

Birmingham City Council Community Asset Transfer and Assets of Community Value Refresher and Update Information Workshop

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INTRODUCTION

Community Asset Transfer.....

“there are risks but they can be minimised and managed ...there is plenty of experience to draw on. The secret is all parties working together”

(The Quirk Review: Making Assets Work– 2007)

Today's Session

- Background to CAT in Birmingham since 2008-
- What does CAT mean ?
- Birmingham's Protocol and new way of working including Valuing Worth methodology
- Hints and Tips
- Assets of Community Value (ACVs)

Background to CAT

- Always been leases in BCC but ...
- **Quirk Report 2007**
- **Localism Act 2011** – Community Rights
- A revised **Protocol** and New Ways of working approved by Cabinet in March 2011 with a roll out phase during 2011/12. **Corporate and still in place**
- Developed from lessons learnt and experience gained during the AWM funded **Birmingham Community Asset Transfer Development Programme 2008-10**
- Since 2011 there have been over 20 successful CATs
- **Working Together in Birmingham's Neighbourhoods - 2019**

So what does CAT mean?

- Quick Introduction Group exercise
 - so what does it mean to you ?

What is an asset

Who does CAT apply to

Is it just buildings

What it isn't

Birmingham CAT is

- CAT is not an automatic right but based on an individual business case BUT Council must be clear about which buildings are available and which are not
- Includes **buildings and/or land**
- **Leasehold** not freehold – generally a fully repairing lease (up to 25yrs)
- **Economic rent offset by Valuing Worth** not “peppercorn”
- **To bona fide “not for profit” community organisations** – defined as one which uses its surplus revenues to realise its social goals rather than distributing them as profit or dividends plus “asset lock” and clearly stated social goals/ focus on community benefit
- **As from March 2011 CAT should be a consistent, qualitative process across BCC**

So how do we do it

- City asset registers regularly reviewed – **Property and Assets Board**
– Officer/ Member decision whether property/land available for CAT
- Advertised in appropriate places – seeking **Expression of Interest** and outline business case (Info on building sent out)
- Often an open morning info session/ site viewing
- Assessment and shortlist of Expressions of Interest
- Interview of shortlisted organisations (* **Priority interview if tenant**)
- Selection of “**preferred community partner**”
- Will be a **Lead Contact Officer** to manage project through – generally from the appropriate service portfolio
- **Heads of Term of CAT Lease** offered subject to **Final Business Case, Valuing Worth** and Report sign off
- Heads of Terms accepted – Legal Services instructed. Further references taken up if required and due diligence undertaken

The CAT Lease

- In theory a generic CAT Lease has evolved
- In practice everyone is tweaked to fit the bill
- Completed Valuing Worth and obligations written in to the Lease
- NB Usually a full repairing Lease – Heritage assets would not be treated differently except that...the repair and alterations clauses will emphasise the need for special care in managing such a facility commensurate with its legal status ... the appended obligations may well include reference to how they will maintain the asset in question
- On-going assessment of Organisation (Rent Review every 5 years)

Valuing Worth

- Development of BCC bespoke toolkit to measure the social value of organisation and impact of asset transfer
- Social Value Tool – values and measures activities of the organisation which previously were not valued or undervalued against current Council priorities etc. – gives a final £ figure
- Offsets economic rent
- Qualitative process
- Undertaken by organisation but guided by BCC Contact Officer – need to provide evidence of what put down
- Tool by no means perfect BUT emphasises the need to take account of the contribution/ value of organisations and their tangible worth in the delivery of desired outcomes in neighbourhoods.

Hints and Tips

- **Be Honest** -Why do you want a CAT – its not an easy option or panacea for everything...VIABILITY not LIABILITY...
- **Be aware** – CAT is not resource neutral for either side – time, capacity and finance NB Legal costs
- **Get Advice** on Governance and Funding
- Do your own **independent research** and ask lots of questions
- **Find friends** – peer to peer support and National organisations that can help – www.locality.org.uk Birmingham Community Matters etc
- **FANTASTIC Opportunity & Huge Community Benefits!** 😊

Assets Of Community Value (ACVs)

- Part of Localism Act 2011- **Community Right to Bid**
- Right for voluntary or community body to request that a local asset (land or building) should be listed as an, “Asset of Community Value”
- Covers both **public and private assets** e.g. local pubs, libraries, community centres, playing fields, shops – even football clubs!
- Statutory duty and responsibility for L.A. to keep list of ACVs, scheme operation and regulation and payment of compensation
- Who can nominate – Parishes and community organisations **with a local connection**
- Nomination – nds@birmingham.gov.uk
- BCC Decision making panel

ACVs contd.

- Agreed – LA notify owner and place asset on **ACV list** and on local land charges register.
- **5 Year** Listing
- Not agreed – place asset on a **list of assets nominated but not listed**
- Listed ACV – If owner of asset decides to dispose of it – 6 week interim period – full **6 month moratorium** BUT not give the right of first refusal – ability to buy the asset on the open market

locality

the power of community

Birmingham's Collaborative Neighbourhoods

A snapshot of the community-led response to coronavirus and what this means for resetting the civic and community relationship

Commissioned by the Neighbourhood Development and Support Unit



Birmingham
City Council

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Executive summary

Key findings

Relationships

- Council/community relationships prior to the crisis have impacted the way communities have been able to respond to coronavirus.
- Where local assets and partnerships were recognised and linked in with a more coordinated response to the crisis has been possible. Council teams which have focused on creating an ‘enabling and facilitating’ culture have worked more closely with community organisations to respond to the crisis.
- Other positive existing relationships identified by community organisations, prior to the coronavirus crisis, are those with some local councillors; officers involved in the Community Asset Transfer Process; and the Neighbourhood Development and Support Unit and Adult Social Care. These positive experiences were not universal, with several respondents mentioning how they had experienced a ‘commercial’ approach to Community Asset Transfer, rather than one that focused on long term investment in a community organisation. Beyond the council teams mentioned here, many respondents referred to struggling to build relationships with the local authority.

Community organisations’ role during the crisis

- Community organisations have responded at pace during the crisis, repurposing existing services, developing new services to support groups that are not catered for by mainstream services, and coordinating food distribution and other support for local communities. Others have had to scale back activity due to the financial impact of the crisis on their organisations
- On top of direct support, community organisations have acted as ‘cogs of connection’ during the crisis. They have connected people up with a range of different services and activities, as well as connecting the different “layers of local”, from the street-level mutual aid response to city-wide services and provision.

Support for community organisations during the crisis

- Smaller organisations, especially those that are Black, Asian and Minority Ethnic -led, have, at times, ‘slipped through the gaps’ of central government and local authority support. Several respondents noted that grassroots organisations felt disconnected from council structures during the crisis.

- Centralised support posed challenges for community organisations, owing to the speed at which they reacted and worked with the sector. Concerns of this nature were raised about Birmingham City Council, Birmingham Voluntary Service Council and The Active Wellbeing Society. Where these structures linked to local networks the response was more positive.

Looking to the future

- There are concerns about the impact of poverty and economic hardship, health inequalities and digital exclusion in the communities in which community organisations work. Some respondents spoke about concerns for future organisational stability, because of the crisis raising questions about existing business models
- There was hope that some of the new partnerships formed between communities and the council during the crisis could lead to change. Respondents spoke of a new settlement in which community organisations play a more central role in the city in future.

Recommendations

Support a community powered economic recovery

1. Develop an integrated community and inclusive growth approach to recovery and change.
2. Reset the city's Community Asset Transfer policy.
3. Embed the Keep it Local Principles in the Council's inclusive growth agenda and join the Keep it Local Network.

Build collaborative public services

4. Realise the potential of the Working Together in Neighbourhoods White Paper by investing in it to ensure its take-up across different local authority departments.
5. Embed procurement flexibilities across the council.
6. Link the migrant and refugees' sector in the city with the neighbourhoods and locality working.
7. Build upon the work done through the Neighbourhood Networks Scheme and identify further opportunities to work 'upstream'.

Turn community spirit into community power

8. Develop a new neighbourhood approach to capacity building to include peer support, and a responsive offer for smaller and newly established and Black, Asian and Minority Ethnic-led organisations.

Develop an approach to culture change across the council

9. Facilitate a wholesale shift in Birmingham City Council culture from a parent/child relationship to one that it is 'enabling and facilitating'.

Research aims and methodology

Locality was commissioned by Birmingham City Council's Neighbourhood Development and Support Unit to carry out research with a sample of small and medium-sized community organisations and key stakeholders across Birmingham. The research was carried out in June 2020, with the following aims:

- To understand how community organisations have mobilised during the covid-19 crisis.
- To understand relationship changes between community organisations and Birmingham City Council (BCC) brought about by the crisis.
- To explore how lessons from this crisis can support greater impact of the Working Together in Birmingham's Neighbourhoods White Paper across BCC's working practices.
- To identify the role community organisations can play in city-wide recovery, in tandem with relevant agendas such as inclusive growth.

We carried out interviews with 11 community organisations, 10 Pioneer Places (made up of multiple community organisations and services), several council and sector stakeholders, hosted two roundtables with i) BCC officers and ii) elected members and BCC's Chief Executive and undertook desk-based research. We used Locality's recently published report, 'We were built for this'¹, which looks at the community response to coronavirus across the country, as a comparison and reference point.

Going into the crisis

Community organisations across the city began from a range of different starting points when the crisis hit. In some cases, strong existing relationships enabled a quick coordinated response. In others, the crisis has led to new relationships being forged at pace. We cover some of the factors which led to these shifts below.

Relationships with BCC

Several respondents spoke about existing relationships with their local councillors, officers in the Neighbourhood Development and Support Unit and, where they were in place Adult Social Care Link Workers. Some community organisations identified positive relationships with officers involved in Equalities and Cohesion and the Community Asset Transfer Process. A specific example of the Prevent Manager was cited as a good relationship with a commissioner because of the "open and transparent" nature of the relationship.

¹ Locality (2020), "We were built for this: How community organisations helped us through the coronavirus crisis – and how we can build a better future", Page 12 Available at: <https://locality.org.uk/wp-content/uploads/2020/06/We-were-built-for-this-Locality-2020.06.13.pdf>

These positive experiences were not universal, with several respondents mentioning how they had experienced a 'commercial' approach to Community Asset Transfer, rather than one that focused on long-term investment in a community organisation. One stakeholder observed the difference in relationships between the 'social' and 'economic' side of the council:

"No ambivalence about the sector within Adults, Children's and PHE...but this is a dichotomy with economic development."

Beyond the council teams mentioned here, many respondents referred to struggling to build relationships with the local authority. One respondent, reflecting on their relationship with the council, said:

"It [the council] is a beast to navigate! There are some helpful officers, but they are helpful in spite of the structure."

The scope of activity carried out by organisations we spoke to

The organisations we spoke to cover a range of service areas and agendas across the city. We spoke to organisations involved in local economic development, education and skills training, welfare and benefits advice, community development and local enterprise support. We heard about their role in supporting health and wellbeing; early years and youth work; family support; older people's activities and support; arts, heritage, and culture projects. Others were involved in tackling homelessness, food poverty and substance misuse.

Many of those we spoke to deliver a range of different services from one community hub. Others are involved in neighbourhood-based partnerships which cover many of these areas. In short, these organisations are tackling some of the biggest social, environmental and economic challenges Birmingham faces, in partnership with their communities.

The coronavirus response in Birmingham

Adaptation of services

Many community organisations in Birmingham have kept community services running through a shift in delivery model – with services moving online and via telephone. For example, the Brandwood Centre developed a digital engagement service for socially isolated people in their communities – their 'Click and Connect' service. The Nishkam Centre, in the north of the city, moved welfare advice services online, which saw a spike in demand as the crisis hit.

They have played a role reacting and responding to emerging needs of communities, where there was not much information or support. For example, ACP Group in Sparkbrook helped

develop an offer around Muslim funeral arrangements and women-only wellbeing and coaching activities. Support for specific groups that weren't covered by mainstream services was a recurring theme. For example, the Pashtun Trust developed a set of advice videos in the Pashtun language and Kikit Pathways to Recovery moved their drug and alcohol counselling services online as well as translating information about Covid-19 into community languages.

Established community organisations such as Moseley Community Development Trust and Northfield Community Partnership were able to use their trusted status and organisational credibility to support community-led responses to Covid-19 such as [Moseley Together](#) and [Northfield Stakeholders Group](#).

Development of new support

A large proportion of community organisations have engaged in food distribution and other support for shielding groups and those most isolated by the crisis. One group – Cedar Church – set up an 'honesty shop' in the local hospital, which supplied food to key workers who weren't able to go shopping. On top of food distribution, community organisations have played a role distributing prescriptions, plants, laptops and other digital equipment. One mutual aid group provided packs of toiletries for victims of domestic violence having to flee to shelters, recognising that local shelters would not have had the time to pull together these essential items whilst dealing with increasing numbers during lockdown.

Many community organisations coordinated local communications - delivering thousands of leaflets and newsletters with up-to-date information on the pandemic and support available locally. To do this, they have recruited, supported and coordinated hundreds of new volunteers across the city. The Sutton Vesey Network used their neighbourhood forum grants to continue to resource existing newsletters, the Boldmere Pages and the Banners Gate Neighbourhood Forum newsletter, to inform local people quickly about advice and support services. Alongside paper communication, organisations established single points of access via telephone, at a community level. Through this they played a social prescribing role – triaging and signposting people to the most appropriate local support.

Lots of the organisations worked with and coordinated mutual aid efforts across the city. These groups often operate at a street level, to support their immediate neighbours, especially those 'shielding' from the coronavirus. Community organisations played a role in coordinating this support at a larger, community scale. Bournville Hub were able to develop an emergency response in 24 hours and built upon local and established networks of communication and support to coordinate 1,000 volunteers through their local mutual aid groups.

Scaling back

Several community organisations in the city have had to furlough staff. Organisations that are reliant on trading income, or do not have steady streams of grant or contract income, had to mothball work at a time when they wanted to mobilise. In such cases, organisations aimed to find a middle ground, keeping a small number of staff working to move some of their services

online or to a telephone service. Welcome Change based in the East of the city saw their income drop due to lockdown and furloughed staff but continued to provide and develop essential services such as food banks and food parcels and welfare visits to local older and vulnerable residents.

Community organisation characteristics and how they drove the city's response

Through all our interviews, we heard how community organisations were able to mobilise quickly to support the communities in which they are based. A number of different factors enabled this rapid mobilisation. At the same time, some of this rapid response happened in spite of wider system challenges.

Local rootedness and knowledge, and relationships with the community

One of the key drivers of the community response to the coronavirus crisis has been the deep local intelligence and relationships built up over time. An understanding and appreciation of local nuance was central to the offer provided by community organisations. This strong social infrastructure is not something that can be created at pace. It has been built up over time and was vital when the crisis hit.

At Laurel Road Community Sports Centre:

Our response was enabled by existing relationships and a deep understanding of the people you work with. A lot of our elders have a lot of pride and this makes it difficult to ask for help from people they don't know.

The trusting relationships community organisations, including many Black, Asian and Minority Ethnic-led organisations, have with local people means that they can develop services and support that are sensitive to the way local communities operate. This trust, built up over years, also played a role in driving people to use these services.

Nishkam Centre explained:

We were asking people to do things they hadn't before, such as use online services, and this meant they had to trust us.

Black, Asian, and Minority Ethnic-led organisations also explained that their diverse workforce, representative of the communities in which they work, was important. Speaking multiple languages and understanding cultural norms their staff were able to meaningfully engage with and effectively support different communities in the area.

Strong networks

Alongside these relationships with local people and an understanding of the local place, many of the community organisations interviewed through our research possess strong networks, and relationships with other local organisations.

Legacy West Midlands, explained this in more detail:

“We are part of an excellent network of community organisations - based on years of working together. It means we don’t replicate but support. There is no one dominant organisation and our work is guided by...mutual trust...similar ethos and values.

This role was highlighted in recent Locality research. “They [community organisations] have a pivotal role in the local ecosystem, with networks of relationships with local people, public sector agencies, providers, businesses and other local partners that have developed organically over time. Indeed, they have a catalytic role linking up these, often disconnected, parts of the system.”²



Fig. 1: The role of community organisations in their local place

Relationships during the crisis and their impact

Respondents spoke about some of the positive experiences of working with the local authority during the crisis, as well as some of the challenges they faced. Learning from both can inform future council approaches to working with communities across Birmingham.

² Locality (2020) “Keep it Local: How local government can plug into the power of community.” Available at: <https://locality.org.uk/wp-content/uploads/2020/03/LOC-Keep-It-Local-Report-40pp-WG08.pdf>

Successes

Pioneer Places

In the Pioneer Places, established by the Working Together in Birmingham's Neighbourhoods White Paper³, respondents noted their positive relationship with a range of different local authority stakeholders. This included with the NDSU, the Neighbourhood Network Schemes, the Adult Social Care team and the Children's Trust. As well as the strong links they had been able to build with the council, these places also reflected on strong relationships locally which helped them to respond to the crisis.

"The partnership works because of strong, accountable, transparent leadership. We share information in order to build the capacity of others around us"

Northfield Community Partnership

Support from the Neighbourhood Development and Support Unit

The Working Together in Birmingham's Neighbourhood White Paper⁴, in establishing the Pioneer Places, created a framework and structure through which Birmingham City Council could engage with specific localities. It is worth noting that these localities had existing localised infrastructure, partnership and networks which the Pioneer Place scheme sought to recognise. The NDSU has been a key point of contact for these organisations with many citing the relationship they had built up with key Officers over the years – providing a helpful contact that understood the local landscape and would help to navigate the complex world of the local authority. Respondents in these places spoke about the positive impact these existing local relationships had on their response. They also emphasised the importance of small £1k pioneer place grants, which they were able to access quickly and with little bureaucracy.

We've had lots of support from the NDSU, including small and easy to access grants.

However, with an approach that works in places where that connection already exists, there will also be places that don't benefit from this support. One community organisation spoke about the difference a small grant, such as those received by the Pioneer Places would have made to their work.

If we'd had a stronger relationship with BCC that would have invaluable. That would have been the pathway. For example, a £1k cash injection immediately would have gone a long way for emergency food parcels. In a crisis, community organisations need access to small cash grants with little bureaucracy.

³ Birmingham City Council (2019), Working Together in Birmingham's Neighbourhoods, Available at: https://www.birmingham.gov.uk/downloads/file/11839/working_together_in_birmingham_neighbourhoods_white_paper

⁴ Birmingham City Council (2019), Working Together in Birmingham's Neighbourhoods, Available at: https://www.birmingham.gov.uk/downloads/file/11839/working_together_in_birmingham_neighbourhoods_white_paper

The Neighbourhood Networks Schemes

Another service structure – The Neighbourhood Networks Scheme (NNS) – was cited by respondents as a useful conduit for their relationships with BCC. This was particularly noticeable in the locally-led approaches such as those in Northfield, Erdington, Selly Oak and Perry Barr where there was recognition that local organisations had led the crisis response and were recognised for their strengths. Although some frustrations were raised by interviewees about the initial process of procurement the relationship with Adult Social Care was generally perceived as helpful and supportive.

In an interview with Birmingham Voluntary Sector Council (who provide development support to Neighbourhood Network Schemes and administer some of the NNS and Early Help grants) they highlighted the value of the sector and its need to be recognised as a key partner for BCC.

*The voluntary sector **was** the city's response – the resource that was deployed was the city's response.*

The Active Wellbeing Society

Several respondents spoke about the positive relationships they have formed with The Active Wellbeing Society (TAWS). One respondent said:

“Although there have been lots of staff changes, they [TAWS] have worked well in the area to support the community and our work”

This approach was helpful because it connected in with local systems that were already established. Challenges arose for community organisations when this was not perceived to be the case.

Challenges

Centralised infrastructure support posed challenges for community organisations

Several respondents commented on the pace and suitability of support from centralised, city-wide institutions, including Birmingham City Council, Birmingham Voluntary Service Council and The Active Wellbeing Society.

One respondent noted that they had to get in touch with these organisations, rather than the other way round. This respondent explained that ‘communities led the way, and the council had to catch up’.

Another organisation, when speaking about their relationship with the council, spoke about their frustrations.

“BCC wasn't connected to the grassroots effectively - [they] weren't sure who was doing what”

“The relationship needs to be more proactive and inventive.”

One community organisation, when speaking about their engagement with centralised said:

They are too bureaucratic and not quick to react - [at the time of interview] we still haven't received any funding.

There may be reasons, such as due diligence, behind this perception but this was perceived to be in direct contrast to the issuing of small grants on the basis of trust and existing relationships for Pioneer Places. The challenges some groups faced in engaging with centralised support link to some of Locality's national findings on the community response to coronavirus. On the whole, we heard a story of strengthened relationships, and new well-functioning systems. However, some community organisations reported that:

Centralised support systems across some local authority areas were disconnected from neighbourhood approaches. There were missed opportunities to connect community assets and resource these during the response⁵

Responding at different speeds

Community organisations responded at pace because of their deep understanding of their local communities and existing expertise within organisations. There was also a humility and an understanding that they too needed to connect with and not duplicate large scale activity – but supplement with local intelligence and cultural understanding. Villa Road Soup Kitchen who have been working in the area for 66 years provided lunch bags for local people to complement the wider food delivery service that was being offered through TAWS.

This sequencing – of mutual aid groups and community organisations establishing the first layers of response, to be followed by local authority support – was seen in places across the country.

“Local authorities have often then plugged statutory services into these community networks, coordinating at a strategic level and adding resource.”⁶

This experience of organisations at different scales reacting at different speeds may seem common sense. However, it points to a future in which the respective strengths of different stakeholders are maximised. Calderdale Council recognises that during a crisis response, community organisations play a local coordination role that the council isn't able to fulfil. Therefore, the council conceives of its role as being to “coordinate and align existing work happening at community-level”⁷

In reflecting on the coronavirus response, BVSC recognised that perspective plays an important role.

“‘Quick’ and ‘slow’ looks very different from different perspectives.”

⁵ Locality (2020), We were built for this, Page 59

⁶ Locality (2020), “We were built for this: How community organisations helped us through the coronavirus crisis – and how we can build a better future”, Page 12 Available at: <https://locality.org.uk/wp-content/uploads/2020/06/We-were-built-for-this-Locality-2020.06.13.pdf>

⁷ Ibid

Smaller and Black, Asian and Minority Ethnic-led organisations slipping through the gaps

Several respondents spoke about the challenges smaller organisations faced in accessing support. One larger organisation said: “we’ve had enough support, but smaller/grassroots groups haven’t, and this has frustrated them.” Another respondent spoke about smaller groups that emerged during the crisis being unable to access support, and being “cut out of delivery by larger national organisations” that were funded to deliver services but didn’t connect to organisations on the ground.

One group spoke of their frustration with repeated attempts to connect with BCC (including their local councillors) to offer community language support during the pandemic.

Some of the Black, Asian and Minority Ethnic-led groups talked about feeling disconnected from centralised support, reporting that they found traditional approaches ‘out of touch’ with some of the issues that they were dealing with. They also explained how nuanced their support to the community needed to be. Alongside advice on social distancing and lockdown groups talked of the need to provide culturally appropriate food (and in some cases cooked/hot food) as well as challenging community interpretation on health messages.

Many [people] in the community are disconnected with 'authority' so will listen to each other and this has caused issues around social distancing and accessing hospital.

Concerns for the future of Birmingham’s communities

When asking respondents about their concerns for the future, based on their interaction with communities over the course of the coronavirus crisis, and what this means for the future, four key themes presented themselves:

- Poverty and economic hardship
- Health inequalities
- Digital exclusion
- Organisational stability and their future role

Poverty and economic hardship

This is overwhelmingly the most common concern community organisations have for the future of the communities they work with. Some organisations have experienced work with low income families that “were always struggling but will now be pushed over the edge”. Others reflected on finance issues and the more specialist debt and welfare advice that will be needed across the city as “people’s situations become more complex”.

Several respondents looked at this specifically through the lens of the young people they work with. Challenges around unemployment may disproportionately affect young people.

Organisations are thinking about how they can harness their assets to support youth employment and skills development.

Health inequalities

Another widespread response to the question about future concerns was about the way health inequalities have been reemphasised. Many spoke about the disproportionate impact of coronavirus on Black, Asian and Minority Ethnic communities, and the impact this is likely to have in the future. This has led some to consider how their work to tackle the social determinants of health can be strengthened in the future through engaging with systemic and structural issues.

“BCC needs to treat us as equals so we can help in the planning. We need strategic and long term leadership and planning as well as a clear understanding of how we fit in to that. Need to look at systemic issues not just immediate impact e.g. health inequalities/social determinants”

Others spoke about the mental health impacts of the coronavirus crisis – increased isolation, anxiety and loneliness caused by the lockdown which could yet have longer-term knock-on effects. Indeed, experts are warning of a “tsunami of mental illness” on the way.⁸

Digital exclusion

The move to online work, socialising and engagement with public services in recent months has accentuated existing digital divides. Several organisations spoke about this as concern for the future, and the role they have in improving digital literacy and access in their communities. Organisations also spoke about the need for them to increase their digital offer, as periods of social distancing are sustained and people’s habits change. Some interviewees highlighted the sector’s need to become more digitally aware as prolonged and isolated exposure could increase the risk of grooming and radicalisation.

Organisational stability and their future role

Business models have been challenged during this crisis, and organisations face uncertain futures. One community organisation remarked:

How do we futureproof when we don’t know what the future is?

Several organisations spoke about their concerns about declining demand for room hire and use of their buildings, and the impact this will have on financial stability. Although this trading

⁸ Royal College of Psychiatrists (2020) “Psychiatrists see alarming rise in patients needing urgent and emergency care and forecast a ‘tsunami’ of mental illness”. Available at: <https://www.rcpsych.ac.uk/news-and-features/latest-news/detail/2020/05/15/psychiatrists-see-alarming-rise-in-patientsneeding-urgent-and-emergency-care>

model is currently challenged, over the longer-term asset ownership and localised economic development is still likely to support economic recovery and resilience.

Organisations referred to the role they had played working with and coordinating smaller organisations during the crisis. They recognised that as acting as community anchors⁹ they had a role in the delivery of local infrastructure support.

We need investment in the right type of infrastructure going forward. We want support to develop a CDT for the area to tackle some of these issues across the partnership. [We need] better procurement process that builds the capacity of the sector.

Other places talked of the need for local structures such as Neighbourhood Councils¹⁰.

Community organisations were keen to highlight learning from this crisis period to support a changing relationship with the local authority. They spoke about the need for more investment for and recognition of local infrastructure. Some of the organisations had been the local connector for many years; supporting the development of resident-led and smaller community organisations and questioned the logic of not starting with the community when deciding council strategy.

Could they start with our [community] plan rather than trying to put everything in place to suit theirs? Although this is an investment how much time and money is spent on duplication or Officers having to source information?

Looking to the future: opportunities and recommendations

Birmingham City Council can play an important enabling role across the city, working with people and organisations to put the power of community at the heart of coronavirus recovery. Some of the new ways of working that emerged during the crisis can form the basis of a new future. Importantly, this moment offers an opportunity to ‘reset’ – to develop an approach to ‘recovery and change’ which builds on and mainstreams work that exists in pockets across the city. These recommendations lay out potential routes through which Birmingham City Council, in partnership with local communities, can do this, by:

- Supporting a community-powered economic recovery
- Building collaborative public services
- Turning community spirit into community power
- Developing and approach to culture change across the council

⁹ Community anchor = independent, community-led organisations which are multi-purpose and provide holistic solutions to local problems and challenges.

¹⁰ Neighbourhood Council = one of the forms of the first tier of local government, alongside, town, parish and community councils. They are statutory bodies. They serve electorates and are independently elected and raise their own precept.

Support a community-powered economic recovery

Develop an integrated community and inclusive growth approach to recovery and change

Recent Locality research has demonstrated the role of community organisations in strengthening “local economic resilience”: creating a productive local economy that’s environmentally sustainable and supports community wellbeing. In particular, community organisations act as local economic multipliers in the disadvantaged areas they operate – places we know will face the toughest challenges in the years to come. They ensure the wealth they generate is redistributed in their neighbourhoods, by employing local people in good quality jobs, using local supply chains, and providing training opportunities so local people can become economically active.¹¹

Respondents spoke about the opportunity that a shift in culture and relationships provided by the coronavirus crisis could represent.

There has been a revival of the ‘15-minute neighbourhood’¹². How do we support local business and the local economy?

Mobilising the role of community organisations to provide pathways to employment in the wake of the crisis is more important now than ever, especially in areas of multiple deprivation where labour market challenges will be particularly acute. The barriers people experience to employment are often complex and place-specific, ranging from a lack of access to networks, to caring responsibilities, to transport issues. Therefore, mobilising the assets, solutions and capabilities across the community to address these barriers and determine the solutions is essential. Work to tackle large scale unemployment has been done in the city before (Longbridge and Northfield) and pilots are currently underway to demonstrate the role community organisations play in supporting strategic recovery plans.¹³

Coronavirus is a worldwide crisis that’s hitting the UK severely and its’ impacts are of a scale beyond a significant regional economic collapse like Longbridge. That said, the solution should be similar – respect and invest in those key teams mobilising a response, support and engage communities and work on long term recovery planning.

¹¹ Locality (2017) Powerful Communities, Strong Economies, Available at: https://locality.org.uk/wp-content/uploads/2018/03/LOCALITY-KEEP-IT-LOCAL-002_revised260318_summary.pdf

¹² <https://www.strongtowns.org/journal/2019/9/6/7-rules-for-creating-15-minute-neighborhoods>

¹³ Pioneer Group are developing an employment pilot and are part of the community wealth building partnership in Birmingham.

To harness this potential, communities should play a central role in Birmingham’s economic recovery. Too often, their work is seen as an add on, rather than a central route through which through which BCC can achieve their goals.

Adult social care, neighbourhoods and housing need to pull together to talk to the economic side of the council. The [voluntary and community] sector can fall through the gaps and become a ping pong ball in between.

This points to a broader recommendation, of involving community organisations with relevant expertise in strategic planning to tackle systemic issues – such as the social determinants of health. Too often, community organisations are asked deal with symptoms, rather than use their expertise to inform a strategic approach some of our biggest economic, social, and environmental challenges, challenges.

Reset the city’s Community Asset Transfer policy

The availability of community spaces underpins community wellbeing in good times and bad.¹⁴ These are the places where community power is built - through the groups, services and amenities they house and the connections and relationships that are forged within them. Furthermore, community ownership or management puts the governance of these spaces in the hands of local people – unlocking new capacity, service improvement and innovation.¹⁵

We have seen this power like never before during the coronavirus crisis. Much of the extraordinary community response to coronavirus has been made possible through community spaces and services that have provided crucial local capacity and resources. Community buildings have been centres for local coordination, bringing together crisis support schemes like foodbanks and distribution. In addition, community buildings often house multiple services, groups and businesses under one roof; this co-location was an invaluable foundation for the local response, making partnership working and information sharing quicker and easier, based on existing trust and relationships.

Community ownership offers an opportunity for places to develop affordable housing, revitalise our high streets and create hubs of local economic activity. Locality’s publication, ‘Developing a Community Asset Transfer (CAT) policy: a guide for local authorities’¹⁶, lays out some of the principles councils should consider when developing a new Community Asset Transfer Policy, including:

¹⁴ Bagnall, A et al (2018) “Places, spaces, people and wellbeing: full review”. Available at: https://whatworkswellbeing.org/wp-content/uploads/2020/01/Places-spaces-people-wellbeing-full-report-MAY2018-1_0119755600.pdf

¹⁵ Locality and the Co-op (2020). “In Community Hands: lessons from five years of community asset transfer.” Available at: https://locality.org.uk/wp-content/uploads/2020/03/COP33979_In-Community-Hands_2020.03.18.pdf

¹⁶ Locality (2020), Developing a Community Asset Transfer (CAT) policy: a guide for local authorities, Available at: https://locality.org.uk/wp-content/uploads/2020/03/COP33979_In-Community-Hands_Appendix_2020.03.18.pdf

- Having a portfolio holder responsible for CAT
- Integration within other strategies – particularly the council corporate plan
- Cross departmental commitment
- Co-design with the community
- Clarity on availability of community assets, process and decision making
- Clarity around the scope and terms for CAT

We heard that BCC and other asset-owning stakeholders in the city needed to be more imaginative about their use and disposal of assets beyond immediate gain and that the Valuing Worth¹⁷ process was a helpful tool for organisations to demonstrate return on investment to council departments.

One of the practical routes through which BCC can provide community organisations a greater economic stake is community asset transfer. Through this research, community organisations told us that their experience with officers involved in community asset transfer was a frustrating one. Birmingham City Council should consistently apply its Community Asset Transfer approach which sees asset transfer as way of investing in communities, rather than a transaction which removes property from the council's balance sheet. It also can reassert its approach through the review of its current policy and its application, in line with the principles outlined above.

Embed the Keep it Local Principles in the Council's inclusive growth agenda and join the Keep it Local Network

When developing an approach to inclusive economic recovery, BCC should apply the Keep it Local principles to any plan. Covering local wealth building, service redesign and community partnership, the principles offer a cross-cutting, whole system approach to local government strategy. In publicly endorsing these principles, Birmingham Council can join a group of likeminded councils in the Keep it Local Network¹⁸. These places are aiming to unlock the power in their communities by building strong local partnerships, sharing power and maximising local strengths.

Through the Network there are regular opportunities to learn from one another – involving council officers in these sessions provides a practical way to shift cultures internally.

The Keep it Local principles and approach

1. Think about the whole system not individual service silos
2. Co-ordinate services at a neighbourhood level
3. Increase local spend to invest in the local economy

¹⁷ <https://communityassettransfer.com/valuing-worth/>

¹⁸ <https://locality.org.uk/policy-campaigns/keep-it-local/join-the-keep-it-local-network/>

4. Focus on early intervention now to save costs tomorrow
5. Commit to your community and proactively support local organisations
6. Commission services simply and collaboratively so they are 'local by default'

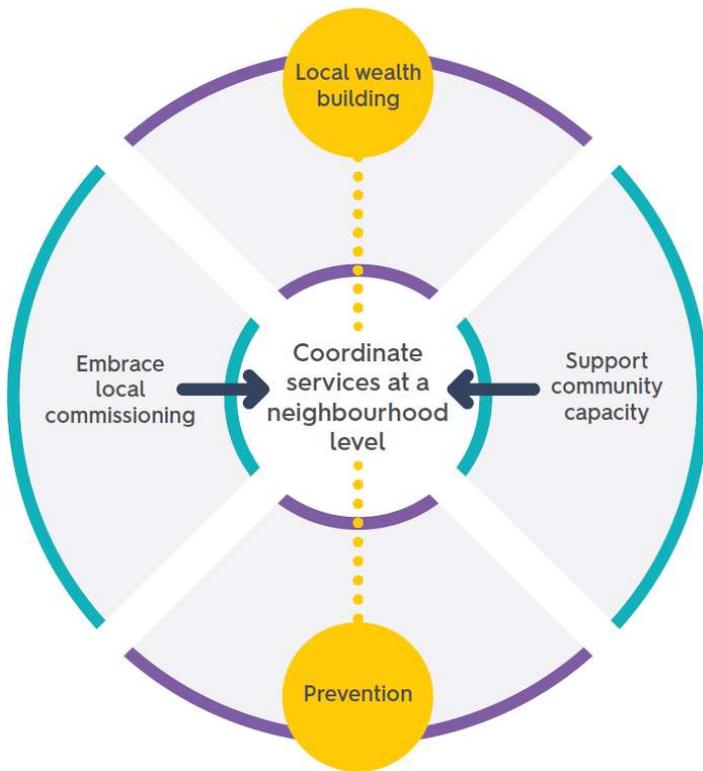


Fig. 2: A 'whole system' Keep it Local approach

Build collaborative public services

As a recent Core Cities paper laid out, “return and recovery cannot happen without high quality, properly resourced public services”¹⁹. Local government needs to be adequately resourced.

