



# Portsmouth

## CITY COUNCIL

*Economic Development, Culture & Leisure*  
*Scrutiny Panel*

**A REVIEW INTO MAKING COMMUNITY OWNERSHIP  
WORK FOR PORTSMOUTH**

Date published: 30 April 2013

Under the terms of the council's constitution, reports prepared by a scrutiny panel should be considered formally by the cabinet or the relevant cabinet member within a period of eight weeks, as required by Rule 11(a) of the Policy & Review Procedure Rules.

**PREFACE**

The object of the Economic Development, Culture and Leisure’s scrutiny in the 2012-13 municipal year has been ‘Making Community Ownership work for Portsmouth’. As a panel we decided that due to the implementation of the Localism Act and the growing number of community ownership projects in Portsmouth, it would be right for us to make recommendations to enable Portsmouth City Council to best respond to the challenges that increased community ownership brings.

To do this we took evidence from a number of individuals from current community ownership bodies including the Hilsea Lido and the Southsea Skatepark; from City Council departments including Planning, Procurement, Cultural Services, Legal Services and Community Engagement; from organisations that work to encourage and engage community and social enterprise including Community Action Hampshire, Locality and The Cathedral Innovation Centre and, on behalf of the City administration, the Cabinet Member for Culture, Leisure and Sport. Through this evidence we heard where community ownership both within and without Portsmouth has been in the past, where it is now and what the opportunities and obstacles are for the future. Our witnesses showed how the City Council might go about giving the best platform of support and consistency of approach in the future.

I would like to personally thank Francis Davis, Stephen Baily, Paddy May, Claire Upton-Brown, Liz Donegan, Daniel Fearnley, Annemarie Naylor, Chris Richards, Julia Holberry, Scott Patterson, Mandy Lindley, Robert Parkin, Greg Povey, Sabrina Richards, Louise Wilders, James Sandy, Rod McLean, Helen Downing-Emms, Des Callow, Tina Clarke and Councillor Lee Hunt for taking the time to give evidence to the panel, as without their knowledge and experience we would have not have been able to produce this report or the recommendations that come out of it.

I would also like to give my great thanks to my Portsmouth City Council colleagues Councillors John Ferrett (Paulsgrove), Darron Phillips (Baffins), Will Purvis (Milton), Darren Sanders (Baffins) and Steve Wemyss (Drayton and Farlington) for the non-partisan, thoughtful and dedicated way they have approached this topic and come up with an excellent set of recommendations that will serve Portsmouth well.

My final thanks go to the person without whom this report would literally not exist, the panel’s Local Democracy Officer, Karen Martin, who not only drafted this report, but sat through many hours of evidence and discussion and came up with ideas and suggestions to help move the review along.

I commend this report to the Cabinet, the Council and the People of Portsmouth.

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Councillor Matthew Winnington  
Chair, Economic Development, Culture & Leisure Scrutiny Panel  
Date: 30 April 2013

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## **1. EXECUTIVE SUMMARY**

### **1.1 To define community ownership in Portsmouth by investigating different models of community ownership**

In recent years, there has been significant policy support and cross-party agreement for community participation and empowerment, including through the ownership and management of assets by community organisations. There have been successive attempts to give communities and citizens more control over the services they use, for example by the coalition government's Big Society agenda and recent legislation to promote 'localism' and public service reform, such as through the Localism Act 2011.

The Quirk Review in 2007 concluded that the benefits of community management and ownership of assets can outweigh the risks and that if there is a rational and thorough consideration of the risks and opportunity costs, there are no major obstacles to the transfer of public assets to communities.

Against this backdrop, there are an increasing number of examples of community organisations taking on both the management of local assets (for example, community centres, theatres, museums and leisure centres) and the ownership of assets (for example, land, arts venues, football clubs). One size does not fit all however and contemporary organisations owning or managing assets include Community Land Trusts, Development Trusts, Mutuals, Social Enterprises and Co-operatives.

### **1.2 To understand the changing landscape of public asset management policy**

In recent years the momentum behind community ownership and its potential in place-shaping and regeneration has gained momentum with the Localism Act 2011 forming a cornerstone to government support for community asset transfer and more active civic duty. The Act aims to pass significant new rights direct to communities and individuals, making it easier for them to get things done and achieve their ambitions for the place where they live. The Community Right to Challenge and the Community Right to Bid are key elements to this, alongside alternative mechanisms offered by Community Asset Transfer, the Public Request to Order Disposal of land for community use and Compulsory Purchase powers.

Portsmouth was selected as one of 14 local authority Pathfinder areas in 2009 and has seen a number of community ownership projects, including the Peter Ashley Centre, Kings Theatre, Southsea Skatepark and the Hilsea Lido, take effect. In addition to direct asset transfers, such as the Skatepark and Hilsea Lido, the council has operational partnerships with social enterprises and community groups such as Yellow Kite at Southsea Castle and the Friends Group at Cumberland House.

Portsmouth City Council's (PCC) Cabinet approved a Community Right to Bid policy at its meeting on 4 February 2013, and also has in place a policy on Community Ownership and the Management of Assets which guided asset

transfers including the Hilsea Lido, Skatepark and Wymering Manor. The council's property holdings are diverse and the policy framework aims to ensure that the council fully considers the risks and benefits of asset transfer as part of its overall corporate management planning process.

### **1.3 To understand the opportunities and challenges of community ownership for groups, communities and the local authority**

The Quirk Review focused on how to optimise the community benefit of publicly owned assets and made it clear that assets, not liabilities, should be subject to transfer. An asset failing under council control will not be any different under community ownership, if ownership is the only thing to change. Liabilities must be transformed into assets and long term sustainability needs to be built in with groups being able to develop revenue streams and capacity.

Volunteers play an important role at all stages in the community transfer process – from initially seeking to take on an asset to running it on a daily basis. In January 2013, a new volunteering service was initiated in Portsmouth aiming to support local needs and increase the number of people volunteering across the private, public and voluntary sectors.

A crucial factor in the success or otherwise of community ownership projects is the need for skilled and experienced trustees with a clear vision and understanding of how to move the group forward. General skills such as leadership, the ability to build team spirit alongside specific skills pertaining to enterprise (including fundraising, strategy, management, marketing and promotion, volunteer supervision, legal, finance and so on), are needed. Groups should be encouraged to approach community ownership with the same care and caution as a new business start-up.

Transparency and clear information sharing including financial transparency, is needed once the process is underway. This is a two-way process and can facilitate choice as people use information and data to make informed decisions. Speed of response by the council will be as important as communications and managing expectations. A slow response by the council to proposals will erode the confidence and enthusiasm of groups.

The need to raise the funds to take over an asset is the first financial challenge most groups face. There are relatively small sums available for local social finance as grants are liable to become increasingly competitive and the returns required by the Big Society Capital<sup>1</sup> are challenging for many marginal social enterprise initiatives because of the requirement for a return. Local authorities can help address this through a number of means including creating community banks or community share flotations such as the share issue the Portsmouth Supporters Trust (PST) is using to raise money for it to buy the football club.

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<sup>1</sup> The Big Society Fund invests in organisations that provide finance and support to social sector organisations. Further information is available from <http://www.bigsocietycapital.com>

Organisations' managing transferred assets need to be sustainable in the long term. They should generate income and, where possible, may require on-going local authority subsidy depending upon the social and/ or environmental benefits of doing so. A number of organisations will not be sustainable as they cannot generate enough earned income without subsidy. Long term sustainability will also be dependent on the capacity of the group and an assurance that there is sufficient commitment from volunteers.

Access to professional expertise is a significant challenge for groups and the establishment of a talent bank of volunteers who can deliver professional support to community groups is a positive way of tapping into local talent and skills, and can attract new people into volunteering. Community Action Hampshire (CAH) is working with a number of other organisations to form a volunteer bank to match volunteers possessing a range of business skills with local community groups in need of these skills.

The review revealed that Portsmouth's track record of transferring assets to community groups is not perfect or seamless and further clarity about how an expression of interest might be received is needed. With an increasing number of campaigns and voluntary groups wishing to take on assets, the council needs to co-ordinate its efforts effectively and manage expectations while governance issues and accountability are addressed. Groups need to be supported in their early explorations of community ownership and the reality of the journey ahead needs to be honestly and openly conveyed to them.

A dedicated community ownership unit within the council has been proposed. The unit would act as a single source of information and advice, facilitate and encourage expertise and have responsibility for agreeing a set of clear criteria for accountable and transparent decision-making on community ownership decisions. Long term monitoring to ensure that assets continue to benefit the community also needs to be put in place alongside democratic accountability so that sites and services benefit the city as a whole and not just the community group in ownership.

Elected members, as leaders within their communities, play a central role in helping broker discussions and bring together different groups to form constructive partnerships.

#### **1.4 To be informed of the opportunities and challenges of the Community Right to Challenge**

The Community Right to Challenge presents its own opportunities and difficulties. Measuring the Social Value of any bid is not easy, there are challenges around local groups initiating the process being out-bid by big private sector organisations and the potential for profitable services, which currently subsidise more expensive services, to be 'cherry-picked' is real.

In designing the commissioning process it is important to have a robust metric which captures all the costs and opportunities associated with proposals. Portsmouth City Council will respond to expressions of interest on a case-by-case basis and there is work underway within the council to produce a policy to determine how expressions of interest from potential staff mutuals might be supported which will then be adhered to.

## **2. CONCLUSIONS**

- 2.1 When done well, community ownership can be completely transformational. Our review of community projects both within Portsmouth and from around the country shows that taking over an asset often takes considerable time and effort. It needs people in the community with a belief in what they are doing and who are prepared to stick at it despite all obstacles. The panel supports the view that the local authority and community groups are both central stakeholders in community ownership projects and must work together in a supportive environment if community ownership is to work in the city (sections 5.3, 6.3, 6.4, 7.2).
- 2.2 The panel heard however that regardless of how motivated people are, there are a considerable number of practical and potentially expensive obstacles and impediments to face before a project can be successful. These include the need for the group to attract people with the right skills on to their Trust board, access to professional advice and, of course, funding. The panel heard from witnesses that some of the community ownership projects which have taken place in recent years have shown imagination, entrepreneurship and creativity when solving these problems (sections 7.2, 7.3, 7.5, 7.7).
- 2.3 The panel also heard that a number of community groups have felt that they have had to 'reinvent the wheel' and that an opportunity to share resources or take advantage of a talent bank of volunteers offering professional skills and advice would be empowering and make a significant contribution to the sustainability of the groups. The panel was therefore pleased to hear that Community Action Hampshire, working in partnership with Business in the Community and others, aims to establish this type of resource for community groups to draw on (section 7.7).
- 2.4 The panel also learned that in the past, different community groups have had different experiences when working with the council to take over assets. It heard that the response from the council was varied and depended on the individuals or services concerned and that there was a perception of inequality in terms of the support and/ or funding provided to groups (section 7.4).
- 2.5 It also established that cultural barriers and a lack of expertise in dealing with community ownership issues are likely to stifle social entrepreneurship. The panel heard that a Community Ownership Unit comprising officers with relevant experience including community engagement, legal services, planning and asset management, would be welcomed by groups and council officers alike (sections 7.8, 7.9).
- 2.6 It believes that such a Unit would help ensure an equitable, transparent and fair response to groups, could help develop community ownership decision-making criteria, ensure that appropriate monitoring arrangements are in place, provide support through to transition and nurture links between groups and ensure that the council continues to fulfil its responsibilities however assets and services are delivered (section 7.9).

- 2.7 The panel believes that the contribution elected members could make, working in partnership with groups, communities and the council is not to be underestimated. The panel heard that members contribute to managing expectations by helping balance the wants and needs of a local community within the bigger city picture and encouraging more active promotion of community ownership by members could be useful (section 7.9).
- 2.8 The panel is content that the council is working towards formulating a policy on reacting to expressions of interest from potential staff mutuals. It also believes that a case-by-case basis for responding to Community Right to Challenge expressions of interest is appropriate at this time, although it recognises that this may not always be possible and that it should be monitored (sections 8.0, 8.3).
- 2.9 The panel believes that the Right to Challenge could present the council with challenges in relation to profitable services, which subsidise more expensive services, being targeted (section 8.2).

### **3. RECOMMENDATIONS**

- 3.1 That by 30 August 2013, the council establishes a Community Ownership Unit for Portsmouth (conclusion 2.5 and 2.6) which comprises officers with experience and expertise of community engagement, planning and development, asset management and legal services in order to:**
- Provide a 'one stop' fair source of support and information within the council to community groups on issues of community ownership (conclusion 2.4).**
  - Take the lead on producing a set of clear criteria to facilitate accountable and transparent decision-making on community ownership decisions (conclusion 2.6).**
  - Provide open and honest information to community groups including information about the level of support those making applications to the council can expect (conclusion 2.4).**
  - Co-ordinate responses to requests for information and expressions of interest from community groups across the council ensuring transparency in the process (conclusion 2.4).**
  - Provide support to community groups through transition to community ownership in partnership with elected members and referring to external individuals or bodies and including assisting with seeking funding when appropriate (conclusion 2.6).**
  - Ensure that appropriate monitoring arrangements are in place to make sure that assets transferred into community ownership deliver benefits to the local community such as through leasing arrangements, service level agreements, funding agreements etc (conclusion 2.6).**
  - Nurture links between community groups operating in the city in order to encourage inter-group partnership working, information sharing and problem solving (conclusion 2.6).**
  - Ensure that as the number of community ownership projects and partnerships with the council increases, the council continues to fulfil responsibilities to the local community through the provision of assets and services how ever they are delivered (conclusion 2.6).**
- 3.2 That the new Community Ownership Unit supports Community Action Hampshire and Business in the Community in their efforts to establish a talent bank of volunteers offering professional and business skills to community organisations (conclusion 2.3).**
- 3.3 That the council endorses the development of a policy on mutualisation and the opportunities for a community group, third sector organisation or employees to submit a bid to run council services under the Community Right to Challenge (Localism Act 2011) taking into account the evidence this panel has heard (conclusion 2.8).**

- 3.4 That the council monitors expressions of interest received under the Right to Challenge, particularly in relation to more profitable services (conclusion 2.9).**
- 3.5 That the council encourages its elected members to work together to act as brokers and facilitators for community ownership projects in partnership with the Community Ownership Unit and that a copy of "Empowering communities: making the most of local assets - A councillors' guide"<sup>2</sup> (a Local Government Association publication) is circulated to all members and is included in the induction pack for new members (conclusion 2.7).**

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<sup>2</sup> See Appendix F

## **4. PURPOSE AND OBJECTIVES**

- 4.1 This report aims to present the Cabinet with the recommendations of the Economic Development, Culture & Leisure Scrutiny Panel following its review into making community ownership work for Portsmouth.
- 4.2 The full objectives are given in Appendix B attached to the report. Information about the composition of the panel and the meetings held can be found in Appendix C. Web address links to the minutes of each meeting and documents received in the course of the review are also provided in Appendix C.

