

Community organisations controlling assets: a better understanding

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This report examines the experience of community organisations controlling assets in the UK.

Over the last ten years there has been an increasing policy interest in the ownership and management of assets – such as land, buildings and plant used to generate electricity – by community-based organisations (CBOs). There has been a much longer history of active work in this field by practitioners. There has, however, been relatively little independent research conducted in this arena. This report contains the findings from research commissioned by the Joseph Rowntree Foundation, which sought to build the evidence base. It argues that there is a diverse range of community organisations engaged in this work and particular kinds of support are needed if the field is to flourish. The report examines:

- the range, nature and scale of different forms of community control of assets across the UK;
- the benefits, costs and critical success factors associated with asset ownership and management by CBOs;
- the key benefits and outcomes; and
- approaches to supporting the different organisations operating in this field.

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Executive summary

In recent years, successive UK governments have made a strong commitment to community participation and community empowerment. By engaging people in public and democratic life, there have been attempts to give communities and citizens more control over the services they use. In England, this commitment has been given new life by the coalition government's Big Society agenda and its proposed legislation to promote 'localism' and public service reform. While the Big Society terminology is not used by the different political administrations in the other UK countries, many aspects of the community control agenda are shared across the UK.

This is certainly the case with ownership and management of assets by community organisations. While this is not a new phenomenon, it has been given a fresh impetus in recent years, first in Scotland, after the publication of the Land Reform (Scotland) Act 2003 and then, in England and Wales, after the publication of the Quirk Review in 2007. Since then, two factors have strengthened the commitment to asset transfer even further. The first is the current financial climate, which has led public sector bodies across the UK to review and rationalise their capital portfolios. The second, especially in England, is the plan to give communities new rights, including opportunities to take over the design and delivery of public services.

The current research

Despite the growth of interest in community control of assets, relatively little is known about the size and shape of the field, about what makes an asset successful (indeed, what constitutes success) and about the challenges of owning or managing different kinds of assets. Following an evidence review and an exploration of the history of community control of assets, JRF commissioned the Institute for Voluntary Action Research (IVAR) and partners to carry out research to help:

- establish a better understanding of the range, nature and scale of different forms of community control of assets across the UK;
- provide an assessment of the benefits, costs and critical success factors associated with asset ownership and management by community-based organisations (CBOs); and
- investigate the key benefits and outcomes of a variety of different assets: buildings, land and energy generation facilities.

The study started with scoping interviews with key stakeholders and included the most comprehensive survey of the field to date, to establish its size and shape. Twenty case study organisations were researched to establish a more in-depth understanding of how assets are acquired and for what purposes, the benefits they bring and the challenges they pose for the people and organisations that run them. Case studies were chosen to ensure a spread of experience according to the size of the organisation, the size of the asset, the type of asset and location (country and type of area served). Two practitioner groups in each country informed the design of the case studies and commented on the findings. The number of semi-structured interviews conducted was 120.

The size and shape of the field

The survey revealed the considerable diversity of organisations involved in the assets field across the UK. For example, while one in eight organisations surveyed had been in existence for more than 100 years, a third of all organisations were less than 15 years old. These ranged in size and complexity, from small organisations run by volunteers to large organisations employing over 150 staff. It was clear that there was no overriding model. Despite the diversity of the field, there were some common features: for example, most organisations saw their main purpose as enhancing community benefit and well-being; relatively few had acquired their assets with the intention of generating income.

Buildings were the dominant asset reported in the survey, three times as prevalent as land, and two-thirds of the organisations surveyed owned their asset. Most used a mixed bag of resources, including recycled receipts and grants, to acquire and maintain their asset, or assets, but loan finance was comparatively rarely mentioned.

A combination of factors identified by the survey and analysis of the case studies suggested that the diversity of the field could be understood as a 'community assets spectrum' with three main 'bands':

- **Stewards** – small, mainly volunteer-run groups with a single, long-standing asset (usually a building) used largely for hiring out to local community groups and residents. Such groups had a low income and rarely employed staff. One feature of the survey findings was the high proportion of very small rural organisations operating with few, if any staff.
- **Community developers** – medium-sized organisations, often with a range of assets, involved in local service delivery and local partnerships. These organisations normally had paid staff and a mix of sources of income.
- **Entrepreneurs** – organisations running larger, more professionally styled social enterprises. While still community based they had a mix of assets for social and commercial purposes and a business model. These organisations were more likely to have capital-intensive assets.

The above categories are not rigid. Some organisations move through these categories as they grow and develop; however, there is no assumption that all organisations will seek to progress through these bands.

How and why assets are acquired

Assets were acquired in response to:

- a threat – for example, loss of a facility or a sense of community decline or fragmentation; and
- an opportunity – for example, a government programme, a gift or a legacy.

In general, stewards were more likely to be the beneficiaries of a gift and to have acquired their assets 'by default', while community developers and entrepreneurs were more likely to have acquired them 'by design'. However, across the field, assets were normally essential to the mission of the organisation (rather than being an 'optional extra'). They were needed, for example, as a base for the organisation's activities, by offering a base for other local services and activities, and, in some cases, generating income for the community. Sometimes they were a means to an end, sometimes an end in themselves – the embodiment of a 'cause', such as renewable energy or community-managed housing. Deriving an income was rarely a primary purpose, though this may change in the current financial climate.

The benefits of community controlled assets

The study confirmed many of the benefits that have been claimed for community control of assets over recent years. These included: a sense of community identity and pride; the potential for increased social cohesion; increased confidence, skills and aspirations locally; improved access to services and activities – both those provided by local community organisations and those provided by external agencies; jobs, training and business opportunities; physical improvements to the area. Assets could help to make the organisations running them more financially viable and give them more leverage with external agencies, like the local authority. By changing stereotypes about the communities they served, some organisations reported that the asset had led to the locality becoming more attractive to outsiders, with people moving in rather than queuing to move out.

Taken together, it could be argued that these benefits combined to produce a ‘social good’ of well-being and quality of life that was greater than the sum of the parts. This resonates powerfully with the localism agenda in current policy.

There was some variation between organisations. Those who owned assets, for example, had more financial leverage than those who did not, although they also carried more risk. For stewards, the major benefit was a place for local people to meet and connect; some of the ‘harder’ outcomes in terms of investment and jobs were more likely among the entrepreneurs.

What helps or hinders success?

CBOs involved in the control of assets face a number of strategic choices: between financial viability and community benefits; between stewardship of an asset and development roles; between focusing on the immediate community and extending reach. This means that different organisations have different aspirations and definitions of success. For stewards, success is seen in terms of maintaining a building and making it available to the immediate community. Community developers place more emphasis on expanding their activities and reaching out into a wider community. For entrepreneurs, community and other social benefits remain important but much greater emphasis is given to commercial viability and development than in the other two bands.

For all of the organisations, there were six broad factors that played an important role in achieving success, however defined. These were:

- adequate financial and business planning when acquiring assets;
- ensuring that assets were fit for purpose;
- a constructive approach to asset transfer and community control of assets on the part of public bodies;
- capacity and leadership within the community – the skills and time to make an asset work, a history of voluntary and community action, and technical and community development support;
- effective governance – clarity of role and function and community buy-in, with adequate democratic control; and
- financial sustainability – including fit-for-purpose external investment.

Study participants also emphasised the importance of: adequate preparation, staged growth and development, and access to support – community development, technical aid and brokerage.

Conversely, success in meeting community needs was undermined by:

- failure to plan;
- assets that became liabilities;
- resistance to asset transfer from public bodies, protracted negotiations for acquisition, lack of aftercare and unnecessary restrictions on use;
- difficulties in recruiting volunteers, stress and burnout, and lack of support;
- blurring of roles and accountability; and
- high maintenance costs and unwillingness of banks to invest – or to provide appropriate financial packages.

The study posed a number of challenges for future policy:

- whether enough people will be willing and able to take on responsibility for assets – while the benefits can be significant, the costs to individuals running assets can be high and it is essential that this is not left to the few;
- the risk that the take-up of opportunities may be very unequal, with the most disadvantaged areas – which perhaps most need the assets – least able to benefit. Skills, adequate assets, aspirations and revenue generation capacity are all likely to be inadequately distributed between areas;
- the risk that, as pressure grows on local authorities to divest themselves of assets, communities may find themselves responsible for more unsuitable buildings with high maintenance costs and without the funds to bring them into effective community use; and
- the need to acknowledge and build on what communities and their support workers are already doing rather than seeing this as a totally new agenda.

The implications for policy and practice

Access to adequate support and finance will be critical in helping CBOs to achieve their aims and address the challenges they face. In particular, the study has highlighted the need for appropriate financial models and brokerage in the acquisition of new assets and for the conditions surrounding acquisition and transfer to be fit for purpose. In the past, a major problem with asset transfer has been reluctance on the part of public bodies to engage with this agenda. In the current financial climate, this is likely to change and attention will need to be turned to the condition of assets, their suitability for community purposes and financial viability.

Once assets are acquired, the needs of organisations in the different bands in the community assets spectrum will vary. Stewards will tend to have older buildings, but be fairly self-sufficient, although they will benefit from an injection of energy and resources from time to time. Generally, the provision of ‘light touch’ support, with few strings attached, may be sufficient to sustain them, but an occasional larger investment may be required, for example, to modernise a heating system or repair a roof. Nevertheless, it will be important for stewards to undertake strategic budgeting to support the long-term maintenance of their asset. In addition, access to grant funding should require them, in a

manner proportionate to their scale, to actively demonstrate community benefit. Stewards acquiring new assets are likely to need considerable support to ensure that community control is appropriate and manageable.

For community developers, new policy opportunities offer great potential, but if those opportunities are to be taken up, they may need specialist support to help them negotiate the demands of growth and change, as well as appropriate financial packages to support their development. They will also need access to brokerage if acquiring new assets, especially in the case of asset transfer, and when (or if) they outgrow the capacity of their current assets.

Entrepreneurs are the most likely to have access to in-house specialist staff or bespoke support from specialist bodies; however, their assets require greater investment and expose them to a higher degree of risk. Fit-for-purpose financial packages, technical aid and brokerage will be essential if they are to respond to new demands.

If community control of assets is to develop and thrive, the study recommends that the following steps be taken:

1 Understanding the field and the impact of policy

Effective policy should be based on reliable information about the changing size and shape of the field.

Recommendation

- Conduct a regular survey to develop a coherent picture of the field and its growth, and to capture changes. This could be achieved through working with the key umbrella organisations and would need to build on the learning from the study.

2 Support

High-quality and long-term brokerage and technical aid are essential to link together finance, people, ideas and opportunities.

Recommendation

- Key players in each country should be encouraged to map the support available to CBOs who control, or are acquiring, assets. A strategy should be developed for streamlining and expanding access to brokerage and other specialist skills.

3 Access to finance

Access to both capital and revenue finance needs to be significantly improved if the intentions of current policy are to be realised and tailored to the different requirements of different 'bands' in the community assets spectrum. Also, the likely increase in supply of assets for community control will require a general improvement in practice if CBOs are not to be saddled with unsuitable or inappropriate buildings.

Recommendations

- For community developers and entrepreneurs: develop and promote 'blended' finance models that that can provide risk, working and 'patient' capital.
- For stewards and smaller community developers: establish regional or local capital endowment/ grant funds to meet occasional costs for new requirements or associated with structural renewal (e.g. roof repairs).

4 Choosing the appropriate approach to asset control: models, information and tools

If large and rapid transfer takes place new models may be required to temporarily hold assets while CBOs assemble finance and stakeholder support. Meanwhile, for some CBOs, asset management can be complex and risky and may not be appropriate. This group may need sheltered arrangements.

Recommendations

- Explore the potential for not-for-private-profit organisations to act as ‘intermediary vehicles’ or holding structures in the event of large-scale asset transfer. They would make these assets available to CBOs.
- Develop a greater choice of sheltered asset control for CBOs where full ownership is not appropriate, such as licence, rental or ‘part-buy’ arrangements. This could offer smaller CBOs options to gain assets over longer time frames and allow for capacity building at the local level.
- Public authorities engaged in asset transfer should provide what information is available, or estimable, on maintenance and running costs.
- Undertake a review of existing tools to assess, on a whole-life costing basis, the maintenance and investment needs of assets owned by CBOs.

5 Assessment and measurement

Where public assets are transferred, it is reasonable to expect transparency. Evaluation also helps to make the business case for community control of assets and spread learning.

Recommendation

- Source funding for pilot projects to identify, develop and advise on practicable, robust and proportionate assessment methods, appropriate to the different types of organisation in the field.

The question remains as to how these recommendations can be delivered. Organisations involved in this agenda access support from a variety of sources, but the field is fragmented. There is no one body that can be charged with the responsibility for taking forward the recommendations that arise from the findings of this study. The report argues that the remit of the Asset Transfer Unit (ATU) and its counterparts could be expanded to allow more of a leadership role, or for other institutional arrangements be put in place. However, implementation of measures to take community control of assets forward will also require collaboration between all the major bodies in this field in the different UK countries to enact the recommendations made here.

Concluding remarks

This is a period of unprecedented opportunity for those interested in the control of assets by CBOs working for public benefit. The research presented here paints a complex and sobering picture. Through the survey and case studies, evidence has been generated to support a cautious and measured approach to the current policy enthusiasm. The headline message that emerges from the research is that unless the right conditions are in place, asset ownership or management can struggle to achieve benefits. Although some of those conditions – human, physical, environmental and financial – can be met through individuals and relationships, there is no escaping the fact that they also require adequate, sustained and multi-faceted technical aid and financial investment. At a time of cuts and cutbacks, that finding might struggle to be heard. However, if it does go ignored, the field may struggle to thrive.

Introduction

There is an accelerated, but relatively recent, policy interest in the ownership and management of assets by community-based organisations (CBOs). Terminology and boundaries are still developing in this field, and there is a lack of data on the range of organisations engaged in this work – for example, their characteristics, and the various benefits and outcomes they may be seeking.

Therefore, the research design was based on a layered approach. It started by generating a provisional framework, both for the purposes of this research and to begin to delineate a field. A survey was conducted, to explore the scale and nature of organisations in this initial group, followed by statistical analysis to identify similar characteristics and patterns in the population. From this point it was possible to select different types of organisations for deeper examination by means of case studies.

This introduction sets out the research aims and explains some of the key terms used in this report. It concludes with an outline of the two-stage approach to the fieldwork – a snapshot survey of the field followed by in-depth case studies.

Aims of the research

The research had three aims:

- 1 To better understand the range, nature and scale of different forms of community control of assets (particularly buildings, land and energy generation facilities) across the UK.
- 2 To provide an assessment of the benefits, costs and critical success factors associated with asset ownership and management by CBOs.
- 3 To investigate the key benefits and outcomes of a variety of different assets including buildings, land and energy generation facilities.

The first aim was investigated primarily using quantitative methods, while the second and third aims, which are closely linked, were tackled using qualitative investigation.

Summary of key terms

The lack of clear agreement on terms used in the field was an early challenge. For the purposes of this research, the central terms discussed in this report were used as described below.

A community-based organisation (CBO) was understood as an organisation located within a physical community, which may consist of a neighbourhood, village, town, conurbation or small island but only exceptionally a county or wider region. The main (if not exclusive) focus of the organisation's work is to seek benefits for certain defined people or places in the locality where it is based. It will have a governance structure independent of public or private sector organisations. Although the conception of CBOs is a fairly straightforward one, in reality they are extraordinarily diverse. There is a sub-set of CBOs which own or manage assets. They may: rent out rooms or social spaces; let offices or retail units; offer welfare services to those in the neighbourhood; run local activities; campaign on local issues; provide resources for other local groups; encourage volunteering, employment and enterprise; provide a base for

networking and advocacy; provide housing; manage parks, open space, sports, youth or play facilities; produce green energy; and undertake many other activities.

The assets considered were buildings, land or energy generation facilities managed and/or owned by CBOs operating within the UK. CBOs may have a range of other assets, including financial and human assets, but these were not the focus of this research.

The ownership and management of assets by CBOs was understood as the day-to-day responsibility and accountability for the operation and use of buildings, land or energy facilities, whether owned by the community or occupied under licence held – formally or informally – by a third party.

The term ‘third sector’ was used to refer to a very broad grouping of organisations of which CBOs are but one part. It consists of informal groups and unconstituted associations, voluntary organisations and registered charities (ranging from local to national) and foundations. It also includes organisations orientated to social enterprise activity, including worker and consumer co-operatives and friendly societies (registered as community interest companies, industrial and provident societies, and companies limited either by guarantee or shares).

Research activities

The research¹ was undertaken in four phases, between August 2009 and January 2011. It included the following activities:

- compiling a literature review;
- conducting 17 initial scoping interviews with policy-makers and practitioners;
- doing a snapshot survey of the field, across more than 13 organisational networks;
- analysing the survey by developing an initial framework and typology of the field;
- organising four practitioner groups (in England, Northern Ireland, Scotland and Wales), which each met twice to consider the design and discuss the emerging findings of the study, involving over 60 practitioners in total;
- selecting, organising and collecting qualitative and quantitative data from 15 main case studies (six in England, three each in Northern Ireland, Scotland and Wales) and five mini-cases of organisations, comprising 89 interviews in total;
- conducting five interviews concerning challenging situations for asset ownership and management;
- conducting nine policy scoping interviews towards the end of the research with policy informants and practitioners across England, Northern Ireland, Scotland and Wales; and
- consulting with a Network Group of policy-makers and practitioners from England, Northern Ireland, Scotland and Wales, organised by JRF at four points in the study, to reflect on the research and current context.

A more detailed discussion of the survey is set out at the beginning of Chapter 2; Chapter 3 begins with a brief outline of the approach taken to the case studies.

1 Background and rationale for the research

This chapter offers a preliminary description of some of the types of community-based organisations (CBOs) that are active in owning and managing assets on behalf of a community. This is followed by an examination of the extensive policy interest in the field, and concludes with a summary of existing research in this area.

Overview of community-based organisations (CBOs) owning or managing assets

This report is about CBOs that own or manage assets to provide benefits to local people.² A preliminary look at the field suggests that these CBOs have many different names and characteristics (see Table 1).

Importance of the research

This research on CBOs owning and managing assets is timely because:

- It is the focus of considerable policy interest and practitioner engagement.

Table 1: Types of community-based organisations (CBOs) owning or managing assets: range of aspirations and uses of assets

Types of organisations categorised as CBOs	Aspirations of CBOs	Uses of assets
An asset-owning or managing CBO can be a: village hall; development trust; settlement and social action centre; community centre; community farm; community land trust; arts/cultural centre; sports centre; community wind farm; community shop; religious or faith centre; preservation or heritage trust; advocacy and advice centre; park trust; housing co-operative.	To manage or own their assets (can be more than one) for the social, cultural, economic or environmental benefit of their neighbourhood or constituency.	They may rent out rooms or social spaces; let offices or retail units; encourage volunteering, employment and enterprise; offer welfare services to those in the neighbourhood; provide resources for other local groups; provide a base for networking and advocacy; provide housing; manage parks, open space, sports, youth or play facilities; produce green energy; provide lifeline services, such as post offices, shops and petrol stations in isolated areas; undertake many other activities.

Note: these illustrations include organisations in England, Northern Ireland, Scotland and Wales, in both urban and rural areas

- The set of CBOs owning or managing assets has been, until now, only partially sketched. Many different kinds of organisations appear to be active in this area but there has been little attempt to define their shared features. There is no clear framework for deciding which organisations belong inside or outside the grouping of asset-owning or managing CBOs.
- Little is known about the scale and pattern of asset ownership by CBOs and the characteristics, purposes and activities of different types of organisations in the field.
- At a policy level, although the boundaries between the service delivery roles of the public, private and third sectors at local and national levels remain fluid, there continues to be consistent cross-party agreement about the importance of CBOs (as a component of the wider voluntary or third sector) contributing to either planning or delivering public services. Many of the social problems that the current government seeks to combat cross departmental boundaries – for example, housing, crime, transport or unemployment – and local organisations may have more knowledge of the complex ways in which these interact in their localities.
- As public sector bodies at local and national levels respond to current financial challenges, reviewing and rationalising their capital portfolios, the disposal of public assets has become a critical component of change in this field.
- CBOs may provide an important local contribution to personal well-being, social and economic development and community cohesion. Their strength and stability may be an end in its own right but can also complement, or offer an alternative to, private or public sector activities. In particular, the ownership of assets may contribute to an organisation's own financial and organisational strength, with the potential for improved financial sustainability to initiate or support the development of local social and/or economic life.
- Although practitioners have often led the agenda in this field, at a policy level there is now cross-party support for the acquisition and development of assets by CBOs. The research explores the experience of asset ownership and management in general, and is of particular importance in the current policy context of asset transfer.

The organisational field

Data from practitioners

The number, size and type of organisations engaged in ownership and management of assets is not well known. Some umbrella bodies in the field have surveyed their constituencies. Available data is set out in Table 2.

In addition to the data on the value of assets, some recent research and programmes have begun to capture a range of issues important for asset ownership within some parts of the third sector, particularly in relation to funding and technical support requirements.³ Existing evidence about the benefits and outcomes of community ownership, and the management of assets is included in chapters 4 and 5, respectively.

Table 2: Summary of surveys undertaken by umbrella organisations about the assets held by their constituencies

Organisation	Date	Information	Asset value
Action with Communities in Rural England (ACRE)	2009	Rural community buildings, held in a charitable trust ownership	£3 billion (UK)
Community Matters	20010/2011	Community organisations, local development organisations, housing associations and local authorities	£211 million
Development Trust Association (DTA)	2010	Development trusts held in community trust ownership	£272 million
Northern Ireland Council for Voluntary Action	2006/2007	Independent voluntary or community organisations.	£737.5 million

Funding

Funding has become increasingly available over the last decade, either to support asset acquisition and asset development, or to enhance the capacity of organisations to think through the implications of asset ownership and management. This can be understood in terms of three types of financial investment.

Development capital may be important at the outset and during the life of a project to initiate new ideas; growth capital may be needed at any stage to refurbish, update or expand; working capital can be important to reduce the impact of cash flow problems (SQW, 2011b). Government programmes have offered some of these at different times, although the first two appear to be more predominant. Initiatives include:

In England: Capacitybuilders' capital investment programme in England;⁴ the Advancing Assets for Communities programme for local authorities (DTA, 2010); and the Meanwhile Project, set up by the Department for Communities and Local Government (CLG) and led by DTA as part of the Advancing Assets for Communities programme, which supports the development of vacant land and buildings for interim uses.⁵

In Wales: the Community Asset Transfer Fund for Wales, delivered in partnership with the Big Lottery Fund, aims to 'invest £13 million in communities to help them transfer, develop, manage and sustain assets to improve their livelihoods and neighbourhood.' (Big Lottery Fund, 2010b).

In Scotland: Growing Community Assets is offering grants between £10,000 and £1 million, between 2010 and 2015, to help communities address local needs through owning or developing local assets. Highlands and Islands Enterprise can offer some funding in this area for projects in fragile communities and social enterprises (Highlands and Islands Enterprise, 2010). The Scottish Rural Development Programme's LEADER funding stream aims, between 2007 and 2013, to offer capacity building, knowledge, skills and support for collaborations to build local rural economies (Scottish Government, 2011).

In 2008, the Department of Health (DoH) launched its £100 million Social Enterprise Fund to enable third sector organisations to extend their engagement in the provision of health and social care services. Also in 2008, CLG introduced its £70 million Communitybuilders programme to support the growth of independent CBOs. Both programmes provided capital and support funding in England.

Beyond governmental programmes, there have been other key players. Foundations have played important roles in start-up funding, supporting technical aid, and revenue and capital investment for CBOs that own or manage assets (Big Lottery Fund [Scotland], 2010c). Charity Bank, which originated from an initiative of the Charities Aid Foundation (CAF) in 1992, has played an increasingly proactive role in the field since it registered as a charity and gained banking status in 2002. Venturesome, also with origins in the CAF stable, has acted as a social investment fund since 2002 and now offers debt and equity finance to charities and social enterprises. In addition, those banks with traditional links to social benefits (such as Triodos, Unity Trust Bank and the Co-operative Bank) have remained active in this field, often with specialist teams, alongside parts of the mainstream banking sector (including Barclays). There has also been an emergent venture capitalist market (such as British Business Angels Network), as well as ongoing goodwill work provided through intermediaries (such as the Cranfield Trust).

Technical support

Some capacity building support is already available to organisations active in this field, particularly in England. The Asset Transfer Unit (ATU), funded by CLG and managed by the DTA, with stakeholders including Community Matters and the Local Government Association, was set up in January 2009. It aims to promote asset transfer, support activity in this field, and generate and disseminate best practice and tools (ATU, 2009). A similar body is planned for Wales. The Scottish Government has provided further funding to DTA Scotland to establish a Community Ownership Support Service which aims to provide practical support to community organisations and local authorities, as well as seeking to broaden the focus of asset transfer to other public sector assets. Linked to this, the Rural Community Action Network (RCAN) provides local access to quality advice, information, training and advocacy, through a network of skills advisors (ACRE, 2009), for all hall management committees. Similarly, the Community Matters handbook and training programme, *Community Assets Matter*, aims to address the growing need for guidance, support and advice (Community Matters, 2009).

