

The World Will Be Your Oyster?

Reflections on The Localism Act 2011

Chapter Two

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Introduction and context

The 'Community Rights' agenda is potentially a highly innovative part of the Localism Act, breaking sharply with the centralist traditions of British public policy. In doing so, it appears to call upon the ideas of radical writers such as Alinsky (1946), who informed the training of generations of community organisers (such as Barack Obama) and Ivan Illich (1971), who set out a prospectus for citizen-run 'learning webs' which would enable communities to make the most of their own capacities. Indeed, this 'turn to community' appears to hark back to the community development movement of the 1960s and early 1970s in the UK, which experimented with a variety of ways of mobilising local people in civic activities.

However, part of the clever political calculation behind this approach comes from a different source. It builds on the reputation capital of the 'right to buy' which worked so well for the Thatcher administration a generation earlier in relation to council housing. Nor is it a surprise as a coalition government policy – it was signalled as part of the Conservative Party electoral manifesto as long ago as November 2009 and is fully in line with the Liberal Democrat tradition of 'community politics'.

While Labour have called into question the 'localist' credentials of parts of the Act, such criticisms can hardly be levied at the 'Community Right to Challenge' and the 'Community Right to Bid'. These provisions certainly compare well with the relatively weak 'community rights' reforms of Labour in its 2006 White Paper

and subsequent Local Government and Public Involvement in Health Act, where one of the flagship policies, now largely forgotten, was the so-called 'Community Call to Action', derided even at the time as tangential to changing the power balance between the community and backbench councillors, on the one hand, and the council Cabinet and bureaucracy on the other.

Nevertheless, it will be important to reserve judgement until we see how the provisions in the Act are actually utilised at local level. This is likely to take some time - different parts of the Act will come into effect at different times, as government regulations are published, although the Government is aiming for many of the measures to come into effect in April 2012.

The way the Act is actually implemented will be critically important. As the LGA (2011) has commented, third sector organisations have already got the right to bid for the provision of public services (at least, if they pass certain vendor qualification tests) – consequently, these new rights will only be meaningful if they are backed by local government procurement systems. Will public procurement, in practice, make it easier than before for the third sector to bid successfully to make full use of its local expertise in providing the niche services for which it is especially appropriate? Urban Forum research has suggested that many community groups are likely to find that activating these provisions will simply be too resource intensive for them to consider challenging or bidding.

There is, of course, another narrative being told about this part of the Act.

As Hazel Bleas has commented

(http://www.civilsociety.co.uk/governance/news/content/8086/localism_bill_passed_to_public_committee), if this Act simply opens the door for more externalisation, so that large-scale commercial firms end up being the main gainers, and the potential of local niche providers is not reaped, then it will not only be seen as an act of trickery but may also result in significantly worse public services than were being delivered previously by the public sector.

A further community right, the 'Community Right to Build', allows local people to hold a referendum to approve small local developments (up to 20 houses), without the need to go through the normal requirement for planning permission. For developments that benefit their community, including housing, local shops and community facilities. This is not further considered here, being covered in the chapter on planning issues arising from the Localism Act..

The provisions of the Act

Community Right to Challenge

This gives the right to voluntary and community groups, social enterprises (inserted during the passage of the Bill), parish councils and groups of (at least two) council employees delivering a service to challenge a council by 'expressing an interest' in providing or assisting in providing any of its services. The council (and other relevant authorities, as decided by the Secretary of State) must demonstrate that it has considered the challenge, taking into account how the challenge might improve the social, economic or environmental well-being of the area and must respond to it. The 'expression of interest' can only be rejected on grounds set out in the regulations. If the council accepts the challenge, this will trigger a new procurement exercise for that service, in which the challenging organisation could then make a bid, alongside others (including private firms).

The Right to Challenge has been seen as a successor to the 'Duty to Involve' (introduced by the previous government), moving away from its more top-down approach. Indeed, the Government has presented this provision as part of its aim to mobilise the 'Big Society', making greater use of the potential of citizens and third sector organisations to achieve 'bottom-up' change.

A council can specify particular service periods during which expressions of interest may be submitted and councils can refuse to consider any expressions of interest submitted outside those periods, having due regard to the need to provide sufficient time to prepare and submit expressions of interest, the nature, scale and complexity of the service and the timescale for existing relevant commissioning cycle or other council processes. In effect, this means that councils will, in future, have to advertise the potential outsourcing of its services and make it clear in advance when 'expressions of interest' can be made.