## **5. TO DEFINE COMMUNITY OWNERSHIP IN PORTSMOUTH BY INVESTIGATING DIFFERENT MODELS OF COMMUNITY OWNERSHIP**

### **5.1 Defining community ownership**

- 5.1.1 The panel established that community ownership occurs when an asset or service is owned and controlled outside the public sector in such a way that individuals or groups within a geographic community can influence its operation or use and enjoy the benefits arising from it. In the context of Portsmouth, the community affected could be the whole of the city, a geographical area within it or a specific group, such as football supporters.
- 5.1.2 The panel also learnt that community ownership, although used to deliver services for many years, is increasingly being seen as a way in which local authorities can find innovative solutions to unmet needs and create, or stimulate, the market to address these needs.
- 5.1.3 The Cabinet Member for Culture, Leisure and Sport at PCC, Councillor Lee Hunt, informed the panel that across the country there are an increasing number of examples of community organisations taking on the management or the ownership of local assets. Arrangements for how this is achieved are diverse including short term licenses giving permission to occupy a property on a short term basis, leasing arrangements for varying lengths of time including paying rental as part of leasehold arrangements and freeholds involving full transfer into community ownership.
- 5.1.4 The panel learned that Barry Quirk, Chief Executive of Lewisham Council concluded in his review of community management and ownership of public assets<sup>3</sup> that:
- 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.

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<sup>3</sup> Making Assets Work: The Quirk Review of community management and ownership of public assets: <http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/documents/communities/pdf/321083.pdf>

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

## 5.2 Different models of community ownership

- 5.2.1 The panel learned that the tradition of UK community group involvement in assets dates back over 400 years to early charities, social movements and mutual organisations. Stephen Baily, Head of City Development and Cultural Services at PCC, informed the panel that across the country, there are an increasing number of examples of community organisations taking on both the management of local assets (e.g. community centres, theatres, museums and leisure centres) and the ownership of assets (e.g. arts venues, football clubs, property and land). Contemporary organisations owning or managing assets include development trusts, community centres, village halls and housing co-operatives among others.
- 5.2.2 Councillor Darren Sanders in his report to the panel said that the manner in which a community owns or controls an asset or service varies. His research showed that more common models include:
- *Community Land Trusts* are non-profit corporations that develop and steward affordable housing, community gardens, civic buildings, commercial spaces and other community assets on behalf of a community. Crucially, they own the land on which the asset resides as well as the asset itself.
  - *Community Development Trusts* are focused more on economic regeneration of an area and tend to work in a more business-focused manner. They have a variety of legal structures, but are, again, not-for-profit. A good example of this is Coin Street<sup>4</sup> by the River Thames in London.
  - *Mutuals* exist to raise funds from members (who can be employees, customers, other key stakeholders, or some combination of all three), which can then be used to provide common services to all members of the organisation or society. Profits tend to be re-invested or, sometimes, used to finance growth. Building societies tend to be mutuals, for example.

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<sup>4</sup> See Appendix E - Best Practice Review - Coin Street

- *Social Enterprises* include organisations such as charities or mutuals, which are also businesses but with primarily social objectives. Surpluses are principally reinvested for social, environmental and financial benefit.
- *Co-operatives* are an autonomous association of persons who voluntarily cooperate for their mutual, social, economic, and cultural benefit. They include non-profit community organisations and businesses that are owned and managed by people who use their services, people who work in an organisation or residents of an area.

### 5.3 How we define community ownership in Portsmouth

5.3.1 The Cabinet Member for Culture, Leisure and Sport informed the panel that within the culture, leisure and sport portfolio, Portsmouth City Council has a strong and longstanding history of working with community associations, groups and volunteers in developing, transferring and delivering community ownership projects including the Peter Ashley Centre, Kings Theatre, Southsea Skatepark and Hilsea Lido.

The Head of City Development and Cultural Services provided further information to the panel. He stated that for almost a decade, cultural services within the council has examined alternative delivery models for local cultural sites and the service already works in a variety of 'mixed economy' models of service delivery. These include direct asset transfers such as the Hilsea Lido<sup>5</sup> and Southsea Skatepark<sup>6</sup>, and operational partnerships with social enterprises and community groups, such as with Yellow Kite at Southsea Castle and with the Friends Group at Cumberland House.

5.3.2 Information on the council's Community Management and Ownership of Assets<sup>7</sup> policy was provided by Paddy May, Corporate Strategy Manager at PCC. He informed the panel that this states that although retaining the ownership of assets provides the council with an opportunity to achieve a variety of different economic, regeneration, social, community and public functions, for some assets community management or ownership could deliver:

- *Benefits to the local community* – for example, by building confidence and capacity; attracting new investment and reinvigorating the local economy; and by securing stronger, more cohesive and sustainable communities.
- *Benefits to the community group* – for example, by enhanced financial security; increasing recognition; management capacity and organisational development.
- *Benefits to the council and other public sector providers* – for example, by the creation of a new partner able to tap in to additional resources; the ability to engage with a more cohesive local community; and new service provision complementing and augmenting statutory services).

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<sup>5</sup> See Appendix C, for a link to the minutes of the panel meeting held 22 November 2012 for more information on Hilsea Lido Pool for the People Trust and the Hilsea Lido transfer.

<sup>6</sup> See Appendix C, for a link to the minutes of the panel meetings held on 11 October and 22 November 2012 for more information about the Southsea Skatepark transfer.

<sup>7</sup> Portsmouth City Council's policy on community management and the ownership of assets can be found at: [http://www.portsmouth.gov.uk/media/Asset\\_Transfer\\_Policy\\_WEB.PDF](http://www.portsmouth.gov.uk/media/Asset_Transfer_Policy_WEB.PDF)

5.3.3 The Head of City Development and Cultural Services, in commenting about delivering cultural services in the city, said that co-ordination is crucial to ensure that everyone in Portsmouth has the opportunity to access a diverse range of cultural and leisure events, facilities, services and sites, irrespective of how these are delivered or by whom.

5.3.4 However, the panel was informed that it is important to recognise that there are a number of potential barriers to the success of Community Right to Bid transfers in the city. The Corporate Strategy Manager suggested that one such barrier is that applications could be perceived as delaying much needed development and regeneration. In addition, the process could raise expectations that the council would not only list assets as having community value but that it could be expected to fund the purchase of assets.

The Cabinet Member for Culture, Leisure and Sport believed that it is important that as the city goes forward, the power of our assets is unlocked to draw in funding, drive growth and create jobs. He said that the council has to be disciplined around declining budgets and aim to deliver more with less. The council should not be selling off the family silver but using it to generate returns for the public purse alongside the delivery of additional benefits to the community.

5.3.5 The Head of City Development and Cultural Services informed the panel that the best approach to community ownership is found by viewing potential transfers through the lens of long term community benefit and development, rather than the opportunity for short term financial gain. A spirit of partnership and trust is needed between the local authority and community groups, alongside a clear willingness to take risks in order to reap the clear benefits that are offered by community ownership: financial stability, local commitment, reduced costs to PCC and a sustainable future for threatened sites.

The local authority and community groups are both central stakeholders in community ownership projects. However other groups play equally important roles particularly in managing local expectations and decision-making processes, including elected members and the local media. A clear commitment is needed from the local authority to support groups in considering community ownership, as well as realism on both sides that the local authority will be a key long term partner, but cannot be expected to micro-manage community groups in the long term.

## **6. TO UNDERSTAND THE CHANGING LANDSCAPE OF PUBLIC ASSET MANAGEMENT POLICY**

### **6.1 Central government policy approach and response**

6.1.1 In recent years the momentum behind community ownership and its potential role in place-shaping and regeneration has gained momentum. The panel learned that since 2010 the policy context has changed significantly with the agenda for community asset transfer and more active civic duty accelerating under the direction of the current Government.

The Localism Act 2011 aims give local residents a greater say over local services including the transfer of property assets to the community in the belief that there are realisable benefits to be obtained from giving the community a greater say in their area. The Act aims to pass significant new rights direct to communities and individuals, making it easier for them to get things done and to achieve their ambitions for the place where they live. The Community Right to Challenge and the Community Right to Bid are key elements of this.

6.1.2 Francis Davis, Chair of the Cathedral Innovation Centre in Portsmouth provided evidence to the panel. He has taught social enterprise and community development at Oxbridge, has written various publications in this field and has provided advice to past and present government ministers. He informed the panel that the legislation that introduces the Community Rights (the Localism Act 2011) is permissive and is therefore, absolutely the opposite of a central plan which imposes a particular mode of 'best practice'. Other initiatives, such as City Deals and community budgets, are also providing opportunities to create exceptions to national rules and reflect local needs.

6.1.3 In reviewing documents submitted to the panel, it learned that other relevant areas of policy and law include:

- *The Open Public Services White Paper* published in July 2011 where the government outlined its plans for changing how public services are owned, delivered and funded. It is based on the following principles: Choice of providers for service users; decentralisation; diversification of providers; fair access to public services and accountability to users and tax payers. The Community Right to Challenge is one of the ways that the government is implementing the white paper.
- *The Public Services (Social Value) Act 2012* became law on 8 March 2012 and places a legal duty on public bodies to consider the social, economic and environmental wellbeing of an area when making decisions on commissioning and procurement. This duty will also take effect when local authorities are making decisions on contracting out public services, including contracting triggered by the Community Right to Challenge process.
- *The Local Government Act 1999 and Best Value Statutory Guidance*, September 2011 which require authorities to consider 'best value' when reviewing service provision. This is defined as "having regard to a combination of economy, efficiency and effectiveness" as well as overall value. In achieving this, authorities have a duty to consult before deciding how to fulfil their Best Value Duty and, when considering de-commissioning a service, actively engage community organisations and service users and consider options of how to reshape the service or project.
- *Public Request to Order Disposal (PROD)*<sup>8</sup> provisions which have been refreshed and extended as the Right to Reclaim Land. This comprises a process where an individual or group may apply to the Secretary of State for the Department for Communities and Local Government (DCLG) to consider the disposal of publicly owned land or buildings. The buildings or land must be disused or under-utilised and the aim must be to stimulate development and use.

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<sup>8</sup> See Appendix C, for a link to the minutes of the panel meeting held on 22 February 2013 for a paper on PROD provisions.

- *Compulsory Purchase*<sup>9</sup> powers in keeping with the provisions outlined within Circular 06/2004: "Compulsory Purchase and the Crichel Down Rules" which provide guidance to support community groups and councils entering into a back-to-back transfer process to stimulate regeneration through the acquisition of disused or under-utilised assets owned by private individuals or entities.

6.1.4 Community ownership is often seen as a way of 'saving' or protecting buildings, such as public houses, from residential redevelopment. In this context, Claire Upton-Brown, Assistant Head of Planning at PCC, informed the panel that with a couple of exceptions, largely related to affordable housing, the planning system is generally unable to take into account land ownership when taking decisions on the future use or redevelopment of land or buildings.

Decisions need to be made according to adopted local and national policies, taking in to account material considerations. For example, development which could assist with the economic viability of South Parade Pier in Southsea would need to be judged against the implications of the use, for example in terms of traffic generation or noise, and the visual appearance of any change to the building's structure, irrespective of whether the applicant was a community trust or a private owner.

## 6.2 The Localism Act 2011 and community rights

6.2.1 The Corporate Strategy Manager informed the panel that the Localism Act (2011)<sup>10</sup> introduced a series of new Community Rights amongst a range of wider initiatives.

Whilst the Act enshrines these rights, they were building on existing policy initiatives from the previous government such as those contained within the Local Government & Public Involvement in Health Act (2007) which aimed to create strong, prosperous communities and deliver better public services through a re-balancing of the relationship between central government, local government and local people.

6.2.2 The panel learned that the Localism Act delivers four new Community Rights<sup>11</sup> which provide new tools to encourage community groups to acquire and develop land and buildings:

- *Community Right to Challenge* (in force from June 2012) which gives communities the right to bid to run local council or fire and rescue authority services where they think they can do it differently and better.
- *Community Right to Bid* (in force from September 2012) which aims to give communities the right to bid to buy and take over the running of local assets which are important to them. How the Community Right to Bid works is set out in the Localism Act and Regulations but local authorities

<sup>9</sup> See Appendix B, for a link to the minutes of the panel meeting held on 22 February 2013 for a paper on Compulsory Purchase and the Crichel Down Rules.

<sup>10</sup> The Plain English guide to the Localism Act (2011) was published in November 2011 and can be found at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/5959/1896534.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5959/1896534.pdf)

<sup>11</sup> Further information on Community Rights can found at <http://mycommunityrights.org.uk/> a website set up by Locality.

must keep a 'List of Assets of Community Value' and community groups can nominate land and buildings for inclusion on the list. If an owner wants to sell property that is on the list they must inform the local authority and if the nominating body is keen to develop a bid, a moratorium period is triggered during which time the owner cannot proceed to sell.

