Cabinet Office
Office of the Third Sector

Community Assets Fund consultation: Government response

Executive Summary

1. The Government launched the Consultation on the Community Assets Fund in spring 2007; this closed on 23 June 2007. The aim of the programme will be community empowerment. It will achieve this by offering grants for refurbishment of underused local authority buildings, ensuring they are appropriate transfer to the third sector. The programme will be known as Community Assets.

2. The responses to the consultation questions are summarised here. Fuller analysis and an indication of the decisions made as a result of consultation are contained in the body of this Government response.

Beneficiaries of asset transfer

The average grant size is currently expected to be within a range of £250,000 to £500,000, perhaps with more for some projects, in order to achieve a strategic impact. Is this the right approach?

To what extent should this fund focus on funding large scale beacon projects?

3. These questions resulted in the most divergent views. Some respondents thought the suggested range was about right. A large number of respondents argued that the focus should be on smaller grants, supporting a greater number of projects with a lower minimum, as relatively modest investments can still make a substantial difference. These respondents felt that big projects did not necessarily mean better results for local people, but could make it harder for rural and BME (black and ethnic minority) organisations to access grants. A smaller group of respondents felt that large grants (over £500,000) would be needed to have a strategic impact, as large organisations are better placed to generate economies of scale and long term sustainable income

4. Although some respondents supported beacon projects, in order to demonstrate different approaches to asset transfer, most thought that beacon status should be secondary to key criteria such as community benefit, sustainability of the asset and the strength of the relationship between the local authority and the third sector partner.

Eligible assets

Should the fund take the proposed flexible approach to determining whether a proposed asset is eligible?

5. The majority of respondents argued that, rather than define the type of asset that should be eligible, eligibility should depend on the potential of the project to improve the lives of people in the local community. Respondents pointed out the value of a variety of assets and called for flexibility to allow for local creativity. There is potential for refurbishments to ensure equal access and demonstrate high environmental standards in terms of water, waste and energy efficiency.

6. Issues that were seen as most important were the public benefit (especially benefit to deprived communities), the sustainability of the transfer and its benefit to the third sector, and the strength of the partnership with the local authority. Responses pointed to the sustainable business plan as an essential tool, not just for the application process but for the lifetime of the asset. This needs to show how the asset will meet a social and financial bottom line, manage risk, and demonstrate the capacity and partnership arrangements to manage the asset.

Supporting partnerships

Should the funding focus on areas where relationships are already strong and working partnerships are already formed, rather than bringing new partnerships together?

7. The majority of respondents felt that a strong partnership between the third sector organisation and the local authority would be essential for a successful transfer based on a firm foundation and an ongoing relationship. Building partnerships strong enough to negotiate and manage a transfer needs time for trust to develop. Some pointed out that new programmes often require partnerships to be formed, so an opportunity to consolidate existing partnerships is welcomed.

8. However, some respondents felt that supporting existing partnerships only would unfairly penalise new partnerships and new third sector organisations. These should not be excluded if they are able to demonstrate a shared vision and ability to work together. Community asset transfers aim to bring people together, so this should be reflected in the composition of the partnerships, with demonstrable involvement of BME groups.

Distribution

Should we focus on supporting programmes of transfer in a small number of local authority areas, or fund projects distributed across many authorities?

Is there scope for regional allocation of funding under this programme?

9. Although many respondents wanted to see a good spread across different regions and different contexts (especially rural and urban areas), the majority felt that strict regional or local allocations would be difficult to define and inappropriate for Community Assets. A minority of respondents felt that the fund should be targeted, and made a variety of suggestions for how the funding could be allocated.

Innovation

Should the fund aim to support innovative projects that are piloting a range of different approaches to asset transfer?

10. The majority of respondents did not think that the degree to which a project is innovative should be a major factor in assessing applications to Community Assets. Other criteria were considered of much greater importance in ensuring that a community benefits from a transfer. Most of those who did support a focus on innovation nonetheless emphasised that this should not be to the exclusion of straightforward or conventional approaches. It was felt that traditional approaches or creating a critical mass of fairly standard transfer models should be supported, if these are the best way for a community to meet their own needs.

Nature of transfer

Should the fund have a preference for a particular type of asset transfer, such as transfer of ownership rather than a long term lease or management arrangement?

11. The top priority for respondents was that transfers should result in community empowerment, including greater independence for third sector organisations. Ensuring that those taking on assets are better able to plan and deliver the services that local people need, and to use their asset, transfer should be unencumbered – namely freehold or long leasehold. Transferring management was very widely seen as a poor third choice. Beyond this, most felt that there should be flexibility for the third sector and local authority partnership to select the type of transfer most appropriate for them.

Maximising impact

What opportunities are there to coordinate with other funding streams and programmes?