The need for this kind of support continues to be widely noted. A 2009 Treasury report into the role of faith buildings acknowledged the need to provide capacity building support and skill development for working in partnership with other local agencies (HM Treasury, 2009). In the same year, the Carnegie UK Trust commented on the importance of high-quality technical support for rural community organisations taking on assets, while the Audit Commission noted that councils considered that the biggest barrier to transferring assets was the capacity of the voluntary and community sector to undertake this work (Audit Commission, 2009). An independent survey in the same year found that lack of finance and lack of technical skills in the local authority or receiving organisations, were important barriers affecting asset transfer (SQW Consulting, 2009a).

The current policy context: 2010–2011

Despite the fuzzy boundaries of the field, the policy interest in the area of CBOs owning and managing assets has followed a consistent upward course since 2002. There is now a clear push to expand the control of assets by community organisations in what has become a mainstream policy goal. The major political parties share a commitment to this agenda. This is consistent with the objectives of the Big Society agenda, which broadly favours decentralisation and citizen involvement. The Localism Bill (2010) has begun to set out ways that some of these ideas could be put into action. So it is a crucial time to understand more about the organisations in this field. Policy developments over the last decade are set

out in Box 1 (for England) and Box 2 (Northern Ireland, Scotland and Wales). The remainder of this section concerns itself with the most recent developments.

Cross-party proposals

In their manifestos for the 2010 General Election, the three major parties explicitly expressed their commitment to the field of asset transfer, particularly in England.

- The Conservative Party sought to ‘support cooperatives and mutualisation as a way of transferring public assets and revenue streams to public sector workers’ (Conservative Party, 2010). The party also argued that a new community right to buy scheme ‘will give local people the power to protect any community assets that are threatened with closure’ (Conservative Party, 2010).
- The Liberal Democrats argued that ‘society is strengthened by communities coming together and engaging in voluntary activity, which sets people and neighbourhoods free to tackle local problems’ (Liberal Democrat Party, 2010). The party also wanted to ‘encourage community-owned renewable energy schemes where local people benefit from the power produced’ (Liberal Democrat Party, 2010).
- The Labour Party supported the idea of Community Land Trusts and stated that it would promote the ‘transfer of buildings and land to the ownership or control of voluntary and community groups’ (Labour Party, 2010).

Subsequently, the coalition government programme manifesto explicitly cited community-owned energy schemes and also set out to ‘promote the radical devolution of power and greater financial autonomy to local government and community groups’ (Cabinet Office, 2010). It should be noted, however, that the matters discussed in this section have usually been devolved powers in Northern Ireland, Scotland and Wales.

Big Society

The Big Society agenda provides some of the background to the current policy in the area of assets. Specific plans include training 5,000 community organisers, initiating a Big Society Bank, encouraging volunteering, and devolving power to neighbourhoods and communities. The community assets agenda can be viewed as a core component of this agenda, associated as it is with notions of empowerment, community involvement and neighbourhood renewal. However, as is often the case in areas of community life that catch the attention of politicians and policy-makers, there is also a risk of co-option.

The Localism Bill: England

The Localism Bill, published in December 2010 (and applying only to England) (DCLG, 2010), proposes a number of significant reforms in relation to the Big Society agenda. ‘These proposals – including community budgets and community ownership of local assets – are designed to bring decision-making power to where people are already involved in their communities’ (DCLG, 2010). Specifically, it proposes to ‘give communities powers to save local assets threatened with closure, by allowing them to bid for the ownership and management of community assets’, as well as to ‘give community organisations greater opportunity to identify and bid for assets of value to them, from which they can deliver existing or new services’ (DCLG, 2010). The Bill also introduces proposals for the ‘community right to build.’ This would allow community organisations – those established as a corporate body for the express purpose of furthering the economic, social and environmental well-being of an area – to bring forward a proposal for

a site-specific development where the benefit, or receipts, from the development will be retained for the local community. This new right applies to any form of development, including housing or community facilities. A consultation paper on the right to buy appeared in February 2010 (DCLG, 2011c). Changes to the local government finance system, such as the New Homes Bonus⁶ and planning procedures, through amendments to the Community Infrastructure Levy⁷ may provide sources of capital or revenue finance for assets. Similarly, proposals for local planning included 'neighbourhood development orders', which would directly grant planning permission for certain specified kinds of developments within a neighbourhood area. Finally, the Bill also proposes to introduce a new 'community right to challenge' the way local services are run and provided.

The proposed legislation marks a shift towards community rights, decentralisation and localism. The community right to buy gives communities the power to initiate purchase (including assets from private ownership that become available), although this appears to be a weaker proposal than existing Scottish legislation, where rights are given stronger support. The community right to buy also introduces powers for communities to initiate and control development, and to challenge and bid to run specific local services. At the time of writing, asset transfer has not been explicitly cited in policy documents for England, although further financial support available through the ATU has recently been announced.⁸ Despite the stated interest in local control, which promises enhanced opportunities for communities to take control of their neighbourhoods (including services, as well as land and buildings), the details of the proposed legislation may reveal limitations. Serious shortcomings may arise in implementation as the policy agenda moves from intention to action.

Box 1: Policy and programmes – the background in England

Current policy and programme interest in CBOs owning and managing assets – as part of a broader focus on community rights, opportunities and well-being – does not have very extensive roots.

1988: the former Department of the Environment published case studies examining the activities of early development trusts engaged in owning assets (DoE, 1988) but such interest was a rare occurrence. The Evidence Review (Aiken, *et al.*, 2008) preceding this study pointed out that as recently as 2001 very little policy attention was given to the role of assets.

2001: a major national strategy for renewing neighbourhoods offered only two sentences on the CBO assets theme: it noted that respondents to a consultation had cited 'the advantage of assets' in relation to funding (Cabinet Office, 2001).

2002: Adventure Capital Fund (ACF) launched in England. Its initial aim was to provide £2 million 'patient capital' to support medium-to-large CBOs in developing social enterprise activity and enabling the acquisition of physical assets to help increase these organisations' sustainability (it was extended in 2003 and 2005 to become a £14.4 million investment and support programme).

2004: launch of £215 million Futurebuilders England (and Futurebuilders Scotland) programmes. ACF provided the model for both programmes, which devoted investment to asset acquisition for strengthening the sector's ability to deliver public services.

2005: the Big Lottery Fund (BLF) launched a £60 million Reaching Communities Programme for investment in capital assets.

2006: HM Treasury guidance was issued to clarify the circumstances in which claw-back arrangements would apply. Under such arrangements, third sector organisations could be required by public sector agencies to repay a grant or return an asset (it was only in 2011 that fresh guidance from DCLG removed capital claw-back arrangements from assets transferred as part of four regeneration programmes, including Single Regeneration Budget, City Challenge, Urban Programme and Inner Area Grants [DCLG, 2011a]). The transfer of assets from local authorities was being actively encouraged by the Office for the Third Sector (OTS), with the launch of a £30 million Community Assets Fund to enable CBOs to take control of publicly owned assets.

2007: the Quirk Review (DCLG, 2007a) of this year marked a more fundamental change. The principal recommendations of the Review included:

- Publication of comprehensive and up-to-date guidance on all aspects of local authority asset management and the transfer of assets to community management and ownership.
- Publication of a toolkit for public bodies outlining risk assessment and risk management in asset transfer to communities.
- Provision of greater access to expert advice and organisational development support, particularly on the transfer and management by communities of land and buildings.
- Smarter investment of public funds designated for community-led asset-based developments with guidance provided by specialist financial intermediaries.
- Promotion of ‘bottom up mechanisms’, including Community Call for Action (CCfA) and the Public Request to Order Disposal (PROD). (The latter measure was superseded in 2011 by measures for the community right to reclaim [unused] land [DCLG, 2011b].)

The rapid agreement from the Department for Communities and Local Government to support the recommendations in full (DCLG, 2007b) marked a point where the notion of transferring assets to CBOs had become a mainstream policy objective.

Other developments

It is important to emphasise that the research took place in the context of wider policy reform affecting not only assets and transfer processes but also commissioning of services. The ambitious plans to restructure welfare delivery and encourage local participation arise at a time of cutbacks in public expenditure, despite concerns that such plans require significant investment. These developments are set to significantly realign arrangements between the private, public and third sectors and may lead to a convergence between assets and commissioning agendas. At the time of writing, however, this is still not clear.

A number of developments have now arisen. The asset transfer agenda in the Quirk Review (see Box 1) focused on the role of local authorities – either in transferring its own assets or acting as a broker with other public authorities. The success of this can be measured by the fact that by April 2011 the Asset Transfer Unit could point to over 75 local strategies in place with over 25 per cent of local authorities in England (SQW, 2011 in press). However, a much wider set of government departments is also now implicated. The Department of Health, Defra, the Ministry of Defence, the former Regional

Development Agency and Department of Work and Pensions among others hold asset portfolios that could need re-assessing. The reorganisation of government could speed this process. The Public Bodies Bill, first presented to Parliament in 2010, will enable a sharp restructuring of public bodies and quangos. It may have a significant effect on government agencies with large asset holdings, for example, British Waterways. The Open Public Services White Paper, which was due in May 2011, will set out the detailed future delivery options of public services by private and third sector organisations. However, one possible consequence is that this may lead to the transfer to CBOs only of remaining assets, which could be of poor quality.

There are three other important developments:

- The Futurebuilders programme ended in 2009, but the Communitybuilders programme is set to become permanently gifted to assist CBOs to buy and develop assets.
- Locality is the new umbrella body formed by the merger of the British Association of Settlements and Social Action Centres (bassac) and DTA, in April 2011. It will deliver the Community Organisers programme on behalf of the government, and could provide important community development links for CBOs that control assets.
- Finally, the interim use of assets (such as allowing community organisations the temporary use of derelict land or buildings awaiting re-development) has been given impetus since the Town Centres policy in 2009. The launching of the Meanwhile Project, for example, aims to encourage and provide expertise on the community use of underused public and private property for community use.⁵

Scotland, Northern Ireland and Wales

Scotland, Northern Ireland and Wales, while affected by the policy wind from England, have followed different courses. Nevertheless there is some support for asset ownership and management, albeit to differing levels, in addition to the initiatives discussed above.

The Scottish National Party's deputy leader has expressed the party's support for communities 'in purchasing under- and unused public sector assets and bringing them back into use' (Scottish National Party, 2010). Meanwhile, the Scottish right to buy legislation remains in place, allowing communities of fewer than 10,000 people to register their right to buy land and buildings.

In Wales, the community asset transfer fund, supported by the Welsh Assembly and delivered in partnership with the Big Lottery Fund, was launched in October 2009. It is possible that provisions in the Localism Bill (2010) may be adopted in Wales.

In Northern Ireland, the Modernisation Capital Fund Programme is the key current initiative regarding community-based asset ownership. It has three strands. First, the Infrastructure Pilot scheme of £300,000–1.5 million capital grants focuses on sustainable networking centres and other projects to help organisations increase partnership working. Second, the Improving Community Facilities scheme has £100,000–300,000 capital grants to allow voluntary or community organisations and social economy enterprises to modernise and improve community facilities. Third, the Small Capital Grants scheme has capital grants of £20,000–100,000. Despite these initiatives, asset transfer has not appeared high on the political agenda in Northern Ireland, when compared with England, Wales or Scotland.

Evidence from the field: highlights

The Evidence Review (Aiken, *et al.*, 2008) highlighted a long historical tradition of CBOs owning or managing assets. It also pointed out that the engagement of community organisations in this field is not only a UK phenomenon (although it may be conceptualised in other ways elsewhere). It suggested that practitioners in CBOs had pioneered the development of the field and remained highly engaged. Indeed,

Box 2: Policy and programmes – the background in Scotland, Wales and Northern Ireland

The development of legislation in the other countries of the UK only appears modest when compared with the almost frenetic activity in England since 2002.

Scotland: the major development in Scotland was the 2003 Land Reform (Scotland) Act, which made provisions for small rural communities to buy land and buildings; in part, this was motivated by absentee landlords in rural areas. However, only 17 applications had been activated or registered in the first two years (Wightman, 2007). The joint agreement set out by the 2008 Convention of Scottish Local Authorities (Convention of Scottish Local Authorities, 2008) between central and local government included direct support for community groups to own assets as part of a community empowerment agenda, while the Highlands and Islands Enterprise has supported more than 140 asset purchases since the mid-1990s.⁹

Wales: the Welsh Assembly Government's Social Enterprise Strategy for Wales (2005) included targets around social enterprises gaining £2 million in new contracts, £6 million worth of transferred assets and £12 million in refurbishment costs for assets as part of developing Welsh life. There was also support for a community right to buy.

Northern Ireland: the Northern Ireland Assembly operated in a very different political context and was suspended for five years in the first decade of this century. One of the major initiatives remains the Department for Social Development's Community Support Programme. This was a collaboration between the Department, 26 district councils, and voluntary and community organisations. The Department provided just over £5.5 million in 2009, which was topped up by the other statutory participants. It offered targeted support to community centres and local advice centres, grants to community groups and employment of staff in district councils. The principal aims were to achieve an active, influential, informed and sustainable community.

The Evidence Review (Aiken, *et al.*, 2008) argued that differences between rural and urban areas were particularly evident in Scotland, Northern Ireland and Wales where urban centres tend to be more concentrated. There were some differences between the countries. In Scotland, Wales and Northern Ireland indigenous communities were given prominence, while in England the importance of black communities was more evident. The role of faith communities appeared stronger in policy discourse in Northern Ireland and England.

practitioner organisations had produced the majority of the available evidence in the field, encompassing different approaches to the role of assets (particularly in a rural context). This also showed a pattern of different types of asset being favoured in particular locations, for example, ownership of renewable energy generation was more common in Scotland. At the same time, relatively little independent research was found on the role, extent, challenges and benefits associated with asset ownership and management.

Several key questions were left unanswered by the Review:

- The scale of asset ownership and management by CBOs remained unclear.
- Although the range of potential benefits of transferring assets to CBOs had been expressed – including increased local employment, restoration of unused buildings, increased financial sustainability, and greater autonomy – independent supporting evidence was not always available.

- While there was relatively little exploration about the risks and barriers to asset ownership, there was evidence of concerns about restrictive rules imposed by statutory organisations, as well as the dilapidated condition of some assets.

Joseph Rowntree Foundation Programme on assets

In the light of the policy interest and practitioner engagement summarised above, the Joseph Rowntree Foundation (JRF) launched a research and development programme in 2008, with the aim of informing future policy and practice in this area. The work included an examination of evidence about the field (Aiken, *et al.*, 2008), a historical review of community and mutual ownership (Woodin, *et al.*, 2010), a national seminar series during 2010/2011 (JRF, 2010) and commissioned research on CBOs owning and managing assets, which is the subject of this report.

The historical review identified that the origins of communities taking ownership of local assets pre-dated the modern era. Although the loss of ‘the commons’ has been a constant strand over the last 500 years, it has been counteracted by the growth of co-operatives, mutual societies and charities. During the last 150 years, these approaches, although still important, have lost their dominant position in meeting local and individual needs. This is due to the growth of municipal government and the extension of the private sector. In the last 50 years – and in parallel with structural economic, social and demographic changes – there has been a resurgence in community-based approaches. The historical study cautioned against drawing simple lessons from the past but argued that some common themes emerge including: the importance of staged growth and expansion for these initiatives; the complex meanings contained within the term ‘ownership’; and the importance of nurturing democratic control and membership.

Summary

Although practitioners have often led the agenda in this field, since 2002 there has been a high degree of policy support, with cross-party agreement, for the ownership and management of assets by CBOs. Policy initiatives have been extensive in England, although similar moves have been taking place in Northern Ireland, Scotland and Wales. Consistent with policies associated with the Big Society agenda, such developments have been encouraged further by proposals in the Localism Bill (2010).

As public sector bodies at local and national levels respond to current financial challenges by reviewing and rationalising their capital portfolios, the disposal of public assets has become a critical component of change in this field. For this research, these factors raise important questions about the role and contribution of existing asset-owning CBOs. It also raises the issue of how many, and which type of assets could, or should, move to the control of CBOs. This is linked to the issue of the purpose and desired benefits of that shift in ownership, and the need to view the field from the perspective of CBOs themselves. These organisations may provide an important local contribution to personal well-being, social and economic development and community cohesion. Their strength and stability may be an end in its own right but can also complement, or offer an alternative to, private or public sector endeavours. In particular, the ownership of assets may be able to contribute to an organisation’s own financial and organisational strength. There is also an associated potential for the improvement of their financial sustainability, allowing them to initiate or support the development of local social or economic life. Earlier research highlights the importance of steady, rather than rapid growth, and building democratic governance arrangements.

JRF’s programme on assets, including the research that forms the basis of this report, seeks to inform and support future policy and practice in this area.

2 Survey findings

This chapter sets out the results from the survey. Following an overview of the survey, the key findings and preliminary analysis are presented. The results of a successive factor analysis illustrate patterning within the data and how we derived the types of organisations for case study examination.

Overview of the survey

Some existing surveys of CBOs try to record levels and patterns of the ownership and management of assets (for example, those carried out by ACRE and DTA).¹⁰ Some are one-off, while others are recurring. All, however, are limited in their scope and are often embedded in surveys with a wider field of reference. The researchers are not aware of any survey that covers a wide range of CBOs active in asset ownership and management or that covers all four constituent countries of the UK. The work of this study, therefore, appears to represent the first attempt to gain a detailed understanding of the nature of this complex and important field.

As with many emergent fields of enquiry, there is neither agreement on how to identify and define organisations considered to be active in this area nor consensus on key terminology. It was not surprising, therefore, that there was neither a readily available database of all relevant organisations, or a straightforward sampling frame. The closest comparators explored were the Guidestar Database and the Charity Commission Register. The latter covers England and Wales, and only includes registered charities and so excludes many small voluntary/community agencies, non-profit companies limited by guarantee or shares, Community Interest Companies, and Industrial and Provident Societies. While the Guidestar database does have a wider constituency, it is not a comprehensive enough tool to offer any certainty about the shape and size of the sub-sector in which this particular research was interested.

For these reasons other approaches were considered. In particular, the research team investigated data already held on community management and ownership of assets by umbrella and membership organisations. This approach had the potential to allow swift access to current data, as well as the opportunity to review historic data, thus allowing the research to track trends and changes over time. A number of key umbrella and membership agencies were contacted and all were keen to help. However, this option was not pursued as there were concerns about confidentiality and consistency, as well as an absence of available data on some key areas of interest to the research.

Sampling framework

It was concluded that a direct e-survey of CBOs would be the most effective method for gathering consistent data. This would allow the design of the sampling framework for the e-survey to take into account the wide range of CBOs, many of which are not registered with regulators such as the Charity Commission. A direct approach to CBOs would mean that the survey could concentrate on locally based organisations, while excluding the wider population of third sector organisations present in large numbers in other data sets.

Thirteen membership or umbrella organisations were selected to assist in directing their members to take part; a few additional networks were added later to take account of information emerging from practitioners during the process. A full list of these networks is provided in the Notes section¹.

Survey design

The survey questionnaire was designed to ask focused, easy to understand and meaningful questions that could be answered by a range of respondents. It was anticipated that it would include small and large organisations of differing levels of sophistication and complexity, owning a wide range of assets and operating in rural and urban locations in all four of the constituent nations of the UK. The draft questionnaire was piloted, refined and available for completion for a period of nine weeks, closing on 22 January 2010.

Survey analysis

Following a cleaning of the data, it was established that the survey had captured replies from all four constituent UK countries and included both large and small organisations active across the rural/urban spectrum. The practitioner groups were satisfied that the survey included the kinds of CBOs that had been understood as being active in this field and represented the best available picture of the field currently.

A first-stage examination of the sample allowed a description of a wide number of characteristics of the participating organisations, including their activities, assets and intended outcomes.

A second-stage statistical factor analysis revealed a deeper level of patterns in the sample. From the 'clumps' identified in the data a preliminary set of organisational types was identified, based on income, staff numbers, location and asset value. These provided criteria for selecting case studies.

Key findings

Whole and refined samples

There were 717 responses to the survey. After cleaning the data – to remove, for example, duplications – the number of respondents was reduced to 640 and considered to be the 'Whole Sample'.

Where the survey asked about assets, 151 organisations in the Whole Sample did not make a response. The remaining 489 organisations that completed this section, and identified themselves as managing and owning assets, are referred to as the 'Refined Sample'. Across a range of characteristics there were, with the exception of the percentage employing no staff, no large differences in characteristics between the two samples, as Table 3 shows.

The rest of this chapter concerns itself with data from the Refined Sample referred to from here as 'the sample'.

Findings from the sample

The organisations owning or managing assets are examined by: their country location; the geographical area they serve; organisational income; the numbers of staff and volunteers, as well as the age of the organisation.

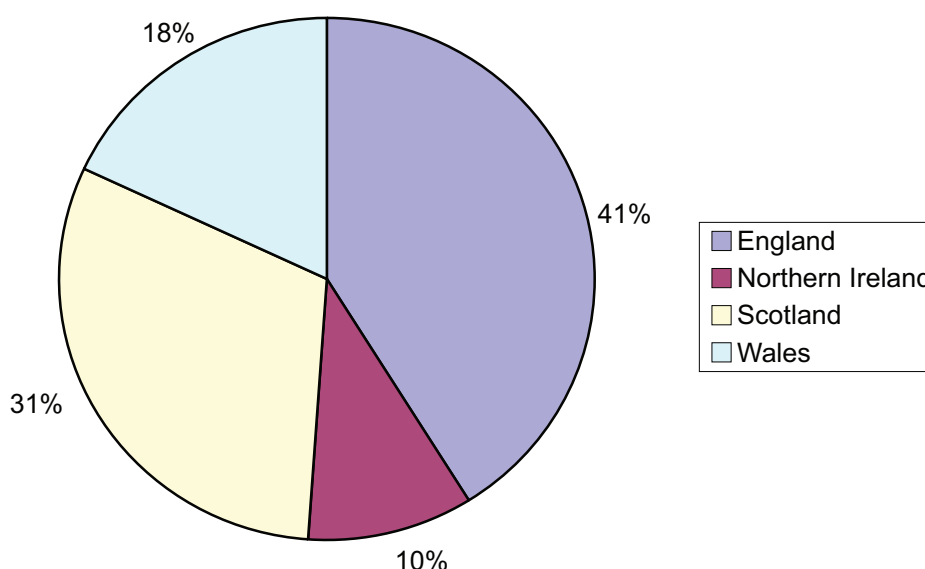
Organisations by country

The sample captured data from the four constituent countries of the UK (Figure 1) with the highest number situated in England (41%), followed by Scotland, Wales and Northern Ireland. This corresponds to the population ranking of the four countries and approximates to the proportional differences between Scotland (31%), Wales (18%) and Northern Ireland (10%). England, on the other hand, which accounts for over 80% of UK population, appears to be under-represented, even though much of the recent asset debate and policy and programme initiatives have been England-centred.

Table 3: Comparing key data between the Whole Sample and the Refined Sample

Organisations' characteristics	Whole Sample (n = 640)	Refined Sample (n = 489)
Main outcome: enhancing social well-being	44%	43%
Paid staff: 4 or less	63%	62%
No paid staff	25%	33%
Organisation having between 10–29 volunteers	39%	36%
Income below £100,000	58%	56%
Founded less than 50 years ago	75%	74%
Organisations worked for the benefit of:		
Rural/small village	28%	30%
Mixed	24%	20%
Urban central	19%	19%
Large village/small town	17%	17%
Suburban/urban periphery	12%	13%
Location of organisations by country:		
England	41%	41%
Northern Ireland	11%	10%
Scotland	28%	31%
Wales	19%	18%

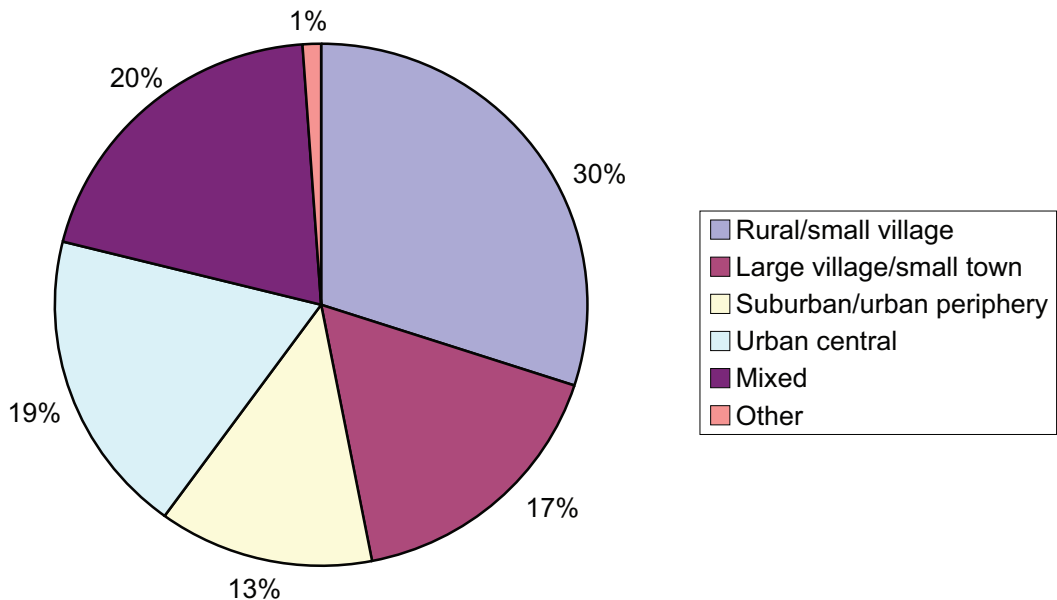
Figure 1: Location of organisations by country



Area served by organisations

CBOs are active in locations ranging from densely populated urban centres to sparsely populated rural areas. Nearly half (47%) are active in small town to rural locations (Figure 2). Almost one-third of respondents are active in locations that are described as suburban or mixed. Less than 20% of the

Figure 2: Location of organisations by geographical area of work



respondents describe themselves as being specifically active in urban locations. Rural organisations, which encompass village halls and some churches used for community purposes, account for 30% of respondents.