- *Community Right to Build* (introduced in April 2012) which aims to give communities the right to build small-scale, site-specific projects without going through the normal planning application process.
- *Neighbourhood Planning* (introduced April 2012) which is a new way for communities to have a say on the future of the places where they live and work. Communities could use neighbourhood planning to choose where new homes, shops and offices should be built, say what those new buildings should look like or grant planning permission for new buildings that fit with its Neighbourhood Plan.

6.2.3 From its review, the panel learned that community groups can take on assets via a number of mechanisms – not just under the new Community Rights. The Chair of the Cathedral Innovation Centre informed the panel that the new Community Rights provide fresh opportunities which could give communities more control over revenues currently controlled by the local state. But it should also be remembered, he said, that asset transfers can happen without recourse to any of the new Community Rights.

6.2.4 Community Asset Transfer<sup>12</sup> is the transfer of management and/ or ownership of land or buildings from a public body to a community group, at less than market value, in order to promote social, economic or environmental wellbeing. The Community Right to Bid is sometimes confused with this. Although they share some of the same objectives, they are different mechanisms communities can use to acquire land and buildings. The main differences are:

- Community Asset Transfer is the transfer of ownership or management of publicly owned assets, whereas the Community Right to Bid applies to some public and some privately owned assets.
- Community Asset Transfer is the transfer of management or ownership at less than market value. Community Right to Bid gives a window of opportunity for a community group to buy an asset on the open market.
- Community Asset Transfer is a voluntary process entered into proactively by public bodies. The Community Right to Bid is a pre-emptive legal right pertaining to communities.

6.2.5 In August 2012, the government announced a £16 million grant funding programme 'Community Ownership and Management of Assets' which community groups can apply for in order to make use of the Community Right to Bid or Community Asset Transfer. This is being managed by the Social Investment Business on behalf of the Department for Communities and Local Government.

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<sup>12</sup> Understanding Asset Transfer, a Locality publication can be found at:  
[http://mycommunityrights.org.uk/wp-content/uploads/2012/04/LOCALITY-ASSET-TRANSFER\\_UNDERSTANDING.pdf](http://mycommunityrights.org.uk/wp-content/uploads/2012/04/LOCALITY-ASSET-TRANSFER_UNDERSTANDING.pdf)

- 6.2.6 Elizabeth Donegan, Head of Services, Community Action Hampshire stated that under Community Asset Transfer, ownership of an asset is not necessarily transferred to a group. In some cases the management of the asset is transferred instead through a management agreement, licence to occupy or lease (short or long term).

At Community Action Hampshire we do not see a distinction between these two routes and believe that enabling factors include a clear route map, open discussion and an open-minded and responsive approach (including how sustainability can be achieved) rather than purely ownership.

### 6.3 Local authority approach and response

- 6.3.1 Although community ownership spans the political divide, a key aspect is whether individual local authorities embrace or resist the community rights and citizen leadership agenda.

The Chair of the Cathedral Innovation Centre informed the panel that a number of diverse approaches were already being seen across the country:

- *Kent County Council* has conducted a full review of services to make them ready for staff requests to mutualise or for community interests to take control. They have conducted service reviews and allocated resources to help drive work out of local authority monopoly control of revenues and services and into the community.
- *Lambeth Council*, looking to become a Co-operative Council, is devolving power to residents and, with Lewisham, is exploring citizen participation in the shaping of budgets so that they can actively take control of the services they receive and the communities in which they live.
- *Cheshire West and Chester Council* is mutualising its regulation services into an employee-owned enterprise and its social care activities into an employee-led one and actively seeks to help communities and individuals support others in their community or deliver a service via a social enterprise.
- By contrast *Wigan Council* placed a number of its leisure services into the Wigan Leisure & Culture Trust, a charitable organisation that is maintained by an annual grant from the Council and by through revenue generation by selling services. This is a more conservative approach, which dilutes citizen ownership in favour of enhanced local authority monopoly and officer/member control, but is considered appropriate by Wigan's administration because it blocks community bodies using the community rights or the right to request to run them.

- 6.3.2 Liz Goodall, Chief Executive of North Dorset District Council in the panel's review of best practice (see Appendix E – Best Practice Review) said that in order to make community ownership projects work, the council has to approach them in the spirit of enabling local individuals to take control of the projects themselves. It involves standing back in order to build trust. It is also important that the council treats its staff in a similar way, enabling them to make decisions and to take action to make services effective. This consistency of approach is vital to embedding trust in communities.

## **6.4 A decade of community ownership in Portsmouth**

6.4.1 Use and occupation of council owned premises by the voluntary sector is not new in Portsmouth. Over 80 properties are used or occupied by a variety of organisations ranging from voluntary support groups to sporting and youth organisations in the city. PCC's Cabinet Member for Culture, Leisure and Sport informed the panel that in recent months Portsmouth's oldest building Wymering Manor, alongside a start-up grant of £30,000 to help towards the cost of restoration, was transferred to the Wymering Manor Trust.

He also said that with regard to sport, the council is working with Milton & Baffins Football Club to transfer the football pitch to the club in order to give them a means of saving the £48 they have to pay each time they use it, and provide the club with an income to provide it with a sustainable future. At the other end of the scale, the council is currently supporting the Portsmouth Supporters' Trust in its bid to buy Portsmouth Football Club and become the biggest Community Club in Britain.

6.4.2 Daniel Fearnley, a board member of the Portsmouth Supporters' Trust<sup>13</sup> (PST) informed the panel that the Trust engaged with the city council early on and has always received cross-party support from members. The group's bid hinges on administrators PKF gaining permission to sell Fratton Park, which has a charge over it in favour of former Portsmouth owner Balram Chainrai, to the Trust. An on-going court case will determine the outcome, but the Trust is confident that the result will be positive for the club and that the new community club will become a blueprint for other supporters' trusts in the future<sup>14</sup>.

6.4.3 The Head of Services CAH, in discussing Portsmouth's track record of transferring assets to community groups, said that its record is not perfect or seamless, but there is an awareness that the council is generally receptive. Notwithstanding this, groups need to be clear about PCC's position regarding assets and how an expression of interest to take on an asset is likely to be received as different local authorities are responding to the new legislation in different ways.

6.4.4 In 2009, Portsmouth was selected as one of 14 Local Authority Pathfinder areas to support the development of the transfer of assets to the third sector as part of the Government's agenda to encourage devolution to local people and communities. The Corporate Strategy Manager informed the panel that this enabled the council to take advantage of consultancy advice and develop a policy framework for asset transfer in Portsmouth. The purpose of this policy framework was to build upon experience and best practice and provide a clear direction for responding to any requests for asset transfer.

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<sup>13</sup> See Appendix C, for a link to the minutes of the panel meeting held on 22 February 2013 for more information about the proposed purchase of Portsmouth Football Club by the Portsmouth Supporters Trust.

<sup>14</sup> On 10 April 2013, it was confirmed that a High Court judge had signed the order paving the way for a fans' takeover.

6.4.5 In 2009 and following public consultation, PCC published its 'Community Ownership and the Management of Assets' policy which has been used as the starting point to guide asset transfers that have taken place in Portsmouth including the Hilsea Lido, the Skatepark and more recently for Wymering Manor. As the council's property holdings are diverse (land, buildings, structures, and monuments) the policy framework allows the council to fully consider the risks and benefits of asset transfer as part of its overall corporate asset management planning process by considering common themes eg. the nature and capacity of the applicant, option appraisals including financial implications to the authority, the contribution to corporate objectives, assessment of risks and sustainable business cases.

The policy also states that an initial options appraisal will be carried out to inform decisions on future asset disposals and that one of the options to be considered would include transfer of assets to the third sector. It recognised that the priority should always be to obtain the best outcome to help deliver the Council's objectives and that this will require balancing the best price reasonably obtainable to support the Capital Programme against the benefits being offered through alternative uses including asset transfer.

The policy recognised that the "the council does have the opportunity, under the General Disposals Consent 2003, to sell or lease general fund assets at less than best consideration in cases where it can demonstrate and attribute value to wellbeing benefits that would arise. Any disposal for less than best consideration would need to be transparent, justifiable and have the appropriate Cabinet approval".

6.4.6 PCC's planning team is responsible for implementing the new Community Right to Bid within the council. The Cabinet approved a Community Right to Bid policy at its meeting on 4 February 2013 and this includes a process for assessing whether to accept nominations for inclusion on a register of assets of community value. If the nomination is successful, the group is given a window of opportunity to bid to purchase the asset if it is placed on the market for sale by the owners.

6.4.7 The Assistant Head of Planning informed the panel that in the context of planning policy, it is proposed that as part of public consultation on the Site Allocations Document, a question be asked to establish whether there is a view on particular buildings or sites where any community use should be protected. This would allow planners to identify potential assets of community value but would not prevent change of use as this would still need to be considered on the merits of the development. This could help with community ownership of a building as it could have an impact on the value of the building meaning that the community group would be more likely to secure it on the value of the existing use rather than the value for residential redevelopment.

## 7. TO UNDERSTAND THE OPPORTUNITIES AND CHALLENGES OF COMMUNITY OWNERSHIP FOR GROUPS, COMMUNITIES AND THE LOCAL AUTHORITY

### 7.1 Assets or liabilities?

7.1.1 In his evidence to the panel, the Chair of the Cathedral Innovation Centre cited The Quirk Review which focused on how to optimise the community benefit of publicly owned assets. The Quirk review concluded that the driver for asset transfer is not the disposal of assets but the empowerment of communities and made it clear that it expected assets, not liabilities, to be subject to transfer. The report assessed that:

- *Benefits to the community* can arise from building confidence and capacity, attracting new investment and reinvigorating the local economy and securing stronger, more cohesive and sustainable communities
- *Benefits to the community group* include financial security, increased recognition, power, management capacity and organisational development and through having a secure base opportunities to expand and diversify
- *Benefits to public sector providers* can arise from the creation of a new partner able to tap into additional resources, the ability to engage with a more cohesive local community and new service provision complementing and augmenting statutory services.

7.1.2 Annemarie Naylor, Head of Assets, Locality stated that if an asset is failing under council ownership, it will not be any different under community ownership, if ownership is the only thing to change. In other words liabilities must be transformed into assets and must be given something that enables them to generate an income – whether, for example, a counterweight asset or service contract or guarantee of grant monies. That is not to say that sweat equity and social finance cannot also help, but a business model needs to be sustainable for the medium-long term. Furthermore, there must be an emphasis on what service is being provided and whether it is wanted, or not, rather than a fixation on buildings in and of themselves. However, buildings can be used more efficiently and effectively through co-location which community anchor organisations are apt to steward. The example of more spacious and modern community centres illustrates this point.

The Head of Services CAH informed the panel that some councils seem to think that community ownership offers a means of divesting problem assets while it keeps the 'crown jewels' under local authority control. If an asset is not sustainable under the auspices of the local authority it is unlikely to be so if a group takes it over. This is particularly true if the asset in question has suffered long-term under-investment in maintaining its infrastructure. Long term sustainability needs to be built in as a group needs to be able to manage on their own by developing revenue streams and capacity to be successful. For example, transferring a building may not be a recipe for success but also transferring an adjacent car park for the group to run, and generate an income from, may make it sustainable.

There are cases however, where an asset may do better under the control of a group rather than the local authority as competing agendas do not always enable creative or entrepreneurial thinking. The right group with the right

concept and the right business skills, imagination and determination can make a project which was failing under a local authority succeed. Taking a user-led, evidenced approach which is based on need is a good way forward. A community organisation may also be able to attract funding that is unavailable to local authorities.

- 7.1.3 The Assistant Head of Planning Services informed the panel that there is a chance that groups will wish to maintain the use of a building but it could be a real challenge to ensure that its continued use is sustainable in the long term and not just delaying its inevitable loss.

## **7.2 People as well as assets**

The panel heard from a number of witnesses about the crucial role volunteers play at all stages in the community asset transfer process - from initially seeking to take on an asset to running it on a daily basis.

- 7.2.1 Chris Richards, Trustee Director, Southsea Skatepark informed the panel that a key element in the success of the Skatepark was its track record in Portsmouth and the large number of people who support it and were passionate about it from the outset. This passion turned into fund-raising and many people who were not able to contribute financially gave practical help in the form of products, services or expertise.

- 7.2.2 Julia Holberry, Trustee of Cogges Heritage Trust<sup>15</sup>, Oxfordshire and a Heritage Consultant (including to Cumberland House, Portsmouth) gave the panel insight into the importance of recruiting and retaining volunteers. The Cogges Manor Farm Museum is open all day, every day, Easter until the end of October and needs a team of at least 50 volunteers to operate the site on a daily basis. Volunteers come to the Museum for many reasons: younger people come for work experience, retired people for leisure and to put something back into their community, others with mental health issues come for therapy. All the volunteers are of very high caliber and are recruited and treated like members of staff. Not everyone who applies is taken on, training is offered and a handbook supplied to all volunteers at Cogges. However, finding people willing to commit to, say, one half day per week for an entire season or more is becoming more difficult as people have many other demands on their time and seem less willing to make this level of commitment to one project.

- 7.2.3 The panel learned that in North Dorset District Council, experience had shown that people will volunteer if investment is made in the asset to be transferred and that they are not interested in run-down buildings or neglected services. It also showed that continual nurturing to make links with new volunteers and sustain those already working hard in the community is necessary.

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<sup>15</sup> See Appendix C, for a link to the minutes of the panel meeting held on 22 November 2012 for information about the transfer of Cogges Manor Farm Museum from Oxfordshire Council to the Cogges Heritage Trust.

- 7.2.4 Scott Patterson, Treasurer, Moneyfields Allotment Association<sup>16</sup>, Portsmouth sounded a note of caution to the panel. He said that for community ownership to work well, a cultural shift among members of the public was also needed. Cultural dependency is endemic with many people expecting the council to provide everything and do everything. People have forgotten that they can do things for themselves and that the community should provide for itself.
- 7.2.5 Mandy Lindley, Third Sector Partnerships and Commissioning Manager at PCC, informed the panel that a new volunteering service that links closely with the city's ambitions for regeneration and work agendas was launched in January 2013. The new service<sup>17</sup> aims to support local needs and increase the number of people volunteering across the private, public and voluntary sectors.