12. Most respondents felt that although there are many opportunities for matchfunding and drawing in investment from other sources, there should not be a specific matchfunding target. Requiring coordination of funding streams would complicate the process and may not be appropriate for the diversity of ambitions for each transfer; a viable business plan showing how costs will be covered is more important. Many respondents emphasised the need for capacity building support and independent technical advice before, during and after transfers. They pointed to a huge range of local, regional and national funders that might potentially offer support. This is essential to ensure that the negotiated transfer is of maximum benefit to local people, and to build the management capacity of the organisation taking on the asset.

Sharing good practice

How can the fund be managed to influence policy and practice?

13. There is a clear demand for independent evaluation of Community Assets to follow the process of transfers and monitor the impacts. All those who benefit from the fund should be willing to share their experiences with others and have these disseminated as case studies. Respondents highlighted the need for this to be linked into related government guidance and programmes, especially those resulting from the recent Quirk Review of Community Management and Ownership of Public Assets.

Further points raised

14. Other issues raised included the relation to other government policies, especially the Quirk Review of Community Management and Ownership of Public Assets and policies for assets already in community ownership. Respondents called for Community Assets to be broadened in various ways.

Introduction

15. As part of the Government's commitment to expand the opportunities for communities to manage or own physical assets, a £30 million fund to support community asset transfer was announced on 6 December 2006. The Government launched the Consultation on the Community Assets Fund on 30 March 2007; the consultation closed on 23 June 2007.

16. The consultation document explained that this fund will facilitate the transfer of management or ownership of assets from local authorities in England to the third sector, by offering capital to refurbish assets. It set out the underlying principles that will govern Community Assets, to ensure that it supports social, economic and environmental aspects of sustainable development. It also asked for the views of stakeholders on some aspects of how the fund will work, such as its beneficiaries, distribution and eligible assets.

17. The overall aim of Community Assets is community empowerment. It will do this by facilitating the transfer of genuine assets from local authorities to the third sector for the benefit of the community. Community Assets will bring about the following outcomes:

- communities have more access to better facilities that respond to their needs
- local third sector organisations are more sustainable, with greater security and independence, better able to meet the needs of the communities they serve
- there is more effective partnership working between local authorities and the third sector

18. Since the publication of the Consultation on the Community Assets Fund the Government has repeated its commitment to supporting community ownership of assets in various ways. Community Assets needs to be seen in this wider context.

19. The Office of the Third Sector has considered the responses, summarised them here, and set out how Community Assets will take these into account. This has been shared with the Big Lottery Fund, which will manage Community Assets on behalf of the Office of the Third Sector.

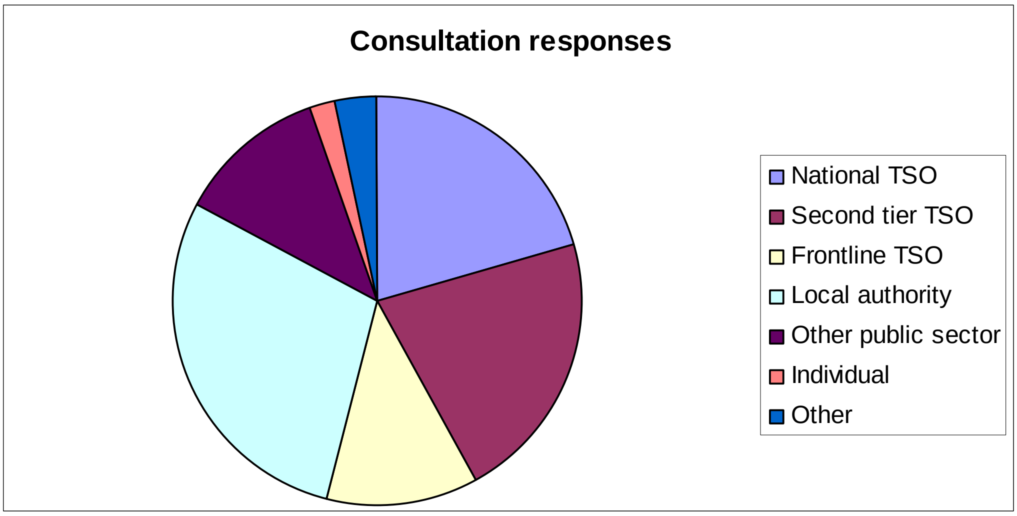
Who responded?

20. The consultation document was aimed at anyone with an interest in community asset transfer, and anyone was very welcome to respond. It was sent to the Office of the Third Sector's group of Strategic Voice Partners, who have applied and been selected through fair and open competition to provide sector voice and advice; all responses were considered together. There were 93 responses to the consultation from a diverse range of respondents, listed at Annex A. Stakeholders also fed opinions into the process through two meetings, for the Strategic Voice Partners and financial intermediaries.

