



# **LOCAL DELIVERY**

Protecting social infrastructure

By Grace Newcombe

# About Localis

## Who we are

We are a leading, independent think tank that was established in 2001. Our work promotes neo-localist ideas through research, events and commentary, covering a range of local and national domestic policy issues.

## Neo-localism

Our research and policy programme is guided by the concept of neo-localism. Neo-localism is about giving places and people more control over the effects of globalisation. It is positive about promoting economic prosperity, but also enhancing other aspects of people's lives such as family and culture. It is not anti-globalisation, but wants to bend the mainstream of social and economic policy so that place is put at the centre of political thinking.

In particular our work is focused on four areas:

- **Reshaping our economy.** How places can take control of their economies and drive local growth.
- **Culture, tradition and beauty.** Crafting policy to help our heritage, physical environment and cultural life continue to enrich our lives.
- **Reforming public services.** Ideas to help save the public services and institutions upon which many in society depend.
- **Improving family life.** Fresh thinking to ensure the UK remains one of the most family-friendly places in the world.

## What we do

We publish research throughout the year, from extensive reports to shorter pamphlets, on a diverse range of policy areas. We run a broad events programme, including roundtable discussions, panel events and an extensive party conference programme. We also run a membership network of local authorities and corporate fellows.

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- **Danny Dawes** — Grandad's Front Room

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Any errors or omissions remain my own.

## Advisory panel

This research project was supported by an advisory panel, whose members are listed below. Advisory panel members provided one-on-one advice, attended an editorial roundtable and provided comments on report drafts. They may not necessarily agree with every analysis and recommendation made in the report.

- **Mr Tony Armstrong** — Chief Executive, Locality
- **Mr Malcolm Brown** — Director of Mission and Public Affairs, Archbishops Council, The Church of England
- **Ms Miriam Juan-Torres Gonzalez** — Senior Researcher, More in Common
- **Mr Richard Harries** — Director of Research, Power to Change
- **Mr Jonathan Owen** — Chief Executive, National Association of Local Councils
- **Ms Jo Phillips** — Writer, Broadcaster and Political/ Public Affairs strategist
- **Ms Asra Shakoor** — Specialist Policy Adviser, MHCLG

# Preface

The research for this report, and much of the writing, was carried out in late 2019 and early 2020. During the project, Britain's COVID-19 crisis had not yet hit the groups, societies and organisations studied; nor had its implications for their business models and social functions become clear. As we release this report, in May 2020, the crisis has threatened the existence of community assets like hub spaces, even as it has brought to the fore their significance to society in the most challenging of times. The need for community delivery of vital social infrastructure is more glaringly apparent than anyone could have realised at the outset of the project.

The pandemic has had an overwhelming effect on the way communities operate. Communities across the country have made rapid efforts to respond to the needs of their community: from pubs donating and delivering meals to the most vulnerable; the creation of online neighbourhood hubs to maintain social networks; community shops coordinating the delivery of essentials, to young farmers groups delivering prescriptions in remote rural areas. The resilience and ability of residents to adapt and mobilise will shape the outcomes for people and places. But without understanding how social infrastructure can be strengthened during and after this crisis, there is a real risk that praising the resilience of communities will be reduced to a platitudinal soundbite. The local charities, social enterprises and community groups that underpin hyper-local resilience exist in a policy environment, under continual financial pressure. Alleviating this pressure depends on improving and expanding the policy. The crisis has made the presence of our social infrastructure, often invisible to most of us, blindingly obvious. We cannot take it for granted in the aftermath.

Perhaps as a result of our tendency to take for granted the organisations and associations that form social infrastructure, charitable organisations were among the last to receive confirmation of help from the Treasury - even as the sector absorbed major blows. Those community-run hubs that operate on a trading model, such as cafes, were hit by the immediate loss of their ability to deliver their service and generate revenue. Some hub spaces also benefit from rental income, which again saw a decline commensurate to the nationwide drop in economic activity caused by the necessity of social distancing. At the same time, many of these community organisations remained responsible for providing services to the most vulnerable in their area and had to continue to operate without income.

For local government, the effects of the pandemic have come close to delivering fatal blows to public service lines already stretched to their limits by a decade of austerity. Community organisations have been working with councils throughout the crisis through the creation of community support hubs, enabling people to find help or to volunteer to support others. For example, Kirklees Council is working alongside citizens and local organisations on a co-ordinated Covid-19 Community Response – a place-based approach that includes four new

Community Response hubs and the 'We are with you' support blog - sharing advice and information to all those involved. Additionally, lots of councils have launched emergency campaigns, such as the 'Here for Swindon' campaign to support communities and businesses. The work of councils has been recognised in the form of billions promised – this support must be further extended to community organisations, both by central and local government, now and into the future.

In the aftermath of this crisis, central government must act urgently to shore up community policy. The manifestos of the 2020 election revealed a broad, cross-party commitment to the concept of local communities taking control of delivering social infrastructure. This must not be forgotten in the process of post-Covid recovery. In fact efforts to devise policy to aid community groups in the process must be redoubled.

# Executive Summary

Community groups are becoming increasingly interested in assuming greater responsibility over their local services. This is a positive step towards genuine grassroots devolution. At present, however, devolution in responsibility from local authorities to community groups can be overly complex and is often compounded by the fiscal pressure felt by councils to sell assets. Physical assets act as centres in community life - be they local businesses, commons or high streets serving as economic or social anchors. Individually or collectively, these assets are hubs providing vital social infrastructure to support their local communities.

## Community hubs and community assets

The term 'community hub' is relatively ambiguous, as hubs are highly diverse in their operation and service provision. At the traditional end of the spectrum, hubs constitute community centres - often with a team of paid staff that raise funds or run social enterprises allowing the delivery of local programmes at a larger scale. At the other end of the spectrum, more informal hubs are emerging that are often entirely volunteer-run and operate on minimal resources.

Community hubs exist to meet the demand for social infrastructure capacity – a need that has in recent years been driven by the overarching issues of globalisation and austerities in public finances. Globalisation - the UK's economic, social, cultural and political interdependence and interconnectedness with other parts of the world - has a significant influence on the everyday lives of people. Globalisation has made it easier for new companies to start competing with old incumbents<sup>1</sup>. In many communities, this has resulted in the establishment and often appropriation of local goods and services by larger global companies.

There have always been hubs for the community beyond those with the type of commercial models likely to be disrupted by globalisation, but they have predominantly been under council ownership. Nearly a decade of austerity in public finances following the 2008 global financial crisis has reshaped British society, degrading council budgets for discretionary local services as well as public safety, housing and welfare. Discretionary assets such as parks, libraries and museums have often ended up being sold or have fallen into disrepair<sup>2</sup>. Green spaces are particularly at risk as their provision is non-statutory. Policies responding to austerity frequently focus on short-term economic gains. As such, building resilience and enhancing the coping mechanisms of local hubs are often low priority<sup>3</sup>. In the face of permanent closure, communities have often united to raise money to save pivotal local assets of social value.