Community Right to Bid (for Assets of Community Value)

Under the Act, communities will be given the chance to develop bids and raise capital to buy council assets which come up for disposal on the open market (rather than the 'right to buy' which was originally proposed, it has turned out to be a 'right to try to buy'). In order to further this right, local authorities will be required to maintain a list of public or private assets of community value, as

nominated by their communities (which may include such assets as shops, pubs, community centres, and libraries). Any asset on this list can only be sold, either as a freehold or as a long leasehold, after a six-month moratorium period has passed (despite robust lobbying from the Country Land and Business Association to have the moratorium period set at just 3 months). This moratorium is meant to give the community sufficient time to put together a bid and find the finance to purchase the asset.

Unlike in Scotland, there is no right of first refusal (as Conservative policy first announced), nor do these provisions restrict to whom the owner of the asset can sell, or at what price – they simply ensure notification of intent to sell and allow a period within which a community bid can be put together. The intention is to help local communities to save sites which they feel to be important, with the aim of contributing to tackling social need and building up resources in their neighbourhood.

A community nomination must come from a parish council, a community council or a locally connected voluntary or community body. The nomination has to be made for land or buildings in the nominee's local area. The definition of land or buildings of community value is now defined in the Act: its principal use (either now or in the recent past) must be for social wellbeing and social interests, including cultural, recreational and sporting interests.

Listing as an asset of community value does not place any restriction on what an owner can do with their property - planning policy determines permitted uses for particular sites, although listing may affect planning decisions (e.g. if the Local Planning Authority decides that listing as an asset of community value is a material consideration if an application for change of use is submitted)

Potential implications of the proposals

Implications of Community Right to Challenge

The Community Right to Challenge may indeed encourage a wider range of providers to consider bidding to run council-purchased services. For example, registered housing providers will have the opportunity to support their tenants in bidding to take over local services such as rubbish collection under the Community Right to Challenge. On many estates council environmental responsibilities such as rubbish collection are a constant source of complaint

and the chance to improve such services would be welcomed by many tenants seeking to improve their environment. While some social landlords will welcome this, those who are providing housing services on contract to the council may, of course, themselves be challenged by tenants, who would then have the opportunity to bid for some of these services (www.insidehousing.co.uk/need-to-know/legal/build-community-strength/6513154.article).

Moreover, the Act has the potential to over-ride the rigidities of local geography. The cities and decentralisation minister, Greg Clark, originally suggested that the Localism Bill would help charities serving 'virtual communities' (e.g. people with disabilities) that cross council boundaries - they could challenge to provide services across bigger areas.

(www.thirdsector.co.uk/channels/Governance/Article/1049403/Consultation-Localism-Bill-within-weeks/). This would, of course, be administratively complex, unless the councils in question were already merging their procurement teams or working closely together – this is certainly happening in many parts of England but is still not the norm. It is not clear how this would work – this aspect of the Act has had little attention in the last year.

Interestingly, the version of the Community Right to Challenge which moreover appeared in the Bill and now in the Act, is not the 'full challenge' which might have been included – it only includes services which the local authority is currently providing, not those which citizens consider they ought to provide, so that it will mean much less to councils which are already 'lean and mean' in the services they provide and will be most significant in councils where there is a large range of service provision. Clearly, there are political implications to this – this provision of the Act is likely to be most challenging to Labour-controlled councils, particularly those which are having to introduce particularly serious spending cuts (i.e. much of northern England), and may be rather nugatory in Conservative-controlled councils which have low levels of service and are being relatively protected by the grant settlement (i.e. much of the south-eastern part of England).

Moreover, in many respects the Act does not go as far as it might. This means that it is being presented by some as 'the thin end of the wedge' for community involvement and for more localism in public services, which can later be built upon further. Meanwhile, others, such as the New Local Government Network, have called for a more radical approach, under which 'the right to challenge' would be opened up to apply to the whole public sector, including Whitehall departments and government agencies, e.g. the Work Programme and crime prevention programmes. Under such proposals, community organisations or local

authorities could submit an 'expression of interest' wherever they felt they were able to provide a service at lower cost or higher quality. NLGN Director Simon Parker has commented: "Ministers should not have one rule for councils and another for their own departments" (www.publicnet.co.uk/news/2011/01/18/call-to-make-localism-bill-more-radical/). NLGN also argues that the Act only covers policy within CLG's remit, with a strong emphasis on planning and housing – it does nothing to integrate localism across the rest of public services in England. Current reform programmes in Health, DWP and Education do not appear to have localist principles at their heart – the Community Right to Challenge should be extended to all these areas, too.