21. The chart below categorizes the responses by type of organisation. Frontline organisations were more likely to point to the day to day frustration and difficulties for volunteers already managing a building. Local authorities pointed out to very different, even conflicting, views on asset management within councils: the property professionals may focus on maximising financial returns, whereas regeneration officers may focus on social impacts. In general however, there was a similarly wide range of opinion across each type of responding organisation. Because of this, responses from each type but have not been separated out in the following summary.

22. The responses received were as follows:

- 30% from local authorities
- 21% from second tier third sector organisations (offering support to a number of smaller frontline organisations within a local or regional area)
- 20% from national third sector organisations
- 12% from frontline third sector organisations (small voluntary and community groups, typically centred on support to small community or group)
- 12% from other public sector organisations such as agencies and Local Strategic Partnerships
- 3% from other organisations
- 2% from individuals



Consultation questions

Beneficiaries of asset transfer

The average grant size is currently expected to be within a range of £250,000 to £500,000, perhaps with more for some projects, in order to achieve a strategic impact. Is this the right approach?

To what extent should this fund focus on funding large scale beacon projects?

23. These questions resulted in the most divergent views. There was a similar spread of opinions across all sizes of third sector organisations, local authorities and others, though small community organisations were most likely to call for smaller grants. Some respondents thought the suggested range was about right. Flexibility was called for at both the higher and lower end of the spectrum, to respond to what is needed locally, regardless of scale.

24. The largest group of respondents argued that the focus should be on smaller grants, supporting a greater number of projects with a lower minimum, as relatively modest investments can still make a substantial difference to a community asset and the lives of its users. These respondents felt that big beacon projects did not necessarily mean better results for local people, and may be less replicable where funding is limited. They felt that the aim to spread best practice would be best served by having projects in many areas. There was particular concern that a focus on large projects could make it harder for rural and BME organisations to access grants.

25. A smaller group of respondents felt that large grants (over £500,000) would be needed to have a strategic impact, as large organisations are better placed to create economies of scale, lever in additional investment and long term sustainable income. There was concern not to overburden small third sector organisations with asset management. Larger grants would be useful for listed buildings, for a portfolio of asset transfers, or for single projects of benefit to multiple frontline organisations, for example by providing support and space for offices or activities.

26. Beacons were welcomed where a local authority has conducted a strategic asset review and mapped a portfolio of properties against local needs. These would highlight the benefits of asset transfer to others and spread best practice. However, most respondents thought that beacon status should be secondary to key criteria such as community benefit, sustainability of the asset and the strength of the relationship between the local authority and the third sector partner. The performance of the project as a beacon depends on dissemination and communication, rather than grant size.

27. Taking the range of opinion into account, Community Assets will have a broad range for grant applications, of £150,000 - £1 million, with an option for potential applications outside this range to be discussed with the Big Lottery Fund. More may be available for multiple transfers within a single local authority area. A mix of projects is expected, including beacon projects and smaller projects, which provide important local services and opportunities for their neighbourhood.

Eligible assets

Should the fund take the proposed flexible approach to determining whether a proposed asset is eligible?

28. Respondents overwhelmingly felt that eligibility should focus less on the physical nature of the asset, and more on the principles behind the fund and factors that make a transfer successful and beneficial for local people. Many respondents suggested critical success factors, often referring back to the principles proposed for Community Assets and emphasising that the business plan would need to provide evidence for these. Transfers should be of assets not liabilities. It can be helpful to separate out viability (the financial question of whether the asset's income can cover its costs) from sustainability (the organisation's capacity and partners to manage the asset). Some of the suggested success factors were as follows.

29. Local community benefit

- the public benefit, particularly to deprived communities
- the level of community engagement and local support for the transfer, for example demonstrated by a parish plan or neighbourhood plan
- the benefit to local frontline organisations, specifically including BME groups
- any existing facilities – to ensure something new is being offered and to avoid competing for custom and funding with neighbouring community-owned assets

30. The asset and its future management

- the commitment by the third sector organisation to taking on an asset
- the skills and capacity of the third sector organisation to take on the asset and manage it sustainably (demonstrating good standards of probity, transparency and governance)
- the legal structures of the recipient, enabling it to raise further investment and ensure future public benefits – respondents pointed to benefits of asset-locked bodies such as charities, Community Interest Companies and Community Benefit Societies
- a feasibility study with an impartial assessment of the state and potential of the asset, to ensure it is structurally suitability for the community's needs
- the future financial viability and income-earning capacity of the asset (including through service delivery contracts and public funding), covering running costs and start up costs with potential early trading losses
- high environmental standards, reducing long term revenue costs of a building, and could be linked to a wider local authority strategy for sustainable procurement

31. The transfer arrangement and partnership with the local authority:

- balancing the needs of different local third sector organisations with interested in asset transfer
- The local authority's commitment to effective asset management (potentially demonstrated by an asset management plan) and the strength of the partnership with the third sector organisation
- the suitability of the legal underpinning of the transfer and the partnership, showing the responsibilities of both parties for repair and maintenance and to ensure public benefit and financial sustainability
- a thorough analysis of risks, and risk management plan

- the transfers should support wider local authority plans for asset management and third sector engagement, e.g. development of a strategic network of community assets for that area. It could link to service delivery objectives, regeneration strategies and the Sustainable Community Strategy, potentially with the involvement of the Local Strategic Partnership.

