

Briefing

Making assets work

the Quirk review of community management and ownership of public assets



Summary

The Quirk Review was launched at Burton Street Project (a development trust in Sheffield) on 15 May 2007.

In his report, Barry Quirk, the local government 'efficiency champion', provides encouragement to can-do town halls and community groups. He says there are no substantive barriers, that risks can be managed, and that when asset transfer is done properly the benefits outweigh the risks.

He recommends a major programme of awareness raising and capacity-building, and also recommends that councils and other public bodies take a more corporate approach to their overall asset portfolio and their relationships with the community sector.

He does not recommend new legislation, along the lines of the Community Right to Buy that exists in Scotland, at this stage, and he does not make recommendations on the level of finance required. Nevertheless, DTA believes that this is a landmark report which will boost transfer of assets to communities in the coming months and years.

Background

At the DTA conference in September 2006 Ruth Kelly announced a review to identify barriers to greater asset transfer from local authorities and other public bodies to the community sector, and to find ways to overcome any barriers that were identified.

Ruth Kelly promised that the review would consult with agencies such as DTA and report to herself and Ed Miliband, in time to influence the recommendations of the three year comprehensive spending review.

Barry Quirk, Chief Executive of Lewisham Council and the local government 'efficiency champion', was appointed to lead the review. The other members of the review team were Stephen Thake from London Metropolitan University, and Andrew Robinson from CCLA Investment Management (and also a DTA Special Advisor).

Conclusions

The main conclusions are as follows:

The public benefit needs to be clear

'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.'

Benefits can outweigh risks

'The benefits of community management and ownership of public assets can outweigh the risks and often the opportunity costs in appropriate circumstances.'

Risks can be minimised and managed

'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.'

Ownership brings greater responsibility but also greater freedom to exploit the potential 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.'

There are no substantive barriers

'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.'

Recommendations

The key recommendations are:

Government guidance

"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."

Risk toolkit

"The publication of a toolkit for local authorities and other public bodies on risk assessment and risk management in asset transfer to communities."

More access to expert advice

"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."

Better investment

"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."

Promotion

"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."

Corporate approach

"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, 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."

Implementation plan

The government will be launching its implementation plan, in response to the review, at the DTA symposium on 22 May in London.

DTA view

The DTA has strongly welcomed the review. At a stroke it has demolished the excuses of do-nothing bureaucrats who have pretended for years that they do not have the powers, or that risks are too high, or that community asset ownership is not in the public interest. At the same time the report gives hope to those in town halls everywhere with a can-do attitude.

To place land and buildings in community hands is to provide the means for people to create profound and long term transformation in their neighbourhood. This is what community empowerment is really about. If anyone still doubts this they only have to look at our development trust members - we have £350m of assets in community ownership, driving change from the bottom up.

An English version of the 'community right to buy' legislation that exist in Scotland is not recommended at this stage. This is a disappointment, but the review leaves the door open, acknowledging that 'this might need to be revisited in the future in the light of experience'.¹

The review avoids a recommendation on the level of finance required, although it quotes the DTA's estimate that an investment of £150m would lead to an additional accumulation of £500m of assets in community ownership in the next few years. The DTA believes that the £30m Community Asset Fund announced by the Cabinet Office and which will be launched by the Big Lottery Fund in the Autumn 2007 is a good start, but only a start, and that much more substantial investment will be needed in the spending review if the potential of the Quirk Review is to be fully realised.

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Visit the DTA website for case studies and other information www.dta.org.uk

16 May 2007

¹ In the 2007 elections in Scotland the three leading political parties all gave manifesto commitments aimed at extending asset transfer from rural areas such as the Highland and Islands to urban areas as well - indeed the Labour party promised a consultation on extending the legislation.