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1 European Centre for International Economic Policy (2018) - The Economic Benefits of Globalization for Business and Consumers

2 People, Place and Policy Online (2019) - Blame it on austerity? Examining the impetus behind London's changing green space governance

3 International Journal of the Commons (2016) - Globalization impacts on local commons: multiscale strategies for socioeconomic and ecological resilience



Not only has the number of community-owned hubs increased over the past decade, they have also diversified away from the classic social roles of parks or community centres and toward more innovative varieties, as a response to specific area needs. The presence of these hubs provides positive local impacts, most frequently by ensuring the provision of a community space and a variety of services that would otherwise be lacking in the area. Some of these services may be vital in providing a lifeline for some individuals in the community, such as those struggling with mental health or social isolation. Overall, community hubs significantly contribute to the health, wellbeing and social cohesion of the community.



### What makes a successful community hub?

Financial sustainability of hubs is optimised by the acquisition and development of assets and creativity in developing income streams. There is a synergy between these two strategies. Control of assets allows for the provision of services and activities required to meet the initial needs of the community. The assets allow for a diversification of income streams by offering a greater range of services and activities. But success extends beyond finances. To ensure the effective management or ownership of local assets, community groups need empowerment from a commitment to collaboration on the part of their local authority partners. Volunteers and widespread community involvement also improve resilience and viability of hubs, ensuring a base of support. Close community participation enables the individual hub to be hyper-aware of the dynamic needs of the community and to adapt accordingly.

### Achieving community management or ownership

Under the scheme called 'Assets of Community Value' (ACV), as part of the community empowerment agenda, a local council is required to maintain a list of ACVs. If an asset has been listed and the landowner wants to sell that asset, they must inform their council. If a community group wants to buy that asset, they can exercise the Community Right to Bid, triggering a six-month moratorium that gives them a chance to develop a proposal, raise capital and prepare a bid for it. The issue with the six-month moratorium for community groups, however, is the difficulty in accessing finance in such a short window. Furthermore, many groups struggle to put together the funds for a pre-feasibility assessment of their bid and are discouraged. Moving forward, it is important that communities are enabled by government finance to compete on an even footing to preserve assets of value to both local society and public health and wellbeing.

A community group may at any time apply to the council for a Community Asset Transfer (CAT) of a property owned by the council. This could include any council-owned asset that has already been listed as an ACV or could be an asset

that has not been listed. A community group may come forward for a wide range of reasons relating to services, facilities or other community activities they wish to provide or promote through their use of a council-owned asset - and the council should then consider all suggestions in line with the CAT policy. However, as the case studies in this report demonstrate, the desirability of complete transfer varies wildly depending on a variety of local factors, leaving many potentially valuable community buildings either demolished or derelict. A more nuanced asset transfer arrangement would help keep vital facilities such as libraries alive.

## Moving towards genuine local delivery

National government must set the conditions for community institutions to increase capacity and give them the ability to take on devolved power, responsibilities and resources. Currently, community asset transfer is the most widespread and effective lever for community groups to achieve ownership or management, and act locally. But it still relies too much on local capacity and resources, which are key determinants in the type of community asset transfer and to whether it is successful.

When first introduced, the Localism Act 2011 was pioneering, the catalyst for devolution of powers from central government to communities. As progressive legislation, while there has been a marked success, there is much to be improved upon. Current issues that arose in the research for this report worthy of a considered policy response can be split into recommendations to central and local government, many of which are based around advancing the principles established in the 2011 Act.

### Recommendations

#### Local government policy

**There must be more consistency across the local government sector in recognising the importance of local social infrastructure.** Local government can also play a key role in fostering a network of community organisations, groups and hubs where resources and knowledge can be shared locally. To strengthen and enhance the hyper-local resilience fostered by community hubs, councils should have an active community assets register taking stock of physical assets, hub spaces and community enterprises.

**Social investment should come in the form of low-cost loans from local authorities as part of 'co-investment'.**

- This retains the local authority stake in asset management whilst allowing for community control.
- 'Payback' for loans should encompass non-financial capital benefits such as health and wellbeing dividends of park management.
- There are instances where the benefits can only be measured over time – for instance health and wellbeing impact of access to green space needs to be measured in conjunction with local primary care health services.

**Local authorities should promote investment in community groups as a positive factor in the evaluation of social value elements when awarding public contracts.**

## Central government policy

**Secured and core funding should be made more readily available by central government for community bids.** This could include:

- Ring-fencing funds from national bodies such as the National Lottery Community Fund for community ownership (as seen in Scotland). The awarding of funds should be as unrestrictive as possible, giving the group freedom and autonomy to do with it what they see fit.
- Extra support and resources should be allocated for community organisations in less affluent areas.
- People who volunteer on a regular basis should not face benefit cuts – in more deprived areas this is vital to enable local people to take the initiative and build community capacity.

**Community Asset Transfer should be redesigned with more stringent recognition of liabilities taken on by community groups.**

- Councils should be required to hand over buildings in good condition to ensure security of tenure or provide a reduction in the transfer cost to the community to cover liability costs.

**Central government should establish a fund to provide access to pre-feasibility and feasibility funding (early-stage development funding), rather than funding provided once there is more certainty in the project.**

- This will ensure that the prospect of community ownership has been given a fair hearing in the right to bid process.
- This could be a project co-designed with the LGA/organisations such as Localis or Power to Change with a view to providing a template for evaluation.

**The six-month moratorium in selling an asset which is currently allowed to the community under Right to Bid should be extended to 12 months.**

**Provision of parks and open spaces alongside support for 'friends of' groups should be a statutory requirement for councils. COVID19 has starkly highlighted the inequalities in access to open space, be it a courtyard, park, allotment or balcony. While some of this can be addressed through planning and building policy, it could be relatively quick and simple for people in a street or estate to organise regular car free days IF they have the support of the local authority.**

# 1. Introduction

Community empowerment has varying definitions, but most suggest a transfer of power over decision-making or the allocation of resources from the centre to the periphery. Empowerment is frequently part of a wider strategy to engage local communities at the neighbourhood level under rhetorical pennants such as localism, decentralisation, and devolution. However, are these strategies effective in increasing agency at the local level, or do they simply rearrange institutional structures without redistributing autonomy?

## Current picture

There is a prevailing narrative that since 2010, local government has absorbed significant cuts without significant detriment to local service provision – if we are to judge by the standard of the LGA's Resident Satisfaction Surveys. Although councils have performed valiantly under the circumstances and despite efforts of local authorities to mitigate the effects, the rate and scale of cuts inevitably led to frontline local services being reduced and levels of inequality being exacerbated. The nature of cuts to local services has been unequally felt in different parts of the country, with more deprived authorities and those more dependent on government grants experiencing the greatest reductions<sup>4</sup>.

Community groups are becoming increasingly interested in assuming greater responsibility over their local services. This is a positive step towards devolution. Genuine devolution involves encouraging engagement and empowerment through strengthening community groups and networks, so they have more control over funding and budgets - while supporting them to have greater influence over policies affecting the local area<sup>5</sup>. At present, however, devolution in responsibility from local authorities to community groups can be overly complex and is often compounded by the fiscal pressure felt by councils to sell assets.

Physical assets act as centres in community life - be they local businesses, commons or high streets acting as economic or social anchors. Individually or collectively, these assets are hubs providing vital social infrastructure to support their local communities.

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<sup>4</sup> Local government finance and spending review (2019) – Reduced funding for local government

<sup>5</sup> Cornwall Council (2015) – Localism and devolution a fresh approach

## 2. Community hubs

### Defining 'community hubs'

A community hub is a building or space that is open and accessible to the local community, providing any service that local people want and need. They operate on a community-led governance structure, whereby decisions are made by members of the community.