32. Respondents pointed out that a range of assets could be supported by working with local groups to be imaginative and flexible. Assets might provide facilities for different age groups, office space for small community groups, space for statutory service provision, arts and sports activities, heritage assets, as well as community centres. Houses could be eligible where these are the only buildings potentially available for community use. A small number of respondents were concerned by the potential to transfer assets that public taxes pay for and can be considered as statutory provision, such as libraries.

33. Some respondents pointed out that such flexibility brings with it the challenge of producing clear guidance for applicants, then ensuring expert assessment of applications and business plans against consistent criteria.

34. The criteria for Community Assets will focus on outcomes such as community benefit and sustainability, rather than specifying the physical nature of the asset to be transferred. There is a clear need to balance this flexibility with clarity. An application process demanding evidence of all the individual factors listed above would be cumbersome. As fund manager, the Big Lottery Fund is using the information from this consultation to inform the development of appropriate criteria and an application process for Community Assets.

Supporting partnerships

Should the funding focus on areas where relationships are already strong and working partnerships are already formed, rather than bringing new partnerships together?

35. Many respondents felt that existing, proven partnerships between the third sector and local authorities would have the experience, trust and capacity to make a transfer successful. Some welcomed a programme with the potential to reward and consolidate existing partnerships and relieve frustration of those 'champing at the bit', rather than requiring new partnerships to be formed. There was a perceived danger that new partnerships could be set up to chase funding, resulting in tokenistic third sector involvement and rushed transfer negotiations, without a firm foundation of trust and understanding of the implications of asset management. Respondents highlighted the difficulty in judging the strength of partnerships, and suggested strong local Compacts, links between local authority delivery objectives and the third sector, and involvement of the Local Strategic Partnership as indicators. Partnerships should be able to draw in independent expert advice to develop a governing document for the transfer; these could provide models for future transfers.

36. A substantial number of respondents felt that all partnerships, whether old or new, should be judged on merit, against the principles outlined in the consultation or the success factors in the previous section. New partnerships may be able to demonstrate the ability to work together. Respondents asked what support was available to third sector organisations that wanted to take on an asset, but had a difficult dialogue with their local authority. Some felt that supporting existing partnerships would favour the usual suspects and penalise small and new third sector organisations, potentially excluding rural applicants, BME groups and those working with refugees and recent immigrants. Whether or not these groups have the capacity to be the lead partner taking on the asset, they should be involved. These respondents felt that if the fund is to bring communities together, this must be reflected in the partnerships.

37. Respondents pointed out that town and parish councils often work in partnership, bringing the third sector and public sector together – in many communities they play the same role as voluntary third sector bodies, with community support and a democratic mandate.

38. When they apply to Community Assets, all partnerships should be able to demonstrate a shared vision and ability to work together to make a transfer a success. Pragmatically, this is likely to favour existing, proven partnerships. However, new partnerships should not be excluded if they are able to deliver a quality project for community needs. Users and frontline groups should have a say in the refurbishment to ensure it meets their needs. Community Assets is part of a wider programme of government support for the transfer of assets from the public sector to the third sector, discussed in the section on Community Assets in Context.

39. Community Assets aims to bring people together, so it is important to involve a range of local stakeholders, especially small frontline groups without capacity to take on asset management. This must be reflected in the composition of inclusive partnerships, with demonstrable involvement of marginalised communities such as BME groups. The Government recognises the proactive role played by many town and parish councils, but as a statutory tier of government they cannot be third sector partners. They may be able to add value to local partnerships; the lessons from Community Assets should be of relevance to them.

Distribution

Should we focus on supporting programmes of transfer in a small number of local authority areas, or fund projects distributed across many authorities?

Is there scope for regional allocation of funding under this programme?

40. These questions generated a consensus around balancing a merit-based approach to assessment with a spread of projects across different regions and local authorities.

41. Although some respondents suggested ways to allocate funding by region, or target it to areas of disadvantage, there was no consensus around any method of allocation that would be acceptable to the majority. Many respondents argued against rigid allocations precisely because of this difficulty in selecting an equitable method with which to divide up the funding. The responses to these questions mirrored responses to the first two questions: a majority preferred a larger number of smaller grants over many areas, and a minority wanted the fund to focus on particular areas to create clusters of projects, pilots or pathfinder authorities.

