



Birmingham City council Owned Assets Inquiry

Submission to Employment and Skills Overview and Scrutiny Committee

Introduction

Locality is the national membership network supporting local community organisations to be strong and successful. Our member network of over 1200 organisations creates the services their community needs most in spaces where everyone belongs.

In this submission we outline the approach BCC should take, through the use and management of its property estate in order to “ensure SME’s, community organisations and enterprises can play a full part in the city’s economic development and regeneration”

Community asset ownership: background on policy landscape (pre-coronavirus)

The availability of community spaces underpins community wellbeing in good times and bad.¹ These are the places where community power is built - through the groups, services and amenities they house and the connections and relationships that are forged within them. Furthermore, community ownership or management puts the governance of these spaces in the hands of local people – unlocking new capacity, service improvement and innovation.²

The national Quirk Review inquiry in 2007 positioned CAT as more than an asset management mechanism, setting out its potential to deliver economic and social renewal through unlocking community power, local enterprise and self-determination.³ The Localism Act 2011 also created new opportunities for community ownership, including through the opportunity for residents to register land and buildings as ‘Assets of Community Value’ (ACVs).⁴

A number of national government programmes have since supported Community Asset Transfer by local authorities, including the Community Ownership and Management of Assets (COMA) programme (2015 – 16) which supported 52 councils and communities with resources, peer-learning and strategy development. Most recently, the announcement of a new £150million Community Ownership Fund in the Conservative Party 2019 General Election manifesto, will potentially bring new opportunities for the transfer of land and buildings to community ownership. Development of this is likely to have been delayed due to the pandemic.

Yet, at the same time, austerity has put significant pressure on community spaces over the last ten years. Local authorities have faced significant cuts, with spending on local services

¹ Bagnall, A et al (2018) “Places, spaces, people and wellbeing: full review”. Available at: https://whatworkswellbeing.org/wp-content/uploads/2020/01/Places-spaces-people-wellbeing-full-report-MAY2018-1_0119755600.pdf

² Locality and the Co-op (2020). “In Community Hands: lessons from five years of community asset transfer.” Available at: https://locality.org.uk/wp-content/uploads/2020/03/COP33979_In-Community-Hands_2020.03.18.pdf

³ Quirk, B. 2007. ‘Making Assets Work’. Available at: https://libraries.communityknowledgehub.org.uk/sites/default/files/making_assets_work_-_the_quirk_review_of_community_management_and_ownership_of_public_assets.pdf

⁴ Locality, 2018. ‘People Power: findings of the Commission on the Future of Localism’. Available at: <https://locality.org.uk/wp-content/uploads/2018/03/LOCALITY-LOCALISM-REPORT-1.pdf>



down 21% over the last decade.⁵ These pressures combined with cuts to non-statutory services have led to the closure and sale of associated buildings and spaces in neighbourhoods across the country. The option to use capital receipts from surplus assets to fund revenue costs of service transformation has been an additional driver for councils to dispose of assets on the open market to the highest bidder. As Locality's 2018 Freedom of Information (FOI) request to local authorities found, approximately 4,000 publicly owned assets are being sold off each year – including many vital community buildings and spaces.⁶

In the face of these threats, Community Asset Transfer is an alternative to sale which retains valued local spaces for community benefit. Indeed, for the local authorities interviewed in recent Locality research, austerity was identified as a catalyst for CAT, with the pressures to secure revenue savings driving the transfer of assets to communities.⁷ Yet, pressures on securing capital receipts from asset disposal on the open market is a key tension identified for council policies in identifying which assets can be available for community ownership; the ability to provide funding to support the transfer (in terms of maintenance or repair) is also often limited.

Having a Community Asset Transfer policy which is strategically embedded within the local authority, alongside council leadership which values the role of community ownership in delivering positive place outcomes, are important factors in securing the long-term local benefits of community ownership. For these councils, asset transfer is more than an ad-hoc solution for individual spaces; it is part of a holistic strategy encompassing benefits to the local economy, community wellbeing, local democracy and service transformation. Indeed, the benefits of community ownership are best realised when it is centred on creating a long-term partnership between enterprising communities and a supportive public sector.