However, there is lots local government can also do within the current climate. The Working Together in Birmingham’s Neighbourhoods White Paper²⁰ set out an ambitious vision for services. The paper committed the council to “make services more responsive to local neighbourhoods.” It proposed to do this by:

Establishing a cross-service (and partnership) review to explore ways to make services more responsive to neighbourhoods, including:

¹⁹ <https://www.corecities.com/sites/default/files/field/attachment/pressing%20restart.pdf>

²⁰ Birmingham City Council (2019), Working Together in Birmingham’s Neighbourhoods, Available at: https://www.birmingham.gov.uk/downloads/file/11839/working_together_in_birminghams_neighbourhoods_white_paper

- *Extending the role of Relationship Managers who provide a point of contact for wards in each key local service*
- *Service redesigns, using the example of Neighbourhood Networks in our Adult Social Care service*
- *Job design in public facing roles to enable more flexibility and responsiveness*
- *How service managers and senior management can engage with neighbourhoods*
- *Identify and implement ways to reduce “red tape” that prevents local groups from addressing local issues. This will include considering: ensuring conditions of grant aid are proportionate; the requirement for public liability insurance for all organisations; and a “Citizens Right to Challenge Bureaucracy”*
- *Contracts and procurement (including engaging the community more in commissioning).*²¹

Realise the potential of the Working Together in Neighbourhoods White Paper by investing in it to ensure its take-up across different local authority departments.

Tackling each suggested action, laid out in the proposed cross-service review, could have a huge positive impact on the structures and culture of Birmingham City Council, and ensure the White Paper has impact beyond the Neighbourhood Development and Support Unit. While some of the measures in the review have been taken forward by the council, this has not been done in a systematic way. The council now has an opportunity to fully implement these steps.

We need a strategic approach to community development and localism. How do we use the white paper to fast track anchor-type approaches in areas that have little infrastructure?

Embed procurement flexibilities across the council

Aside from these ready-made recommendations that Birmingham Council has committed to undertaking, there are new opportunities for change that the coronavirus crisis has presented.

In mid-March, the Cabinet Office published two Procurement Policy Notes²². The guidance laid out how procurement practice should be shifted in local authorities, CCGs, central government and elsewhere, in light of the coronavirus crisis. Where, in the past, the focus of many contracts has been on outputs and specific outcomes, which can shut out local voluntary and community organisations, some councils are now looking for broad outcomes

²¹ Working Together in Birmingham’s Neighbourhoods, Page 15

²² Cabinet Office (2020), “Procurement Policy Note - Supplier relief due to COVID-19”, Available at: <https://www.gov.uk/government/publications/procurement-policy-note-0220-supplier-relief-due-to-covid-19>
Cabinet Office (2020), “Procurement Policy Note - Responding to COVID-19”, Available at: <https://www.gov.uk/government/publications/procurement-policy-note-0120-responding-to-covid-19>

that meet community need and public purpose. These flexibilities can pave the way for transactional relationships to be replaced by those based on trust.

As Andrew McCartan, Commissioned Services Manager Wirral Council, one of the Keep it Local councils, puts it:

Traditionally, we've been a very KPI, performance-driven organisation. During the crisis, we've seen organisations do things well without this level of process and a greater degree of trust and collaboration. We now need to use this learning to understand how we commission and procure things in the future, and where appropriate and in the best interest of local communities, move away from some of those more inflexible approaches to more collaborative, outcomes driven partnership solutions with these organisations and local community businesses.”²³

Link the migrant and refugees' sector in the city with the neighbourhoods and locality working

Through this research, migrant and refugee work was identified as a potential area that could be better coordinated with neighbourhoods and locality-based working in the city – tying this 'communities of interest' work into the 'communities of place' approach adopted by NDSU. This was identified as especially important for new arrivals in the city, to ensure they can get to know their new neighbours and the range of provision available in their communities.

Identify new opportunities to work 'upstream'

Several interviewees spoke about the work they had already been doing and the need for the council to work 'upstream' to intervene early and prevent issues mounting up over time. As per the Keep it Local principles, focusing on early intervention now can save costs tomorrow. Both community organisations and BCC interviewees recognised importance of BCC forming partnerships with community to achieve this aim. The Neighbourhood Networks Scheme and the Early Help (Children's Trust) have both been highlighted as a model for addressing intervention and prevention outcomes in future.

The latter has involved co-design with community organisations, been organised at a neighbourhood level and focussed on early intervention. BCC should build on the successes of these schemes and models and think about other service areas which can strengthen their preventative offer in partnership with communities.

Turn community spirit into community power

²³ Locality (2020), We were built for this, Page 18

The wave of community spirit seen during the crisis, across the country, has been a powerful source of hope amidst a persistent stream of stories of human suffering the coronavirus has brought to bear. One of the key challenges central and local government are grappling with is how to sustain this, once there is some return to stability.

Develop a new neighbourhood approach to capacity building to include peer support, and a responsive offer for smaller and newly established and Black, Asian and Minority Ethnic-led organisations

One of the central findings of this research is that many community organisations felt they slipped through gaps of centralised support during the crisis, whether this was the speed at which they were communicated to, or the ease of access to small grants. As the city looks to recovery it should consider how its infrastructure offer can be strengthened to work more closely with communities and to understand the nuance required to support Birmingham's diverse community.

Several respondents spoke about the importance of funded peer support as part of this offer – such as through a community hubs network. Discussions have been started with [Birmingham Community Matters](#) to explore this as part of their peer support model. There is also likely to be a wave of sustainability issues across newer and well-established organisations in the coming months, as their finances take a hit. Any infrastructure offer will have to focus on a number of issues including specialist areas such as digital inclusion and community business models and transformation.

Develop an approach to culture change across the council

To bring about change in the three spheres identified above, the council needs to develop an approach to culture change, and opportunities to implement this approach, which mainstreams and turbocharges the principles laid out in the Working Together in Birmingham's Neighbourhoods White Paper.

Facilitate a wholesale shift in Birmingham City Council culture from a parent/child relationship to one that it is 'enabling and facilitating'.

A recurring theme through this research has been the challenges community organisations have faced when engaging with the local authority. These organisations want to see a focus on collaboration between the local authority and communities, and a recognition of the strengths of both parties. Many of the recommendations in this section of the report aim to provide opportunities through which the council can begin to shift its cultures.

When you are busy the unhelpful relationship with the council zaps the life out of you. There's a win-win situation but it feels like an uphill battle. [BCC needs to] trust us to do the right thing for our communities

The Working Together in Birmingham's Neighbourhoods White Paper laid out this vision:

The overall direction of change will be away from the structures of the city council towards a diverse pattern of neighbourhood and community groups and organisations taking on more power and more assets to enable them to deliver their own solutions to the challenges in their area. What is needed is a change of culture not necessarily a change of council structure.²⁴

Leaders across the Council will have to play a role in ensuring there are workstreams in different service areas, which allow people to put these principles into practice.

The council should be asking communities: 'how can we help you to do this?' Not 'these are the reasons you can't do this'

²⁴ Working Together in Birmingham's Neighbourhoods, Page 9

Appendix: List of research activities and participants

Thank you to everyone who took part in this research. Here we provide a list of all those involved.

Interviewees

ACP Group
Balsall Heath Strategic Partnership
Banners Gate Neighbourhood Forum
Birmingham City Council Adult Social Care (Migrant and Refugees)
Boldmere Futures
Bournville Hub
Bournville Village Trust
Brandwood Centre
Cedar Church
Elim Life Church
Glebe Farm and Tile Cross Pioneer Place
Handsworth Wood Youth Group
Kikit Pathways to Recovery
Laurel Road Youth and Community Centre
Legacy West Midlands
Moseley Community Development Trust (on behalf of Moseley Together)
Nelson Mandela School
Nishkam Centre
North Edgbaston Coalition
Northfield Community Partnership
Northfield Stakeholder Group
Pashtun trust
Pioneer Group
Stirchley Neighbourhood Forum
St Pauls Community Development Trust
Villa Road Soup Kitchen
Welcome Change

Councillors

Marje Bridle
Mary Locke
Rob Pocock
Kath Scott

Roundtable with Birmingham City Council officers (Community Recovery Group)

Suwinder Bains
Karen Cheney
Neil De-Costa
Chris Jordan
Kalvinder Kohli
Pamela Powis
Emil Prysak

Roundtable with Birmingham City Council elected members and CEO

Councillor Ian Ward

Councillor Sharon Thompson

Councillor Karen McCarthy

Councillor John Cotton

Councillor Fred Grindrod

Chris Naylor

Follow up interview with Birmingham Voluntary Service Council

Brian Carr

Stephen Raybould

locality

the power of community

Locality supports local community organisations to be strong and successful. Our national network of over 900 members helps more than 400,000 people every week. We offer specialist advice, peer learning and campaign with members for a fairer society. Together we unlock the power of community.

Unlock the power in your community with us

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Community Assets

Ged Devlin

16 October 2020

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Community Ownership

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hands

7,085



COMMUNITY
BUSINESSES
IN ENGLAND

SOURCE:
SOCIAL FINANCE REPORT 2016

200,000
VOLUNTEERS
ENGAGED

MORE THAN **INCOME**
£1BN



36,000
STAFF EMPLOYED

SECTOR INCREASED
IN SIZE BY
5% SINCE
2015

£2.1
BILLION
ASSETS



Community ownership

Major research study in 2019 with MHCLG, Sheffield Hallam University and IVAR

- At least **6,325** assets in community ownership
- Majority provided a 'micro' (32 per cent) or 'small' (48 per cent) revenue of less than £100,000
- Unevenly distributed: only 18% are located in IMD1-3
- Financially robust: 75% of community-owned assets say they are in good financial health
- A valuable part of the economy: contributing nearly £220 million to the UK economy every year
- Important locally: 56% of their expenditure stays in their local economies



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community
hands

**Estimated assets in community
ownership**
(Number of LAs)

30 or more (78)

10-30 (110)

5-10 (53)

0-5 (85)

Numbers are not whole
due to estimation
scale is 0 to <5; >=5 to
<10, >=10 to <30, >=30

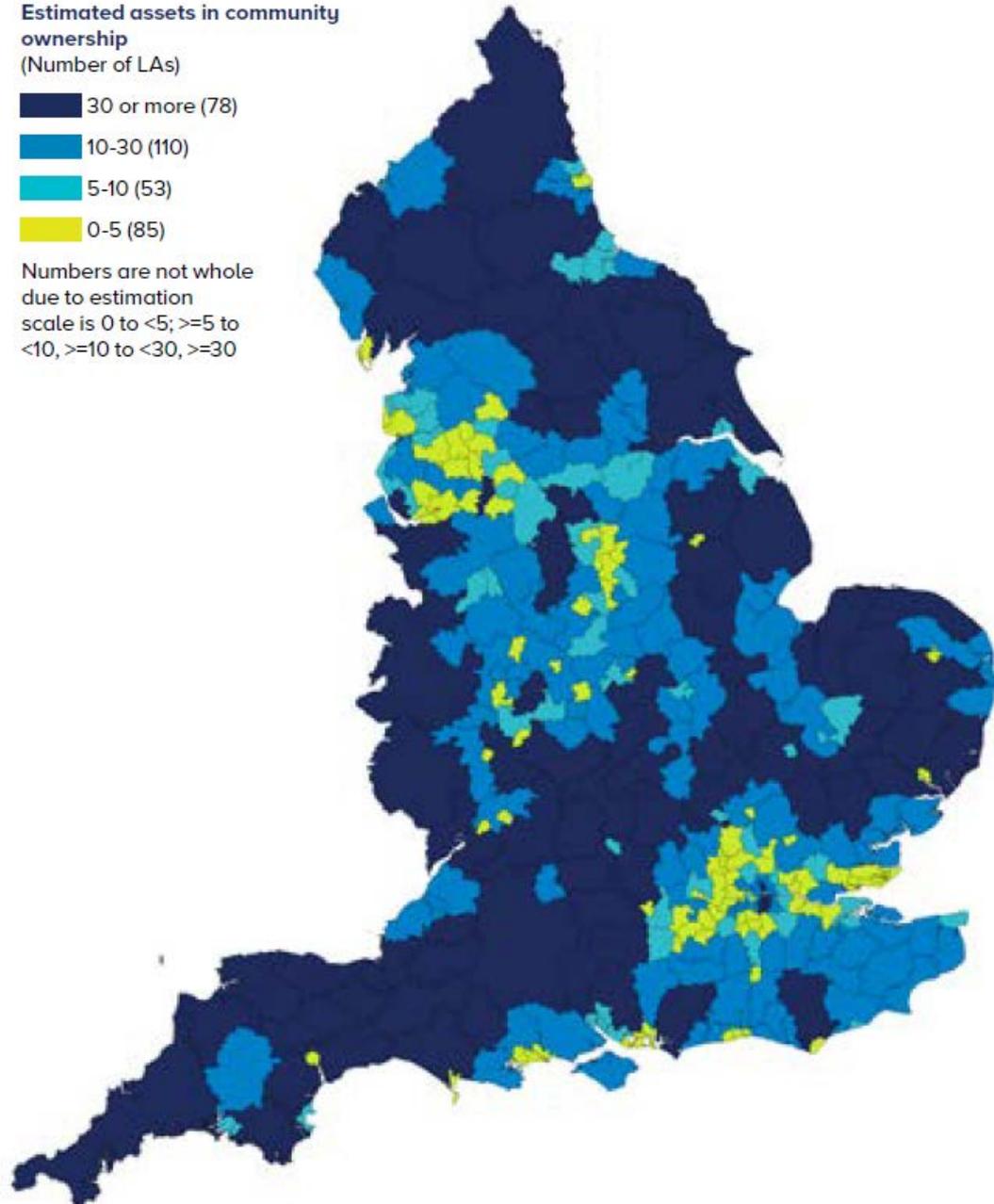


Figure 4: Year asset came into community ownership



Source: Survey of assets in community ownership (Base 340)

Nearly a third of all community assets came into community ownership in the last decade, and the trend shows no sign of declining.



Power to Change knows that thriving community assets need a community-led business model

With average annual capital costs for a community asset at £32k, it is crucial that they are underpinned by a solid community business model.

Community businesses have a **trading model** that underpins income generation.

- They generate £0.9bn of income a year and own close to £1bn of assets
- 56p of every pound spent by asset-owning community businesses stays local

Community leadership puts local people in control, returning pride to neighbourhoods.

- Community businesses employ 34,000 (mostly local) people and engage 200,000+ volunteers
- 75% work to improve community pride and empowerment

Community businesses **improve the physical fabric** of places they care about.

- They have restored iconic local buildings like Stretford Public Hall in Greater Manchester, attracting new investment to the area
- They prevent pubs, shops, leisure centres and libraries falling into disuse and disrepair

Asset-owning community businesses deliver **wide community benefit** by maintaining social infrastructure.

- 60% of community business focus on improving employability
- 81% of all community businesses work to improve health and wellbeing locally



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Thank you

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Keep it Local:

How local government can
plug into the power of community

March 2020

LLOYDS BANK
FOUNDATION
England & Wales



locality

the power of community



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01. Executive summary

Keep it Local is the campaign to turn the tide on outsourcing at scale and build partnerships between local places and communities instead.

Local authorities face a growing crisis, with deep cuts and rising demand. Over recent years, the dominant response has been to try and find savings by outsourcing services at scale.

But many local areas are now suffering from 'scale fail': poor quality services that don't deliver the outcomes promised and don't deal with people's problems at source.

However, a growing number of local authorities have been doing things differently. They recognise the distinctive role that community organisations play both in the local service landscape and in the wider social fabric of their places. So rather than crowding them out with bureaucratic commissioning and standardised services, they are seeking to support and nurture them - by building partnerships, sharing power, and maximising local strengths.

This report provides new evidence and understanding of exactly what makes the work community organisations do in their local neighbourhoods unique. It shows the benefits that can be realised if local areas plug into this 'power of community' - not only providing high quality services for

local people but also bringing communities together at a time of ongoing social division. And it highlights the trailblazer councils who are leading the way by Keeping it Local.

Who are the Keep it Local trailblazers?

Locality has established a Keep it Local Network to build momentum behind the new direction that is emerging. We're bringing together likeminded councils to share learning and work with us to put Keep it Local principles into practice.

Eleven trailblazer councils have now joined the Keep it Local Network: Bradford Metropolitan District Council; Bristol City Council; Calderdale Council; Hackney Council; Kirklees Council; Lewisham Council; Newcastle City Council; Oldham Council; Rotherham Council; South Gloucestershire Council and Wirral Council.

These councils have publicly endorsed six Keep it Local principles, appointed champions in their cabinet and senior leadership team and have committed to working with Locality to assess and improve their current practice.

The Keep it Local principles

Through co-design with councils and communities, the Keep it Local principles guide policy and practice within local authorities.



1 Think about the whole system and not individual service silos.



2 Coordinate services at the neighbourhood level.



3 Increase local spend to invest in the local economy.



4 Focus on early intervention now to save costs tomorrow.



5 Commit to your community and proactively support local organisations.



6 Commission services simply and collaboratively so they are local by default.

Alongside these early adopters, other councils are going through internal processes to finalise their involvement in the Keep it Local Network.

These councils have recognised the opportunity Keep it Local presents of delivering on their core agendas while maximising return to their places from the money they invest. As Susan Hinchcliffe, leader of Bradford Council puts it:

“ This isn’t about altruism, or working with local organisations because it’s a nice thing to do. We want to Keep it Local because we know it’s the best way to provide the best possible offer for our communities.

Susan Hinchcliffe, Leader,
Bradford Council



All have different routes into the Keep it Local movement, looking at it through a range of different lenses. For example, this might be through the potential to help build an inclusive economy, as part of a wider public service reform agenda, through a drive to disperse power to a local level, or some combination.

Councils are seeking to be more ambitious in their application of social value; for others the power of community ownership plays a big part; or others still have highlighted the huge potential of building their prevention offer to save money elsewhere in the system. Other places are thinking about the future of social care, in the context of an ageing population, and reimagining the role of community provision in this ecosystem.

All of them see the Keep it Local approach as means of improving their service offer to citizens, making every

pound work harder for the communities they serve, and deepening their long-term relationships with local people.

New research with community organisations

The new research in this report shows why councils are joining this growing Keep it Local movement. Working with seven community organisations from across the country, we’ve developed a deeper understanding of just what makes their approach to services and role in their neighbourhoods distinctive. We’ve uncovered powerful evidence of the transformational impact this has on people’s lives - and the huge benefits local areas can realise if they unlock the power of community.

Whether it’s through end-to-end support for women suffering domestic abuse in Southwark and Leeds; or the provision of physical connection in a world of online tick-boxes for welfare recipients in Birmingham: local community organisations do things differently. And this makes a tangible difference for both the individual people who engage with them and the wider places they live in.

Our research has found that community organisations have distinctive qualities that make them uniquely well placed to address the challenges facing their communities. These organisations not only help relieve immediate pressures on public services but also provide the answer to many longer-term, more intractable issues.

- they possess a strong breadth and depth of local knowledge.
- they have built trust with local people.
- they are motivated by their attachment to local place and driven to improve this place and the outcomes of people living there.

- they are flexible and nimble.
- they work closely with volunteers.
- they work in an asset-based way, harnessing people's strengths for the benefit of the local place.

There is a growing recognition that these are the qualities that are required to get to grips with the complex nature of the most pressing problems local authorities face, from homelessness to adult social care to loneliness. Indeed, our research has found that these distinctive qualities lead to a range of distinct outcomes for people using services provided by community organisations, and for statutory sector organisations commissioning them:

Key system outcomes:

- prevention of demand for services elsewhere in the system.
- organisations recognised as key partners for complex cases – with the public sector referring on the most challenging cases.
- high levels of social value generated for the local place.

Key individual outcomes:

- greater involvement in local community.
- access to safe, welcoming spaces.
- human interaction and person-centred care.
- support which doesn't stop when a simple 'outcome' is delivered.
- access to peer support.

These are critical service-level impacts that can help councils achieve their central objectives, such as reduced social isolation or improved community safety. But we've also seen evidence of the wider benefits local organisations bring – for example, by investing in, and attracting investment to, their local neighbourhoods.

Or by playing a powerful advocacy role, representing the community and taking on leadership roles as key brokers between statutory sector and voluntary and community sector (VCS) organisations.

Time and time again, we heard how these organisations take on the complex cases that public and private sectors struggle to solve. Across all these case studies, the role of social action and volunteering is vital to this. Its power to bring people together, build confidence and generate positive outcomes for those volunteering and those being supported is clear.

What this amounts to is a vital resource in our neighbourhoods that has developed over time. A Keep it Local approach enables councils to plug into it and benefit from its power – while also providing vital resources to support it to develop and grow stronger.

Cogs of connection

The thread which runs through all these organisations is their role as a local cog of connection. They are connected to a particular place. They have strong relationships with local people, deep reservoirs of trust, and unrivalled local knowledge. This makes them able to connect all parts of their community – and especially those who might be less likely to engage – with different services, people and activities. They are able to provide a level of support that goes way beyond an individual service – they get people connected locally. We believe this is something they can do that others can't do anything like as well. Their role connecting people, neighbourhoods, organisations, sectors and services means they are powerful and vital cogs in their local network.

All of this suggests benefits that reach far beyond a narrow conversation about public service reform, important though

that is. Recent political events have raised fundamental questions about who we are, how well we know each other and whether we are able to live together side by side. Central to this challenge is the distance that national politics feels from people and growing levels of political distrust.

We know that people have felt that politics and policy has been far too focused on what it could do to them and their places, rather than what it might do with them. Keep it Local offers local areas a way of combating this malaise. These organisations are ready-made connectors – Keep it Local means plugging into and super charging a huge resource that already exists.

Figure 1



“ Supporting the Keep it Local principles has to be about a partnership between the voluntary and community sector and the local authority to make sure that the wealth we create and spend is kept in the local area. If we do this well, we will be creating sustainable, good quality jobs that pay a decent living wage and investing in the skills and capacity of the people of Newcastle.

Nick Forbes, Leader,
Newcastle Council



What next?

Councils increasingly understand the case for Keeping it Local:

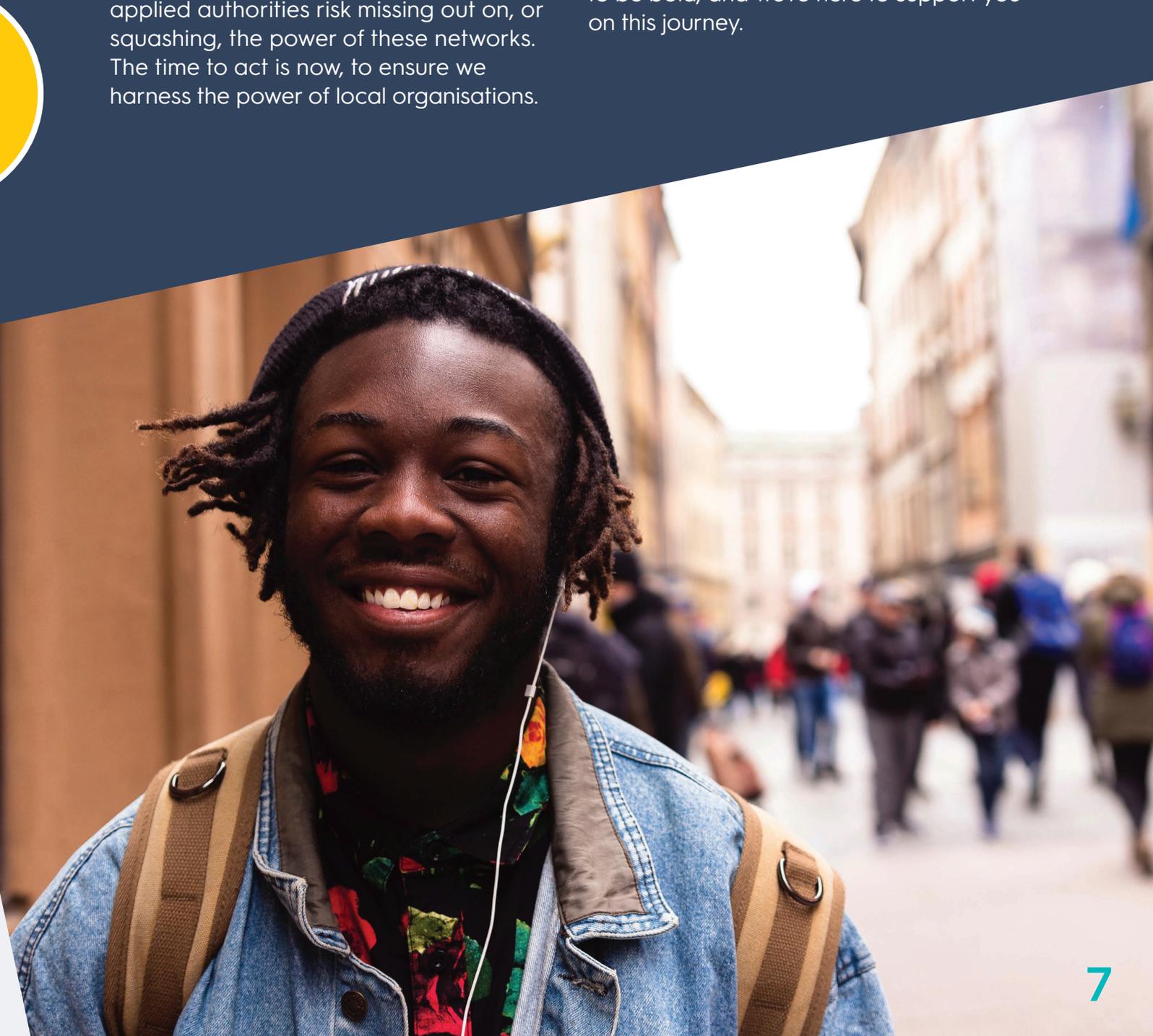
1. For better services that transform lives.
2. To reduce pressure on the public sector.
3. To invest in the local economy.

Changing long established systems and cultures is easier said than done and local communities want guidance on how they can go further. Our six Keep it Local principles provide a means to unlock the power of community networks.

Importantly, when these principles aren't applied authorities risk missing out on, or squashing, the power of these networks. The time to act is now, to ensure we harness the power of local organisations.

Application of the principles could involve pooling of budgets and resources with other statutory sector bodies in a place. It could be reform of procurement and social value policies so that processes are simpler, more collaborative and 'local by default'. It might involve a more coordinated and strategic development of community capacity through asset transfer and small grants programmes.

Crucially, it should involve active participation in the Keep it Local Network – recognising that there are councils across the country seeking to harness the power of community, all with unique learnings to offer. It requires leaders and practitioners to be bold, and we're here to support you on this journey.



02. Introduction: What the research shows, why the time is now

Local government is at a crossroads. One of the most harmful effects of the austerity decade we have experienced is that cuts have been weighted towards the local level. Local government and people engaging with its services have shouldered the heaviest burden of sustained fiscal belt-tightening. For a sense of how stark this challenge is, New Economics Foundation analysis shows a £19.4bn local government funding gap¹ for 2019/20.

Following the General Election in December 2019, there is little sign this pressure will ease. Despite commitments that “austerity is over”, we know that services are not about to rebound, and pledges to increase spending on specific areas of local government activity such as social care will not reverse a decade of cuts.

Alongside the deep challenges that local authorities and communities have faced, we have begun to see the emergence of something more positive. There is a growing appreciation that things are not working and that old models are obsolete. This is combined with an emerging range of new thinking and consensus on the way forward.

“Public trust in outsourcing has been seriously damaged.

The Public Administration and Constitutional Affairs Committee.²

Key trends driving interest in Keep it Local

- Local authorities face a growing crisis, with deep cuts and rising demand.
- Councils have been trying to find savings by outsourcing at scale.
- Smaller, local organisations have been shut out by the trend towards scale.
- Many local areas are now suffering from scale fail. Councils can become locked into rigid and complex contracts that suck up administrative resources to manage and are inflexible to the current pace of change.
- Following Carillion’s collapse, the entire outsourcing market is under increasing scrutiny.

The New Public Management paradigm – public services based on markets, managers and measurement – is dying and the first shoots of what comes next are beginning to show.³

The complex nature of the public policy challenges we face is increasingly well-understood, and this understanding is driving a new way of working that seeks to harness the power of community. This new way of working requires deep and lasting relationships to be forged, with power widely dispersed and services joined-up around the distinct needs of every person.

Often, the huge power that exists in all communities sparks rather than surges. A lack of community capacity, poor local relationships, top down decision making, a tendency towards risk aversion: all can conspire to leave this power latent.⁴ What sits behind this is a wider system that fails to unlock local potential.

However, there is a growing movement of people, organisations and thinkers looking to move beyond this system.

The growing movement

These changes in thinking span a range of sectors and disciplines, from community wealth building and public finance reform, to complexity thinking and community power.

The community wealth building movement,⁵ for example, is rooted in political economy and is focused on people-centred approaches to local economic development, which redirect wealth back into the local economy. Organisations such as the Centre for Local Economic Strategies have encouraged places to think about how they harness the economic assets in a place for the benefit of local people. This is often in opposition to a wider extractive economic model that hasn't worked for these places - a characteristic shared with the places profiled in this research.

Complexity thinking and its implications for public services is also driving much of this debate. Collaborate's work on "Human, Learning, Systems", sets out a "new world" of approaches to social change that genuinely put people in the lead".⁶ They describe approaches in the existing New Public Management paradigm, based on perverse incentives and ineffective markets, that are wholly inadequate in a time of complexity.

Their research lays out the new ways of working that commissioners and funders are putting in place to respond to complexity. They are built on human

relationships; open to constant learning and adaptation; and look after the health of the wider system, rather than focusing on siloed service areas.

The New Local Government Network's work on the Community Paradigm is also contributing to thinking about what comes after New Public Management, and how to harness community power. It looks at this through the lens of local government reorganisation and devolution.⁷ It challenges whether the state is fit for purpose in the 21st century. We had the 'state paradigm' in the post-war period, the 'market paradigm' from the 80s onwards. Now is the time for the 'community paradigm'. To get there, they argue we need a process of communitisation - "the process of transferring power and resource into the hands of communities".⁸

"The Chartered Institute of Public Finance and Accountancy is also developing research and guidance for its members - including local authority Finance Directors - on how to unlock the potential of local charities in public service delivery. As councils continue to contend with the results of a decade of austerity and instances of outsourcing failures, the work will investigate the role social value can play in driving commissioning change".

Threads from all this work runs throughout our research. This diversity of thought can sometimes lead to a feeling that these debates are happening in parallel, rather than together. However, it is because of the multi-perspective and overlapping nature of this movement that makes the potential for a dramatic and decisive shift so great.

Keep it Local intersects and complements this existing work. Our research looks at the existing power in our communities, identifies its distinctiveness, and the integral role it plays in all the shifts described above.

Reasons to Keep it Local

Through the course of the Keep it Local campaign, we have explored why councils have signed up to the Keep it Local Network. Each case is unique, but the following themes summarise the feedback from the network.

1. To reduce pressure on the public sector.

There is a recognition that, often, the rising demand placing such pressure on our public services is 'failure demand': problems which have mounted up over time, having not been properly addressed when they were first reported. Local community organisations are more likely to solve underlying issues upfront because of the way they work: services are person-centred and joined-up with other local service providers.

Locality's report "Saving Money by Doing the Right Thing"⁹ found that eight people with drug or alcohol dependency presented to GPs a total of 124 times. Broader analysis from Vanguard suggests that failure demand accounts for 80% of demand into health and social care services. Other research and work, like that of public services consultancy IMPOWER¹⁰ recognises that there is a huge opportunity for local government to manage demand better.

2. To invest in the local economy.

By commissioning community organisations, councils can ensure that precious public sector resources are used to build community capacity and create maximum benefit to the local economy. This is particularly crucial at a time when the income base for local authorities is increasingly dependent on the success of their local economies, with the shift to business rate retention.

Locality research¹¹ looked at how community organisations act as local economic multipliers by employing local people and using local suppliers. In Bristol, every £1 generated by Southmead Development Trust creates £2.55; and Windmill Hill City Farm creates £2.47.

“As a co-operative council who places Thriving Communities at the heart of our own values we believe we share the same vision and mission statement as those in the Keep it Local Network.

It can only be of benefit to an organisation like ourselves to be a part of such a supportive Network. Together we will provide a strong voice to push for change.

Spending money locally and devolution are important ambitions for us. We already work with partners to make sure we maximise the Oldham pound locally and our residents have already seen the benefits.

Cllr Sean Fielding,
Leader Oldham Council



We also calculated the 'enabled contribution' that community organisations make to the local economy by hosting tenants. A study of 10 Locality members by NEF Consulting found they collectively enabled approximately 1,400 jobs and approximately £120m of gross value to be added to the local economy.

New research focussing on two other benefits of keeping it local.

1. The provision of transformational services.
2. Access to, and support for, a unique network of local assets.

It shows that community organisations are providing transformational services. Services which have a distinct value, especially for those with complex needs. Services which are in stark contrast to the transactional provision which has come to characterise much of the public service landscape. Services which are underpinned and powered by a strong depth and breadth of local knowledge and trusting relationships with local people.

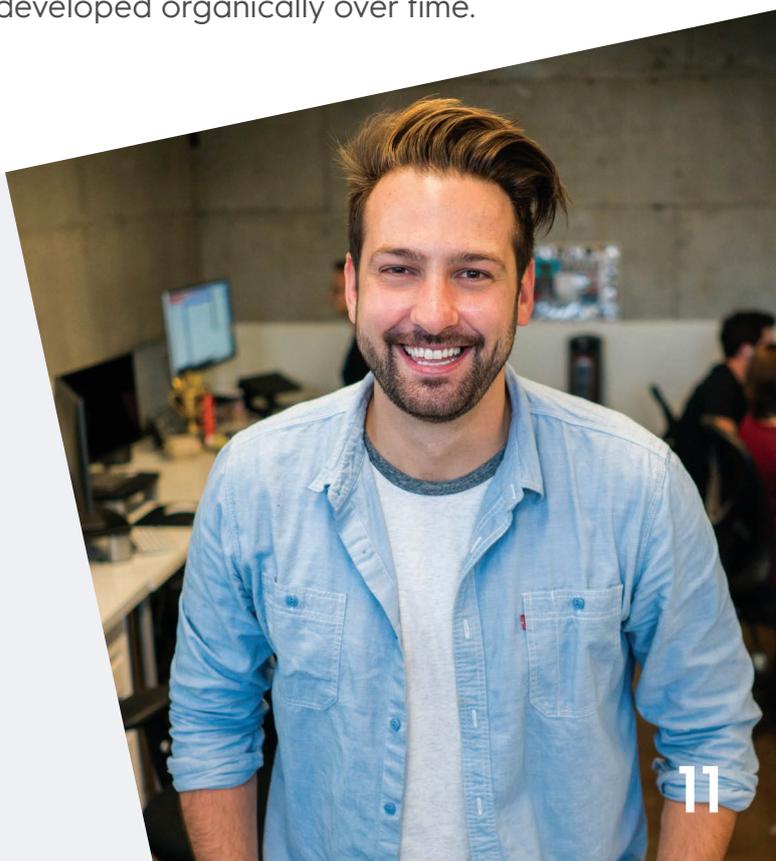
In addition, this research shows that commissioners of these services are receiving so much more than just a transformational service. They are supporting and nurturing a rich network of assets and support with a community organisation at its centre. These organisations are key cogs of connection in their neighbourhood – keeping local systems operating and serving as a key link between the statutory and business sectors and smaller voluntary and community sector organisations and groups.