The term community hub is relatively ambiguous, as hubs are highly diverse in their operation and service provision. At the traditional end of the spectrum, hubs constitute community centres - often with a team of paid staff that raise funds or run social enterprises allowing the delivery of local programmes at a larger scale. At the other end of the spectrum, more informal hubs are emerging that are often entirely volunteer-run and operate on minimal resources. The spectrum is inclusive of community-owned and run businesses and the maintenance of local assets co-managed by community groups. Services provided by hubs could cover anything from a local shop to a forest school to a man shed. Under this umbrella term of community hubs, this report will examine two types:

- Community businesses
- Community assets

We have defined a community hub as being an individual entity, but it should also be considered a collective. A community hub could be interpreted in the broader sense of a shared common space providing social infrastructure, in a way akin to a high street, that is inclusive of individual hubs across the spectrum.

Local Trust conducted a study investigating the role of community hubs, whose surveys identified the following characteristics<sup>6</sup>:

- 58% are hyper-local (small neighbourhood).
- They operate a very wide range of activities: most commonly the provision of a community hall, sports and fitness activities and educational activities.
- Not all activities are delivered by the community hub organisation, frequently delivered by organisations that are using the hub space.
- Often have multiple sources of income, most commonly a combination of meeting room or hall hire, grants and office or workspace rental.

There have always been hubs for the community, but they have predominantly been under council ownership. Not only has the number of community-owned hubs increased over the past decade, they have also diversified away from the classic social roles of a community centre to more innovative varieties and uses,

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<sup>6</sup> Local Trust (2019) - Community hubs: Understanding survival and success

as a response to the needs of their respective area.

Every community hub is different, influenced by the environment within which it exists and its community creators and members. The presence of community hubs provides positive local impacts, most frequently by ensuring the provision of a community space and a variety of services that would otherwise be lacking in the area. Some of these services may be vital in providing a lifeline for some individuals in the community, such as those struggling with mental health or social isolation. Overall, community hubs significantly contribute to the health, wellbeing and social cohesion of a community.

## Success factors

The number of community hubs has increased and is continuing to increase in England<sup>7</sup>.

Three key factors can be attributed to community hub success:

- i. Financial sustainability
- ii. Strong partnership commitment
- iii. Community engagement

Financial sustainability of hubs is optimised by the acquisition and development of assets and creativity in developing income streams. There is a synergy between these two strategies. Control of assets allows for the provision of services and activities required to meet the initial needs of the community. The assets allow for a diversification of income streams by offering a greater range of services and activities. Once established, capital can be generated to invest in developing the assets to provide further capital. An example would be leasing extra space to local groups or establishing a community business<sup>8</sup>.

Success extends well beyond finances. An equally crucial success factor is the local authority's commitment to partnership and their ensuing relationship with the community group<sup>9</sup>. Despite increasing dependence on community groups, a perceived loss of power, possession of expertise and lack of training in managing volunteers can sometimes create animosity between the two factions<sup>10</sup>. To ensure the effective management or ownership of local assets, community groups need empowerment from a commitment to collaboration on the part of their local authority partners.

Community engagement is also identified as a vital factor<sup>11</sup>. Volunteers and widespread community involvement improve resilience and viability of the hub, ensuring a base of support. Close community participation enables the hub to be hyper-aware of the dynamic needs of the community and to adapt accordingly.

## Globalisation, austerity and community hubs

Community hubs exist to meet the demand for social infrastructure capacity – a need that has in recent years been driven by the overarching issues of globalisation and austerities in public finances.

Globalisation - the UK's economic, social, cultural and political interdependence

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<sup>7</sup> Power to Change (2016) – The Community Business Market in 2016

<sup>8</sup> Power to Change (2018) – What works: Successful Community Hubs

<sup>9</sup> Local Trust (2019) – Community Hubs: Understanding Survival and Success

<sup>10</sup> Leisure Studies (2002) - Partnerships in action: strategies for the development of voluntary community groups in urban parks

<sup>11</sup> Local Trust (2019) - Community hubs: Understanding survival and success

and interconnectedness with other parts of the world - has a significant influence on the everyday lives of people. Globalisation has made it easier for new companies to start competing with old incumbents<sup>12</sup>. In many communities, this has resulted in the establishment and often appropriation of local goods and services by larger global companies. A prime example is the infiltration of franchise coffee shops at the expense of local independent cafes. This common scenario results in small local businesses being outcompeted by larger national or global companies unless the community can unite to save and promote the local business by turning it into a community business. Even the 'adamantly independent' Devonian market town of Totnes had to eventually relent to the admission of global coffee chains.<sup>13</sup>

Nearly a decade of austerity in public finances following the 2008 global financial crisis has reshaped British society, degrading council budgets for discretionary local services as well as public safety, housing and welfare. Local authorities suffered a significant fall in revenue<sup>14</sup>, causing a reduction and reallocation of funds, often away from the protection of local hubs such as businesses and assets.

Local businesses have faced financial struggles over the last decade with the disposal of property and buildings - a common response to plugging budget gaps. Discretionary assets such as parks, libraries and museums have ended up being sold or have fallen into disrepair<sup>15</sup>. Green spaces are particularly at risk as their provision is non-statutory. Policies responding to austerity frequently focus on short-term economic gains. As such, building resilience and enhancing the coping mechanisms of local hubs are often low priority<sup>16</sup>. In the face of permanent closure, communities have often united to raise money to save pivotal local assets of social value.

Continual underfunding of local hubs has been an issue for decades, a problem exacerbated by England's growing and ageing population<sup>17</sup>. The link between mental health and socio-economic circumstance has become more evident as cuts and financial uncertainty are the primary cause of a rise in mental health issues and increased demand for mental health support<sup>18</sup>. Importantly, the establishment of certain hubs may be driven by the urgency of a "burning platform" - a failure to provide certain vital services capable of tackling the increasing prevalence of health and social issues.

To cope with financial challenges, many local authorities have chosen to entrust management and maintenance of local hubs to community organisations. Community groups such as cooperatives, friends-of-the-park groups and charities have taken on responsibilities for some local hubs for which councils used to have exclusive charge. With a reduction in the local authority's role and funding, these additional partners have become part of an extended ecosystem of governance

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12 European Centre for International Economic Policy (2018) - The Economic Benefits of Globalization for Business and Consumers

13 Daily Mail (2019) - Britain's 'most independent' town finally gets a Cafe Nero after holding out against coffee chains that have overtaken the rest of the UK

14 New York Times (2019) - What is Austerity and how has it affected British society?

15 People, Place and Policy Online (2019) - Blame it on austerity? Examining the impetus behind London's changing green space governance

16 International Journal of the Commons (2016) - Globalization impacts on local commons: multiscale strategies for socioeconomic and ecological resilience

17 Ibid

18 The Children's Society (2016) - Poor Mental Health: The links between child poverty and mental health problems

for local social infrastructure<sup>19</sup>. A consultation document on the ownership and management of England's woodland stated that, "It's time for the Government to step back and allow those who are most involved .... to play a much greater role in [their] future"<sup>20</sup> - a sentiment replicated across all underfunded and threatened local services and assets of social value.