Community asset ownership and COVID-19

Much of the extraordinary community response to coronavirus has been made possible through community spaces and services that have provided crucial local capacity and resources. Community buildings have been centres for local coordination, bringing together crisis support schemes like foodbanks and distribution. In addition, community buildings often house multiple services, groups and businesses under one roof; this co-location was an invaluable foundation for the local response, making partnership working and information sharing quicker and easier, based on existing trust and relationships.⁸

The crisis has demonstrated the importance of strong local organisations and healthy social infrastructure⁹; a recent New Local Government Network (NLGN) survey found that 95% of council chief executives say the contribution of community groups to their coronavirus response has been 'very significant' or 'significant.' Many local authorities will now be planning how to build the resilience in their communities to guard against future shocks, including through continued partnership and support for community organisations. In this

⁵ Institute for fiscal studies. 2019. 'English council funding: what's happened and what's next?' Available at: <https://www.ifs.org.uk/publications/14133>

⁶ Locality. 2018. 'The Great British Sell Off'. Available at: <https://locality.org.uk/policy-campaigns/save-our-spaces/the-great-british-sell-off/>

⁷ Locality and the Co-op. 2020. 'In Community Hands.' Available at: <https://locality.org.uk/about/key-publications/in-community-hands-report/>

⁸ Locality, 2020. 'Birmingham's Collaborative Neighbourhoods: a Snapshot of the community-led response to Coronavirus and what this means for resetting the civic and community relationship'

⁹ Locality, 2020. 'We Were Built For This.' Available at: www.locality.org.uk

context, Community Asset Transfer (CAT) is a key lever that local authorities can use to capitalise communities and protect, strengthen and grow local community infrastructure.

At the same time, if properly supported and enabled, community ownership also has the potential to play a huge role in plans for local economic recovery. Community-owned assets contribute an estimated £220million to the economy each year,¹⁰ and bring opportunities for local enterprise, creating more training and job opportunities for local people.¹¹ In the context of an economic downturn and potential risk this might bring for existing local spaces, amenities and businesses, community ownership could be a powerful tool for local regeneration and recovery. For example, in the context of the impact of business closures on high streets, community owners can bring innovation, local expertise and accountable governance models, to transform local shops or derelict spaces.

Evidence on the scale and benefits of Community Asset Transfer

There is a burgeoning evidence base on the benefits of Community Asset Transfer:

- **Economic benefits.** Research commissioned by MHCLG and Power to Change finds that community-owned assets contribute an estimated £220million to the economy each year.¹² Community ownership also brings opportunities for local enterprise, creating more training and job opportunities for local people.¹³
- **Improved social outcomes.** Bringing local spaces and buildings into the ownership of community groups can stimulate community action and involve more volunteers and local people in the running and governance of these spaces.¹⁴ Community ownership can also open-up access to new financial resources (from charitable trusts and funders).¹⁵
- **Community power and strengthening community infrastructure.** Community owners, through local accountability and an 'asset-lock' that prevents private benefit, can ensure that local land and buildings are used in perpetuity for the benefit of the local community. Community ownership can also improve skills of local VCSE organisations¹⁶, as well as improving their financial resilience¹⁷, underpinning the strength and sustainability of community infrastructure.

¹⁰ Archer, T. et al. 2019. 'Our assets, our future.' Available at: <https://www.powertochange.org.uk/research/assets-future-economics-outcomes-sustainability-assets-community-ownership/>

¹¹ Crisp, R. et al. 2016. 'Community-led approaches to reviewing poverty in neighbourhoods.' Available at: <https://www4.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/community-led-approaches-to-reducing-poverty-in-neighbourhoods.pdf>

¹² Archer, T. et al. 2019. 'Our assets, our future.' Available at: <https://www.powertochange.org.uk/research/assets-future-economics-outcomes-sustainability-assets-community-ownership/>

¹³ Crisp, R. et al. 2016. 'Community-led approaches to reviewing poverty in neighbourhoods.' Available at: <https://www4.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/community-led-approaches-to-reducing-poverty-in-neighbourhoods.pdf>