Research by the Centre for Regional Economic and Social Research¹² in 'The Value of Small' spoke about this distinctiveness in three ways – delivering individual value, economic value and added value. Individuals engaging with these services receive a distinctive offer of person-centred, committed and holistic support. Community organisations provide economic value through their local supply chains and preventative impact. 'The Value of Small' found that the economic footprint of small and medium sized charities was £7.2bn in 2014-15.¹³

They deliver added value through supporting volunteering; maintaining and enhancing local and organisational networks; and leveraging external funding. These organisations are often able to more than double income received from the public sector with income from elsewhere.¹⁴

Therefore, local authorities should see collaboration with these organisations as an investment, rather than a simple public spending decision. Not only can councils receive a distinctively high-quality service, but they can support and plug into the power of a community network and generate additional social and economic value for their communities.

As stewards of their local place, councils are thinking about how they invest and nurture this local resource. Too often, systems (procurement, commissioning) and culture prevent this from happening. This has largely been driven by the deep cuts to local government funding councils have experienced in the past decade. However, this focus on short term cost savings means councils miss out on the double-benefit described above and explored in detail in this report. Worse still, through underinvestment, they risk crushing these networks that have developed organically over time.



03. Who are the Keep it Local trailblazer councils?

Places are increasingly recognising the benefits of Keeping it Local we outline in this report. To build on this momentum, Locality has established a Keep it Local Network - where likeminded local authorities can share learning on the practice and politics of making the shift to Keep it Local.

Eleven Keep it Local trailblazers have now joined the Network. They have publicly committed to the six Keep it Local principles, appointed champions in the cabinet and senior leadership team and committed to working with Locality to assess and improve their current practice.

Importantly, they have convened, or will be convening, a discussion with their local community about what Keep it Local means in their specific place. Here, we profile these councils and the key agendas that are driving their involvement in Keep it Local in each area.

Alongside these early adopters, other councils are going through final internal processes to finalise their involvement in the Keep it Local Network.

We also know that there are many other places forging partnerships with communities, including in many of the places profiled through this research. We hope they will join this growing movement of councils and communities coming together to transform their places.

Figure 2



- 1 **Bradford Metropolitan District Council** – One of two Keep it Local pilot areas, alongside Bristol. Bradford are using Keep it Local to think about how they reform their homecare offer – to move away from the transactional model of support that has come to characterise this social service. They also have ambitious Social Value and Inclusive Growth policies¹⁵ which involve a commitment to increasing spend with local organisations.
- 2 **Bristol City Council** – One of two Keep it Local pilot areas, alongside Bradford. The council see the ideas behind Keep it Local as a key route through which to support their ambitions for Adult Social Care transformation and ensuring the One City Plan¹⁶ involves all communities in Bristol.
- 3 **Calderdale Council** – Their Community Anchor Policy¹⁷ has sought to enable the power of their local community organisations. They see Keep it Local as supporting them to deliver on their Inclusive Economy Strategy¹⁸ and develop their social value approach.
- 4 **Hackney Council** – Their Inclusive Economy Strategy and Sustainable Procurement Strategy¹⁹ are both supported by membership of the Keep it Local Network. They are applying the Keep it Local principles through “disrupting service siloes, finding existing expertise in our communities, and pushing for ‘local by default’”.
- 5 **Kirklees Council** – The council have sought to build community capacity through an ambitious Community Asset Transfer approach and are building a diverse local care market through support for small enterprises and cooperatives.²
- 6 **Lewisham Council** – Lewisham have developed their ‘Lewisham Deal’²¹ with other anchor institutions in the city to promote inclusive growth in the borough. They are thinking about how best to support local organisations through their social value policies and have endorsed the Keep it Local principles, recognising “that it is only through strong and effective partnership working that we deliver better outcomes for our citizens.”²²
- 7 **Newcastle City Council** – Newcastle’s Social Value approach²³, and ambition to increase levels of local spending is to “make sure that the wealth we create and spend is kept in the local area. If we do this well, we will be creating sustainable, good quality jobs that pay a decent living wage, and investing in the skills and capacity of the people of Newcastle.”²⁴
- 8 **Oldham Council** – The Oldham model focuses on “thriving communities, inclusive economy and co-operative services”²⁵. The council recognises the support offered through the Keep it Local Network can help support and strengthen this model, and develop alternative approaches to commissioning, like their social prescribing innovation partnership.
- 9 **Rotherham Metropolitan Borough Council** – Their Social Value Policy²⁶ includes specific reference to the Keep it Local principles and how they will “enable the Council to make a greater shift towards a more collaborative approach grounded in local delivery, early intervention and prevention.”
- 10 **South Gloucestershire Council** – South Gloucestershire Council is going to work together with the VCSE sector to develop a local approach to Keeping it Local and to continue supporting community organisations in the district. It is planning reform to its procurement processes and extend its successful social value approach. It will build on foundations, including a stronger community and voluntary sector, laid out in the South Gloucestershire Sustainable Communities Strategy.
- 11 **Wirral Council** – Wirral Council is working with Capacity: The Public Services Lab, to support its local voluntary and community sector through reforms to commissioning and procurement. They endorsed the Keep it Local principles²⁷ to help them harness the local potential that exists in their authority neighbourhoods and communities.

04. Methodology, evidence summary and framework

Here we describe our approach to researching the distinctive role of these community organisations; provide a summary of what we found and the common characteristics they share; and sketch out a framework that links them.

Research methodology

In the summer and autumn of 2019, we worked with seven community organisations – in Birmingham, Leeds, London, Sheffield and South Gloucestershire – and people they work with. We wanted to look at what makes these organisations unique.

We ran seven workshops – one with each organisation – with senior management and frontline delivery staff. We used these workshops to look at the impact data and stories they hold, and the strategy and culture which guides their work.

These workshops were guided by a Keep it Local ‘characteristics chart’. Its content was informed by staff experience of working with these types of organisations and existing research, such as the Value of Small. It was designed to guide colleagues and research partners to think about the distinctive characteristics of these organisations. It was also designed to explore how they transform lives and the impact measurement approaches organisations might use to show this.

Alongside these workshops, we also carried out interviews with people that use services provided by these organisations. We used these interviews to explore the impact of these services in greater detail.

We then analysed the findings gathered through these research activities to develop a common framework that links these organisations.

Research findings

History and context

We live in a time when inequality is moving up the political agenda, in-work poverty is on the rise, and long-term unemployment remains a stubborn and malign feature of too many communities. It is in this context that the organisations we worked with on this research operate – they are all based in disadvantaged neighbourhoods with complex problems.

Locality’s latest membership survey showed that 80% of our member organisations work in the 50% most deprived wards in the country.²⁸ This is also in the context of recent research from New Philanthropy Capital showing that there are fewer charities per 1,000 people in ‘left behind’ areas than the national average.²⁹ However, all the organisations profiled in this research are based in the 40% most deprived neighbourhoods in the country.³⁰

These are the sorts of places that commentary in recent years has come to recognise as ‘left behind’, or ‘held back’ – as the Centre for Labour and Social Studies has argued is a more appropriate term³¹. Held back by a system of top-down state interventions and market-driven solutions which can’t respond to this complexity.

Of course, each was established in response to a particular set of circumstances at a certain time in a specific place. However, all these organisations developed organically out of a recognition that no one was coming over the hill to solve the complex social problems their communities were facing – so they would have to come together to find solutions themselves.

For example, The Northfield Community Partnership (case study on page 28) was established in response to the major economic shock of the closure of the local MG Rover Plant in 2005.

Bede House, a community organisation based in Southwark (case study on page 20) has served individuals and families in Bermondsey for generations – since 1938. It has adapted and changed its approach in response to some of the great social changes during this period, such as the closure of the docks, the redevelopment of housing estates and the arrival of new communities in the neighbourhood.

Across the case studies, we heard staff and service users alike note that the work of these organisations is fuelled by a connection to their local place and built on a web of trusting relationships with local people. Relationships which have been built up over time.

Social context in the places these organisations work

Figure 3



| Organisations | Index of Multiple Deprivation (IMD) 2019 Rank | IoD 2019 Health Deprivation and Disability Rank | Unemployment benefit (JSA and Universal Credit) (% of working age adults) | People with no qualifications (% of people over 16) |
|--------------------------------------|---|---|---|---|
| 1 Bede House | 5,462 Top 20% most deprived LSOA* | 4,624 Top 20% | 5.0 | 25.5 |
| 2 Behind Closed Doors | 5,701 Top 20% most deprived LSOA* | 4,416 Top 20% | 4.4 | 34.9 |
| 3 Health for all | 823 Top 10% most deprived LSOA* | 1,887 Top 20% | 7.2 | 46.4 |
| 4 Manor and Castle Development Trust | 9,559 Top 40% most deprived LSOA* | 10,074 Top 40% | 3.9 | 24.3 |
| 5 Northfield Community Partnership | 5,929 Top 20% most deprived LSOA* | 7,847 Top 40% | 6.9 | 23.8 |
| 6 Shoreditch Trust | 5,518 Top 20% most deprived LSOA* | 10,823 Top 40% | 3.4 | 17.8 |
| 7 Southern Brooks | 8,636 Top 40% most deprived LSOA* | 14,327 Top 60% | 4.0 | 32.7 |

*Lower Layer Super Output Area

Their role

These community organisations deliver a range of local authority and statutory sector services, as well as undertaking other income-generating activity to support their work in their neighbourhoods. Through our case studies, we have seen examples of organisations delivering complex domestic violence support, antenatal support for new mothers, social prescribing schemes and welfare support in areas of high deprivation, to name a few.

They are multi-purpose. As well as delivering vital services, they see their role as ‘connectors’ – making links between local services, sectors, people and activities. Previous research has referred to a similar role as ‘providing the glue between services.’³²

Our new research has found this makes them vital cogs of connection in their neighbourhoods. They keep local systems operating and act as a key link between the statutory and business sectors and smaller voluntary and community sector organisations and groups.

“ It is in and of itself a good thing to find a way for people to realise their power. To understand themselves as assets and not passive recipients of public services.

Marvin Rees, Mayor of Bristol



For example, Northfield Community Partnership, with the local church, set up Northfield Stakeholders Group. This was to enable local community organisations and agencies to respond strategically to the decreasing service provision and increasing challenges faced by communities in Northfield’s neighbourhoods. Some of the key successes of this group include restoring homelessness support in the neighbourhood and developing a new community hub to host at-risk organisations.

Distinctive qualities and characteristics

Our research has found community organisations have a distinct set of qualities, driven by the values and purpose they are guided by (namely a commitment to their local communities) and the history and context which drive their work.

- they possess a strong breadth and depth of local knowledge.
- they have built trust with local people.
- they are motivated by their attachment to local place and driven to improve this place and the outcomes of people living there.
- they are flexible and nimble (often realised through flat management structures).
- they work closely with volunteers.
- they work in an asset-based way, harnessing people’s strengths for the benefit of the local place.

Outcomes

Through our research, we've seen a range of distinct outcomes for people using services provided by community organisations, and for statutory sector organisations commissioning them. These include:

Key system outcomes:

Prevention of demand for services elsewhere in the system. Across all the case studies, the preventative impact of their services for other statutory sector services and for the voluntary and community sector was a clear characteristic. For example, Bede House's Starfish Project potentially saves the NHS £3,398 for each woman they help remove from domestic violence and support to rebuild their lives.³³ However, this is just part of the picture. Intervening early in a domestic violence 'journey' helps save money for a range of statutory services, including the police, the local authority-funded care system and the criminal justice system.³⁴

Organisations recognised as key partners for complex cases – with the public sector referring on the most challenging cases. Across the organisations researched this was a common theme. Statutory sector bodies recognised that they and some national providers couldn't deal with the more difficult cases, due to the complexity and interconnectedness of some of the challenges people are facing. To deal with these challenges requires neighbourhood-level knowledge and a local web of relationships. One staff member from Health for All in Leeds sums this up: "We say yes".

High levels of social value generated for the local place. As demonstrated by the two points above, the additional social and economic value generated by community organisations impacts

the local system in positive ways. For example, after analysing a range of client 'progress data', Behind Closed Doors, a domestic abuse charity in Leeds, estimated that they produced around £12,073,457 of social value in 2018/19.

Key individual outcomes:

Greater involvement in local social action and volunteering. Many of the services and organisations profiled in this research recognise the power of social action and volunteering. It can provide a good follow-on activity for clients, to sustain their relationships with the organisation and peers beyond the completion of formal commissioned services.

Access to safe, welcoming spaces. Our social infrastructure is in decline, the scale of which was laid bare by our Great British Sell Off report³⁵. Across our research, we've heard how these organisations have remained a physical community space for people to connect. This is at a time when the market and state infrastructure around them has crumbled. Informality is also important. Sheffield-based community organisation, Manor and Castle, provides retail space 'shop-front' - a non-traditional space that people feel they can drop in to and doesn't feel like a formal service. This finding is supported by research on the value of small and medium sized charities³⁶. Volunteers and service users spoke about likening the environment created by these charities to "a family" and "felt that also marked it out as different from a larger charity or public service."³⁷

Human interaction and person-centred care. Clients at Behind Closed Doors noted that the strength of relationship was crucial. It enabled them to be honest about their feelings and situation and allowed workers to discuss, challenge and support them effectively.

Support which doesn't stop when a simple 'outcome' is delivered. For example, Bede House's domestic abuse service is open-ended. Staff will work with clients for as long as is necessary to break the cycle of abuse.

They also recognise the power of peer support in this mix. Bede House's Survivors' Groups and Freedom Programmes connect women so they can share their experience and help one another through the challenge of recovery, following their involvement in the commissioned domestic abuse support service.

Cogs of connection

Figure 4 illustrates the role community organisations play as cogs of connection in their local place. It shows the range of relationships they have formed with local people, public sector agencies, providers, businesses and other local partners - a network that has developed organically over time. Community organisations have a catalytic role linking up these often-disconnected parts of the system.

This network is part of what delivers strong service outcomes when community organisations deliver services. For example, a community organisation will be well-placed to deliver complex services which require trusting relationships when it has already formed bonds with residents.

There is also a strong degree of additional benefit which commissioning rarely recognises. We have seen examples of people engaging with an organisation for a specific service and then being linked up to all manner of other support and assets as a result.

We have found a broad range of assets, organisations and individuals mobilised by the organisations profiled in this research.

There are examples of organisations tapping into their local networks to make seemingly small interventions which can have a huge impact. There is the example of Eloise's support worker in South Gloucestershire who, after speaking to a local employer about her complex needs and lack of transport, found her temporary work close to home.

There is the case of Client A in Southwark, someone who experienced domestic violence at home - with her problems compounded by an expired visa. Bede House supported her to access immigration advice and counselling, and then introduced her to a local Survivors group.

In Northfield, many people first access Northfield Community Partnership through its foodbank service. Staff there are aware of the complex challenges many of these people face and can quickly signpost them to other services provided by the organisation, such as employment-readiness support and help with job searches.

It is a similar story in Sheffield. Staff at Manor and Castle Development Trust about seeing their role as being 'to recognise links and connections'. Their services operate independently, but "once you're in one you get linked up to other things".

Health for All in Leeds have supported over 100 small, local community groups to work in their community, recognising their role as being one of direct support, but also to catalyse smaller voluntary and community sector organisations to meet people's needs and build on their strengths.

Figure 4



“ We support Keep it Local because we believe that strong, resilient communities benefit the whole borough and our local economy. We are proud to have commissioned local organisations to deliver local services in our communities like our Children’s Centres.

We work in partnership with the voluntary and community sector to help support resilient communities through projects like Staying Well and Active Calderdale that empower people and enrich local lives.

In the past year we have launched our Inclusive Economy Strategy and are developing our approach to social value so that these vital partnerships are built into all our work going forward.

Jane Scullion Deputy Leader and Cabinet Member for Regeneration & Resources, Calderdale Council



05. Case studies

The following case studies focus on community organisations in different areas of the country with unique histories, stories, and areas of focus. We look at the impact they have on the people they work with, the systems they operate in and how they support councils to deliver on their agendas and much more.

Southwark – Bede House

Responsive to the needs of local people for over 80 years. Today they provide domestic abuse support services and access to wider support networks.

Bede House is based in Bermondsey, South London. It was founded in 1938 and since then has provided a range of community-based responses to the needs of local people. It has served individuals and families for generations, particularly during periods of great social change, such as the closure of the docks, the redevelopment of housing estates and the arrival of new communities in the neighbourhoods. Today, one of their most vital local services is the Starfish Project.

Southwark Council's statutory funded domestic violence services are delivered by Solace, a national provider who support a high volume of clients. Bede's Starfish Project works alongside this to serve those whose needs are not easily met by the contracted service. Those using the Starfish Project are in complex situations. For example, half of the women who contacted the project have a formal diagnosis of mental ill-health.

A unique feature of Bede's service is that it is open-ended – staff will work with clients for as long as is necessary to break the cycle of abuse. They also recognise the power of peer support in this mix. Their Survivors' Groups and Freedom Programmes connect women so they can share their experience and help one another through the challenge of recovery.



Key findings

- In 2018/19, the small team at the Starfish Project helped 198 clients. Over one third of their clients were self-referrals who had heard about Bede by word of mouth.³⁸
- 90% of their clients live safer lives after help from Bede, and their mental health improves as a result.
- Each year, social services avoid having to take children into care because Bede has helped their mothers to end the violence at home.
- Based on The National Institute for Health and Care Excellence (NICE) estimate of a cost for an Independent Domestic Violence Advocacy (IDVA), the Starfish Project potentially saves the NHS £3,398 for each woman they help remove from domestic violence and support to rebuild their lives.³⁹

“ I had no money, because my husband controlled our finances. I also found out that my visa had expired (he controlled our visas too) which meant that I couldn't work or receive any benefits.

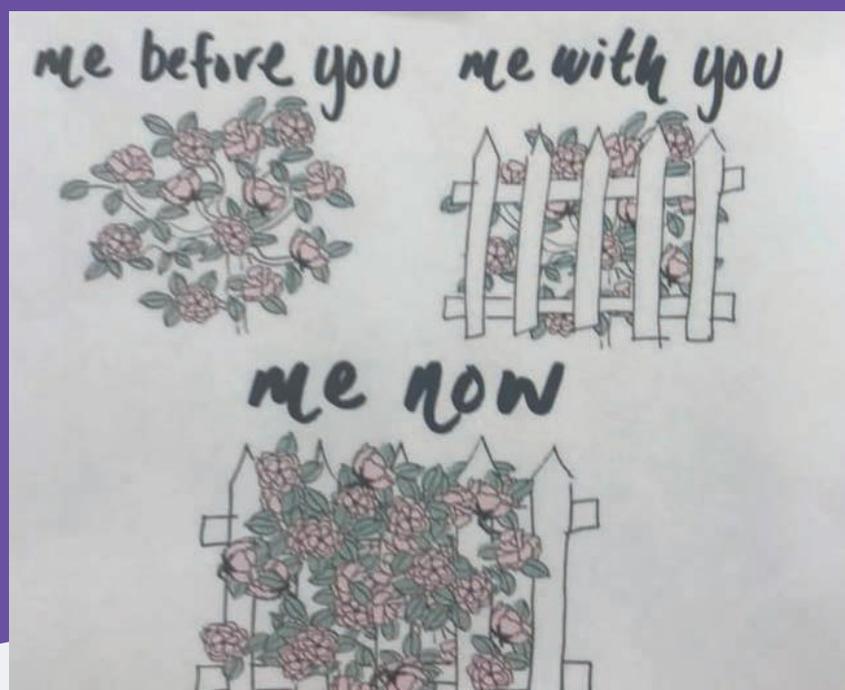
The Bede House team were amazing. They provided counselling and got me some immigration advice plus financial help and guidance.

I also started to attend their weekly Survivors Support Group. Where women like me come to listen to each other and share their experiences.

It's the only place I go where I feel that people really understand. They also make my children feel wanted and welcome which makes a huge difference.

Behind Closed Doors client

A client of Bede's Starfish DV Project created this image to describe her experience of life before, during and after an abusive relationship.



Leeds – Behind Closed Doors

Holistic work with clients prevents further instances of domestic violence and abuse. Community-level preventative work follows-on from statutory support.

Behind Closed Doors was started by local women in Otley, Leeds, in 1997. They provided a phone line and safe space to help women suffering domestic abuse and violence. They are now a city-wide charity based in the Aireborough / Wharfedale district of the city.

Behind Closed Doors recognise the importance of retaining a presence locally. They maintain a private address. This enables them to maintain the trust of the people they work with and allows them to provide a safe space.

The organisation provides both commissioned (Community Domestic Violence Team) and community-level preventative (Prevention and Recovery Service) work - so recovery support can follow on from the statutory service.

Clients said that individualised, 1-1 support, in their own home, at a time to suit them was important and that they really valued their worker's professional, personalised support. They said that this relationship was crucial. It enabled them to be honest about their feelings and situation, and allowed workers to discuss, challenge and support them effectively.⁴⁰

Due to the complex nature of the challenges faced by the people Behind Closed Doors work with, a major part of their work is connecting people with others, and with other services. They work closely with housing, police, social care, schools, children's centres, immigration, and the criminal justice system.



“The mix of safety, practical and personal stuff that my worker helped me with made it much easier to open up and process what happened and move on.”

Behind Closed Doors client



Key findings

- In 2018-19 Behind Closed Doors produced £12,073,457 of Social Value: mainly for the people the Community Domestic Violence Team and Prevention and Recovery Service team supported. This is based on the change in circumstance delivered for their clients compared to the cost of providing the services.⁴¹

They also produced:

- around £1.9 million Social Value for the children of their clients.
- £517,421 of Social Value for their volunteers.
- Last year, the Community Domestic Violence Team provided 3,888 hours to 379 people (333 Women and 46 men). The Prevention and Recovery Service team worked with 355 people (329 Women and 26 men).

These clients who completed support in 2018-19 said it enabled them to:

- be more independent, in control and able to make their own decisions.
- develop new stronger relationships.
- parent better.
- improve their mental health and wellbeing.
- keep themselves safer.

Leeds – Health for All

Actively taking on the difficult cases while acting flexibly and nimbly to bolster support across the neighbourhoods in which they operate.

Health for All was started with a small grant in 1991 in response to the World Health Organisation's health for all agenda developed in the 1970s.⁴² Health for All was founded on three core principles: redressing health inequality, promoting community participation and enabling collaboration. Its aim being to enable the poorest and most vulnerable communities in South Leeds to overcome the challenges of health and social inequality.

Many of the services and areas of work delivered today started when the first worker, who is now the CEO, went around the area to find out more about health inequalities and local issues. The organisation developed by finding out what local people want and need – and making it happen. This approach continues today, using the local knowledge of their staff, volunteers and local partners.

Health for All believe physical spaces for people to go and get support, meet others and feel part of the community is vital to the success of their services. They're important because people can turn up and access multiple services arranged around their needs.

In cases where Health for All have ownership of a space, they can use it to add value with additional projects and support as the needs are identified.

They have six centres across Leeds to ensure that people can easily access what they need. Many of these community assets were previously empty or underused facilities in deprived areas earmarked for demolition by the council.



They have since been saved by local people recognising and articulating their value. These local people called on Health for All to support their campaign and take ownership of these buildings, because they were a trusted and credible organisation.

Key findings

- Health for All have managed to leverage extra funding (beyond local commissioned services) from external sources to support the local area. Over the last 5 years, Health for All have directly and indirectly enabled an extra £3.74m of investment in local groups and assets.
- They are locally led. Six out of ten board members are from the local area, ensuring the organisation doesn't drift from its mission of working with local communities to tackle the root causes of local social challenges.
- Health for All have identified usages for community centres previously deemed surplus to requirement by Leeds City Council. In total, they have brought six centres back into active community use.

“ From our family intervention services and work with vulnerable men, we realised there wasn't a lot of support for young dads.

Young dads felt they are usually just seen as a problem and not many services engage with them. So, we started a group, asked the young dads what they needed and secured funding from Esmée Fairbairn Foundation for a worker.

Our other projects, services, local centres and partnerships meant we were able to swiftly and easily engage young dads to respond to the need.

Pat McGeever, CEO, Health for All



Sheffield – Manor and Castle Development Trust

Their multi-asset and place-based approach enables people to self-refer and access a range of services easily.

Manor and Castle was set up in 1997 to work with local people to regenerate the neighbourhoods in the Manor and Castle ward in east Sheffield. Their core purpose is community development and working with local people to address the issues that matter to them and the wider community. The services they offer cover health and wellbeing, early years, employment and skills and social action and volunteering.

Building trust with their local community is central to their approach. Manor and Castle's retail space 'shop-front' is a non-traditional space that people feel they can drop in to and doesn't feel like a formal service.

They operate a 'cogs model' – services operate independently but "once you're in one you get linked up to other things". Staff see their role as being to recognise links and connections, both within the organisation and with other assets, organisations and services in the community.

Manor and Castle utilise social prescribing to triage people to different services within the organisation and to other organisations in the local area and work closely with local GP's practice.



“He provides the continuity and kindness that many of our patients need to turn their lives around... He is much more skilled than us at helping folk get more active and eat more healthily.

A local doctor, speaking about one of the Manor and Castle Development Trust Health Trainers

James's story

James was diagnosed with hypertension due to being overweight, and as a result at risk of diabetes, heart conditions and strokes. For two years following diagnosis, James worked with his GP to try to reduce his blood pressure and the risks associated with hypertension.

Two years later, James's blood pressure was the same and the health risks still there. He was still presenting regularly to his doctor. It was at this point he became aware of Manor and Castle Development Trust. He spotted an advert for their "Eat Well Feel Well" course in the GP surgery and was referred by his doctor. Over the following six weeks, James got to know the health and

exercise worker delivering the course, changed his eating and exercise habits and lost 16 pounds.

This was just the beginning of his journey with Manor and Castle. Over the following months, James became involved in a diabetes course and mental health programmes and became a volunteer and ambassador for Manor and Castle Development Trust. He spoke about his health transformation and advocated for others to do the same across Yorkshire on TV and the radio. James spoke about this transformation and the things he had done with Manor and Castle seeming like a dream.

Key findings

- Manor and Castle's work has been shown to prevent clients presenting to GP services. They have written testimonials from a GP about how they supported someone who had been presenting at the doctors with various problems and how engagement with Manor and Castle had improved their health.
- Manor and Castle's work is centred on cross-referral of clients to ensure they have a holistic offer and experience from the organisation. Manor and Castle have an in-house database with lots of info and can easily identify how people have accessed various services / support to tackle complex needs.

Birmingham – Northfield Community Partnership

Physical connection at a time when many welfare and support services are migrating online.

Northfield Community Partnership was established in 2007 by local stakeholders including the local MP, Town Centre Manager, business owners and local residents in response to the closure of the MG Rover car manufacturing plant in 2005.

Local people recognised that the closure of a huge employer would have a devastating impact on local people, the place and local economy if nothing was done to support them. The vision from the very beginning was to bring businesses and the community together for the benefit of residents and the area. Since that time, NCP has operated a community hub on the high street and become a trusted service provider, partner and source of support for local people, organisations and businesses.

Northfield Community Partnership has developed into an important part of the local community, providing advice and support across many services which the local authority can no longer provide effectively due to cuts. Their current site, known as 'The Hub', provides a range of services including financial advice, sexual health advice and resources, a Foodbank, welfare and benefits advice, employment, digital skills and volunteering opportunities. Their local connection is still apparent today. Their five board members either live locally or have a strong connection to Northfield.

NCP works in an area of high deprivation⁴³, with associated challenges such as low educational achievement, child poverty, unemployment, poor health and low wages.

For example, in 2015, Birmingham Northfield topped the national list of living wage



blackspots – with 53.4 per cent of the jobs based there paying less than the living wage⁴⁴.

As a result of the complex array of challenges facing people in Northfield, NCP's operational model is based on multiple services addressing the needs of the whole person. The model is built with the aim of tackling the underlying, long-term causes of the issue presented.

As services withdraw or are moved online⁴⁵ people can't talk to anyone about the challenges they face. NCP has placed a great deal of importance on retaining a shopfront so people can come in and see someone. At a time where austerity is hollowing out social infrastructure, NCP is one of the key remaining institutions in the local area.

Their regular interaction with local people provides a different level of insight into the challenges that people are facing.

A staff member referred to the low levels of energy people had to carry out mandatory job searches required by Job Centre Plus if they haven't eaten for a few days. This understanding and recognition of personal circumstances is something that many claimants have argued is missing from Job Centre employees.

So, Northfield Community Partnership works to identify the reasons behind clients' food poverty. Their model is built on cross referrals and support, providing advice and guidance (on work, housing etc) alongside food poverty initiatives.

Neighbourhood catalysts

Northfield Community Partnership and the local church set up Northfield Stakeholders Group to enable local community organisations and agencies to respond strategically to the decreasing service provision and increasing challenges faced by communities in Northfield.

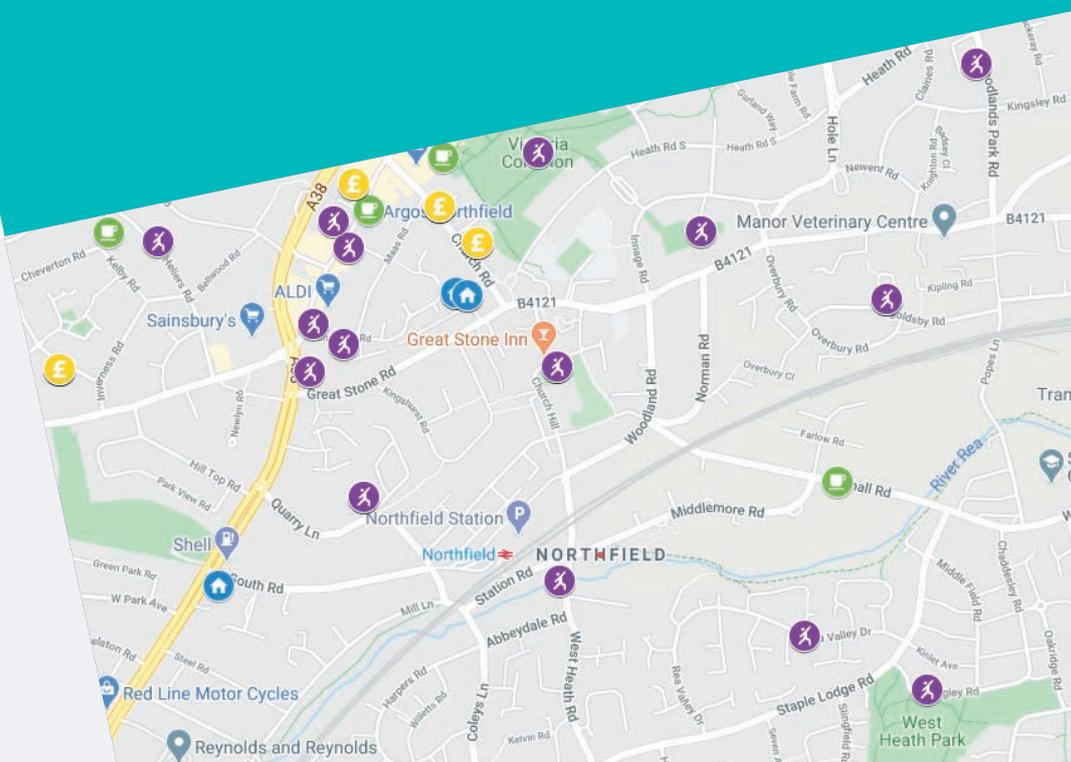
This group established the need and secured funding for a locally based housing officer from Birmingham City Council, following the closure of the Housing Advice Centre in the Northfield town centre⁴⁷. The stakeholder group also developed a community hub to house organisations at risk of closure and to provide new and emerging groups low cost office space.

Following the publication of Birmingham City Council's white paper, Working Together in Birmingham's Neighbourhoods⁴⁸, the area was awarded "Pioneer Neighbourhood" status. The area was awarded this status for its innovative community development work and contribution towards priority issues such as jobs, health and housing at the local level.

NCP's local knowledge also helped to develop the Northfield Community Asset Map, featuring up to date information about groups, activities and services operating in the Northfield Ward. NCPs services are developed in response to this, and other, local intelligence.

Key findings

- NCP registered 1393 new clients within a 12-month period between 2018 and 2019 and received a total of 5423 referrals from 53 service partners and self-referrals.



Northfield Area of the Birmingham Neighbourhood Networks 2019 Community Asset Directory.⁴⁹

Hackney – Shoreditch Trust

Developing an increased community capacity to care facilitating a mutually supportive network of women workers across agencies who jointly develop services.

Shoreditch Trust was formed in 1999 as part of the government's New Deal for Communities Programme. The initial remit involved regeneration of a specific part of Shoreditch, working closely with community members to ensure their input was heard, and training them to be able to continue to influence change in their local area in the future.

As the Trust became more involved, they realised there were lots of other ways they could work in the community. Since 2010 they have expanded, offering services further afield to the wider Hackney community and Greater London.

“When people have complex needs and problems in different areas of their lives, having support from a service that actually has links into all the different local services that are going to support them is vital. We offer that at Shoreditch Trust. And when I say links, it's knowing the name of the person, it's having relationships.

Jaimie Persson, Deputy Chief Executive



Shoreditch Trust see their place within the local voluntary and community sector ecosystem as vital. They are protective and proud of their ethical stance of not competing with other successful local organisations. This local knowledge and network has been built organically over time and is something that is very hard to replicate.

Shoreditch Trust also works very closely with public sector services in the area. For instance, the biggest referrer for one of their key services, Bump Buddies, is public health and midwifery in Hackney who have a very targeted client group of new mums with high needs.

“A large organisation could set up an office in the area but not necessarily in each location. And there are lots of little organisations working at a hyper local level. If you’re not plugged into that network, it’s very difficult and it’s a big job to get to know them. They’re small organisations, they don’t have capacity to set up websites and keep them up to date. So, even if a new organisation who wasn’t local was to get on Google it won’t help them get that knowledge.

Jaimie Persson, Deputy Chief Executive

The Bump Buddies Service – a peer mentoring scheme for new mums – has been shown to deliver outcomes for mums and children alike. The service results in improved emotional health, confidence, engagement, sense of trust, communications skills.⁵⁰

Shoreditch Trust actively invest in the local economy. They are committed to supporting the local economy and have a policy to source through both ethical and local suppliers, including other local social enterprises. Everything from the soap in their bathrooms to the ingredients in the kitchens are from local suppliers. They could save on budget if they sourced from national suppliers, but the money would not be going back into the local area. This is a clear demonstration of the economic multipliers councils can achieve for their local place when supporting local community organisations.

Key findings

- Almost three quarters of mothers identified the Bump Buddies Scheme as having helped them give their child a ‘good start’ in life⁵¹. Work from Professor James Heckman⁵² has identified that babies who have a good start are likely to cost the economy less and contribute more to society over the course of their lifetimes.



South Gloucestershire – Southern Brooks Community Partnerships

Working in close partnership with the local public sector and talking on difficult and complex cases that the statutory sector struggles with.

Southern Brooks operates across South Gloucestershire, but focuses in the neighbourhoods of Kingswood, Yate, Filton and Patchway. They operate a number of community hubs that work in responsive ways to combat isolation and loneliness in the local community. The aim is to bring people together over shared interests and common issues and get neighbours to meet each other to build strong community networks.

Southern Brooks support people with complex problems. Their approach is to work across teams, because people with multiple challenges often need to get involved with more than one of their projects. An important element of their approach is to make sure clients keep the original point of contact as their route into all these services.



“Someone might come to us wanting to have employment support, but because of the multi-purpose nature of our organisation, that person might be able to access counselling through us, or our volunteering programme to help with their skills or youth work for their kids.

