

Quirk Review and Winkleigh Community Centre Update

Report of the Director of Environment, Economy and Culture

Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

Recommendation: It is recommended that the Committee:

- (a) note the principle and potential merits of transfer of assets to community control, in certain circumstances, and support the initiatives being taken through the Demonstration Programme;**
- (b) note the opportunity afforded by inclusion on the Quirk Demonstration Programme for progression of the Winkleigh Community Centre.**

1. Summary

This report sets out recent Government thinking on transfer of public sector assets to community ownership and management and the Devon pilot work under the National Demonstration Programme, with particular reference to Winkleigh Community Centre.

2. Background/Introduction

'Making Assets Work' (the '*Quirk Review*'), an independent report commissioned by DCLG, was published in May 2007 in order to consider the powers, policies and barriers that affect the transfer of public assets to local communities and to make recommendations. Key conclusions included:

- Any transfer of public assets to the community should be done without risking wider public interest and without community groups becoming over-burdened with asset management.
- The benefits of community ownership and management can outweigh the risks, illustrated by many successful case studies across the UK.
- The risks that do exist can be reduced and managed by political will, managerial flexibility and imagination, and a more business focused approach from the community sector.
- There are no substantive barriers currently to asset transfer; there is already a range of powers and policies in place but too little use is made of them, including a lack of awareness of the powers available, how they could be used, and general unwillingness to address the issues.
- Successful transfer requires community organisations having sufficient access to both technical advice and organisational development support. Partnership between local government and local communities will therefore be key to the process.
- A 'blueprint' of rules and practices is too fixed due to the diverse nature of the issues and organisations being addressed. Instead, 'recipes' are needed with guidelines which can be mixed to suit individual situations.

The report put forward the following five actions that could improve the situation:

- (a) Production of comprehensive, up-to-date guidance on LA asset management.
- (b) A toolkit for LA's on risk assessment and management.
- (c) DCLG to collaborate with other key stakeholders to address need for a capacity building and organisational development programme focused on asset management and ownership.

- (d) Greater collaboration between funders committed to supporting asset-based development, including review of current approaches, facilitated by DCLG.
- (e) A high-profile, 3 year promotional campaign on community management and ownership of assets including seminars, roadshows and media promotions, with development of an online gateway.

The Department of Communities and Local Government accepted all key recommendations and announced an implementation plan. One immediate action included setting up a Demonstration Programme which was launched in June 2007 and will continue until March 2008. This will work with 20 selected authorities as 'pilot' areas to establish models for effective partnership, and to advance up to 40 assets transfer projects nationally.

3. Progress in Devon

Devon County Council currently sells approximately 20 properties per annum after being declared surplus. This figure is likely to increase due to Devon County Council's commitment in its Asset Management Plan to reduce floor space by 25% over the next 3 years. A small proportion of these could be suitable for transfer for community use. It is estimated that at any one time there may be 5-10 assets in the pipeline to being declared surplus that could have potential for community use.

Devon County Council together with Wessex Reinvestment Trust and Business in the Community, already operate the Devon Reinvestment Service which works to help community organisations to develop sustainable and viable community asset projects (new build and conversion). The expertise of the Service is well placed to work with the Property Service to ensure the thorough and open assessment of proposals for community asset transfer and to help relevant community groups develop the capacity to manage these resources sustainably.

Devon submitted a successful bid to be a pilot under the National Demonstration Programme and a scoping exercise of possible case study projects took place in July/August 2007. This identified approx 15 potential case studies throughout Devon. Assessment of the cases led to inclusion of three for support through the pilot based on their level of development as a project. These are Winkleigh Community Centre together with Exeter Community Centre and Mortenhampstead Old School (main building).

By being chosen as a pilot area, Devon is receiving 14 days free consultancy time to:

- develop a robust Council procedure and timescales for asset transfer;
- progress the three chosen case studies through supporting the development of areas such as their business plans and structure.

Following announcement in late September of a new one-off fund (the 'Community Assets Fund') for building refurbishment works associated with asset transfer projects funded, all three Devon Quirk case studies wished to make applications. However, under the conditions of the Fund (operated by the Big Lottery on behalf of the Office of the Third Sector) only a maximum of two applications could be supported for submission by any single Local Authority, and all would require establishment of partnership agreements with the relevant community organisations regarding in principle transfer of the asset if bids are successful.

The decision regarding which, if any, bids to support for submission to the Community Assets Fund was taken to Corporate Management Board on 15 October 2007 and to Executive on 6 November 2007.

All three schemes were considered to meet the aims of the Fund and to be potentially successful bids. It was resolved to support the maximum number of two bids, and on the basis of the information available, Moretonhampstead Old School and Exeter Community

Centre were selected. Winkleigh Community Centre was unsuccessful partially based on the request for a large amount of funds for a relatively small project.

