

Community Assets Seminar Series

July 2011

Community asset ownership: Progress, diversity and risks?

'Community assets' is the Joseph Rowntree Foundation's (JRF's) programme of research and development that is exploring the role of community-owned land, buildings and other assets in the development of neighbourhoods. Its seminar series is a forum to discuss policy development issues relating to this agenda.

Government backing for community asset ownership and a celebration of its progress and diversity were central themes at JRF's last community assets seminar. But there were also warnings of tough challenges ahead.

Main points

- While there have been high-profile pioneers of community asset ownership and it is a flagship Government policy, there is a wide gap between these pioneers and the vast majority of organisations that own or are developing community assets. As the Government pursues its localist policies, inequalities between the most well-resourced organisations and the rest may widen.
- Asset holders are not a 'sector' with common characteristics. They are extraordinarily diverse, ranging from village hall committees to local energy projects, and can be characterised as 'stewards', 'community builders', and 'entrepreneurs', with a shared interest in or experience of owning or developing assets.
- There has been considerable progress in awareness and understanding of the benefits of community assets, both in terms of policy and at a practical level.
- There are significant risks, though, and they may be greater than when the Quirk Review was published in 2007. The risks include a lack of capacity and skills; a lack of finance; and an adverse global economy. Closer to home there are strong vested interests working to thwart community asset ownership.
- Against such a background, it is essential that community organisations are supported. This requires the cooperation of central and local government and financial institutions, but also a stronger culture of mutual support among asset managers themselves, coordination within government and up-to-date knowledge.

  

'Posh' pioneers bring a wealth of experience

Scott of the Antarctic was a pioneer and a trailblazer. Without the work of this upper-class adventurer others may not have followed, delegates at the last of JRF's seminars on community assets heard.

Andrew Stunell, Junior Minister at the Department of Communities and Local Government, was making the point that we should not worry too much if the pioneers of community assets are from leafy villages in Buckinghamshire rather than inner-city council estates. The avant-garde could and should share their learning and expertise.

Mr Stunell was not able to stay for the subsequent discussion. Had he done so, he might have felt less inclined to use the analogy of a heroic individual ultimately defeated by overwhelming odds.

Becoming 'more like Marple'

Mr Stunell's awareness of the issue of equality was significant, though. It had been an underlying theme throughout the previous five seminars, stretching back over nearly a year. The paradox of localism is that it offers opportunities for the innovator and experimenter, but allows others to fall behind.

This makes it more important for the 'haves' to find ways to support the 'have-nots'. Mr Stunell highlighted two areas of his Stockport constituency – well-heeled Marple and down-at-heel Offerton – and questioned why they should be so different. 'The Big Society is about enabling Offerton to have the capacity to improve and become more like Marple,' he argued.

Lord Nat Wei, the Government's former adviser on the Big Society, was not able to offer a recipe for how this should happen. Indeed he suggested many of the assets being put up for sale by public bodies and local authorities could end up in private hands rather than being taken over by community organisations.

‘Not everything is going to go private,’ he said. ‘But neither can we believe in a utopia where everything is going to be transferred. In a very British way we’re going to muddle through. Some things will be saved and some things will go into private ownership.’

While Mr Stunell argued that the Localism Bill was about ‘equalising the relationship between public bodies and local communities’ a much more mixed picture emerged from the day’s discussions, with some strong differences in tone, if not in aspiration, between different speakers.

Three kinds of asset holders

These differences – some enthusiastic and optimistic, others much more cautious – are not surprising, given the wide diversity of organisations holding and developing assets for their communities.

A report by the Institute for Voluntary Action Research (IVAR) launched alongside the seminar, *Community organisations controlling assets: A better understanding*, stressed this variety and diversity, but set out three broad typologies of asset-holding organisations. The vast majority, though the least feted by a long chalk, are very small organisations that may only have a hall or community building, often the result of a legacy or gift. These ‘stewards’ look after their single asset, usually without any paid staff, and often their activity consists mainly of hiring the building out for community uses.

While they may be small, collectively they are significant. Sylvia Brown, Chief Executive of Action for Communities in Rural England, said there were 10,000 village halls in England, only three per cent of which received local authority funding. Together they comprised £3.1bn of assets, but average running costs were only £9,000 a year, and 46 per cent of them made a surplus.