Julie Close, Chief Executive, Southern Brooks Community Partnerships

Key findings

- Southern Brooks keeps track of how people are referred to its services. Last year, they received hundreds of referrals from over twenty local agencies and organisations, including DWP, social services teams, youth offending teams and housing associations.

Client A's story

Client A⁵³ was referred to us through the South Gloucestershire Council Transitions team. The council had worked with them for some time but were unable to achieve their initial short-term goals, and as a result, their case was transferred to us. I met with Client A and their transitions coach to complete the initial assessment and outline what they would like to achieve. The goal was to get Client A back into education and obtain part time employment.

We investigated numerous Art & Design courses to enable them to utilise their impressive artistic skills. We researched local course providers, and eventually Client A decided that South Gloucestershire and Stroud college provided the best course for them as the college would cater to Client A's additional needs. I supported Client A with the college application, as they find written English quite challenging and the whole process was overwhelming for them.

Client A was accepted on to the course after a successful interview and is due to start the course in September. I liaised with their support team to ensure the course was fully funded due to them having an Education, Health and Care Plan.

Client A was still very determined to find part time work that would go alongside their college course. We scheduled regular 1:2:1s to apply for jobs where Client A would often apply for multiple roles at a time. Together we created a CV and I showed Client A how to complete application forms using key words that employers look for.

A very challenging aspect of Client A's job search was the location of their home. Client A's family live in a very rural area

where there are limited job opportunities. Transport options are also limited, with very few buses running from their home town in to the city centre, which impacted on their ability to gain employment.

I contacted a HR representative from a local hotel who I had previously met at an employment event. I informed them of Client A's skill set and ability to communicate effectively with new people. I also explained how Client A does have additional needs, but with the right support, Client A can achieve their potential – the venue is also very close to Client A's home, which combats the geographical barrier.

Client A applied for the role and subsequently was invited to interview. (I was able to provide a character reference for them.) Client A did a great job at the interview and was offered a casual basis contract at the local hotel.

Southern Brooks also has a critical role to play in helping to support other local community organisations in the area. They go the extra mile to support a thriving and diverse local voluntary sector. They have long established relationships with other organisations and services in the area, built over many years.

They ensure that they work collaboratively with others, adding value rather than stepping on toes. And they seek out opportunities for partnerships. An example of the support they provide is to help smaller organisations access funding as Southern Brooks often leads contract but builds in opportunities for grassroots, local groups to be subcontracted.

06. How councils can Keep it Local: recommendations

We co-designed with councils and communities the Keep it Local approach, and the six Keep it Local principles. We believe both can guide policy development and practice within local authorities. They can support councils to plug into community organisation networks.

The Keep it Local Approach

Figure 5



“ The Keep It Local principles really capture our approach. We are focussing on early intervention by building new people-focussed, place based local integrated partnerships to tackle poverty, social isolation, and build community capacity from the grassroots.

Shabir Pandor, Leader, Kirklees Council



Recommendations: how to apply the six Keep it Local principles

In summer 2019, leading thinkers and practitioners contributed essays and case studies to a collection based on the six Keep it Local principles. These principles can be used to unlock the power of community networks we have highlighted through this work and provide a roadmap for how councils can use these principles in practice.

When these principles aren't applied authorities risk missing out on, or squashing, the power of these networks. Below are some recommendations on what each principle could mean for your local authority.



1. Think about the whole system and not individual service silos

Outcomes in a local place are driven by a huge range of factors. To ensure this is properly accounted for you should:

- coordinate and work across service silos within the council, to achieve prevention benefits.
- use the council's role as a local place leader to coordinate work with other statutory sector and voluntary and community sector organisations across the local authority area.
- consider pooling budgets with other partners, as has been done in Bassetlaw⁵⁴ and Plymouth.

Plymouth City Council – One System, One Budget

One system, one budget approach is an integration of the council and Clinical Commissioning Group. All monies are pooled into a single budget, and all staff are co-located and work as an integrated commissioning team. In addition, Plymouth City Council has integrated its social care staff within the community health provider to provide integrated health and social care. The approach seeks to establish a 'whole system of service designed around the needs of people', rather than a 'fragmented market built around the needs of commissioners and services'.

The integrated fund of £600m supports a combination of four strategies, focusing on wellbeing, children and young people, community-based care and complex care. The new approach was introduced in April 2015.⁵⁵



2. Coordinate services at the neighbourhood level

Thinking about the whole system requires looking at issues and challenges at scale. However, it shouldn't distract from the fact that most people's day-to-day lives exist within communities and neighbourhoods. For the benefits of Keep it Local to really accrue, councils should consider how existing services can be organised at a neighbourhood level whilst also harnessing the assets of the wider system.

“ Working at a neighbourhood level with communities who understand both the challenges they face, and the strengths and assets that can help meet those challenges, can help find creative solutions to seemingly insurmountable problems. It seems an obvious point, but neighbourhoods are where people spend most of their time. So by working in them and with them, we can have greater reach and impact.”⁵⁶

Anna Hartley, Director of Public Health, Wakefield Council



3. Increase local spend to invest in the local economy

This is proving to be ever more important at a time of austerity for local government. With the local tax base set to play a bigger role in local government finance, councils are increasingly thinking about how to support local organisations, and ensure their local pound goes further.

Preston Council is one of the best-known proponents for harnessing the power of local spend to drive improvements in their city. In 2013, the council, with the Centre for Local Economic Strategies, began looking at how they could support local organisations better. Analysis of their spending in 2016/17 showed that over the five years since 2012/13, locally retained spend had increased within Preston from 5% to 18.2% and within Lancashire from 39% to 79.2%.⁵⁷

In 2018, Preston was named the UK's most improved city⁵⁸, according to the Good Growth for Cities Index, based on analysis conducted by Demos and Price Waterhouse Cooper.

“ Local enterprises, SMEs, employee-owned businesses, social enterprises and cooperatives are more likely to support local employment and have a greater tendency to recirculate wealth and surplus socially and locally.”⁵⁹

Neil McInroy and Grace Brown, CLES

In 2019, this title was also given to one of the Keep it Local pioneer councils, Bradford.⁶⁰ The local authority have worked closely with Locality over recent years, on areas such as community ownership, social value and local commissioning and procurement strategies.

Bradford have a similar plan. Over the next five years, the council plan to increase levels of local spend from 47% to 60%, which would put an additional £45m into the local economy.⁶¹



4. Focus on early intervention now to save costs tomorrow

Community-based interventions can intervene upstream, and prevent demand escalating elsewhere in the system. An approach which is gaining interest is the Buurtzorg model of social care, pioneered in Holland. The model is based on locally based teams based around the needs of 'self-managing clients'. Cambridgeshire County Council are carrying out a pilot built on its principles in a number of neighbourhoods.

Key findings: Cambridgeshire's Buurtzorg pilot

An interim evaluation report, published in late 2018 suggests that the pilot has prevented the escalation of needs, impacted positively on clients' quality of life and on the development and harnessing of community assets. The report shows that our teams have prevented crises by preventing hospital admissions or readmissions, instances of carer breakdown and deteriorations in mental health.⁶²



5. Commit to your community and proactively support local organisations

Map and recognise your local assets. Many places don't have an accurate picture of the community assets – physical or otherwise – that exist in a local place.

The Birmingham Neighbourhood Networks⁶³ approach, led by the council aimed to do just that. Council officers worked with a number of neighbourhood-based community organisations to generate asset maps of the local neighbourhood.

This then allows you to understand their skills and ideas, and build from this, rather than only seeing need. Leeds City Council's approach to asset-based community development⁶⁴ recognises this and builds much of their work across the council from this understanding.

Community Asset Transfer is a route to transferring genuine power and resources to local people. It can stimulate community action, involving volunteers and local people in the governance of local spaces.⁶⁵ When done well and properly supported, it also unlocks service improvement and innovation. It can improve skills of local VCSE organisations,⁶⁶ as well as improving their financial resilience,⁶⁷ underpinning the strength and sustainability of community infrastructure.

Local community organisations are facing huge financial pressures and deeply entrenched social challenges. Councils could consider how to strategically support community organisations to build their capacity. Calderdale's Community Anchor Policy⁶⁸ is a great example of how to enhance the role of community organisations. It recognises both their community leadership role and the role they play in empowering local residents to drive forward positive change in their community.



6. Commission services simply and collaboratively so they are local by default

Relatively small changes to commissioning and procurement systems can play a huge role in supporting local organisations, and the rules are more flexible than many think.

The Art of the Possible in Public Procurement⁶⁹ provides procurement officers with a guide to the role they can play within the scope of the 2015 Public Contracts Regulations. Other top tips for ensuring commissioning is local by default are:

- use grants where possible.
- use alliance contracts to foster collaboration and join up services.
- break big contracts into smaller lots.
- announce commissioning intentions early to allow local organisations the time to bid and form local delivery partnerships.
- co-design services in partnership with local community organisations and service users and embed this in commissioning.
- think creatively about market engagement and how to make it as inclusive as possible and get beyond the usual suspects.
- require documented assessment of local supplier base in all commissioning.
- require quotes from local suppliers for contracts under EU threshold.
- consider available procurement approaches for larger contracts, like single tender action, innovation partnerships, light touch regime, reserved contracts.
- defend against small local providers being used as 'bid candy' by increasing the accountability and transparency of subcontracting.
- don't use payment by results - use blended payment mechanisms instead, which include upfront payments and fee for service.⁷⁰

“We know that our voluntary, community and social enterprise sector has skills, expertise, creativity and fleetness of foot to act locally, which is why we already work with them, right up to the strategic level, as partners and equals.

“We want to build on and strengthen that relationship as we develop a new approach to providing services for local people and communities. We're joining the Keep it Local Network because we know this is the beginning of a journey and recognise the power of learning from other councils in the Network as we make this shift.”

Toby Savage, Leader of South Gloucestershire Council



“ The EU procurement rules are often held to have imposed burdensome obligations that inhibit commissioning good sense. Yet the true villain is to be found much closer to home: domestic, bureaucratic institutionalism.

Commissioning should not assume big and commercial are best and not preclude engagement of a community provider, meeting community need. It should also look towards traditional grant-support, as an alternative to a service contract.

Julian Blake, Partner, Stone King LLP



07. Conclusion

Through this report, we have heard inspiring stories and evidence of the power of community. The role local community organisations play in a local place – working with people with complex issues to deliver transformative services, and the additional value they deliver for councils which is often unseen or hard to capture.

The increasingly complex nature of the challenges local authorities are dealing with, from an ageing society and increased demand for services to an incredibly difficult financial environment can sometimes feel insurmountable. However, a growing number of places highlighted through this research are choosing a different path and choosing to harness this power of community to tackle these core challenges all councils face.

They are building and strengthening partnerships with their local communities and community organisations, recognising the potential of this partnership to help them overcome these challenges. They are making small changes to policy and practice which make a big difference alongside more systemic changes which make a more transformational change.

Councils are doing this because they want to plug into to the power of local community organisation networks. The new research undertaken for this report has highlighted the huge additionality provided by community organisations – their role as local cogs of connection.

They have specialist expertise in acting as catalysts for change in their local place. Their role connecting people, neighbourhoods, organisations, sectors and services means they are powerful and vital actors in their local network. When local authorities keep it local, they are plugging into this resource and benefit from its power.

Commissioning can support this network to develop and grow stronger. At present, in too many places commissioning tends to miss out on these benefits and make it more and more difficult for this vital ecosystem to sustain itself.

The Keep it Local Network is for those wanting to seize this opportunity. It can support councils to deliver on core outcomes for their citizens, and in the process, they can receive so much more. They are investing in their local economy, preventing demand elsewhere in the system and nurturing these vital local networks.

Taking this new route requires leadership and vision, accompanied by practical change. Through the Network, Locality and your peer councils will work with you to make this vision a reality.

Contact us

If your council is interested in becoming a Keep it Local council, we'd love to have a conversation with you.



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08. Endnotes

02. Introduction – what the research shows, why the time is now

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About Locality

Locality supports local community organisations to be strong and successful. Our national network of over 700 members helps more than 400,000 people every week. We offer specialist advice, peer learning and campaign with members for a fairer society. Together we unlock the power of community.

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DEVELOPMENT
TRUSTS
ASSOCIATION

transforming communities for good

To have and to hold

The Development Trusts
Association guide to asset
development for community
and social enterprises
(Second edition)

Lorraine Hart



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01

Overview

Introduction

It is now five years since the Development Trust Association (DTA) published 'To have and to hold - the DTA Guide to Asset Development for Community and Social Enterprise'.

Since then, as always, only one certainty has existed - that things will change. The political, economic, social, environmental and technological context for asset development has completely transformed. New government initiatives and types of investment have been developed and new ones will take shape as the effects of the global financial crisis ripple across all areas of life. People are trying to respond positively to the shrinkage of the world's biodiversity and the effects of human activity that deplete the earth's resources across the world. The internet and new media continue to make a massive difference to the way we work, have fun, earn a living and communicate with each other at speed and across vast distances.

But some things have stayed the same - it is still difficult to bring about transformation in disadvantaged communities that lasts and goes beyond bricks and mortar. This seems to be true in both the UK and elsewhere. Discrimination continues to blight individual people's lives and their neighbourhoods. The gap between rich and poor has widened. The differences between the north and south of the UK remain entrenched.

It is however still possible for people to make a difference in their neighbourhoods and to learn from others who have done the same. Many DTA and Community Alliance members have been doing this for a long time, others have just started. Which means that the pool of people and experiences to draw on is greater than ever.

There are also opportunities now that did not exist in 2005 for local community based organisations to benefit in the long term from the development of land and buildings, to take responsibility for their ownership and control and improve and use them to meet community needs.

This publication aims to help people and organisations who want to do just that.

“ The fact that we are here today to launch the Development Trusts Association is an indication of how far we have travelled in a short time. Supported by Government not as a charity but as a partner, recognised as a valuable element in the solution of community problems we have a responsibility to develop the skills of the market place to make the movement a major success.

It is not a question of doing things a little better than we have done in the past but taking quantum leaps in community enterprise and remembering that where we land is not a resting place for contemplating your navel but only a launching pad for a bigger and better enterprise.”

Paddy Doherty,
President Development Trusts Association 1992

Who this guide is for?

Individual people or groups of people who want to organise in their neighbourhood to secure benefits from the development of land and building assets - they may want to save a local building from demolition and closure, to meet the need for housing on a site which is to be sold or redeveloped or create employment by creating space for new enterprises.

Community and voluntary sector organisations (for example neighbourhood community associations, civic societies and tenants/residents organisations) who may want to use land or buildings to give them a base for their own activities or property that will provide an income stream to support their activities.

Not for profit organisations and social enterprises who deliver local services supported with volunteers, grants and contracts with local councils, government and other statutory providers of public services (health, education and so on).

Local Authorities, Registered Social Landlords (housing associations) and funding bodies who are considering new ways to transfer assets in their own ownership that are under-occupied or in need of refurbishment or who want to develop new ones that enable long term regeneration through community led asset development and ownership.

Each of these groups can be an asset project champion or a stakeholder supporter. Each section of section 2 has a specific list of how our supporters can help a project - suggesting specific things they can do and help they can provide to ensure that the project makes progress.

A note on definitions

The subject matter of this guide is intentionally wide ranging. It reflects the fact that the audience for the guide will find themselves in a variety of circumstances in which individuals or organisations will want to pursue land and building assets of different kinds to meet different community needs and opportunities. Most terms which are not in common use or which have a particular meaning in the context of this guide are provided in the main text. There are other general terms used in the Guide however, which to avoid doubt, are defined below.

- ▶ **Affordable housing** - this is low cost and subsidised housing available to people who cannot afford to buy or rent a home on the open market. It includes intermediate housing which provides homes above social rent levels but below open market levels.
- ▶ **Assets** - refers to an interest in land or buildings (freehold, leasehold)
- ▶ **Asset development** - refers to the planning and implementation of projects which provide assets for the benefit of community based organisations.
- ▶ **Asset Champion/Asset project champion** - the main players in an asset project are most often the current owner and the prospective owner which is often the community based organisation. This can be an existing organisation, a group of people or an existing organisation that wants to set up a new organisation to do this. These community based organisations will often involve stakeholders who are supporting the project through its various stages of development. (see section 3 - Starting Points)
- ▶ **Asset transfer** - refers to the policies and associated procedures that public authorities (such as local councils) may use to transfer the ownership of an asset to a community based organisation.
- ▶ **Business model** - this refers to the way that an organisation generates income or value from its activities e.g. the income organisation earns from selling goods, delivering contracts, selling subscriptions, selling/running franchises, charging fees etc.
- ▶ **Business plan** - A business plan sets out some business objectives, the evidence and reasons why they are believed attainable, and the plan for reaching them. It also contains information about the organisation or people involved in trying to reach those objectives.

▶ **Community** - used here to include communities of place (a neighbourhood, estate or town) or interest (people with common characteristics - age, gender, etc or an issue on which they feel strongly e.g. the environment) or common needs (people who need housing, employment, or public services). Most projects must define the community that they wish to benefit and how they will benefit as an important part of the process of developing their asset project.

▶ **Community based organisations** - this refers to any organisation which is not for personal profit or is a social enterprise and seeks to involve defined communities in its policy making, management and activities.

▶ **Community capacity building** - defined as 'Activities, resources and support that strengthen the skills, abilities and confidence of people and community groups to take effective action and leading roles in the development of their communities'

▶ **Feasible** - this refers to whether a project can be developed to meet the objectives of the project given its context and the resources available

▶ **Governance** - This refers to who makes decisions in an organisation (partly defined by the way an organisation is set up legally and what it has been set up to achieve) and how they make them (who is included in decision making and who gets to know about what decisions have been made).

▶ **Practitioners** - People who carry out activities that are necessary to implement an asset development or transfer project, particularly those from community based organisations.

▶ **Stakeholders** - people or groups who are directly or indirectly affected by a project, as well as those who may have interests in a project and/or the ability to influence its outcome, either positively or negatively.

▶ **Sustainable** - This term has become closely associated with the protection of the environment and the resources of the planet. In this guide, it is used to refer to whether an asset can be maintained and operated into the foreseeable future by an organisation. It is linked to, but different to viability which refers specifically to the financial requirements a project may have to sustain it over a specified period.

▶ **Transfer of ownership** - refers to a stake in the asset (freehold or leasehold) to be passed to a community based organisation, sometimes in exchange for funds, a peppercorn rent, an agreement to use the asset for specific purposes or a combination of these.

▶ **Viable** - This refers to the ability of an asset to cover all its costs with income over a specified period. This is usually 3 -5 years although larger projects may need longer to pay back loans that they may have needed to enable their development.

How to use this guide

How this guide is used depends on the people using it and their role in the progress of an asset project. Some people learn best by reading, others by doing and consulting books and others by seeking advice only as issues arise. So some people will read the guide in one go, others will just look for specific things.

This guide provides information, resources and contacts that can be used to develop a land or building project that is an asset for an organisation and local community. It includes the general guidance for most activities involved but also includes references to tools ('How to' guides), to publications and to other organisations. Much of this information is available online. This is the fastest way of collecting a lot of information which, with pressure on time for everyone is important, BUT it means that access to the internet will be necessary in order to access them. This is easily arranged through the local library or UK online centre (Visit www.ukonlinecentres.com to find the local centre). It may also be available locally through the local voluntary and community sector - contact the local council for voluntary service (available from NAVCA (National Association for Voluntary and Community Action) - see section 3 - Relevant Organisations) to find out. Payment is not always required.

This guide is presented in twelve sections. They are written as if they are separate but of course they overlap. As a result each section of the Guide often cross references to others, but this reflects real practice on the ground - many of the activities covered in each section will have to be carried out at the same time. So at the same time as an initial assessment of a project is being considered so it may be necessary to look at what is required to manage it successfully when it is complete.

This guide is not intended to be comprehensive, nor can it be relied upon as the sole source of advice and information for developing a project. It will be necessary to get professional advice and help from other organisations along the way.

But the guide can give a group of people and their supporters a place to start; help to solve problems and to ensure that the project can benefit from grant funding/financial assistance and other help along the way. It can also make a group of people more informed so that when they deal

with people who make decisions (in the local council for example) or deal with experts (like lawyers), they are not starting from scratch but can have a conversation as equals. All this will hopefully be useful to make projects happen.

An overview of the guide

This guide is focussed on land or building projects that involve a community based organisation that wants to take ownership of the land or buildings as part of the process (see definitions on page 6).

These projects may involve the development of new buildings on vacant land or the refurbishment and improvement of existing buildings or land. The projects may also involve the transfer of their ownership from a public authority. This may be done as a sale in exchange for money or for a promise to use the land or buildings for the benefit of a specific group of people (people with learning difficulties, elders, children etc) or the population of a whole area.

It covers the activities that any group of people or organisation may be involved in when trying to secure the benefits of ownership of land or buildings for their community. Throughout the guide the land or buildings concerned are referred to as a 'project' or 'the asset'. This is because it is helpful to separate the organisation responsible for the project and the project itself. Some organisations are actually established in order to undertake a project and others may have several projects and activities already in existence.

Even though the activities involved may not all be carried out by this organisation they are assumed to be the Asset Project Champion - the group who want to see its ownership transferred and its development/improvement (where relevant or necessary) successfully completed.

Each of the sections of the guide is freestanding and will enable a group of people just getting started or an established organisation to gain an understanding of the process and what is involved.

In addition most sections from section 3 to 10 have a specific set of checklists that set out what stakeholders who are supporting an asset project can do from a practical point of view to help it succeed.

How the guide fits into the overall process is shown in the table on page 10.

| Asset project champion | Advisors | Site | Ownership | Permissions | Funding/resources |
|---|--|--|---|--|---|
| <p>Stakeholder Involvement in project development</p> <p>Gather information and advice</p> <p>Agree project objectives</p> <p>Develop the group or organisation to implement the project objectives and agree to pursue it</p> <p>Involve potential stakeholders</p> <p>Establish group's aims and legal basis if a new organisation is required.</p> <p>Starting points, building support, feasibility and legal issues</p> | <p>Lawyers for Legal structures of new organisations</p> <p>Business Advisors</p> <p>Organisational Development consultants</p> | <p>Costs</p> <p>Look for site if necessary - Local sources of land e.g. owners, public authorities</p> <p>Identify desired features to enable use to meet project objectives</p> | <p>Discuss potential for community ownership with landowners if possible</p> | | <p>Volunteers</p> <p>Pro bono advice</p> <p>Grant to develop project</p> <p>Research on funds</p> |
| <p>Community involvement</p> <p>Research potential advisors, interview, agree terms and costs</p> <p>Explore the options for different uses and revenue to support the project on completion and meet project objectives</p> <p>Begin business plan</p> <p>Feasibility assessment (potentially report)</p> <p>Feasibility, business planning</p> | <p>Technical support for feasibility from land and building advisors</p> <p>Advice on VAT</p> <p>Loan agreements</p> <p>Land/building sales/transfer</p> <p>Consider construction contract opportunities for local labour and training</p> | <p>Site investigation</p> <p>Land survey</p> | <p>Consider terms of lease/sale/transfer and agree timetable for formal agreement</p> | <p>Advice from all relevant statutory authorities</p> | <p>Estimate budget</p> <p>In principle agreements re grants and loans</p> <p>Secure resources to develop project in detail.</p> |
| <p>Develop detailed design</p> <p>Client agreed</p> <p>Stakeholder involvement</p> <p>Arrive at detailed brief</p> <p>Work with regulations</p> <p>Starting points, design and construction process</p> | <p>Sketch scheme though to detailed design</p> <p>Specification and drawings</p> <p>Land/building transfer/sales</p> | | | <p>Planning permission</p> <p>Building regulation approval</p> | <p>Detailed agreement on grants/loans</p> |

| | | | | | |
|---|---|--|--|--------------------------|---|
| <p>Tendering and contracts Tendering/negotiation with contractor Selection of contractors Programme of works Starting points, design and construction process</p> | | | | | <p>Funding and loans for works approved and available</p> |
| <p>Works on site Celebration Establish staffing for management of the project if required Implement promotion plans Maintenance and management</p> | <p>Supervise works Site meetings Certify payments Records</p> | | <p>Site visits</p> | | <p>Payment of contractors</p> |
| <p>Completion and Management Take handover of buildings Maintenance and management</p> | <p>Defects inspection Snagging and retention Issue completion certificates Record drawings to client.</p> | | <p>Complete land/building ownership transactions</p> | <p>Notify completion</p> | <p>Final Accounts</p> |
| <p>Implement business plan People and resources for management and maintenance Maintenance and management</p> | <p>Retain professional advisors to manage the organisation and the land/buildings if appropriate</p> | | | | <p>Receive funds from sales/rentals Re-pay loans Report to funders if necessary</p> |



Photographs: Ashfield Community Radio & Media Training (ACRMT), a participant in the Advancing Assets for Communities programme.

02

Context

What can Stakeholders do to support asset champions in relation to policy?

- ▶ Share details of the outcomes of their asset reviews and asset planning processes
- ▶ Provide opportunities for involvement in shaping of community asset transfer policy and associated procedures, particularly where they affect assessment of options for asset use/disposal and any assessment processes for community based organisations to qualify for transfer of assets
- ▶ Provide details and contacts for other organisations who have developed or accepted an asset transfer

Policy changes - from 'demand pull' to 'supply push'

Since 2005 the key shift in public policy as it affects asset transfer and development is that there has been a move from a 'demand pull' for transfer of ownership and control of assets from community based organisations to a 'supply push' from public sector bodies to transfer assets to community based organisations. As reductions in public spending and the need to consider the costs of running assets increases, more and more public bodies are likely to look to community based organisations to take on publicly owned assets to enable them to stay in local control and be used for wider community benefit.

In 2005 much of the policy environment for asset development and transfer had been underpinned by the then Government's vision for 'Sustainable Communities' with a strong thread of the importance of 'neighbourhood' and 'communities'. The focus was on work associated with:

- ▶ The provision of affordable housing;
- ▶ The design as well as care of parks and the 'public realm'
- ▶ Support for the voluntary and community sector;
- ▶ Support for the development of social and community enterprise;
- ▶ The reform of local government and citizen engagement;
- ▶ Community capacity building.

Up to 2010 there were a number of policy initiatives which provided an impetus for public authorities to look at the ways in which this work and public service could be delivered and the performance of public assets in providing what is needed in communities.

Amongst the most important policy documents for asset development and transfer was the publication 'Making Assets Work: The Quirk Review of community management and ownership of public assets' which was published in 2007.

This review looked at the opportunities for local government to enable local management and ownership of public assets in communities and neighbourhoods. It looked at how to optimise the community benefit of publicly owned assets by considering greater transfer of asset ownership

and management to community based organisations. The review found that up and down the country this has been successfully done with a wide range of organisations and covered the transfer of a wide range of asset types from community centres, office space and retail premises to housing.

The review also found a range of benefits to both community based organisations (that take on these assets) and other stakeholders, particularly local service providers.

For the organisations that take on assets there are benefits associated with the asset itself and for the organisation overall. The asset itself can address local needs, for example for workspace, housing or other facilities. If a process of transformation or physical improvement of the asset is required, it can also increase the capacity of the organisation and its skills base - for example partnership working, long term management planning and devolution of control of the use of the asset to local level. It can also produce very practical benefits for the organisation - a physical presence in their community, increased revenue streams, credibility with funders, and ability to plan for the long term and act independently in policy and development terms.

“ The benefits of community management and ownership of public assets can outweigh the risks and often the opportunity costs in appropriate circumstances. And if there is a rational and thorough consideration of these risks and opportunity costs, there are no substantive impediments to the transfer of public assets to communities. It can be done; indeed it has been done legitimately and successfully in very many places”

Barry Quirk 2007

The Quirk review also addressed the obstacles and barriers that it had been suggested prevented the transfer of ownership and control of assets to local organisations. This included whether there was a lack of powers for local authorities and other public bodies to transfer ownership and management of assets to communities on preferential terms where they felt there was a case to do so. The Review's conclusion was that 'local authorities (and other statutory bodies covered by the same legislation) do have the powers they need. The barriers are the widespread lack of awareness of those powers and how they could be used and, in some cases, an unwillingness to make use of them'.

Central government from 2007 - 2010 responded to the Quirk Review by encouraging the transfer of assets through the establishment of the Asset Transfer Unit to get advice, and guidance on the process. It also supported a number of new initiatives to support the development and acquisition of assets, most notably capital funding provided via both the Big Lottery Community Assets Programme and the Communitybuilders

programme managed by the Social Investment Business. In addition, the Advancing Assets Programme was provided to local authorities to support them to develop policies and procedures for transfer of assets as well as individual pilot projects that they were looking to transfer to community based organisations. Similar initiatives have taken place in Wales and Scotland.

In addition to the policies that have specifically addressed asset development and transfer projects for local organisations, at national level there were a range of other policies that have had a particular effect to increase the attention given to the possibility of community ownership and management of assets currently held by statutory agencies.

These included:

- ▶ Performance frameworks for local government and other statutory agencies, in particular in relation to asset management planning. For example the adoption of national indicators in Local Area Agreements against which local statutory agencies' performance could be measured via a Comprehensive Area Assessment.
- ▶ Policies toward creation of sustainable communities through the statutory land use planning process in particular the development of the Local Development Framework (which controls the use of land and buildings within a local planning authority area).
- ▶ Procurement and Commissioning - how services are bought by government and other statutory agencies both from the third sector and the private sector. This has seen many community based organisations gearing up to tender for contracts and many statutory agencies learning to communicate what services they want delivered and under what conditions.
- ▶ Policies associated with support to the third sector and community empowerment. There has been a plethora of initiatives associated with capacity building local community based organisations to deliver public services and improve their internal systems of management and governance.

Section 11 and 12 includes publications and other resources that summarise the details of these policies and in 2010 with the election of a new coalition government it is clear that some of them may change. Indeed Regional Spatial Strategies towards land and building have already gone as have the performance frameworks and assessment regimes for local government and statutory bodies. Regional Development Agencies are also to be replaced by Local Enterprise Partnerships in most areas. It is clear however that asset development and transfer projects are likely to form part of the current government's 'Big Society' ambitions with its focus on putting 'more power and opportunity into people's hands'. Already the Coalition Housing Minister has announced a 'Community Right to Build' for housing projects in rural areas.

Developments in practice on the ground

These changes to policy and the support available from government have been matched by changes in the extent and range of asset development projects being developed by community organisations on the ground.

In particular there were 37 projects that benefitted from grant aid from the Big Lottery Community Asset Programme. This programme supported a wide variety of groups who wanted to use land and buildings for a range of uses.

The Advancing Assets programme, which provided support to local authorities and their Third sector partners to develop policy on community asset transfer and specific help for pilot projects that were being considered for transfer of ownership, have also added considerably to the pool of practitioners and projects that others can learn from. Details of these projects can be found at www.buildingcommunity.org.uk and www.atu.org.uk.

Since 2005 there has also been a lot of activity, particularly in rural areas, in relation to the provision of affordable housing and other facilities. This has been promoted through the establishment of Community Land Trusts, now recognised by the Housing and Regeneration Act 2008 as a model of community ownership for assets including land and also as a vehicle for the development of community enterprises. There is now a national network of Community Land Trusts - both established and new which can be contacted at www.communitylandtrusts.org.uk

As some of these projects have taken root another category of asset development has also re-emerged in the form of meanwhile space projects. These projects are about getting uses and activities going in formerly vacant properties, particularly in high streets and other shopping parades. They are given a meanwhile use until such time as viable and sustainable uses can be found for the properties. There is a national network of these projects which can be found at www.meanwhile.org.uk.



Existing practitioners

As these developments in practice on the ground show, there are a whole range of organisations that have been through the process of developing an asset project and who have experience which can help others. All of the networks referred to above offer help and practical guidance from spread sheets to help decide if asset development plans are financially viable to model leases and legal guidance on project and organisational development.

Many of these organisations are busy with their own projects and it is preferable and more productive to look at the online and published information about projects and then make a list of specific questions to ask them before making contact.

See section 12 for a list of relevant organisations and their contact details.

03

Starting points

What can Stakeholders do to support Asset Champions in relation to the Starting Points?

- ▶ Assist with the setting of project objectives by providing a structured and independently facilitated discussion with all stakeholders
- ▶ Appoint a key contact within their organisation to support the project
- ▶ Agree processes to deal with conflicts or disputes in the process of developing the asset e.g. develop a partnership agreement or memorandum of understanding
- ▶ Make sure that the “Red Flags” of viability and sustainability are addressed throughout the process
- ▶ Provide training or advice on acting as client to professional advisors
- ▶ Recommend relevant professional advisors that they have used on similar projects
- ▶ Help with procurements processes e.g. sitting on a selection panel, providing input into selection criteria

There are some overarching activities or issues that run through the process of developing an asset project and enabling the transfer of its ownership to a community based organisation.

They are worth considering as starting points because they are either applicable to all activities (like knowing how to work with professional advisors) or need to be planned for at the start of the process in order for it to happen at all (like having clear project objectives). But some are about attitudes towards partnership working or a focus on specific outcomes like ensuring that an asset will be viable and sustainable that needs to be kept in the forefront of all stakeholders' minds as they work to make project ideas a reality.

Leadership of the process

Experience from the Advancing Assets and the Big Lottery Community Assets Programme has found that asset development and transfer projects have a greater chance of being successfully completed if there are people who are prepared to take a leadership role in developing a solid partnership that can ensure the project happens. On the ground this means people who can motivate the stakeholders involved to act towards achieving their common goals in relation to the asset project.

This will mean ensuring that the right support is provided at the right time to both the organisation which wants to take ownership of an asset and its current owner. In practice this can be anything from technical advice on the law, clarifying and providing solutions to problems and mediation when there are conflicts. It may also be about acknowledging the value of the different things that are brought to the project by different stakeholders to ensure that they stay involved and keen to provide energy and activity as it is needed. But whatever the needs may be in relation to any project it is important that the main stakeholders agree a person who will take responsibility for communicating with and mobilising people and resources within their organisation in support of the project.

PROJECT OBJECTIVES

“ A goal properly set is halfway reached”

Abraham Lincoln

COMMITMENT TO 'CAN DO'

“ When you come to a roadblock, take a detour”

Mary Kay Ash

LEADERSHIP

“ To get others to come into our ways of thinking, we must go over to theirs; and it is necessary to follow, in order to lead”

William Hazlitt

VIABILITY AND SUSTAINABILITY

“ You can't overestimate the need to plan and prepare. In most of the mistakes I've made, there has been this common theme of inadequate planning beforehand. You really can't over-prepare in business!”

Chris Corrigan

PROFESSIONAL ADVICE

“ In giving advice seek to help, not to please..”

(Solon)

Project objectives

To decide whether a project is feasible it is important to know what the project is to achieve and why at the outset - that is, agree the project objectives.

This does not mean that project objectives cannot vary as the feasibility process proceeds, based on the information and advice that is gathered over time. But being clear at the outset exactly what is to be accomplished will enable the consideration of all the options and opportunities which may be uncovered in the feasibility process and allow all the stakeholders involved to be accountable for any changes.

Project objectives are statements of what an asset project is to accomplish. They are developed and agreed to guide the activities of people and organisations so that they are working on the project in the same direction(s). They may be formulated and agreed for a project from a process of stakeholder involvement (See section 5) or developed by a single organisation.

It is possible to get extremely tied up in the process of agreeing objectives, particularly when people have different ideas about what an objective is and how detailed it should be. Diagram 1 shows a typology of objectives that can be used to guide the process of objective setting so that over time they can become more detailed and SMARTER.

Depending on the circumstances of the project its objectives may be very general or very specific at the initial stage - it may only be possible to know that an objective of the project is to save or improve a building or piece of land or that the project needs to cover its costs and make a revenue surplus to be used for other purposes.