### **7.3 The right skills for success**

The leadership of any organisation is key to its success and community groups are no exception. The panel heard from a number of witnesses that the trustee board running an organisation faces its own challenges, not only in coming together to take on an asset but also to finding a way of running it sustainably.

- 7.3.1 The Head of City Development and Cultural Services informed the panel that experience of a number of asset transfers using a variety of models in recent years has demonstrated commonalities in the process. A crucial factor is the need for skilled and experienced trustees with a clear vision and understanding of how to move the group forward through engagement and a strong identity. Groups should be encouraged to approach community ownership with the same care and caution as anyone starting up a new business.

Trust boards need general skills such as leadership, communication and the ability to build team spirit, as well as specific skills pertaining to enterprise such as fundraising, strategy, management, marketing and promotion, volunteer supervision, legal, HR, finance and so on. Where they cannot identify appropriate people in their own group with the necessary skills, they must find a way of drawing these in to the organisation.

- 7.3.2 The Head of City Development and Cultural Services informed the panel that in the cases of the transfer of the Guildhall to the Cultural Trust and the Skatepark to an independent charity, there was considerable reliance on council officers during the initial phases before the new organisations became more self-sufficient. Now the Guildhall is on the verge of becoming a charity and will use its new status to seek match-funding from 2013 while the Skatepark is also seeking independent financial support through an approach for Heritage Lottery Funding.

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<sup>16</sup> See Appendix C, for a link to the minutes of the panel meeting held on 6 December 2012 for information about Moneyfields Allotment Association, Portsmouth.

<sup>17</sup> Community Action Hampshire working in partnership with Learning Links will provide the new service. Volunteering opportunities can be accessed at: <http://www.portsmouth.gov.uk/yourcouncil/21250.html>

- 7.3.3 The Trustee Director of Southsea Skatepark informed the panel that trustees should look beyond their own expertise when considering how best to help their organisation. She said that although the Trustees of the Skatepark had a level of expertise which was very useful throughout the process, they used personal contacts to help too. In addition, the Trust approached the Business Partnership in Portsmouth and, as a result, received free legal advice from a local firm of solicitors, free advice about VAT registration and free accountancy advice. In each case, the Trustees undertook the research and prepared documents for the experts to review and check.

#### **The need for experienced and skilled trustees - Portsmouth Cultural Trust<sup>18</sup>**

##### Background:

- In 2010, PCC created an independent Not-for-Profit Distributing Organisation (NPDO) to take over the running of the Guildhall – an entertainment venue and major conference centre at the heart of the city.
- The Trustee Board is responsible for the vision and future direction of the Guildhall. Each member of the Board is a volunteer, offering their time and expertise for the benefit of the Guildhall and the city.

##### Transferrable lessons:

- Robust open trustee board selection process which included a skills audit of the skills needed and resulted in a Board comprising people with a wide range of skills, such as finance, retail venue management and marketing.
- Dedicated council project manager seconded to the Trust in order to provide the board with reassurance that there was a continuity of understanding and day-to-day support
- Very open reporting process with the council built into the funding agreement

## **7.4 Access to information**

- 7.4.1 The panel heard that once a group has decided to start the process of taking on an asset, two-way information exchange is crucial. Robert Parkin, Team Leader, Legal Services at PCC, informed the panel that transparency in the exchange of information helps groups making an application give a better response.

Greg Povey, Procurement Manager at PCC, provided more information on this aspect. He said that transparency and sharing information is an important part of the process and helps a group applying to take over an asset produce its application. This is a two-way process and, while the specification could include relevant information and details, the council could ask for financial proposals from groups making applications under Community Rights legislation.

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<sup>18</sup> See Appendix C for a link to the minutes of the panel meeting held on 11 October 2012 and a paper on the Portsmouth Cultural Trust transfer.

- 7.4.2 Trustee Director, Southsea Skatepark informed the panel that initially, making progress towards the transfer was very slow, with the property department at the council taking 4 months to respond to the initial letter expressing interest. It was a further 5 months before the first meeting took place.

However other departments at the council were very positive and generally, there was an atmosphere of mutual respect and openness throughout the process. The council provided information about the asset that the Trustees needed for the production of the business plan. In some cases, it is possible to take an educated guess about costs but a robust business plan requires good information.

**Access to information to build a case for community ownership - Southsea Skatepark<sup>19</sup>**

Background:

- Southsea Skatepark was created in 1978 in response to the craze for skateboarding.
- The Skatepark was formally transferred into a social enterprise model with a five-year sliding scale of financial support from PCC on 1 April 2011.

Transferrable lessons:

- The importance of a clear vision of community ownership from the outset
- A lengthy preparation period which ensured a smooth transfer and effective operation from day one
- The provision of up to date reports (including DDA Audit, Fire Risk Assessment, Condition Survey, Ramp Report etc) which enabled the Trust to identify and prioritise its repairs and improvements plans and costs
- The experience of the Board of Trustees which enabled it to carry out effective preparations and set up good policies and procedures
- Access by the Trustees to a range of community support including independent free legal and VAT advice
- The preparation by the trustees of a robust business plan with three year financial projections and a realistic risk analysis

- 7.4.3 Sabrina Richards, Chair and Full Time Volunteer, Hilsea Lido Pool for the People Trust, informed the panel that information about the physical state of the building was sketchy at best prior to transfer. The Trust had expected that the council could provide information and support, but the response was varied and really depended on the individuals concerned. The onus has been on the volunteers to produce business plans, procedures, policies and any other information which council officers request, but officers were often unable to provide information on which to base these documents.
- 7.4.4 The Head of Services CAH stated that community groups would benefit from a clear route map about where to go to, who to talk to and how to negotiate their way through the negotiations. There needs to be transparency in the process as this can facilitate choice as people use information and data to make

<sup>19</sup> See Appendix C for a link to the minutes of the panel meetings held on 11 October and 22 November 2012 for more information about the Southsea Skatepark transfer.

informed choices and encourage participation.

Louise Wilders, Head of Customer, Community and Democratic Services at PCC said that it is clear that there is a need for transparency and clear information sharing, including financial transparency, once the process is underway. Speed of response will be as important as communications and managing expectations. A slow response by the council to proposals will erode the confidence and enthusiasm of groups.

## **7.5 The reality of finding funding**

- 7.5.1 Community groups will often face two financial challenges. The need to raise the funds to take over the asset (possibly including purchasing the site and the legal and professional fees needed to establish the organisation) and then to run it in the long term independently and sustainably.
- 7.5.2 The Chair of the Cathedral Innovation Centre informed the panel that a key impediment to community ownership is the relatively small sums available for local social finance. Local authorities can address this by creating local community banks, investing their pensions funds or by offering varieties of community share flotations where specific local organisations could secure resources.
- 7.5.3 The Head of Assets, Locality stated that whilst access to external grant funding is frequently mentioned in the course of championing community ownership, such grants are highly competitive, and the situation is liable to be exacerbated as the number of community owned assets continues to grow. In order to obtain significant grant from some funders, projects often have to be in the 'flagship' category or, else, be prepared to accept an element of loan finance; hence, money held by Big Society Capital, some £600 million, is proving challenging to unlock for many marginal social enterprise initiatives because of the requirement for a return.

In terms of funding organisations, a general rule of thumb is to seek a mixture along the lines of 1/3 grant, 1/3 equity and 1/3 loan, but there is no one-size-fits-all 'funding cocktail' which can readily be applied to every situation. Ultimately, risk capital is invariably the most challenging to come by, and the least frequently offered by local authorities. Hence, the benefits of Community Assets and Service Grants as well as the Community Land Trust Fund (for community-led housing development initiatives) but, much more could be done at the local level in this respect.

- 7.5.4 The PST Board member informed the panel that the group had faced a number of challenges along the way. There have been complex issues to face including addressing the issues of debt and how to structure the funding of the club. The PST needed a significant influx of money yet wanted the opportunity to take part in the community share offer to be as accessible to as many fans as possible. Pitching the minimum investment at £1,000 was one of the hardest decisions the Board has taken. Following the agreement with PKF (the administrators) to buy the club, the extent of the Trust's ownership will be dependent on how much is raised through the share offer. In addition to the £1.3m raised so far through the share offer, further funding is coming from the Presidents and High Net

Worth fans (a group of wealthy Pompey fans) and a loan from the council

## **7.6 Long term sustainability**

- 7.6.1 Assets need to be sustainable in the long term. The Cogges Heritage Trust Trustee said that lessons learned from its experience suggests that Trusts need an on-going subsidy or access to income to survive and that, therefore, transferring assets to community organisations will not necessarily make savings for a local authority.
- 7.6.2 The Chair of the Hilsea Lido Pool for the People Trust informed the panel that money is the root of all their concerns. A system of mentoring, financial support and co-operation over a period of time would assist most projects move forward and become successful.
- 7.6.3 The Trustee of Cogges Heritage Trust informed the panel that a number of Trusts, such as Cumberland House, are too small to survive as standalone trusts as they cannot generate enough earned income. In some transfer cases, assets have been allowed to run down before transfer and this presents the community organisation with an even bigger challenge. They need reliable information for the business plan, information relating to the funding required to return the asset into good repair, and access to the funding itself.
- 7.6.4 The Chair of the Hilsea Lido Pool for the People Trust informed the panel that unlike other assets in the city, the Lido was not a going concern on transfer. PCC had decided that it was no longer viable and that the drama, spectacle and social interaction offered by the outside pool could be adequately replaced by the new pool at the Mountbatten Centre and this absorbed the funding previously allocated to the Lido and Victoria Swimming Pool. When the Trust took over the Lido, no funding was provided by the council to help set the project up and the legal fees were significant. This is a vastly different experience to that of the Skatepark transfer when the council invested significant funds and provided a tapering grant over a five-year period<sup>20</sup>. There is a need for an equitable system in the city. It is difficult to understand how different projects have such a wide level of financial support.

The issue for the Lido, as it progresses, is to access appropriate resources at the point at which they become necessary. Limited resources can encourage creativity. There are often different and more effective ways of achieving results. Since it took the Lido over, the Trustees have worked hard to upgrade areas such as the changing rooms and toilets and because of this, have been able to attract commercial concerns to the site offering wake-boarding and diving. These bring in an income both to the Lido and the council. The Trust also manages the Splashpool over the summer months and that attracts a further revenue stream.

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<sup>20</sup> Note of explanation: The Skatepark was a fully operating facility on transfer (unlike the Lido which had been closed and did not therefore have a revenue budget allocation) and the council agreed to continue its budgeted revenue support on a reducing scale to zero over five years. No capital investment in the Skatepark was made by the council.

- 7.6.5 Although not in community ownership, the Treasurer of Moneyfields Allotment Association demonstrated to the panel how a community group can move towards becoming financially self-supporting. He said that being a community interest company allows the association to buy and sell goods and, in recent years turnover at Moneyfields has increased from £6,000 to £25,000 per annum. This has allowed the association to invest nearly £20,000 in the last few years in making improvements to the site and it plans to do more in the future.
- 7.6.6 David Foster, Chief Executive of the Parks Trust in Milton Keynes<sup>21</sup>, commended its model of financial independence to the panel. He said that the organisation was endowed with assets from which it could generate an income and it was able to take an entrepreneurial approach to developing these assets. The Trust has a long term financial strategy that shows what return it needs to receive on investments to pay for the landscape maintenance and other costs and we cuts its cloth according to its means.

#### **Finding sources of income - Coin Street, London<sup>22</sup>**

##### **Background:**

- The Coin Street area of London's South Bank has over the last 24 years been gradually regenerated by a group of local residents who initially began working together in response to concerns that local families were being displaced by commercial developments in the area.

##### **Transferrable lessons:**

- Achieving a vision takes time, money, imagination and determination and the process of achieving a vision of place needs to be flexible and adapt to changing social and economic contexts
- Financial independence is crucial to ensure the sustainability of community initiatives. Coin Street was able to secure finance for new projects against income from commercial activities
- Exploiting the possibilities of a site for social enterprise is a key factor for the economic success of any project. Coin Street was fortunate to be located in an area of central London, but other sites will have their own natural advantages.

## **7.7 Building capacity**

- 7.7.1 The Head of City Development and Cultural Services informed the panel that one issue facing community groups is that a group of motivated people, determined to save a building or an asset may not be the best people to move the project forward into the future. He said that saviours need to be able to turn into maintainers and developers.

The Head of Services CAH said that groups face a number of major barriers to overcome before they can successfully manage an asset in the long term including capacity within the group. Passion combined with a willingness,

<sup>21</sup> See Appendix E - Best Practice Review - Parks Trust, Milton Keynes.

<sup>22</sup> See Appendix E - Best Practice Review - Coin Street, London

commitment and determination to keep going will ensure that the group can achieve a lot but they must be able to build capacity within the board of trustees for long term success.

- 7.7.2 For some groups capacity issues determine whether or not they pursue community ownership. The Treasurer of Moneyfields Allotment Association informed the panel that based on his previous experience of being involved in community owned organisations, such as sports clubs, he had thought that self-management would be the right way to go for Moneyfields. But research and consultation with others had shown that the Association should spend its time on enhancing the allotments and the site at Moneyfields, rather than being involved in self-management and issues such as setting and collecting fees. Notwithstanding the number of plot holders, it is a struggle to find 11 people who are willing to join the committee and attend meetings, he said.

The council has suggested that allotments in the city self-manage but the Association does not have the infrastructure, capacity or desire to self-manage despite being a community interest company and therefore theoretically ideally placed to do so. Working an allotment is a leisure activity not a functional activity and there is a real danger that self-management could drive volunteers away as they would see the need to take on an ever increasing number of responsibilities. The volunteers do not have the time to self-manage and do not have the resources to pay someone to deal with the issues self-management would bring.