Such ‘steward’ organisations are not unique to rural areas. As consultant Marilyn Taylor pointed out, there are similar community halls and tenant centres on housing estates in many urban areas. But many have been poorly maintained and the loss of small amounts of funding could leave them vulnerable.

These organisations are very different from the more well-publicised social enterprises at the other end of the scale. Though far fewer in number, these ‘entrepreneurs’ attract attention with a policy of expansion and acquisition, often providing extensive services and holding a range of assets for community benefit. While the ‘stewards’ often held their assets through chance, ‘entrepreneurs’ tended to have a deliberate policy of buying or building, for commercial or social purposes or a mixture of the two.

Organisations like Coin Street Community Builders, with income from four housing co-ops, business premises, a neighbourhood centre with a nursery and conference facilities, and commercial car parking, are exemplars of the entrepreneurial approach.

In the middle are what the study calls ‘community developers’ – medium-sized organisations with a variety of assets, providing local services, involved in local partnerships and with paid staff. Many of these are the kind of organisations that aspire to be the next Coin Street, but often struggle to balance the books.

Mike Aiken, lead author of the report, described how during IVAR’s research ‘we had situations where people would break down in tears and say “I don’t know how much longer I can carry on”. That is a reality for some people’.

Against that, though, had to be set the achievements of those who have battled through – often starting many years ago in circumstances as financially tough as those facing today’s asset holders. As Dr Aiken put it: ‘The movement, if we can call it that, has done it from the ground up. The majority have done it and carried on doing it for a long time. So they are doing something right.’

A growing understanding

While the typology set out in the IVAR report is a rough guide rather than a strict taxonomy, and Dr Aiken was clear that organisations could evolve from one type to another, Mr Stunell said the Government found the classification helpful in informing policy. 'That description of the size and shape of the field was for me the first revelation of the report,' he commented.

Although some of the factors that led to success or failure were 'blindingly obvious', it was useful to have this knowledge anchored in research. As he put it: 'Isn't it good to have a Government minister noticing it's there and assenting to the practical aspects of the research?'

Mr Stunell made it clear that the research findings would be taken seriously in Government. That reflects the steady progress made over recent years, particularly since the Quirk Review of 2007.

Progress in policy, though, is not the same as progress on the ground. In the past the policy agenda has lagged behind the achievements of local communities, many of which have just got on with developing and managing their own assets. Now, with a glut of public assets up for sale and central Government pushing its vision for localism and the 'Big Society', the pendulum may have swung the other way, with the political agenda running ahead of organisations' capacity to deliver.

Mr Stunell recognised this as an issue, but argued that the threat of the loss of an asset such as a school or library often galvanised local people into action. In many deprived areas, he said, 'a lot of latent capacity has been suppressed' that could now be released.

Steve Wyler, Chief Executive of Locality, reminded the audience how much had been achieved by organisations such as the Burton Street Foundation in Sheffield and ABL in Bradford, which runs the Carlisle Business Centre. At a national level there was a highly successful programme of 'meanwhile' uses of shops and development sites, and the Communitybuilders fund had been the first national programme of investment in community assets.

JRF adviser Stephen Thake praised the model of the Asset Transfer Unit, funded by Government to help public bodies and community organisations looking to transfer assets. In four years, from a 'standing start', the unit had supported more than 1,000 transfers.

Global threats and local risks

But the seminar, like those before it, also revealed worries and tensions about the risks involved in pushing the agenda of community asset ownership at a time of public spending cuts and the withdrawal of support from much of the voluntary and community sector.

As Dr Thake pointed out, those risks are global as well as local. The world financial system may not have experienced the last of its shocks, and any further tremors would inevitably ripple out into the policies and spending decisions of national governments.

Referring back to the Quirk report, Dr Thake described how Lewisham Council Chief Executive Barry Quirk became an enthusiast for community asset ownership during its preparation, while he had grown more cautious. 'I led the bit to make sure everybody understood that the risks could be managed. If they're not managed the consequences could be dire,' he said.

Since then, he argued, governments have responded to the world financial crisis by 'turning on their electorates', removing welfare entitlements and public services.

'If governments are ripping up the social contract the UK Government needs to be honest,' he argued. 'Community organisations large and small, old and new, are going to have to play a greater part.

