

# 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.

---

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.**