## The impact of community hubs

The impact of community hubs varies between type of hub and depth of local resources and capacities, but all can achieve a variety of high-value benefits:

- Building cohesive, resilient communities and services;
- Provide a focus of community-led regeneration;
- Local retention of value and social infrastructure.

Hubs can bring people together to form new relationships and social networks, while offering a local base to access services. Often described as a "safe, secure space", one of the most important impacts is the role of hubs to provide early intervention services, as a self-help response<sup>21</sup>. This is particularly important in communities heavily affected by austerity and service cuts, which might otherwise be denuded of the necessary services.

Asset acquisition provides a space that often acts as a stimulus to develop local activities, projects and businesses. As an economic anchor, hubs provide a base for local jobs and services and can animate local economic activity and development. By functioning as a trading business, they do not rely on a single source of income and can respond quickly to local needs<sup>22</sup>. The generation of profit enables sustainable local job creation over time, a particularly valuable impact in low-income areas or areas of stagnation. Revenue from community businesses is retained locally and can be reinvested into the business or into other areas of the community. This revenue can help generate growth and resilience within the community where local government funding is lacking. As well as providing sustainable jobs and local reinvestment, community enterprises frequently champion local producers, further stimulating the local economy.

By nature, as providing social infrastructure, assets are needed by the community. They are highly valued by residents and maintaining them enhances wellbeing and quality of life<sup>23</sup>. As such, community groups are often better acquainted with the asset and can often provide more targeted attention than a local authority can. Community groups have been observed to be a mechanism to shift some of the funding burden away from the council. Existing as a different type of entity, community groups may also have access to funding that is unavailable to local government. By relieving an immediate funding pressure from the council, more financial resources would be available for local authorities to allocate within the community.

The importance of community hubs lies in their ability to dynamically adapt to unique community requirements that local authorities are too far removed and underfunded to provide for. They are a vehicle to help build "social capital", resilience and trust in increasingly strained communities. For some communities, hub spaces provide a vital lifeline.

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<sup>19</sup> Landscape and Urban Planning (2015) - Place-keeping in action: evaluating the capacity of green space partnerships in England.

<sup>20</sup> DEFRA (2011) - New direction for England's public forest estate

<sup>21</sup> Locality (2016) - Community Hubs

<sup>22</sup> Ibid

<sup>23</sup> ISPRS (2005) - Isolation Trends of Urban Spaces





### **Case Study: Grandad's Front Room, Bognor**

Established for the sole purpose of helping the local community, 'Grandad's Front Room' completely encompasses the notion of a community hub. They aim to bring the community closer together to facilitate positive change and hope and have won awards for their dedication.

Grandad's Front Room developed from upcycling and selling-on furniture, before realising that there would be greater value in giving away the furniture to those that needed it. The hub provides everything from a drop-in lounge to a regular men's shed, from a community allotment to a lending place. They are proactive and reactive to the needs of the community and the organisation. As Grandad's Front Room became more involved in the community, the disjointed nature and inefficiencies of existing community groups was made readily apparent.

With the "you're only as strong as your weakest link" mentality, the hub now facilitates gatherings and networking events to improve social cohesion between local groups, for the benefit of the entire community.

#### **Community Ownership Model**

Grandad's Front Room is privately owned as a not-for-profit Community Interest Company (CIC) which exists to benefit the community rather than private shareholders. The composition of a CIC allows for a "lock" on its assets, all of which must be used for the community purpose. All funding comes from grant giving, donations or sales and is used to maintain the hub and achieve its goals. As the social objectives are protected, CIC's can be increasingly successful in attracting grant-funding.

The CIC has four directors and is an organisation run by many individuals who are representative of the wider community of Bognor Regis and rely on the support the hub gives. Grandad's Front Room is successful as a socially responsible enterprise and has achieved this independently, with minimum council support.

#### **Why it works**

The success of Grandad's Front Room is due to two factors: a desperate community need; and genuine individual altruism.

The 2019 Index of Multiple Deprivation shows levels of deprivation in Bognor Regis to be higher than both the national average and the average for West Sussex. Those living in high areas of deprivation are generally far more reliant on the provision of local services, with there being a positive correlation between deprivation and need. It has been anecdotally observed in the region that mental health and anxiety has also been increasing. The owner and founder of Grandad's Front Room, Danny Dawes, is passionate about the community and deeply understands their specific needs. His altruistic

and outspoken nature has encouraged the same throughout the community, invoking a cascade of community compassion. Community members involved in Grandad's Front Room are responding to both their own needs and those of the community at large.

While there were community organisations before the conception of Grandad's Front Room, they were self-contained and only presented their services when needed. Now, with the help of Grandad's Front Room, community groups in Bognor Regis have collaborated and gained a voice, becoming more active in demanding and implementing change.

Grandad's Front Room has been able to provide community infrastructure, cohesion and a network championing "empowerment and enablement", cited as the most important aspects, not just to this hub, but to the wider community.

### Challenges

Unquestionably the biggest challenge faced by Grandad's Front Room is funding. The major issue is accessing funding streams, especially for core funding to cover basic costs such as wages and rent. This has become an increasingly pressing issue as business rates have increased to the highest throughout in the hub's existence.

For Grandad's Front Room, there are two factors affecting funding. The first is having successful funding applications. Despite CICs often having higher success rates in obtaining funding due to their protective benevolence, the funding applications themselves are a significant barrier. Often a complicated and drawn-out process, a large charity would hire a specialised grant-writer. Smaller organisations do not have the capacity to hire anyone, especially an external specialist. Therefore, they are at a severe disadvantage when trying to obtain funding in competition with larger organisations.

The second factor is the nature of CICs and the lack of information surrounding the terms of their operation. As previously mentioned, CICs exist to benefit the community rather than private shareholders. Limited awareness can result in confusion regarding their ability to make a profit from either sales or fundraising. CICs are less recognised as an organisational model in comparison to a charity, for example. This can lead to an adverse public response to fundraising and to funding from corporate streams who believe the CIC to be able to turn a profit and therefore less deserving of funding.

Regardless of the type of organisation, someone must be paid for their time and bills must be paid, never mind the cost of additional resources required to keep the hub operational. Currently for many community hubs, including Grandad's Front Room, this lack of funding becomes a perpetual self-fulfilling cycle. Those prepared to dedicate most of their time to the cause can, in many cases, barely afford to live and the hub exists on the margins of collapse. Socially, Grandad's Front Room is a huge success but is financially struggling, bringing into question the long-term sustainability of the enterprise.

Grandad's Front Room is a unique example of a community hub. However, it is also a perfect case of what can be achieved in a community in the face of adversity. With the right financial support for the hub, the social rewards could be massive.

## Community hubs as businesses

The reduction in funding for local authorities results in poor maintenance and support for local business, often invoking the community to step in. Motivated by the threat of local business loss, the community has the power to unite and independently safeguard a valued asset from redevelopment.

### Defining 'community business'

Community businesses hold a symbiotic relationship with the community. They arise from an innate community need and rely extensively on the community for customers and revenue. As businesses in the traditional sense, they pursue models based on market forces and the generation of profit. The community business involves a storefront business serving a specific community, but the term could cover anything from farms to pubs, cafes to shops.