TOP TIP

'The partnership process needs buy-in, commitment and leadership from the top - the Chief Executive of the Local Authority. Partnership thrives when the asset transfer agenda is understood and perceived positively by key stakeholders including council leaders, heads of property services, voluntary sector infrastructure support, etc. and is facilitated by getting all levels of management and all departments onboard and keen from the beginning.'

'It is important for the Local Authority partners to clearly articulate acknowledgment of the volunteer input. Partnerships involving paid staff and unpaid volunteers particularly need to recognise the value and time put in by the volunteers, and consider remuneration for travel and expenses.'

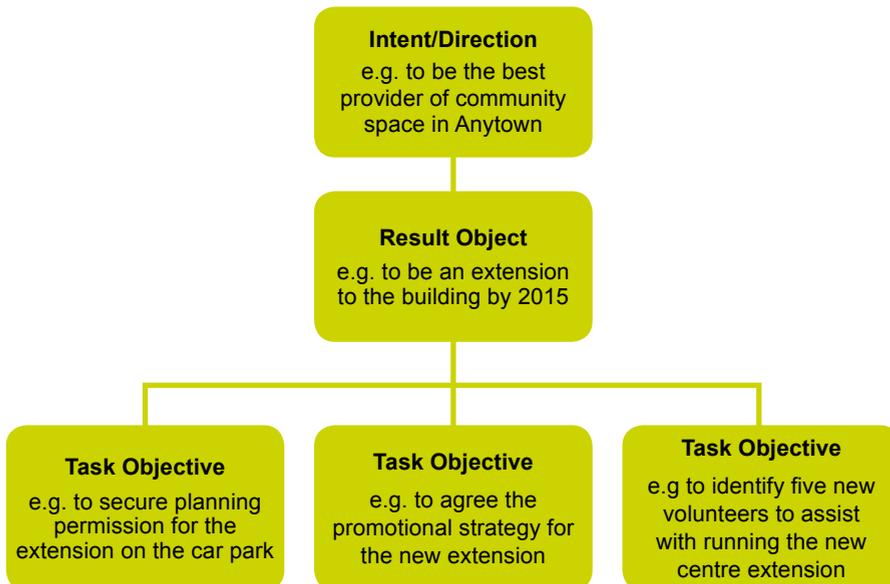
from 'Asset Transfer: A Partnership Routemap' (2009)

TOP TIP

Define your joint goals at the beginning, but allow for different aspirations.

from 'Asset Transfer: A Partnership Routemap' (2009)

Diagram 1: Typology of objectives



Thus project objectives may start as a general statement like ‘the objective of the project is to save the town hall’ As it is developed this project objective may become more detailed and others may be added like ‘the objective of the project is to convert the town hall into community space on the ground floor with 6 two bed flats above’ and ‘the objective of our project is to constitute a new charity which will own the town hall so that the houses on it can be always be sold or let locally’.

Alternatively a general statement such as ‘the objective of our project is to expand and improve the facilities for young people in our neighbourhood community centre’ will develop into ‘the objective of our project is to build a managed workspace annexe to the community centre by 2015. Surplus revenue from the rents of the workspace will pay for a youth worker to organise activities for young people in the neighbourhood’.

Whatever level of detail or type of objective is possible to adopt at the initial stage project objectives are ideally developed using the SMARTER acronym on page 23 to test that they are focussed and action oriented. This helps to avoid project objectives which are so general that it is difficult for a focus to develop which enables effective decision making and activity by everyone involved. Project objectives set in this way also contribute to clarity about the way that the benefits of the project can be measured and what records may need to kept or data that will need to be collected in order to check or monitor progress or evaluate the project at specified times against the objectives that are agreed. This is particularly important for securing finance and business planning (see sections 7 and 8).

TOP TIP

‘Remember that you’re all on the same side! It’s not them and us, but benefit to the community that is important - and the partnership needs to jointly define that need and purpose’

from ‘The Partnership Route to Asset Transfer’ (2010)

It may not be possible for all the project objectives to be SMARTER until some of the feasibility research process is complete, but when it is, project objectives are used to inform the scope of the initial feasibility assessment and the development of the Business Plan (see sections 4 and 6).

It is worth spending time with stakeholders looking at objectives from the point of view of flexibility. Are there any that cannot be compromised and others that can be more flexible depending on whether they will affect the viability and feasibility of what the project is to achieve? For example an initial project objective may be that it will provide community space for hire cheaply to local groups. If however this means that revenue costs cannot be met by the income from hiring the space so that the idea is not viable then the objectives may have to be amended. For example a different model to run the space that focuses on volunteers will need to be adopted or a different pricing regime and inclusion of some commercial hirers may need to be incorporated into the project objectives. But the nice thing about this is that it is possible for project objectives to change in line with the opportunities and constraints as the project progresses. It provides opportunities to be both entrepreneurial and opportunistic.

The SMARTER acronym

- Specific** - Objectives should specify what you want to achieve.
- Measurable** - You should be able to measure whether you are meeting the objectives or not.
- Achievable** - Is the objective you have set, achievable and attainable?
- Realistic** - Can you realistically achieve the objectives with the resources you have?
- Time** - When do you want/need to achieve the objective?
- Evaluated** - Knowing how well you will assess how well it was done
- Reviewed** - Assessing what has been learned and what should be improved for the future

Commitment to 'can do'

Some asset development projects get mired in arguments between individuals and organisations involved and, as a result, never happen.

These arguments can take many forms - about uses of the land/buildings, about taking risks like borrowing money, about lobbying and campaigning to get decision makers like councils and landowners to take action or about points of principle like refusing to charge certain groups or individuals for services.

Most of these can be addressed by discussion and good communication to build understanding of what needs to be done to move projects forward and why. More difficult is when individuals or organisations refuse to forget events in the past or always characterise decision making organisations (the Council, landowners, Transport authorities etc) as the villains

of the piece that abuse their power and are unsympathetic to those who are affected by the consequences of their decisions. In these cases an agreed mediator or independent facilitator can be helpful.

Similarly projects can be delayed by a lack of urgency or priority being given to progressing projects by some stakeholders. For some projects this may not be an issue for others this may mean funding runs out or volunteers and supporters drift away leaving only cynicism as a legacy of the project.

One way to avoid this is to debate and agree a timetable with all stakeholders involved so that everyone is aware of the need to take action or complete tasks by particularly deadlines. Another way is to make sure is that all progress is celebrated and marked and everyone's contribution is acknowledged publicly.

Viability and sustainability

If projects are to last and be successful at delivering community benefit for the long term, every aspect of the process should ideally be seen through the filters of viability - whether the project will have the financial resources to stay alive and sustainability - whether the project is run by people with the right skills and attitudes to ensure that it grows and changes as necessary and appropriate.

It is easy to overlook or ignore viability and sustainability issues in the rush to secure an asset or funds to improve or develop them. Resources and time are often in short supply which means expert help, good research and detailed discussions between stakeholders do not take place. Instead there is an assumption that 'things will pan out OK' or 'it can be dealt with when the time comes'.

Obviously it is not always possible to cover every eventuality and some things will have to be done in the future BUT it is possible to avoid major mistakes and relevant sections of this guide particularly address these 'Red Flags' of viability and sustainability as a checklist to consider as the project progresses and each activity is undertaken.

TOP TIP

"Manage expectations and don't expect too much - all partners need to be realistic, realise they are there for the long term and remain positive and calm"

From 'Asset Transfer: A Partnership Routemap' (2009)

Dealing with professional advisors

At several points in the process of implementing a project it will be necessary to take advice from professionals who have information or skills that are not available to the project champion or other project stakeholders.

Given that this may happen at various stages in the process, as a starting point it is useful to know what different kinds of professionals do, what processes are available to select them and what project champions and stakeholders may need to think about before taking professional advice. What kind of advice may be needed will depend on:

- ▶ The kind of project being developed and its specific circumstances.
- ▶ The skills and resources available to the organisation or individuals championing the development of the project, and
- ▶ Whether an existing organisation is seeking to develop and implement the project or whether an organisation will need to be established.

The professionals that could be involved in most projects and the kinds of advice they offer are summarised in Table 1 along with their relevant professional association.

Before you think about appointing advisors you need to remember that there are European Regulations about the way that they can be selected and appointed, particularly if they are being employed on publicly funded projects. This is mainly determined by the size of the project and the amount of fees involved (see section 11 and 12 for relevant publications and organisations who can provide advice).

Identifying advisors

Most of the professional associations in the table can be contacted to find professionals in the area where the project is based who can be approached for information about the services they provide and their experience and qualifications. Some of these associations also provide examples of contracts or terms of appointment for professional advisors. All advisors will be accustomed to providing evidence of their qualifications and experience and will be reassured when it is asked for - it demonstrates a sensible and informed approach.

TOP TIP

If the partnership is embedded between the organisations it is more likely to succeed. If one or two people are effectively the only driving force, that undermines the sustainability.

Be prepared for the long haul - the details can take an age to iron out, and all parties realising this at the start will avoid (or at least mitigate) frustration.

From 'Asset Transfer: A Partnership Routemap' (2009)

Whatever the circumstances, the following general principles should be applied to the selection of all advisors and contractors to provide advice and services:

- ▶ They should be suitably qualified - This can be checked by ensuring that they are registered with a relevant professional body
- ▶ They should be suitably insured - Evidence (policy certificates) can be requested from potential advisors that they are insured against any liabilities arising out of the work they do. This may include professional indemnity insurance and collateral warranties¹ to provide protection from poor quality work and advice.
- ▶ They should have relevant experience - Projects are often complicated and advisors with experience working for not for profit community based organisations may not be easily available in every area. But it is important to have someone with relevant experience not only of what the project is intended to do but the way it is intending to do it.

Potential advisors with relevant experience can be found by researching who has worked on other similar projects (see sections 11 and 12) and speaking to people from the project to see if they were happy with the outcome.

Potential advisors can be asked for references from previous clients. These should be followed up in writing and over the telephone with the referee - preferably a person who had direct contact with the advisors concerned.

Selecting Advisors

Once advisors have been identified who are qualified and suitably experienced one can be chosen using a number of methods:

Issue an invitation to tender for the work to be done to 3-5 advisors outlining the services required. The tender invitation should set out a brief (set of instructions) accompanied by specifications and drawings (if applicable). All advisors should be asked to provide their costs on the same basis, at the same time, using the same documents and set a deadline for their return.

Include requirements and timing for meeting with potential advisors as part of the selection process. Requesting a presentation on how they would tackle the work and key issues they think are involved in responding to the brief. The meeting is an opportunity to discuss the brief as well as assessing the suitability of the person(s).

1. Collateral warranties are contracts which generate obligations to other interested parties such as purchasers of a site, tenants or funders with respect to the quality of any work by professional advisors/contractors. They often stand alongside a main construction contract.

TOP TIP

Make sure you agree a set of criteria for choosing your advisors so that you can properly explain your decision and demonstrate an unbiased process to all stakeholders

Negotiate a price for the work directly with a company or individual that has been identified, based on the same documentation prepared for a tender process.

A prevalent view is to appoint on the basis of the lowest price. Whilst this may be appropriate for well specified building works for example (even then it is questionable) it is not likely to work with design and legal advisors with whom more dialogue is likely to be needed about what is needed.

Briefing and instructing advisors

It is worth remembering that professional advisors are specialists who often have their own jargon and ways of doing things. They are experts who may find it difficult to communicate in simple terms. Dealing with them will therefore require:

Preparation - a tailor made brief or instructions produced for the advisor based on the objectives of the project. All briefings/instructions to advisors should start with the objectives of the project and the issues that may be faced in implementing it. Section 9 and 10 deal with specific issues that may need to be addressed when briefing building design, but as a minimum briefings should include clear information on the following:

- ▶ What the advice asked for is to achieve for the project.
- ▶ Who the project is intended to benefit
- ▶ What problems the project is intending to solve
- ▶ What the future of the project may be
- ▶ What sort of resources are being targeted for the project
- ▶ The land and building assets that are to be acquired or developed as part of the project.

Any particular concerns or queries which need to be addressed should be highlighted as well as any ideas about the project that should be taken on board when giving advice.

Clear communications - ensure that it is clear exactly who is empowered to issue instructions or receive advice from advisors for the project.

TOP TIP

“Ensure appropriate implementation support is included! Many organisations pay thousands of pounds for consultancy, particularly IT/finance ones, and they are left without a clue as to how best to effectively implement the recommended solution. This needs to be built into the brief”

From ‘Guidance on finding selecting and using Consultants’

SELECTING ADVISORS

- ▶ How accessible is the advisor - where are they located, will they come to where the project is located?
- ▶ Evaluate the quality of the response received from the advisor and any meetings that are included as part of your selection or tendering process. Will it be possible to form a good relationship with the advisor(s)?
- ▶ Is the advisor a clear communicator?
- ▶ Will the advisors go that extra mile, make an effort, and avoid jargon and being patronising?
- ▶ Is the advisor actively interested in what the project is aiming to achieve. Does the advisor have similar projects in their portfolio?

| Table 1: Professional Advisors | |
|--|---|
| Profession and advice available | Professional body/ies |
| <p>Accountant Advice on financial accounting and tax (Corporation, VAT etc)</p> | <p>(Chartered Institute for Public Finances and Accountancy, Institute of Chartered accountants for England and Wales) www.cipfa.org.uk www.icaew.co.uk</p> |
| <p>Architect Design and layout of buildings. May also assist in community involvement in projects and development of brief for other advisors</p> | <p>(Royal Institute of British Architects, Architects Association) www.riba.org</p> |
| <p>Barrister Involved only in exceptional cases. Specialised legal advice arguing a case in court and at local planning enquiries.</p> | <p>(The Bar Council) www.barcouncil.org.uk</p> |
| <p>Building Surveyor Combination of architecture/surveyor and engineers services for small projects</p> | <p>(Royal Institute of Chartered surveyors RICS) www.rics.org</p> |
| <p>Building Contractors May provide project management, design and construction services.</p> | <p>Chartered Institute of Building - larger construction contractors. Guild of Master Craftsmen represents small and medium sized construction based businesses that want to demonstrate a high standard of quality National Federation of Builders (NFB) - trade association representing small and medium sized builders in England and Wales. www.ciob.org.uk www.findacraftsman.com www.builders.org.uk</p> |
| <p>Business Support Advisor Consultancy on setting up and running an organisation/business. May include business planning, setting up systems and policies and so on.</p> | <p>www.setas.org.uk www.socialenterprise.org.uk</p> |
| <p>Landscape Architect Design and budget costs for landscape or public realm works</p> | <p>(Landscape Institute) www.landscapeinstitute.org</p> |

| | |
|--|--|
| <p>Lawyer Solicitor</p> <p>Legal structures for organisations</p> <p>Legal implications of finance</p> <p>Advice on Tax (corporation, value added, stamp duty)</p> <p>Insurance</p> <p>Contracts/debt collections</p> <p>Franchising</p> <p>Licences and leases</p> <p>Employment</p> | <p>(The Law Society)</p> <p>www.lawsociety.org.uk</p> |
| <p>Letting/estate or property agent</p> <p>Will provide a range of advice and services related to renting and selling property. Including market research and valuations of land and buildings where professionally qualified to do so.</p> | <p>(Association of Residential Letting Agents, RICS)</p> <p>www.arla.co.uk</p> <p>www.rics.org</p> |
| <p>Mechanical & Electrical Services Engineer</p> <p>Advice on design of air conditioning heating lighting etc in buildings</p> | <p>Chartered institute of Building services, Institute of Mechanical Engineers</p> <p>www.cibse.org</p> <p>www.imeche.org.uk</p> |
| <p>Planner</p> <p>Planning system and legislation, planning applications and consents</p> <p>May also assist with community involvement in project and development of brief for architect/design team</p> | <p>Royal Town Planning Institute</p> <p>www.rtpi.org.uk</p> |
| <p>Planning Supervisor</p> <p>Health and safety</p> | <p>Association for Project Safety formerly Association of Planning Supervisors</p> <p>www.associationforprojectsafety.co.uk</p> |
| <p>Quantity Surveyor</p> <p>Building costs</p> <p>Running/maintenance costs</p> | <p>(Royal Institute of Chartered Surveyors) www.rics.org</p> |
| <p>Structural Engineer</p> <p>Advice on land and building conditions</p> | <p>(RICS, Institution of Civil engineers) www.rics.org</p> |
| <p>Valuer/surveyor</p> <p>Can advise on land and building values</p> | <p>Royal Institute of Chartered Surveyors</p> <p>www.rics.org</p> |

Costs of advice

Some professional advisors offer pro bono (free) advice for the initial assessment stage of projects (see section 11 and 12). It is important that no formal commitment to appointment to work on future stages of a project is made to professional advisors as this may not be acceptable to funding bodies that may have very specific requirements for a selection process and agreement of fee costs for projects.

Different professionals also charge in different ways. Professional fees for land and building professionals are covered in sections 3 and 10 and are mostly related to the total costs of the building contract.

For other professional advice, different rates may be used - charging for advice by the hour or day and seeking reimbursement of a range of expenses associated with the work (for documents, travel expenses, subsistence etc)

It is possible to ask for the work to be quoted for on a fixed fee basis and what hourly and daily rates would apply for extra work not covered by the fixed fee. An estimate of the expenses that will be payable in addition to the fee can also be requested. Most of these charges will be subject to VAT.

Whatever the rates being charged they should be put in writing and agreed before work is carried out.



WHY EMPLOY BUILDING AND DESIGN PROFESSIONALS?

One of the problems of the St Werburgh's Centre in Bristol was that it was expensive to run, particularly in heating costs. Taking advice on the green features they could incorporate in their buildings refurbishment means that they have better insulation in the roof and windows, a more efficient heating system and have included some photovoltaic panels that will mean they generate some energy of their own.

WHY USE A PROFESSIONAL ADVISOR?

The Goodwin Development Trust is a locally accountable development trust and registered charity responsible for a number of buildings in Hull. They have been involved in a number of new construction projects, including the £5 million Octagon Centre. Their bill for professional advice on VAT for a number of projects was £100,000. BUT that advice meant that they saved over £500,000.

04

Maintenance and management of assets

What can stakeholders do to support asset champions in relation to maintenance and management of an asset?

Stakeholders can:

- ▶ Set up learning events between Facilities Management or Maintenance professionals from within their own organisation to support project champions
- ▶ Facilitate meetings /visits to other similar projects to talk about practical aspects of taking on land/building responsibilities
- ▶ Secure resources for formal training for the group who is proposing to take ownership of the building/land
- ▶ When appropriate, provide free promotional opportunities to ensure that the business(es) associated with the asset can thrive

VIABILITY AND SUSTAINABILITY RED FLAGS

- ▶ Have all of the costs associated with managing the asset been identified to include in revenue projections?
- ▶ Have all of the costs associated with maintaining the asset (and therefore its value) been estimated based on a whole life costing?
- ▶ Have service charges to tenants (where appropriate) been calculated to recover all costs?
- ▶ Have hiring/rental levels been set to cover all costs and make a surplus?
- ▶ Have all of the tasks associated with maintaining and managing the asset been allocated to staff or contractors with relevant skills and expertise?
- ▶ Have procedures been agreed for decision making about the management and maintenance of the asset?

Maintenance and management of asset

The importance of the way that an asset is managed and maintained to its value, as the quote from Price Waterhouse suggests, cannot be overestimated. Although land and building assets cost a lot to create or improve, they often cost a lot more in total running costs over (say) 20 years. There can be an assumption that buildings can earn money for owners just by being let to others. That might be true for short periods of time - and there is no doubt that the first owner of a new building asset, can sometimes make a lot of money - but it is also the case that land and buildings can be liabilities, partly because they cost a lot to run and maintain.

This is because land and buildings are easily neglected. As inanimate objects they tend not to be the focus of very much interest unless something is wrong. They take a while to deteriorate but when they do they quickly become unfit for the purpose they were intended. Dirty community centres and parks are eventually abandoned by their users, outdated workspace and shops are quickly vacated and neglected housing becomes unfit to live in. They cease to be assets. Since many asset development and transfer projects are made possible by voluntary action and other public support including funds, this is to be avoided.

The key to avoiding this is thinking ahead - planning how the assets will be managed to a high standard and ensuring that the decisions that are made when it is built or improved are aimed towards creating a viable and sustainable future for the project and the organisation running it. After all, once it is built the costs of running it are pretty much set, so thinking about what will be needed to manage and maintain a building up front will help to ensure better decision making in the design and construction process and enable the organisation which is to take on ownership to make sure they are ready with the skills and knowledge to do so effectively.

“ The success of some forms of property .. clearly owes more to the flair of the operator than demand in the marketplace... it is the business, not the value of the structures that often defines value”

Price Waterhouse et al 1994

Types of assets

The asset that is the start of any project obviously makes a difference to the scale and complexity of the job of transforming it, bringing it into community ownership and ensuring that it delivers community benefits into the future.

Asset transfer and development projects have covered the complete spectrum of types of business and kinds of buildings or spaces - so lots of things are possible.

But some assets will not lend themselves to all kinds of uses. Heritage assets for example, that may have special historical or architectural features that cannot be changed present some challenges to find viable uses. Similarly some kinds of uses will be more expensive to manage and maintain than others. The needs of a warehouse for example in management and maintenance terms will be very different to that of a sports hall or swimming pool. Completely vacant land is also a different proposition to an existing building or a space that already has a function (like a woodland or cricket ground).

It is helpful at the start of any project to get a feel for what is going to be involved in taking it on. This helps define project objectives (See section 3) and provides a good background for the initial assessment of the project's feasibility and viability.

Fortunately there is plenty of experience to draw on for running almost any kind of activity in any kind of building.

The table of types of asset use is based on what the land use planning system calls "use classes" but it also lists community based organisations and social enterprises who are current putting land and buildings to these uses. This means that a project champion and project stakeholders always have somewhere to visit and learn from. All project champions should try to visit people who are running an asset or an enterprise similar to their own project and in addition to the ones in the table, with a little research (see section 3) , there are many other examples to choose from.

Types of asset use - community run or owned examples

| | |
|--|---|
| <p>Class A1</p> <p>Retail uses including shops, retail warehouses, hairdressers, travel agents, undertakers, dry cleaners, sandwich bars, pet shops, showrooms, hire shops and post offices</p> | <p>Edinburgh Bicycle Cooperative, Edinburgh www.edinburghbicycle.com</p> <p>Gabriel's Wharf London www.coinstreet.org</p> <p>Soundbites Derby www.soundbitesderby.org.uk</p> |
| <p>Class A2</p> <p>Professional and financial services which the public regularly visit including banks, building societies, estate agents, betting offices and agencies</p> | <p>Fair Finance, London www.fairfinance.org.uk</p> |
| <p>Class A3</p> <p>Businesses selling food and drink, including restaurants and snack bars.</p> | <p>The Garden Cafe, Edinburgh www.thisifle.org.uk</p> <p>Waterhouse Restaurant (Shoreditch Trust) www.waterhouserestaurant.co.uk www.shoreditchtrust.org.uk/Water-House-Restaurant</p> |
| <p>Class A4</p> <p>Public houses and bars</p> | <p>Old Crown Pub, Cumbria www.theoldcrownpub.co.uk</p> |
| <p>Class A5</p> <p>Businesses providing hot food to takeaway</p> | <p>Karibuni, Shetland www.cope.ltd.uk</p> |
| <p>Class B1</p> <p>Offices not open to regular public access such as research institutions, studios, laboratories, hi-tech businesses and light industrial units which don't cause nuisance through noise, dust, smell or grit.</p> | <p>Fourways, Amble Cumbria www.ambledevelopmenttrust.org.uk</p> |
| <p>Class B2</p> <p>General industrial uses</p> | <p>Hill Holt Wood, Lincolnshire www.hillholtwood.com</p> |

| | |
|---|---|
| <p>Class B8 Wholesale warehouses and distribution centres</p> | <p>First Fruit warehousing, London www.firstfruitwarehousing.org</p> |
| <p>Class C1 Hotels, hostels, boarding houses and guesthouses.</p> | <p>Methodist International Centre, London www.micentre.com</p> |
| <p>Class C2 Residential schools or colleges, hospitals and convalescent or nursing homes.</p> | <p>St Katherine's Foundation Limehouse London www.stkatharine.org.uk</p> |
| <p>Class C3 Houses and flats occupied by a single person, family or not more than six people living together as one household</p> | <p>Holsworthy Property Trust, Devon www.communitylandtrusts.org.uk Iroko Housing Cooperative, London</p> |
| <p>Class D1 Churches, church and public halls, clinics, health centres, crèches, day nurseries, consulting rooms, museums, art galleries, exhibition halls and non residential education and training centres.</p> | <p>St Lukes Parochial Trust, Islington London www.slpt.org.uk Burton Street Foundation, Sheffield www.burtonstreet.co.uk Hull Community Church, Hull www.community-house.co.uk</p> |
| <p>Class D2 Cinemas, sports, music, concert and dance halls, swimming pools, casinos, gymnasiums and other indoor and outdoor sports and leisure uses.</p> | <p>Lexi Cinema, London www.thelexicinema.co.uk Lenton Centre, Lenton Nottingham www.theletoncentre.org.uk Milton Keynes Parks, Milton Keynes www.theparkstrust.com Rockingham Forest Park, Northamptonshire www.rockingham-forest-trust.org.uk</p> |
| <p>Sui generis: Theatres, houses in multiple paying occupation, hostels providing no significant element of care, scrap yards, petrol filling stations and shops selling or displaying motor vehicles. Retail warehouse clubs, nightclubs, laundrettes, taxi businesses, amusement centres and casinos</p> | <p>Theatro Technis, London www.home.btconnect.com/theatrotechnics/frameset/ Boundary Estate Laundrette, London www.boundarylaundrette.wordpress.com/</p> |

Management of assets

The activities involved in taking ownership responsibility for land and building assets can be categorised broadly as Facilities Management. This encompasses both the management and maintenance of the physical fabric of the asset and the management of uses of the asset.

| Facilities management | |
|--|--|
| Activity | Potential tasks |
| Strategic Facilities Management | Property Policies - who may rent or use an asset and on what terms. Capital strategy and asset management planning - how the asset is invested in. Capital programme management - managing the investment in the property. Corporate Landlord responsibilities - insurance, statutory compliances. Business Risks and Continuity - making sure that the bills are paid and that the land/building remains usable |
| Site Maintenance and Management | Officer in charge (Fire H&S) Grounds maintenance Security Health and safety compliance Parking |
| Building Maintenance | Repairs Cyclical preventative planned maintenance |
| User/Customer Service | Reception Tenant/user liaison |
| Contractor/Staff/Volunteer Management | Negotiating contracts Cleaning Catering Grounds maintenance Security Repairs |

Any organisation can essentially make choices about how many of these tasks they take direct responsibility for through the employment of specific staff and how much can be provided by contractors who will be paid to take on the responsibilities.

The volume of these activities will differ from project to project depending on their objectives and overall size and complexity. Some asset

development projects may require and generate enough revenue to pay for dedicated property management staff for these activities; others may have to use volunteers or absorb these activities within existing staff roles or the recruitment of new staff and/or service contractors.

The checklists and a whole life costing for an asset project can help asset champions decide what they are going to do and to project the costs of this for an initial assessment (see section 6) or Business Plan (see section 8).

They will also inform consideration of design and construction work particularly in relation to items such as security alarm arrangements, the amount of communal space and facilities that will need to be cared for, and so on (see section 9).

However every organisation proposing to develop an asset or to accept an asset transfer, must consider in detail activities that, due to the legal responsibilities involved, will need specific advice on the exact requirements:

Licensing

There are legal requirements associated with the use of assets and the equipment associated with them. Although individual users of assets may need licences and permissions themselves, building owners and managers will also need them to fulfil their duties of care. Playing music, serving food and alcohol, performances - all these activities have specific licensing requirements (see sections 11 and 12 for more information)

Health and safety

Adherence to the Health and Safety at Work Act and the Management of Health and Safety at Work regulations that are in force are a legal requirement. These cover first aid, hazardous substances and fire safety. Like fire precautions, adherence to the regulations requires regular inspections and risk assessment, formal reporting procedures and evidence that members of staff, volunteers and users of buildings are both briefed on the policy and practical issues involved for any project.

Fire precautions

The Regulatory Reform (Fire Safety) Order 2005 sets out requirements for the appointment of a special person (Officer in Charge), risk assessments, equipment and procedures associated with a building's use.

Children and vulnerable adults

Providing space for these users involves addressing specific requirements about access to areas that they may use and the people involved in providing activities for them.

Disability and access

The Disability Discrimination Act 1995 requires that employers and providers of services do not discriminate against those with disabilities (e.g. impaired mobility, hearing or vision) and require them to make “reasonable adjustments” where necessary. This is particularly important for community centres that are deemed to be service providers and must comply with requirements. An access audit is a key tool for satisfying the requirements that all issues have been addressed and an informed view taken of what may be considered “reasonable adjustment” under the Act.

Insurance

Insurance is not just a good idea it is sometime compulsory. It is not just relevant to the physical fabric of an asset but also its use. These insurances are in addition to those that may be needed by the organisation running the asset for employees, public liability etc.

Formal agreements with land and building users

Asset owners need to protect their own and others’ interests when they make an asset available for use. Their exact responsibilities will depend on the nature of the asset, but it is important to manage the expectations of users and to be clear about the terms on which their use is made possible. This will need to be done via formal agreements which may take the form of a lease, licence or hire agreement (which may also be accompanied by Rules of Hire) for users. What kind of agreement is entered into will be determined by the nature of the asset, the legal structure of the organisation managing/owning it and the conditions under which they are allowed to make it available to others given their own interest in the asset (e.g. lease terms for the freeholder) (see section 10)

In addition some assets may require that service charges in addition to rent/hire charges need to be agreed with users which will also be the subject of formal agreement.

All activities require an element of administration - for example, payments for services will have to be processed, correspondence with contractors/ insurers and so on.

The checklists in this section are provided for an asset champion to consider all these management and maintenance activities in detail. It also looks at the kinds of capabilities the organisation taking on the asset will need to do the job effectively.

Managing physical care and maintenance - checklist

| Maintenance task | Decision required | | | |
|--|-------------------|----------------------|-----------------|----------------------------|
| | What is required? | Who will arrange it? | Who will do it? | Staff member or contractor |
| Cleaning For example: Development of specifications and contractor/employee supervision | | | | |
| Gardening For example: Develop specifications and approved contractors for work Supervision of contractors/employees | | | | |
| Cyclical maintenance (decoration etc) For example: Development of specifications and approved contractors for works Supervision of contractors/employees | | | | |
| Health and safety For example: Development of risk assessments and policy Inspections | | | | |
| Repairs and renewals For example: Development of specifications Approved contractors for works | | | | |
| Security For example: Development of specifications and contractor/employee supervision | | | | |
| Rates For example: Registration of property Payments | | | | |
| Utility fire and health and safety compliance For example: Certifications and inspections, development of specifications | | | | |
| Administration For example: Dealing with correspondence related to maintenance activities, complaints etc Keeping records, collecting monitoring information | | | | |
| Others (specify) | | | | |

Checklist: managing the use of the asset

| Activity | What is required? | Who will arrange it? | Who will do it? | How will they be employed and by whom? |
|--|-------------------|----------------------|-----------------|--|
| <p>Insurance</p> <p>(Land/Buildings/public liability/employers liability/contents)</p> <p>For example:</p> <p>Develop specifications, Inventories, Risk assessments</p> <p>Negotiate and secure cover, administer renewals</p> | | | | |
| <p>Marketing/Letting</p> <p>For example:</p> <p>Preparation and agreement of terms for tenancies/ leases and licences</p> <p>Development of booking hiring policies and prices</p> <p>Sales of property interests (leaseholds/ freeholds)</p> <p>Specification of service contracts employees and contractors</p> | | | | |
| <p>Promotion/publicity</p> <p>For example:</p> <p>Advertising</p> <p>Development and production of publicity materials, web sites</p> | | | | |
| <p>Tenants liaison</p> <p>For example:</p> <p>Support programmes - individual support to tenants of housing and workspace on lettings and management issues.</p> <p>Inspections</p> <p>Credit control</p> <p>Liaison over repairs/improvements</p> | | | | |
| <p>Administration</p> <p>For example</p> <p>Rents/Services charges administration and credit control</p> <p>Keeping records</p> <p>Collection of Monitoring information - building users, numbers of enterprises, employees etc.</p> | | | | |
| <p>Others (specify)</p> | | | | |

Checklist: managing the organisation responsible for the asset

| Activity | What is required? | Who will arrange it? | Who will do it? | How will they be employed and by whom? |
|---|-------------------|----------------------|-----------------|--|
| Management of staff Development of contracts and supervision and management processes | | | | |
| Management of contractors Development of contracts and supervision and management processes | | | | |
| Governance of the organisation Developing any membership of the organisation; supporting its governing body or developing outreach or consultative events to inform future plans. | | | | |
| Administration Maintaining an office/address, and communications (IT, Telephone etc) company and charity reporting correspondence etc | | | | |
| Financial administration Collecting rents and other income, bookkeeping, administering expenditure and income, audit and reporting/ accounting for grants, loans and so on | | | | |
| Legal compliance For example: Health and safety as an employer, VAT/ Company/charity annual returns etc. | | | | |
| Management of projects Projects made possible by other fundraising or income generation from assets | | | | |
| Record keeping, impact monitoring Keeping records and collecting monitoring information | | | | |
| Others (specify) | | | | |



Photographs: The Prioory Centre, Great Yarmouth Community Trust, a participant in the Advancing Assets for Communities programme.

05

Building support from stakeholders

What can stakeholders do to support asset champions in relation to building support from stakeholders?

- ▶ Help to promote the benefits of the project through their own networks and associations.
- ▶ Secure in kind support for design of publicity/web site presence/provision of venues for events
- ▶ Ensure attendance at all public events/launches associated with the project
- ▶ Provide positive input to discussions with other stakeholders who are not supportive to the project to resolve conflict and build consensus

VIABILITY AND SUSTAINABILITY RED FLAGS

- ▶ Are there enough volunteers on board to help make the organisation that is to take ownership of the asset a strong and well governed body?
- ▶ Are there sufficient supportive stakeholders to ensure that key project requirements can be achieved e.g. planning permission, funding
- ▶ Are stakeholders prepared for the long period of time that some asset development projects need?
- ▶ Have enough opportunities been created by asset champions to provide meaningful involvement for stakeholders?

The need for stakeholder involvement

Different projects will start in different places but are likely to start with a lack of provision of land or buildings to meet community needs in a neighbourhood.

The opportunity to raise these concerns and consider the development of land and buildings to address community needs may be triggered in a variety of ways which will ultimately affect the stakeholders that will be involved and the extent of their involvement. Some may react to a threat or an opportunity others may actively seek out possibilities to develop an asset project.

Stakeholder involvement is also essential for building consensus about proposals and addressing objections or concerns in advance. From this point of view any local politicians, local community groups and organisations that are likely to support the idea of community owned land and buildings are essential to the process, particularly as asset projects often take a long time to implement.

Whatever the initial trigger and whether a project is being promoted by an interested group of individuals or an existing organisation(s); to be successful the project and the project champion will need stakeholders to support it because involving stakeholders helps to

▶ Create value and wealth - value is not just about money but about relationships and reputations that can create fruitful collaborations that are about money

▶ Reduce risk - many asset projects will need political support and many public bodies require projects to be promoted by people or organisations that are seen to have a mandate from other stakeholders if they are to be credible.

▶ Tap opportunities for innovation - the more stakeholders involved the more resources, skills, ideas are available to contribute to the project

“ The difference between commitment and involvement is illustrated by the bacon and eggs breakfast - the chicken was involved but the pig was committed!”

Anon

TOP TIP

Community consultation is essential - an understanding of community needs and early acknowledgement by the Local Authority team of the value from the third sector partners are both integral to the process of asset transfer and community ownership.