The provisions in the Act for local authority staff to challenge partly parallel the Right to Request and Right to Provide which have been given to NHS staff in recent years - although, as APSE (2011) has pointed out, the Act does not specify the sort of organisation employees should form to use the Community Right to Challenge, so that in reality the new right could see public workers setting up 'for profit' companies to run local services, rather than the co-operatives or mutuals which Ministers have talked about. Moreover, the comparison between NHS and local government approaches highlights the disjointed nature of the thinking behind the government's approach to public services. This could have been an opportunity to reinforce the agenda for 'joined up services', by giving both NHS staff and council staff an opportunity to bid for each other's services (particularly if they form a consortium or joint social enterprise). Indeed, the Secretary of State's reserve powers within these provisions of the Act would allow this but there is little sign of such coherent thinking in Whitehall or Westminster.

As in so many parts of the Act, there are conditions attached to the 'local' nature of the Community Right to Challenge. In fact, the community may NOT have the right to challenge, as the Secretary of State may choose to exclude certain services. Moreover, the 'community bodies' which have the right to challenge are explained as any body which carries on its activities primarily for the benefit of the community, but this may therefore exclude some organisations which, in spite of very active community intervention, have a core business which does not meet this criterion, e.g. many registered landlords. As the Act does not restrict the Community Right to Challenge to bodies which have a local connection with the area of the council concerned, it is also possible that bodies which are largely driven by interests in other council areas (even other parts of the country) may issue this challenge and seek to take over local services. (This possibility is all the greater as members of community organisations are under no apparent obligation to declare any conflict of interest – such as also working for an

organisation that would wish to tender). While these extensions to 'wider organisations' may not be not unwelcome in themselves, they rather undermine the label of 'Community Right to Challenge' – it might more appropriately be called a 'Third Sector and Public Sector Staff Right to Challenge'.

After the expression of interest, the council will be under a duty either to accept or reject it. Rejection can only be on limited grounds, set out in regulations made by the Secretary of State. A key issue which the local authority will be required to consider is whether the challenge, if successful, would promote or improve the social, economic or environmental well being of the authority's area. However, there is a clear potential here for conflict of interest, since a council is likely to consider that its current services and decisions already are designed to promote and improve the well being of the area.

While third sector organisations in the local area are likely to see themselves as well placed to make a bid to run these services, because of their close knowledge of local needs, opportunities and potential resources, there are current pressures on councils to decrease their procurement costs, e.g. by making contracts larger, increasing the length of contracts and passing on higher risks to contractors. The Government's Green Paper on *Modernising Commissioning* hinted at these pressures, all of which are likely to impose major disadvantages on small local third sector organisations seeking to bid to provide public services, but it did not commit to taking any steps to counteract them and the *Open Public Services* White Paper in 2011 offered little progress in this regard. Moves toward more consolidated procurement would be likely to greatly weaken the importance of the Community Right to Challenge in practice.

The full implications of the Community Right to Challenge will only be evident when we see how councils choose to respond to community challenges – and, of course, what guidance is given by the Secretary of State in relation to such responses. The Act does not determine in detail how any subsequent procurement exercise should be undertaken, and this will be a critical factor in determining how much change is actually instigated by this provision of the Act. If councils set minimum standards of economic and financial standing and/or professional and technical ability, this may rule out the very people or organizations who triggered the challenge in the first place and leave the field open to larger or established providers. While the Act allows for legal challenges from the bodies submitting the expression of interest, service users concerned about future provision, staff and unions, and bidders in the procurement, such legal challenges are unlikely to be of interest to community organisations.

Nor does the Act entitle those making the challenge – e.g. residents or tenants or service users – to be involved in the design of any service specification which is put out to tender, which again blunts the intent behind this provision. ACEVO (2011) has proposed a mandatory ‘right to voice’ for service users, entitling them to information and, where appropriate, advocacy, based on government-established explicit minimum standards for information, advocacy and independent brokerage support, targeted at the most marginalised and vulnerable, for each public service commissioning area. This ‘community right’ has not been addressed by the government and, indeed, it could be argued that the abolition of the ‘duty to involve’ has actually reduced the power of local service users.