42. Most recipients supported flexibility, potentially through indicative regional targets, or, more commonly, an approach that emphasises need (including deprivation and access to services) and merit, while aiming for a range of projects sizes and types in different geographical regions and diverse rural and urban contexts. This could include some large grants for transfers of a portfolio of multiple projects in one authority, as well as smaller grants. This was seen as a reasonable, common sense approach to distribution.

43. Community Assets will not be divided up by any rigid regional allocation. The successful projects will be expected to range across many local authorities, though there will be an opportunity to support some composite projects, supporting multiple asset transfers. The assessment of applications will be based on need and sustainability of projects, using criteria developed by the Big Lottery Fund (informed by the principles behind the fund and the suggestions made in response to this consultation). However, Government has asked the Big Lottery Fund to aim for a reasonable distribution by location, rural and urban contexts and proposed uses. The Big Lottery Fund will use its regional offices to bring local expertise to the process of managing Community Assets.

Innovation

Should the fund aim to support innovative projects that are piloting a range of different approaches to asset transfer?

44. This question resulted in a strong consensus that innovation should not be a driving factor in assessing applications. Innovation is welcome, but the emphasis should be on strong partnerships applications demonstrating community benefit and sustainability. Chasing innovation for innovation's sake was seen as risky and unhelpful – Community Assets should support traditional approaches to transfer where these are needed, in order to provide basic but much-needed services and infrastructure for local groups and communities. This would build on what works, and help build up a critical mass of fairly standard transfer mechanisms.

45. Like the previous question, while not wanting an excessive emphasis on innovation, many recipients hoped that successful projects would nonetheless demonstrate a range of approaches to transfer. If considered, innovation could include the transfer arrangement, project types (including rural, multi-purpose and BME-led) and ambitions, target beneficiaries, and management. This could result in a range of replicable models, linked to the dissemination of findings and incorporated into national and regional guidance such as that recommended by the Quirk Review.

46. Innovation should not be a determining factor for applications to Community Assets. The priority should be supporting projects that can evidence sustainability and community benefit rather than innovation. The Big Lottery Fund will aim to support a mix of projects, including innovative and straightforward or conventional approaches (transferring a building to its existing users) if the applicants demonstrate that this is the best way for a community to meet their own needs.

Nature of transfer

Should the fund have a preference for a particular type of asset transfer, such as transfer of ownership rather than a long term lease or management arrangement?

47. This generated a range of responses, from which a consensus around a middle ground emerged.

48. Many respondents favoured flexibility in response to the capacity of the recipient organisation and needs of the community, based on principles or outcomes of the transfer, rather than the mechanics. Most felt that meaningful transfers are more likely to be transfers of ownership – freehold or long lease – rather than management arrangements (long leases were defined in various ways, from a minimum of 20 years to 125 years, and with the recognition that a shorter lease may be worthwhile for an office building, but not a community centre). Such transfers are unencumbered from an operational and financial viewpoint, so the recipient is able to use the asset to lever in additional funding and be independent and creative in planning the activities and services they will provide. This would ensure that the transfers are of assets not liabilities.

49. Although transfers of management were seen as a poor third choice by many, a small minority pointed out that it can be less daunting than transferring ownership and could be combined with plans to transfer ownership over a specified timescale, with formal commitments from the local authority.

50. Applications could include an options analysis to identify the rationale for transfer and for the form of transfer taken, and to analyse risk and potential remedies (this could be based on the risk analysis of the Quirk Review). Some respondents suggested that the public benefit could be protected, perhaps with restrictive covenants to ensure the asset is retained for community use. Even where freehold is transferred the ongoing partnership and support from the local authority are likely to be important. Whatever the transfer agreement, all parties need to understand what the transfer entails, i.e. rights and responsibility for building repair, management decisions, insurance purchase, long term investment, arrangements for subletting, multiple occupancy and the right of the third sector partner to break clauses every few years.

51. The third sector organisation should be strengthened by taking on the asset, able to use it, if wished, as security for raising further investment, and able to be creative and plan ahead in delivering the services and activities the local community needs. This aim will be best served by transferring leasehold or freehold ownership, rather than management. The precise nature of transfer should be determined by the benefit to the community and to the third sector organisation, but is not expected to be less than a 20 year lease. As stated by the Quirk Review, “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.”

Maximising impact

What opportunities are there to coordinate with other funding streams and programmes?