From the Partnership Route to Asset Transfer (2010)

▶ Improve sustainability/resilience - there is nothing like involvement to create agreement on aims and objectives, commitment to making a project happens and understanding of what needs to be done. Both the project and the organisation promoting it can benefit from this

Identifying stakeholders

To secure the benefits of involving stakeholders who can make a project happen, thought needs to be given to identifying all stakeholders and planning ways in which they can be involved in the development of the project.

It is not possible to be prescriptive about how stakeholders should be defined or identified in order to involve them in developing a project; it really does depend on where the project started and what it involves..

But from a practical point of view stakeholders cannot be involved in developing a project if it is not known who they are and why they should be involved. So initially projects will have to define their stakeholders. This can be done in a number of ways, see 'Identifying Stakeholders box to the right.'

Once stakeholders have been identified in this way for a project it is worth analysing where they are in relation to the project - are they actively for or against the project or uncommitted one way or another? Some key stakeholders will be more important to secure support from than others dependent on the nature of the project. This can provide a useful campaigning base for the involvement of other stakeholders.

It is then possible to think about how stakeholders can be moved from a position of being against to being supportive. This may simply be a question of information about the project or may be a question of consultation on the details of the project.

STARTING POINTS FOR STAKEHOLDERS

- ▶ Existing community based organisations may be looking to develop a project which secures a land or building asset or improves an existing one to help them achieve the objectives of their organisation (social and community enterprises, voluntary and community groups).
- ▶ Existing organisations (local government, private individuals and companies) may be looking to transfer land and building assets into community ownership (community centres, housing, vacant buildings/land) and have asked local organisations to respond.
- ▶ Proposals for a new road;
- ▶ A planning application for development;
- ▶ The publication of a land use planning policy at regional or local level (the Local Development framework, a site specific planning brief or supplementary planning guidance) which guide the development of land
- ▶ Proposals for sale and/or development of land and buildings owned by public agencies (local government, health authorities and so on);
- ▶ Concern about lack of local affordable housing provision, community facilities or employment opportunities for local residents identified by a process of neighbourhood or community planning. (For example a parish or village appraisal).

IDENTIFYING STAKEHOLDERS

- ▶ **By Type** - decision makers, the public, a defined geographic area, age gender, ethnicity etc
- ▶ **By Issue** - groups and individuals already involved in the issues the project is concerned with (Saving heritage assets, generating sustainable energy, creating green spaces etc)
- ▶ **By 'Stake'** - groups and individuals who may be affected positively or negatively, directly or indirectly.

Planning a process of stakeholder involvement

The major pitfall of consultation and involvement processes are that they can be inconclusive, consume a lot of time and can be quite unpleasant and challenging.

The more planning that goes into the process the more likely that this can be avoided. There are now large amounts of guidance available to assist with planning these processes and most start with the need to ensure that the involvement process is tailor made to the needs and interests of stakeholders and is relevant to the project which is the subject of their involvement.

The purpose of stakeholder involvement

The stakeholder involvement plan will need to be clear about the purpose of involvement and the Continuum of Engagement is a helpful tool for this since it will help to determine the kinds of information that is produced, the format and numbers of people involved in discussions and the time and resources the process requires.

| The continuum of involvement | |
|---------------------------------|--|
| ↓ Information Giving | To provide people with information to assist their understanding |
| ↓ Information Collecting | To collect information about attitudes, opinions and preferences that will assist your understanding and decision making |
| ↓ Consultation | To obtain feedback on specific policies and proposals |
| ↓ Participation | To involve people actively at all stages to ensure that their concerns are understood and considered and to give them some influence on and ownership of decisions |
| ↓ Collaboration | To bring people into active partnership and agree sharing of resources and decision making |
| ↓ Delegated Authority | To transfer resources and decision making |

Based on Dialogue by Design 2008

| Key public sector stakeholders in asset development and transfer projects | |
|---|---|
| Central Government | as funders and regulators, particular in relation to disposal of public assets, application of EU procurement and State Aid rules both members and officers have a key influence on projects |
| Local Government | as funders and regulators particularly in relation to land use planning policy and approvals both members and officers have a key influence on projects |
| Other public service providers | Health, housing, education and police service providers from the public and social enterprise sectors. Organisations like Registered Social Landlords, local government service departments and local regeneration agencies and partnerships. The local voluntary and community sector is also likely to be a key provider of support to asset development and transfer projects. |

Stakeholders and the development of the project

The involvement plan will need to consider how development of the project - from the initial setting of project objectives through to its final completion - will take place and how stakeholders may be involved at each stage. Section 3 of this guide outlines the process of setting objectives and ensuring that they are clear. To involve stakeholders in these discussions is important and will differ from project to project but is likely to include discussions on:

- ▶ Needs that the project will meet - for housing, community facilities, workspace, surplus revenue to support or carry out other activities etc.
- ▶ How the project will meet them - the project objectives - what kind of asset will be developed, who will benefit, who will own it, who will occupy it and how it will be run and maintained.
- ▶ The design and construction of the project - preparation of a brief and the appointment of professional advisors
- ▶ Securing support for the project - identifying other stakeholders who might support the project with the resources or skills needed to make the project happen.
- ▶ Developing, if necessary, a new organisation to make it happen and agreeing its legal structure and governance (who its members are, how it makes decisions)
- ▶ Stakeholders' role in the project when it is complete.

How this work with stakeholders takes place will depend on the specific circumstances of the project and the resources and skills available. A detailed process usually involves a combination of methods that address the following:

People - stakeholders that have been identified

(the wider public or smaller groupings)

Product - what is to be produced as an outcome of the process?

(An agreed design, an agreed process or procedure etc)

Pace - the time available and when things will need to happen.

Price - how much will it cost - time and money

Process - the method that will suit stakeholders and get the desired outcome

The table below describes some specific techniques which have been used in other projects and there are a large number of guides, toolkits and publications which can help to plan a process and implement it for any project (See section 11 and 12).

Techniques to involve communities

Planning for Real® - a tool for considering all the needs in a neighbourhood. It is particularly appropriate for considering land and buildings since it is based around a scale model. The model of a neighbourhood/village/building is created by the community and often toured in the area to promote a Planning for Real® event or series of events where the model is used to draw out views and ideas that can then be prioritised and acted upon. The packs include model making instructions, templates for publicity and agendas for events.

Village/ Parish Appraisals - A series of community surveys are undertaken to consider all aspects of village life and encourage action by local volunteers and statutory agencies. A report of the process is then produced and launched to guide future local action and review progress.

Community planning weekends or Charette - a widely publicised weekend of design exercises, presentations and meeting site visits and discussion with professional advisors. The purpose is often to come up with a draft plan for a building or area within a weekend and present it back to the public who have participated in the events to agree how to make it happen.

Action Planning Workshops - an action plan on an agreed issue or concern is developed in structured workshops which are devised to include as many people as possible and result in positive proposals for action.

Visioning - A conference or event which aims to develop and agree a shared vision of the future by people who attend. It may be focussed on the future of a neighbourhood, village or site; or on a policy issue such as affordable housing or workspace in a locality.

Sustaining stakeholder engagement

Most asset development projects start with their community of stakeholders - its ideas, needs and aspirations. As part of the development of a project it will be necessary to consider ways in which they can be involved in the management of the assets once they are acquired and developed.

This can be achieved through their membership of the organisation that takes ownership of the asset (see section 10), as shareholders (see section 7) or through other mechanisms, such as involvement as volunteers, members of project working groups or via local forums where it is possible to report the activities of the project, celebrate success and gather further support for other projects and initiatives.

These activities have been included in the checklists related to management and maintenance of the asset since they will have to be planned and resources identified for their implementation as part of the business planning process to keep an organisation sustainable.

Support from stakeholders and evidence that the project will provide benefits to them are an important element to securing support for the development of the organisation and enabling its growth. This can include the opportunity to consider what will happen if the project and the activities associated with it do not happen (the 'do nothing option') which can often have greater costs associated with them that have to be met by the public purse. (e.g. crime, vandalism, teenage pregnancy)

There are a variety of tools that are now available to help measure and continuously improve the impact of a project to maintain support from the community of stakeholders that helped to make it happen.

These tools should also be considered at the initial assessment and feasibility stage of the project's development to enable collection of the relevant information for monitoring purposes that will help to measure the social, economic and environmental impacts of the organisation that will be managing the assets for the benefits of the community.

Some of these are methods are linked to quality standards which involve an external assessment and accreditation, others are meant to be planning tools to be used by organisations as part of their internal planning to improve their impacts in the community and collect evidence to prove that they do (see section 3 for relevant organisations and other impact measurement information)

Impact and performance measurement

Social Accounting and Audit - enables organisations to measure their impacts in terms of their performance against social environmental and economic objectives with all their stakeholders. There is a particular focus on involving all stakeholders in the auditing process.

Social Return on Investment - This helps organisations understand and quantify the social value they create. This tool expresses this as a monetary value and can be used to compare this value with the investment required to achieve it.

Tell Your Story - Community Impact Mapping - A simple approach to basic impact mapping proposed as a five question conversation held with stakeholders. Vision - what did you want to achieve for your community? What did you use - Staff? Volunteers? Money? Activities - what did you do with the resources? What happened because of what you did? What difference did your actions make to your community

Change Check - A Practical Guide to Assessing Impact - A systematic approach to looking at impact based on a review that considers survey information collected for the purpose. Addresses four questions: What do we want to achieve? - the core mission of the organisation? What levels of impact are we having in our work now? - Social economic environmental cultural. Where do we want to strengthen our impact - and are there any areas of impact we are making that we do not want? Identifying potential improvements. What changes are necessary to strengthen these impacts? - Prioritising and planning action

06

Feasibility

What can stakeholders do to support asset champions in relation to the feasibility process?

- ▶ Assist wherever is appropriate in answering and gathering evidence to address the project “make or break” questions.
- ▶ If they own the asset provide as much information as possible on previous development proposals, current condition etc
- ▶ The local planning authority can provide free access to planners to discuss the planning constraints and opportunities associated with the asset (e.g. availability of community infrastructure levy funds).
- ▶ Provide offers to co-locate or merge services with other providers from the statutory and third sectors if appropriate to improve the viability of the project.
- ▶ Provide assistance with research or professional advice on estimating costs and outlining what is needed to run the completed project.

VIABILITY AND SUSTAINABILITY RED FLAGS

- ▶ Have similar projects been visited and examined to benchmark against as part of an initial assessment of feasibility?
- ▶ Has comprehensive research into the target market users of the asset been undertaken?
- ▶ Have all the “make or break” questions been answered to a reasonable degree of certainty?
- ▶ Are all stakeholders satisfied that costs and income have been projected in enough detail?
- ▶ Are all stakeholders satisfied that the asset can be secured on the right terms and conditions?
- ▶ Are all stakeholders satisfied that any capital costs required can be secured?

There are many types of feasibility study but in the context of this guide it refers to whether a project can be developed to meet the objectives of the project given its context and the resources available.

A feasibility study is not a business plan. Instead a feasibility process answers the question “Is this a viable business venture?” from a number of financial, operational and technical perspectives and provides a plan that outlines the actions needed to take the proposal from ‘idea’ to ‘reality.’

A feasibility process may outline several alternatives or methods of achieving the project objectives. This helps to narrow the scope of the project to identify the best business model. By contrast the business plan deals with only one model. The feasibility study may narrow the scope of any project to identify and define two or three scenarios or alternatives from which the “best” alternative can be chosen. This becomes the basis of the business plan.

It is important to remember that a feasibility process is just that - to see if a project is feasible - and it may not be. Legal constraints, technical difficulties, high capital costs, limited revenue generating possibilities and lack of energy and commitment by project champions may all provide insuperable barriers. Careful consideration will need to be given to the risks and liabilities and the time and energy that may be needed to make things happen: the bureaucracy that will have to be waded through to do so should not be underestimated. The important thing is not to pursue hopeless causes and try to balance being optimistic with being realistic and prudent throughout the process.

The main activities of the feasibility process are research which should focus on answering the following questions for the project:

- ▶ Is the project desirable?
(from all stakeholders points of view)
- ▶ Can the project be accomplished?
(from a legal point of view and with the time and resources available)
- ▶ Is the project viable?
(will it cover its costs and make a surplus over a defined period)

At this stage of a project, resources may be needed to appoint professional advisors and enable processes of stakeholder involvement in the project.

“ It is difficult to say what is impossible, for the dream of yesterday is the hope of today and the reality of tomorrow”.

Dr Robert Goddard, Physicist

Alternatively, this stage may be delivered by volunteers working with professional advisors or other local organisations that are deferring fee payments or providing services at no cost to the project.

Whichever way the project feasibility process is devised and implemented, the process will enable significant opportunities to engage with stakeholders in its development.

Conducting an initial assessment

This involves gathering information and advice which can support the project proposals and show how the objectives for the project can be accomplished from a technical, legal, financial and operational point of view.

To do this at such a level of detail that funding could be secured for project implementation will require significant resources and it is worth considering project feasibility as a two stage process - an initial assessment and a detailed feasibility study which will require resources to pay for more advice.

There is a tendency at this stage to assume that a lot of professional help is required to make an initial assessment of the project. This will depend on what support and skills are available to the asset champion, but an initial assessment is intended to be broad brush - based on some professional advice, local research and budget estimates rather than professionally verified market information or construction cost estimates which would be part of a detailed feasibility process.

An initial assessment of a project usually takes place when:

- ▶ A site or building has been identified for the project
- ▶ Project objectives have been agreed
- ▶ A group of people or organisation(s) are identified who can manage the process and report back to all stakeholders.

An initial assessment will include the inception and feasibility stages of the design and construction process described in Section 9 when there are opportunities to involve stakeholders in development of a brief for the physical transformation of the land and buildings associated with the project. This process also provides the basis for estimating capital costs

that can inform both the initial assessment (see below) and, later on, the detailed feasibility and business plan (see section 8).

The main purpose of the initial assessment is to:

A) Test whether the project objectives can be put into practice and to refine them in the light of the information and advice that is gathered.

The initial assessment will allow for a process of refining the project's objectives to improve its feasibility (whether it can be done) and viability (whether it can survive by generating income to cover its costs).

For example, it may be the objective of a project to provide a community centre or workspace that is affordable to local organisations and businesses. This objective may be at odds with the need to re-pay a loan needed to build them because the capital costs of their acquisition and development could not be entirely funded from grants. Alternatively it may not be a problem if it is considered that a subsidy to those organisations and businesses can be met by other grant fundraising efforts or from other income generating elements of the project.

In addition the project objectives may have implications for the operational requirements of managing the assets into the future. For example if the project involves providing housing for people on low incomes to rent or to buy it may be necessary to support them through the process of buying or renting the property by providing information and one to one advice and help.

The important thing is to be as clear and specific as possible about what the project is to achieve and how the social and community objectives (for affordability for example) are balanced with the financial requirements to cover costs and liabilities with income. This will enable the feasibility study process to identify alternatives that can accommodate all project objectives.

B) Test whether the project is viable and sustainable and shows enough potential for success to conduct a detailed feasibility study.



Photographs: Elsie Whiteley Innovation Centre, Halifax Opportunities Trust.



The initial assessment is a process of gathering information and predicting likely costs and income for both capital expenditure on the land and buildings involved and the revenue costs of running and maintaining them into the future.

It will be necessary to undertake research into all these questions and then bring the results together to consider a final view on whether the project has enough potential to be developed in more detail and to secure the resources that might be needed to investigate feasibility fully.

The initial assessment for the project should at a minimum research and answer the 'Project Make or Break Questions'. The answers that are possible initially will become more detailed as more research is conducted. Considering all of them at the initial stage and filling in the feasibility checklists in order to address the questions however will demonstrate very quickly how much research needs to be done. This will enable answers to be generated that are supported with evidence that can be relied upon to make the initial assessment of whether the project is feasible, viable and sustainable and to make a decision about proceeding to a detailed feasibility process and Business Plan (see section 8).

| Project make or break questions | |
|---|--|
| <p>Is the potential land/building asset available?</p> <p>If so, on what terms - costs, conditions (For example whether a lease or freehold on land or buildings is proposed, or whether there are limitations like restrictive covenants on their use and development)?</p> | <p>Is this certain?</p> <p>Has a legal search been done, is there a written confirmation from the owner</p> |
| <p>Can the asset be developed to meet project objectives from a technical point of view?</p> <p>(For example, is it possible to fit what is wanted on the site/building, will it meet planning standards and policy and therefore get planning permission)?</p> | <p>Is this certain?</p> <p>Has an architect looked at it? Has a surveyor looked at site/building conditions?</p> |
| <p>Is there sufficient demand for what is proposed to make the project viable?</p> <p>For example is there a demand for workspace, shops or housing at the right price to enable the project to cover costs.</p> | <p>Is this certain?</p> <p>Have property agents been asked about the market and prices locally?</p> |
| <p>Are permissions necessary and are they likely to be given (planning permission or listed building consent for example)?</p> | <p>Is this certain?</p> <p>Have discussions been held with local planners or local planning policy documents been examined? Has English Heritage been consulted?</p> |
| <p>Is there sufficient stakeholder support?</p> | <p>Is this certain?</p> <p>What consultation has taken place about the project?</p> <p>Is the local council on board? Are there funders that can be approached?</p> |
| <p>Is there an organisation or individual people who can make it happen?</p> | <p>Is this certain?</p> <p>Who is the asset champion? Does an organisation need to be set up? How much time and resources do they have to pursue the project?</p> |
| <p>Does the organisation (if applicable) promoting the project have the legal powers to do what is proposed and is it prepared to champion the project through the process?</p> | <p>Is this certain?</p> <p>Have the governing documents of the organisation been checked? What discussions have there been about the process of pursuing the project and what it may involve?</p> |
| <p>Is there likely to be financial support available to implement the project? Is it available on the right terms and conditions?</p> | <p>Is this certain?</p> <p>Has anyone done any research or spoken to funders or other local organisations who have successfully raised funds for a similar project</p> |
| <p>Is there enough time to plan and implement the project?</p> <p>For example is it possible to plan and fundraise for the project before it is proposed to be demolished/sold/falls down?</p> | <p>Is this certain?</p> <p>Have the key external dates for the future of the building or land been identified? How firm/flexible are they?</p> |
| <p>Any there any other barriers?</p> <p>How can they be overcome?</p> | <p>Is this certain?</p> <p>Is there a way around or a way to address the barriers that have been identified?</p> |

Feasibility Checklist : What is needed to implement the capital development process for the project (the land or building acquisition and its development or improvement)?

| | Costs £ | Income source |
|---|---------|---------------|
| Land/Site acquisition | | |
| New or revised legal body and/or policies | | |
| People (project manager) | | |
| Construction | | |
| Insurance | | |
| Fixtures/fittings/equipment | | |
| Advisors (Professional fees) | | |
| VAT | | |
| Any other needs? (specify) | | |

Feasibility Checklist: What is needed to run and maintain the project when it is complete?

| | Annual Costs | Income Source |
|---|--------------|---------------|
| People/skills (staff salaries) | | |
| Running costs (see section 1.4 and 2) | | |
| Insurance (employers, public, professional indemnity) | | |
| Contractors (service agreements) | | |
| New or revised legal body (administration) | | |
| Finance Costs (loan repayments) | | |
| VAT | | |
| Any other needs (specify) | | |

The initial assessment should also include a 'time line' or Gantt chart for the project. These chart a specific timescale for the project against the tasks that have to be completed to enable planning to meet deadlines (for example funding deadlines or construction contract periods) and monitor progress. Particular care should be taken when estimating the time needed for design and construction processes as they are dependent on other bodies (for example securing planning permission) and may be subject to delay and agreement on design details and contract arrangements can be protracted (see section 9).

Assessing the viability of the project

Projects that are not viable are simply those that cannot meet all their costs over a specified period. In a land and building project that means that the finance cannot be raised to acquire and develop the asset (the capital development process) or enable the project to be used by the project target market at a price that covers the costs that have to be paid to provide it. (The revenue costs and income associated with the project when the assets have been acquired and developed). It is perfectly possible to have a project which will take some time to become viable - there may be a need for some grant subsidy or other sources of working capital to cover this gap until income levels grow. But this must be shown this clearly in the assessment and outline how the risks of the funding necessary to bridge the gap and cover the repayments of any loans etc have been addressed.

If income is greater than costs then the project is potentially viable (given that this is an initial assessment).

Using the information that has been gathered from the initial assessment (See the Feasibility checklists for capital and revenue funding) to consider whether there is evidence that:

▶ The Capital funds can be raised to acquire the land and buildings that form part of the project and improve or develop them to meet the project objectives. A key element of this is any subsidy available to the project from paying less than market value for the land and

buildings or from grants to meet the costs of development or improvement.

▶ There is sufficient demand for use of the project that it will generate revenue from sales or lettings to cover all the costs of running and maintaining the

project when it is complete. This is particularly important if all the capital costs cannot be met from grants and subsidies and there is a need to borrow and commit to loan repayments.

Checking the sustainability of the project

The initial assessment of the project may show that it is viable in financial terms. For example a project involves the building of 10 houses which are to be owned by a Trust and let to tenants at intermediate rents. All the capital costs of acquiring and building the housing can be met with a loan and grant. The revenue costs of managing the houses and the loan repayments will be met by the rents.

How sustainable this arrangement will be depends on whether all the operational implications of maintaining and managing the housing and administering the Trust that owns and manages it have been considered in sufficient detail. If the financial assessment of viability does not include all these implications both viability and sustainability is undermined.

The initial assessment will need to convince all stakeholders that any obstacles to the project can be overcome and that in the end a viable and sustainable asset will emerge from the process. The assumptions in the assessment about costs and income will be rigorously tested by potential funders and if the project requires revenue subsidy initially to work towards viability, it will be necessary to specify the particular community benefits and impacts that the project will offer in the long term.

If all stakeholders and the asset champion are satisfied that the project is a viable one on the basis of the initial assessment it is possible to proceed with a detailed feasibility study of the project.

Detailed feasibility

If an initial assessment results in the decision to move to a more detailed feasibility investigation, agreement will be needed on the further work that will be required and how to secure the resources necessary to make it happen.

The information gathered for the Initial Assessment will have to be researched in more detail and verified with the benefit of professional advice. This will provide important information to be included in the project Business plan.

A Feasibility Study report can help an asset champion to seek support, but it is also possible to simply include results of the detailed feasibility process for the project into the Business Plan.



Either way the feasibility study or business plan should draw on research or other evidence which supports the assumptions that are made about the projected capital and revenue income and expenditure and the proposals to manage the project when it is complete.

An historic pub in east London was acquired with the objective to refurbish it as a community centre by a charitable company established by a local group to do so. As feasibility and fundraising research progressed, they realised that there were many community facilities in the areas already which were underused. The opportunity to acquire at no cost the adjacent parkland as a garden for the ground floor of the building also became possible.

As a result the objectives for the project changed and the building was converted to a café with a garden terrace and the first floor was refurbished for workspace. The revenue income - approximately £30,000 per annum - from letting the café and workspace to other tenants means that surpluses are distributed as small grants to groups in the area.

SETTING AND CHANGING PROJECT OBJECTIVES

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PROJECT OBJECTIVES AND VIABILITY

Community Land Trusts in the US provide opportunities for renting and buying housing to people on low incomes. Since their viability is affected by residents turnover and ability to pay and because they want to be fair and transparent, some trusts provide “resident orientation and education” programs to ensure that applicants for housing understand the process of buying and selling their property with a Community Land Trust and whether they can afford to do so.

07

Finance for asset development and transfer projects

What can stakeholders do to support asset champions in relation to finance?

- ▶ Provide professional advice on the establishment or improvement of financial management practices
- ▶ Write letters of support to accompany funding applications
- ▶ Assist with publicising the project to other potential investors/funders
- ▶ Provide assistance with projecting capital and revenue costs based on land and buildings in similar use
- ▶ Where appropriate provide commitments to contracts and grants for activities associated with the project
- ▶ Where appropriate provide free advice on VAT and other financial matters relevant to the project
- ▶ Where the current owner of the asset is a supportive stakeholder, seek to provide the best possible terms for acquisition/transfer in terms of conditions and costs to the project

VIABILITY AND SUSTAINABILITY RED FLAGS

- ▶ Do the asset champions understand all the figures for their project and the assumptions on which they are based?
- ▶ Are good financial management practices and procedures agreed or in place?
- ▶ Are asset champions able to communicate succinctly the benefits of the project to potential funders and investors?
- ▶ Is it clear to all stakeholders where the income to cover costs is going to come from to run the project into the future?

The basics

Asset development and transfer projects can carry significant financial risks. Before undertaking projects it is worth considering the key building blocks that are necessary to enable a project to be implemented and successfully managed from a financial point of view. This is true for both existing organisations looking to develop a project and new organisations that are established specifically to take on ownership and management of a land or building project.

These building blocks are relatively straightforward and should feature as standard practice for most organisations, but the addition of a major capital budget to implement a project and the management of the costs and income associated with it when it is complete mean that it is worthwhile revisiting or giving particular care to the creation of financial management arrangements. Consideration will also need to be given to sustaining any existing operation while managing a major capital project, and any loss of income or impact due to building works

“Money is not the only answer, but it makes a difference”.

Barack Obama

Understanding the business model

The business model of any organisation or project is about how it generates the majority of income from its activities. For some asset development projects this may be straightforward - for example letting or hiring space to others. For others this may be more blurred - providing a space where people with learning disabilities can make things to sell which provides an additional income stream when the majority of the income comes from contracts associated with providing opportunities for people with learning difficulties to be usefully employed and learning new skills.

Understanding the business model is a particularly important part of business planning, for measuring the financial performance of activities and successfully fundraising for the capital funds for an asset development project.

Knowing the numbers

To be successful at fundraising it is essential that senior staff and members of a governing body of an organisation know and understand the headline figures for the capital and revenue requirements of a project

and any of the assumptions associated with them. So for example what overall operating costs and income are associated with the project, on what assumptions are they based (rental/hire levels, inflation etc) and what level of income is required to meet all costs.

Financial management

A key component of managing financial risk is to know exactly what the financial position of an organisation is in order that action can be taken to remedy any problems. This essentially means that regular financial information is required that shows what the actual position is (what has been invoiced/charged and what costs have been paid) against the planned performance (budget). It is particularly important for this information to be timely so that action can be taken before it is too late - this is particularly the case if an organisation has no reserves. Deciding what represents timely means looking at the commitments of the organisation (particularly in relation to spending) and deciding how much time would be needed to allow action to be implemented. For example reducing staff levels may take longer to implement than finding other costs to reduce.

Full cost recovery

As the funding environment has changed for voluntary and community organisation towards project specific rather than organisational funding there is a tendency for organisation to omit key areas of cost from funding bids, contract tenders and commissioning bids that are not directly related to project delivery.

This can erode levels of cash reserves/surpluses and squeeze areas of work (like central administration, Human Resources, networking or strategic planning) that are important to long term sustainability of the organisation because they affect things like the quality of service or treatment of employees.

Full cost recovery should therefore be applied to prevent this in the financial management and planning of organisations. Full cost recovery means “recovering or funding the full costs of a project or service. In addition to the costs directly associated with the project, such as staff and equipment, projects will also draw on the rest of the organisation. For example, adequate finance, human resources, management, and IT systems, are also integral components of any project or service...The full cost of any project therefore includes an element of each type of overhead cost, which should be allocated on a comprehensive, robust, and defensible basis.” (ACEVO 2009).

TOP TIP

If you look at the private sector, networking is seen as an investment - what you need to do to identify opportunities. The voluntary sector tends to see networking as a cost. Invest in networking, within reason, to build your capacity to identify opportunities.

from the Partnership Route to Asset Transfer (2010)

Finance and project stages

All projects will have different opportunities to secure finance for their development and implementation. These will depend on the type of assets being developed (housing, workspace, leisure for example) and the community and stakeholders involved (whether there is a sympathetic landowner involved or significant grant funding is available).

But most projects will need to secure funds in three stages:

Stage One: Project Feasibility

To make an initial assessment of feasibility and viability of a project it may be necessary to investigate the site/buildings, work up proposals, approach funders, pay architects and other professionals and fund the community involvement process before any capital finance to implement the project can be secured.

It is often difficult to find finance to undertake this work, particularly up to the level of detail that will be required to demonstrate viability and sustainability of the project convincingly.

However there are some funds available (see section 3) and experience from practice on the ground is that persistence pays off and the solution is often a combination of grants from project stakeholders, voluntary activity and pro bono (provided at no charge) work by professionals.

Stage Two: Project Implementation

To bring a project to fruition, capital finance to acquire and develop the asset will be required as well as revenue costs to develop the organisation undertaking the project and manage the assets into the future.

Stage Three - Ongoing Support

Some projects take some time to achieve viability and may require ongoing revenue support via grants or use of reserves to enable them to develop so that they generate a profit.

Key factors

Any project will have a range of options to secure finance for its implementation (see section 3), but it will depend heavily on four things:

- a) The nature of the organisation intending to take ownership - its legal structure, aims, history, track record and experience
- b) The project - what kind of asset development project is to be financed
- c) How much finance is required - some types of finance are only available in small or very large amounts
- d) When the finance is needed - some types of finance are only available for spending over a specific period or when the project has got to a certain stage (for example after planning consent or agreement to ownership has been secured)

a) The Nature of the Organisation

Some types of organisation will not be eligible for some kinds of finance. The Table shows the effect of legal structure on access to some kinds of finance. If the asset project involves the establishment of a new organisation the effects on the potential finance available for the project need to be considered when choosing the legal structure (see section 10)

| Legal structures and finance | | | |
|-------------------------------------|---------------------------|---------------------------|--------------------------------|
| Legal Structure | Can register as a charity | Can access debt/borrowing | Can access equity/issue shares |
| Company Limited by Guarantee | ✓ | ✓ | ✗ |
| Company limited by shares (private) | Unlikely | ✓ | ✓ |
| Company limited by share (public) | Unlikely | ✓ | ✓ |
| Community benefit societies | ✓ | ✓ | ✓ |
| Co-operative Society | Unlikely | ✓ | ✓ |
| Community Interest Company | ✗ | ✓ | ✓ |

Source: Social Enterprise London 'Step by Step Finance for Social Enterprise'

Lack of track record and funding often constitute barriers to new organisations who are trying to develop a project, even with the support of their community and other stakeholders.

This can be overcome by paying particular attention to the detail and quality of the project feasibility process, the visible support of project stakeholders, and the development of the project Business Plan (see section 8). This can go some way to improving credibility with finance providers of all kinds.

b) The project - what it is that is being financed

Some finance is only available for certain kinds of projects like workspace or health related projects. Other uses such as housing will also have specific requirements to secure capital funds.

In addition the project objectives may mean that there is a wish to limit the amount of loan finance that the project uses so that all the income in the project can be applied for community benefit. Alternatively a mix of very commercial and high value uses (retail/private market housing) may be wanted to secure uses that need cross subsidy (community leisure uses) so that the need to borrow and the need for grants can be limited.

The initial assessment and feasibility process (See section 6) will allow stakeholders and landowners to be identified who are able and prepared to sell land and buildings at less than market value that can then be developed to meet community needs and be viable and sustainable. This is often the key to project viability and can help to minimise the costs of the development and implementation of the project and minimise the need for all types of finance.

c) How much finance is required

Some types of finance are only available in small or very large amounts. In addition all the different kinds of finance will come with their own conditions and restrictions: a thorough investigation of the possibilities will be required. Case studies of many different funding 'cocktails' are available.

It is possible to research what is available and consider their relevance and applicability to the project. Case studies can also be used to see how other organisations have secured finance to develop and implement their projects. (See section 11 and 12)



Photographs: Manningham Mills Community Association.



d) When the finance is needed

As part of project planning the amount of time that will be needed for each stage of the project and the order in which tasks can be implemented will be considered. (See section 6).

These will provide the basis for planning when resources will be needed for each task. This is an important part of the project financial planning since it will be necessary to ensure that contractual obligations (resources are available to pay professionals, contractors etc) are met as the project proceeds.

This information can then be used to inform the development of the project cash flow for the business plan.

Types of finance available

Grants

These are non returnable funds provided for projects.

Grants available from central and local government may be affected by European State Aid rules. That is where the grant is considered to give the organisation that is receiving it an unfair competitive edge on other business organisations. This is illegal and specific advice is often needed to ensure that projects do not fall foul of the regulations.

Grants from Government funding programmes may also come with conditions related to the development of the project (tendering etc) and the community benefits that are planned from its implementation. Grant conditions may also affect the use of any revenue generated by the project in the future and may require re-payment or "clawback" of the grant

This type of funding may be limited for organisations which are not registered charities or do not have charitable objectives.

Equity

Equity finance is risk capital invested in a business for the medium to long term in return for a share of the ownership and sometimes an element of involvement in the operation of the business/organisation. The rate of return payable to investors depends on the underlying performance of the project: some investors may require higher returns for this uncertainty.

Equity finance can come from organisations' reserves or through a joint venture from other project stakeholders or from venture capitalists or business angels, who may also offer management expertise as well as money.

Equity can also be raised through a public offer to individual or institutional investors, to invest in a company. The process of raising money publicly is understandably highly regulated to protect potential investors. As a consequence this route is not usually available to organisations unless they have a successful track record and can afford the substantial transaction costs involved.

One Institutional form a Cooperative and Community Benefit Society, is exempted from the legislation governing public offering and can in consequence subject to following certain rules and principles raise money publically at a lower cost. The exemption is granted due to the community benefit of the underlying project and the investors should not therefore be investing primarily for financial return. All investors must become members of the Society and which must be governed on one member one vote rules. An increasing number of local people have been using this "Community Shares" route to raise equity finance. (see www.communityshares.org.uk)

This has sometimes helped lever in significant additional grant and loan funding.

See table below comparing Cooperative and Community Societies and private companies limited by shares.

Loans

These are funds made available over a set period. The main loan has to be repaid as well as the costs of the loan (interest) with an agreed repayment schedule. They come in a large range of shapes and sizes have very varied rates of interest and there are fees to pay when they are arranged.

Some loan funds require security to cover the loan and may wish to “take a charge” on the property involved. This is registered at the Land Registry and although it does not convey ownership or possession rights, it means that if the property is sold, the value of the charge will go to the lending organisation.

Subordinated loans are loans which are ranked below others debt in terms of priority of repayment or if an organisation closes and may operate more as “risk capital” see Equity above -this is sometime known as “quasi-equity”

Lenders range from the mainstream commercial banks (some of which specialise in lending to the not for profit sector) to Community Development Finance Institutions or indeed other stakeholders who may offer some concessionary terms because of their own social objectives.

Bonds

A bond is a loan in the form of a legal agreement between the organisation that issues it and the bondholder and as such may be sold from person to another. The agreement includes information about the amount of interest to be paid, and when it will be repaid in full. The bonds that Government issues to finance the public debt are known as gilts and are often used as benchmarks for other bonds. Bonds are used by the public sector and larger commercial companies, but up until recently have been rarely used in the third sector. The exception is some large housing associations.

Organisations that are not legally able to offer shares (or do not wish to as it often confers powers to shareholders) may consider bonds.

Some social finance experts are beginning to structure borrowings that they describe as “bonds”: these are often targeted at high net worth individuals and organisations who are prepared to forego interest payments on their investments, the name bond is used for mainly marketing purposes. More recently the idea of social impact bonds has been developed—these usually rely on a contract with Government that agrees payment by results (eg reducing youth offending) -social finance experts are seeking to raise long term operating funding from investors against these contracts.