The term 'community business' came from initiatives developed in Scotland in the late 1970's and 80's<sup>24</sup>. Hayton (1996) identified certain characteristics of community businesses<sup>25</sup>:

- That it creates jobs for residents of an area, usually with high levels of unemployment and social deprivation
- Jobs are eventually sustainable as a result of the trading income
- Ownership and control of the business is vested in those living within the area of business
- Trading profits are to be reinvested in the business or used in ways which benefit the residents

More recently, Power to Change has developed a typology of a community business based on their Social Finance report<sup>26</sup>. They identify four criteria of a community business:

1. locally rooted;
2. community controlled;
3. trading business;
4. operating for the benefit of the community.

The difference between normal businesses and community enterprises is the sense of place and its importance on the type of enterprise. Community enterprises are accountable to their community, often through a shares offer that allows members to have a say in the direction and functioning of the enterprise.

Community businesses are rooted in a place and arise in response to local needs. The presence of community-owned businesses delivers positive local impacts, most frequently by ensuring provision of integral goods and services that would otherwise be bought out by private companies for alternative use. A classic example is the threat to pubs from developers for conversion to private housing.

The management options for community businesses depend on the purchasing power of the community group<sup>27</sup>. Frequently, and ideally, the community will

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24 Community Development Journal (2002) - Community businesses - lessons from Liverpool, UK

25 Town Planning Review (1996) - A critical examination in the role of community business in urban regeneration.

26 Power to Change (2016) – The Community Business Market in 2016

27 Locality (2018) – Understanding Community Asset Transfer

purchase the freehold of the business. This enables the community to retain complete control and freedom over the asset. Once owned, the community have the option of leasing the operations of the business to a tenant or using either paid staff or volunteers to run it themselves. For some communities, purchasing a freehold is not an option. Instead they can purchase the leasehold of the pub through CAT, ensuring that the business is maintained for community benefit in the short-term, with a possible long-term goal of purchasing the property in the future.

Community-owned businesses with their own freehold have the freedom to optimise the business potential in the long-term in however they see fit, but the financial and legal responsibilities involved usually increase accordingly. Legally, most community businesses are registered as either Co-operatives or Community Benefit Societies, able to reinvest profits in the business, donate surplus back to the community or apportion interest to their members.

### Community wealth-building

Community wealth-building has arisen as a powerful tool to democratise the economy and inclusive wealth. It develops locally-controlled economies and prioritises communities by taking ownership of the existing wealth in the local economy and investigates alternative means of ownership to ensure optimal functioning of the economy for local people. A response to the challenge of austerity, community wealth building provides resilience and local economic security where there is risk and instability.

Ownership of the economy is at the heart of community wealth-building, enabling locally generated wealth to stay local. Community-owned businesses are more likely to employ, buy and invest locally. Consequently, wealth is redirected back into the local economy, stimulating local economic development while placing control and benefits into the hands of the local people. This pluralising of ownership in the local economy contrasts with some enterprises which extract wealth out of these communities to remote shareholders, at the expense of local people.

Uniquely, community-owned businesses succeed in straddling both the concepts of community hubs and community wealth building. They provide hub benefits of social infrastructure by acting as a focal point for the community for individuals to establish and maintain social connections and a sense of place. Simultaneously, they provide wealth-building benefits that encourage local economic development, ownership and autonomy. Possessing qualities of both these concepts ensures community businesses are a fundamental pillar of community empowerment both social and economically.

## 3. Achieving Community Management or Ownership

As part of the Localism Act 2011, community organisations have a few tools at their disposal to assist them in achieving management or ownership of a local asset. The two key options to be considered are:

1. The Community Right to Bid;
2. Applying to the council for a Community Asset Transfer (CAT)<sup>28</sup>.

### Assets of community value and right to bid

Under the scheme called 'Assets of Community Value' (ACV), as part of the community empowerment agenda, a local council is required to maintain a list of ACVs. These are assets which have been successfully nominated by the community as meeting specified statutory criteria. Eligible community groups can nominate both privately and publicly owned assets for inclusion on the list of assets of community value. If an asset has been listed and the landowner wants to sell that asset, they must inform their council. If a community group wants to buy that asset, they can exercise the Community Right to Bid, triggering a six-month moratorium that gives them a chance to develop a proposal, raise capital and prepare a bid for it.

During this period, the owner cannot sell their property on the open market. At the end of the six months, the owner is free to sell the asset to whomever they wish and at any price. Council officers are required to provide the decision-making framework regarding the ACV but cannot enter any negotiation or influence the transfer of any asset which is not within its ownership. This option results in a freehold for the community group – complete and absolute ownership of land and buildings within it.

The issue with the six-month moratorium for community groups, however, is the difficulty in accessing finance in such a short window. Furthermore, many groups struggle to put together the funds for a pre-feasibility assessment of their bid and are discouraged. In many ways, even with Right to Bid, communities are at a disadvantage when coming up against private actors with capacity to carry out feasibility assessments and ready access to finance. Moving forward, communities must be enabled by government finance to compete on an even footing to preserve assets of value to both local society and public health.

### Applying to the council for a community asset transfer

A community group may at any time apply to the council for a CAT of a property owned by the council. This could include any council-owned asset

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<sup>28</sup> DCLG (2012) - Community Right to Bid: Non-statutory advice note for local authorities

that has already been listed as an ACV or could be an asset that has not been listed. A community group may come forward for a wide range of reasons relating to services, facilities or other community activities they wish to provide or promote through their use of a council-owned asset - and the council will then consider all suggestions in line with the CAT policy. The council is not restricted to disposing of property purely for financial gain and may consider the whole package of benefits being offered. If it considers that there is a social, economic or environmental benefit in CAT, the council may legally transfer an asset at nil value. However, if disposal of an asset is justified in this way, then the council is obliged to take steps to ensure the delivery of such benefit. As a result, councils will wish to retain ultimate ownership of the property asset, with the community group having a leasehold, usually through a long lease or freehold transfer.

## Community organisational structures



**1**

### Company Ltd by guarantee with charitable status (CLG)

A company limited by guarantee is the most popular form of legal structure for a community anchor organisation in the UK

Each member of company guarantees to pay a nominal sum towards company's debt should it go into liquidation – liability of the members is limited to the sum guaranteed



**2**

### Community benefit society

Very similar to company limited by guarantee

Must operate for the benefit of the community

May be charitable or non-charitable



**3**

### Co-operative

Very similar to company limited by guarantee

Must operate for the mutual benefit of their members

May be charitable or non-charitable



**4**

### Community Interest Company (CIC)

Set up to achieve a "community benefit" objective which is registered with and regulated by the CIC regulator

Developed specifically for social enterprises and intended to cover a situation where an organisation carries on trading activities but for the benefit of the community

Cannot have charitable status



**5**

### Charitable Incorporated Organisation

Specifically created for charities and regulated solely by the charity Commission

Structure still in infancy and may be unknown to funders

## 4. Community assets

Austerity and constant underfunding as a result of demographic change frequently results in a degradation of local assets unless the community intercedes. Collaboration is required. Long-term finance and support, built on strong relationships of trust between local government and the community can be transformative in protecting local assets and retaining social value.

### Defining community assets

Community assets are valuable in social infrastructure from a historical, heritage, cultural, or natural perspective. Maintenance and promotion of such assets are prioritised over profit. In fact, many community assets do not make any profit and rely solely on volunteers and donations.