- 7.7.3 The Chair of the Hilsea Lido Pool for the People, in her evidence to the panel, confirmed that there were considerable challenges for groups once they start down the process of community ownership. She said that the Trust started as a pressure group and now needs to transform itself into a corporate being and that this will not happen overnight. It will take 10 years for the Lido to show its potential and there is a tremendous burden of learning on the Trust – for example on issues relating to health & safety, licensing, contracts, VAT, legal – combined with the constant need to balance risk versus its responsibilities. The group at the Lido has grown in confidence and skills over time by using the wide professional expertise of its Trustees but it continues to require a huge emotional and time investment by the Trustees and volunteers alike. So by providing access to technical knowledge, accountancy and tax matters it would enable the next stage of growth and reduce duplication. This would be really useful and empowering for community groups.

The PST Board member said that for community groups access to legal, professional, commercial and marketing skills is essential. The PST is lucky in that it has a number of highly skilled fans who are willing and able to contribute their time and expertise to the club. In addition, the support given by Supporters' Direct has been very helpful as they provided legal frameworks, help with drafting our constitution, free support and access and engagement to other Supporters' Trusts. The football club's national profile and the publicity this the process has attracted has also been very helpful in attracting funding. Other community groups will not be in this position and access to this expertise could make a considerable difference to their long term sustainability and success.

The Trustee of Cogges Heritage Trust informed the panel that that the expert advice needed to set up the Trust could be expensive. For example, it cost £2,000 in legal fees for the necessary legal agreements to be drawn up. The Charity Commission had been quite clear that this advice could not be provided by Oxfordshire County Council and that it needed to be independent advice. Paying for resources such as payroll, PR and marketing can also be expensive and there is therefore scope for a body to co-ordinate these services on behalf of a number of community organisations locally.

7.7.4 The Head of Assets, Locality informed the panel that there is a sliding scale of levels of involvement from casual volunteers through to individuals who would welcome an opportunity to become full time social entrepreneurs responsible for managing assets and services and it is vital to recognise this when inviting expressions of interest from communities to take over the same. Simply handing over a liability will not work, without an assurance that there is sufficient commitment from all concerned, and volunteers alone cannot 'pay' for the repair and maintenance of land or buildings in most instances.

7.7.5 The Chair of the Cathedral Innovation Centre suggested that the establishment of a talent bank of volunteers who can deliver professional support to community groups is a positive way of tapping into local, national or even global talent and skills and it attracts new people into volunteering. Volunteers commit to donate their time and skills to the bank with these being 'drawn down' on an as needed basis.

The Third Sector Partnerships and Commissioning Manager informed the panel that CAH is working with a range of organisations including Business in the Community to develop a pool of suitably experienced volunteers to form a Volunteer Bank<sup>23</sup>. This matches volunteers possessing a range of business skills that can be targeted to support organisations such as in financial management, HR, business planning, managing buildings, marketing or governance issues. CAH is keen to hear from organisations interested in registering for the support of volunteers and from individuals interested in supporting an organisation.

7.7.6 The Head of Services CAH informed the panel that Community Action Hampshire is just one organisation which can offer advice and signposting to community groups. There are others including the Plunkett Foundation<sup>24</sup>, Locality and specialist consultants which can all provide help and advice to groups. Locality<sup>25</sup> is the leading nationwide network of settlements, development trusts, social action centres and community enterprises.

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<sup>23</sup> See Appendix C for a link to the minutes of the panel meeting held on 22 February 2013 and more information about the volunteer service and Volunteer Bank.

<sup>24</sup> The Plunkett Foundation helps communities take control of the issues affecting them through community-ownership.

<sup>25</sup> Locality is a movement of over 700 inspiring community-led organisations and 200 associate partners. It helps people set up locally owned and led organisations and supports existing organisations work effectively through peer-to-peer exchange of knowledge and best practice on community asset ownership, community enterprise, collaboration, commissioning support, social action, community voice, community rights and regeneration. Locality also works to influence government and others at national and local level to build support and investment for the movement

Community Action Hampshire provides support and development for the Not-for-Profit sector in and around Hampshire. It also has the contract to provide Community Action in Portsmouth (CAP) by providing diverse voluntary and community organisations and groups in the city with high quality and accessible support to help them strengthen and thrive. Its remit is to provide outreach and support to voluntary organisations including advice around capacity building as CAH sees this as being absolutely crucial to the success of any community project.

In addition, CAH provides:

- Advice about governance - including providing draft policies.
- Funding issues including fundraising
- Signposting to expert support including HR, accountancy and legal advice
- Business planning
- Policy and information support on national and local issues
- Information, advice and training on a needs-led, cost neutral basis

## 7.8 Managing community expectations

Foreword to the Community Right to Bid: Non Statutory advice note for local authorities Part 5 Regulations 2012 (October 2012):

*This scheme requires an excellent understanding of the needs of the local community. As such local authorities will have a pivotal role in implementing the Community Right to Bid, working with local communities to decide on asset listing, ensuring asset owners understand the consequences of listing, enforcing the Moratorium period and in taking decisions as part of any appeals process.*

Rt Hon Don Foster MP  
Parliamentary Under-Secretary of State

7.8.1 James Sandy, Community Engagement Manager at PCC informed the panel that capacity is as much an issue for the council as it is for community groups. There are already an increasing number of campaigns and voluntary groups wishing to take on assets and this is having an impact on officer time and resources. Expectations need to be managed while governance issues and accountability are also addressed. The council needs to co-ordinate its efforts effectively and identify what the process is, how it wants to engage with the process and identify its level of involvement in the process.

7.8.2 The Head of City Development and Cultural Services in his evidence to the panel said that community groups are often focused on a desirable, 'idea;' outcome for a site, project, service or facility. This provides a strong basis for bringing community groups together to explore potential transfer into community ownership, however, it can also bring with it unrealistic expectations. It is vital therefore that groups are supported in their early explorations of community ownership and that the reality of the journey ahead of them is honestly and openly conveyed including in relation to:

- The feasibility of plans and long term vision
- Legal implications and issues
- Finance including the need for investment

- Length of time transition will take
- Complexities of operational issues including staffing and pensions
- Shared understanding and expectations of the role of the local authority

An example of this can be seen with the current community interest in South Parade Pier being taken into community ownership. While interest is high, the need for significant capital investment poses a significant barrier for any community group to overcome.

7.8.3 The Head of Assets, Locality stated that for councils to pursue a positive community ownership policy, it is important that to have the legal, financial and asset management parts of the organisations fully onside and working together in pursuit of common objectives. In other words, it was important to avoid assets becoming 'precious empires' trapped in service silos and/ or more readily regarded as capital receipts. She warned that officers can be disempowered by risk-averse legal advice. Cultural barriers and lack of experience in dealing with community ownership projects can also stifle social entrepreneurship, hence opportunities to visit councils and organisations 'doing things differently' can prove extremely beneficial.

7.8.4 The Head of City Development and Cultural Services suggested that a dedicated unit within the council to work with applicants wishing to take over an asset or service would be extremely beneficial, particularly in co-ordinating responses from different services within the council. This unit could focus on the challenges and opportunities offered by the localism agenda through the provision of advice and support, work with groups on issues of community ownership, including the Right to Bid and the broader process of supporting groups in their transition to community ownership. A dedicated unit would also become experienced in creating connections between different groups in the city. For example, the involvement of the Community Payback team, links with University of Portsmouth and Highbury College and support from local businesses have been important factors in the success of the Hilsea Lido.

The Head of Customer, Community and Democratic Services informed the panel that a separate team or unit to support applications under Community Rights legislation would facilitate and encourage expertise, efficiency and access to resources.

7.8.5 The panel learned that elected members as leaders within their communities play a central role in helping to broker discussions, bring together their council, other statutory bodies, community groups and private landlords to build a constructive partnership.

The panel received information from the Local Government Association about the tools available to elected members when discussing issues of community ownership with community groups or the council (see Appendix F: Empowering Communities: making the most of local assets. A councillors' guide).

7.8.6 The Chair of the Cathedral Innovation Centre informed the panel that community ownership is likely to change the role of local politicians. They will still need to be enablers and convenors, people who can help break down barriers and help organisations, but they will also need to help establish

successful coalitions take control of assets and revenues in their patch including by founding and growing social enterprises.

### **The role of local councillors - North Dorset District Council<sup>26</sup>**

#### Background:

- North Dorset is a rural area with a population of 64,000 dispersed over a large geographical area including four market town and many villages
- There are four community partnerships which cover all parts of the district and have delivered over 190 projects successfully
- Dorset Community Action (which receives support and funding from the council) receive independent advice and support, a step removed from the local authority.

#### Transferrable lessons:

- It takes commitment and hard work from local councillors and a willingness to spend time listening, providing information and planning together
- It is useful to have local knowledge and local connections and if these do not exist that local connection must be built.

## **7.9 Democratic accountability**

- 7.9.1 During the course of the review, the panel learned that the interests of community groups and the council are not always the same and that, moreover, different community groups have differing and contrary purposes.

The Community Engagement Manager informed the panel that the community rights agenda and how it interfaces with local democracy is part of the transition process. The council may need to balance the interests of different community groups as well as make judgements about competing claims for the use of public assets and this may slow down progress towards increasing community ownership. Getting the balance right between council led city-wide policies versus very local concerns could therefore create tensions. Decision-making and how priorities are determined will be an important part of the process. For example, a local community may wish to save a particular asset but the issue of how it fits into plans for the wider city will also need to be taken into account.

- 7.9.2 The Corporate Strategy Manager informed the panel that PCC has a number of responsibilities to its local community and the principles underpinning its Community Management and Ownership of Assets policy aim to ensure that these are delivered. These are that any proposed asset transfer must:
- Support the aims and priorities of the council such as those set out in adopted policies including the Local Strategic Partnership (Sustainable Community Strategy), Community Plan and Local Area Agreements
  - Recognise the council's dual but independent roles as a supporter of the third sector and as a steward of publicly owned assets

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<sup>26</sup> See Appendix E – Best Practice Review – North Dorset District Council

- 7.9.3 The Head of City Development and Cultural Services said in his evidence that if a community ownership unit is established within PCC, it should also have responsibility for agreeing a set of clear criteria to facilitate accountable and transparent decision-making on community ownership decisions. Such criteria may include:
- *Financial costs* – will the process result in reduced costs to PCC in the long term?
  - *Organisational objectives* – do these reflect council priorities?
  - *Sustainability and viability* – will community ownership achieve greater community use and involvement? Will it attract greater levels of funding/ investment that when under local authority ownership?
  - *Local benefit* – are profits reinvested for the benefit of the local community?
- 7.9.4 The Head of Assets, Locality informed panel members that councils should have a framework in place, which ensures that each initiative is assessed using the same criteria from the point of view of due diligence as well as to prevent the ‘politicisation of community assets/ organisations’ by elected members. She pointed to the approach adopted recently by the London Borough of Lambeth as an exemplar approach<sup>27</sup>.
- 7.9.5 The Head of City Development and Cultural Services informed the panel that it is vital that the role of the local authority is not seen to stop when the transition is complete. PCC needs to recognise that community ownership projects may face additional barriers to long term and sustainable success. If such projects are unsuccessful in the long term, the council could face the need to pull them back into local authority care. As such PCC must ensure that appropriate monitoring arrangements are in place to ensure that the site or facility benefits the local community, for example, through leasing arrangements, service level agreements, funding agreements and that there are named officers to undertake this monitoring.
- 7.9.6 The Community Engagement Manager informed the panel that there is a potential threat to the reputation of the council as it aims to manage the process, support communities in action and manage challenges to decisions. However, making community ownership work in the city also provides the council with an opportunity to demonstrate local community focus and assess service models and service provision. As things change of the next few years and community ownership becomes more common, the council will need to promote involvement while protecting the community, maintaining coherence of services without loss of control and ensuring that services are ‘future proofed’ so that the community element remains relevant.
- 7.9.7 The Head of City Development and Cultural Services said that maintaining democratic accountability is one of the important issues that must be examined as part of community ownership. Sites and services belong to the city and ensuring that the city as a whole, and not just the community group in ownership, has the opportunity to shape them will be a considerable challenge.

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<sup>27</sup> A link to Lambeth Borough Council can be found at:  
<http://www.lambeth.gov.uk/moderngov/mglIssueHistoryHome.aspx?IId=29032>

## 8. TO BE INFORMED OF THE OPPORTUNITIES AND CHALLENGES OF THE COMMUNITY RIGHT TO CHALLENGE

Ministerial Foreword to the Statutory Guidance (June 2012)

*The community right to challenge paves the way for more communities to help shape and run excellent local services. This might include making services more responsive to local needs, offering additional social value outcomes, or delivering better value for money. It may act as a springboard for radical re-shaping of services, or simply trigger small changes that will make a big difference to the quality of service communities receive.*

Rt Hon Andrew Stunell MP  
Parliamentary Under-secretary of State

- 8.0.1 The Corporate Strategy Manager informed the panel that the Community Right to Challenge is one of the new rights introduced in the Localism Act 2011 and came into force on 27 June 2012. It aims to make it easier for voluntary and community groups (or council employees) to bid to run council services. The council's procurement team is responsible for implementing the Community Right to Challenge in Portsmouth<sup>28</sup>. PCC must consider expressions of interest (EOI) submitted and, where accepted, run a procurement exercise for the service in which the group and other organisations can participate. So, rather than a 'right to run' a public service, it is a 'right to compete in a procurement exercise'.

Where the service is delivered as part of a statutory duty the local authority retains the statutory duty even if it commissions delivery of the services externally. The Community Right to Challenge applies to all 'relevant' services and the only exceptions are excluded by legislation.

- 8.0.2 Attached as Appendix D is a simple flow chart that shows how Portsmouth City Council will deal with an Expression of Interest (EOI) submitted as part of the Community Right to Challenge. Other authorities (eg. Hampshire County Council) have published review timetables which detail when reviews of particular services will take place and therefore invite expression of interests at a specific time. This does have the benefit of managing the process but would be less flexible. A view has been expressed that the reviews undertaken by some authorities are designed to limit expression of interests, by involving third sector organisations in the design of services, rather than encouraging submission of expression of interests at a particular time.