52. There was very strong consensus that there is little benefit in transferring an asset without ensuring ongoing capacity building support, involving external expertise, to enable the third sector organisation to manage the asset effectively. Some suggested that capacity building should link up to organisational support for communities that already own their own assets. Rather than reinvent the wheel, respondents suggested an extremely wide range of local, regional and national capacity building programmes and funding streams that could provide this support to Community Assets projects. Suggested sources are set out in Annex B. No single source could meet all the revenue needs. The issues that support may be needed for include the following:

- organisational development, networking and partnership working
- community engagement and consultation
- specialist legal support while negotiating transfers (e.g. drawing up lease agreements, how to recognise and deal with restrictive covenants on buildings, is the local authority a trustee)
- technical advice on planning, building design, operating systems management, legislation, licensing and regulation
- independent financial advice, management and business support to become investment ready
- ongoing financial management, human resources and business training, balancing commercial imperatives with community need
- working capital support to deal with early trading losses (while activities get up to full capacity)
- specialist skills for that asset e.g. listed buildings or equipment in health or leisure centres

53. There were divided opinions on matchfunding. Generally it was felt to be useful, but a strict requirement was not seen as helpful. Instead, it was suggested that the business plan should address it as part of overall financial sustainability, perhaps identifying potential partners. This would leave flexibility to respond to differences in local availability of funding and plans for services to be provided. The nature of the asset, the type of third sector organisation and the nature of the transfer agreement will also affect the support available from other sources. Local Strategic Partnerships could play a coordinating role.

54. Requiring matchfunding and coordination of funding streams would complicate the delivery of the fund and introduce inflexibilities. There will not be any matchfunding target for Community Assets. However, the partnerships will need to draw in resources from other sources such as those listed in Annex B, as the fund is not intended to cover the full costs of transferring an asset. Rather, it provides capital grants for refurbishment as an incentive to those partnerships that show clear commitment to asset transfer. The application form and business plan will need to demonstrate that the transfer and ongoing management will be sustainable.

55. The Quirk Review recommended that where government funding supports community management and ownership of assets, financial intermediaries should be involved. The Big Lottery Fund and the Office of the Third Sector held a meeting to discuss this involvement with the various financial intermediaries suggested by the Quirk Review. Following these discussions, the Big Lottery Fund is considering options for the involvement of additional expertise and expects to make an announcement in the autumn.

Sharing good practice

How can the fund be managed to influence policy and practice?

56. There was strong consensus that there should be independent, expert evaluation and dissemination of the lessons from Community Assets. It was suggested that this should be built in from an early stage, with seminars, online information, local evaluation and visits, and reviews of the projects at key milestones. It was suggested that monitoring should include the type of organisations that want to take on assets and where there are gaps in interest from the third sector or local authorities. It could feed into research into social returns on investment, to enable community benefits to be compared with financial returns from asset sale. This would develop an evidence base of successes, opportunities and challenges, and generate workable models of transfer to spread practical lessons for other asset transfers.

57. Respondents pointed to potential links to the evidence base on benefits of community-owned assets more widely, including in rural areas, community land trusts and for energy efficient refurbishment of community buildings. Evaluation of Community Assets could also help the third sector and local authorities to improve existing lease and rental arrangements. It could encourage local authorities to take a broad view of social and financial benefits of asset disposal, strengthen local Compact and link to networks such as the IPF Asset Management Network. Dissemination should support the messages of the Quirk Review and feed into the implementation of the Review by the Department of Communities and Local Government. It was suggested that evaluation could also feed into government policy on community engagement and development of a strong Community Call for Action.

58. The Office of the Third Sector and the Big Lottery Fund will commission independent evaluation of Community Assets. This should cover many of the issues suggested above, while leaving flexibility for the creativity of the researchers. The Office of the Third Sector and the Department of Communities and Local Government will work together to ensure that the lessons learnt from this evaluation will be disseminated widely and fed into the implementation of the recommendations of the Quirk Review (this includes guidance, workshops and a risk management toolkit).

Further points

59. A number of respondents called for broadening of Community Assets in various ways, to cover any public building, increase the size of the fund, or set up a fund for community-owned buildings.

60. Delivery by the Big Lottery Fund was welcomed, and it was hoped that application processes would be structured to avoid substantial outlays of time and money in early phases. The guidance would need to be clear on exit strategies. There were diverse opinions on whether the grant should go to the local authority, to ensure that the asset has been refurbished to a high standard before transfer, or to the third sector organisation, which would mean that the transfer would have to have taken place prior to receipt of the grant. Advantages to both routes were pointed out. Various other recommendations were made relating to the delivery of Community Assets.

61. £30 million is a substantial and new commitment to asset transfer. The evaluation and lessons learned from the fund should be of benefit to other transfers from the public sector, and for communities that already own their own assets. The Third Sector Review has also announced a £10 million commitment from the Office of the Third Sector to support community anchors, which would be likely to be owned by the third sector. The £80 million small grants programme will support community and voluntary groups. Issues raised relating to the details of delivery of Community Assets have been shared with the Big Lottery Fund, and will be considered as they design the operational details.

Community Assets in context

62. It is important to see Community Assets within the wider context of support for a thriving third sector, one that is confident and capable of taking on public assets where this is in the best interest of the community. The Local Government White Paper[1] highlighted the role asset ownership can play in giving communities the stability and confidence to develop and grow. The Third Sector Review[2] recognised the importance of developing community assets, both to empower the local third sector to benefit the wider community. The Third Sector Strategy discussion paper for the Department of Communities and Local Government[3] included proposals to support community anchor organisations.