Organisational outcomes

The most frequently occurring category for ‘main outcome’ of the organisation was ‘enhancing social well-being’, and indicated by 43 per cent of respondents (Figure 3). In view of the variability uncovered in analysing other parts of the data, there appears to be a striking agreement on this point across the sample. In addition, the other main reported outcomes (from ‘improving the local environment’ to ‘improving education/skills’) are also linked to the notion of well-being.

The results suggest organisations are taking a broad view of their role and are not seeing themselves as being established primarily to deliver services for the public sector – even if, for some, such delivery is the route by which they aim to achieve their outcomes.

Figure 3: Main reported outcomes for organisations in the sample

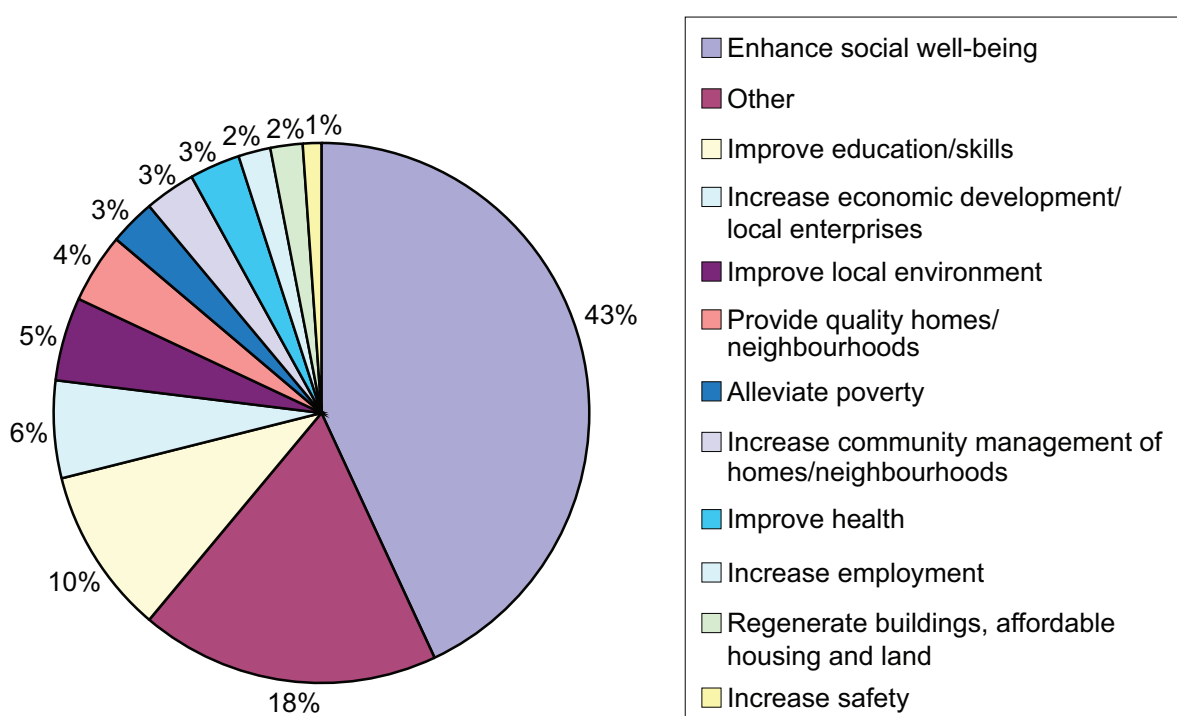
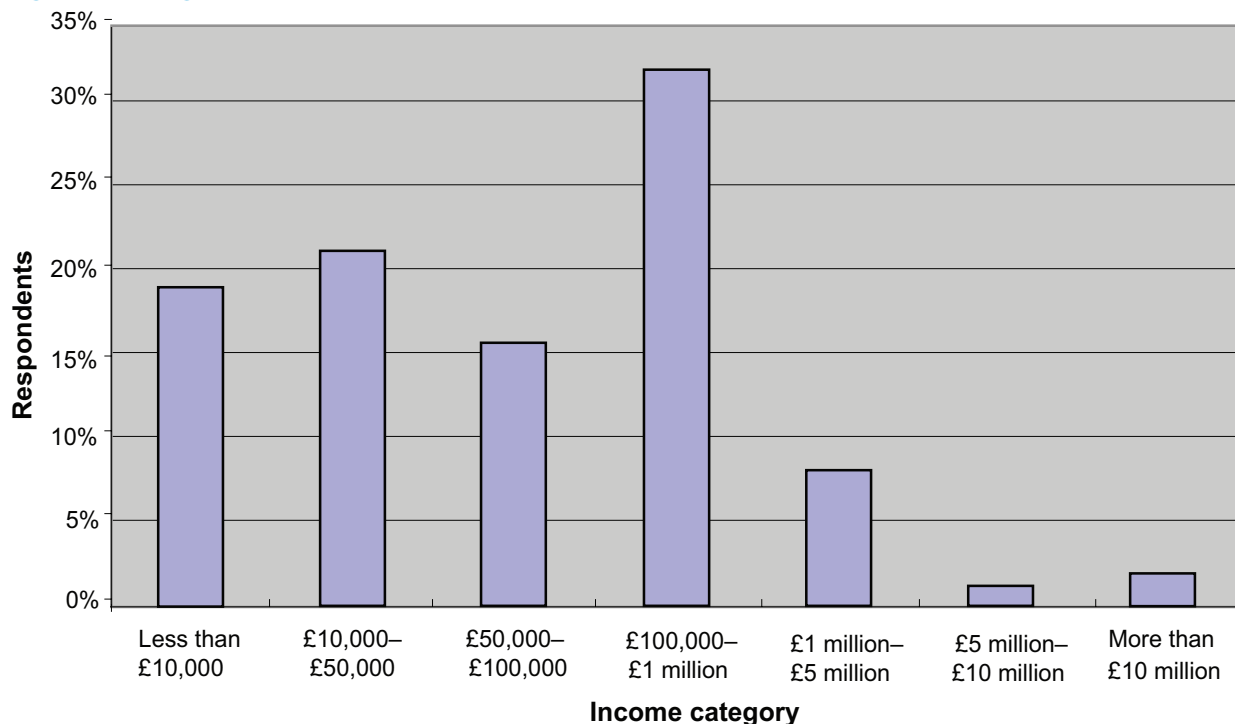


Figure 4: Organisational income (n = 621)



Income of organisations

Income of CBOs in the survey ranged from under £10,000 to over £10 million. Nearly a third of respondents (32%) were ‘middle earners’ in the £100,000 to £1 million income category (Figure 4). However, the majority (58%) of organisations had an income of below £100,000 and few (10%) had an income in excess of £1 million. This profile of a large number of organisations with relatively low incomes and a small number of high earners is consistent with other profiles of third sector organisations.

Staff and volunteer numbers

The number of staff employed by an organisation is another indicator of size (Figure 5). The majority (62%) of organisations had four or fewer paid staff, and nearly 40% had either no paid staff or less than one full-time equivalent. Less than 10% of organisations employ more than 30 staff. Although this profile reflects the general pattern of the third sector, in which 70% of organisations have two or fewer staff,¹¹ it was not anticipated that small organisations would be so heavily engaged in the ownership and management of assets. Nearly a quarter of organisations appear to have no staff. This implies that their assets are run largely or purely by volunteers.

Volunteers are important and their roles can vary from day-to-day involvement in the running of activities, through the management of buildings to participation in governing bodies. Their importance as members of the CBO ‘workforce’ can be understood by examining their profile (Figure 6). The pattern of volunteering showed a clear peak in the ‘Between 10 and 29 volunteers’ category, while more than 10% involved between 60 and 150 volunteers. This picture emphasises the importance of their contribution in the field. Fewer than 5% of organisations said they had no volunteers.

For some organisations with limited revenue/income potential, this finding (when linked to the large numbers of asset-owning organisations employing no staff) might indicate that there is a different configuration of resources in these settings which enables organisations to manage their current levels of activities by making extensive use of volunteers. The chapters dealing with the case studies explore the nature of such organisations further. This could imply that there may be a practical limit to the expectations of recent policy discourse, which anticipates that such CBOs have the capacity to take on additional major service delivery roles.

Figure 5: Staff employed (n = 485)

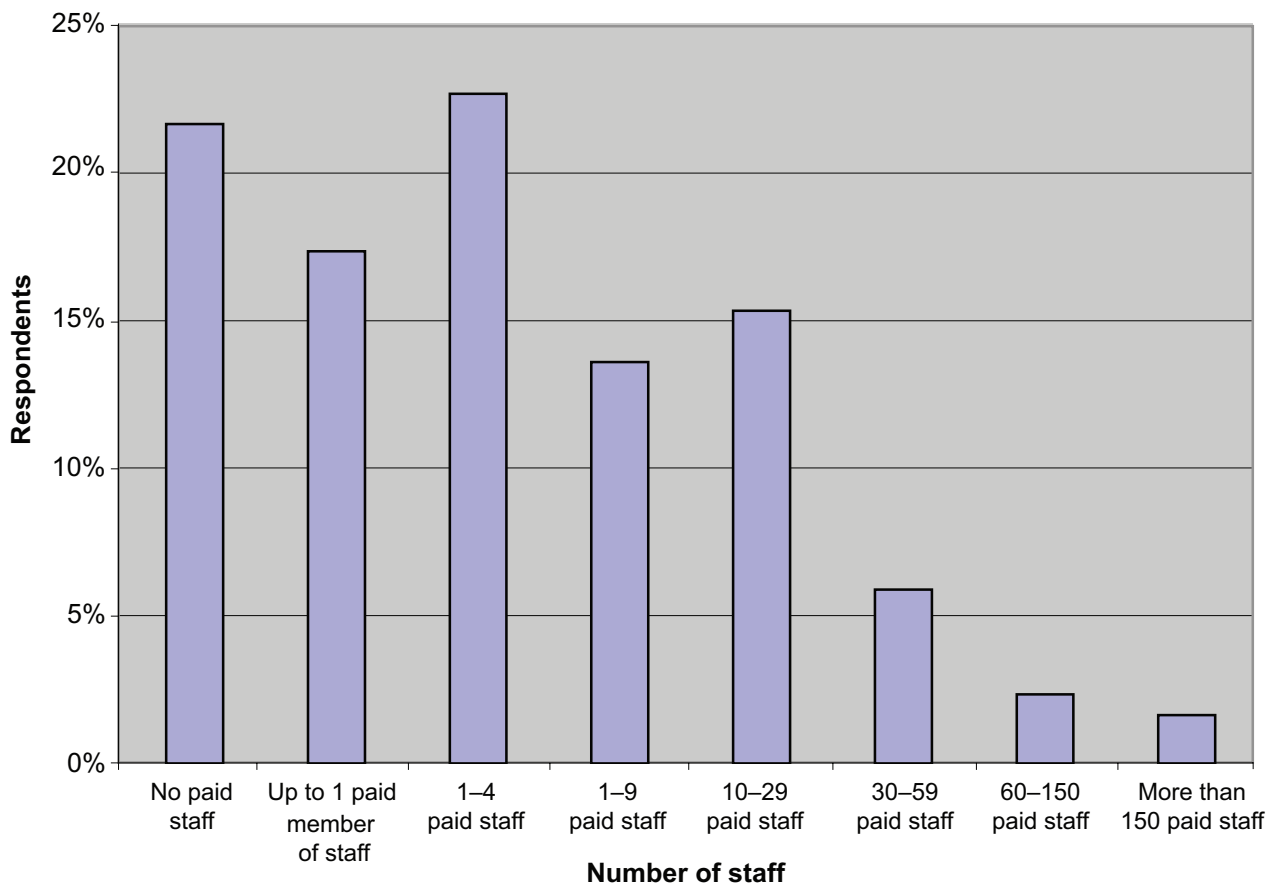


Figure 6: Volunteers involved (n = 483)

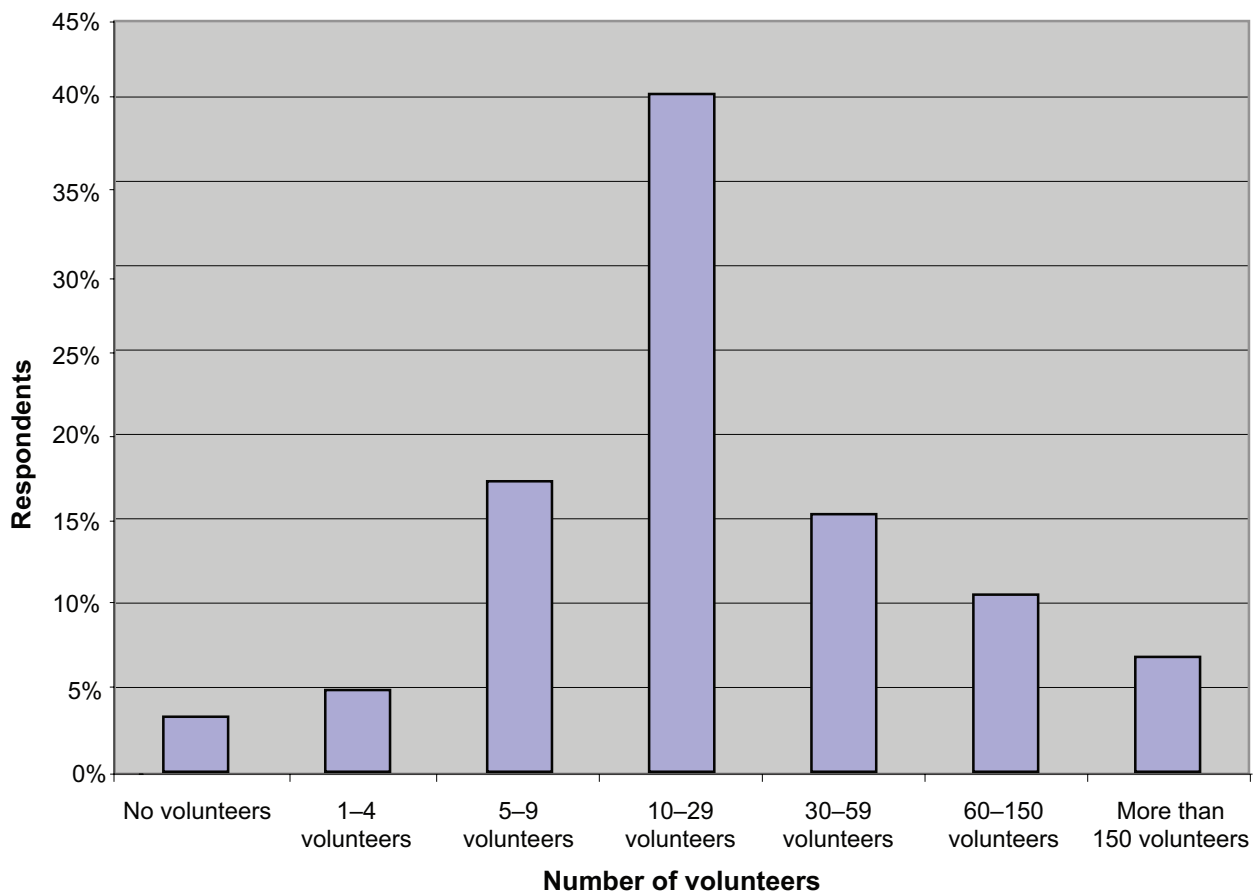


Table 4: Age of organisation and area of work (i.e. rural, urban, etc.)

	0–14 years ago (n = 160)	15–50 years ago (n = 182)*	51–100 years ago (n = 63)	100 years plus (n = 61)
Rural/small village	38%	18%	51%	25%
Large village/small town	18%	13%	11%	26%
Suburban/urban periphery	9%	14%	21%	13%
Urban central	16%	28%	10%	18%
Mixed	18%	28%	6%	18%

*Some totals add to more than 100% due to the effect of rounding

Age of organisations

The survey also explored the age profile of organisations and found a wide spread. Just over a third (35%) were ‘young’ organisations (less than 15 years old). A further 39% were ‘mature’ organisations (between 15 and 50 years old) and just over a quarter were ‘old’ (over 50 years), of which half were over 100 years old.

The proportion of younger and older organisations might seem high. However, the NCVO’s Third Sector Foresight (NCVO, 2011) data illustrates that, in the charitable field, over 2,500 new organisations have been registered every year since 1960, with 6,676 new charities registered in 2010 alone. Also, the importance of older organisations is consistent with the findings of the earlier JRF research project on the history of the ownership and management of assets by CBOs. However, the sample does not support a perception that rural organisations are old or that their urban counterparts are a mix of old and new. When the area of benefit served by organisations was mapped against their age, a more complex picture emerged, as Table 4 illustrates.

The rural/small village and large village/small town categories account for over half the organisations in three categories: the 0–14, 51–100 and 100 plus years groups. In the 15–50 age range, suburban/urban periphery and urban central (including) mixed categories accounts for 70 per cent of CBOs.

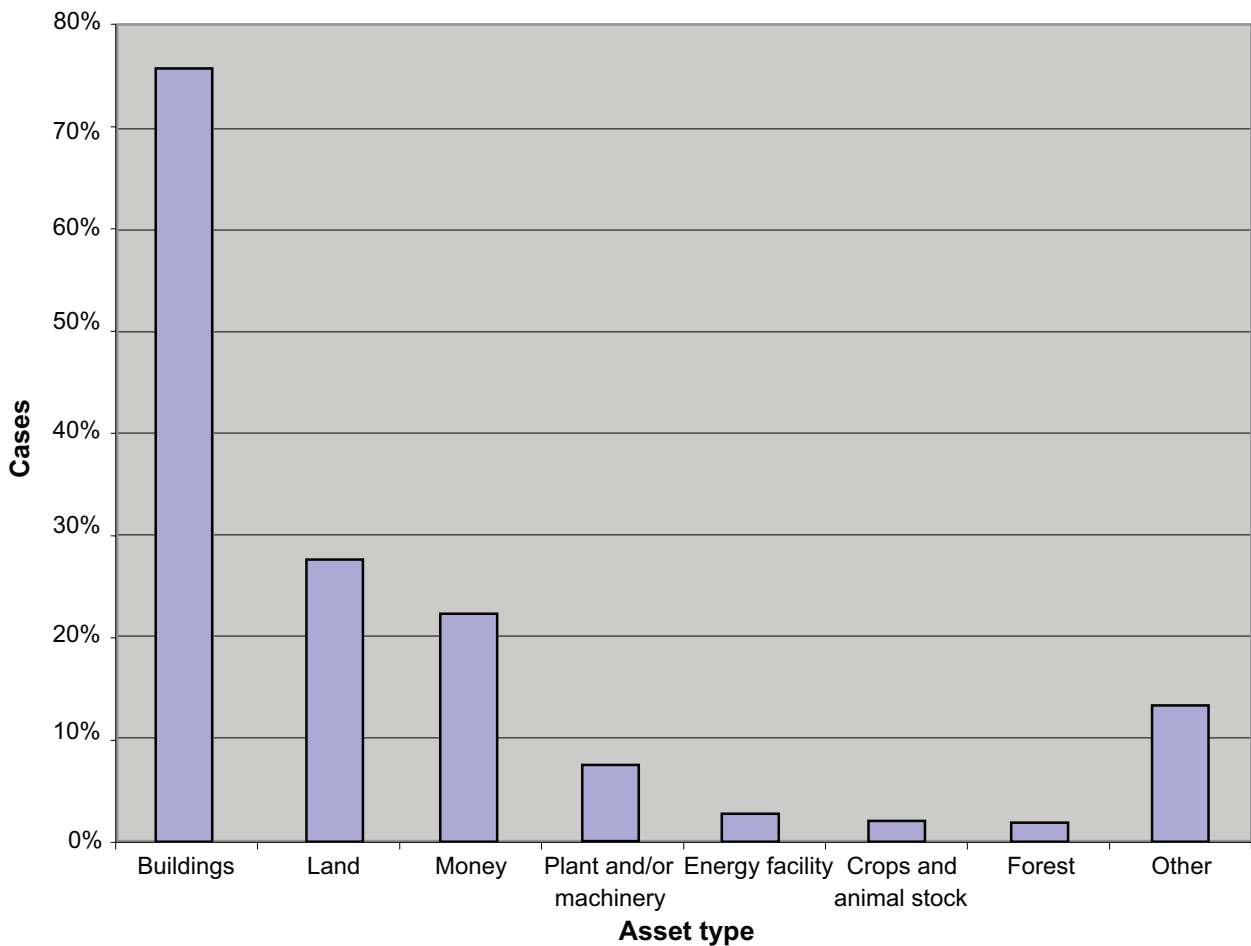
Summary

The survey findings confirm the prevalence of CBOs that own and manage assets. They are distributed throughout the four constituent countries of the UK and they are present in all locations, from small villages through to urban centres. They are also diverse. They range in size and complexity from small organisations run by volunteers through to large organisations employing over 150 staff. Many have long and well-established roots within their communities. Although over a third of organisations were established within the last 15 years, over a quarter were founded more than 50 years ago and, of these, half are over 100 years old. These far-flung and disparate organisations, nevertheless, unite around a common purpose: enhancing social well-being.

Assets

In addition to gaining a better understanding of the scale, diversity and distribution of asset-owning CBOs, the main purpose of this research was to investigate the role that asset ownership and management played in these organisations. This section presents: the survey findings on the nature of assets owned and managed by CBOs; the purposes for which the assets were used; the value of those assets and acquisition routes.

Figure 7: Types of assets (n = 489)

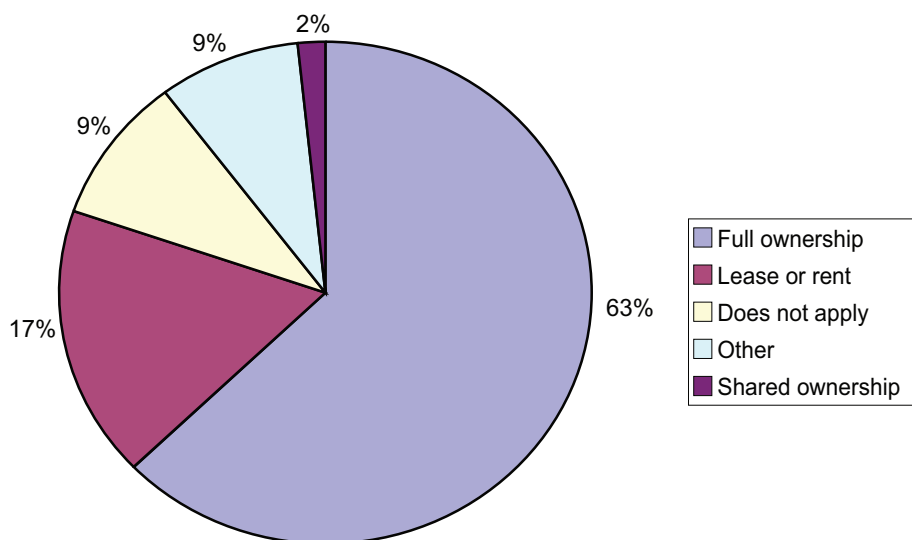


Types of assets

As this was the first survey of its kind it was important not to pre-determine the nature of the assets owned or managed. So the survey questions prompted respondents to consider forests, money (such as endowments), plant and machinery, crops and animal stock, as well as land, buildings and energy generating facilities.

Nevertheless, it was found that buildings were by far the most common asset held. They were reported by 76% of respondents, well ahead of land at 28%, the second-most-important asset. Other forms of asset ownership were comparatively rare (Figure 7).

Figure 8: Terms of ownership of assets and management



Assets: owning or renting

In considering the method of controlling the asset, a surprisingly large proportion of respondents (63%) indicated that they fully owned their most significant asset, while 19% reported that they were leasing or renting it (Figure 8). This indicates that, in addition to the current policy attention to asset transfer, there is a pre-existing cohort of organisations active in the field. This would also be consistent with the historical study that accompanied this research, which pointed out how ‘virtually all forms of community and mutual ownership from the past are still in existence and available today’ (Woodin, *et al.*, 2010). Managing, sustaining and developing this older stock represents an important issue that requires further consideration.

