <li>■ ensure access to specialist information, advice and training through national networks, by paying for membership or services</li> <li>■ peer support for volunteers through facilitating local and national networking</li> <li>■ promotion of good practice in succession planning</li> <li>■ encouragement to increased enterprise and business development, where scale and nature of asset allows (through training and consultancy from national networks)</li> <li>■ transfer to a development trust, community land trust or other community organisation that can manage a portfolio of assets and make them available to different organisations on appropriate terms, while retaining prime responsibility for the property liabilities</li> </ul>

Risk	Possible actions to manage risk
<p><b>8 Fragmented ownership of assets across an area could impair strategic objectives of local authority and/or its LSP partners</b></p> <p>Possible harmful effects:</p> <ul style="list-style-type: none"> <li>■ ability to undertake comprehensive renewal programmes impaired</li> <li>■ absence of accommodation restricts their ability to deliver local services</li> </ul>	<ul style="list-style-type: none"> <li>■ partnership working at LSP level and development of area wide multi-partner strategies for use of assets, within the framework of the proposed new Best Value duty</li> <li>■ active engagement of the third sector in development of Sustainable Community Strategy and LAA, as well as more specific service delivery plans</li> <li>■ involve community organisations as a partner in renewal and service delivery programmes</li> <li>■ transfer to a multi-purpose community organisation, community land trust or large other body and include covenants to allow arrangements with third party service delivery agencies to be developed</li> </ul>
<p><b>9 Confusion and lack of awareness over roles, responsibilities and liabilities between landlord and community organisation</b></p> <p>Possible harmful effects:</p> <ul style="list-style-type: none"> <li>■ unexpected or unfunded liabilities emerge</li> <li>■ breakdown in relationships or partnership arrangements</li> <li>■ issues remain unresolved</li> </ul>	<ul style="list-style-type: none"> <li>■ landlord and community organisation include within their 'expectations document' their respective legal, financial and other statutory liabilities and arbitration clauses where there is disagreement</li> <li>■ where the local authority is providing funding, establish a formal service level agreement (updated annually) between the authority and the organisation to identify location of specific responsibilities, points of contact, service targets etc</li> <li>■ ensure access to specialist information, advice and training through national networks, by paying for membership or services</li> <li>■ appoint a local authority officer to co-ordinate the authority's relationships with asset-based groups, and draw on in-house skills and knowledge within the authority</li> </ul>
<p><b>10 Conflict between competing community organisations for use of, ownership or management of asset</b></p> <p>Possible harmful effects:</p> <ul style="list-style-type: none"> <li>■ local resentment and risk to community cohesion</li> <li>■ negative impact on local authority</li> <li>■ wider community let down</li> </ul>	<ul style="list-style-type: none"> <li>■ revised local authority asset management guidance to cover the inclusion of the option of community management or ownership within the options appraisal process for surplus or underused assets</li> <li>■ local authority to develop criteria for selecting which organisation to transfer an asset to, in partnership with representative third sector/community organisations</li> <li>■ where appropriate, give preference to well networked, multi-purpose organisations, rather than single-purpose organisations</li> </ul>



## 12 Appendix B: The review team



The Quirk Review team consisted of Barry Quirk (middle), Chief Executive of Lewisham Borough Council, Stephen Thake (right), London Metropolitan University, and Andrew Robinson (left), CCLA Investment Ltd.

**Barry Quirk CBE** has been Chief Executive of Lewisham Council since 1994. He has worked in local government for almost 30 years: with experience in five London councils as an officer and, in the mid-1980s, a sixth as an elected politician. He has a PhD in social and political geography and for the past eight years he has been a Visiting Fellow in Social Policy & Politics at Goldsmiths College, University of London.

In 2004 and as part of the Comprehensive Spending Review (CSR 2004), Barry was appointed as the national “efficiency champion” for local government. Barry is currently Chairman of the Society of Local Authority Chief Executives and Senior Managers (SOLACE), the national association for local government chief executives.

**Stephen Thake** is a Reader in Urban Policy at the Centre for Social and Evaluation Research, London Metropolitan University.

Stephen has researched leading edge regeneration practice throughout the UK as well as parts of North America and Northern Europe. His knowledge of community and economic development in disadvantaged neighbourhoods has enabled him to propose policy frameworks and programme initiatives designed to create the infrastructure for an effective community

sector. He has also undertaken policy analysis and programme evaluation for central government departments, regional development agencies, local authorities and community-focused organisations.

He currently leads the team that is evaluating the Adventure Capital Fund programme, sponsored by the Cabinet Office, Communities and Local Government and London Development Agency.

Before joining the higher education sector, Stephen had experience of working in regional government and advising central government before becoming chief executive of a major housing association that was active across South Wales and six of the English Regions.

He has an MSc and is the author of a number of publications including *Community Assets: the benefits and costs of community management and ownership* referred to in this report.

**Andrew Robinson MBE** is a director of CCLA Investment Management Limited, a social enterprise fund manager for voluntary and community organisations, charities and social enterprises, churches and faith groups, local authorities and other public sector organisations.

Previously Andrew was the head of community development banking for the Royal Bank of Scotland and NatWest. He is currently a trustee of the Community Development Foundation, and a director of bassac and the Lankelly Chase Foundation. Andrew was the founding director of the UK's first community development finance institution to provide loan finance to voluntary and community sector organisations working in disadvantaged communities.