### 8.1 Opportunities

- 8.1.1 The Community Right to Challenge aims to give communities more opportunities to shape and run local public services where they believe they can offer to:

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<sup>28</sup> See <http://www.portsmouth.gov.uk/business/26072.html> for further information about Community Right to Challenge in Portsmouth.

- Deliver services more cheaply
- Deliver better value for money
- Deliver services which are more responsive to local needs
- Provide additional social value

8.1.2 The Corporate Strategy Manager informed the panel that the Community Right to Challenge provides opportunities for Portsmouth City Council in that it enables:

- New models of service delivery to be explored
- The potential for other providers to achieve the same outcomes for less resource
- The potential to develop new relationships with third sector organisations

8.1.3 The Chair of the Cathedral Innovation Centre said in his evidence to the panel that there is an opportunity for people who want to reclaim local assets and revenues in the new transparency of council costs whereby the council has to publish details of every item purchased over £500. There is software being piloted that enables organisations knowledgeable enough to analyse data arising from Local Authority expenditure and so identify council costs, margins and revenue use alongside other published data. This will mean that potential bidders could have the opportunity to recombine revenues and assets in ways that may not be currently imagined across the traditional departments of local authorities and beyond, into community budgets that pool local authority, health, fire and other budgets. For example, a free school, GPs surgery and other activities co-located in an existing gallery could create a Centre of Excellence for Wellbeing and education.

## **8.2 Challenges**

8.2.1 The Corporate Strategy Manager informed the panel that there has not been a single expression of interest under the Community Right to Challenge in Portsmouth so far, and that the government is surprised at the lack of take-up to date. PCC is aware that Ventnor Town Council is exploring the potential to take over responsibility for car parks from the Isle of Wight Council under the Community Right to Challenge. It has received a £9,000 grant through the My Community Rights support service to commission an analysis of parking problems in the town and make recommendations for a Ventnor-based car parking service.

8.2.2 There are potential downsides to the Right to Challenge which will need to be managed. An authority would need to guard against for the "cherry picking" of profitable services currently used to subsidise more expensive services. The Community Right to Challenge process also might tie the council in to contractual arrangements that give less flexibility in the future.

Some people have also expressed concern that the Community Right to Challenge could be used as a "Trojan Horse" to enable the externalisation of services. Whilst the expression of interest could be submitted by small community organisations the eventual procurement process could be won by one of the big players in the market. This might well be a satisfactory outcome but there might be concerns that the service was not being run by a third sector

organisation or by the council. Certainly a number of the "big players" have been engaging with third sector organisations and it may well be that more partnership arrangements between the third sector and big private sector organisations that are involved in outsourcing work are the result.

The Chair of the Cathedral Innovation Centre added that local authorities may find that in a tender situation, they are faced with bids from a traditional organisation with limited capabilities competing against those who are new entrants with more scale, skill and capability. He questioned how appropriate it is for a university, further education college or even a local authority department trying to be entrepreneurial to 'invade' social space that squeezes out the third sector or private initiative? Measuring the Social Value of a bid is not easy and local authorities need to determine what is of value in their area. For example, an organisation which offers apprenticeships could measure more highly than one which attracts more maths teachers to the area.

In designing the commissioning process it is important to have a robust metric that captures all the costs and opportunities associated with proposals. This might include social value added by local job creation, contributions to the green footprint, local economic growth or the impact on building local capability. Local authorities can give 'points' to local organisations wishing to take control of services or revenues during the tender process to help ensure they add maximum value.

8.2.3 The Corporate Strategy Manager informed the panel that there are a number of different ways local authorities can respond to expressions of interest and Portsmouth will respond on a case-by-case basis. At present the council does not publish information relating to the cost of running services, but if an expression of interest is received, then the authority would have to consider the costs of providing services as part of their procurement exercise.

8.3.4 The Head of Services CAH in her evidence to the panel suggested that under Community Rights to Challenge, voluntary groups face particular challenges especially as a result of TUPE<sup>29</sup> arrangements and the transfer of pensions rights to the organisation. In addition, the sustainability of contracts once removed from the local authority need to be considered alongside the need to transfer sufficient knowledge to deliver services in the long term. This issue is particularly relevant to so-called 'public-service mutual' spin-outs of staff owned co-operatives delivering public services under contract to the local authority<sup>30</sup>.

The Corporate Strategy Manager informed the panel that the mutuals agenda is related to this. One of the reasons for rejection is that staff are looking to run the service through a mutuals process. A mutual organisation could overcome some of the concerns about who is running the service and there is some work underway within the Council to start looking at how we might support potential

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<sup>29</sup> TUPE is an abbreviation for the Transfer of Undertakings (Protection of Employment) Regulations 2006. It provides protection to employees when their employer changes following a transfer of an undertaking and preserves the terms and conditions of employees who are transferred to a new employer. The new employer effectively steps into the shoes of the old employer.

<sup>30</sup> See <http://mutuals.cabinetoffice.gov.uk/document-categories/mutuals-taskforce> for information from the Mutuals Taskforce.

mutuals.

The Chair of Cathedral Innovation Centre said that employees wishing to start a staff mutual will likely need political and managerial protection and help at each stage of the process as experience suggests that they often face most opposition from peers.

## **9. EQUALITIES IMPACT ASSESSMENT**

A preliminary Equalities Impact Assessment (EIA) has been completed for this report and a full EIA is not required at this stage.

## **10. LEGAL COMMENTS**

- 10.1 The recommendations are wide ranging. While it is open to the Council to commit resource to promoting the aims referred to in this report, as some of those recommendations involve the externalisation of assets, and service-provision, the Council cannot provide all support and advice to those seeking that externalisation.
- 10.2 For example, in order to achieve the mutualisation of a service area, the Council would need to take special steps to control the use of any assets transferred, there would be a range of obligations engaged around employee consultation, and those employees where they were to act as company directors in any recipient transferee company, would need to take independent legal advice in relation to the potential implications of doing so.
- 10.3 Nevertheless, it is open to the Council to commit resources to developing a body of guidance, and to encourage applications for such transfer - each to be appraised on their own terms.

## **11. FINANCE COMMENTS**

It is anticipated that the costs of approving the recommendations and meeting the objectives raised within this report will be met from within existing budgets as approved by Council on the 12 February 2013.

## 12. BUDGET AND POLICY IMPLICATIONS OF THE RECOMMENDATIONS

The following table highlights the budgetary and policy implications being presented by the panel.

Recommendations	Action by	Policy Framework	Resource implications
<p><b>1. That by 30 August 2013, the council establishes a Community Ownership Unit for Portsmouth (conclusions 2.5 and 2.6) which comprises officers with experience and expertise of community engagement, planning and development, asset management and legal services in order to:</b></p> <ul style="list-style-type: none"> <li>• <b>Provide a 'one stop' fair source of support and information within the council to community groups on issues of community ownership (conclusion 2.4).</b></li> <li>• <b>Take the lead on producing a set of clear criteria to facilitate accountable and transparent decision-making on community ownership decisions (conclusion 2.6).</b></li> <li>• <b>Provide open and honest information to community groups including information about the level of support those making applications to the council can expect (conclusion 2.4).</b></li> <li>• <b>Co-ordinate responses to requests for information and expressions of interest from community groups across the council ensuring transparency in the process (conclusion 2.4).</b></li> <li>• <b>Provide appropriate support to community groups through transition to community ownership in partnership with elected members and referring to external individuals or bodies and including assisting with seeking funding where appropriate (conclusion 2.6).</b></li> </ul>	<p>Head of City Development and Cultural Services, the Head of Customer, Community and Democratic Services and the Head of Corporate Assets, Business and Standards</p>	<p>Within 2013/14 budget and policy framework</p>	<p>Officer time and effort based on the current level of expressions of interest from community groups</p>

<ul style="list-style-type: none"> <li>• Ensure that appropriate monitoring arrangements are in place to make sure that assets transferred into community ownership deliver benefits to the local community such as through leasing arrangements, service level agreements, funding agreements etc. (conclusion 2.6).</li> <li>• Nurture links between community groups operating in the city in order to encourage inter-group partnership working, information sharing and problem solving (conclusion 2.6).</li> <li>• Ensure that as the number of community ownership projects and partnerships with the council increases, the council continues to fulfil responsibilities to the local community through the provision of assets and services how ever they are delivered (conclusion 2.6).</li> </ul>			
<p><b>2. That the Community Ownership Unit supports Community Action Hampshire and Business in the Community in their efforts to establish a Talent Bank of volunteers offering professional and business skills to community organisations (conclusion 2.3).</b></p>	<p>Head of City Development and Cultural Services and the Head of Customer, Community and Democratic Services</p>	<p>Within 2013/14 budget and policy framework</p>	<p>Officer time and effort</p>
<p><b>3. That the council endorses the development of a policy on mutualisation and the opportunities for a community group, third sector organisation or employees to submit a bid to run council services under the Community Right to Challenge (Localism Act 2011) taking into account the evidence this panel has heard (conclusion 2.7).</b></p>	<p>Head of Corporate Assets, Business and Standards</p>	<p>Within 2013/14 budget and policy framework</p>	<p>Officer time and effort</p>

<p><b>4. That the council monitors expressions of interest received under the Right to Challenge, particularly in relation to more profitable services (conclusion 2.9).</b></p>	<p>Head of Corporate Assets, Business and Standards</p>	<p>Within 2013/14 budget and policy framework</p>	<p>Officer time and effort</p>
<p><b>5. That the council encourages its elected members to work together to act as brokers and facilitators for community ownership projects in partnership with the Community Ownership Unit and that a copy of "Empowering communities: making the most of local assets - A councillors' guide" (a Local Government Association publication) is circulated to all members and is included in the induction pack for new members (conclusion 2.6).</b></p>	<p>Head of Customer, Community and Democratic Services and the Local Democracy Manager</p>	<p>Within 2013/14 budget and policy framework</p>	<p>Officer time and effort</p>

**GLOSSARY OF TERMS**

**Community groups** Include: Community and Social Enterprises, not-for-profit vehicles such as Charities, Community Organisations, Charitable Companies, Community Interest Companies Limited by Shares (CICs) and Industrial and Provident Societies for the Benefit of Communities (IPs).

**ABBREVIATIONS USED**

CAH	Community Action Hampshire
CAP	Community Action Portsmouth
CICs	Community Interest Companies Limited by Shares
DCLG	Department for Communities and Local Government
DDA	Disability Discrimination Act
EIA	Equalities Impact Assessment
EOI	Expression of interest
HR	Human resources
IPs	Industrial and Provident Societies for the Benefit of Communities
NPDO	Not-for-profit Distributing Organisation
PCC	Portsmouth City Council
PR	Public relations
PROD	Public Request to Order Disposal (of land)
PST	Portsmouth Supporters' Trust
TUPE	Transfer of undertakings
VAT	Value Added Tax

**1. PURPOSE**

The purpose of this report is to present the Cabinet with the recommendations of the Economic Development, Culture & Leisure Scrutiny Panel following its review into making community ownership work for Portsmouth.

**2. OBJECTIVES**

- 2.1 This topic was agreed by the Scrutiny Management Panel on 26 July 2012 and forms part of the Economic Development, Culture & Leisure Scrutiny Panel's 2012/13 work programme.
- 2.2 At its meeting held on 27 September 2012, the Economic Development, Culture & Leisure Scrutiny Panel agreed a scoping document for the scrutiny review into community ownership in the city (see <http://www.portsmouth.gov.uk/media/edcl20120927r4.pdf>).
- 2.3 At its meeting on 21 February 2013, the Panel agreed a revised scoping document with the following objectives:
- **To define community ownership in Portsmouth by investigating different models of community ownership**
  - **To understand the changing landscape of public asset management policy by considering:**
    - **Central government approach and response**
    - **The Localism Act and community rights**
    - **Local authority approach and response**
    - **A decade of community ownership in Portsmouth**
  - **To understand the opportunities and challenges of community ownership for groups and communities and for the local authority**
  - **To undertake a review of best practice by considering different approaches to community ownership and learning from experiences locally and elsewhere**
  - **To be informed of the opportunities and challenges of the Community Right to Challenge**

**MEMBERSHIP AND MEETINGS OF THE PANEL 2012-13**

For further information see: <http://www.portsmouth.gov.uk/yourcouncil/13169.html>

**Members of the panel**

The Economic Development, Culture & Leisure Scrutiny Panel comprised:

Councillors    Matthew Winnington (chair)  
                      John Ferrett  
                      Darron Phillips  
                      Will Purvis  
                      Darren Sanders  
                      Steve Wemyss

Standing deputies were: Councillors Margaret Adair, David Fuller, Jacqui Hancock, Luke Stubbs, Alistair Thompson and David Horne.

The panel met formally on 7 occasions between 27 September 2012 and 30 April 2013.

A list of meetings held by the panel and details of the written evidence received is attached. The minutes of the panel's meetings and documents received are published on the council's website at [www.portsmouth.gov.uk](http://www.portsmouth.gov.uk). Links to the web page for each meeting are provided in the table attached.