Purpose of asset ownership

The findings with regard to the most important purpose of the most significant asset (Figure 9) are closely related to enhancing social well-being: the most important declared outcome of CBOs (Figure 3). Four of the five highest responses regarding the purpose of the organisations’ most significant asset were: ‘general community use’; ‘offering a base for the activities of other organisations’; ‘housing our organisation’s activities’; and ‘providing office/administrative space for our organisation’. Together these accounted for two-thirds of all responses.

Assets: financial value

The distribution of value of assets owned by CBOs shows a ‘bell shaped’ curve, with mean and average values of approximately £250,000. The two largest categories (£50,000–£249,000 and £250,000–£1 million) account for 53% of respondents. Very few organisations had estimated their assets to be worth ‘more than £5 million’ (9%) and, surprisingly, some recorded that their assets had ‘nil’ value (2%) (see Figure 10). It is not clear what the very small ‘nil’ category represents, although for some buildings, such as church halls and other buildings with restrictive covenants, the ‘commercial use value’ of an asset may be negligible.

The three categories with asset valued between £50,000 and under £5 million comprised 70% of the sample. Analysis of this sub-set shows that rural organisations’ assets were not always in the lower value range (Table 5). Rural organisations tended to represent the largest group by percentage (42%), which had assets valued between £50,000 and £250,000, while the urban central group was the largest proportion (28%) in the range of £1 million to £5 million.

Figure 9: Purpose of most significant asset

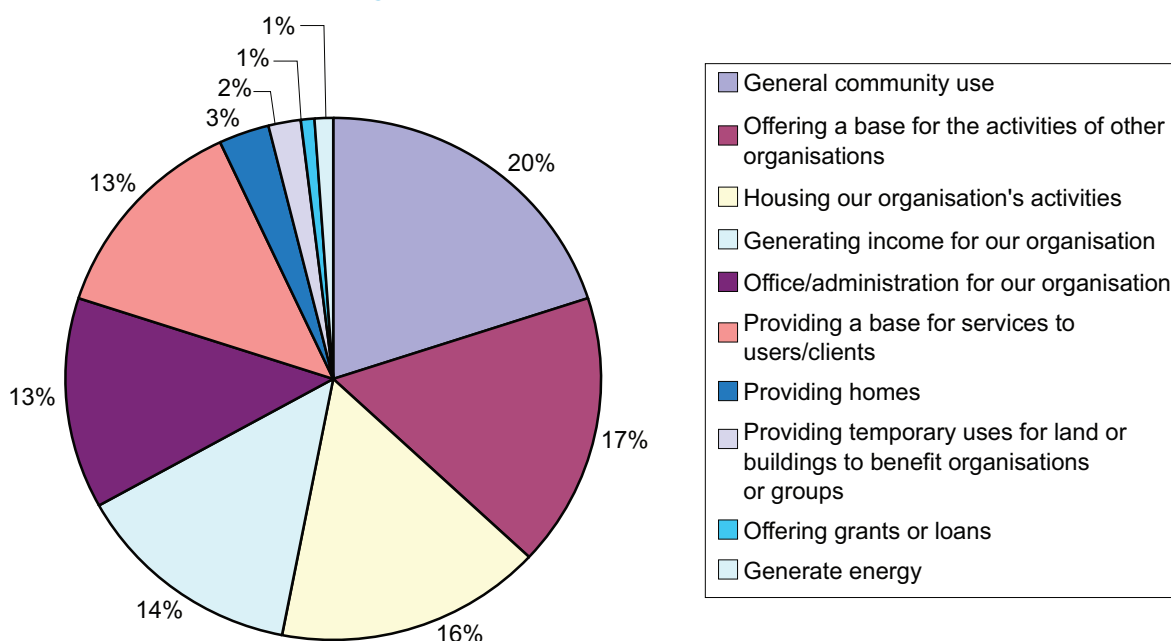
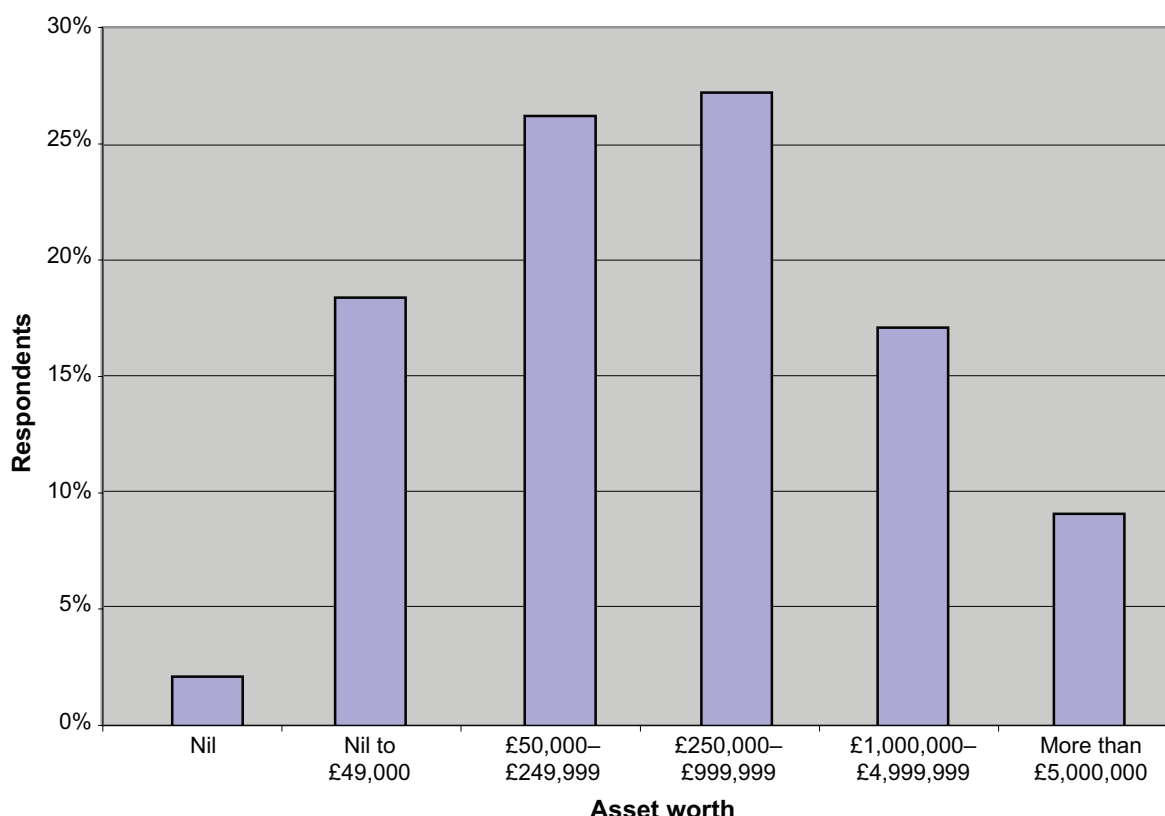


Table 5: Value of asset (in three bands) by areas served

	Between £50,000 and £249,999 (n = 123)	Between £250,000 and £999,999 (n = 129)	Between £1,000,000 and £4,999,999 (n = 80)
Rural/small village	42%	34%	18%
Large village/small town	18%	21%	19%
Suburban/urban periphery	9%	15%	14%
Urban central	15%	16%	28%
Mixed	15%	14%	21%

Figure 10: Estimated worth of organisations' combined assets (n = 474)

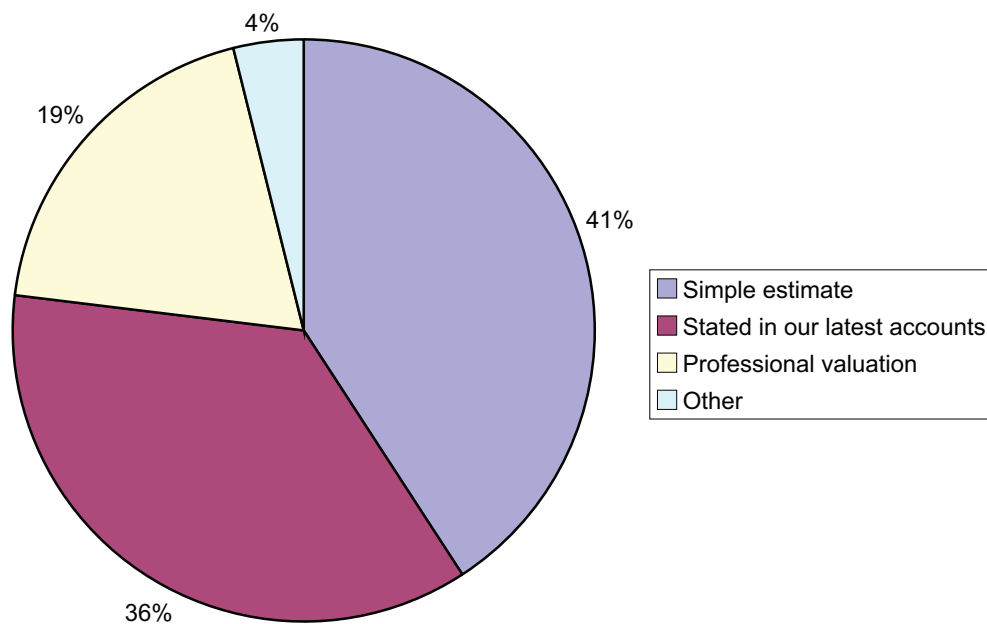


Valuing assets

Valuing assets is not easy. The financial value of an asset can fluctuate rapidly over time and vary widely, depending on local and regional property prices. Some organisations do not consider their asset as saleable – either due to their state of repair, restrictive covenants or heritage considerations. This appears to be reflected in the methods used to estimate asset values, with 41% of respondents making a simple estimation of the combined value of their assets; 36% using the figure stated in their accounts; and only 19% using a professional valuation (Figure 11).

While the financial valuation of some assets is not easy, this finding may also point to a spectrum of different attitudes to ownership and management. At one extreme, organisations owning a portfolio of assets, or with aspirations for growth, are likely to require professional valuations to use the asset as collateral for loans, investment or development purposes. At the other extreme, there is little reason for volunteers managing a village hall to seek a financial valuation beyond that required for accounting purposes.

Figure 11: How organisations estimated the value of their combined assets



Asset acquisition routes and finance

Respondents acquired their most significant assets by using a range of financial sources (Figure 12). In addition, 50% of organisations acquired their asset using a single approach. In descending order, these were:

- grants and donations (20%);
- own finances (13%); and
- loan finance (3%).

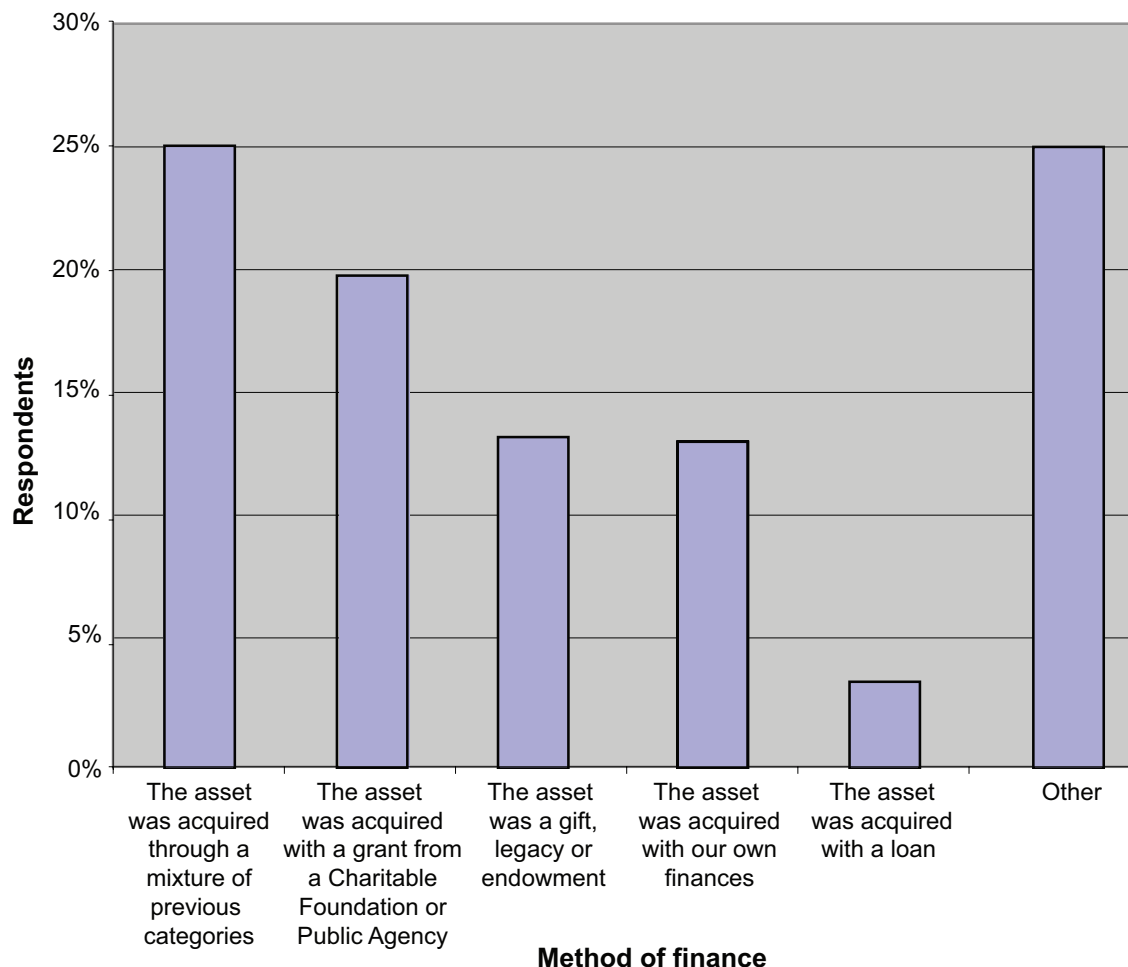
A further quarter used a mixture of these approaches. Also, among the final quarter of respondents that recorded ‘other’ as the means of financing their acquisition, the following were cited among their sources of income: fundraising/public donations; use of own reserves; and collections/congregational funds. Finally, for some organisations finance was not an issue. Their asset was: managed on behalf of someone else, for example the Parish Council; leased for ‘peppercorn’ rent; or ownership had been transferred at nil cost.

Smaller organisations (those with an income under £10,000) were more likely to have acquired their asset via a gift, legacy or endowment than those in other income groups. Very old organisations, including faith-based organisations, such as churches dating back many hundreds of years, were also more likely to have acquired their asset as a gift or legacy.

Notably, only 3 per cent of respondents used loan finance as a sole source of financing an asset. Also, acquiring an asset using some degree of loan finance was more prevalent among younger organisations – it did not appear to be a common practice among the older cohorts.

This picture has implications for current policy in relation to the Big Society Bank. Loan finance is unlikely to meet the needs of the whole spectrum of CBOs and, if it is to become a popular route to acquiring assets, it will need to be part of a ‘mixed economy’, which includes grants, gifts and other income streams. Also, as neither newer entrants nor older organisations will have extensive experience of managing loan finance, they will require support to gain the necessary expertise in financial and business planning skills.

Figure 12: Finances used by organisations to acquire their most significant asset (n = 433)



Summary

The survey presents the first snapshot of asset ownership and management by CBOs.

- The findings indicate that, for all the exposure achieved for alternative forms of asset ownership, buildings are the dominant asset. It is almost three times as frequent as land, which is the second most frequent category.
- Nearly two-thirds of organisations own the assets they occupy. This was not expected and indicates the need to widen the remit of the policy debate beyond asset acquisition. Many organisations have gained an asset well before the ‘transfer’ agenda developed.
- The purposes for which the assets are used are closely related to the most important purpose of the asset-owning CBOs: that of enhancing social well-being.

Although it is often difficult to put a value on community-owned assets, recorded values are fairly evenly distributed around an average of approximately £250,000, with few examples exceeding a valuation of £5 million. CBOs have acquired their assets using a mix of funding sources. However, loan finance did not register as an important resource. This might reflect a natural caution but could also imply that many acquired their assets at some point in the past, through gifts and legacies.

Lack of clear patterns

The data presented above shows the basic character of the sample and, where possible, highlights possible common themes. However, closer analysis indicated that, overall, the field appeared highly diverse. Some organisations had high value assets and large staff teams, others had large assets and few, if any, staff. There appeared little clear relationship between worth of the organisation's asset and organisational income. There was no obvious link between key factors that could enable the identification of types with distinctive characteristics.

The data was examined further to try to discover if there were clear correlations between different factors such as income, asset value, number of staff, age of organisation, purposes, route of acquisition, length of lease and so on. However, the data for these issues, and other characteristics, indicated that there was little pattern and much divergence across many factors.

Factor analysis

The above finding raised important questions for the research. The inability to delineate different types of organisations owning and managing assets made it difficult to make sense of the variety of participants in the field. As a result, it was not possible to develop a typology of organisations. This hindered the task of generating a framework for selecting sets of case studies.

It was decided to examine the data using factor analysis to find if, and where, there were groupings with similar characteristics across the sample. If successful, this approach would help generate a picture of the different 'families' of organisations that might share some characteristics but not others. This could help bring order to an apparently chaotic field for the benefit of not only selecting the case studies but also informing practitioners and policy-makers.

Factor analysis explained in brief

In technical terms, factor analysis: 'takes a large set of variables and looks for a way that the data may be "reduced" or summarised using a smaller set of factors ... It does this by looking for "clumps" or groups among the inter-correlations of a number of variables' (Pallant, 2005). While factor analysis can help to detect clusters, it is important to stress that it measures neither the strength of their respective effects nor, naturally, their causal relation.

The data was examined to identify those organisational characteristics, or factors, that could explain the most variance in the data. All factors were considered equally and tested before one was found to be statistically significant. Once a factor had been identified, and the influence that it played in the overall population had been neutralised, subsequent analysis allowed smaller and more homogeneous clusters to be identified. The outcome of undertaking this process successively on the survey data was to establish a series of clusters that pointed to commonly coinciding characteristics.

Findings: four key factors emerging from the factor analysis

The findings from this analysis offer some important insights for understanding the field. The key factors identified in order of importance were: organisational income; number of staff; area in which the organisation works; and asset worth. Each of these is discussed in turn below. High income was defined as greater than £100,000; 'high staff' as greater than ten; location distinguished between rural, urban and mixed; 'high asset worth' as greater than £250,000.

Organisational income

Organisational income emerged as the first key factor. This might appear to be self-evident and is understood as important by many active in the field. This was not, however, identified during the first analysis, which searched for correlations or by the 13 practitioner umbrellas that participated in the

survey. This could be because each umbrella serves organisations that occupy a range of positions on the income spectrum.

Staff numbers

Given that income was important, it was not surprising that staff numbers provided another explanatory factor for the variance within the data. However, this raised a number of issues. It would be anticipated that a linkage would exist between low income and low staff numbers and also between high income and high staff numbers. This is a particular tendency in third sector organisations involved in providing services where staff are the main cost.

The relative size of the low income/low staff numbers cluster (73%) was of interest. This was consistent with the general pattern of the third sector discussed earlier, in which 70% of organisations have two or fewer staff. However, the fact that this proportion was nearly the same for organisations owning or managing assets was unexpected. The factor analysis identified a significant group of organisations in this field that has not, to date, received much attention. A cluster of low income/high staff organisations was also identified that appeared counter-intuitive. It was larger than the anticipated high turnover/high staff cluster and was investigated further.

Geographical area of work

The area in which the organisation is working ranked as the third most important factor. It illustrated that there were very few rural high staff/high turnover organisations: this group was predominantly urban and mixed. Policies and programmes aimed at creating such organisations in rural settings might, therefore, have limited applicability.

The rural/low turnover/low staff cluster accounted for 42 per cent of the sample. Potentially, this was important for three reasons:

- It was consistent with findings of the historical reports discussed earlier in this chapter, which indicated that there remains an important legacy from the nineteenth century and earlier.
- The scale of rural asset ownership has not been fully taken into account in recent policy and programme discussions.
- The under-representation of urban-based organisations among respondents, given the distribution of the overall population, suggests that more support for asset ownership is needed in urban neighbourhoods. For example, there are many tenants halls not included in this study.

Financial value of the asset

The financial value of the asset was the fourth reason. It may be surprising that it was not more significant. However, this appears consistent with the notion that CBOs are more focused on generating revenue than in the value of their asset. In addition, it links with the survey findings discussed earlier that showed relatively few organisations use any professional valuation of their assets.

Other factors

No other factors show large significance in explaining the differentiation in the data. However, it is important to consider which factors did not emerge in clusters. For example, the age of an organisation did not register as important. This may suggest that newer and older organisations, if they share other characteristics such as size and staff numbers, may have interests in common and face similar challenges.

Table 6: Four generic clusters and ten sub-clusters

Generic Cluster 1: High income/High staff/High asset value (8.5%)	
Sub-clusters: (1.1)	Urban (5%)
(1.2)	Mixed (3%)
Generic Cluster 2: Low income/Low staff/High asset value (32%)	
Sub-clusters: (2.1)	Rural/High asset (21%)
(2.2)	Urban/High asset (7%)
(2.3)	Mixed/High asset (4%)
Generic Cluster 3: Low income/Low staff/Low asset value (35%)	
Sub-clusters: (3.1)	Rural (24%)
(3.2)	Urban (7%)
(3.3)	Mixed (4%)
Generic Cluster 4: Low income/High staff/Low or High asset value (12%)	
Sub-clusters (4.1)	Low asset (5%)
(4.2)	High asset (7%)

Identifying generic clusters

Undertaking this four-level factor analysis established four generic clusters of organisations with shared characteristics. These four generic clusters can be separated into 10 sub-clusters (Table 6). Altogether, they accounted for nearly 90% of all respondents. Two sub-clusters (2.1 and 3.1) were sizeable (at 21% and 24%, respectively), while eight were small (between 3% and 7%). This proliferation of small clusters of organisations may well explain why the overall data exhibits little in the way of an overall pattern.

Having produced this array of clusters, it is possible to reassemble the sub-clusters in different ways to understand larger sub-sets. Rural organisations, for example, are predominantly low income/low staff organisations and, in terms of the spread of their asset values, are relatively evenly split between low- and high-value clusters. Meanwhile, urban organisations, although accounting for a smaller overall percentage, show more variation across clusters.

The identification of clusters gives rise to the important conceptual breakthrough of seeing asset-owning CBOs as an ‘extended family’ with shared ‘family resemblances’. This would mean that, while organisations may share one characteristic in common with their ‘sister’ and another with their ‘cousin’, there may be no single feature held by all in the family.

While policy-makers may often refer to community-based organisations as an amorphous category, the factor analysis indicates that this is not the case. This analysis not only provides evidence to support patterning, it also generates a profile of different asset-owning organisations. Organisations in these clusters, while united by some common aspirations, are likely to face slightly different challenges and needs, compared with each other. This suggests that a ‘one size fits all’ solution to developing organisations in this field, or assessing the benefits that they can deliver, is unlikely to be effective.

Framework to guide case study selection

The factor analysis helped to identify a range of clusters to sort common characteristics of organisations that responded to the survey. The intention was then to allocate the number of cases between categories to gain sufficient coverage of the variety of types, including a number of dimensions important for the study such as:

- income levels;
- staff levels;
- asset value; and
- different locations of their work, for example urban/rural differences.

In addition, the study also aimed to cover a number of other dimensions that had been agreed as being important, including:

- organisations that ranged across all four UK countries;
- some organisations whose asset type was land or energy facility; and
- organisations with single/multiple assets.

It was recognised that it would be difficult to cover all dimensions fully in the fieldwork. For the operational purposes of selecting 15 main case studies that would encompass as many dimensions as possible, the clusters were used as a guide, but they could not be always applied rigidly. To provide sufficient examples in each category, it was agreed that clusters 3 and 4 (which partially overlap) would be merged. This provided three main categories for examination:

Category 1 (based on Generic cluster 1): Criteria – high income, high staff numbers, high asset value.

Category 2 (based on Generic cluster 2): Criteria – low income, low staff (or high staff numbers), high asset value.

Category 3 (based on Generic cluster 3 and parts of cluster 4): Criteria – low income, low staff numbers, low asset value.

Lessons for future surveys in the field

The survey reported here was the first attempt to collect data across a set of networks and constituencies in this field. As such, the sample represents the best available estimate of the character of the field. This snapshot offers important new insights into the range, nature and scale of the sector, yet it cannot claim to be complete. There are concerns, for example, that it has not captured the significant role of tenants' and residents' associations in managing facilities on estates. This would increase the proportion and diversity of the smaller organisations.

Nevertheless, the data collected and analysed here has enabled the identification of a set of clusters within the field. For the first time this allows organisations with different characteristics to be brought together as members of the same family.

There is every indication that this field is set to grow in importance for policy-makers and practitioners. If the large-scale transfer of public assets to CBOs takes place, an ability to track the field will provide timely information for policy-makers. Maintaining a reliable statistical base to inform this decision-making will be important, particularly if this can be integrated into existing data-collection exercises in the third sector. A regular survey, building on this research (and potentially widening the scope of networks used and refining the clusters), would provide consistent, economical and regular evidence of trends affecting organisations.