63. The Quirk Review of Community Management and Ownership of Public Assets[4] concluded that the benefits of community ownership and management of public assets can be substantial, and recommended an integrated package of measures to enable confident and capable third sector organisations to take on assets. The Government accepted the Quirk Review recommendations in full and published an implementation plan[5]. This contains measures targeted at both local authorities and third sector organisations.

64. Community Assets has been developed alongside these strategies and programmes, and aims to be mutually supportive of them. In particular, it is part of the overall package of measures that put the Quirk Review recommendations into practice. Together they form a broad programme of support for local authorities and the third sector at different stages in developing partnerships needed for asset transfers. This aims to widen the pool of potential future transfers. The Office of the Third Sector and the Department for Communities and Local Government are working together very closely to ensure that each department's activities strengthen the other. The support available to local authorities and the third sector can be seen as a continuum as follows.

- Third sector organisations that already own assets may benefit from the announcement in the Third Sector Review that the Office of the Third Sector will commit £10 million to support community anchors. The Department of Communities and Local Government is currently consulting on an approach focusing on community anchors.

- Local authorities and third sector partnerships with strong working relationships and a clear vision for community benefits through asset transfer will be in a good position to apply for Community Assets.

- Advancing Assets for Communities is a demonstration programme offering tailored consultancy and advice to bring interested partnerships to a stage where they are ready to transfer assets. This is being delivered by a consortium led by the Development Trusts Association, funded by the Department of Communities and Local Government. It is fully independent of Community Assets, but shares the objective of advancing asset transfers, so lessons from both

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[1] Strong and Prosperous Communities, October 2006
[2] The Future Role of the Third Sector in Social and Economic Regeneration, July 2007
[3] Third Sector Strategy for Communities and Local Government, June 2007
[4] The Quirk Review of Community Management and Ownership of Public Assets, May 2007
[5] Opening the transfer window: The Government's response to the Quirk Review of Community management and ownership of public assets, May 2007

programmes will be brought together to inform future policies.

- Two series of workshops are being held, one for local authorities (funded by Communities and Local Government) and one for the third sector (funded by Capacitybuilders), to inform and enthuse those who would like to know more about asset transfer.

- There will be a toolkit developed by Communities and Local Government to help the parties involved in an asset transfer to identify and manage the risks. Up-to-date and authoritative guidance on local authority asset management is also being produced by a working group comprising Communities and Local Government, Royal Institute of Chartered Surveyors, Chartered Institute of Public Finance and Accounting and the Local Government Association. This will include specific advice on the transfer of assets to community management and ownership.

- A general promotional campaign is planned to disseminate the messages of the Quirk Review, and promote tools to strengthen the hand of communities in calling for asset transfer, such as the Public Request to Order Disposal power (this enables any member of the public to request the Secretary of State to direct a local authority to dispose of an underused building or piece of land that it owns).

Next steps

65. The Government thanks all who responded to the public consultation. The diverse range of views has been very valuable in refining the proposals for Community Assets. The Government has also considered its proposals in the light of recent publications, including the Quirk Review and Third Sector Review. The decisions made as a result of consultation on each question have been set out above.

66. The Office of the Third Sector has shared the consultation findings with colleagues in the Department for Communities and Local Government, to ensure that policy and programme development is joined up. The Government has also shared the outcomes of the consultation with the Big Lottery Fund, who has used these in the design of Community Assets. The Big Lottery Fund has written to all local authorities inviting them and their third sector partners to apply to Community Assets. The Big Lottery Fund will run a series of regional events in early September, which both partners are invited to attend. If a third sector organisation has a project to take forward, they should talk to their local authority partner about attending a seminar jointly.

Conduct of the Consultation Exercise

67. We are able to supply copies of this consultation response in alternative formats (such as larger print or Braille) on request. If you have further comments, please contact us at:

    Email: communityassets@cabinet-office.x.gsi.gov.uk
    Address: Annie Cooper, Office of the Third Sector, 2nd floor, Great Smith Street, London SW1P 3BQ

68. As stated in the consultation document, the information you send us may need to be passed to colleagues within the Cabinet Office or other Government departments. All information in responses, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004).

69. If you have comments or complaints about the consultation process itself, please contact Ian Ascough in the Better Regulation Executive: ian.ascough@cabinet-office.x.gsi.gov.uk

70. All Government consultations must comply with (and reproduce) the criteria below. This consultation has been carried out in compliance with the criteria below.

The Six Consultation criteria

i) Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy.
ii) Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses.
iii) Ensure that your consultation is clear, concise and widely accessible.
iv) Give feedback regarding the responses received and how the consultation process influenced the policy.
v) Monitor your department's effectiveness at consultation, including through the use of a designated consultation co-ordinator.
vi) Ensure your consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate.