Defining community assets is based on the concept of the “commons”. The commons are that which we inherit and create jointly and that will hopefully last for generations to come. Examples are natural such as wildlife as well as shared social creations such as libraries, museums, public spaces and creative works. Such assets improve social cohesion, network creation and provide opportunities to learn new skills. Parks and green spaces also contribute to both physical and mental wellbeing of those who access them and improve “ecosystem services” which are becoming of increasing importance with climate change. The two key community assets this report will investigate are parks and green spaces, and libraries.

### Management models for community assets

Local authorities are becoming increasingly aware of the value of local services and assets to the community, and the negative effects associated with their demise. Both parks and libraries provide infrastructure and services that go beyond their role as public amenities – yet the provision of green spaces is not a statutory requirement. Despite this, local authorities have increasing enthusiasm for capitalising on these benefits and improving local assets.

There are two models of participation regarding community involvement in local asset transfer:

1. Co-design
2. Complete asset transfer (CAT)

Case study interviews with both councils and community groups identified that, for community assets, particularly parks, a co-design model and securing a leasehold is frequently deemed the most successful approach by both the council and community groups. This is due to access to financial and management support from the council, while the community group retains entrepreneurial freedom to become increasingly self-sustaining.



In some instances, complete asset transfer (CAT) is desirable. This can be higher risk but has the potential for greater rewards both economically and socially. With this model, a long-term lease is obtained with increased financial, legal and management responsibility that lies with the community group, resulting in a reduction of support required by the local government and more freedom. For success, however, community groups must be enterprising enough to achieve financial self-sufficiency that ensures longevity and avoids failure - a challenging task with assets such as parks and libraries.

With both models, the social value gained is greater and farther-reaching than financial investment. Collective voluntary action results in community empowerment and cohesion as social networks and skills are expanded and enhanced. The causal sequence that follows community management or ownership of a local asset often results in other needs being met, such as mental health or overcoming social isolation. Thus, the health of the community is improved beyond the initial community asset and increases its support in a cyclical manner.

Legally, most community groups managing assets are registered as a Company Ltd with Guarantee with charitable status (CLG), Community Interest Company (CIC) or Charitable Incorporated Organisation (CIO). These structures allow community membership, accountability to the community and enable reinvestment of profits back into the community. They also include an 'asset lock' which protects any assets owned by the organisation from being sold for private gains<sup>29</sup>.

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29 My Community (n.d.) – Types of Organisational Structure



## Case Study: Devonport Park, Plymouth

Devonport Park is a Grade II listed 37 acre “People’s Park” in Plymouth that holds a Green Flag Award as recognition for the work done to manage the park. This is a far cry from the dereliction the park faced in consequence of local government funding cuts.

### Community management model

The council needed help to manage the parks and asked the community to assist. Together in 2005, they put in a successful bid for Heritage Lottery Funding to set up and support the Friends of Devonport Park (FoDP) group. The council still owns and has overall responsibility of the park and, as part of the conditions of the funding, is also responsible for continuing to support the FoDP group with training, equipment and staff. The council provides a permanent two-man council gardening team to support the FoDP group who are the primary monitors of the park.

In this instance of co-design, the burden of management is disproportionate towards the FoDP group who, with a wealth of horticulture expertise, are heavily involved and best positioned to manage and maintain the park. FoDP and the management of Devonport Park are funded by a blend of donations, fundraising, grants and small income from selling own-grown plants. Despite the agreement from the Heritage Lottery Fund, there has been no financial, and only limited management, support for the group from the local authority.

### Challenges

Undoubtedly, the biggest challenge for Devonport Park is the severity of cuts.

The severity of financial retrenchment resulted in a complete restructuring of the council, and a halving of council park staff. The council has failed to meet the conditions of the funding, leading to a capricious relationship between the council and the FoDP group, with no consistency or any reliable point of contact. Project timelines have been skewed, with larger projects taking more than five years to initiate – hindering the management ambitions of the FoDP group. The prospect of continued decline resulting from further cutbacks is the most visceral concern for the group.

Volunteer uptake has occasionally been a problem for two reasons. The first is a sense of underappreciation as a result of council disconnection from the group. The second issue is that volunteers have time to give. However, in Plymouth, many of these people are those claiming benefits. When they start to volunteer, they become ineligible to receive benefits as their available time should be spent looking for a job or working. The group has lost volunteers as a result of both issues, jeopardising the long-term sustainability of the FoDP group.

The FoDP group considered applying for CAT, to be completely independent and autonomous from the council. Despite being financially self-sustaining from fundraising, donations and external grants, they lack a reliable income stream and are, therefore, ineligible for CAT.

### Why it works

The volunteer support base and knowledge have been vital for the FoDP group’s success and longevity, despite the deficit in council involvement. Change is on the horizon. The park is part of the Future Parks Accelerator Programme and the council has now admitted that changes need to be made to ensure future volunteer support. However, this change needs to be actionable through nuanced policy mechanisms that provide support for both the council and the FoDP group to restore the balance in this co-design.

## Parks

In the case of parks and open spaces, co-delivery - community management in collaboration with the local council - has been deemed the most effective and efficient option for select areas of the public space. This is currently achieved through the establishment of a 'Friends of' group. This is usually initiated by the community itself and has its own committee and constitution<sup>30</sup>. Park 'Friends of' groups are established as independent voluntary local user groups to be the principal forum for discussing views about the park and promoting usage of the park to the wider community. The group collaborates with the site manager to create an action plan for managing the park or open space. In some instances, this collaboration has been a huge success, inspiring both community groups and councils alike.

In other cases, there is not a smooth working relationship between the community group and the council. In these scenarios, the success of the site is heavily, and perhaps unfairly, reliant on the efforts of volunteers. That is not to suggest this reduces the chances of success. In fact, many FoP groups work best with minimal support from the council. However, often some degree of support is required to ensure the most effective management of the area. As a result of austerity, it is generally not the council's fault that financial support may be limited. But at no point should the community groups feel abandoned and solitary in their attempts to salvage a green space. Support through contact and advice should always be available.



### Case study: Lordship Rec, Tottenham

Pre-millennium, Lordship Recreational Ground (Lordship Rec) was in an alarming state of dereliction with Haringey LBC's Council Parks Service staff stripped back to crisis management. The community decided to come together and start the Friends of Lordship Rec (FoLR) in 2001 to salvage the park. Against the backdrop of the area's turbulent past, the development of Lordship Rec has served as a "healing process" for the community which further reinforces the success of the park, the FoLR and the council.

#### Community management model

The management of Lordship Rec is a model of co-design and collaboration between the FoLR, the Council Parks Service and other community groups. The site is still owned by the council with no asset transfer to the FoLR but strategically, FoLR gradually took responsibility for different sections of the park. Their aim was not to buy any part of the park or to downgrade the council's role, but to work in partnership with them.

The FoLR realised that different groups were operating within the park – the council, the Friends, the parents and toddlers' groups, the football teams –

<sup>30</sup> Research interview

that were not communicating with each other. A Users' Forum was created as a stakeholder body to establish relationships between these constituent groups through regular meetings. The agreement was made that the park would be co-managed by the council and the user groups coordinated by the Users' Forum, with the ambition to put in place a community empowerment strategy where the constituent groups assumed control of different aspects of the park.