**Meetings of the EDCL panel 2012-13**

<b>Date</b>	<b>Witnesses</b>	<b>Documents</b>
<b>27 September 2012</b>	<p>Francis Davis, Chair of the Cathedral Innovation Centre, Portsmouth</p> <p>Paddy May, Corporate Strategy Manager, Portsmouth City Council</p> <p>Greg Povey, Procurement Manager, Portsmouth City Council</p>	<p>Minutes of the meeting:  <a href="http://www.portsmouth.gov.uk/yourcouncil/27048.html">http://www.portsmouth.gov.uk/yourcouncil/27048.html</a></p> <p>Documents received:</p> <ul style="list-style-type: none"> <li>• Draft scoping document. See <a href="http://www.portsmouth.gov.uk/media/edcl20120927r4.pdf">http://www.portsmouth.gov.uk/media/edcl20120927r4.pdf</a></li> </ul>
<b>11 October 2012</b>	<p>Stephen Baily, Head of City Development and Cultural Services, Portsmouth City Council</p> <p>Louise Wilders, Head of Customer, Community &amp; Democratic Services, Portsmouth City Council</p> <p>James Sandy, Community Engagement Manager, Portsmouth City Council</p>	<p>Minutes of the meeting:  <a href="http://www.portsmouth.gov.uk/yourcouncil/27420.html">http://www.portsmouth.gov.uk/yourcouncil/27420.html</a></p> <p>Documents received:</p> <ul style="list-style-type: none"> <li>• Briefing note: Community ownership – an introduction. See <a href="http://www.portsmouth.gov.uk/media/edcl20121011mappA1.pdf">http://www.portsmouth.gov.uk/media/edcl20121011mappA1.pdf</a></li> <li>• Briefing note: How the Planning Service can contribute to community ownership. See <a href="http://www.portsmouth.gov.uk/media/edcl20121011mappA2.pdf">http://www.portsmouth.gov.uk/media/edcl20121011mappA2.pdf</a></li> <li>• Briefing note: Portsmouth Cultural Trust – set up and process. See <a href="http://www.portsmouth.gov.uk/media/edcl20121011mappA3.pdf">http://www.portsmouth.gov.uk/media/edcl20121011mappA3.pdf</a></li> <li>• Briefing note: Southsea Skatepark – a successful asset transfer. See <a href="http://www.portsmouth.gov.uk/media/edcl20121011mappA4.pdf">http://www.portsmouth.gov.uk/media/edcl20121011mappA4.pdf</a></li> </ul>

	<p>Claire Upton-Brown, Assistant Head of Planning, Portsmouth City Council</p> <p>Greg Povey, Procurement Manager, Portsmouth City Council</p> <p>Paddy May, Corporate Strategy Manager, Portsmouth City Council</p> <p>Robert Parkin, Team Leader, Legal Services, Portsmouth City Council</p> <p>Rod McLean, Community Support Officer, Portsmouth City Council</p>	<ul style="list-style-type: none"> <li>• Briefing note: Community Centres. See <a href="http://www.portsmouth.gov.uk/media/edcl20121011mappA5.pdf">http://www.portsmouth.gov.uk/media/edcl20121011mappA5.pdf</a></li> </ul>
<p><b>22 November 2012</b></p>	<p>Chris Richards, Trustee Director, Southsea Skatepark</p> <p>Julia Holberry, Trustee of Cogges Heritage Trust, Oxfordshire and Heritage Consultant (including to Cumberland House, Portsmouth)</p>	<p>Minutes of the meeting: <a href="http://www.portsmouth.gov.uk/yourcouncil/27859.html">http://www.portsmouth.gov.uk/yourcouncil/27859.html</a></p> <p>Documents received:</p> <ul style="list-style-type: none"> <li>• Background to Cogges Heritage Trust, Oxfordshire. See <a href="http://www.portsmouth.gov.uk/media/edcl20121122m.pdf">http://www.portsmouth.gov.uk/media/edcl20121122m.pdf</a></li> <li>• Background to Hilsea Lido Pool for the People Trust. See <a href="http://www.portsmouth.gov.uk/media/edcl20121122mappB.pdf">http://www.portsmouth.gov.uk/media/edcl20121122mappB.pdf</a></li> </ul>

**APPENDIX C**

	<p>Sabrina Richards, Chair and Full Time Volunteer, Hilsea Lido Pool for the People Trust, Portsmouth</p> <p>Helen Downing-Emms, Vice Chair and Full Time Volunteer, Hilsea Lido Pool for the People Trust, Portsmouth</p> <p>Des Callow, Company Secretary, Hilsea Lido Pool for the People Trust, Portsmouth</p>	
<b>6 December 2012</b>	<p>Tina Clarke, Chairperson, Moneyfields Allotment Association, Portsmouth</p> <p>Scott Patterson, Treasurer, Moneyfields Allotment Association, Portsmouth</p>	<p>Minutes of the meeting: <a href="http://www.portsmouth.gov.uk/yourcouncil/28060.html">http://www.portsmouth.gov.uk/yourcouncil/28060.html</a></p>
<b>31 January 2013</b>	<p>Elizabeth Donegan, Head of Services, Community Action Hampshire</p> <p>Councillor Lee Hunt, Cabinet Member for Culture, Leisure &amp; Sport, Portsmouth City Council</p>	<p>Minutes of the meeting: <a href="http://www.portsmouth.gov.uk/yourcouncil/28544.html">http://www.portsmouth.gov.uk/yourcouncil/28544.html</a></p> <p>Documents received:</p> <ul style="list-style-type: none"><li>• Briefing note: Effective Community Ownership - A Culture Leisure &amp; Sport perspective. See <a href="http://www.portsmouth.gov.uk/media/edcl20130131mappA.pdf">http://www.portsmouth.gov.uk/media/edcl20130131mappA.pdf</a></li></ul>

	<p>Paddy May, Corporate Strategy Manager, Portsmouth City Council</p>	
<p><b>21 February 2013</b></p>	<p>Daniel Fearnley, Portsmouth Supporters Trust (PST)</p> <p>Mandy Lindley, Third Sector Partnerships and Commissioning Manager</p> <p>Paddy May, Corporate Strategy Manager, Portsmouth City Council</p> <p>Robert Parkin, Team Leader, Legal Services, Portsmouth City Council</p>	<p>Minutes of the meeting:  <a href="http://www.portsmouth.gov.uk/media/edcl20130221m_.pdf">http://www.portsmouth.gov.uk/media/edcl20130221m_.pdf</a></p> <p>Documents received:</p> <ul style="list-style-type: none"> <li>• Revised scoping document. See <a href="http://www.portsmouth.gov.uk/media/edcl20130221r4.pdf">http://www.portsmouth.gov.uk/media/edcl20130221r4.pdf</a> and Appendix B</li> <li>• Briefing note: Support for Volunteering. See <a href="http://www.portsmouth.gov.uk/media/Volunteering_briefing.pdf">http://www.portsmouth.gov.uk/media/Volunteering_briefing.pdf</a></li> <li>• Briefing note: Public request to order disposal (PROD) and Community Right to Reclaim Land. See <a href="http://www.portsmouth.gov.uk/media/Briefing_-_PROD_powers_15_2_13_(2).pdf">http://www.portsmouth.gov.uk/media/Briefing_-_PROD_powers_15_2_13_(2).pdf</a></li> <li>• Briefing note: Local authority powers of compulsory purchase. See <a href="http://www.portsmouth.gov.uk/media/Briefing_-_Local_authority_powers_of_compulsory_purchase_21_2_13.pdf">http://www.portsmouth.gov.uk/media/Briefing_-_Local_authority_powers_of_compulsory_purchase_21_2_13.pdf</a></li> <li>• Best practice review: The Parks Trust, Milton Keynes. See <a href="http://www.portsmouth.gov.uk/media/REVIEW_OF_BEST_PRACTICE_The_Parks_Trust_MK.pdf">http://www.portsmouth.gov.uk/media/REVIEW_OF_BEST_PRACTICE_The_Parks_Trust_MK.pdf</a></li> <li>• Best practice review: Coin Street, London. See <a href="http://www.portsmouth.gov.uk/media/REVIEW_OF_BEST_PRACTICE_-_Coin_Street.pdf">http://www.portsmouth.gov.uk/media/REVIEW_OF_BEST_PRACTICE_-_Coin_Street.pdf</a></li> </ul>

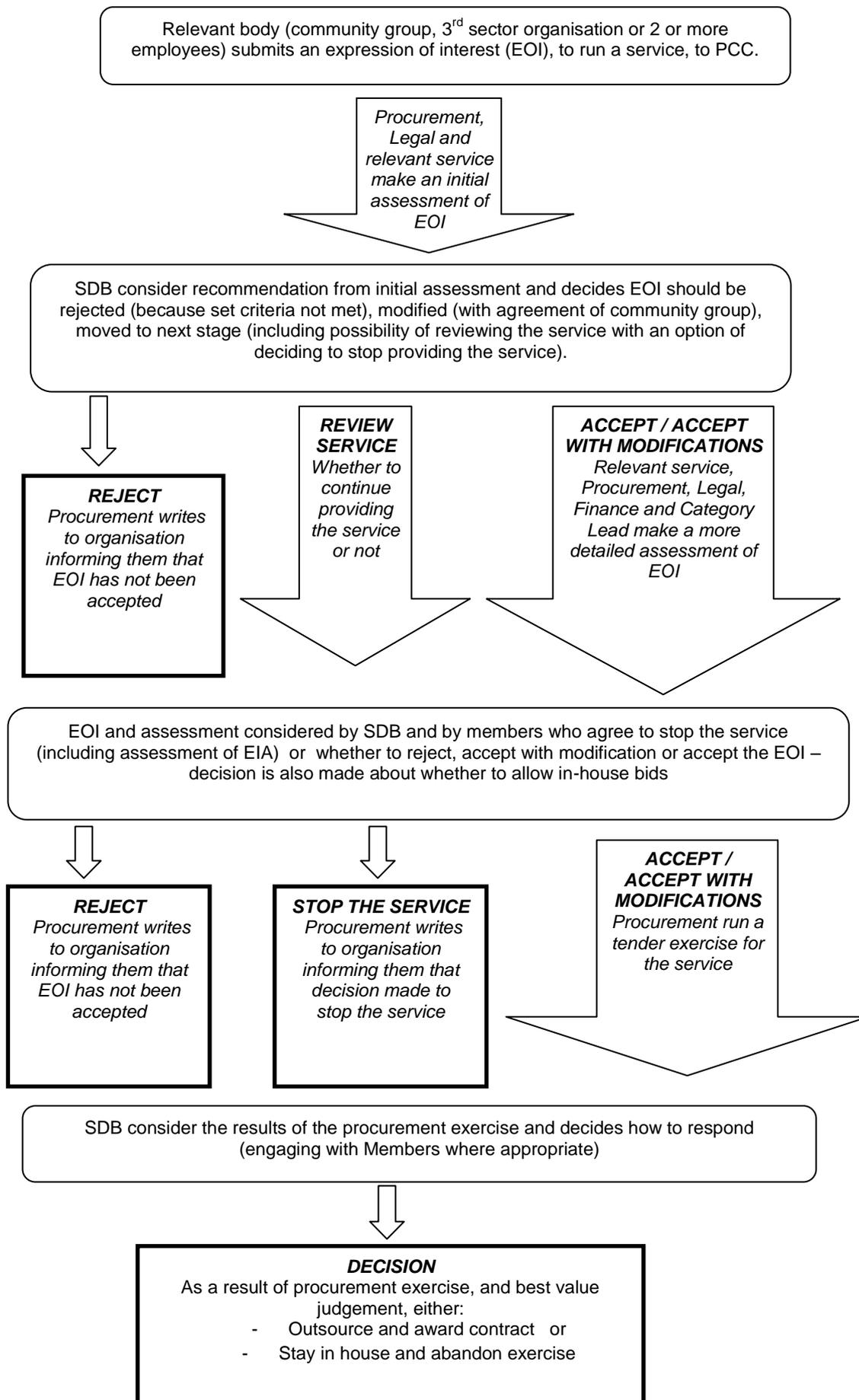
		<ul style="list-style-type: none"> <li>• Best practice review: North Dorset District Council. See <a href="http://www.portsmouth.gov.uk/media/REVIEW_OF_BEST_PRACTICE_North_Dorset.pdf">http://www.portsmouth.gov.uk/media/REVIEW_OF_BEST_PRACTICE_North_Dorset.pdf</a></li> <li>• "Empowering communities: making the most of local assets - A councillors' guide" (Local Government Association). See <a href="http://www.portsmouth.gov.uk/media/LGA_clrs_guide.pdf">http://www.portsmouth.gov.uk/media/LGA_clrs_guide.pdf</a> and Appendix F</li> <li>• Understanding Community Asset Transfer (Locality). See <a href="http://www.portsmouth.gov.uk/media/LOCALITY-ASSET-TRANSFER_UNDERSTANDING.pdf">http://www.portsmouth.gov.uk/media/LOCALITY-ASSET-TRANSFER_UNDERSTANDING.pdf</a></li> <li>• Understanding the Community Right to Bid (Locality). See <a href="http://www.portsmouth.gov.uk/media/LOCALITY-BID_UNDERSTANDING.pdf">http://www.portsmouth.gov.uk/media/LOCALITY-BID_UNDERSTANDING.pdf</a></li> <li>• Understanding the Community Right to Challenge (Locality). See <a href="http://www.portsmouth.gov.uk/media/LOCALITY-CHALLENGE_UNDERSTANDING2.pdf">http://www.portsmouth.gov.uk/media/LOCALITY-CHALLENGE_UNDERSTANDING2.pdf</a></li> <li>• Understanding the Community Right to Build (Locality). See <a href="http://www.portsmouth.gov.uk/media/LOCALITY-BUILD_UNDERSTANDING.pdf">http://www.portsmouth.gov.uk/media/LOCALITY-BUILD_UNDERSTANDING.pdf</a></li> <li>• Quick Guide to Neighbourhood Plans (Locality). See <a href="http://www.portsmouth.gov.uk/media/Neighbourhood-Planning-Quick-Guide.pdf">http://www.portsmouth.gov.uk/media/Neighbourhood-Planning-Quick-Guide.pdf</a></li> <li>• The Social Enterprise Guide for people in local government (socialenterprise.org.uk). See <a href="http://www.portsmouth.gov.uk/media/local_authority_guide_online.pdf">http://www.portsmouth.gov.uk/media/local_authority_guide_online.pdf</a></li> </ul>
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		<ul style="list-style-type: none"><li>• "Stick, sell or twist? Why feelings matter when it comes to council assets - an article by Barry Quirk, The Guardian, 21 February 2013. See <a href="http://www.portsmouth.gov.uk/media/barry-quirk-disposing-council-assets.pdf">http://www.portsmouth.gov.uk/media/barry-quirk-disposing-council-assets.pdf</a></li></ul>
<b>30 April 2013</b>		Documents received: <ul style="list-style-type: none"><li>• Briefing note: Meeting held with Annemarie Naylor, Head of Assets, Locality on 30 January 2013. See <a href="http://www.portsmouth.gov.uk/media/edcl20130430r4.pdf">http://www.portsmouth.gov.uk/media/edcl20130430r4.pdf</a></li></ul>

## COMMUNITY RIGHT TO CHALLENGE - PCC PROCESS

ENGAGE WITH MEMBERS

ENGAGE WITH STAFF



**REVIEW OF BEST PRACTICE BY THE EDCL SCRUTINY PANEL  
FEBRUARY 2013**

**COIN STREET, LONDON**

For further information, please see: [http:// www.coinstreet.org](http://www.coinstreet.org)

***Background***

The Coin Street area of London's South Bank has, over the last 24 years, been gradually regenerated from a derelict, ex-industrial area into one of London's most popular neighbourhoods. This transformation has been spearheaded by a group of local residents, who initially began working together in response to concerns that local families were being displaced by commercial developments in the area.