Summary

The differences between organisations and the complexity of capturing these details show that the field is not well served by existing forms of data collection or by traditional methods of analysis – a two-stage process was essential to draw out patterns. There was a large degree of heterogeneity, as in other areas in the third sector; however, the findings presented above allow some observations about the field to be made:

- The field is composed of organisations of many ages and varieties – and there is a substantial historical legacy to draw on.
- There is a significant proportion of very small rural organisations operating with few, if any, staff.
- There is no overriding model.
- Despite these differences some commonalities were found. There was wide agreement between organisations that they were seeking community benefit and well-being regardless of their very different asset values, incomes, histories, numbers of staff, etc.
- The survey confirmed that buildings remain the most significant asset that CBOs own.

This survey offers the best available picture of the field, but it is by no means complete and, further, more regular surveys could expand the sample. For the first time, the survey, analysis and secondary analysis helped to identify some types of organisations that shared common characteristics.

3 Characteristics of the case study organisations

The qualitative data offered a deeper understanding of the way in which the community control of assets develops, and what helps and hinders success. It consisted of: interviews with key players at the beginning and end of the research; two sets of practitioner groups (one before and one following the main case study phase); the case studies themselves (15 main case studies and five mini-case studies); and a final set of interviews to discuss further the challenges that were emerging from the research.

Fifteen CBOs were selected as the focus for the main case studies (six in England and three each in Northern Ireland, Scotland and Wales). In each case, interviews were carried out with a main contact (the Chief Executive or equivalent), a board member, workers and volunteers, beneficiaries and a person in another organisation to whom they related. The interviews followed a standard template to reflect the key research questions identified in the introduction. On average, five people were spoken to in each case. Supplementary data supplied by interviewees (such as annual reports) and publicly available information was also used.

In addition, towards the end of the fieldwork phase, five 'mini-case studies' were carried out. These focused on organisations under-represented in the initial case study selection. Supplementary interviews in five settings examined challenging situations for asset ownership and management. Two practitioner groups were held in each country before and after the case studies; the first to inform the design and selection of case studies, the second to discuss emerging findings.

This chapter describes the case study organisations, their general characteristics, the way in which their assets were acquired, and how they are used. Drawing on the case studies and the practitioner group discussions, it develops the categories suggested by the survey into a 'community assets spectrum' with three main 'bands' of asset-owning organisation. The bands are based mainly on size, stage of development and purpose. Later chapters consider the different experiences associated with these bands and the implications for policy and practice.

Interviewees and practitioner group participants are described throughout as 'participants'; their views are presented anonymously. Quotes from participants are indicated in the text by quote marks and italics; they are anonymous to maintain confidentiality. More detailed examples are provided to illustrate particular points; these are attributed to specific organisations.

Characteristics of the case study organisations

The 15 main case studies were selected on the basis of the categories that emerged from the survey, encompassing income, asset value and staffing levels. Their selection also took account of type of asset, country and location (rural/urban). Their main characteristics are set out in Table 7.

Table 7: Characteristics of the main case studies

Organisation	Country	Main asset/s	Age of organisation	Income	Asset value	Staff
Baywind Energy Co-operative Ltd	England	Building, Energy generation, Land	1997	£250k	£3m	1.5 (most work is contracted out)
Clifton Village Hall & School House Trust	England	Building	1962	£11k	£600k	0
Hatton Village Hall	England	Building, Land, Endowment	1925	£50k	£992k	0
Headingley Development Trust Limited	England	Building, Land,	2005	£99k	£850k	2
Manchester Settlement	England	Building	1895	£495k	£2.2m	10
City Praise Centre	England	Building, Endowment	1960	£350k	£800k	6
The Cliff Larne/ Seacourt Community Council	Northern Ireland	Building, Land	2002	£89k	£2.5m to build	2
Donaghmore & District Community Association	Northern Ireland	Building	2006	£50k	£2.85m	3
Omagh Community House	Northern Ireland	Building	1998	£87k	£990k	3
Cordale Housing Association	Scotland	Building	1991	£1.5m	£48m	10
Gigha Community Development Trust	Scotland	Building, Land, Energy generation	2001	£1,835m	£7m	15
Glasgow Building Preservation Trust	Scotland	Building, Endowment	1982	£100k	£922k	8
Gellideg Foundation Group	Wales	Building, Land	1998	£875k	£444k	35
Greenhouse Tŷ Gwydr	Wales	Building	1990	£13k	£245	0.5
Co-Options	Wales	Building, Land	1989	£1m	£407k	41

It was not possible to gain access to all those initially selected and, towards the end of the study, five mini-case studies were added to fill gaps, particularly in the low income/low asset value cluster. These included four organisations running village halls, and a Scottish renewable energy initiative. Their main characteristics are set out in Table 8.

Table 8: Characteristics of ‘mini’ case studies

Organisation	Country	Main asset/s	Age of organisation	Income	Asset value	Staff
Cound Moor Village Hall	England	Building, Land	1982	£2–3k	£200k	0
Edgmond Village Hall	England	Building, Land, Endowment	1920	£7k	£250k	0
Findern Village Hall	England	Building, Land	1962	£10k	£200k estimate	0
Fintry Development Trust	Scotland	Energy generation, Building	2007	£77k	£2.3m	1
Greenstead Green Village Hall	England	Building, Land	1928	£4.7k	£240k estimate	0

Table 9 shows how the 20 case study organisations mapped out against the key categories identified in the survey.

Further analysis of the case studies suggested that size – whether of income, staff or asset – was a more complex phenomenon than it might at first appear. Firstly, some of the organisations researched, despite having less than five staff – or none – were managing assets valued at over a million pounds. In some cases, this was a function of the type of asset – running a capital-intensive facility like a wind farm might require fewer staff. Secondly, local property markets will vary – very similar buildings in two different

Table 9: How the case studies fit the survey categories

Category 1: Criteria: high income, high staff numbers, high asset value.	Baywind Energy Co-operative (E)* Co-options (W) City Praise Centre (E) Cordale Housing Association (S) Gellideg Foundation Group (W) Gigha Community Development Trust (S) Manchester Settlement (E)
Category 2: Criteria: low income, low staff numbers, high asset value.	The Cliff Larne/Seacourt Community Council (NI) Clifton Village Hall (E) Donaghmore and District Community Association (NI) Glasgow Building Preservation Trust (S) <i>Fintry Development Trust</i> (S) Hatton Village Hall (E) Headingly Development Trust (E) Omagh Community House (NI)
Category 3: Criteria: low income, low staff numbers, low asset value.	Greenhouse Ty Gwydr (W) <i>Cound Moor Village Hall</i> (E) <i>Edgmond Village Hall</i> (E) <i>Findern Village Hall</i> (E) <i>Greenstead Green Village Hall</i> (E)

*asset value high but held by holding company

locations may be priced very differently. Thirdly, a CBO may not own all its assets. Two organisations with a very high ratio of income to assets, for example, had a mix of leased and owned assets and were running services out of buildings other than those they owned. Discrepancies between staffing and asset value can also be explained by the existence of contracted out service agreements or holding companies involved in running the asset (as in the case of Baywind, see Box 16 on page 65).

While size is an important factor for policy-makers to bear in mind, therefore, a simple distinction between large and small is unlikely to reflect the diversity within the field. It might be equally appropriate to group organisations by type of asset or by function (for example: buildings used largely for hiring out rooms; buildings used as locations for significant service delivery; capital intensive organisations such as housing or energy). Discussion in one practitioner group suggested that stage of development and route to acquisition were also potentially significant. Its members drew a distinction between acquiring assets 'by design' and acquiring them 'by default'. They also pointed out that many of the largest asset-owning enterprises had started small and argued that it was important to take a dynamic view of asset ownership and management. Asset-owning organisations could also be grouped according to importance given to different purposes and values. The following sections discuss in more detail what the case studies reveal about how and why assets were acquired.

How were the assets acquired?

The route to acquisition emerged as a significant factor in the way asset ownership or management developed. In some cases, acquiring a building or land was a response to a particular threat to the community. The Omagh Community House was developed as a 'symbol of hope' after the bombing in 1998; in two other cases, organisations acquired community facilities that the local authority had decided to close. Assets were also acquired in response to real or anticipated longer-term community decline. This was not just the case in neighbourhoods with high levels of deprivation. The acquisition of a Scottish island was, in part, a response to population decline. In another case, it was concern about the possible impact of a sizeable and transient student population that led local organisations in a more affluent neighbourhood to band together to develop a new community building.

Sometimes, the acquisition of an asset was in response to an opportunity. The acquisition of the Scottish island came about because of the owner's decision to sell; others were gifted assets by a local landowner or acquired them as part of a government regeneration programme.

In most case studies the organisation's work was focused around a single asset, although this might have a variety of uses. However, some organisations had acquired a range of assets over time as they expanded their activities or new opportunities arose (see Box 3), while others had plans to do so.

The survey suggested that smaller organisations may be more likely to have acquired their asset through a gift, legacy or endowment. Five of the case study organisations with village halls had been gifted their village hall by the local landowner; others had acquired the building from a public body, often on a peppercorn rent. However, most of the case study organisations had to raise the funds to acquire their asset – using government grants or special programme funding, mortgages or loans, community shares, or partnership arrangements. A minority of organisations resisted grant funding in case it brought with it restrictions on the use of the asset.

Why the asset was acquired

The case studies reflected the findings of the survey in that the most common uses of the assets were as a base for the organisation's activities, for general community use, and as a base for other organisations locally. 'Generating an income for the organisation' was rarely the primary motivation for asset acquisition – again reflecting the survey findings. Whether this will be the case as existing funding streams are cut back remains to be seen.

Box 3: How asset ownership develops

Gellideg Foundation Group (GFG) is based on a social housing estate near Merthyr Tydfil in Wales. It was founded by six mothers who wanted a better life for their children. The first asset they acquired was a leasehold flat in one of two blocks on the estate, which provided them with office accommodation. As the flats emptied over the years, GFG gradually acquired both blocks, using them for office space, training workshops and, most recently, converting two flats into a gym after consulting with young people on the estate. Early in its life, it got a grant to buy a piece of land opposite the flats, which it converted into a kick-about area. It also acquired the neighbouring local church hall on leasehold, which it uses for social events.

More recently, two shops have closed on the estate and the owners have sold them directly to GFG – a mark of the respect in which the organisation is held. Both are being developed as social enterprises: one a hairdressers and therapy suite, the other a community café. As GFG has gained in reputation, its work has spread to the wider locality, it has become a lead body for Communities First – the Welsh neighbourhood renewal programme – and it has acquired a building in a nearby neighbourhood as the base for its services there. It now has assets valued at £444,000 and employs 35 staff.

In most cases, assets were seen as integral to the mission of the case study organisations – they could not have operated without them. While for many organisations the asset was a means to an end, for others, acquisition and ownership of the asset was the end product, the embodiment of a ‘cause’. In the case of two renewable energy ventures, for example, acquiring wind turbines was the only way they could put their values into practice and achieve their goals. As one put it, without them: ‘We wouldn’t exist!’. In the case of Cordale Housing Association, discussed later (see Box 7), the assets could have been provided by another landlord, but it was their belief that they could only achieve their social goals if the housing was owned by a CBO. The same would apply to Co-options, the organisation providing services for people with learning difficulties (see Box 4), which was set up in response to what it saw as the inadequacies of statutory provision. In both cases, the cause was to demonstrate the case for the ownership of services and resources by a CBO.

Towards a framework

The characteristics discussed in this chapter suggest a number of sources of diversity among CBOs that own or manage assets. These include: how the asset was acquired; the stage of development; the nature of the asset itself; whether there is one asset or a range of assets. Combining these with the three categories that emerged from the survey suggests that there is a spectrum of community control of assets, with three main bands:

- Stewards – small, mainly volunteer-run groups with a single, long-standing asset used largely for hiring out rooms – this would include village and tenants’ halls and some community centres. These groups would often have been gifted their assets, and would rarely have any paid staff.
- Community developers – medium-sized organisations with a range of assets, involved in local service delivery and local partnerships – this would include multi-purpose community centres, neighbourhood organisations that are developing a range of local assets and, at the top end of the scale, settlements. These organisations would normally have paid staff and were more likely to have acquired their assets ‘by design’.

- Entrepreneurs – organisations running larger, more professionalised social enterprises, still community-based but with a mixture of assets for social and commercial purposes, and a business/ social enterprise orientation. This would include many development trusts, social enterprises and community based housing associations. These organisations would be more likely to have capital-intensive assets.

Different organisations develop different types of business model. Some remain focused on covering running costs and breaking even, others are more concerned with growth and income generation. Different organisations also access capital and revenue finance from different sources, both public and private. Generally speaking, stewards managed on a low income mainly from lettings and local fundraising and, apart from the occasional small grant, were not reliant on public subsidy. Community developers had a mix of income sources, usually including significant public sector funding. Entrepreneurs were the most likely to raise money on the private market. However, there were occasional exceptions to this pattern.

These are not distinct categories. The boundaries between the bands on this ‘community assets spectrum’ are blurred and elements of each type may exist in some multi-purpose organisations. It is also a dynamic model, with some organisations moving through the spectrum as they developed. Yet this was not always the case – there is no assumption of progression as such – and further analysis suggested that organisations in the different bands might have different aspirations. These different aspirations and the different challenges faced by organisations in the different bands will be discussed in the following chapters along with the implications for policy, practice and support.

Summary

The case studies confirm the diversity of organisations that are in this field. Chosen to ensure a spread of experience according to the size of the organisation, the size of the asset, the type of asset and location (country and type of area served), they also reflect other dimensions that study participants identified as important, including route to acquisition.

Assets were acquired in response to: a threat – for example, loss of a facility or a sense of community decline or fragmentation; or an opportunity – for example, a government programme, a gift or a legacy. Assets were normally essential to the mission of the organisation rather than being an ‘optional

Box 4: Assets as a space or base for the organisation’s activities

Co-options was set up in 1989 by a social worker and a group of parents as a co-operative to provide employment and training opportunities for people with learning difficulties. It owns an office building and a barn with land and some equipment. Its assets are now worth £400,000 and it employs 41 staff, as well as providing employment and training opportunities for over 70 people with learning difficulties. Most of its income comes from local authority contracts and trading.

It bought the office building some 13 years ago from the Red Cross with a bank loan, but the barn and adjoining land is a more recent acquisition and opens up a whole new range of possibilities, from community composting, to garden services, to food production (growing food and selling/ delivering veggie boxes), etc. It already leases eight or nine other properties for leisure services and for its trading businesses, which are concerned with community/environmental added value and which provide employment opportunities for its target group. Co-options also owns some substantial pieces of equipment: textile baling machines, clothing banks (kerbside), industrial-scale laundry machines, drying machines, fork-lift trucks; and twelve vehicles.

extra' – housing the organisation's activities, offering a base for other local services and activities, sometimes generating income for the community. Sometimes they were a means to an end, sometimes an end in themselves – the embodiment of a 'cause' such as renewable energy or community-managed housing. Income generation was rarely a primary purpose, though this may change in the current financial climate.

Preliminary analysis suggested that organisations involved in the community control of assets fell broadly into three bands: stewards; community developers; and entrepreneurs, with different aspirations and financial models. This is presented as a 'community assets spectrum', which will be explored further in the following chapters.

4 The benefits and outcomes of community control of assets

Previous research has, as Chapter 1 reported, claimed a range of benefits for the ownership and management of assets by CBOs. This chapter builds on this body of research, assessing how far the current study supports these claims and how this varied across case study organisations.

Measuring benefits and outcomes

Only two of the case study organisations had a systematic way of measuring benefits and outcomes arising from their asset(s) as such. However, those with public funding had a range of monitoring requirements and several were able to list the outcomes of funded projects (for one example, see Box 6 on page 50). However, except in the case of those organisations for which the asset was an ‘end’ rather than a ‘means’, these outcomes could not be attributed solely to the asset(s).

Measuring the benefits and outcomes of community control of assets is, in any case, not easy. As the Introduction reported, claims from previous research have rarely been backed up by rigorous evidence. There are a number of reasons for this. First, it is often difficult to separate out the benefits of having an asset from the benefits of having active community organisations running activities and projects in a locality or a field. In fact, as the previous chapter suggested, in many cases one would be impossible without the other. Measuring benefits is a particular challenge in the case of assets that have been community owned for a long time and where there is no baseline for comparison.

Second, it is difficult to find reliable statistical measures for many of the benefits and outcomes that are sought. Levels of use can be quantified, as can some of the ‘hard’ outcomes that case study organisations reported, such as jobs created, housing improvements, environmental impact, qualifications gained and population decline reversed. But many of the ‘social’ benefits are less easy to quantify, as is the emotional value that might attach to a building or land that is ‘saved’ for the community. The national indicators that might have provided a broad view of changes in people’s perceptions of their community and of their ability to influence decision-making were always a blunt measure and are now to be abolished. Work on social return on investment does hold out some promise insofar as it ascribes a monetary value to social impact, but is still in development and, like other sophisticated assessment tools, can be resource-intensive. It does not address the preventative revenue savings that can be associated with service delivery run from assets and also presents particular problems when it comes to capital assets.

Third, outcomes are often not immediate – in the case of early years interventions, for example, it may take years to assess how successful they have been – and it is necessary to take a long-term view. This applies not only to processes of empowerment and impact on health, educational attainment and other desired outcomes, but also to financial returns. The leader of one highly successful enterprise in Wales, for example, was reported as saying that his organisation did not begin to yield a significant surplus until it had acquired a number of assets.

Fourth, the concept of success is itself problematic, and participants had different views on what was most important for them. Finally, the complex policy and economic environment in which most community organisations operate makes it difficult to attribute benefits to a particular organisation’s work, let alone the impact of a specific asset. Few operate in a vacuum; many are part of a complex web of service provision and support.

Subject to these reservations, this chapter considers how far the findings from the qualitative research reinforce and expand on many of the claims that have been made for community asset ownership and management in previous research and by advocates.

Benefits to the community

As Chapter 1 indicated, policy interest in community ownership and management of assets is linked to a belief that it can lead to three linked benefits: stronger and more cohesive communities; more responsive local services; and greater opportunities for community involvement in local decision-making.

Previous evidence supports these assumptions. A 2010 evaluation of the Big Lottery's community assets work concluded that the programme's approach was 'an effective way of building partnerships – and, in due course, of supporting community empowerment' (Big Lottery Fund, 2010a). The report found that some two-thirds of the funded projects were planning to widen the services they offer to the community, citing this as evidence of the wider benefits of CBOs owning and managing assets. Similarly, SQW Consulting reported local authority officers as saying that the benefits of asset transfer and community-based ownership included more effective community engagement, a stronger third sector locally and improved public services (SQW Consulting, 2009a). The evaluation of the Growing Community Assets Fund (Scotland) suggested that one of the main motivations for communities wishing to purchase assets tended to be 'to ensure the community had a say in how it was run', while some of the main advantages of ownership of CBOs included allowing the community to make decisions and encouraging local support (SQW Consulting, 2009b).

The findings from the case studies provide further evidence to support this research. They suggest that community ownership and management of assets has the potential to contribute to change and improvement locally, through:

- helping to build community identity and cohesion;
- enhancing community capacity;
- improving service delivery;
- contributing to community economic regeneration;
- improving the environment; and
- enhancing democratic voice.

Each of these is considered briefly below.

Community identity and cohesion

Many community assets had symbolic value – as something the community had achieved, with a narrative and history attached to them. Participants described how the process of acquiring the asset in itself generated a sense of optimism and community pride. When assets had been given or transferred to a community, this was also seen as an external endorsement – a sign that their neighbourhood was seen as important. More practically, community buildings had provided a focal point for local residents. This could build 'social capital' by allowing new connections to be made and trust to be built both within and between communities.

For some participants, acquiring a building had provided a neutral space that brought different parts of the community into contact with each other and allowed barriers to be broken down. Sometimes, the asset had also provided an opportunity to build bridges with communities further afield and with public authorities, breaking down stereotypes. So, a Catholic community group in a predominantly Loyalist area in Northern Ireland, with a troubled history of inter-community tensions, found that the process of acquiring and running a community building encouraged it to widen its horizons and develop positive connections (both with other communities and with external agencies), although this still involved considerable risk-taking.

However, assets were not always a cohesive force, as Chapter 5 will show, and this is not a benefit that can be taken for granted.

Community capacity

Some participants claimed that their building had helped them engage community members that they had not been able to reach before – residents who came in to use a crèche or community café, for example, might become involved in other activities. As one participant commented:

The café is one of the biggest engagement tools we have ... You forget; you take it for granted ...

Participants also described how a building and the activities it generated could raise aspirations locally, widening horizons and generating a more optimistic outlook. One participant described the benefits in terms of ‘giving people opportunities to change their lives’. Getting residents involved in building design or planning projects (as in the case of the young people in Box 6) can also help to build new skills.

Box 5: Connecting communities

The Cliff Larne Centre is a community-owned sports facility that has been built in a predominantly Nationalist neighbourhood within a larger Loyalist community. The Centre is an initiative of the Seacourt Community Council, which was set up in the Nationalist community in 2002, as a result of capacity building support from Community Foundation NI and other agencies.

The building comprises an office space/reception area, a small conference/meeting room facility and changing rooms, in addition to a high-quality football pitch. It has been built with funding from Sports Council NI and the Borough Council. It is being managed by The Cliff Larne – a newly created company limited by guarantee comprising Seacourt Community Council, the Larne Youth Football Club and the Borough Council. There is a voluntary administrator who supports the management of the centre and the work of the Seacourt Community Council. One of the Directors oversees the management of the centre (including staff and volunteers) in a voluntary capacity.

Developing the centre has not only brought the local community together but also built bridges with surrounding communities. A participant described how the building was ‘increasingly well used by those from different communities – gradually they are overcoming their fears of accessing what used to be seen as a no-go area’. It had also led to a significant development of relationships between the community and statutory bodies, giving what was once regarded as a problem area ‘immense credibility in the town’. All this has involved a steep learning curve, but, while it is early days for the centre, the Council recognise its ‘potential to showcase how a community can work for itself’.

Improved and more accountable services

Community-owned assets were often a vehicle for community-run services, whether they were commercial or public services. Participants described how running or owning an asset gave their organisations more flexibility to meet community needs and, potentially, for innovation. As one participant said: 'It dramatically extends the range of what we can do'.

Several organisations in rural areas or on the urban fringe described how assets had provided an opportunity to run more services for young people, which meant they – the young people – had access to activities on the doorstep, rather than having to depend on poor and infrequent public transport to get into town. They also felt that young people were more likely to use community-owned buildings. As one participant said: 'Security in council buildings can create a tension. They don't feel they belong there.'

Box 6: Activities for young people

Gellideg Foundation Group (GFG) was set up in 1998 because local residents wanted to do something for their young people (see Box 3). By the year 2009–10:

- A minimum of 200 children a week attended the youth club at the social hall.
- Twenty attended the youth club operating from separate premises in Twyncarmel.
- Twenty a week attended the drop-in centre at the youth flat, sixteen a week used the music studio.
- Ten young people were appointed as assistants for six months in different GFG projects as part of a work experience scheme.
- Twelve to fifteen young people were involved in planning community projects.

After consultation with the young people, a gym has been built on one floor of one of the converted blocks of flats that GFG has acquired. This and the music studio were designed in consultation with the young people. A local resident said:

It's a better estate, gives kids more of a chance. There are youth clubs and they use the church hall – from little ones right up to 15–16 year olds. Otherwise the lads would just be roaming.

Three organisations had set up shops and a fourth had plans to do so – one had saved the local post office, another set up a farmers' market. One was providing mainstream services for people with learning difficulties and another had taken over the provision and management of social housing.

Community control of assets not only allowed the organisations running them to expand their services. In addition, buildings and land provided the space and facilities for other local community groups to develop their activities, allowing them to reach more people and sometimes bringing them extra income.

It also provided local facilities for other service providers to use, giving residents better access to externally provided services and information, and providing opportunities for more co-ordination between external agencies. Participants found that they were taken more seriously by external agencies, which

increased their bargaining power and provided opportunities for new partnerships embedded in the local community.

Significantly for current policy, all these factors helped to enhance the accountability of local services, whether provided by local community organisations or outsiders. Facilities such as the café mentioned above, or the hairdressing and therapy suite in the same neighbourhood (see Box 3) enabled day-to-day contact with community members. They offered important informal feedback channels, allowing the organisations that ran them to be more accountable and reflect the needs of the wider community. Bringing external services into the locality also gave these providers the opportunity for informal feedback from a wider range of local people.

Community economic regeneration

Community control of assets could contribute to community and financial sustainability in a number of ways: by enhancing job opportunities; by reversing population decline; by making local organisations more financially viable and by generating more investment in the area – all tangible and measurable outcomes.

Community-controlled assets brought employment, training and business opportunities with them. There were jobs that went with running the asset and the activities it made possible. Training and learning opportunities arose from projects or enterprises linked with the assets. Also, in a few cases, workspace and small business opportunities were available for local people, as well as outlets like the farmers' market.

Changing the image of an area could also help to reverse population decline, creating an increased demand to live in the area. This was an explicit and significant outcome in two case study areas, with one describing the change from 'a dead-end community where no one wanted to stay, to a community of choice'.