### Challenges

Lordship Rec is overall a huge success but has not been without its challenges. The biggest of these, which is still prevalent, is anti-social behaviour towards the park. Due to the neglect of the site, vandalism was a regular occurrence that initially counteracted the positive work of the FoLR. As the site improved and rejuvenated as a community hub, attitudes became more positive. However, due to the deprivation of the surrounding area, issues such as vandalism, theft and rough sleeping still arise, the management of which will continue to be a challenge for FoLR and those that use the site.

### Why it works

Community management of Lordship Rec has flourished due to the strong relationship between FoLR and the council, FoLR's self-determination and entrepreneurial approach, and the network of the wider community in the running of the park.

Lordship Rec is a success story for community management, cultivating a pioneering relationship between the council parks' services and FoLR that is unique in its provision of public services. As evidence of the positive attitude and commitment to the park, the collaboration of these two groups has led to the development of an overarching "grand, shared vision" for the park. This involves monthly meetings to monitor the park schedule that encompasses short, mid and long-term planning of everything from maintenance to finances. This contributes to regular updates of a 10-year management plan co-written by the two groups and signed off by the Users Forum, alongside a new detailed 15-year 'Open Spaces Strategy' for the Borough.

The meetings are an opportunity to showcase the invaluable skills possessed by the volunteers, to whom Lordship Rec owes its success. In recent years, despite consistent council budget cuts, there has been no shortage of funding due to the persistence and adaptability of volunteers to self-educate in grant schemes and application processes. Within this model of co-design, the FoLR have retained self-determination from the council. Coupled with their level of power within the park, this has enabled them to influence executive decisions regarding funding and management of the park and its assets. Instances have arisen whereby potential easy sources of funding were available, but with undesirable outcomes for sections of the park. In the best interests of the park and community, FoLR were able to reject such offers, wanting to function in accordance with their own agenda.

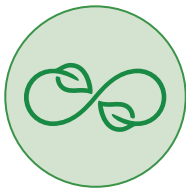
FoLR have an entrepreneurial approach to optimise benefits for the community. A co-operative was set up to manage a building in the park that would otherwise have been given to a commercial operator. This ensured

that there is a community building at the centre of the park that remained in community hands.

A unique and vital aspect to Lordship Rec is that it has cultivated a community empowerment movement. It is not solely the Friends group that is linked to the management of the park - other autonomous groups have been encouraged to develop and get involved with taking on areas of responsibility or interest. The community has progressively colonised areas of the park, turning it into a hive of activity. The whole park is animated with individual groups all in partnership with the council. Further afield the National Federation of Parks and Green Spaces, an umbrella organisation in whose conception FoLR played an integral part, exists to provide a support network for Friends of parks groups across the country and continue the growth of this grassroots movement.

The triumph of Lordship Rec is down to the synergy and plurality of autonomous groups and individual volunteers, driving a social movement towards a common goal – continuous improvement of the park by the community for the community.

In very few cases, a green space is owned by a community group. However usually, both local authority and community groups are reluctant to embark on complete asset transfer and community ownership due to the risks, responsibilities and permanence involved.



### **Case Study: Whistlewood Common, Derbyshire**

In some cases, complete asset transfer (CAT) is undertaken by entrepreneurial community groups. Whistlewood Common community cooperative is one of the few groups to own and manage their green space, entirely independently of the local authority.

#### **Community ownership model**

The local community were looking to embark on a locally-run project to make their area more sustainable. In 2010, a privately-owned, disused field came up for sale presenting the perfect opportunity to do so. Utilising the Community Right to Bid, the community raised £60,000 in 4-5 months and became owners of the site as part of an agreement with the Forestry Commission.

With the ownership of the Common, the transition to establishing a community co-op was realised with the flagship plan focussing on agroforestry, tapping into the increasing global and local interest in climate change and the environment. Since the purchase of Whistlewood Common and co-op's inception, the group has increased to over 400 members each with at least 50 shares. Management of the Common is funded by the community co-op shares, fundraising and donations, and external grants; no financial support is provided by the local government.

## Challenges

Despite its success, Whistlewood Common has not been without challenges, the biggest being the reliance on volunteers. Sufficient numbers of volunteers are not guaranteed, and at times, turnout has been low. Many volunteers are doing so alongside managing their own lives and cannot commit as regularly as is required for optimal maintenance of the Common. Resources need to be pooled into specific volunteer days and accessing as many different types of volunteers as possible.

Another challenge is self-sufficiency. Currently, the Common is dependent on funding grants and donations. Although there is a mix of income streams, the co-op would ideally like the Common to have a consistent and reliable income source.

## Why it works

The key to the success of Whistlewood Common is a strong support base allowing for financial independence by utilising a wide range of skills. These factors have been central to ensuring long-term sustainability.

The co-op is made up entirely of volunteers - the Common would cease to exist without them. The management is non-hierarchical, with everyone having an equal vote regardless of the quantity of shares owned. This structure encourages participation and an entrepreneurial approach to management of the Common. The impact of this approach is elevated by the fact that the Common is in an affluent area with access to a broad professional skillset, financial capital and willing volunteers.

The community skills available have resulted in sub-groups forming within the co-op focussing on project management, education, infrastructure, wellbeing, food etc. This has been key for securing a mix of income streams such as education groups, training days for private companies and festivals, as well as funding grants.

## Libraries

Libraries can be used to refer to the building or the service itself, with local authorities having the ability to transfer the asset to varying degrees depending on the model used.

There are three models through which this can be achieved:

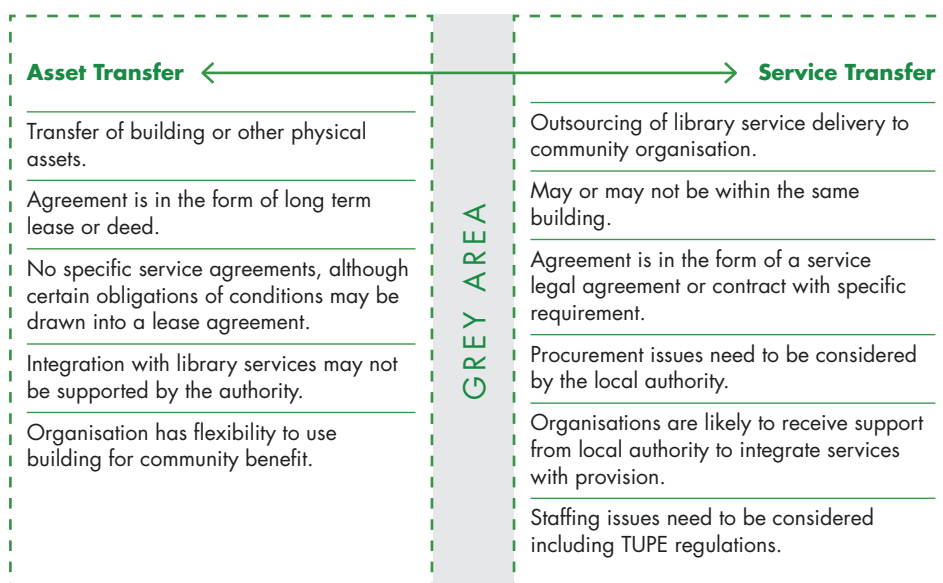
- a Hub Library;
- a Co-delivered Library;
- or Associate Library.

In short, Hub libraries are run by the council and based in district centres. Co-delivered libraries are run by volunteers and receive everything that Hub libraries get except staff, and their costs are paid directly by the council. Associate libraries are also run by volunteers who can access a grant and obtain the lease on the library building - this is the complete asset transfer of both the building and the service<sup>31</sup>.