Patient Capital

This is the name that has become associated with loan and grant combinations which take a long term view of the development of community based organisations and their activities. Some are available for organisations who want

| Community shares in co-operative and community benefit societies | Company shares |
|---|---|
| Maximum £20,000 limit on individual shareholdings | No maximum limit - one person can own all the shares in a company |
| One vote per shareholder, which means that decisions are democratic | One vote per share, which means a majority shareholder can make all the decisions |
| Can only pay limited interest on shares, "sufficient to attract and retain the investment" | There are no legal limits on the dividend rate paid on shares |
| Interest on shares is paid gross of tax. It is up to investors to declare this income to HMRC | A tax-credit of 10% is deducted from all dividend payments on company shares |
| Shares can be cashed-in ('withdrawn'), subject to the rules of the society | Shares cannot be cashed-in. Shareholders must find a buyer to whom they can 'transfer' (by selling) their shares |
| Shares can go down in value, but they cannot increase in value above their original price | Shares can go up or down in value, according to the price the buyer is willing to pay and the seller is willing to accept |
| If a society is wound up, some or all of the money that is left, after shareholders have cashed-in their shares, will be given to an organisation with similar aims | If a company is sold or wound up, any money that is left is distributed in full to shareholders, according to how many shares they hold |

Source: Baker J (2010) Community Shares Investors Guide 2010

These are all the types of funding available but although it may be easy to decide whether to apply for or accept a grant, making decisions about loan finance and securing it is often more difficult. Not all banks are used to considering the credit needs of community based organisations that are looking for financial support. It is worth going to a provider who has some experience of community and social enterprises (see section 3)

Conditions and requirements

To secure finance for a project at any of the project stages will require evidence to be provided that the project is worth supporting financially and that the organisation taking the funding is fit competent and fit for purpose. These requirements will vary but the main requirements are shown below:

| Requirement/condition | Evidence |
|---|---|
| That the organisation or proposed organisation is capable of implementing the project and has the power to do so. | Governing documents (Memorandum and Articles or rules) Track record |
| That the organisation has the financial and administrative systems to properly account for the finance of the project | Project managers terms of reference Skills of governing body/management committee, volunteers and staff Proposals for financial administration of the project and processing of payments Copies of financial procedures used by the organisation |
| That the project and the organisation promoting it is supported by the local community | Evidence of stakeholder involvement processes and local market research |
| That other financial support has been applied for and/or agreed | Evidence of other funding agreed or applied for |
| That the project is technically feasible | Professional advice on costs, design and site investigations Listed building and Planning permission |
| The contribution that the project makes to other projects and plans in the area where the project is located | Evidence that other partners are involved and working to achieve common objectives |
| That the project can demonstrate what it has done to secure value for money | Evidence of processes used for selection of consultants |
| That measurable benefits such as the number of new jobs, amount of new workspace, number and types of building users and so on made possible by the project are documented and reported on a regular basis. | Beneficiaries of the project have been identified How the benefits of the project have been calculated |
| That the project is viable and that the financial estimates and assumptions are robust | Detailed business plan supported by market research evidence |
| That the project will create a valuable asset | Purchase price and estimated final value from a Surveyor |
| That the project is of good quality in relation to design and construction and has considered environmental features that help to reduce its running costs and carbon footprint | Detailed design and specification |
| That reports and accounts on the use of the money spent can be provided. | Project managers terms of reference Skills of governing body/management committee/staff |



SLAITHWAITE CO-OPERATIVE

This organisation created a community owned greengrocery following the closure of the previous business on the site. Trading as the Green Valley Grocer, the co-operative is now actively working with local food producers in and around this Pennine town.

A small group of residents realised their best option was to bring the shop into community ownership when they recognised what the closure of the grocers (as a result of the owners' retirement) would mean for the vitality of their high street. This idea had major support in the locality and when the shop shut within a few weeks over £18,000 had been raised to buy the shop and its fixtures and fittings.

The co-operative had sold £10 shares to members of the community and despite the risks over 100 people invested in the business in amounts of mainly £100 to £150 but up to £1,500. Combined with lots of volunteer effort and in kind contributions from local professionals the shop was able to re-open and the members of the cooperative now own and control the business and can stand for the board.

(Source: www.communityshares.org.uk)

COMMUNITY SHARE ISSUES

This project plans to raise £300,000 to pay for the installation of a 15kw hydro-electric power plant on the River Dove, near Tutbury, on the Staffordshire-Derbyshire border.

This was possible as a result of using the natural assets of the Torrs, a gorge where the River Sett joins the River Goyt. This site had a weir that used to feed water to an old mill which burnt down in 1912. The weir is still intact and, in the view of local community activists, provided the perfect location for a small hydro-electric scheme.

With support from a specialist development company, H2OPE, a scheme was designed using a reverse Archimedean screw, capable of generating up to 70kw of electricity. It was estimated that the whole scheme would cost £226,000 and that it would generate revenues of approximately £20,000 per annum. Pre-tax profits, after year three, are forecast to be in the region of £11,000 to £15,000.

Not all the scheme costs could be paid for with grants and loans so a share offer was made to the public, seeking to raise £126,000 in share capital with a minimum investment set at £250. Although it got off to a slow start in the end a little under £100,000 was received from just over 200 applicants. The shortfall of £26,000 against the original target was met by additional grant funding and a small loan from the Co-operative Bank.

The voluntary board of directors put their success down to four things: a clear and obvious social purpose, a robust business model, an effective media campaign which got national radio and regional TV coverage, and the support of professional advisers.

(Source: www.communityshares.org.uk)

COMMUNITY SHARE ISSUES

A local company in the village donated £3,000 to fund the process of developing a housing project. The land which was valued at £3,500 was donated by one of the founders of the trust, who has been the driving force behind its development. When planning permission was granted, the land increased in value to £150,000 providing enough security to get a bank loan to fund the first four houses. Further sites were bought in the village with a loan of £80,000 from West Oxfordshire district Council. A further five houses were developed with this loan and additional contributions from individuals (who gave £119,000 in gifts and fixed interest loans), a grant of £20,000 from the Quaker Housing Trust and other loan finance from Triodos and the Ecology Building Society. Local Quakers also donated almost £7,000 in individual donations.

(Source: www.communityshares.org.uk)



Photographs: Marks Gate Community Centre, a pilot project for London Borough of Barking and Dagenham as part of the Advancing Assets for Communities programme.

08

Business planning

What can stakeholders do to support Asset Champions in relation to Business Planning?

- ▶ Contributions to collection of evidence to support the business plan particularly in relation to competitors and their pricing and overall relevant sector trends (e.g. in business space/community space rentals, conference facilities, sports provision etc)
- ▶ Where possible providing information on benchmarking (comparison of businesses against an agreed/best practice standard)
- ▶ Examples of business plans for other assets that they are able to share
- ▶ Proof reading and feedback to check clarity

VIABILITY AND SUSTAINABILITY RED FLAGS

- ▶ Are the capital and revenue financial projections in the plan supported with good evidence?
- ▶ Are the financial projections in the plan understood by all stakeholders, particularly the staff and decision making body of any existing organisation that is proposing to take ownership of the project?
- ▶ Have all the costs been identified based on a detailed assessment of the maintenance and management requirements of the project?
- ▶ Have allowances in the financial projections for repairs and renewals been made based on a whole life costing of the asset?

Initial considerations

A Business plan is used to serve a number of purposes:

- ▶ To secure support for the project or organisation to which the plan relates
- ▶ To enable regular checking of progress and re-planning of activities if necessary
- ▶ To communicate with project stakeholders

A Business plan is more likely to be successful for these purposes if it is succinct, focussed and based on good up to date information, supported by professional advice.

Some aspects of the business plan will have been considered as part of the initial assessment of the project - setting project objectives, considering the viability of the proposal from the point of view of supply and demand.

Before writing a detailed business plan it is helpful to be clear about the overall parameters of the plan both in relation to the asset project and the organisation (whether new or existing) that intends to take ownership of it. This will help decisions to be made on the specific content of the plan, its quality and format and the level of detail needed.

Particular care needs to be taken with asset projects that involve objectives which propose to enable cross subsidy of some activities by others. For example it is assumed that surpluses from some elements of the project (rental income from housing and workspace) will cover the costs of others (community centre facilities or community development activity). For these objectives to be fulfilled means that there must be a focus in the project business plan on management and maintenance of the assets. If they do not perform well then it is not possible to cross subsidise other activities. Section 4 sets out some of the issues which may be involved and which should be addressed when using the template to develop a Business plan for the project, particularly its revenue costs and income projections.

“Plans are nothing; planning is everything”.
Dwight D. Eisenhower

TOP TIP

A good business plan for the asset and the project needs to be developed, written, used and owned jointly by all partners, and revisited throughout the process.

From the Partnership Route to Asset Transfer (2010)



Photographs: Bysing Wood Community Centre, a pilot project for Swale Metropolitan Borough Council as part of the Advancing Assets for Communities programme.

| Business planning: initial considerations | |
|---|---|
| Audience | Who will read the plan and why? Investors/funders? Staff only? This will affect the levels of detail and content |
| Time period | What period of time is the plan to cover? One, three five years? The time period chosen is particularly important to establish a credible view of the business potential, particularly if it involves loan finance. |
| Range of activities | Is it intended only to include the asset and how it will be used or will it be linked to the delivery of other programmes that are to be located in the asset? |
| Stand alone or linked? | It may be that to be viable an asset project needs to provide subsidy to or receive subsidy from other activities. |
| Research and evidence base | The initial assessment for the project may have collected some evidence but this may need to be more detailed dependent on the range of activities to be included |
| Related strategies and plans | Larger organisations may already have business plan which an asset project may be linked to or stand alone. |

Basic structure of a business plan

The following Business plan template will help to plan the process of research that will ensure that the plans for developing and running a land or building asset are robust and realistic.

| Business plan element | Detail |
|---|---|
| Summary | Who you are, what you want to do, how you intend to do it. Usually written last. |
| Your Organisation | Track record, current plans, partnerships, and people. Quality control/standards or methods of impact measurement being used by the organisation (See section 7). This relates to the organisation (whether new or existing). |
| Introduction to the Project | Project Objectives Proposed Programme for delivery Proposed impacts/benefits of the project Proposals for management and operation of the asset and the capital construction phase where relevant. |
| Market | Need - what is the target market? Supply - who else is in the target market - why can't they supply what is proposed ? Demand - what it is and how does the project meet it Pricing - how have charges been arrived at? |
| Promotion | What methods have been chosen (Online, direct to customer) and who will do it (in house or external) |
| Resources | Financial Projections Should include Cash Flow (For first year) Expenditure/profit and loss ¹ for each year of the period of the plan Explanatory notes - should specify the assumptions on which projections are based and why. This should include assumptions about timing and levels of commitment for both income and expenditure. |
| Risk Assessment/ Management/Mitigation | Analysis of Political Economic Social Technical Legal Environmental (PESTLE) issues or Strengths Weaknesses Opportunities and Threats (SWOT) to identify risks . |

¹ These set out how much is spent and how much is earned and the difference between the two. In an income and expenditure account (most often used for not for profit organisations) profit is shown as surplus in a Profit and Loss account (most often used for private profit organisations this usually shows profit before and after tax).

Collecting evidence

To be convincing a business plan must be based on evidence rather than wishful thinking.

It is not hard to collect evidence but it does take time and a systematic approach. Each element of the business plan will require some form of evidence or as a minimum a clear concise explanation of what is proposed or how the objectives of the project are to be met.

| Business plan element | Evidence needed |
|------------------------------------|--|
| Summary | Clear and concise account/explanation |
| Your Organisation | Annual Report, Accounts, info on legal structure and governing body, information on impact measurement |
| Introduction to the Project | Clear and concise account/explanation |
| Market | <p>Details of competitors and their charges.</p> <p>Market survey information on need/demand for kinds of uses proposed for the asset. This should be based on a defined catchment (e.g. local/regional/national/online) of relevant customers given the service/facilities being offered (NOT simply consultation)</p> <p>How prices have been arrived at and calculated.</p> |
| Promotion | Evidence to support why the methods that have been included have been chosen for the target market. |
| Resources | <p>How costs have been arrived at - e.g. professional quotes, comparative estimates, actual historical costs, published rates, supplier quotations.</p> <p>Basis for the assumptions that have been made for example about inflation, <i>when</i> income and expenditure have been included</p> |
| Risk Assessment | Assessment (rating of impact and likelihood) of relevant risks and proposed ways to address them |

Particular attention needs to be paid to the market research and estimates of both capital and revenue costs to ensure that they are as robust and comprehensive as possible.

Revenue costs and income in particular need to be clear about those that are associated with making a land or building asset available to others (in which case the organisation taking ownership will be collecting rents and recovering service charges) as opposed to using the asset to deliver services itself (in which case the organisation taking ownership will be having to cover these costs itself)

Potential revenue costs and income

| Income | Costs |
|-------------------------|---|
| Rents, fees and charges | Staff Salaries (including Employers National Insurance, pensions). Also consultant costs, recruitment and cover for holidays etc where appropriate. |
| Membership fees | Insurance (Land/Buildings/public liability/employers liability/contents/rents and service charges) |
| Grants/donations | (including IT/telephone) |
| VAT | Professional fees - Audit and legal |
| Service charges | Repairs and renewals |
| | Marketing/Letting (direct costs and sub contractors) |
| | Utilities (e.g. gas, electric, water) |
| | Security |
| | Training |
| | Administration/office costs/bookkeeping |
| | Rates |
| | Loan repayments |
| | Cyclical Maintenance (decoration etc) |
| | Cleaning |
| | VAT |
| | Gas electric lift and fire compliance |
| | Sinking Fund (reserved fund for future major works/improvements) |
| | Promotion/publicity |
| | Allowance for bad debts/voids (unlet property) |

| Potential capital costs and income | |
|--|------------------------------------|
| Costs | Income |
| Land Acquisition and legal fees Site Investigations | Sales Grants Loans Equity |
| Building/construction work | |
| Professional Fees | |
| Furniture | |
| Equipment | |
| VAT | |
| Contingency | |

Breakeven and Sensitivity Analysis

Breakeven analysis is an examination of costs and income of a business from the point of view of what needs to be achieved to ensure that revenue costs are equal to revenue income - Breakeven Point (i.e. so no loss is incurred) and what as a result may need to happen additionally to achieve a profit/surplus of revenue income over revenue costs.

Similarly a sensitivity analysis allows the different elements of the costs and income of a business to be manipulated to see what the financial impact might be.

As part of the work of compiling revenue projections it is possible to use breakeven and sensitivity analysis to both consider the impact of financial risks and to provide an input into decision making about the price that should be set for the services or products of the business or the level of performance required (levels of occupancy, numbers of bookings etc) needed to ensure that the venture does not start making a loss.

Breakeven Point - an example

A development trust called "Offices 'r' Us" is planning to bring to market 10 new single office units in an old converted school. The following shows fixed and variable costs that are associated with the project.

| Cost item | £ |
|--|--------|
| Fixed costs (annual): | |
| Mortgage interest payments on loan to convert the school | 30,000 |
| Business rates | 2,000 |
| Caretaker salary | 14,800 |
| Building insurance | 4,000 |
| Lift maintenance | 1,200 |
| Variable Costs | |
| Heat and Light Standing charge per unit quarterly | 20 |
| Heat and light usage charge per unit quarterly | 130 |
| Telephone and internet costs per unit | 370 |
| Cleaning costs per unit (weekly) | 10 |

Each office is being marketed at an all inclusive cost of £200 per week

What is the breakeven point? (i.e. how many units must be occupied to make the venture break even?)

Answer

| | |
|---|---------|
| Fixed costs per annum | £52,000 |
| Variable costs per unit per annum (£20x4+£130x4+370x4+10x52) The x 4 multiplier is for quarterly variable costs and the 52 multiplier for weekly costs | £2,600 |
| Total Contribution per unit per annum (£200per week x 52 weeks=£10,400 per annum - £2,600 = £7,800) | £7,800 |
| Total Number of Units = 10 | |
| Breakeven point = Fixed Costs (£52,000) , Contribution per unit (7,800) = 6.6 units | |
| So 7 units need to be occupied (a 70% occupancy rate given that there are 10 units) for breakeven point to be reached. | |

From DTA (2006) "Cultivating Enterprise : A DTA Toolkit"

Risk assessment

The purpose of this section of the Business plan is to show that:

- ▶ All the risks involved in the delivery of the business plan have been identified.
- ▶ There is a plan to address them - should they arise - that is based on an assessment of their impact on the plan.

This section of the business plan should outline the result of the risk assessment which can be developed in three steps:

Identifying risks

All the risks associated with the project should be identified, ideally using a Strengths Weaknesses Opportunities and Threats (SWOT) Analysis or a PESTLE Analysis (Political, economic, social, technological, legal and environmental) with project stakeholders. The risks identified may include the following:

| Potential risks and impacts | |
|--|--|
| Area of risk | Potential impact |
| Management/Governance Lack of planning, poor decision making | Potential for financial losses Reputation Staff turnover/effectiveness |
| Operational Poor flow of information Risk Control, health and safety, contract risks, competition, relationships with suppliers Poor marketing | Financial losses Impact on service/sales Legal action Reputation Staff turnover/effectiveness Delays to plans |
| Environmental/ External Government policy/regulation Commitments of landowners/funders/other partners Performance of contractors Lack of planning, systems for disaster planning Market changes in demand during project implementation. Technological change | Financial losses Staff skills |
| Financial Financial assumptions in budgets and estimates are inaccurate Timing of income assumptions is inaccurate. Lack of financial management and control procedures | Financial losses Cash Flow difficulties Legal action |
| Legal compliance Data protection Copyright Disability Discrimination Race Relations Health and Safety VAT Employment Law Employee pension provision | Legal action Fines and penalties Reputation Action by regulator(s) |

Risk assessment

Once identified the risks to the proposals in the business plan can be assessed against two questions:

How likely is the risk?

What will happen if it does occur?

A simple scoring system can be used to decide which risks are the most important to address and agree plans for mitigation. Once this has been done those which score highest (IV) should be addressed first and then all other risks addressed in turn until those which are both unlikely and will have limited impact have a plan to address them should they arise (I).

| | | |
|--|--|--|
| Likelihood of Occurrence (Chance of Happening) → | III High Likelihood Low Severity of Impact | IV High Likelihood High Severity of Impact |
| | I Low Likelihood Low Severity of Impact | II Low Likelihood High Severity of Impact |
| | Level of Severity of Impact → | |

Risk control

The risk assessment can be developed into a risk control strategy by considering whether each risk to your plans can be addressed by sharing it, avoiding it, managing it or accepting it. Ideally it should be possible to manage all of them.

For example a risk to a project may be reduced rental income due to a high turnover of small business workspace tenants.

This risk can be *avoided* by either hoping it will not happen or trying to pass it on to the tenants by increasing notice periods for tenancies in letting and leasing arrangements.

This risk can be *managed* by having excellent credit control and tenant liaison processes so that problems with payments are quickly identified and by developing active waiting lists for tenancies from good publicity and marketing.

This risk can be *accepted* - on the basis that small businesses have high levels of failure and that the risk is a feature of the business of providing small business workspace.

09

Design and construction process

What can stakeholders do to support Asset Champions in relation to the design and construction process?

- ▶ Provide training or advice on acting as client and/or employer on building stages
- ▶ Recommend contractors and other professional advisors that they have used on similar projects
- ▶ Provide professionals to participate in design criticism discussions to ensure that the designs are suitable for their proposed users
- ▶ Help with procurement processes e.g. choice of contract type, sitting on a selection panel, providing input into selection criteria

VIABILITY AND SUSTAINABILITY RED FLAGS

Have you considered all the effects of the designs on running costs and revenue earning?

For example:

Location - have you considered the potential for vandalism? Is your location ideal for the business you are planning (e.g. if there is not much passing pedestrian trade will a cafe work?)

Catering for your users/customers - Is it possible for the building to be used for the purpose it is intended, e.g. Accommodating vulnerable adults or children, accommodating the numbers that you envisage you will be catering for, providing the right services for your proposed users in terms of storage, IT, kitchen facilities, weight loading etc.

'Dead' Space - Is the way the space is designed going to create wasted space that will not earn revenue, but only cost money to heat and light and supervise (e.g. reception areas that are large, wide corridors or lots of "circulation space")

Rubbish - Is the way the waste from the building is dealt with likely to work and reduce your waste collections bills (eg good and accessible recycling facilities)

'Future Proofing' - Is the design of the space flexible so that its use can change if necessary? Have you considered making sure that climate change will not affect the use of the building?

Planning costs - Have you commissioned a "Whole Life Costing" as part of your detailed design process to help you plan for future costs of repairs and maintenance?

Energy and Water - Is the way that the heating, lighting and water use controls likely to keep consumption of energy and water down? Have you considered ways to generate energy as part of the design?

Have you considered all the effects of the designs on what staff or contractors will have to do to keep the building maintained to a high standard?

For example:

Is it easy to clean?

Is it easy to secure e.g. is it possible to limit access to parts of the building if necessary or to close off when not in use?

Is it easy to replace broken parts or essential equipment (e.g. lights, heating boilers, window/shutter locks?)

Are the proposals for access to different parts of the building, operation of the heating, lighting and alarm systems workable given the way the building is to be used?

Design and construction process

The physical transformation of land or buildings is the process that is often the focus of most of the professional input and the business planning activity associated with an asset development or transfer project. This is understandable given the work (and creativity) involved in design and construction and the capital costs of improving buildings and landscapes or improving existing ones. Often however less attention is devoted to the effects of design and construction decisions on the use of an asset and its management and maintenance into the future. Yet these decisions will affect its potential viability and sustainability.

In many ways it is useful to think about managing and maintaining assets before they are built or improved if they are to be fit for their purpose and can be well managed and maintained into the future. Section 4 of the guide about management and maintenance sets out the issues to be addressed in the design and construction phase of a project.

The role of client

Being the 'client' of a building project is a very important role which can be hugely exciting and creative but can also be a shock when the project is finished and it becomes apparent that 'we did not think about that'.

Taking on client responsibilities in most asset development and transfer projects is combined with being the actual owner/manager afterwards. This means that the organisation will bear the brunt of any mistakes made in relation to the viability of the land and building uses and the sustainability of its operation and management by the organisation. It is important therefore that this process allows a focus on the requirements of the eventual owner and operator of the land and buildings.

Throughout the design process the client should be scrutinising drawings as they emerge with a view to addressing the question of how the asset will be run, and how much it will cost to run.

“A doctor can bury his mistakes, but an architect can only advise his clients to plant vines”

Frank Lloyd Wright, Architect

“Architecture is a continuing dialogue between generations which creates an environment across time”

Vincent Scully, Professor of Art and Architecture, Yale

CLIENT ROLE

- ▶ Being responsible for the execution of the project from the initial idea to implementation
- ▶ Choosing the players involved in all stages from design through construction to long term management
- ▶ Ensuring that the needs of building users/customers are met
- ▶ Ensuring that the relevant permissions are secured (planning etc) in partnership with the professionals appointed to the project
- ▶ May also be financier and eventual owner

The most beautiful and inspiring building in the world can also be an expensive headache, but it is possible to have beauty and inspiration and an asset that is not a drain on the resources of the organisation that owns and manages it.

WHOLE LIFE COSTING

Whole life costing is 'the systematic consideration of all relevant costs and revenues associated with the ownership of an asset'. Typically a surveyor estimates over a 20-25 year period what it will cost to operate, repair, replace and renew building or landscape elements. These costs are then given a current value in order that an owner can make decisions about and plan investment in an asset.

It involves making judgements, with a client and other members of a professional team about when elements (windows doors etc) will need replacing or repairing and what kind of cyclical maintenance (like decoration) will be required. These are then costed and used for the purposes of financial planning for the revenue and capital costs of running the asset.

It is worth mentioning that in many asset transfer projects the role of client may also be split. Projects have different stakeholders and funders all of whom will have different requirements for involvement in the decision making about development and construction of land and buildings. It is helpful for example to specifically consider the implications for the project of the roles of 'Client' and 'Employer' at the construction stage. This is an important role in the process since the client appoints advisors, authorises work to take place, agrees costs and timetable and appoints professionals to the project. At contract stage this role is mostly known as the Employer and comes with specific liabilities. Some projects will have a community based organisation or group as client but may have difficulties with the role of Employer due to its liabilities. When the contract is ready for signing, the Employer for the contract is responsible for payments to the contractor and other professionals and may also take handover of the land or buildings when complete. This may prove beyond the financial capacity of a community based organisation and depending on how the whole process is funded and who will own the land or buildings at the end of construction, there will need to be a specific discussion on who will take on the Client and Employer roles during the process.

As many asset transfer and development projects involve organisations for whom management and maintenance of property is not a core function. To help them plan for the costs of doing this the tool of Whole Life Costing is used to help them to plan for maintenance and to set aside resources to do this. This can provide major inputs into financial projections in the business plan and negotiations to secure funding (See sections 9 and 10).

TOP TIPS

- ▶ Provide strong client leadership - be clear about what is wanted from the process and the professionals involved
- ▶ Give enough time at the right time - pay attention to the detail
- ▶ Learn from your own and other successful projects - visit others and learn from mistakes
- ▶ Develop and communicate a clear brief
- ▶ Make a realistic financial commitment from the outset - if there is only enough in the budget for professionals to visit a building site once it is unlikely that a quality development will result
- ▶ Adopt integrated processes - cooperation and good communication between the client, design and construction team
- ▶ Find the right people for the job - spend time on the selection process
- ▶ Respond and contribute to the context -
- ▶ Commit to sustainability - the initial money involved in building is unlikely to be as large as the amount spent on upkeep
- ▶ Sign off all key stages - make sure that a conscious decision is made to accept all proposals as they get more detailed.

Based on CABE "Creating Excellent Buildings: A Guide for Clients 2003"

The main stages of design and building

The main stages of the design and construction process are outlined here and are based on the stages of work and the nature of the work for each stage that is proposed by the Royal Institute of British Architects. This is for two reasons - architects are often the principal consultants on building projects (that is they often sub contract with the other consultants needed by the project and project manage the whole process) and also because these stages are understood in relation to what is expected in terms of outputs and fees by most other built environment professionals. It is worth bearing in mind however that some tasks will be needed that are not core design functions in order to secure planning permission - for example travel plans - but again as lead consultants architects or surveyors can sub contract other specialists to carry out this work.

It should be borne in mind that this process can be a very long one. Design and construction can be very time consuming and even the most generous estimates of time required are likely to be less than the time it will actually take. Depending on the scale and kind of development involved, a construction process can take several years to develop in detail and even longer to implement on site. The most significant factors that will influence the time needed will be:

- ▶ The levels of community involvement or consultation required throughout the process, particularly in relation to agreement on initial land uses and design requirements in the detailed stages
- ▶ The scale of the works and any phasing of the process;
- ▶ Any delays in obtaining planning consent;
- ▶ When resources are available;
- ▶ The skills and input from the client who authorises the work to take place and approves changes;
- ▶ The availability and quality of professional advice.

The Starting Points section of this guide provides advice on the process of selecting and appointing consultants. Preparation work for briefing design professionals on building and refurbishment work will require considerable work and discussion with stakeholders. An outline is provided here on what should be included in a design brief which will be further developed in detail with input from the professional team as the project is detailed.

BUILDING/LANDSCAPE DESIGN BRIEF

The brief where possible should describe or provide issues to be addressed on the following:

Background to the Project

The Site/Building

Location

Plans

Background Information Available (Surveys etc)

The Client

Who they are

Their vision, mission, and objectives as an organisation

Aims of project

What the client wants from the Building/Land

Detailed Requirements (where possible/ appropriate and potentially room by room)

Proposed Uses/Users and kinds of activities to be accommodated - no of homes, workspace types etc plus ancillary space e.g. storage, kitchens, tea points, meeting rooms

Accessibility Requirements - who needs to be able to access the building

Environment and Services Requirements

Energy efficiency - insulation, sensor controlled automatic lights when occupied/in use for example

Energy Generation

Water/Water harvesting

Lighting/Natural light

Ventilation - natural or mechanical

Acoustics - for example activities may require more or less noise insulation

IT/ Electricity supply requirements - for example some workspace users may need particular kinds of supplies

Waste and Recycling - facilities specified and located for ease of use by building users and managers

Safety and Security - alarms, controlled access (intercoms/swipe systems) shuttering (internal/ external)

Fixtures and Fittings - equipment, signage etc

Sanitary Provision - WC's, Washing/shower facilities

Cleaning/maintenance equipment storage

External areas

Storage

Access- parking and loading

Cycle racks/security

Specific facilities - play areas, seating etc

Proposed Programme and Budget (where possible/appropriate)

Other Attributes

Feel

Atmosphere

Comfort

| Riba work stages and description of main activities | | | |
|--|---|--|---|
| Overall Stage | RIBA Work Stages | Main Activities | Main Client Input |
| Preparation | Work Stage A Appraisal | Identification of client's needs and objectives, business case and possible constraints on development. Preparation of feasibility studies and assessment of options to enable the client to decide whether to proceed | Approval of brief Option appraisal and outline business case Selection and agreement of consultant professionals and Procurement method (s) |
| | Work Stage B Design Brief | Development of initial statement of requirements into the Design Brief by or on behalf of the client confirming key requirements and constraints. Identification of procurement method and procedures, organisational structure and range of consultants and others to be engaged for the project. | |
| Design | Work Stage C Concept | Implementation of Design Brief and preparation of additional data. Preparation of Concept Design including outline proposals for structural and building services systems, outline specifications and preliminary cost plan. Review of procurement route. | Input to specification Approval of final designs |
| | Work Stage D Design Development | Development of concept design to include structural and building services systems, Updated outline specifications and cost plan. Completion of Project Brief. Application for detailed planning permission. | |
| | Work Stage E Technical Design | Preparation of technical design(s) and specifications, sufficient to co-ordinate components and elements of the project and information for statutory standards and construction safety. | |

| | | | | |
|--|---|---|--|--|
| | Pre-Construction | | | |
| | Work Stage F Production Information F1 F2 | | | Preparation of production information in sufficient detail to enable a tender or tenders to be obtained. Application for statutory approvals. Preparation of further information for construction required under the building contract |
| | | Work Stage G Tender Documentation | | Preparation and/or collation of tender documentation in sufficient detail to enable a tender or tenders to be obtained for the project. |
| | | | | Identification and evaluation of potential contractors and/or specialists for the project. Obtaining and appraising tenders; submission of recommendations to the client. |
| | | | | Letting the building contract, appointing the contractor. Issuing of information to the contractor. Arranging site hand over to the contractor. |
| | | | | Administration of the building contract to Practical Completion. Provision to the contractor of further Information as and when reasonably required. Review of information provided by contractors and specialists |
| | | | | Administration of the building contract after Practical Completion and making final inspections. Assisting building user during initial occupation period. Review of project performance in use. |
| | | | | Tender Review and contractor selection Final Procurement and contract approvals Receive progress reports Site visits Approval of amendments |

Although these are the main common stages of the process it can vary based on the nature of the project:

► **Size and complexity** - this will affect some elements such as the professionals involved, the fees that are payable and the type of contract used. This may vary depending on the type of asset involved, the organisation driving its development and any special requirements (some may want training provision in their building contract for example). Some larger projects may require a specific procurement process under European rules and limits and others may need a dedicated project manager who can also act as the Employers Agent or Clerk of Works during the contract stage.

► **Availability of resources** - projects may have to be phased to accommodate the resources available. Many projects combine the initial stages of inception and feasibility with the production of a report which can be used as the basis for securing resources to develop and implement the project in detail - so there may be delays between stages as funding is secured.

Fees for professionals involved in the process will vary considerably and are often based on the overall value of the contract for the project. All the fees involved are negotiable, and can be based on lump sums, time charges or percentages of the contract sum. Not all the professionals listed are involved in all projects depending on their scale and complexity and the nature of construction involved (new build or refurbishment)

TOP TIPS - Design

Connectivity / Legibility (internal)

Is it clear where people should go when they get there?

Is the circulation within the building practical and easy to navigate (with and without signs)?

How well do internal spaces connect/relate to each other?

Access

Can people get there easily?

Can people enter/move around easily?

Are there any physical barriers to those with mobility limitations, with physical or learning differences, with buggies and small children?

Flexibility

Can the internal and external spaces be used in a number of ways for different user groups and needs?

Security (physical and emotional)

Do people feel safe approaching and inside the building?

Can the building be secured effectively when not in use?

Identity

Does the building have a clear identity?

Is there a clear aesthetic and design language for the building?

Does the building use branding (through signage, symbols)?

Delight

Is the building pleasing to look at?

Do people feel comfortable, exhilarated, inspired by the space?

From: Asset Transfer Unit (2010) Making Buildings work for your community: Design Refurbishment and Retrofit

Professionals involved in construction and development of land and buildings

| Profession | Role |
|--|---|
| The Architect | Produces overall design and co-ordinates specialist inputs from others. May administer Contract on organizations behalf Submits Planning and Building Control Applications as Agent |
| The Quantity Surveyor | Compiles Bill of Quantities based on drawings and specifications (Royal Institute of Chartered Surveyors) Organises Tender, checks Tender returns, writes Tender Report Carries out monthly Valuations during Contract |
| Planning Supervisor | Oversees health and safety procedures during design, demolition, construction and use of building. Role defined under Construction Design and Management (CDM) Regulations |
| Structural Engineer | Works with architect to design structural elements of design. Provides calculations and certification to Building Control and specifications and details to Contractor. |
| Mechanical & Electrical Services Engineer | Works with architect to design heating, lighting, ventilation etc. elements of design. Provides information to Building Control and specifications and details to Contractor |
| Landscape Architect | Works with architect to design landscape elements of design. Possible input at Planning Stage |
| Employers agent, project manager, Clerk of works | Appointed to act as the employer for a contract. The role is often defined in the contract itself but often includes issuing instructions, inspecting works, and certifying works. |

The type of contract used in a project is an important decision for any client and their advisors. Different contract types provide differently for factors such as¹:

- ▶ Cost certainty - whether they need to be firmly fixed before starting construction
- ▶ Client involvement - whether the client is able or willing to be closely involved with the project
- ▶ Clarity of remedies if things go wrong - who bears what responsibilities
- ▶ Dealing with complexity - whether the works are large scale or particularly specialised
- ▶ Capacity for variations/flexibility - particularly if some aspects of the design cannot be decided in detail by the client
- ▶ Separation of design and management

It will be important for an organisation taking on the client role to seek specific guidance on the type of contract best suited to their project.

¹ Source - Society of Chief Architects in Local Authorities and Local Government Task Force (2003) "A Guide to Standard forms of Construction contract"

Post construction

This stage of the process represents the point when responsibility for the project is handed from the contractor back to the new owner/manager.

It is important that as much attention to detail is paid at this point as in the initial design stage. This is particularly the case for snagging and defects rectification. Typically contracts allow for dealing with any problems with the building via a Defects Liability period when the contractor would be expected to come back to rectify any problems. A proportion of final payment (called a retainer) is held back until all problems have been dealt with.

These stages are notorious for finding that contractors and professional advisors have moved on from their work on the project and do not prioritise dealing with post construction problems.

Issues associated with this can be minimised if all of the documentation needed to enable the managing organisation to deal with inspection, maintenance and repairs is provided formally at a Handover meeting with the client, professional team and Construction Company. This meeting should be preceded with a walk around the project.

Handover Checklist

- ▶ Full set of drawings of the building(s) showing all services, drainage etc
- ▶ Confirmation of commissioning of utilities and services (alarms etc)
- ▶ Full sets of keys/codes etc appropriately labelled and documented
- ▶ Compliance documentation for electrical and gas systems, emergency lighting, alarms, lifts (Internal and External as necessary)
- ▶ Snagging lists and agreed processes and timetable for remedy
- ▶ All warranties/guarantees/operating instructions for equipment (e.g. water and space heating, building management systems etc)
- ▶ Metering locations and details of suppliers where appropriate
- ▶ Full contact details for design team, contractors and significant sub contractors

10

Legal issues in asset development and transfer

What can stakeholders do to support asset champions in relation to legal issues?