Coin Street Community Builders (CSCB), a not-for-profit limited by guarantee company set up by the Coin Street Action Group in 1984 to purchase the land and take on the challenge of shaping their neighbourhood into a place with affordable housing and commercial and cultural facilities, where people would choose to live, visit and work. They did this with a mix of funding sources, including grants from the Housing Corporation towards the costs of developing the social housing, and also through commercial projects that cross-subsidise other activities such as community programmes. Coin Street's activities have been heralded by many in the field of urban regeneration because of the flexibility in adapting to a changing economic, political and social environment.

One of the first challenges the CSCB faced was to encourage people to move into an area that was still perceived to be largely derelict. They found similar difficulties in securing financial support from banks to fund building in the area. In 1988 the Mulberry Housing Co-operative was the first housing scheme to be completed. In the same year a temporary market at Gabriel's Wharf opened up a public space along the riverside and brought in a collection of small scale businesses to the neighbourhood. Gradually the perception of the place as a deprived area began to change. The public gardens and a second smaller social housing scheme, Palm Housing Co-operative, continued the improvement of the area.

The conversion of Oxo Tower Wharf into an unconventional mixed-use building of social housing, retail design studios for designer-makers, restaurants, cafes and bars was the next initiative taken on by the organisation. The project was challenging as lenders were nervous about loaning money to a not-for-profit company refurbishing a derelict building into a mix of social housing and commercial spaces.

The Coin Street housing developments were and are managed by resident cooperatives, which were able to respond quickly to the needs of the people living there. New tenants are not expected to have previous knowledge of housing management but have the opportunity to take part in decision making for their communities and help manage the properties. Tenants are offered training to build their skills and capacity for this stewardship role.

As development progressed, the South Bank of London became an increasingly attractive area for investment in cultural and leisure facilities. The area was popular with tourists because of attractions like the Royal Festival Hall and the National Theatre, and when new developments like the London Eye and Tate Modern opened the number of visitors to this stretch of the riverside trebled. In the early 1990s partnerships developed with public agencies and other organisations based in the area to achieve larger goals, particularly around environmental improvements and transport links. Several art organisations and big businesses worked with the CSCB to set up a non-profit company called the South Bank Employers' Group (SBEG), which became responsible for helping to manage the area and improve its physical condition. SBEG worked together to outline a plan to transform the South Bank of London. Specific projects and a joint urban design strategy have resulted in successful urban spaces that attract thousands of visitors. Profits made have been reinvested in the maintenance and improvement of the area.

### **DOON STREET**

The Doon Street site [adjacent to the National Theatre] has remained largely derelict for over 50 years. Now a partnership between Coin Street Community Builders, Greenwich Leisure and Rambert Dance Company is planning a mixed development which will transform the public realm and secure and sustain community facilities and programmes on a long term basis. The site is currently used for temporary car parking.

CSCB's proposals have evolved and have been refined over many years. They are based on needs and aspirations expressed in public meetings, surveys and consultations and are strongly supported by planning policies at national, regional and borough levels. The proposals seek to secure and sustain community facilities and programmes on a long term basis utilising social enterprise principles. They have been informed by careful study of the history and environment of the wider South Bank and they have been prepared using the skills of leading designers working to a brief prepared by those who will have long-term responsibility for managing and maintaining the facilities: CSCB, Greenwich Leisure and Rambert Dance Company.

Although there is a single overall design, it has always been intended to implement the scheme in three separate phases:

- PA1: incorporating a public swimming and indoor leisure centre, ground floor retail, and flats for sale, received planning consent in 2008 but was subject to challenge in the High Court and Court of Appeal. In January 2011 the Supreme Court confirmed that it would not consider any further challenge. CSCB has reviewed the detailed design and applied for consent to make minor variations to the approved scheme. These do not affect the exterior appearance of the building but seek to create a more efficient internal design and a more balanced mix of flat sizes. Implementation commenced in 2012.
- PA2: incorporating 3 dance studios and Rambert Dance Company's archive and headquarters is scheduled for completion summer 2013. CSCB and Rambert have agreed a significant ongoing community engagement programme including a range of dance classes, workshops, and tickets to Rambert's regular performances at Sadler's Wells.

- PA3: includes an education/office building, ground floor public uses, a new town square and a pedestrian bridge and lifts connecting the town square to Waterloo Bridge. A significant part of the site is required to facilitate the building of the Rambert building and implementation of this scheme is unlikely to start until the Rambert development has been completed.

***Transferable lessons***

- Achieving a vision for a place takes time, money, imagination and determination. To create a place where people choose to live and work requires both an understanding of what that place can be and strategies to develop its potential.
- The regeneration of the Coin Street area has taken place over several decades and has to this point consisted of many short-term projects all targeted towards achieving the CSCB's long-term goals. The process of achieving a vision of place needs to be flexible and adapt to changing social and economic contexts.
- Successful projects and enterprises involve people with time and capacity to take responsibility for and effectively manage assets. They need support and capacity to fulfill their roles with confidence.
- Financial independence is crucial to ensure the sustainability of community initiatives. CSCB was able to secure finance for new projects against their income from commercial activities, which resulted in greater autonomy allowing them to undertake unconventional projects.
- Exploiting the possibilities of a site for social enterprise is a key factor for the economic success of any project. Clearly Coin Street was fortunate to be located in an area of central London, but other sites will have their own natural advantages.

"The Doon Street development has been in the planning for over 10 years and includes commercial housing in a tower the income from which will cross subsidise the building and running of a public indoor swimming and sports centre. The development also includes new headquarters for Rambert Dance Company (now on site), an educational centre, offices and a new town square. Doon Street shows that there is still work to be done!" Louise King, Director of Communication and Information, Coin Street Community Builders, Coin Street Neighbourhood Centre.

**THE PARKS TRUST, MILTON KEYNES**

For further information, please see:

<http://www.futurecommunities.net/case-studies/parks-trust-1992-present>

***Background***

The Parks Trust, created in 1992, manages many of the major parks, road corridors, lakes and woodlands in Milton Keynes – about 5,000 acres in total, 25% of the new city area. The Trust has been able to manage the area's green environment to a high standard and safeguard it for future generations. The Trust is entirely self financing – with income and expenditure of around £5m pa. About £4m of the income is generated by the Trust's investments (commercial property and stock market) and £1m through its activities in the parks – farming, car parking, commercial leisure etc.

The original endowment of commercial properties given to the Trust was estimated to be of enough value to ensure the Trust would not need to rely on any outside funding and would be able to generate the income it needed to maintain Milton Keynes' green spaces. Since its creation the Trust's robust financial strategy has allowed it to diversify its assets and increase its property portfolio from around £18 million to a total of £80 million (mid-2008 values).

The Trust is registered as a charity which means that in law it can only spend its money on its charitable purposes - the provision of parks in Milton Keynes, environmental education and leisure sport and recreation facilities. The Trust is managed by a Board of Trustees, drawn from the local business community, local authority, parish councils, as well as the residential community and from other governmental and non-governmental organisations. The board has a range of expertise including managing property and landscape assets. This range and combination of experience and knowledge has proved successful. The Board operates autonomously to safeguard and enhance the Trust's assets for the benefit of the community.

The way in which people use green spaces has evolved over time and the Trust has responded to those changes, whilst still ensuring that its assets continue to be valuable for the community long into the future.

***Transferable lessons***

- A stewardship organisation needs to have a guaranteed income. In Milton Keynes this was successfully achieved by endowing the organisation with assets from which it could generate an income. It was able to take an entrepreneurial approach to developing these assets, resulting in a substantial financial portfolio.
- It also needs to be free and independent with a culture of entrepreneurship so that it capitalises on opportunities, has a clear remit to grow its assets so as to enable it to do more and safeguard the long term future.
- Any stewardship organisation needs to be managed by a proactive board of people with the right mix of skills and experience for the task in hand, not chosen only because they represent the local community.
- Engaging local people in events, activities and improved facilities has resulted in parks and green areas attracting more people in to use them and, this is the important point, being more highly valued and respected.

Chief Executive David Foster informed the panel that, "I would commend our model to others as it works extremely well. Each year we continue to take long leases (999 years) on new landscapes as the city continues to expand. For each piece of land we take on we negotiate an endowment from the developer that is calculated to be of a sufficient size that when invested it will pay for the maintenance of the landscape forever. The Council owns the freehold of most of our land. We have a long term financial strategy that shows what return we need to receive on our investments to pay for the landscape maintenance and other costs and we cut our cloth according to our means. We work collaboratively with the Council and are discussing with them how we might take on the maintenance of their parks play areas and other landscape – where there is a will there is a way."

## **NORTH DORSET DISTRICT COUNCIL**

For further information, please contact: <http://www.dorsetforyou.com>

### ***Background***

North Dorset is a rural area with a population of 64,000 dispersed over a large geographical area including four market towns and many villages. There is an acute shortage of affordable housing, poor access to services, below average incomes, poor transport links and an economy based on agriculture and micro businesses.

The localism approach is based on the core principle that people who live locally know best what is needed to build sustainability. Community partnerships and partners are given the money, trust and autonomy to commission projects and influence policy. They are engaged as partners in the process. The Community Partnership Executive for North Dorset is a "partnership of partnerships", an executive group led by the community. It coordinates community partnership activity across the district with the input of the Association of Town and Parish Councils and the third sector partner, Dorset Community Action.

There are four community partnerships which cover all parts of North Dorset district centred on the four largest towns of Shaftesbury, Blandford Forum, Gillingham and Sturminster Newton. The objectives of the partnerships are:

- To involve as many local people and community or voluntary groups as possible in the towns and the surrounding villages to plan the future of their market town areas.
- To commission developments to regenerate the towns.
- To deliver social, economic or environmental projects, involving volunteers, that enhance and care for the towns and villages and their local communities' well-being.
- To create opportunities to take community ideas up into strategic levels.

Dorset Community Action (DCA) supports the four community partnerships and, with dedicated funding and support from the District Council, employs a small team of community resource workers that are based in each of the market towns, working directly with the community partnerships to define priorities, strategies and action plans, achieve the partnerships' work programmes, identify and secure funding opportunities and implement projects.

The involvement of DCA is a key element, which enables the District Council to support the partnerships both with officer time and specialist knowledge but also financially (through an annual grant), whilst at the same time DCA provides independent advice and support to the partnerships, a step removed from the local authority.

Working in partnership, the community, local Town and Parish Councils and the District Council have secured over £3 million per annum of savings whilst safeguarding those services that are critically important to the community. This approach shows how Councils can successfully work differently to improve the quality of local services, engender greater community responsibility and become more efficient.

The District Council and Partnerships have experience of decentralising services and enabling neighbourhoods to determine their own future. Incorporated companies or social enterprises have been set up, designed and run by local volunteers to deliver services and projects, using a variety of governance models suited to each venture.

- It has gone beyond place based budgeting to grant aiding capital to community organisations to commission and build major facilities themselves. Over 190 projects have been delivered successfully.
- District and Parish Councils have found new ways of working together with services delegated as close to the frontline as possible. Begun as a cost cutting exercise, it soon became clear that this way of working delivers high quality services and high calibre social involvement and interaction. It has proved to be far more than simply achieving efficiency savings.
- The Council seeks to build capacity in the community through the partnerships and they in turn build capacity in the Council, for example, they have attracted resources and commissioned town design statements of sufficient quality to adopt a supplementary planning document to shape the future of towns and villages.

***Transferable lessons***

- It takes time and commitment to set up, to win hearts and minds and to build two-way trust.
- It takes investment in the third sector to provide community development, expertise, to build project management skills and to train volunteers in business planning skills and governance.
- It takes commitment and hard work from local councillors and a willingness to spend time listening, providing information and planning together.
- It is useful to have the local knowledge and local connections of a district council and if one does not exist, that local connection must be built.
- People will volunteer if investment is made in the service to be transferred, ie, they are not interested in run-down buildings and neglected services.
- It will need continual nurturing to make links with new volunteers and sustain those already working hard in the community.
- Large community theatres and facilities can be self-sustaining without subsidy if the volunteers and community are involved from the outset in establishing the vision.
- Even small projects such as new play areas, if given to the community to drive, can bring new people into the democratic process, for example, people in a local housing estate have now stood for election at the Town Council.

Liz Goodall, Chief Executive of North Dorset District Council said, “In order to make community ownership projects work, the Council has to approach it in the spirit of enabling local individuals to take control of the project themselves. It involves standing back in order to build trust. It is also important that the Council itself treats its staff in a similar way, enabling them to make decisions and to take action to make services effective. This consistency of approach is vital to embedding trust in communities.”

**Empowering communities: Making the most of local assets - A councillors' guide**

This Local Government Association publication is attached as a separate document.