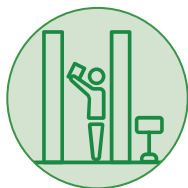
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31 Community Knowledge Hub (n.d.) – Understanding Library Transfer

## Understanding Library Transfer



Approaches to community library management can differ greatly between councils and their success is dependent on a range of variables, particularly demography and affluence.



### Case Study Comparison: Dorset County Council and Sheffield City Council

The management of libraries by the community are frequently either co-delivered or associate in model – the difference between the two is how much responsibility is taken on by the community group and whether CAT is achieved.

Since 2012, the then Dorset County Council (DCC) supported eight communities to manage their own libraries, enabling them to expand and improve the use of their library and effectively use the building as a community asset. These are associate libraries where CAT of both the building and the service have been achieved.

Sheffield City Council (SCC) has 15 libraries being run by community organisations, as of 2016. Five of these are co-delivered and 10 are associate libraries.

Both councils made proposals on the future of their library services as a result of a thorough efficiency review following budget cuts. Cuts in the face of austerity were the catalyst for changes to library management in both areas. Both councils reported that the process was not a smooth one, taking longer than was initially anticipated. In both instances, the stages of resistance, proposal modification, and acceptance had to be crossed while working with

multiple community groups.

Both councils' library services under community ownership and management have been predominantly successful. But success has been positively correlated along an affluence scale. In areas of high affluence, community libraries have been the most successful – thriving, expanding and getting closest to (or achieving) self-sufficiency and CAT. At the other end of the spectrum, community libraries in deprived areas have struggled, failed or never been fully established. Despite this disparity for community library success within individual councils, both provide extensive support for the community groups in skills enhancement and failure prevention.

However, Dorset and Sheffield had two key differences, not least because one is a rural county while the other is a metropolitan city. These are:

1. Library models within the area;
2. Council approach to quality of library assets;
3. Resulting attitudes of community groups towards community ownership of libraries.

In Dorset, the same model was used for each library – if the library was council-leased then the community group picked up the lease, while if the library building was council-owned then the community group got the freehold. The community groups in Dorset wanted a 99-year lease for security of tenure and to have CAT. Both community groups and council were keen for associate community libraries to be established, giving the groups independence and autonomy over their asset. In the original model proposed for Sheffield, the community groups would also get a lease over the asset. However, some of the groups in Sheffield didn't want to sign the lease due to the poor condition that most of the buildings were in, and the risk of accepting liability. As a result, the library models within Sheffield are a mixture of co-delivery and associate. Unlike the assets in Sheffield, Dorset CC ensured that the building assets were handed over in good condition, knowing that the community groups wouldn't want to take on a large liability. This is a contributory factor to there being a generally positive local outlook towards community-run libraries.

Attitudes within Dorset were very positive towards communities owning and managing their own libraries - due to the snowballing confidence and success the groups have had following CAT. The groups are charismatic which, coupled with their independence from the council, has enabled them to create new initiatives, encourage more volunteers, and generate their own fundraising programs. Community groups in Sheffield have a slightly different outlook. Many feel that libraries should be council-run but are willing to take responsibility to prevent closure. There are those who think that community-run libraries are an inferior service in comparison to council-run counterparts. However, it should be noted that Dorset's model is longer established than Sheffield's in its community libraries and, although they are happy to run the libraries now, this was not initially the case. They too used to feel like libraries should be council-run but their success over the years has changed attitudes locally. It could be that, with time, groups in Sheffield may also alter their mindset towards community-run libraries should the intrinsic value of the libraries and the community groups that run them be realised.



## 5. Moving towards genuine local delivery

Since the 2010 Spending Review and 2011 Localism Act, many services and responsibilities have been devolved to councils. Yet it has often proven to be simply a cost redistribution exercise rather than a true devolution of power and fiscal autonomy. Local authorities are required to meet a huge number of statutory demands determined by national legislation, including core services. A 2011 DCLG review into these requirements compiled a list of 1,339 statutory duties on local authorities, governed by central government departments. This review does not include vital non-statutory services such as green spaces. The responsibilities for both statutory and non-statutory are devolved, but not the money to fulfil them.

National government must set the conditions for community institutions to increase capacity and give them the ability to take on devolved power, responsibilities and resources. Currently, community asset transfer is the most widespread and effective lever for community groups to act locally. But it still relies too much on local capacity and resources, which are key determinants in the type of community asset transfer and to whether it is successful.

Achieving more effective and efficient provision of local hubs will require fundamental changes to mindset and policy framework at all levels of the state both nationally and locally. It means viewing these local value assets and services for the socio-economic benefits they can provide rather than just items on a budget line.

When first introduced, the Localism Act 2011 was pioneering, the catalyst for a devolution of powers from central government to communities. As progressive legislation, while there has been marked success, there is much to be improved. Current issues that arose in the research for this report worthy of a considered policy response can be split into recommendations to central and local government.

## Recommendations

### Local government policy

**There must be more consistency across the local government sector in recognising the importance of local social infrastructure.** Local government can also play a key role in fostering a network of community organisations, groups and hubs where resources and knowledge can be shared locally. To strengthen and enhance the hyper-local resilience fostered by community hubs, councils should have an active community assets register taking stock of physical assets, hub spaces and community enterprises.

**Social investment should come in the form of low-cost loans from local authorities as part of 'co-investment'.**

- This retains the local authority stake in asset management whilst allowing for community control.
- 'Payback' for loans should encompass non-financial capital benefits such as health and wellbeing dividends of park management.
- There are instances where the benefits can only be measured over time – for instance health and wellbeing impact of access to green space needs to be measured in conjunction with local primary care health services.

**Local authorities should promote investment in community groups as a positive factor in the evaluation of social value elements when awarding public contracts.**

### Central government policy

**Secured and core funding should be made more readily available by central government for community bids.** This could include:

- Ring-fencing funds from national bodies such as the National Lottery Community Fund for community ownership (as seen in Scotland). The awarding of funds should be as unrestrictive as possible, giving the group freedom and autonomy to do with it what they see fit.
- Extra support and resources should be allocated for community organisations in less affluent areas.
- People who volunteer on a regular basis should not face benefit cuts – in more deprived areas this is vital to enable local people to take the initiative and build community capacity.

**Community Asset Transfer should be redesigned with more stringent recognition of liabilities taken on by community groups.**

- Councils should be required to hand over buildings in good condition to ensure security of tenure or provide a reduction in the transfer cost to the community to cover liability costs.

**Central government should establish a fund to provide access to pre-feasibility and feasibility funding (early-stage development funding), rather than funding provided once there is more certainty in the project.**

- This will ensure that the prospect of community ownership has been given a fair hearing in the right to bid process.

- This could be a project co-designed with the LGA/organisations such as Localis or Power to Change with a view to providing a template for evaluation.

**The six-month moratorium in selling an asset which is currently allowed to the community under Right to Bid should be extended to 12 months.**

**Provision of parks and open spaces alongside support for 'friends of' groups should be a statutory requirement for councils. COVID19 has starkly highlighted the inequalities in access to open space, be it a courtyard, park, allotment or balcony. While some of this can be addressed through planning and building policy, it could be relatively quick and simple for people in a street or estate to organise regular car free days IF they have the support of the local authority.**





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