

Dear Sir/Madam

The Borough Council has not had a chance to formally consider the Green Paper by your deadline of 5th January but we would be interested in being involved in any more targeted consultation you have planned later in the year, if that is applicable. We have, over many years, had extremely positive experiences of transferring and commissioning services from civil society organisations, ranging from the management of our housing stock and leisure centres by local trusts through to the ownership and running of parks and community buildings.

We are happy to share our experiences in more detail with you if desired, but we suspect that our learning is not significantly different to any other council. Moreover, there is already a considerable body of research, good practice and guidance available nationally, which we have drawn on and which we would commend to you. For instance, our recent work on community centres has benefitted considerably from the advice of the Development Trust Association.

However, having looked at the Green Paper, it did strike us that it may be helpful for us to share with you at this initial stage one experience we have had in relation to the **transfer of "asset-based services" referred to on page 11 of the Green Paper**. In particular, in relation to your sub-question: What are the main barriers that prevent civil society organisations taking over asset-based services?

This is an interesting question for us. We recognise the need to reduce barriers, but we also want to ensure that any transfer succeeds in the long-term. We also have a duty to balance the community benefit of any transfer against our legal responsibility to local taxpayers to get best value from assets. So, the challenge for us up until now has been how to develop a process which protects the public interest without deterring the community management of assets? It is in this context that we offer the following case study.

In the last four years or so the Borough Council has declared two large operational buildings surplus to requirements, following service reviews. These surplus buildings have then been marketed for rent or sale, with an invitation for both community and commercial bids. We realise that this is not strictly the transfer of an "asset-based service" referred to in the Green Paper, but it seems to us that the principles (and the challenges to us and to the civil society) could be the same, particularly in a scenario when civil society organisations were bidding against each other, or against the private sector. Alternatively, it might apply to the acquisition of community buildings by civil society organisations, from which they intend to deliver local services.

In both of our examples, we wanted to ensure that there was a level playing field for both commercial bids and community uses, which is hard in a conventional tendering or marketing exercise, particularly given the statutory responsibilities of councils regarding asset disposals (which may be an issue you also need to examine as a potential barrier). We also needed to ensure that any prospective tenant or purchaser could viably take on the risk and cost of the asset. We therefore used a twin-tracked process whereby two kinds of bids were invited: market and community/wellbeing bids.

Community bidders could seek a discount of up to 100% of the unrestricted market value of the property, in return for the wellbeing they offered the local community/economy. The process we used could be applied to purchase or rent, with suitable adaptation. This process would need to be adapted again for commissioning of services (e.g. in terms of the level of ongoing financial support that could be expected from the Council), but its basic principles may be of interest to you in considering how councils can make commissioning easier, and also fair and transparent.

An independent panel assessed any community bids received and applied a points score against a set of published criteria. A summary of the criteria used in the second marketing exercise is attached. These are specific to this particular process, and would need to be adapted on a case by case basis. The criteria were necessarily robust to ensure that successful bids were financially sustainable and low risk, and also to ensure that the process was transparent and fair. However, we made it clear that we would be realistic in our expectations of what community bidders could submit initially, and not reject bids without following them up first.

I have also attached a hypothetical example to show how the assessment process would work in relation to evaluating two community bids offering rents of £30,000 for an asset assessed to have a market rent of £100,000. The process was developed and overseen by our Corporate Property Officer, Betty Albon, who would be able to explain in more detail how it worked.

In terms of inviting and assessing bids, this process worked well, and we would use it again for an asset-based service. In the case of the Corn Exchange, a community bid (seeking a discounted rent) was assessed as potentially viable and short-listed for the final public consultation/evaluation. However, ultimately, the Council chose a commercial bid since this was felt to offer the lowest risk to the taxpayer in relation to this specific building. It should be emphasised, however, that this was a process for disposing of a surplus asset (with no ongoing financial support from the Council being offered), rather than commissioning an asset-based service as envisaged in the Green Paper; the Corn Exchange was being closed and replaced by a new £18m arts/community venue in Bury St Edmunds. So, we offer this evidence simply as an example of the kind of framework which, if adapted, could be used to ensure that the process of transferring asset-based services to civil society organisations is robust, sustainable and fair.

We hope this response is helpful and we await with interest the outcome of the Green Paper consultation. If you would like any more information on anything above, or to talk to a district council in a rural area (and its VCS partners) about this topic, please let me know.

Yours faithfully

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