It may be that some councils will respond to community challenges by setting up a version of a Best Value Review – albeit in a rather leaner format than those undertaken in the early years of Best Value. This would enable the council to determine whether to market test the service or, if it is already externalised, how to tender it when the contract next becomes due. Such an approach would be thorough and would allow the third sector a full opportunity to bid to play a role in services – but it would, of course, be expensive.

Clearly, such a thorough approach is likely to be unusual. Where the council is not minded to externalise the service, the cards are stacked in its favour, even if the community challenge is well thought out and passionately pursued. The asymmetry of information means that would-be external bidders are relatively easy to fob off – this was clearly demonstrated under the Best Value regime. Where the council is relatively open to, or even in favour of externalisation, the procurement process is likely to favour larger, well-resourced and experienced providers – and this will put community groups, parent groups, user groups, etc. at a very significant disadvantage.

At the very least, the Bill will remove some barriers to civil society getting involved in service commissioning and delivery – getting onto the tender list for council services has often been a major barrier. However, the potential for getting beyond this and actually being able to bid successfully to run a service will clearly depend on the capacity of the third sector, which is quite patchily developed across services and across geographical areas (Bovaird et al, 2010). The sector will therefore require support, advice and even, in some cases, significant financial investment – this is not a ‘resource-free’ initiative. Will the loss of funding, including seed funding, undermine the ability of voluntary and community groups to participate in this agenda – or will this agenda actually serve to rejuvenate community groups, as Eric Pickles has argued? Presumably

with these issues in mind, there is a provision in the Act giving the Secretary of State the power to provide support, assistance and guidance to groups that submit an expression of interest (or, indeed, to bodies other than those expressing an interest) – it is still unclear how this will work.

In particular, the government needs to consider the danger that cuts to advocacy and advice organisations and legal aid will seriously reduce the ability of marginalised and vulnerable people to use the new right to challenge. A joined up government would not give rights with one arm, while another removes the means to use them.

Part of the infrastructure which will be essential to making practical the right to challenge will involve appropriate risk management and insurance frameworks – Paul Emery of Zurich Municipal has cited a survey which suggested that twice as many people thought that councils should retain responsibility for delivering public services as thought that local people should have more responsibility for them and commented that "... it's highly unlikely that more people will come forward to run services, set up their own schools or volunteer with a local charity if they think that there will be some personal risk to them." (www.civilsociety.co.uk/governance/news/content/7949/localism_bill_will_remove_barriers_for_civil_society).

Moreover, there tends to be a 'life cycle' phenomenon in both service provision and in the level of activism and innovation displayed by third sector organisations. Consequently, we can expect that even enthusiastic and capable community groups and social enterprises who succeed in winning contracts for public service will eventually experience rocky times, as they seek to keep services in line with changing needs and aligned with an ever-changing constellation of other services, with which they need to join up. As Stuart Etherington has pointed out, local Compacts are likely to be particularly important in protecting the third sector when relationships between local government and communities don't work out.

Implications of Community Right to Bid (Assets of Community Value)

The principles and potential benefits of community ownership and management of public sector assets were thoroughly analysed in the Quirk Review for CLG (Quirk, 2007). Since then, there has been a round of reviews in local government, usually in close liaison with the local third sector, to explore the potential for change. While welcome, these reviews have often been slow,

cumbersome and short on action. It is therefore welcome that the government wishes to inject some more speed and dynamism into this process. However, the provisions in the Act are disappointingly thin and do not address the three core issues. First, the importance of keeping distinct the ownership of public assets and the use of public assets has not been thought through. Second, this is a 'small place' Act, not a 'Total Place' Act – and the connections between these two agendas is almost invisible. Thirdly, there is little consideration of the role of community assets in the economic development/city competitiveness agenda, although this is meant to have a high priority in Treasury thinking about the role of the public sector. These three issues are considered later in this section.

The populist potential of the 'right to bid' agenda is clear. Conservative shadow ministers for some years have campaigned for residents to have the right to take over post offices, libraries, swimming pools or pubs threatened with closure. There is no doubt about the public appeal of this argument, especially in a context where more than 5,000 post offices, 3,500 pubs and 200 public libraries have closed in the last decade or so. While some of these assets are publicly owned, some will be privately owned, which hints at the potentially radical nature of these provisions.