Ownership of assets also gave CBOs financial independence and control – a benefit that featured prominently in all aspects of our fieldwork. Participants argued that owning assets provided financial security, leverage, more flexibility, and freedom from restrictions imposed by external owners (especially the local authority). Assets could make an organisation and the community it served more 'resilient' and sustainable.

Where assets generated income, they could be a catalyst for further investment in community services, whether internally or externally (see Box 7). Commercial ventures also kept income in the community.

Box 7: Assets and income for community benefit

Cordale Housing Association (CHA) was set up in 1991 by local community activists to improve the physical, social and economical regeneration of the village of Renton, near Glasgow in Scotland. Setting up a community-based housing association gave them the power and control to achieve that. In preparation for the development of new housing, they first decided to employ a community development worker to build local skills, interest and capacity. CHA now owns and manages 385 houses and an extra care facility for older people. Through its trading subsidiary, Cordale Property Services, it also owns a medical centre, a pharmacy and several private rented properties in the village, as well as several properties in the neighbouring town of Alexandria. It also claims to have saved the post office and facilitated the introduction of a cash machine. In 1993, it built a supermarket and the sale of that asset in 1997 freed up capital for new investment opportunities. It aims to set up a £1 million development fund to meet local people's needs (funding education for young people or starting up small businesses).

In two cases there is also a real or potential financial gain from community shares (see, for example, Boxes 14 and 16). A participant from one of these, Baywind, commented:

One of the most satisfying events in my life took place when Westmill Wind Farm was hooked up to the national grid ... It would be hard to find a more valuable gift for my two grandchildren than shares in the project.

Environmental benefits

Restoring a building or bringing wasteland into use often made visible improvements to the physical environment, making the area a more attractive place to live in, while community-owned housing in two of the case studies had demonstrably improved the quality of the local housing stock. For renewable energy organisations, environmental impact and the production of efficient energy were the primary outcomes sought and although these are of a different order than most of the other benefits described in this section, they often went hand in hand with community benefits.

Box 8: The community benefits of renewable energy

Fintry Development Trust (FDT) was established in 2007. It came out of the efforts of four local people who wanted to 'do something with renewable energy' in the village. They set up Fintry Renewable Energy Enterprise (FREE) in 2003 and, when plans were announced to build a 14-turbine wind farm in the vicinity, were able to negotiate a fifteenth turbine owned by the community. So the community owns a fifteenth of the development, or one of the 15 turbines. FREE is now wholly owned by FDT and is the subsidiary trading arm.

FDT has developed a range of activities to reduce energy use in the village with the aim of making the village a zero-carbon, zero-waste community. It has carried out energy surveys of each house and is in the process of providing insulation for each surveyed home. The Trust has made the village amenities more energy efficient by installing a new heating system in the village hall and a biomass heating system in the local sports centre. It funded a 'woodland classroom' in the school and the refurbishment of an outside area. FDT has recently started a rural car club to encourage households to reduce their reliance on privately owned vehicles, encourage car-sharing, and work towards the reduction of transportation poverty in the region. FDT has also started a community growing project, starting with a community orchard.

FDT not only looks at sustainable development, but also seeks to encourage long-term sustainability of the area and aims to provide employment to local people, offer affordable housing to young people and develop the skills and opportunities of people locally. It makes an effort to distribute the benefits of the wind turbine as equally as possible over the village. When there is a choice between two or more projects to support, FDT chooses the one that benefits the most people. If it is not possible for everyone in the village to benefit, FDT makes every attempt to find alternative solutions.

Democratic voice

This chapter has already described how community ownership and management of assets could give communities more say in local services by making them more accountable. Scoping interviews also suggested that asset ownership and management offered communities the opportunity to exercise their democratic rights, for example, to voice ideas about the use/management of land and to strengthen local

power sharing and decision making. A case study participant expanded on this, saying that community assets provide a public, 'democratic' space – something that is at a premium as traditional meeting places are closed and public spaces are sold off or seen as 'no-go' areas.

More than the sum of the parts

Participants suggested that the benefits that result from bringing an asset into community use are often multiple, unanticipated, and tend to evolve over time. And while many are 'soft' and difficult to measure, cumulatively, they combine to produce a 'social good' of well-being and quality of life that is greater than the asset itself and the hard outputs it can demonstrate. This resonates powerfully with the localism agenda in current policy.

Do benefits vary between organisations involved in the community assets agenda?

Do different types of organisation yield different benefits?

The benefits claimed by participants varied according to whether they were stewards, community developers or entrepreneurs.

For the 'stewards', the major benefit was the provision of a place for local people to meet and connect. These groups were often located in rural villages or on large housing estates that already had a sense of community: the building provided a hub and offered important opportunities for residents – young and old – to do things locally rather than having to go further afield. This was especially important in villages where facilities such as post offices and schools were no longer viable.

In the middle band of the spectrum, for the 'community developers', key benefits and outcomes included the opportunities for development that assets provided, the generation of social cohesion and a sense of community identity. Also, there was the potential to make connections with other communities and outside agencies, which challenged stereotypes and boosted the profile of the community with outsiders. One organisation described how their building had acted as a catalyst for regeneration in the wider locality through new projects, services and outcomes:

The building itself was important, but it has created an amazing ripple effect of spin-out activity and unanticipated benefits.

As organisations developed their activities, they began to report raised aspirations in the community, 'changed lives' and, as they entered the third band, 'transformational' outcomes. In this third category, 'entrepreneurs' reported that their assets were bringing people back into the area and that it was becoming a 'community of choice'. Jobs, training and enterprise creation opportunities were also greater in this third band, as was the potential for income generation, with the flexibility this produced and the opportunity to invest funds back into the community. Most of these organisations had trading companies with commercial returns. The prospect of a financial return to shareholders was also higher.

These distinctions are not intended to be rigid. Even the smallest organisations were able to plough surpluses back into the community, although the surpluses, and the investment they represented, were of a different order.

Management or ownership?

Participants' opinions were divided as to whether it was better to own or manage an asset. Most of the case study organisations owned their assets, but there were two who had a lease, one whose building

was held in trust and one who had shared ownership. Organisations with multiple assets, however, had a mixed portfolio, owning some assets, renting others and running further activities out of partners' assets.

Advocates of asset ownership argued that it gave a community greater security and greater resilience:

If you are renting you could just be moved on ... If the college was running it and just allowed us to be here, then if the principal changed, the community could lose out ... Ownership is a statement that you are here to stay. Not having to rent means the surplus can go into other activities.

Owning assets also gave organisations access to additional sources of funds, including bank loans.

Yet some participants argued that, where an organisation is carrying out a significant amount of service delivery, renting might provide greater flexibility and mobility – as happens in the private retail sector. Others suggested that ownership and management were parts of a continuum rather than opposites. One organisation applied the same approach to both leased and freehold property – the freehold involving a longer-term commitment, which warranted a greater return. For leases over 50 years, there appeared to be little to distinguish ownership from renting as far as financial benefits (such as raising loan finance) were concerned.

Summary

Participants in the research claimed a range of benefits of asset ownership and management. They gave examples of improvements in community identity and cohesion, community capacity, the physical environment and service delivery – in the latter case providing increased variety, access and accountability. They described how the assets had contributed to community economic regeneration, creating new opportunities for jobs, training and local businesses. By changing stereotypes about the communities they served, some reported that their locality had become more attractive to outsiders, with people moving in rather than queuing to move out.

There was some variation between organisations. Those who owned assets, for example, had more financial leverage than those who did not, although they also carried more risk. Some of the harder outcomes in terms of investment and jobs were more likely among the larger, more entrepreneurial organisations.

Many of these benefits will be familiar to those in the community assets field. Some were direct benefits to the community; others benefited the organisations running the assets, by improving their financial viability, for example, or their leverage with outside agencies. But taken together, it could be argued that they combined to enhance well-being and the quality of life in the communities they served. By improving the physical environment, building social cohesion, reducing isolation, providing jobs and training, and providing activities across the generations, they also had the potential to improve health, increase aspirations and reduce crime.

5 Success factors and challenges for community control of assets

Defining success in community control of assets is problematic. In part, it can be seen as a product of the benefits discussed in the previous chapter, but this is not the whole story. Participants in this study had different aspirations and different priorities. This chapter begins, therefore, by discussing some of the main strategic choices facing CBOs that control assets. These highlight different understandings of what success might mean according to whether they are stewards, community developers or entrepreneurs. The chapter then discusses the factors that helped or hindered organisations in putting these strategies into action and achieving their desired benefits and outcomes are also discussed. A further section reports on some of the factors that helped the organisations in addressing the challenges they faced. The chapter ends by considering how these might vary for organisations in the different bands in the community assets spectrum and the implications for policy, practice and support.

Strategic choices

Participants in the study had different ideas of what constituted success or what gave an asset its value. Some concentrated on the need to ensure that the asset was financially viable and could bring in a return for the community; others were concerned about the potential conflict between commercial and community needs. Elsewhere success was seen in terms of stewardship of the asset, in the sense of keeping the asset viable and in good repair; others emphasised the need for development. Some wanted to focus on the immediate community; others wanted to use the asset to reach wider groups.

Financial returns vs community benefit

Practitioner groups argued that asset ownership and management were most likely to be successful where there was a mix of community and commercial uses. To make ends meet, some organisations set up commercial ventures, or let out space to external agencies and service providers. Often, these uses provided social value to the community: running a community shop, for example, or bringing service providers into the locality and closer to their users. They also provided local jobs and training opportunities.

However, in a number of case studies, strategies to ensure financial sustainability led to a conflict between commercial and community needs. Sometimes, the conditions of loan repayment meant that an organisation could not put so much energy into developing community benefit as it had planned. Sometimes alternative ways of raising income had to be introduced, perhaps because financial planning at the outset had been inadequate, because maintenance costs had been higher than anticipated, or because of a change in external circumstances. This could lead to community members feeling squeezed out. For example, in one rural neighbourhood, three days a week (including the weekend) were given over to commercial lettings, usually for social functions unconnected with the local community, leaving four for community use. In another, where space was let to service providers, some local residents felt they took second place:

The building is well run but it is not there for people in the day ... older people don't want to come out in the evening.

As existing sources of funding decline, this is a tension that many organisations may face. However, one respondent suggested that hiring out land or buildings commercially could be seen as a redistributive act, taking money from those who have it to make an asset available to others.

Stewardship vs development

For some smaller organisations keeping their asset secure, well maintained and available to local groups was their primary objective. Others saw asset ownership and management as an opportunity to develop new uses and activities. This reflected different values among the participants. Some were critical of asset managers that they saw as 'going to sleep' on an asset, feeling that ownership could shield community organisations from challenge because it reduced financial pressure. Others questioned that view, pointing out that, in some cases, small groups of committed volunteers simply didn't have the resources to develop their asset, while larger organisations might be precluded from doing so by the need to pay back debt. In these cases, simply keeping a building 'ticking over' and available for the community to use might be a realistic and worthwhile aspiration. Indeed, in one practitioner group, some questioned whether it was appropriate for outsiders to criticise organisations who settled for stewardship as defined in this report, arguing that this might be sufficient for the local community's needs.

Focusing on the immediate community vs extending reach

How is the 'community of benefit' defined? Many participants argued the need to be inclusive and suggested that opening up assets to a wider community helped to create new understandings of community and connectedness. Indeed, one faith organisation ascribed its success to a change of direction that saw it widening its community beyond its parishioners.

Box 9: Expanding the definition of community

The City Praise Centre was set up in 1960 by people wanting to have a church in their local area. It was built on a plot of land that had previously been three houses. Fifteen years ago it decided it wanted to broaden its activities to reflect the needs of the wider community. It was unable to get planning permission to expand from its existing base, so it rented a grammar school and later a local authority building to meet the capacity of its expanding membership. The original building is now its administrative base, while it runs its activities from the rented buildings.

It wanted to create 'an all-round care organisation' where 'the community realise we are doing this for them, and the people that work here realise that we need to do things for the community. The church is only a means to an end'. Participants from this case study felt that moving away from the confines of their church had not only solved the issue of overcrowding but also 'helped redefine ourselves and move away from the constraints of how things were normally done ... we got passers-by walking in'.

Two of the case study organisations, both small groups with a longstanding community centre, were criticised by outsiders for failing to extend the coverage of their facilities to a neighbouring, more deprived estate. Most participants stressed the need for inclusivity, but some questioned whether asset ownership should always be judged by an organisation's success in reaching the widest possible community.

Reconciling different community interests and needs was identified as a significant challenge and one that might stretch a small group beyond its capacity. For smaller, volunteer-run organisations – the ‘stewards’ – it might be sufficient simply to ensure that a building is well run and available to the immediate community. Elsewhere, it may sometimes be appropriate for different parts of a community to have their own space – indeed this may give community members the confidence to engage beyond their boundaries. In Northern Ireland, for example, acquiring a community asset had given an isolated Catholic community a sense of community pride and confidence, and it was now reaching beyond its boundaries (see Box 5).

Relating the strategic choices to the research framework

The labels given to the three bands in the community assets spectrum are based on the way organisations responded to these strategic choices. Stewards were more likely to opt for community benefit, focusing on the immediate community and, as their name suggests, acting primarily as stewards for the asset rather than actively seeking ways to develop the asset and its uses. Community developers were more likely to be seeking ways to develop the asset and its uses, and to be reaching out to a wider community. They were also likely to be trying to balance community benefit with financial returns and, in the current financial climate are more likely to be looking for ways of using their assets to bring in income, although they will still want this to be subservient to community benefit. Entrepreneurs are likely to give more priority to commercial uses but still believe that it is possible to combine this with community benefit. They, too, are likely to be looking for ways to develop their assets and to reach out to a wider community.

What helps or hinders success?

However success was defined, the research identified six critical factors in shaping the progress of asset ownership and management. Three applied primarily to the stage of acquisition and/or transfer. These were: adequate planning; the physical viability of the asset; and constructive policy and practice in the public sector. The other three applied to all stages of community asset control. These were: the leadership and capacity that was available in the community; the forms of governance that organisations adopted; and the financial package underpinning an asset.

Adequate planning

One of the most common barriers to success mentioned by participants, wherever they were located in the community assets framework, was the failure to plan adequately. Even an organisation run by professionals admitted that it had not factored in all the maintenance costs of acquiring a second building and adjacent land. Failure to think through the financial implications of a transfer or acquisition was a particular problem when assets were acquired by ‘default’ rather than design, as Box 10 illustrates.

Participants stressed the need to think about ‘what does this asset give us?’ and ‘does the price warrant it?’ when offered or considering acquisition. Some case study organisations attributed their success to the fact that every development was preceded by full and thorough community consultation, which meant that there was significant community buy-in.

Planning was also essential if profits were to be used for the good of the community. For example, one organisation described how it had put ‘considerable time and effort’ into this, devising a clear constitution that set out how they intended to use the money they would gain. Participants also stressed the importance of planning for the longer term. A previous JRF study (Taylor, 2011) has argued that ‘success hinges on the essentials of good business planning and ensuring that revenue liabilities can be addressed through clear identification of future income streams’. One of the practitioner groups suggested that community ownership and management of assets needed a ten-year financial plan.

Box 10: The need for due diligence

In one neighbourhood, the local authority planned to close a local library and community centre. Local people fought to save the community centre, which was in a prime location between the existing village and a new housing development. But, as a case study participant admitted: 'The community focused solely on getting ownership of the asset and did not plan enough for the use of it ... No due diligence was undertaken before taking on the asset and lots of skeletons tumbled out of the closet ...' From the start, it had been a struggle to raise sufficient capital to bring the building into a habitable state. It had also been difficult to find a suitable, financially sustainable community use for it. During the long and sometimes acrimonious negotiations for the building, it lay empty and community needs changed or were catered for by other organisations. Although, due to its position in the village, the land is still seen as a great asset for the community, at the time of our case study the building was described as '*a liability*'.

However thorough the planning, one cannot always guard against eventualities. Even when an organisation has a viable business plan, this can be knocked off course by unforeseen factors. For example, one organisation found its financial plan was seriously compromised when a major local employer left the area, taking with it a significant source of income. Another's financial plan was hit when a hirer went bankrupt.

The physical viability of assets

The second set of 'critical factors' relates to the viability of the asset itself. Participants argued that, too often, the assets on offer were liabilities, in a poor state of repair and/or with high maintenance costs. Increasingly, too, CBOs need to consider issues of health and safety, accessibility, eco-standards and energy efficiency. Participants underlined the importance, for CBOs who were considering asset acquisition, of getting a proper survey and independent advice: 'Always look a gift horse in the mouth!' Those that didn't could find themselves saddled with buildings with heavy maintenance costs, and/or buildings that were unsuitable for community use. In one newly built village hall, the heating system was substandard and required a great deal of repair each year. This, and the ongoing, growing costs of maintenance, meant that the hall 'racked up tremendous losses over the first 4 years ...'. Even with new build, it was necessary to work closely with a design team that had a track record of working effectively with communities.

Often these problems were associated with how local authorities approached the question of asset transfer. Participants were critical of local authority strategies that focused on the needs of the local authority rather than the needs of the community. They described how some local authorities approached asset transfer in terms of the assets they wanted to offload, while others tended to think purely in terms of financial – rather than social – return. They also described what they saw as unnecessary restrictions placed on their use. In some cases, protracted negotiations for transfer or acquisition had only made the problem worse, as the buildings in question lay empty, deteriorated and were vandalised.

In contrast, some local authority practice was applauded. In Scotland, for example, some local authorities have a policy of improving the standard of assets prior to transfer along with providing capacity building support. Several participants referred to the value of a good relationship with the local authority, based on an understanding of the social, as well as the market value, of assets. It is also important to recognise that assets acquired privately – whether on the market or through a gift – could prove unsuitable. In addition, some localities simply do not have buildings that are easily adapted for community use, and community organisations have to make do with what is available.

The case for and against acquiring ‘iconic’ buildings – that is, buildings with a symbolic value for the local or wider community – was a particular issue for debate. The problem with such buildings was that although they had a powerful community narrative – with the corollary that their destruction might deal a significant blow to community identity and pride – they were often unsuitable for community use or in a poor state of repair, as well as being expensive to maintain in the longer term. Some came with planning restrictions attached. While the argument for or against acquisition would need to be considered on a case-by-case basis, one view was that the responsibility for preserving heritage should not lie with the local community alone (see Box 16).

Constructive policy and practice in the public sector

The third set of critical factors relates to policy and practice in the public sector. Participants generally welcomed the favourable policy environment in the different countries and the access it provided to capital funding and support. There were variations between the countries. Scotland, for example, does not have the asset transfer policies that are in place in England and Wales, but the community right to buy provisions of the Land Reform (Scotland) Act 2003 and Scottish Land Fund (2001–2006) provide important support, in principle at least – in practice, right to buy has not been widely used. Highlands and Islands Enterprise (HIE) – the Scottish Government’s economic and community development agency – has a remit to support community land and asset purchases. It provides a brokerage service to provide skills and expertise to support local economic development. This has been a significant factor in the acquisition of assets there (see Box 11).

Box 11: Supporting community ownership

The Isle of Gigha Heritage Trust was set up in 2001 to purchase and manage the Isle of Gigha on behalf of the island’s population. This was triggered by the decision of the owner to put the estate on the market. The Trust’s assets include: fertile agricultural land; four farms; crofts; a wind farm containing three turbines; a small quarry; a hotel and self-catering cottages; most of the homes on the island; historic gardens; craft units; a shop; and associated buildings. Membership of the Trust is made up of the adult residents of the island and all decisions are put out for consultation. The aim is for consensus on decisions, but if there is a disagreement, the majority decision prevails. It operates two trading subsidiaries: one to run the hotel, self-catering and other commercial ventures; the second to operate the wind farm. Any surplus is allocated in line with the priorities agreed in the development plan for the island. The mix of assets has made it possible to generate funds and manage the estate in a financially viable manner. There is still significant investment needed in the estate for long-term viability, as the housing improvement programme is not complete and further income-generating projects (e.g. the new wind turbine project) are ongoing. The Trust praised the ‘early and steadfast’ support it had received, particularly from Highlands and Islands Enterprise, in acquiring the asset. However, there is some concern now that the external agenda has moved on, with less support available for the aftercare they feel they need.

At a local level, there was a different story. The evidence review cited in Chapter 1 identified a range of barriers to public sector partners sharing assets. A study by the Audit Commission in 2009 found that these included: an unwillingness to compromise; poor working relationships/cultural barriers; and different political agendas/funding regimes (Audit Commission, 2009). In the same year, SQW Consulting examined the attitudes towards, and scale of, asset transfer activity among local authorities in England (SQW Consulting, 2009b). It noted that community centres were the most popular assets being

transferred, followed by parks or playing fields, offices and schools (SQW Consulting, 2009b). But the findings also suggested that asset transfer is 'generally not high on the personal or political party priority list of the political [council] leaders': in fact, only 39 per cent of authorities had a policy promoting asset transfer (SQW Consulting, 2009b).

The current research reinforced these findings. While some participants emphasised the value of positive partnerships with external, public agencies, many said they had met with resistance. This chapter has already highlighted the problems associated with 'dumping' assets. Participants were also critical of how asset transfer strategies, where they existed, seemed to be dictated by financial, rather than social, concerns. This had led to protracted negotiations, legal challenges, restrictive claw-back clauses, short leases, unsustainable deals and unreasonable restrictions. The silos that characterised public bodies (at national as well as local level) also hampered access and negotiations. In other cases, changes of ownership had affected negotiations for acquisition. For example, housing stock transfer means that communities are increasingly likely to be dealing with housing associations; for two case study organisations this was no easier than dealing with a reluctant local authority and could take them 'back to square one'.

Participants described local authority cultures as risk-averse, cautious and unimaginative. Even where assets were transferred, there were often conditions attached to their use, which could affect the asset's suitability or financial viability. However, this problem was not confined to local public bodies. Participants reported that other funders – BIG and ERDF were mentioned – put considerable restrictions on commercial uses. Sometimes, too, legal restrictions affected planning permission for extensions, adaptations or change of use. This was a particular problem in the case of listed buildings.

Leadership and capacity

The three critical factors discussed so far are particularly important in the acquisition or transfer of assets. The next three apply to all stages of community control of assets. The fourth critical success factor, therefore, and the one most frequently mentioned by participants, was the importance of key individuals. Asked about the reasons behind their success, participants frequently pointed to a specific person – a founder, board member or staff member. Their responses underlined the need for a leader with passionate vision, an entrepreneurial approach, perseverance and long-term commitment. Leadership did not always lie with one person, however. Participants also referred to the crucial role of board members.

Finding enough volunteers with adequate time and the right skills to act as board members, advisors or to stand in place of employees is a difficult task for any group, especially for those with a small catchment area, or in a disadvantaged community. Involvement tends to go in waves, and initial enthusiasms ebb and flow. The following two comments – one from a steward, one from an entrepreneur – were typical:

A small village hall relies heavily on volunteers; people get older, and have family commitments and there aren't people that are ready to step into their shoes ... our AGM is madly publicised every year and we never have any new volunteers.

Initially member/directors were those who were interested – this has gradually reduced to active member/directors – currently there are three active directors and two parent directors, who are fairly inactive due to personal changes, etc., and are about to leave.

Getting people involved is only part of the story. Asset development and ownership involves a range of skills that, as one participant said, often takes people way beyond their existing stock of knowledge and interest: '... we have to make the shift from being a small community group to functioning as a small business – there are different skills required for a project of this scale – we have to get new people in'.

It was not enough, said other participants, to have ‘well-meaning’ people. Nor were the people with the ideas and drive to pursue asset acquisition always the right people to manage the asset once acquired. A range of technical, specialist, managerial and community building skills was needed. The availability of such skills depended to some extent on where the asset was situated – more affluent areas, for example, had benefited from the availability of people locally who had a range of professional skills, but these skills might not be available in more disadvantaged areas. Others found that the appointment of a staff member enabled them to move forward:

For a project of this size you definitely need a staff member – we did try to run it on a voluntary basis but it didn’t work – you need the consistency of having a key worker. It’s important, too, to maintain day-to-day standards and keep a quality service. Otherwise people won’t come.

Participants emphasised that the human costs of running an asset can be high for both volunteers and staff (see Box 12).

Other participants pointed out that paid staff were also prepared to put in considerable unpaid overtime. Without these levels of commitment, the uses to which an asset might be put will be limited. Even with committed volunteers, time can be restricted and this can create difficulties. For example, one building was criticised for not being available often enough, because there was no-one on hand to open up; in another case, a participant said that, although the organisation had ambitions for development, the demands of being a ‘landlord’ took up most of their time.

For all these reasons, stress and burnout can be a problem. For example, one participant confessed that the group of volunteers managing the asset was ‘exhausted by the efforts made to fundraise and co-ordinate the refurbishment’. It is perhaps surprising that this is not more common. But if burnout is to be avoided, expectations need to be realistic. Community development support can also prove invaluable in helping organisations to build skills and capacity in the wider community so that the workload can be shared and there are people to take over when leaders want to step down.

Governance

The fifth set of ‘critical factors’ relates to governance structures and processes – particularly the need for clarity of roles and functions and for transparent management systems. This was most important in the larger, more complex organisations, although concerns were expressed about the vagueness of governance arrangements in some smaller organisations.