4. Proposal for Discussion

Although Winkleigh Community Centre was not supported for a bid to the Community Assets Fund, it is proposed that Devon County Council continues to work with the CCOWS group as a case study on the Quirk Demonstration Programme and will endeavour to identify and obtain other funds to enable its success as a project in the near future. The Quirk Pilot is current and runs until the end March 2008 and over this period it is intended that all the case studies will be moved forward through work on the main issues with each in order to prepare for and assess if the terms for transfer are met.

The draft outline 'heads of terms' for transfer considered at Executive on 6 November 2007 are shown below:

"Devon County Council intends to grant a long lease or would consider sale on preferential terms to the named group, subject to:-

- 1. Confirmation of the legal structure and status of the organisation and evidence of capacity & capability to take on and run the asset*
- 2. Satisfactory and up to date business plan, demonstrating need, financial viability and sustainability*
- 3. Demonstration and valuation of the social benefits to enable a price discounted from market value to take into account social benefit*
- 4. Demonstration of community support for the organisation and the proposed use of the asset*
- 5. No other external considerations arising that would materially change the circumstances existing at the time of submission of the application."*

It is envisaged that the work over the next few months, with support from the external consultants and the learning coming through from the other pilots around the country, will particularly focus on long-term viability of the proposals, details of the terms of the leases, evidence of community need/benefit and support. The next step for the Winkleigh project is for both parties to agree and sign a memorandum of understanding around working together. This follows the agreement of such a document for the other two case studies in order to meet the eligibility requirements for the Community Assets Fund.

Views from the Committee Members that would help to inform taking forward this proposal are sought.

5. Consultations/Representations

Key officers from across the County Council are engaged in the discussions around the Quirk pilot. Engagement of key Members is also happening through Executive and directly with local members for the case studies.

6. Financial Considerations

The Quirk Pilot includes a number of days of consultancy to the County Council and the case studies, paid for by DCLG. Some additional days could be bought in if considered necessary and desirable. Director of Finance, IT and Trading is involved in the negotiations regarding the potential impact on the County Council's capital receipts. In this respect, some of the consultancy time will be spent on developing a technique for quantifying social benefit of an asset transfer against the 'best value' of the asset to assist valuations for possible transfer.

7. Sustainability Considerations

The principle of community ownership and management of assets for community benefit has potential for a positive impact on the creation of sustainable communities, by providing improved property to accommodate community activities and by increasing community capacity to manage such assets successfully. Asset transfer would therefore facilitate the development of these assets as 'community anchors' in tackling deprivation.

8. Equality Considerations

The organisations that would be considered for possible transfer of DCC assets would be community and voluntary sector organisations who would need to have a remit around working for the benefit of the whole community. Equal opportunities policy would be expected to be in place. The buildings themselves would need to be brought up to standard to meet DDA requirements, if not already doing so.

9. Legal Considerations

There are legal considerations around the terms of the transfer of assets to community and voluntary organisations. The County Solicitor is engaged in the Quirk pilot work and therefore legal advice is integral to the process.

10. Options/Alternatives

Devon County Council is now accepted as part of the national Quirk Demonstration Pilot. This process between now and March 2008 will consider how the recommendations of Quirk can be taken on board in terms of Council policy, approach and practice, both strategically and in respect of the 3 case studies. This will necessarily include looking at options, and undertaking options appraisal.

Community asset transfer will not be appropriate in every instance when an asset becomes surplus. However, the County Council needs to have a clear framework, policy and process for enabling a full and fair consideration of both reactive and proactive opportunities for community asset transfer.

The case studies currently under consideration are an opportunity to test the approach and learn for the future. All 3 cases have been known to the County Council for a number of years and different degrees of negotiation and consideration have already taken place, but without conclusion. Therefore 'do nothing' is not considered to be an option in this respect.

11. Reason for Recommendation/Conclusion

A corporate asset strategy is being developed and, for all the reasons set out in Barry Quirk's report and the government response, the potential for transfer of suitable property to capable community bodies should feature in implementation of this strategy. The Devon Reinvestment Service, managed by the County Council, has established specific expertise in assisting community asset management and this should be drawn on for this work into the future.

The Quirk Pilot is offering a real opportunity to embed this new area of Government thinking in Devon for the future. Working with community organisations to look at alternative beneficial uses for our surplus assets can be a win-win strategy, helping to address community needs and develop community capacity, and in doing so help the County Council to meet its strategic aims. Community organisations are also well-placed to access external funding that the County Council cannot in isolation.

Edward Chorlton

Electoral Divisions: All in Torridge

Local Government Act 1972

List of Background Papers

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Background Paper	Date	File Ref
None		

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