Before moving to the UK, Andrew worked for the Royal Bank of Canada, a foundation, and a related charity. Andrew has a BA (Eng Lit) and an MBA, and is a Fellow of the Royal Society for the Arts.

# 13 Appendix C: Acknowledgements

The review team would like to thank the many people who have contributed to this Review and helped to make it as thorough as possible within the scope of the terms of reference.

This includes civil servants from the Office of the Third Sector, HM Treasury and the Office of Government Commerce, other key individuals dealing with the management of assets across central government and those from English local authorities, the community sector and other stakeholders who responded to our initial request for feedback on a list of key questions. We would also like to thank everyone who gave up their time to attend the workshops and other meetings which followed on from this initial exercise. A full list of all those who kindly contributed can be found below.

The secretariat for the Review was provided by the Community Empowerment Division of Communities and Local Government and we would like to thank policy officials across the Department and in particular Charles Woodd and Robin Lee who supported us in carrying out the Review.

## **The workshop on funding solutions was attended by:**

Bill Brandon	Office of the Third Sector
David Emerson	Association of Charitable Foundations
Fiona Young	Tudor Trust
Helen Thomson	Yorkshire Forward
John Iles	Anthony Collins Solicitors
John Mulligan	Esmee Fairbairn Foundation
Malcom Hayday	The Charity Bank Limited
Matthew Pike	Commission on Unclaimed Assets
Mike Baker	Local Investment Fund
Paul Gibson	Mazars
Philip Brady	Communities and Local Government
Richard Davies	Brighton and Hove City Council
Sue Peters	Adventure Capital Fund
Tess Pendle	Community Development Finance Association

**The workshop on local authority asset management was attended by:**

Alan Wharton	Westminster City Council
Anne Adams	Ashford Borough Council
Betty Albon	St Edmundsbury Borough Council
Cllr Gerald Smith	Rotherham Metropolitan Borough Council
Damian Lally	Cheshire County Council
Danny Friedman	National Housing Federation
David Bentley	Institute of Public Finance
David Nuttycombe	Cambridgeshire County Council
Dick Bowler	Hertfordshire County Council
Ian Smith	Rotherham Metropolitan Borough Council
Jim Ross	Chair of ACES (Basildon Council)
Katherine Kazantzis	Lewisham Borough Council
Les Roper	South West of England RDA
Martin Farrington	Leeds City Council
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Nigel Hawkins	Nottinghamshire County Council
Peter Clark	Lewisham Borough Council
Romilly Rogers	Local Government Association
Sue Vasey	Leeds City Council
Tony Comer	Hertfordshire County Council
Tony Rich	Rich Regeneration

**The workshop on building skills and capacity was attended by:**

Barry Scholfield	Royds Community Association
Camilla Sheldon	London Borough of Southwark
Cheryl Cooper	Nottinghamshire County Council
Dave Chapman	bassac
David Tyler	Community Matters
Elin Gudnadottir	Urban Forum
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Cliff Prior	UnLTD
Danny Friedman	National Housing Federation
Derek Douglas	The Scarman Trust
Ed Mayo	National Consumer Council
Dr Gareth Potts	British Urban Regeneration Association (BURA)
Judith Ray	Land Restoration Trust
Kevin Curley	National Association for Voluntary and Community Action (NAVCA)
Lisa Greensill	Government Office for London
Lucy Dowling	Manningham Mills Community Association
Maria Reader	Sport England
Matthew Warburton	Local Government Association

Micheal Pyner	Shoreditch Trust
Paul Lusk	Partners in Change
Peter Bishop	Regional Centres of Excellence
Peter Ranken	Envirowork (Lewisham)
Simon Hebditch	Capacitybuilders
Stephen Bubb	Adventure Capital Fund
Stuart Etherington	National Council for Voluntary Organisations (NCVO)
Ted Fowler	Bristol City Council
Tony Dylak	Royds Community Association

**The following local authorities responded to our consultation:**

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 Basingstoke and Deane District Council  
 Birmingham City Council  
 Bradford City Council  
 Braintree District Council  
 Calderdale Metropolitan Borough Council  
 Cambridgeshire County Council  
 Cheshire County Council  
 Chichester District Council  
 Cornwall County Council  
 Derby City Council  
 Essex County Council  
 Exeter City Council  
 Gloucestershire County Council  
 Hertfordshire County Council  
 Hounslow Council  
 Kirklees Metropolitan Borough Council  
 Leeds City Council  
 London Borough of Camden  
 London Borough of Merton  
 London Borough of Redbridge  
 London Borough of Southwark

Maidstone Borough Council  
North Devon District Council  
Nottinghamshire County Council  
Oxfordshire County Council  
Pembrokeshire County Council  
Peterborough City Council  
Reading Borough Council  
Rotherham Metropolitan Borough Council  
Slough Borough Council  
Staffordshire County Council  
Stroud District Council  
Suffolk County Council  
Tameside Metropolitan Borough Council  
Wansbeck District Council  
Welwyn and Hatfield Borough Council  
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***'There are no substantive impediments to the transfer of public assets to communities. It can be done, indeed it has been done legitimately and successfully in very many places.'***

***'There are risks but they can be minimised and managed – there is plenty of experience to draw on. The secret is all parties working together.'***