'In times of crisis such as this a healthy community sector is not an optional extra. Without a substantial infrastructure in place the pain at local level will be greater and the demands on central Government will be more.'

As well as the familiar risks of leadership, financial management and business planning discussed in previous seminars, Dr Thake spotlighted the risk of muddle and confusion. After a decade in which the community sector and community assets had moved centre stage, he said, there was still no shared database of information, no coordination between central Government departments, and no independent national forum to prevent 'squabbling' among the community sector and its representatives.

Meanwhile there is also the risk that Government will fail to follow the logic of its own policies. Nigel Lowthrop, founder of Hill Holt Wood, voiced frustration at the Department of Work and Pensions' decision to tender Work Programme contracts in packages that favoured larger private companies: 'I'm in favour of Big Society and localism – unfortunately I don't think central Government are. Why are DWP going for 10 year contracts of massive scale?'

While there are risks of confusion and frustration within Government, there is opposition from outside too. Steve Wyler referred to 'determined blockers' who saw community asset ownership as a threat – especially the Country Land and Business Association, which represents 35,000 landowners who between them own more than half the acreage of England. For them, the community right to buy proposed in the Localism Bill threatens their own concepts of stewardship.

A risk worth taking?

So the debate turns to the kind of support community organisations need, as it has done throughout the series of seminars.

Speakers described an enormous amount of innovation among groups who simply want to get things done. But they do not all need the same kind of support. Some 'steward' organisations, for example, might need a grant of £40,000 every 40 years to fix the roof rather than ongoing support.

Endowments are another option. This is being considered within the Government's Community First scheme, with a £50m fund that which could be used to give groups the time and space to develop or save local assets. Lord Wei suggested this might be particularly appropriate for very deprived or rural areas where there were few suitable spaces for community use.

But money is just part of the jigsaw. Coordination and integration with other local services is essential. As Sylvia Brown observed, policy-makers had to think of whole communities, not just community organisations.

Local authorities in particular will need to rethink their role in a very difficult context. Several speakers spoke of how unhelpful or distant local government had been. Stephen Thake reminded participants that councils were in an unprecedented position.

'It's easy to beat up local authorities – you think of the sort of officers and politicians who run them and they're being asked to deal with stuff they've never had to deal with before. It's an absolutely game-changing agenda and they are terrified. They go back to the rule books and the rule books don't help them,' he commented.

It was left to Steve Wyler to try to boil down the issues to three key points. First, he said, we had to explore and build the links between asset ownership and service transformation. Some of the best examples of asset ownership, such as Fresh Horizons in Huddersfield, also involved rethinking the design and delivery of local services.

Second, he recalled the Quirk Report's firm conclusion that the benefits of community asset ownership outweighed the risks and asked whether this was still the case – noting that the IVAR report reaches a cautious conclusion in highlighting the wide range of success factors needed for risks to be successfully managed.

Third, he called for regular field surveys to inform and develop our knowledge. These could be done by community groups and local authorities rather than necessarily through further academic research, but it was vital to know what was really happening.

Ultimately, few at any of the seminars demurred about the importance and potential of community asset ownership. The differences concerned issues of equality – how to make sure the disadvantaged did not get left further behind – and the degree of risk worth taking. Nobody – including representatives of Government – disagreed that community asset owners and developers need more and better support.

That may be where we should return to Scott of the Antarctic. He might have been a pioneer and a hero, but he did not survive because his supplies ran out and his communications were cut off. Community-based organisations face similar challenges. If they cannot meet them in partnership with central and local government their long walk, like the famous walk of Captain Oates, may take some time.

- Slides from the day are available at: http://www.jrf.org.uk/events/community-assets-seminar-series

- The report by Mike Aiken et al, *Community organisations controlling assets: A better understanding*, is available at http://www.jrf.org.uk/publications/community-organisations-controlling-assets

About the author

This summary was produced by Julian Dobson for JRF. Julian is a writer, speaker and commentator on regeneration, placemaking and social policy. He works as a trainer and facilitator, helping organisations find creative solutions to the problems of place. Julian was the founding editor of New Start magazine and is director of Urban Pollinators, a placemaking consultancy.

Other formats available.

Tel: 01904 615905 email: info@jrf.org.uk

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