Box 12: The time involved in managing an asset

The secretary of Edgmond Village Hall estimates that she spends seven hours a week administering the hall:

I do the bookings and keep the website up to date, I organise the AGM, and write a note for the parish magazine ... you have to be very organised – it is complicated – we have to do booking arrangements, and set out the terms and conditions, give a diagram to show where the fire alarms are ... and hand out the keys, get them back, deal with the payment of fees, sort the agenda, etc. – it is a lot of responsibility...

The voluntary manager of Cliff Larnie (see Box 5) devotes some 50 hours a week to the task; the volunteer administrator, more than 40 hours a week. In addition, the trustees give three hours a month and there are also volunteers working with the youth club.

All the case study organisations were managed by a board of some kind and most participants attributed the success of their asset to the skills of their board, emphasising the need for them to be well connected, strategic, decisive, able to galvanise people and willing to take risks. The number of trustees varied considerably, but there was little correlation between size of board, and the size and complexity of the organisation. What was different was the complexity of the governance structure.

Despite the concerns raised above, more informal governance structures may be all that small volunteer-run stewards need – providing there is an explicit understanding about roles and functions. Community developers and entrepreneurs, however, were more likely to have a formal separation of functions (sometimes this is driven by charitable status and trading rules). One participant emphasised, for example, the need to separate out governance functions relating to business management from those relating to community development. Another argued the need for structures that provided opportunities for different stakeholders – the ‘great and the good, the organisations on the ground, the professionals that were needed to drive the asset agenda’, etc. – to engage in different ways. Several had sub-committees; two had set up separate trusts to administer the asset.

Participants’ views on the accountability and inclusivity of their governance arrangements varied. While one participant from one small village hall counselled against being ‘too much of a democrat’, others from all parts of the community assets spectrum stressed the need for democratic and participatory forms of governance. In the two cases with community shares – one a renewable energy enterprise, the other a community centre – these had had been used as a way of both engaging and providing a return for the local community.

Box 13: Separating the business from community development

The Baywind Energy Co-operative, The Fintry Development Trust and the Isle of Gigha Heritage Trust all have renewable energy initiatives. In each case, the management of these is separate from the management of the organisation’s community benefit activities. The Fintry Development Trust has outsourced the management of its wind turbine to the company that runs the wind farm on which it is situated. This means that the FDT trustees focus their attention on the distribution of the profits to the community. The Isle of Gigha Trust has set up a trading company to manage its wind turbine (along with another trading company that handles its other commercial activities). The Baywind Energy Co-operative has set up a separate but linked charity – the Energy Conservation Trust – into which they pay 0.5 per cent of turnover to deliver local benefits. This provides an opportunity for local people to get involved as trustees without being involved in the more technical/financial focus of the Baywind board itself.

Accountability becomes a particularly significant issue as organisations grow and gain control of larger assets. But an emphasis on local accountability was not necessarily lost with growth. Indeed, it was perhaps strongest among some of the larger organisations, which took considerable pains to stay in touch with their communities. Instead, it was some of the smaller organisations with no staff, the stewards, who attracted most criticism. Where the same small group has been running the asset for years it is perhaps easy to become complacent or to assume no-one else wants to take over. Community members in some case study areas complained that the asset was ‘run by a clique’. However, these criticisms have to be set against the difficulties that some organisations experienced in trying to get new people on board, despite their best efforts, especially in places with little or no history of community development. Research on community engagement more widely has found that many community members are happy to let leaders get on with it.

Box 14: Engaging the community in governance

The Headingley Development Trust (HDT) was set up in 2005 to build a new centre for the community (HEART) when the local school closed because of ‘family flight’ from the area. During the development of the building it has also developed a number of other projects (e.g. a community shop buy-out and a farmer’s market).

It is constituted as a Society for the Benefit of the Community (as an Industrial and Provident Society). This is a share structure: it currently has nearly a thousand shareholders, the majority have just one £1 share, but 325 local people have larger shareholdings. Each shareholder has one vote regardless of the number of shares held, but dividends (described as interest payments) are in proportion to shareholdings.

The shareholder-members elect the HDT Board simply and directly at the AGM. The reality of paying for and owning a share or shares, the local support this evidences, the equity it raises, along with the structure’s simple direct democracy, are all seen as key to both the exceptionally high levels of support and participation by local people, and the against-the-odds success of HDT’s projects.

Financial sustainability

This final set of ‘critical factors’ was also the most commonly cited. At the entrepreneurial end of the spectrum, one of the energy case studies commented on the huge scale of investment needed to get going in this field. Others highlighted the unwillingness of banks to invest in community assets; even where this was not the case, the failure of banks to adopt a long-term perspective meant that community organisations sometimes found themselves with impossibly short repayment terms. ‘Patient capital’ is now difficult to come by due to the winding down of the Adventure Capital Fund in England and the termination of the previous government’s loan programme, Futurebuilders. It remains to be seen whether the proposed Big Society Bank can fill the gap.¹² Opportunities to run services may provide significant new resources for some organisations, but contracts are likely to be tight and different kinds of capital might be needed at different stages (SQW, 2011b).

Participants referred to the high cost of maintenance and the common problem of cost overruns. Maintenance costs were not always matched by the income that could be achieved by ‘sweating’ the asset. Nor were they confined to older buildings, although these are notoriously difficult to heat. A renewable energy case study pointed out that maintenance was not only an issue with buildings: repairing an energy turbine might cost more than the turbine itself.

It was often difficult to generate a sufficient surplus from community revenues to run and maintain an asset. A recent briefing paper by SQW Consulting highlighted the challenges in the current economic climate of generating a surplus, especially in the context of falling public sector income (SQW Consulting, 2011b). Many participants also highlighted the difficulties of securing revenue funding to run capital developments. Fundraising was not always the answer: one organisation argued that it did not want to compete for money with the organisations that were running activities in its building.

Location affects the potential for raising revenue. The options for renting out office space or start-up units to part subsidise the delivery of community benefits may not be as feasible in rural as in urban locations. In disadvantaged neighbourhoods, previous regeneration programmes have supplied property, but the markets for trading from these venues may be limited.

There were more positive stories. This chapter described earlier how community shares could not only generate funding but also give whole communities a stake in their asset; partnerships could also help to create a viable funding package (see Box 15).

Box 15: Working in partnership

Manchester Settlement was founded over 100 years ago. Over that time it has expanded, growing out of its original building. Its recent move into a new building – which it owns on a 150-year lease, paying a peppercorn rent to the council – was made possible through a partnership with Manchester College and Mosscafe, a housing association with a particular commitment to the local community. The partners share the building, which is a mile away from the Settlement's original base, and have contributed to the financial package for its development, by providing capital funding upfront instead of rent. Both were involved in the planning of the building and were able to provide essential specialist expertise. They are now involved at all levels of the structure: at a governance level (with all partners having a place on the board), at management level (with staff from all partners working closely together), and at project level (with joint projects where partners can make a different and complementary contribution). An example of joint work is a housing project for young people, where the Settlement provides support while the housing association organises the housing aspect.

Service users and the local community were consulted on design options for the new building, and on existing and new services. There are also three community representatives on the ten-strong Board.

On a smaller scale, many organisations had been successful in sourcing support in kind from the local community, for maintenance, materials and even, in one case, a loan.

Meeting the challenges

When participants were asked how they addressed the challenges of community control of assets, two particular themes stood out. The first was the need to allow adequate time for asset acquisition and development. The second was the importance of adequate support.

Time and preparation

Participants in one of the renewable energy case study organisations commented that they had only been able to 'grab the opportunity' of a wind park development because, when it came along, they had been planning for a renewable energy project for some time. Other organisations also underlined the importance of the development work and preparation that had preceded the acquisition of their asset, giving them experience, community legitimacy and a track record with partners. This experience had ensured that when the opportunity came to acquire an asset, they had 'the right skills at the right time'. Some participants argued that organisations that had built up assets over time in an incremental way were more likely to succeed than those that had responded to unforeseen opportunities or been gifted assets without being ready to take them on.

Previous research has stressed the importance of staged growth and development (see Chapter 1). Incremental growth can make it easier to reconcile different community needs, acquire the necessary skills, address the challenges identified earlier in this report and get a viable mix of assets. However, there were exceptions to this rule. In one case, a participant described how a threat had galvanised the community and revealed unexpected skills and commitment.

Support

Many participants underlined the importance of external sources of support, both for negotiating the acquisition of an asset and running it once acquired. Support came from a variety of sources: members of the Rural Community Action Network (RCAN), councils for voluntary services and their equivalents, local councillors, council officers, a county village hall advisory group, national voluntary organisations, enterprise development agencies such as Highlands and Islands Enterprise, and funders such as Sport Northern Ireland. In Scotland, for example, Community Energy Scotland provide valuable assistance and Community Energy Scotland provide valuable support and technical advice to organisations running renewable energy projects, Community Woodlands Association is an intermediary organisation that supports community woodland projects, and Community Land Scotland has recently been set up as a body to represent the interests of the community land sector.

This chapter has already mentioned the contribution community development made in creating a pool of active people in the locality who want to be involved in the development of their asset, and who are able to engage effectively. It had also paved the way for successful asset acquisition in some cases, by building the capacity, social connections and skills necessary to close the gap in these respects between more and less affluent neighbourhoods. Another critical resource is that of brokerage – organisations or key people who provide links between knowledge, networks and funding. Access to a diverse knowledge base and a wide range of networks was essential, particularly, for organisations wishing to grow, with ‘a clear route to support and someone who can direct you.’

Two case study organisations were support agencies in their own right, or had set one up, and illustrate the kind of intermediary vehicles that can provide invaluable support in the acquisition and management of assets.

Box 16: Support for asset development

The Glasgow Building Preservation Trust was originally set up in 1982 to ensure the survival of one historic building – the Briggait building – by Glasgow City Council. It has since widened its scope and has acquired and restored a number of buildings to preserve heritage buildings over recent years. It carries out assessments and development work on buildings across the city that would otherwise be lost, assessing feasibility, raising money for development and, in successful cases, devolving management to local communities. Carrying the responsibility attached to the development of complex and risky ventures has been particularly important, since the proportion that failed, compared with those that came to fruition, was high. This would be a heavy cost for any individual community to bear.

The Baywind Energy Co-operative was set up in 1996 as a community owned wind initiative, with the help of a Scandinavian organisation called The Wind Company. It eventually set up a national organisation called Energy4all, to whom it contracts its administration and support work. This is now a national service/support company that is owned by, and brings together, a large and growing family of energy co-operatives across the UK. It has also set up a new national co-operative, Energy Prospects, with £1 million raised directly from share investments by existing members of the national family of co-operatives, to carry through the high-risk work of taking ideas/sites through to planning permission.

Despite such initiatives, several participants made the point that the level of support generally available was inadequate. They argued that policy-makers had failed to respond to the recommendations

for adequate training and support provision in the Quirk Review on community ownership and management of assets (DCLG, 2007a). For example, participants in one development trust, which had received a lot of assistance during the acquisition phase, argued that a venture of the scale and complexity they were involved in needed substantial ‘aftercare’. They were critical of the fragile and incomplete nature of the back-up that had been available once the asset had been acquired. Elsewhere, participants referred to smaller organisations’ need for help with diagnosis, or with ‘intelligent commissioning’, so that they get the most appropriate kind of help.

In England, the community organising initiative of the current government could help to provide these resources in the future, at least within the localities where they operate. However, it will be essential for community organisers to acknowledge and build on the networks and skills that already exist in the communities they support rather than assuming a blank sheet. It will also be important to ensure that community organising is not seen as the sole source of support, that specialist technical aid and brokerage is available, for example, and that support is available to communities without access to community organisers.

The different experiences of stewards, community developers and entrepreneurs

Earlier, this chapter outlined the different aspirations that CBOs have for their assets and the different ways in which they define success. How do these affect the way they respond to the challenges of community control of assets and what are the implications for policy?

Stewards

In the first band of the asset framework most of the stewards had acquired their assets as a gift, and served a small, often rural, geographical area. They tended to have older buildings, with the attendant maintenance problems. Most were cheap to run and they were able to draw on the local community for support. However, if faced with a crisis, they often had few spare financial resources. They had no staff and relied on a consistent and frequently small group of volunteers who already contributed many hours. In a minority of cases, this small circle attracted criticism from potential users who felt excluded, but most felt they had no option as there would be no one to replace them. As one said, ‘it takes over your life’. Others, however, have been forced to address this because of a crisis and this had brought new people in and fresh ideas. Governance systems tended to be fairly informal and their income was largely derived from lettings and local fundraising events. These organisations had little to do with public authorities, other than the occasional small grant and sometimes providing a base for a councillor’s surgery or advice session. Most were members of the Rural Community Action Network (RCAN) or council for voluntary service (or their equivalents in other UK countries), but often found it difficult to ask for help. It is possible that in urban areas stewards may be found among tenants’ and residents’ associations.

Organisations in this band generally needed ‘light touch’ support. Access to small amounts of funding with few strings attached meant they could carry out occasional small-scale repairs, improvements to IT or security, go on a course or attend a networking event. They would often benefit from access to a support worker – someone who knows them ‘on the end of a phone’ – or an advisory network, who can provide technical advice or offer ideas on how to get more people involved and how to improve their planning. Previous research has suggested that this light touch support can be very effective (Taylor, *et al.*, 2007). They may, however, need a larger injection of cash if the heating system breaks down or the roof needs repair. Any conditions or regulation attached to funding would need to be fit for purpose, realistic about what can be expected from limited resources and accompanied by support where improvements were needed.

Some of these needs they can meet themselves, through fundraising events, for example, or through in-kind support from local volunteers. Some is available through local third-sector infrastructure bodies – in England, this might be members of the Rural Community Action Network (RCAN) or council for voluntary service. Participants in this study also had support from their local authority, their own funders, or national support bodies like ACRE and Community Matters. These bodies will usually have the networks and contacts to provide light touch support effectively. But some of the external resources they have relied on are disappearing or being heavily cut back as part of the coalition government's public expenditure cuts. Meanwhile, as this report has already argued, internal resources – funding, professional help, for example – are likely to be easier to find in more affluent areas than more disadvantaged areas.

Some of their needs could be met by the new government community organisers scheme mentioned earlier, although these workers will not be available everywhere and would not always have the specialist technical skills required. But it is also important that small grants funds are protected – a little support can go a long way. Possible future sources include the new 'Community First' programme – especially if it operates in tandem with the community organisers' initiative and combines funding with support, and the new Big Local Trust initiative being launched by the Big Lottery Fund.

Community developers

In this second band, the community developers were more likely to have staff, although they still drew heavily on volunteers. They were more likely to belong to national umbrella organisations and to be working with local authorities and providing services of some kind. Their income was likely to be derived from a mix of funding sources and it was in this band that organisations were experiencing the challenges of growth – a step change in terms of the skills and capacities they needed. Managing the expectations of both community and external agencies on what was still a small core of active Board members was, however, a particular concern. They were more likely than stewards to be concerned with extending their reach and with accountability. Their buildings or land were more likely to have been acquired 'by design' and they were likely to have monitoring systems in place for projects and services based in their assets.

For organisations in this band, new opportunities – for example, to take on transferred assets or to take over services – offer potential for growth. Yet they also imply a greater degree of risk than ordinarily attaches to stewards, and this will require appropriate planning and management measures. It will be important for these CBOs not to over-extend themselves, as failure will certainly not benefit the local community. Policy needs to recognise the challenges of growth and change, and to have realistic expectations. Community developers themselves will need to consider carefully whether these opportunities are compatible with their mission and capacity. If they are to take over services, this is likely to have asset implications. So they will need access to brokerage and specialist support, both in acquiring assets in the first place and if their purposes and needs outgrow their current assets. Such support will help them to assess whether ownership is the best route to take, that assets are fit for purpose and that adequate financial planning is in place. But it will need to be matched by staff within public bodies who understand the assets agenda. It will be important to build on existing good practice here.

Community developers will also need access to community development support to foster engagement throughout the local community and make it easier to reach out. They will need access to 'patient' capital that recognises the particular challenges and timescales that this group face (including some forms of social investment, community shares and maybe interest free loans). This underlines the importance of different types of financial packages at different stages. In addition, it will be important that regulation and scrutiny attached to public funds is fit for purpose.

In England, the spread of community organising could again provide an important boost to the support available to community organisations involved or wishing to be involved in the control of assets,

but it will need to take into account, rather than replace, good quality current community development provision. Organisations that are in this band are also more likely to draw on infrastructure organisations for information, support, specialist advice and access to networks, but only insofar as these organisations maintain the staff and capacity that they themselves need to continue to provide such support. As organisations grow, they will begin to recruit the specialist technical and community development skills they need in-house, and to attract partners and investors. They may be outgrowing their original buildings, however, and the sustainability of core staff might become an issue. It will be essential to build on existing good quality support offered by infrastructure organisations, networks and local authorities.

Entrepreneurs

Organisations in the third band of the framework – the entrepreneurs – tended to operate in the commercial market. They were more likely to have constitutions other than the typical charitable company limited by guarantee and to have more complex governance structures, with separate trusts and trading companies to manage different aspects of their work. They had professional staff and were more likely to have access to in-house specialist expertise or to have the funds to buy in specialist help. Although at the stage of acquisition they had still been heavily reliant on volunteers, once the asset was up and running, some volunteers were likely to have become staff (this was also true of some community developers) and one now had no volunteers. However, their staff numbers may still be small. Their assets were the most likely to be fit for purpose but they were subject to more regulations.

Their assets required greater investment and a higher degree of risk with a larger financial turnover. They were beginning to explore ways of measuring the social return on their activity. Relations with local authorities had often, though not always, been more difficult. These organisations remained committed to regular consultation with their communities, sometimes setting up formal mechanisms, and there was little sign that size and complexity had taken them away from their roots. Indeed, as the asset began to make a surplus, this had given one the opportunity to re-focus strongly on community benefit.

Some argue that the voices from the third band in the framework have most often been heard by policy-makers and that, as a result, the policies and support already in place are a response to their experience. Such organisations must build on this experience if they are to meet the expectations for service delivery and social enterprise embodied by current policy, and act as multi-purpose bodies supporting local communities. Some will already have the recommended technical and professional support; others will need it – particularly access to brokerage and support from infrastructure agencies. In addition, they should draw on appropriate finance: for development, growth or working capital that recognises their particular circumstances and needs.

Cross-cutting needs

These are ideal types with overlapping boundaries. Difficulties of volunteer recruitment and potential burnout were common to stewards, community developers and entrepreneurs. Location was also important: more affluent areas may have greater access to professional skills and commercial markets but were less likely to be seen as a priority by grant-makers. The diversity within communities and the local ecology of community organisations was a further factor; assets do not exist in a vacuum. They should be embedded in a strategic approach to local community development that recognises the interdependence between organisations. Investment is needed to find ways to assess and measure the benefits and outcomes of the work of organisations involved in asset ownership and management. Finally, the nature of support required during the acquisition stage is likely to be significantly different from that required once the asset is obtained. Lack of aftercare was a particular concern.

Summary

This chapter has examined success factors and challenges for community ownership and management of assets. It has been suggested that CBOs face a series of strategic choices. These include finding the right balance between: financial viability and community benefits; stewardship of an asset and development roles; focusing on the immediate community and extending reach. They will resolve choices differently according to where they are on the community assets spectrum. For some organisations, success is seen in terms of stewardship of a building and making it available to the immediate community. Others place more emphasis on development, by expanding their activities and reaching out into a wider community. For others, community and other social benefits remain crucial but commercial viability and development is also seen as an important goal.

For all of the organisations, however, there were six broad factors that played an important role in how they faced challenges.

At acquisition stage

- adequate financial and business planning when acquiring assets;
- physical factors – assets that were fit for purpose; and
- a constructive approach to community control of assets on the part of public bodies.

Throughout

- capacity and leadership – the skills and time to make an asset work, a history of voluntary and community action, and technical and community development support;
- governance – clarity of role and function and community buy-in, with adequate democratic control; and
- financial sustainability – fit-for-purpose external investment.

Conversely, success in meeting community needs was undermined by:

- failure to plan;
- assets that turned into liabilities;
- resistance to asset transfer from public bodies, protracted negotiations for acquisition, lack of aftercare and unnecessary restrictions on use;
- difficulties in recruiting volunteers, stress and burnout, and lack of support;
- blurring of roles and accountability; and
- high maintenance costs and unwillingness of banks to invest – or to provide appropriate financial packages.

CBOs can achieve a great deal with adequate support and realistic expectations – especially regarding the time required to put effective arrangements in place. But if policy and investment is to be effective, success will also depend on an appreciation of the differences between organisations involved in this agenda and the different role that assets play in different communities.

New policies offer potential sources of support for community control of assets. This chapter has also raised a number of new challenges for the future:

- enough people must be willing and able to take on responsibility for assets – while the benefits can be significant, the costs to individuals running assets can be high and it is essential that this is not just left to the few;
- possibility of unequal take-up of opportunities, with the most disadvantaged areas – which perhaps most need the assets – least able to benefit. Skills, adequate assets, aspirations and revenue generation capacity are all likely to be inadequately distributed between areas;
- as pressure grows on local authorities to divest themselves of assets, communities may find themselves responsible for more unsuitable buildings with high maintenance costs, and insufficient funds to bring them into effective community use;
- the financial viability in the current economic climate may result in communities overextending themselves by taking on major new service responsibilities; and
- for the experience of the past to inform the future, there must be an acknowledgement of what communities and their support workers are already doing – and building on it, rather than seeing this as a totally new agenda.

6 Implications for policy and practice

The previous chapters have examined three important areas concerning the ownership and management of assets by CBOs:

- There has been a wide range of policies and programmes initiated in this field over the last 10 years, particularly in England but also in Northern Ireland, Scotland and Wales. Since the formation of the new coalition government in May 2010, this interest looks set to continue apace.
- Although the survey returns showed the diversity and lack of homogeneity in the field, the subsequent data analysis identified an extended family consisting of several clusters of CBOs, each with recognisable characteristics.
- The case studies illustrated the experience of CBOs owning and managing assets and explored current and future challenges. To help understand the different dynamics and trajectories of organisations in this field, an analytic framework was put forward comprising different, and overlapping, bands: stewards, community developers and entrepreneurs.

This chapter builds on these three elements of the study to consider how present and future needs regarding the ownership and management of assets by CBOs can be addressed. It points to some of the discontinuities in the policy focus, then underlines how, in a field where organisations are so differentiated, practitioners need customised delivery mechanisms to support different segments of the field.

The second and major part of this chapter sets out five recommendations aimed at policy-makers, funders, practitioners and support organisations.

Policy and practice: setting the scene

Policy: focus and institutional home

The survey results confirm the prevalence and variety of asset controlling CBOs, together with the range of assets they hold and for what these are used. The analysis of the survey data and the case studies has helped create a comprehensive and practical framework to organise and address this level of dynamic complexity.

The factor analysis established that these CBOs are an extended family of organisations in which there are discrete clusters. These range from small to large, being active in a range of locations and managing assets of differing values. Within and across all of these clusters, there are organisations with different, dominant ways of working. The three bands of organisations – stewards, community developers and entrepreneurs – are not intended to be rigid or imply a progression route. The implication is that, although they are united by the common goal of enhancing well-being, CBOs in each band exhibit different behaviour patterns and have varied needs.

If asset ownership by CBOs is to fulfil its potential, policy, programmes and support mechanisms will need to better reflect the reality on the ground. The institutional framework in which policy for these organisations is developed, and in which they have to operate, poses challenges at three levels.

First, in the absence of data from the full breadth of the field, policy has tended to conceive of CBOs without recognising the varied sizes and intentions of the different members of the extended family to which they belong. In addition, their context – from rural to urban settings – and the range of activities they undertake – from youth work to environmental improvements – implies the need for a response that cuts across government departments. Currently, although the CLG has provided important and informed leadership within its remit, nowhere in the UK is there a unitary government interest in CBOs in general, or their ownership and management of assets in particular: no single department or agency focuses on asset owning or managing CBOs. Without the ability to co-ordinate work in this area, policy initiatives are likely to be inconsistent.

Second, CBOs are represented by a multiplicity of umbrella organisations: it needed the participation of 13 such networks to undertake the survey that formed the basis of the first part of this study. Each of these umbrella organisations tends to focus on, and draw its membership from, different parts of the extended family of CBOs in this field. Harmonising the activities of these organisations to establish a common platform is unlikely to be easy. Yet, the creation of Voice for Change England in 2009 – to speak on behalf of a range of umbrella organisations for black people – and the merger of bassac and the DTA to form Locality in 2011 show that CBOs can act together to co-ordinate and consolidate their efforts. Without an ability to present a coherent set of proposals, individual umbrella organisations will continue to champion demands that are tailored to their specific sub-constituency. There is a danger that CBOs will be seen by the policy community as inherently discordant.