71. The original consultation and information the Office of the Third Sector can be found at www.cabinetoffice.gov.uk/third_sector.

Annex A

Responses were received from the following organisations.

Adventure Capital Fund
Action with Communities in Rural England
Allerdale Borough Council
Architectural Heritage Fund
Arthouse Wakefield
Ashfield District Council
Barking and Dagenham (London Borough)
bassac
Blackburn with Darwen CVS
Blue Flash Music Trust
Bolton MBC and Bolton at Home
Richard Davies, Brighton and Hove City Council project manager
Buckinghamshire County Council
Business in Sport and Leisure
Calderdale Council
CAN mezzanine
CCPR – One Voice for Sport and Recreation
CEIS – enterprise support & employability solutions
Community Development Finance Association
ChangeUp London Premises sub group
Chester City Council
Chester in Partnership
Commissioning Joint Committee
Community & Business Partners Ltd.
Community Futures
Community Interest Companies
Community Matters
Cornwall County Council
Council of Ethnic Minority Voluntary Sector Organisations
Culture South East
Dacorum Borough Council
Derby City Council
Derby City Partnership
Development Trust Association
Digbeth Trust
Directory of Social Change
Dorset Community Action
Dorset County Council
Dr Charlotte Hursey
East Sussex County Council
Environment Trust
Ethical Property Foundation
Football Association
Furniture Reuse Network

Gateshead Council
Glusburn Institute
Greater Manchester CVO
Groundwork Black Country
Hammersmith and Fulham (London Borough)
Heritage Economic & Regeneration Trust
Keighley Voluntary Services and Bradford Community & Voluntary Service
Lincolnshire Community Foundation
Local Solutions
Manchester City Council
Mary Burns Community Group
Museums, Libraries and Archives Council
National Association for Voluntary and Community Action
National Association of Local Councils
National Council for Voluntary Organisations
Newcastle City Council
Nottinghamshire City Council
Nottinghamshire County Council
Paddock Community Forum
Peak District National Park Authority
Pentagon Partnership (VCS Tyne & Wear)
Portsmouth and South East Hampshire Partnership
Regional Development Agencies joint response (from London Development Agency)
Redbridge (London Borough)
Royal Borough of Kensington and Chelsea
Rural Community Council of Essex
Sandwell Metropolitan Borough Council
Selby Trust
Social Enterprise Coalition
Social Enterprise Networks in the South East
Social Inclusion Network
Springboard project
Stockport CVS
Stockton Borough Council
Stockton International Family Centre
Stoke-on-Trent City Council
Surrey Community Action
Thornhill Plus You NDC
TPAS
Voice4Change England
Voluntary Action Barnsley
Wakefield District Partnership
Warrington Council
Wearside Women in Need
West Lancashire District Council
Wigan Council
York CVS and CYV
Yorkshire and Humber and Wolds Rural Community Councils
Yorkshire and Humber Local Government

Annex B

Many respondents suggested sources of possible support for asset transfer. The Office of the Third Sector takes no responsibility for the accuracy of others' responses to the consultation. These suggestions are listed here, but this does not necessarily indicate actual availability of support. It simply records suggestions made.

National programmes including CapacityBuilders, Building Schools for the Future, sustainable development programmes and the Low Carbon Buildings Programme and other capital investment programmes previously supported by DTI (now the Department for Business, Enterprise and Regulatory Reform), various capacity building third sector organisations including the Council of Ethnic Minority Voluntary Sector Organisations, the Architectural Heritage Fund (the website has a database of funding sources for charities for historic buildings), the Ethical Property Foundation, LawWorks, Tenant Empowerment Programme of the Housing Corporation, Coalfield Regeneration Trust, Venturesome, Adventure Capital Fund, the Post Office Ltd's small fund to help with outreach facilities, Local Investment Fund, Community Development Finance Association, Futurebuilders, the Sports Council, Sport England and its Community Capital Fund, sports foundations such as the Football Foundation, Cricket Foundation and Rugby Foundation (these invest in multi-sport projects in disadvantaged communities), Northern Rock, Bank of Scotland, other Big Lottery Fund programmes.

European funding such as European Regional Development Fund, European Social Fund, and European funding for social enterprise.

Regional funding and business support through Regional Development Agencies and Government Offices (e.g. East of England Investing in Communities programme), Planning Aid, regional third sector networks

Local support from the local authority and its asset management agenda and budget, Local Area Agreement funding streams, the Neighbourhood Renewal Fund, Job Centre Plus, Primary Care Trusts, Sure Start Children's Centres, funding associated with the four Sustainable Community Growth Areas, local foundations, private sponsors and charitable trusts, the Village Hall Advisors network, building preservation trusts, local social enterprise investment, the network of Community Development Finance Institutions, local third sector infrastructure organisations, local land gifts in kind to develop community land trusts, pro bono local support to the third sector