This appeal is all the stronger when it is suggested, as in a Daily Mail article in 2009 at the time of the launch of this Conservative policy, that the 'community right to buy' would also give parents' associations, church groups or other non-profit voluntary groups "the power to bid to take over playgrounds, parks, sports fields and even schools if they believe local authorities that run them are performing badly" and that such groups will have "first refusal on buying public assets that are being closed down and the right to a fair price if they do" (www.dailymail.co.uk/news/article-1229428/Tories-offer-residents-community-right-buy.html#ixzz1BPtO1cyh). However, it has not been easy to give effect to such promises and the Act falls short in this respect. It may therefore disappoint and even antagonise community groups which it had hoped to get on-side.

Moreover, there are questions about how effective such a policy will be. One review of the Scottish experience, where similar legislation was introduced in 2004, concludes: "Complex, cumbersome, frustrating, painful – these were just some of the words used to describe the process of turning the Scottish legislation into the acquisition of real assets for communities" (Dobson, 2010: 4). Dobson cites figures that in the six years after enactment, 148 approved community bodies submitted 124 applications to buy land or other assets when they came on the market and concludes that this power is not a magic bullet - while there have been benefits in Scotland since it was introduced, they have been relatively

small scale. The lesson would appear to be that community buy-outs “require adequate, sustained and multi-faceted technical aid and financial investment” which, at a time of cuts, they will struggle to get (Aiken et al., 2011; 81).

Of course, there is another agenda at work here – the government’s drive to make savings and cut debt. Community Matters estimates that there are currently 5,000 community assets at risk of disposal, simply as a result of Treasury capital asset reduction targets, not through a desire to transfer assets to community use (NAVCA, no date). Moreover, the Asset Transfer Unit has assisted the transfer of only 200 assets to the community over its four years of existence. As NAVCA suggests, this rate of transfer implies that most of the 5,000 will not find a community use. In fact, the short- to medium-term prospects for the community ownership and management of assets in the UK currently look decidedly mixed (Thorlby, 2011: 4). Whilst the supply of community assets is currently growing, with public sector organisations currently more willing than ever to consider disposals, public sector support to enable the acquisition and ongoing operation of these assets is diminishing. Difficult trading conditions in the wider economy are also undermining income streams from enterprise-based activities. The gap between supply and support appears to be widening. This is another reason for community groups – and local authorities – to be cautious about how important this new power will be in practice.

The net effect of this provision of the Act may well end up costing local authorities both time and money. They will need to set up, publish and maintain a list of nominated assets and a list of unsuccessfully-nominated assets and then handle requests to add or remove assets from these lists. Subsequently, they will need to act as an intermediary between a landowner and any community group interesting in bidding for the asset. They will have to publicise notices of disposal and enforce the provisions of the Act. Finally, they will need to compensate landowners where this process can be shown to have resulted in a loss of value to the owner (Auton and Sweeney, 2011).

In terms of the detail of the Act, it is fascinating to see that a ‘Localism’ Act is so rich in new powers for the Secretary of State. As the LGA (2011) has pointed out, this section of the Act includes ten powers for the Secretary of State to make regulations, including on how long assets stay on the list, how owners of assets should be notified, and on what constitutes a “land of community value”. The LGA has argued that these decisions should, in the spirit of localism, be made at the local level, not by the Secretary of State. However, there is, once again, another agenda at work here. This section of the Act was subject to much more debate and amendment during its passage through Parliament than the

'Community Right to Challenge'. Issues which were given special attention included determining clarity over compensation for land owners, issues of land that spans two local authority areas, and ways to limit the burden on local authorities and protect land owners' rights. Clearly, where property rights are being qualified, lobbying and special interest pleading is particularly vigorous – and local and community interests are in danger of taking a back seat.

Ownership v. management of public assets

There is now little dissent from the notion that public assets will often be more cost-effectively managed when the management is vested in the community in which they are located. However, there is much more debate about whether ownership should also be vested in the voluntary and community organisations which do the management. On the one hand is a set of arguments that asset ownership increases both the power and stability of a third sector organisation, and is likely to increase the incentives to use the assets well. Moreover, it has a symbolic effect in giving communities a sense of ownership in their place (although this would presumably be undermined if the asset were not kept in good condition). On the other side, there is a contrary argument that there is a danger that community organizations may, in practice, be no more open and inclusive in giving access to the assets they take over, using them simply to meet their own (relatively narrow) purposes.