¹⁴ Locality. 2017. 'Places and Spaces: the future of community asset ownership.' Available at: <https://locality.org.uk/wp-content/uploads/2018/03/Locality-Places-and-spaces-report-final.pdf>

¹⁵ Locality and the Co-op. 2020. 'In Community Hands.' Available at: <https://locality.org.uk/about/key-publications/in-community-hands-report/>

¹⁶ Locality. 2017. 'Places and Spaces: the future of community asset ownership.' Available at: <https://locality.org.uk/wp-content/uploads/2018/03/Locality-Places-and-spaces-report-final.pdf>

A vision for Birmingham

Through a national programme exploring community asset ownership in five places across England Locality ran three workshops exploring; BAME community asset ownership, The value of assets in responding the coronavirus pandemic and the role of community assets in economic recovery.

Key emerging issues

- Application of CAT process varies across the Council and needs review
- Legal costs and financial information – during the process community organisations are expected to pay for BCC legal costs. It is hard to get true cost of operating assets before any transfer and therefore budget projections. There is disproportionate loading of risk on the community ‘partner’.
- Leadership, diversity, and succession planning. How many assets have been transferred to BAME -led orgs? And what support is needed to support BAME groups through the process and to sustain vital infrastructure in communities that have been historically underfunded and under resourced.
- Support and advice – advice on legal structures/business planning/financial forecasting is not consistent and sometimes wrong.
- Contracts and grants – a better understanding of what assets enable communities to do and how they can contribute to funders/commissioner outcomes so that a closer alignment of grant funding/commissioning can be used to sustain community ownership. How can BCC use its borrowing power to be more innovative in its ‘investment’ approach.
- How is social/economic impact of asset ownership measured. Narrow fiscal/economic measures often miss the wider economic and social impact. Too often financial decision-making trumps long term community/social capital benefits¹⁸.
- Local authorities and NHS all have engrained cultures that focus on the citizen but need a recognition of the role of community organisations as 'cogs of connection'

Priorities for Birmingham

- Jobs and Training

Mobilising the role of community organisations in delivering employment, skills and training support in the wake of the crisis is more important now than ever, especially in areas of multiple deprivation where labour market challenges will be particularly acute. The barriers people experience to employment are often complex and place-specific, ranging from a lack of access to networks, to caring responsibilities, to transport issues. Therefore, mobilising the assets, solutions and capabilities across the community to address these barriers and determine the solutions is essential.

- Local Businesses and High Streets

¹⁷ NCVO et al. 2015. 'Financial sustainability review of voluntary sector.' Available at: https://www.ncvo.org.uk/images/documents/policy_and_research/funding/financial-sustainability-review-of-the-voluntary-sector-july-2015.pdf

¹⁸ primacy of profit in relation to social purpose is a topic recently explore by Mark Carney in the Reith Lectures 2020 'How we get what we value'



Community organisations act as local economic multipliers in the disadvantaged areas they operate. They ensure the wealth they generate is redistributed in their neighbourhoods, by employing local people in good quality jobs, using local supply chains, and providing training opportunities so local people can become economically active.

Through the tenant organisations they host, Locality members also support 'enabled contribution'. Research with ten community organisations in 2017 showed that together they enabled approximately 1,400 jobs and approximately £120m of gross value added to the local economy. This gives an indication of the wider economic contribution community organisations make to a local area beyond their own activities, through their tenant organisations¹.

As we look to recovery, BCC should consider the role for community organisations, and community ownership, on the high street – which looks set to be drastically reconfigured as the full economic impact of the coronavirus crisis becomes apparent.



Locality guides and resources on assets:

- <https://locality.org.uk/services-tools/resources/resources-for-community-organisations/>
- <https://locality.org.uk/services-tools/support-for-councils-service-providers/community-asset-transfer/>

“In Community Hands” research on community asset transfer:

- <https://locality.org.uk/about/key-publications/in-community-hands-report/>

ⁱ Locality, 2017, Powerful Communities, Strong Economies, Available at https://locality.org.uk/wp-content/uploads/2018/03/LOCALITY-KEEP-IT-LOCAL-002_revised260318_summary.pdf