Third, there is a dearth of government agencies on the ground that can help asset owning CBOs meet the challenges they face. The closest to such an agency would be the ATU in England (and shortly in Wales). In Scotland, the two-year Promoting Assets Transfer Programme has similar aims. These initiatives, as their names imply, focus on providing support to organisations that are intent on, or are in the process of, acquiring assets. Yet the advice, technical aid and brokering services that they deliver are generic to the needs of all CBOs that own and manage assets. The problems facing existing asset owners and managers may also need to be given prominence, particularly at a time when infrastructure support is in decline. This suggests there could be scope for widening the brief of the ATU, or considering additional institutional arrangements. Similarly, the proposed Big Society Bank will not have sufficient resources to meet the capital investment requirements of all CBOs, even when blended with other funds. It will necessarily have to ration available funds to assist certain CBOs at the expense of others.

The fragmented nature and uneven coverage of the institutional infrastructure surrounding asset-owning CBOs poses difficulties when outlining recommendations from the research. There are no obvious umbrella organisations that can speak on behalf of all CBOs; there is no single government department or agency that has a co-ordinating function; and there are few delivery agencies that have the remit or capacity to assist with changes in practice on the ground. Yet the research has identified a number of important challenges that affect the capacity of existing and prospective asset-owning CBOs. The emerging policy environment has the potential to be accentuated or diminished by those challenges.

Practice: challenges and nature of support

CBOs should be well equipped to address current challenges and respond to the shifting policy landscape. This is best understood in terms of the requirement for technical aid and access to finance, which will vary according to the different types of organisations.

Asset acquisition has arisen in different ways. Many older steward organisations acquired an asset through a legacy or donation; foundations have also supplied finances. Today they may face challenges connected with refurbishment, modernisation or expansion. Some community developers and entrepreneurs gained an asset in the last 20 years as part of a sustainability strategy when local regeneration programmes ended. Meanwhile, for newer organisations – whether they are understood as

stewards, community developers or entrepreneurs – the acquisition of the asset through transfer from a public body has often presented problems. Protracted delays in negotiations with local authorities, high costs of sale, claw-back clauses and short leases, and attempts to transfer old or dilapidated stock have all created difficulties. However, it is possible that in the current financial climate, and in response to the emerging localism agenda in England, there may be increasing opportunities for community organisations to take control of existing public assets. For example, these might include swimming pools, libraries, youth centres, childcare centres and a wide range of other components of the public estate.¹³ Care will be needed when considering the implications of taking on assets, particularly as to whether they are appropriate to CBOs' purposes and can be made financially viable.

To deliver benefits through controlling assets, all CBOs need to be competent in a number of generic areas. These technical aid requirements include, for example, the development and maintenance of good internal governance and management; devising professional business plans; managing robust income streams; identifying community needs; and assessing the benefits their efforts yield. Well-established CBOs may have distinctive concerns that will have implications for their asset: renewing their mission, for example, may lead to modifying or even exchanging a long-held building. Meanwhile, new entrants considering taking on assets will have additional challenges.

Access to finance is particularly important, with individual need determined by type of organisation and stage of development. Three types of investment may be required for different purposes and at different times (SQW, 2011b).

- Development capital may be required at the outset, but also during the life of a project, particularly to initiate new ideas.
- Growth capital at any stage may be needed to refurbish, update or expand.
- Working capital will be necessary to provide a cushion against cash flow problems.

So organisations may require different types of finance – either for capital or revenue purposes – at different stages. Both their finance needs and their ability to access it will vary across the three bands.

Some needs – such as developing governance and leadership capacity – may be generic to all CBOs (whether they own or manage assets or not). Other areas – for example, managing complex income streams from renting space – may be specific to the responsibilities of asset control.

The factors above underline how developing and maintaining the field must allow for important variations between organisations. Many of them are rooted in particular, possibly idiosyncratic, contexts. The three-part framework of stewards, community developers and entrepreneurs provides a starting point for analysing their differences. In addition, they may be further distinguished by other cross-cutting dimensions: the type of asset they hold, their organisational form and their business model. Finally, their needs will also be shaped by their stage in an organisational life cycle.

All these have implications for the required breadth, depth and quality of technical aid and finance. Therefore, support for CBOs in this field needs to be smart and sophisticated. Smart, to provide cost-effective, basic information and advice that is generic in nature; sophisticated, to be able to provide tailor-made, professional, in-depth support across a range of areas for individual organisations.

The field is complex and dynamic but the research survey findings and case study analysis make an important contribution to the exploration and shaping of the field. The evidence generated suggests that exhortations and encouragement – both from politicians and practitioners – may need to be treated with caution. For, although the emphasis may be on opportunity and aspiration, the physical and financial demands of asset ownership and management are profound. Organisations entering the field will require sustained support if they are to avoid disappointing their own, and others', expectations of what managing assets can achieve. Existing CBOs in the field will also continue to require access to expertise

and finance. It is essential that those policy-makers, practitioners, funders and organisations providing technical aid and financial support should work together on developing the future agenda.

A series of recommendations is set out in the next section: some of these will apply to all organisations in the field, while others will apply only to a few. The aim is to encourage a range of appropriate measures and structures that can support different types of CBOs in their role of enhancing the well-being of their communities.

Recommendations

The following five recommendations fall into three broad categories:

- gaining further knowledge about the nature and breadth of the field (recommendation 1);
- addressing the support and development needs of CBOs for technical aid and access to finance (recommendations 2–4); and
- understanding appropriate assessment and measurement approaches for the field (recommendation 5).

Understanding the field and the impact of policy

The survey undertaken for this research was the first attempt to collect data across a set of networks in this field. Other surveys have not covered this particular constituency of CBOs. The results represent the current, best available estimate of the character of CBOs that own and manage assets. It offers important new insights into the range, nature and scale of these organisations. However, the survey cannot claim to be complete and, as a snapshot, gives no real indication of trends. There is every indication that this field is set to remain important in England with the Big Society agenda and the development of community organisers. It will also be important, in slightly different ways, in Northern Ireland, Scotland and Wales.

Maintaining a reliable statistical base will be a priority. Data collection of this nature requires a clear purpose and tangible benefit. In this case, survey work can be particularly important for helping to ensure that policy goals are grounded in a more accurate picture of the community assets field, and monitoring the impact and success of policy goals. It may also enable policy-makers and practitioners to design and target their interventions more effectively.

Finally, a better picture of the local assets landscape, if feasible, could provide a much-needed map of resources and opportunities available for social benefit within neighbourhoods. The key umbrellas with support from the ATU in England, and its equivalents in Wales and Scotland, could provide advice and links to agencies involved in local or national mapping exercises.¹⁴

Recommendation 1: Developing the survey

The commissioning of a bi-annual survey of asset-owning and managing CBOs in England, Northern Ireland, Scotland and Wales is recommended. Such a survey would yield useful knowledge about the scale and composition of the field. Also, it would provide consistent and regular evidence of trends affecting different kinds of CBOs that own and manage assets, as well as those aspiring to be in the field. Care in defining terms for volunteers, asset values and staff teams would be required. This survey could build on the current research, widen the scope of networks used, and map other data sources that could yield information relevant to this field. It is also proposed that the material collected should be made publicly available for analysis under the 'open data' principles, in line with present best practice.

This initiative would require a start-up fund to commission a lead agency to co-ordinate the 13 networks cited in this report (and other relevant constituencies). The task would be to design and implement a robust data collection system to:

- 1(a) Build on and refine the survey approach through a start-up phase, which would include initial mapping of other data sources.**
- 1(b) Conduct the survey across these networks to organise, analyse and publish at least two successive and consistent surveys every 2 years, with separate components for England, Northern Ireland, Scotland and Wales.**
- 1(c) Design and publish the survey and data in line with open data principles so it can be widely analysed and interrogated.**
- 1(d) Devise a sustainability strategy from year one to integrate this into the work of existing surveys in the sector including those undertaken by Companies House, the Charity Commission and NCVO.**

Access to support

The community assets spectrum suggests different bands of CBOs in this field. Some requirements, such as basic information on their options and signposting to sources of help, will be common across the spectrum. These could be delivered collaboratively across networks. However, beyond this basic level, highly standardised support appears unsuitable to the particular issues these varied organisations face.

Many of the national umbrella organisations have already developed support structures aimed at their constituencies. Given the inherent complexity of the field, combined with the challenges and risks of asset ownership and management, it is likely that services will need to be widened and deepened. This will require additional investment, and the field will struggle to consolidate and grow without sustained, appropriate support.

Study participants highlighted the particular importance of helping local groups to draw enthusiasm, skills, finance and expertise together from different sources. The people who play this critical role are currently found in voluntary organisations, social enterprises, local authorities, and national or regional offices of umbrella organisations. Although participants rarely perceived these organisations as ‘brokers’, high-quality, long-term brokerage emerged as critical in linking finance, people, ideas and opportunities to support asset ownership and management.

There are a variety of models already operating, including the HIE, ATU, RCAN and Community Places in Belfast. It may be hard for such entities to cope if demand increased substantially. To ensure the sustained availability of support options, it is necessary to build on existing resources to establish a network of technical aid practitioners. They could be drawn from a variety of specialist sectors and subject areas to offer peer support, act as critical friends, and provide informed knowledge. One option, in England, might be for them to work alongside the network of community organisers being taken forward under the management of Locality¹⁵ as part of the Big Society agenda. Alternatively, there might be a case for closer collaboration with those involved in new work streams that emerge to support communities and neighbourhoods in planning.

In addition, in the context of dwindling government funding to sustain and expand community ownership of assets, the potential contribution of the private sector should be given serious consideration.

Recommendation 2: Increasing access to technical aid and brokerage support

Brokerage and technical aid

Technical aid remains crucial for all types of CBOs throughout their life cycle to sustain them. High-quality and long-term brokerage is also important to enable the field to flourish. This may be particularly important for CBOs aspiring to own and manage assets as well as recent entrants and established organisations seeking expansion. CBOs should be supported when considering the implications of taking on assets that are both appropriate to their purposes and economically viable.

This agenda should be advanced by lead government departments – which will differ between England, Northern Ireland, Scotland and Wales – working with the ATU (and equivalents), charitable trusts, foundations and umbrella bodies to:

- 2(a) Consult key umbrella organisations on their members' current and future needs for brokerage and technical aid, both generic and customised. This should be done by distinguishing needs broadly between the types – stewards, community developers and entrepreneurs – taking into account differences emerging from a variety of business models, asset types, organisational forms and stages in the organisational life cycle.**
- 2(b) Identify the current range and quality of technical aid models available and appropriate to the different types.**
- 2(c) Investigate the potential for drawing in brokerage expertise and resources relevant to the different types, from existing social enterprise and community organisations, as well as private sector bodies already active in building and facilities management.**
- 2(d) Consider how best to expand brokerage and technical aid coverage for the different types where there are gaps, making best use of existing, cross-sector expertise and resources, while ensuring that support offers are differentiated according to need.**

Access to finance and information

CBOs need access to different forms of finance. These include gift, risk, working and patient capital. Access to them will vary depending on the requirements of individual CBOs and their stage in the organisational life cycle.

New entrants, existing CBOs, or those seeking to acquire an asset through transfer mechanisms have not always found it easy to access finance, either to purchase or part-purchase, or refurbish. Access to appropriately geared loan finance is also important: where there are high repayment schedules, organisations can find it hard to maintain a balance between space for community purposes and other activities. This can hamper an organisation's ability to deliver social goods. Similarly, an organisation holding an asset, but with an inadequate revenue stream, will face huge challenges. The notion of acquiring patient capital (Thake, *et al.*, 2009) for the field remains pertinent.

Steward organisations operating on annual budgets of less than £15,000 may find the occasional large bill for, say, a roof repair every 20 years, a threat to their financial viability. Community developers and entrepreneurs may be seeking development capital for new projects or capital for expansion. Meanwhile, apart from capital investment, for most organisations success may hinge on the essentials of ensuring that revenue liabilities can be addressed through clear identification of future income streams.

Recommendation 3: Increasing access to finance

- 3(a) Establishing a regional or local capital endowment/grant funds for stewards and similar small organisations.**

Stewards and small-scale community developer and entrepreneur organisations, many of which will be volunteer run, will require occasional capital funds for structural repairs, cyclical maintenance, renewal and improvements. To meet these liabilities, such organisations will need access to funding streams, combined with technical support. In recognition of the size of the organisations, the public benefits they deliver and the low call they make on public funds, the administration of such funds should not be unduly burdensome. Nevertheless, they should be required to make a proportional contribution and demonstrate their public benefit by an appropriate assessment/measurement system. A range of funders could be sought to engage with developing this concept including the Big Society Bank, Big Lottery Fund, OCS

(Community First), Community Foundations, local authorities and other public authorities, local and national charitable trusts and foundations.

3(b) Enabling the provision of blended finance models of risk, and working and patient capital for community developer and entrepreneur organisations.

Community developers seeking to take up service delivery opportunities, while adapting/moving to appropriate venues, will require access to blended finance streams. Similarly, entrepreneur organisations will need access to risk, working and patient capital. Both will require this on favourable terms in recognition of the social mission provided (so completing the aspirations set out from Quirk onwards). This is a particular issue for organisations committed to the growth and development of an asset portfolio. For such CBOs, a range of agencies might be approached to expand the availability of blended investment models for capital including: the Big Society Bank, companies and individuals with private capital, and the growing number of organisations in the social investment market (Cabinet Office, 2011).

Choice of appropriate approaches to asset control: models, information and tools

Two distinctive structures are proposed for further investigation of asset control. An additional two recommendations deal with provision of information during the asset acquisition process.

- 1 The proposed large-scale disposals of parts of the public estate could create a peak in the availability of assets, while not providing sufficient time for CBOs to assemble finance, expertise or local stakeholder agreement. In response to this there could be the potential for temporary transfers to appropriate larger, specialised, not-for-private profit 'holding' bodies, which would contain a reservoir of assets for a short period. This would enable onward asset transfer to CBOs over longer time frames. Such an approach may be economically and practically viable where local authorities are seeking to transfer large portfolios of assets, such as local tenants' halls or community centres. Specific guidance around the need for community accountability of such holding structures may be required.
- 2 Community control of assets can be a complex and risky business. Financial failure is a real possibility. When this occurs, the cost for individuals and communities can be significant. The development phase, as well as the day-to-day management, can exert a heavy toll on key individuals: they may become exhausted or be expected to operate across too wide a range of skill areas. For those that came into the field to work for community benefit, the minutiae of asset management may be seen as a distraction and a deterrent. The evidence presented in this report raises the question of the circumstances in which CBOs do, and do not, need to control an asset. For many organisations ownership is central to their mission but for others, the control of an asset might be secondary: an advocacy organisation, for example, may just need somewhere to meet once a week. Renting may be highly appropriate for some kinds of service delivery or advocacy organisations.

Another model might be a form of sheltered asset control, whereby larger entrepreneur, community development or joint venture CBOs take on ownership but make assets available to smaller organisations in the field through licence, rental or part-buy options, combining this with technical assistance where required. This could release some groups from the complexity of asset management, while still providing them with the benefits of a secure base. It also offers a possible start-up strategy in those situations where public sector employees are making use of the new rights brought in by the current government to form co-operatives or social enterprises to run public services. This could permit capacity building at the very local level for organisations that wish to gradually develop their skills in managing assets. This approach may provide access to different kinds

of arrangements, where partnership and joint-ventures, as well as single-agency control, can be part of the menu. CLG, the Northern Ireland Executive, the Scottish Government, and the Welsh Assembly Government could work with key umbrella organisations and all types of CBOs (owning and non-owning) to initiate this work.

Recommendations 4(a)–(b): Appropriate approaches to asset control: models

- 4(a) Commission a review of current or past models of large-scale, not-for-private-profit holding structures, in discussion with informants from the key umbrella organisations in the field, to assess the potential advantages and disadvantages of these initiatives.**
- 4(b) Initiate a small number of action pilot projects to examine sheltered asset control in localities. These pilots should involve examining the benefits of a variety of local asset control options for key stakeholders, and should be disseminated and discussed with umbrella organisations in the field.**

Practitioners in this study have highlighted numerous difficulties with asset transferring authorities. The poor state of assets themselves, cumbersome administrative processes and inadequate financing can all compromise the potential of an asset to become a means to create local improvements. For the community assets agenda to advance in a sustained and meaningful way, the evidence presented in this report suggests an urgent need for improved and more consistent practice by transferring authorities. The supply of adequate information about the financial costs associated with assets is particularly important. Nevertheless, this appears problematic in practice due to the way public authorities aggregate running costs associated with their portfolio. To neglect this aspect, however, runs the risk of increasing the potential for failure with serious implications in financial, human and community development terms. Local authorities, CLG, the Northern Ireland Executive, the Scottish Government, and the Welsh Assembly Government should launch this work in conjunction with the range of asset-owning and managing CBOs' umbrella bodies.

Recommendations 4(c)–(d): Appropriate approaches to asset control: information and tools

- 4(c) Requiring public authorities to provide what information is available, or estimable, on maintenance and running costs of assets prior to transfer.**
- 4(d) Reviewing existing tools to assess, on a whole-life costing basis, the maintenance and ongoing investment needs of a cross-section of existing, and potential assets, of different ages and conditions, which are owned or managed by CBOs. Simple guidance should be produced on the available models, based on engagement with practitioners and public bodies, accompanied by discussion on where, and for which kinds of assets, they could be best applied.**

Assessment and measurement

The benefits and challenges arising for individual CBOs owning and managing assets, and the factors which lead to success, may be quite different. For example, volunteers running a small village hall may count maintaining the fabric of the building and taking bookings for local events as providing significant benefits. A CBO with 20 staff, owning a multi-purpose centre in an urban area and operating as a community developer, may provide benefits by organising a range of professional services targeted at highly disadvantaged groups. In some communities there can be intrinsic social benefits and emotional values attached to some assets (e.g. a heritage building or an energy facility). This can be in addition to, or separate from, the services it offers or the opportunities it provides.

Most practitioners find it difficult to articulate the causal chain between aims, activities, programme benefits and how the asset contributed to these. Any single organisation faces formidable conceptual and logistical challenges in trying to assess these factors. Similarly, distinguishing whether benefits are accruing for the organisation or for a defined community is problematic in most cases, particularly for smaller groups.

There are well-known problems in attributing long-term benefits in a disadvantaged area to the actions of any one intervention. This is due to the effects of multi-causality: there are many agencies and programmes operating and the effect of external factors, such as the performance of the wider economy, may play a significant role. To gain an understanding of how different agencies operating together can contribute to local benefits, it may be more plausible to examine the local social ecology of organisations.

Statistical measures beyond counting simple outputs are difficult. Many of the intended benefits and outcomes of the ownership and management of assets by CBOs are harder to quantify. For larger entrepreneur organisations, for example, Social Return on Investment (SROI) might be useful, but the resource requirements involved in such an approach to measurement, as well as the commitment required from an asset's key stakeholders, may dwarf the scale of the actual work being assessed. A wide range of other tools has been developed by key umbrella organisations both in and outside this field (including: Locality, Community Matters, ACRE, Charities Evaluation Service, New Economics Foundation and Social Audit Network) with different foci. They aim to measure various different aspects: the management and governance of an organisation; the quality of services; satisfaction of users; improvements in clients' welfare; wider organisational impact; local economic effects; and there are emerging processes to assess well-being and happiness.

Despite these difficulties and differences, organisations need to be accountable to local communities. Where public assets are transferred to CBOs (especially if the sale or transfer is at less than market value), there is a reasonable expectation of transparency concerning the outcomes and benefits sought – and achieved – towards meeting social missions, as well as the corporate mission of transferring public bodies. Assessment of the benefit an organisation is providing should however be seen as encouraging internal learning rather than as a demand from funders. A commitment to the idea of timely and balanced measurement (Paton, 2003) may be most likely to reconcile a tension between, on the one hand, arguing that assessment is impossible, and, on the other hand, demanding a disproportionate burden of measurement and exactitude, beyond the scope of what is either reasonable or credible.

The diversity uncovered by the survey and represented by the community assets spectrum means that a standard measurement process is unlikely to be appropriate for this field. Stewards, community developers and entrepreneurs will have different items to assess, and to different levels. Furthermore, other factors discussed earlier (such as their business model, type of asset, etc.) will also affect what is most appropriate to assess. However, investment is required from organisations, such as the Big Lottery and other foundations, to assist different types of CBOs choose from, and adopt, a range of proportionate, locally meaningful measurement systems. This should include measures for a more systematic scrutiny of the public and community benefits arising from the efforts of these organisations. Such processes are, of course, not unique to CBOs in the asset field, and learning can be gained from elsewhere in the community sector.

Recommendation 5: Devising, adapting and advising on proportionate approaches to measurement and assessment

Key networks in the field, in conjunction with funders, should move the assessment agenda forward and support umbrellas to co-ordinate work by funding a series of pilot projects across different constituencies. The aim will be to devise, adapt and advise on practicable,

robust and proportionate assessment methods appropriate to different types of organisations in the field. These need to be meaningful to both internal and external stakeholders. It is recommended that this should include processes to gain an understanding of how different agencies in a locality operate together to contribute to local benefits.

7 Conclusions

Building on the data presented in earlier chapters, a series of ideas and options about the future development of community control of assets has been presented. The recommendations require actions in two separate areas.

Community sector umbrella organisations will have to come together to sponsor an agency that can co-ordinate their several agendas. There is a need for a broad-based support structure for CBOs that own, or aspire to own, assets. Existing agencies, community-based umbrella organisations, foundations and private sector investors (including social venture investors) should come together to establish and resource the agenda in conjunction with governments in England, Northern Ireland, Scotland and Wales.

Central government will need to work together with local government to ensure that their words and actions are in tune.

The policies of the coalition government, as was the case with their predecessors, have shone a bright light on communities and neighbourhoods. There continues to be an emphasis on community control, engagement and empowerment in public services design and delivery, and both civic and civil life. The ownership and management of assets by CBOs can be seen as a central component, in England, of both localism and the Big Society. There is similar thinking developing in Wales, as well as Scotland where there are different historical roots. In Northern Ireland too, with investment declining, some rationalisation and re-thinking of how community facilities are to be managed appears imminent.

This is a period of unprecedented opportunity for those interested in the control of assets by CBOs working for public benefit. The research presented here paints a complex picture, however, and suggests the need for a cautious and measured approach to the current policy enthusiasm. The headline message that emerges from the data is that if community control of assets is to achieve the undoubted benefits claimed for it, then appropriate conditions must prevail. Some of those conditions – human, physical, environmental and financial – can be met through individuals and relationships on the ground.

However, there is no escaping the fact that CBOs also require adequate, sustained and multi-faceted technical aid and financial investment. At a time of cuts and cutbacks, that finding might struggle to be recognised. However, if the field is to thrive, fulfilling the hopes and aspirations that many have for it, it is essential that this finding should not go unheeded.

Notes

- 1 The networks approached were: Action with Communities in Rural England (ACRE); bassac; Community Matters; Community Foundation Network; Cooperatives UK; Development Trust Association (DTA); Federation of City Farms and Community Gardens (FCFCG); NAVCA (umbrella for local support and development organisations); National Council for Voluntary Organisations (NCVO); Northern Ireland Council for Voluntary Action; Plunkett Foundation; Scottish Council for Voluntary Organisations; Wales Council for Voluntary Action.
- 2 A description of what is meant by community-based organisations and other terminology in the field is provided in the Introduction.
- 3 The research discussed in this report is interested in the scale of asset ownership among CBOs (which may or may not have charitable status); as such, the implications of other, more general, research findings need to be treated with caution.
- 4 Capacitybuilders (2010) Capital Investment Programme. <http://www.capacitybuilders.org.uk/programmes/our-programmes/capital-investment-programme> [website now closed]. Archive versions of the site are still available through the National Archive service. Available at: <http://webarchive.nationalarchives.gov.uk/search/?query=www.capacitybuilders.org.uk&where=url> [Accessed 18 May 2011]
- 5 The Meanwhile Project. <http://www.meanwhile.org.uk/about-us>
- 6 Department for Communities and Local Government (2011) *New Homes Bonus: Final Scheme Design* www.communities.gov.uk/publications/housing/finalschemedesign [Accessed 21 June 2011]
- 7 Statutory Instrument No. 987 Community Infrastructure Levy (Amendment) Regulations 2011, made 28 March 2011, coming into force 6 April 2011.
- 8 DCLG is extending funding for the ATU by £1m into 2011–12 enabling the unit to continue to offer practical support to organisations that want to take on public assets such as youth centres, museums and former town halls for the benefit of local people ('Eric Pickles outlines action plan to support the voluntary and community sector' 1 March 2011) <http://www.communities.gov.uk/news/communities/1855026> [Accessed 3 March 2011]
- 9 Highland and Islands Enterprise (2011) Personal communication. According to HIE there were over 140 HIE and lottery assisted buyouts between 1994 and 2007.
- 10 DTA and bassac merged in April 2011 to become Locality. However, this text refers to pre-merger activities.
- 11 National Survey of Third Sector Organisations (2009). www.nstso.com [Accessed 18 May 2011]
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- 14 There is a range of agencies engaged in mapping assets in the field including national infrastructure organisations, consultancies and organisations like The Place Station (<http://www.theplacestation.org.uk/view/about>)
- 15 Locality is the name of the new organisation formed through the merger of the Development Trusts Association and bassac, and was announced in March 2011 as the successful bidder to deliver the government's Community Organisers programme.

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