Even more worrying, as in the case of the Community Right to Challenge, there are implications from the 'life cycle' phenomenon which tends to characterise the vitality of third sector organisations and also the condition and functionality of assets. We can expect that even highly enthusiastic and capable community groups, which make excellent and cost-effective use of assets for years after taking over their management, may lose energy, become exclusive in their attitude to community use or may themselves find that the assets in question become of limited functional value to them. (Or, of course, they may simply run out of funds to maintain those assets properly). Consequently, there is a strong argument for ownership NOT to be vested in a specific third sector organisation. In this spirit, NAVCA (no date) has interestingly proposed an additional 'right to try' – allowing community groups an opportunity to take over and run facilities for a trial period – in order to identify and manage risks and provide additional time to raise funds for outright purchase.

Given that public sector organisations have also had an unimpressive record in sharing and maintaining public assets, a more radical approach is needed, which combines pressure for more intense use of assets with a more coherent pursuit

of the overall public interest, rather than the interest of one specific organisation, whether in public or third sector.

‘Small Place’ v. ‘Total Place’

‘Total Place’ as a concept may have disappeared, to be replaced by the vague and uninspiring concept of ‘community place-based budgeting’, but the notion of integrating all public interventions in one place is still alive and, according to the government, well. However, one would not get this impression from the Localism Act. In particular, the provisions for the Community Right to Bid are likely to lead to much greater fragmentation of public assets and make it significantly harder to formulate and implement a long-term coherent strategy for an area.

A more appropriate approach, more consistent with the overall purpose of the Localism Act, would be to vest all public assets within a local authority area (either at upper or lower tier level) in a Local Community Asset Trust, to be managed locally under a Board of Trustees elected by local people. This proposal, which was surfaced in the Birmingham Total Place reports to HM Treasury (Bovaird, 2010), would be likely to result in a much more coherent and intensive use of public assets in each area and would open up assets to all community groups who could make a proper case to have access to them, without running the risk of ossifying the ownership of assets in organisations which later turn out to be inappropriate.

Moreover, it is important to ask: “The Community Right to Bid for whom?” Where the asset is owned by a local authority that is strapped for cash and not maintaining its assets properly, a major registered social landlord in the area might well encourage tenants to exercise the ‘Community Right to Bid’. It could then turn out itself to be the major beneficiary from the deal, if it becomes, in practice, the manager of the asset and can reflect the improved state of the asset in its housing rents. This could lead to the capture of public value for special interests on a grand scale.

Moreover, as with the Community Right to Challenge, there has been a failure of nerve on the government’s part. During the debate on the Second Reading of the bill in Parliament, Conservative MP for Dover, Charlie Elphicke, challenged the government to extend the Community Right to Bid even further, so that it covered not only local authority assets but also central government assets in their area. He gave the example of the port of Dover and suggested that people in other constituencies might want to buy their forests and other such community assets.

(NAVCA (no date) proposed including all PPP/PFI assets, too). Having ignored this possibility in drafting the original bill, the government backtracked and promised to consider this suggestion – but, predictably, nothing came of this. Again, the alternative does not appear to have been considered of a national Community Trust for nationally important assets, supervised by elected Trustees, in which all public sector assets could be vested, and then leased out to government agencies at an economic rent.

Economic development and city competitiveness roles of public assets

Given the emphasis by this government on economic development, as instanced, for example by their scramble to get Local Enterprise Partnerships up and running, it is surprising that the implications for city competitiveness arising from the Community Right to Bid has not been considered.

The government has emphasised from the moment of taking office that its central task is deficit reduction. However, debt alone is not a significant economic indicator - it has to be seen in the context of the assets which can be offset against that debt. In the UK, public sector assets, under resource accounting protocols, offset well over half of the public debt, and most of those assets are in local government and local public agencies, located in the major UK cities. And of course, targeted investment in those assets during the next five years is likely to speed up the growth of the UK private sector, while under-investment in those assets may damage long-term UK growth prospects. Putting in place a framework where future asset investment by the public sector is unlikely to occur, because those assets can subsequently be taken over by community groups for purposes over which the public sector will ultimately have little control, seems high risk and a prime example of unthinking short-termism, which is likely to undermine the government's overall strategy, in order to build up some support for specific part of its programme.

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