- ▶ Provide sample leases or other relevant agreements for similar properties in their ownership
- ▶ Where they are the owners of the asset they can provide opportunities to discuss key lease terms in advance of draft documents being prepared and pay for their own legal advice
- ▶ Where they are the owners of the asset they can provide as much detail as possible on the details of any restrictions that apply to owners

VIABILITY AND SUSTAINABILITY RED FLAGS

- ▶ Do the terms on which the asset is offered meet with the needs of the project in terms of financial viability? (e.g. price or rental levels etc)
- ▶ Are the constraints on the use of the asset in relation to the lease terms going to prevent it being used flexibly into the future (e.g. types of activity that are allowed)
- ▶ Are the repair and maintenance obligations going to be too onerous for the new owner?
- ▶ Are requirements of the lease in relation to sub-letting flexible and not onerous in terms of bureaucracy e.g. approval processes?
- ▶ Have all the taxation issues been considered in relation to the acquisition of the asset and any effects on future revenue generation been taken into account?

A land or building asset that is developed and improved or transferred from one owner to another can raise a large number of legal issues.

The most common are:

- ▶ Establishing whether there are any restrictions on the use or development of the asset which may have been imposed in the past but can restrict what all future owners of the asset can do with it. For example some land or buildings may have been gifted or created for the benefit of a charity or a certain use (e.g. a playground or recreation ground) or may have rights of way granted over it to other people.
- ▶ Choosing a legal structure for the establishment of a new organisation to undertake the development (where necessary) and final ownership of the asset.
- ▶ The sale or transfer of ownership (often described as an 'interest') of the asset.
- ▶ The form and content of contracts and partnership agreements with other stakeholders, professional advisors and contractors.
- ▶ Taxation issues - Value Added Tax, Stamp Duty

“ He who is his own lawyer has a fool for a client”.

Proverb

Whatever the issue to be dealt with it will be necessary to take legal advice - partly because what is proposed for use of the asset will affect the legal issues that arise and partly because the law does change.

The client role

A common problem with consulting legal experts is that it is not always possible to know what advice is needed or the full implications of what is proposed in a project at the start.

As a result it may be appropriate to ask for advice in stages - initially to explore the implications of the project in legal terms and then to proceed to ask for documents to be drafted or formal responses to be made to proposals from others (when negotiating leases or other contracts for example).

The same guidance outlined in section 3 on getting advice from other professionals should be followed in relation to lawyers in terms of briefing and selection. In addition legal advisors can also be asked to provide advice on all issues that they think are likely to be relevant to the project and asked what documentation and agreements are likely to be needed to meet the project's objectives.

For example if the project includes trying to make housing affordable that may include information on entitlement to benefits, if it includes activities like sub letting property it may include advice on leases, licences and tenancies.

This advice initially will also provide opportunities to make provision to pay for this work and to discuss all issues with other stakeholders.

Setting up a new organisation

A key legal issue in asset development and transfer projects is the establishment of new organisations.

If a new organisation is required advice will be needed on its legal structure. This may require providing information to advisors on potential funding for a project (particularly borrowing and share issues) in addition to that set out in section 3.

There are many reasons why a new organisation may be required to take ownership of an asset project either before or after it is improved or developed:

▶ There is no other organisation that can acquire a suitable interest or stake in the ownership of the land and buildings involved. For example, some projects have the objective that any housing they develop should be kept affordable in perpetuity. To do this requires the organisation to have ownership of the land and building assets involved. Community Land Trusts, by separating the rights over the use of land from the freehold ownership of land and buildings allow for a Community Land

Trust to control for the benefit of the community any increases in land value and preserve the affordability of housing it provides in the long term.

▶ There is no other organisation that can enable the degree of community control of the project - through formal membership or share ownership of the organisation - that is required.

▶ There is no other organisation that is willing or able to take on the implementation of the project due to their legal structure and powers, their lack of track record or financial strength. Charities for example may have to set up trading subsidiaries in order to undertake a project.

If a new organisation is required, deciding what kind of organisation is needed will often focus on capturing and protecting any value from the development and acquisition of the assets in question for the benefit of stakeholders into the future - this may mean considering a specific kind of legal structure to achieve this. Similarly if an asset is in need of refurbishment or development in order to be viable and sustainable, only specific kinds of legal structure can accommodate this.

There a number of legal structures that can be evaluated in relation to the specific circumstances of an asset project - the most important thing before the options can be evaluated is to be clear about what the asset is to be used for and what the organisation that will own it will be doing both in the present and into the foreseeable future.

There are several different legal forms that can be considered and there are now a large number of resources developed from practice on the ground by Community Land Trusts, Development Trusts and Social Enterprises that can be used to explore the issues before formal legal advice is taken (see section 11 and 12). Often projects can involve the creation of a linked set of organisations in order to achieve project objectives and fulfil the requirements of investors and funders.

Key issues to consider when choosing a legal structure for a new organisation is what the project and its stakeholders think about:

- ▶ Members - who are they and what do they get to decide.
- ▶ Will membership be open to organisations as well as individuals?
- ▶ Will the organisation employ staff who will also be members?
- ▶ Will the services provided by the organisation only be available to members?

- ▶ Conflicts of Interest
- ▶ Trading
- ▶ Payments of dividends
- ▶ Use of profits and surpluses
- ▶ Limiting liability
- ▶ Fundraising for grants
- ▶ Powers to borrow money
- ▶ Involvement of volunteers

- ▶ Ability to sell interests in land and building assets and on what terms
- ▶ Whether to take advantage (given other project objectives) of the tax and fundraising advantages of being a charity?

Having a view on these issues will provide the basis of a much more informed discussion with a legal advisor.

POTENTIAL LEGAL STRUCTURES FOR COMMUNITY BASED ORGANISATIONS

- Companies Limited by Guarantee
- Public Limited Companies
- Co-operative and Community Benefit Societies (Formerly Industrial & Provident Societies)
- Private Limited Companies
- Limited Liability Partnerships
- Community Interest Companies
- Charitable Status

Legal restrictions on use of assets

The current owner of an asset ought to have this information in the form of deeds of title. In some cases these may be registered at the Land Registry.

The important thing about such restrictions is that they may determine not just how it may be used but also what kind of organisation can own the asset and what kinds of users can benefit from its use.

These restrictions can often be a major obstacle to the feasibility and viability of a project (see section 6).

Acquiring an interest in land and buildings

Negotiating a stake in the land or building that is the subject of development or transfer is probably the most important agreement that needs to be undertaken in the whole process. The terms of this agreement are a key determinant for the financial viability of any transfer or development project and can have a significant impact on its funding and implementation (rent/acquisition price). The final formal acquisition of a stake can take place either at the start of a process of building development/refurbishment or at the end. It can be the subject of a protracted negotiation or a relatively straightforward transaction depending on the project.

Leases and Licences - some detail

The following table is a standard “heads of terms” for a lease agreement. Once agreed, this is used as the basis for instructing lawyers to prepare an agreement for completion.

Key elements are shown in bold where they have a specific effect on capital costs or revenue liabilities.

TYPES OF INTEREST

Freehold

This is ‘absolute’ ownership, which gives a right to use the property as the owner sees fit (subject to planning consent, and the restrictions and other matters registered on the building with the Land Registry, for example any right of way or outstanding mortgage).

Grant of a long lease or ‘virtual freehold’

For example a long lease for e.g. 125 - 999 years. This type of purchase will usually require the payment of a premium or purchase price, as would be the case if a freehold were being acquired. It may also include a requirement to pay a ground rent and a service charge to the Freeholder (this is sometimes a nominal sum). It can be entered into by incorporated organisations or nominated individuals.

Assignment of an existing long lease

This is the acquisition of an existing leasehold interest from the previous tenant (known as an assignment). Where a lease is being taken by assignment, there is often less scope to alter the original lease terms.

Licence

This is a short term agreement often between 6 months and 2 years. A licence is most often used with a building occupier who does not have exclusive access to the space, for example where a couple of desks are let out in an office, or in managed workspace where tenants can be moved about if necessary. The terms of this type of agreement are generally ‘easy in easy out’ requiring relatively short notice to terminate by either landlord or occupier (often a month). A licence does not, if properly worded, provide a legal interest in land or a building or security of tenure beyond the agreed terms stated in the licence.

| Heads of terms for a lease (so SUBJECT TO CONTRACT) | Comments/Issues to be addressed in negotiation |
|--|---|
| Property address | |
| Landlord | |
| Tenant | |
| Rent | Is VAT applicable? |
| Rent free period (and other Incentives) | Needs to be Specified |
| Type of lease | Head or sub lease? |
| Landlord's initial works (including timing) | Is anything being done prior to the tenant occupying? |
| Tenant's initial works (including timing) | And/or vice versa? |
| Guarantor/rent deposits | Who? Amount? |
| Lease length and start date | How long? |
| Break clauses or renewal rights | Notice periods? "Termination Events" - in what circumstances can the lease be considered broken? |
| 1954 Act protection | Is there a right to renewal? |
| Services and service charge | Budgets or estimates plus clarity on any provisions for sinking funds etc |
| Repairing obligations | A schedule of condition survey is generally commissioned before the signing of a lease in order to determine the condition of the building so that any existing defects and their repair costs are identified prior to any commitment being made. |

| | |
|--|--|
| Collateral warranties | Who to? |
| Alterations | Are any prohibited? Is an agreed form of licence (for subletting) to be attached to the lease? |
| Permitted use | Needs to be specified and cross checked against planning status |
| Insurance | Definitions of cover and responsibilities |
| Dilapidations (these are obligations for repairs and maintenance on termination of the lease) | When will they be scheduled and given to the tenant before the lease ends? |
| Other issues | |
| Rates and utilities | Confirm responsibilities and amounts with Landlord and local authority |
| Legal costs | Each party covers own costs? |
| Conditions | References, surveys, planning consent etc |
| General | DDA, Asbestos register energy efficiency certificate, H&S record |
| Landlord's solicitors | Contact details |
| Tenant's solicitors | Contact details |
| Timing and other matters | Target for exchange of contract on basis of these heads of terms |
| Landlord's agent(s): | |
| Tenant's agent(s) | |

Source: The Code for leasing business premises in England 2007

Other contracts and agreements with stakeholders

Many asset development projects however have acquired assets which are leasehold interests in land or buildings. The box below highlights lease provisions which previous projects have identified as having significant impact on the viability and sustainability of their project and their ability to use the assets to benefit their communities.

Based on this experience particular attention should be paid to these issues with legal advisors in the negotiations on any lease associated with achieving the project objectives.

| Lease provisions | Potential Impact |
|---|---|
| Length of the lease | It is not possible to secure grants or other finance to improve or acquire property on leases that are too short. |
| Assignment (transfer of the lease) and sub letting (letting by the lessee to a third party) | Conditions may prevent flexible use of the asset to meet project objectives. |
| VAT provisions | This tax will need to be considered in relation to the project as whole and in particular its effect on capital and revenue funding requirements. It will also affect affordability as a cost to any business tenants for land/buildings when plans are made for maintaining and managing the asset. |
| Obligations for repairs maintenance and insurance (including on termination) | These will have revenue cost implications |
| Sale price, rental levels and payment and rent review provisions | These will have capital and revenue cost implications |
| Reversion Clauses | Most leases include a clause about the return of the property asset to the owner at the end of the lease term. This clause can also include specific conditions when reversion may be triggered e.g. on insolvency or a change of use. It may require the return of grant funds if the lease does not run its full term. These can prevent the asset from being used flexibly to meet the project objectives. |
| Restrictive covenants | These may limit use of the asset including as security for borrowing or determine the use of any revenue generated by it in the future. These may be particularly relevant to conditions for grant or loan funding for the project |
| Obligations on termination of the lease (Dilapidations) | These will have revenue cost implications |

Land and property acquisitions and disposals by the trustees of registered charities must by law act in the best interests of the charity and secure the best possible deal for the charity. It also requires them to use professional advisors and to follow specific procedures when acquiring, disposing or managing the land and property assets of the charity. These procedures are not onerous, and there is free, easily accessed advice for Charity Trustees available from the Charity Commission that can be consulted to help commission professional advice.

Other contracts and agreements with stakeholders

Some of these agreements are covered in sections 3 and 9 relating to construction contractors and professional advisors.

There are other contracts and agreements that are sometimes required when the transfer of ownership takes place in addition to leases/licences which give a right to occupy the land/building.

A management agreement is an agreement between the local authority (or owner) and another organisation to work together in the operation of the building for the benefit of local people. It does not give any rights to occupation, security or legal interest in the building.

A service level agreement is an agreement, for an agreed period, between two partners, setting out the services to be provided in return for resources, usually financial or staffing. Performance requirements and quality standards will be set as part of the agreement as well as procedures for monitoring and review. They are sometimes required in order to enable a peppercorn rent to be justified for a community building, since such an agreement allows a monetary value to be put to services that can be set against the rental income “lost” to a local authority or other public sector owner. Some Local Authorities argue that it would be iniquitous to allow peppercorn rents to all groups who use community buildings given their varying age and condition as some groups would get a better deal than others. It is argued that without other management and service level agreements put in place in return for favourable lease agreements a benefit for the wider community cannot be guaranteed and the group can just get the benefit of the building without providing community benefits in return.

These transactions, and the legal issues and documentation that arise from them are many and varied. They will depend on the nature of the project and the assets involved. They will also be affected by the way the project is being funded, the type of organisation that is implementing it and the type of organisations that agreements are being sought with.

The project is also likely to need additional agreements with funders, and loan providers. But they will need to meet the specific needs and circumstances of the project and will differ in each case. As a result, they will need specific professional advice.

Taxes

Careful consideration will have to be given to the implications of VAT requirements on the development and use of the asset project, particularly if the organisation who takes ownership of it is a registered charity.

The summary below is not comprehensive but provides an overview of the issues to help research and consider the implications of VAT and SDLT on the project and get the best out of professional advisors (See section 11 and 12).

VAT

Most business transactions involve supplies of goods or services and VAT is payable if they are:

- ▶ supplies made in the United Kingdom (UK) or the Isle of Man;
- ▶ by a taxable person
- ▶ in the course or furtherance of business and
- ▶ not specifically exempted or zero-rated

Currently there are three rates of VAT (a standard rate of 17.5%, a reduced rate of 5% and a zero rate).

Capital costs

VAT rates on construction works and the sale of a long leasehold varies according to the building use being created (for example buildings for some uses that are new attract zero rating), the status of the building (for example whether it is listed) the nature of the construction work (whether it is refurbishment or new construction) and whether a registered charity is involved.

VAT is payable at the standard rate for all professional fees associated with the development and construction process.

Revenue Costs

Reduced Rate supplies are things like:

Domestic fuel or power

Installation of energy saving materials

Grant funded installation of heating equipment or security goods or connection of gas supply

Renovation and alteration of dwellings

Women's sanitary products and Children's car seats

Exempt or zero-rated supplies do include some aspects of construction and improvement of land and buildings and activities like betting and gaming, books, educational and training activities, food and catering and aspects of sport and leisure.

How the use of the asset and the organisation that will own it or run it will affect VAT applicability to revenue costs and income and the overall viability and sustainability of the asset.

This is a complex area of planning and implementation of asset development and transfer but fortunately very helpful advice can be gathered from local VAT offices and there is a great deal of free guidance available.

Stamp Duty Land Tax

Stamp Duty Land Tax (SDLT) is a charge on land and property transactions. The tax is charged at different rates and has different thresholds for different types of property and different values of transaction. The tax rate and payment threshold can vary according to whether the property is in residential or non-residential use, and whether it is a freehold or leasehold. SDLT relief is available for certain kinds of property or transaction.



DILAPIDATIONS CLAUSES

Different leases contain different provisions for the repair and maintenance of a property and how the costs of these are allocated between the landlord and the lessee. These provisions, if not limited, can oblige a tenant to improve a building and make it better than it was when they took it!

A schedule of dilapidations is a document usually prepared by the Landlord which details breaches of the lease and requires the tenant to carry out repairs, redecoration and in some cases remove alterations. They may be served during or after a leasehold term and can come as a nasty shock to leasehold tenants who have not fully understood or been advised on their obligations and rights or failed to inspect the condition of the property before they negotiated the lease with the landlord.

The Goodwin Trust in Hull had not taken into account their obligations when they vacated a property on which they had a short term lease. The result was a bill of £14,000 for the necessary works to the property.

11

**Online
resources
and publications**

Online resources and publications

These resources have been selected on the basis of being the most pertinent to the sections of the guide and will provide a starting point for finding answers or relevant information on most of the topics covered.

Where there are online resources as opposed to publications they are listed as separate sections. Where publications have applicability to more than one section they are included in each section.

Policy

Many of these policy publications are available Online from the authors or publishers

Publications

Cabinet Office (2003) Social Enterprise: A Strategy for Success

Circular 06/03 (2003) : Local Government Act 1972 General Disposal Consent (England) Disposal for less than the best consideration that can be reasonably obtained,

CLG (2007) "Making Assets Work - Opening the transfer window: The government's response to the Quirk Review of community management and ownership of public assets"

CLG (2009) "Planning Together - Practical Guide for Local Strategic Partnerships and Planners"

IPPR (2007) Community Asset Transfer: Overcoming Challenges of Governance and Accountability, Adventure Capital Fund

Museums Libraries and Archives Council (2010) The Opportunity of Devolved Governance for Museums Libraries and Archives, MLA

OGC and Home Office (2004) "Think Smart..think Voluntary Sector - good practice guidance on procurement of services from the voluntary and community sector " HMSO

HM Treasury (2006) "Improving Financial Relationships with the Third Sector - Guidance to Funders and Purchasers" HMSO

Thake S (2006) Community Assets- the benefits and costs of community management and ownership, CLG

Woodin T et al (2010) "Community and Mutual Ownership A Historical Review", Joseph Rowntree Foundation, York

Existing Practitioners and Networks

Online resources

Membership organisations or practitioner networks who have land and building management, asset development or community enterprise as a common activity. Most of these sites include tools for project development, templates and activities for developing business plans, financial modelling, leases etc. Some require membership to access resources, others are freely available.

www.dta.org.uk, www.bassac.org.uk, www.communitymatters.org.uk, www.communitylandtrusts.org.uk, www.fieryspirits.com, <http://meanwhitespace.ning.com/>

Leadership

Online Resources

www.ncvo-vol.org.uk go to Governance and Leadership

www.improvingsupport.org.uk Main web site on all aspects of organisational development

Publications

ACEVO (2004) Only Connect: A leaders Guide to Networking, ACEVO London

DTA (Third sector leadership Centre (2007) Learning to Lead: 10 ways to develop your leadership skills, NCVO.

Setting Project Objectives

Online Resources

www.businessballs.com

www.projectsart.co.uk go to SMART goals

Publications

DTA (2006) Cultivating Enterprise: a DTA toolkit for starting up successful development trusts and enterprising community organisations, DTA London

Professional Advisors

Online Resources

www.setas.co.uk for social enterprise business support.

www.trainersandconsultantsdirect.org.uk for trainers and consultants (mainly business support and organisational development) used to working with community based organisations

See the web sites of professional bodies (section 3) to locate a specific type of advisor

Publications

Social Enterprise Partnership (GB) Ltd (2004) Guidance on finding, selecting and using consultants available from www.setasdo.uk

Jon Fitzmaurice J and Harrow J (2007) The Good Guide to Working with Consultants, NCVO

NACVS/Charities Information Bureau "Trainers and Consultants Direct" This is a Guide to appointing consultants and trainers and a directory of providers. It is available from www.trainersandconsultantsdirect.org.uk

Types of Assets

There is some limited specific guidance on types of assets - both their physical improvement and management available.

The most prolific is that on the development of heritage assets (formerly listed buildings).

Online Resources

Publications

English Heritage (2010) "Disposal of Heritage Assets - Guidance note for government departments and Non Departmental Government Bodies"

English Heritage (1995) The Repair of Historic Buildings, English Heritage

Green Balance (2006) Disposal of

Heritage Assets, National Trust

Richards R Urquhart M (2003) Conservation Planning - Our Architectural Heritage: a guide to planning legislation and managing change, PAL

Management of Land and Buildings

Online Resources

www.ethicalproperty.org.uk
www.mycommunityspace.org.uk

Publications

Hart L (2010) Premises Fact Finder, Community Matters, London

Hudson P (2000) Managing your community building, Community Matters

Community Matters (2000) "Reference Manual for Community Organisations Advisers"

Croner Premises Management Guide is a publication and subscription service that provides information on day to day premises management.

HSE (2006) Essentials of Health and Safety at Work, HSE

HSE (2006) Health and Safety Starter Pack, HSE

HSE (2006) Health and Safety (First Aid) Regulations 1981 HSE

HSE (2009) A short guide to managing asbestos in buildings, HSE

HSE (2009) First Aid at Work HSE

Royal Institute of Chartered Surveyors (2007) "Service Charges in Commercial Property", RICS

Rural Development Council Northern Ireland (2001) "Community Building Resource Pack"

Management of an Organisation

Online Resources

www.improving-support.org.uk
www.ncvo-vol.org.uk

Publications

Crooks B and Mouradian J (2006) The A to Z of Good Governance, Governance Hub ACEVO(2006) Working Together for Better Office Infrastructure, ACEVO, London

Adirondack, S (2005) Just About Managing? London Voluntary Services Council

Dyer P (2008) The Good Trustee Guide, NCVO

Eden L (2007) What Management Committee Members Need to Know, Governance Hub NCVO

Hayes R and Reason J (2009) Voluntary but not Amateur, Directory of Social Change

NCVO (2005) Sharing back office Services, NCVO Collaborative working unit

Ranken W (2008) Managing and developing people in voluntary and community organisations, NCVO

Skinner et al (1997) "Assessing Community Strengths: A practical Handbook for Planning Capacity Building" Community Development Foundation

Volunteer England (2002) "The Good Practice Guide", Volunteering England

Maintenance of Land and Buildings

Online Resources

www.charitypropertyhelp.com - a RICS service for charities

www.communitymatters.org.uk - general help on running community buildings

www.ethicalproperty.org.uk - excellent web site on main aspects of Facilities Management

www.upkeep.org.uk - a charity that educates people about building upkeep

Publications

BCIS (2009) Building Maintenance Price Book, BCIS

OGC (Office of Government Commerce) (2007) "Whole Life Costing and Cost Management", OGC London

Wood B (2009) Building Maintenance, CIOB

Stakeholder Involvement

Online Resources

All the following provide practical tools, briefing papers and think pieces

www.communityplanning.ne

www.partnerships.org.uk

www.pathwaysthroughparticipation.org.uk

www.involve.org.uk

www.councillorinthecommunity.org

Publications

Acland A (2008) Dialogue by Design: A Handbook of Public and Stakeholder Engagement

Wates N (2000) "The Community Planning Handbook" Earthscan

Feasibility

Online Resources

www.togetherworks.org.uk - an alliance of social enterprises - How to write a feasibility study is on their resources pages

www.businessballs.com - a feasibility study template can be found in the business plan section

Publications

See Business Plans section

Architectural Heritage Fund (2008) Option Appraisal Grants Guidance for Applicants - although funder specific a useful tool for feasibility assessment

Finance Basics

Online Resources

www.cash-online.org.uk

www.financehub.org.uk

www.hmrc.gov.uk This has the most comprehensive set of online guidance on finance and charities, VAT, stamp duty etc.

Publications

Bibby A (Editor) "Step by step finance for social enterprise" Social Enterprise London

HM Treasury (2009) Managing Public Money, HMT

OPM (2006) Financial Relationships with Third Sector organisations: A Decision Support Tool for public bodies

Palmer P (2005) Good Financial Management Guide for the Voluntary Sector

Patel A and Oakley R (2009) The Good Guide to Trading, NCVO

Russell Cooke (2008) VAT Made Simple, NCVO

Russell Cooke (2009) Setting Up a Trading Company, ACEVO

Russell-Cooke (2009) Voluntary Sector Legal Handbook, Directory of Social Change

Sayer K (2007) A Practical Guide to Financial Management, NCVO

Finding Finance

Online Resources

www.fundingcentral.org.uk - the most comprehensive online resource on types and sources of funding and guidance on how to secure it. This includes details of lending from banks with specific experience of the not for profit sector

www.communityshares.org.uk - information on community share issues - how to guides and case studies in particular.

Publications

Botting N and Norton M (2007) Complete Fundraising Handbook, Directory of Social Change

Hayden T (2006) Capital Appeals, Directory of Social Change

Types of Finance

Publications

DTA/Cooperatives UK (2010) Investing in Community Shares, DTA/Coops UK

DTA/Cooperatives UK (2010) Practitioners Guide to Governance and Offer Documents, DTA/Coops UK

Brown J et al (2004) "Cooperative Capital", Cooperative Action, Manchester

Community Shares (2009) Community Shares Fact Sheets 1-10

Contracts tendering and procurement

Online Resources

www.fundingcentral.org.uk

www.ncvo-vol.org.uk

www.improvingsupport.org.uk

Publications

ACEVO (2009) "How to be successful: An Introduction to Procurement" ACEVO London

Project Development and Support Ltd (2009) "The Handy Guide to Tendering and Procurement" PDSL, Matlock

Conditions and Requirements of funding

Online Resources

www.bis.gov.uk/policies/business-law/state-aid the lead department on state aid policy and guidance

Publications

Department for Business Innovation and Skills (BIS) (2010) "State Aid: A Beginners Guide" BIS, London

HM Treasury (2009) "Managing Public Money, HMT

Business Planning

Online Resources

www.businessballs.com

www.socialfirmsuk.co.uk

www.communitylandtrusts.org.uk

Publications

DTA (2006) "Cultivating Enterprise: a DTA toolkit for starting up successful development trusts and enterprising community organisations, DTA London

Dept of Communities and Local Government (2008) "Managing Risks in Asset Transfer

Irwin D (2006) "Business Planning - A

Guide, Esmee Fairbairn Foundation

Lawrie A (2001) "A complete guide to business and strategic planning for voluntary organisations" Directory of Social Change

Lawrie A (2002) "A Complete Guide to Creating and Managing New Projects" Directory of Social Change

Social Enterprise Development Initiative "Social Enterprise Business Planning Guide" Edinburgh

Social Firms UK (1998) "Business Plan Guide" Social Firms UK

Measuring Impacts/ community benefits

Online Resources

www.bassac.org.uk

www.proveandimprove.org

www.sroi-uk.org

www.dta.org.uk

Publications

Byrne K (2006) "Tell Your Story Community Impact Mapping"

Cabinet Office (2009) "A Guide to Social Return on Investment"

Church C and Skinner S (2006) "Change Check - A Practical Guide to assessing the impact of your community organisation"

Meldrum B (2009) "Measuring your Social Impact" The Tool Factory

NEF (2005) "Proving and Improving: A Quality Impact Tool for Social Enterprise"

NEF (2009) "Tools for you: Approaches to proving and improving for charities voluntary organisations and social enterprises"

Design and Construction

Online Resources

Most of the organisations associated with the publications list are in the Relevant Organisations section and provide information and advice on their web sites.

www.architecturecentres.org.uk

www.cae.org.uk - centre for accessible environments for all you need to know about accessible buildings

www.architecture.com - architect professional body

www.cabe.org.uk - advisor to government on design and architecture

www.theglass-house.org.uk - advice to community based organisations

Publications

ACRE (1997) "Plan Design and Build, ACRE

Carbon Trust (2006) "Assessing the Energy Use in your building, Carbon Trust

Centre for Accessible Environments Fact Sheet 5 VAT and Building Work, CAE

CIBSE (2007) "Guide L Sustainability, CIBSE

CIRIA (1995) "A Client Guide to Greener Construction, CIRIA

Commission Architecture and the Built Environment (CABE) (2003) "Creating Excellent Buildings, CABE, London

Department of Transport (2009) "Delivering Travel Plans through the Planning Process, DTP, London

Energy Savings Trust (2006) "Introduction to Renewable Energy, EST

Ethical Property Foundation (2008) "A Community Guide to Planning Obligations (Planning Gain), EPF London

Garner H and Hart L (2007) "The Green

Asset Guide, DTA

Grant, A (2005) Access Audit Handbook, CAE/RIBA

Joint Contracts Tribunal (2005) JCT Building Contracts and Forms, RIBA

Joint Contracts Tribunal (2007) Deciding on the appropriate JCT Contract, Sweet and Maxwell

Lacey A (2004) Designing for Accessibility CAE/RIBA

London Sustainability Exchange (2006) Green guide for community based and voluntary sector organisations, LSX

Planning Aid for London (2009) Local Development frameworks, PAL

Planning Aid for London (2009) Planning Decisions and Material Considerations, PAL

Price Waterhouse et al 1994 "Financing Inner Cities" PWC

RIBA (2008) It's useful to know... the Role of an Architect, RIBA

Sousa, S et al (2009) Exploring Design Input and Impact in the Community Assets Programme Asset Transfer Unit, London

Thorpe S (1994) Reading and Using Plans CAE

Transport for London (2006) Workplace Cycle Parking Guide, TFL

Urban Forum (2006) A Handy Guide to Planning, Urban Forum

Legal Issues

Online Resources

www.atu.org.uk - legal resources from the asset transfer unit

www.leasingbusinesspremises.com - guidance on leases and lease negotiations - the government approved business code

www.charitycommission.gov.uk - guidance to registered charities on legal issues

www.getlegal.org.uk - Online tool for choosing legal structures

www.peppercornrent.co.uk - guidance on peppercorn rents and business rates for community buildings

Publications

Adirondack, S Ed. (2009) The Voluntary Sector Legal Handbook, Directory of Social Change

Bates Wells and Braithwaite and Social Enterprise Coalition (1986) Keeping It Legal, Social Enterprise Coalition

Charity Commission CC35 Trustees, Trading and Tax

Charity Commission CC21 Registering as a Charity

Charity Commission CC22 Choosing and Preparing a Governing Document

Dawson J Ed. (2005) Occupying Community Premises: Guidelines for Community Associations and Local Authorities, Community Matters

HM Treasury (2009) Managing Public Money, HMT

12

Directory

Directory

A

Action with Communities in Rural

England (ACRE)
Somford Court
Somford Road
Cirencester
Gloucestershire GL7 1TW
Tel: +44 (0)1285 653477
Web site: www.acre.org.uk

Adventure Capital Fund

5th Floor
6 St Andrew Street
London EC4A 3AE
See also Social Investment Business
Tel +44 (0)20 7842 7760
Web site: www.adventurecapitalfund.org.uk

Advisory Conciliation and Arbitration Services

London Regional Office
Euston Tower, 286 Euston Road
London NW1 3JJ
Tel: +44 (0)20 7396 0022
Web site: www.acas.org.uk

Architectural Heritage Fund

Alhambra House
27-31 Charing Cross Road
London WC2H 0AU
Tel: +44 (0)20 7925 0199
Web site: www.ahfund.org.uk

Asset Transfer Unit

c/o Development Trusts Association
33 Corsham Street
London N1 6DR
Tel: +44 (0)845 345 4564
Web site: www.atu.org.uk

ACF (Association of Charitable Foundations)

Central House
14 Upper Woburn Place
London WC1H 0AE
Tel: +44 (0)20 7255 4499
Web site: www.acf.org.uk

Association of Chief Executives of Voluntary Organisations (ACEVO)

London Office
1 New Oxford Street
London WC1A 1NU
(Leeds office details on web site)
Tel: +44 (0)20 7280 4960
Web site: www.acevo.org.uk

B

BASSAC (British Association of

Settlements and Social Action Centres)
33 Corsham Street
London N1 6DR
See also Community Alliance
Tel: +44 (0)207 336 9442
Website: www.bassac.org.uk

Big Issue Invest

1-5 Wandsworth Road
London SW8 2LN
Tel: +44 (0) 207 526 3434
Web site: www.bigissueinvest.com

Big Lottery Fund

Corporate Office
1 Plough Place
London EC4A 1DE
Tel: +44 (0)20 7211 1800
Textphone: +44 (0)845 6 02 16 59
Web site: www.biglotteryfund.org.uk

British Business Angels Association

c/o Angel Capital Group
100 Pall Mall
London SW1Y 5NQ
Tel: +44 (0)207 321 5669
Web site: www.bbba.org.uk

British Institute of Facilities Management

Number One Building
The Causeway
Bishop's Stortford
Hertfordshire CM23 2ER
Tel: +44 (0)845 058 1356
Web Site www.bifm.org.uk

Building Cost Information Service

12 Great George Street
Parliament Square
London SW1P 3AD
Tel: +44 (0)20 7695 1500
Web site: www.bcis.co.uk

Building Research Establishment (BRE)

Bucknalls Lane
Watford WD25 9XX
(Details of other offices around UK on web site)
Tel: +44 (0)1923 664000
Web site: www.bre.co.uk

Business in the Community

137 Shepherdess Walk
London N1 7RQ
Tel: +44 (0)20 7566 8650
Website: www.bitc.org.uk

Business Link

Tel: +44(0)845 600 9 006
Minicom tel: +44 (0)845 606 2666
Web site: www.businesslink.gov.uk

C

Cabinet Office

Office for Civil Society
70 Whitehall
London SW1A 2AS
Tel: +44 (0)20 7276 1234
Web site: www.cabinetoffice.gov.uk

Campaign for Planning Sanity

56 Kimmeridge Avenue
Parkstone
Poole
Dorset BH12 3NX
Tel: No telephone enquiries
Web site: www.planningsanity.co.uk

The Carbon Trust

Customer Centre
PO Box 89
Witney OX29 4WB
(office locations on web site)
Tel: +44 (0)800 085 2005
Web site: www.carbontrust.co.uk

Cathedral and Church Buildings

Division
Church of England
Archbishops' Council
Church House
Great Smith Street
London SW1P 3AZ
Tel: +44 (0)20 7898 1886
Web site: www.churchcare.co.uk

Centre for Accessible Environments

70 South Lambeth Road
London SW8 1RL
Tel: +44 (0)207 840 0125
Website: www.cae.org.uk

Centre for Education in the Built Environment

Architecture, Landscape, Planning,
Housing & Transport
Bute Building
King Edward VII Avenue
Cardiff CF10 3NB
Contact details for construction,
surveying and real estate contact
on web site
Tel: +44 (0)29 2087 4600
Web site: www.cebe.ac.uk

Charities Aid Foundation

Head Office
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4TA
Tel: +44 (0)3000 123 000
Web site: www.cafonline.org

Charities Evaluation Service

4 Coldbath Square
London EC1R 5HL
Tel: +44 20 7713 5722
Web site: www.ces-vol.org.uk
Charities Information Bureau see Fit 4
funding

Charity Bank Limited

194 High Street
Tonbridge
Kent TN9 9BD
Tel: +44 (0)1732 774040
Web site: www.charitybank.org

Charity Commission for England and Wales

Charity Commission Direct
PO Box 1227
Liverpool L69 3UG
Tel: +44 (0)845 300 0218
Web site: www.charity-commission.gov.uk

Chartered Institute of Building

Englemere
Kings Ride
Ascot
Berkshire SL5 7TB
Tel: +44 (0)1344 630700
Website: www.ciob.org.uk

Chartered Institution of Building Services Engineers (CIBSE)

222 Balham High Road
London SW12 9BS
Tel: +44 (0)20 8675 5211
Website: www.cibse.org

Commission for Architecture and the Built Environment (CABE)

1 Kemble Street
London WC2B 4AN
Tel: +44 (0)20 7070 6700
Website: www.cabe.org.uk

Communities and Local Government

Eland House
Bressenden Place
London SW1E 5DU
Tel: +44 (0)303 444 0000
Web site: www.communities.gov.uk

Community Accountancy Self Help

9 Thorpe Close
London W10 5XL
Tel: 020 8960 4446
Web site: www.cash-online.org.uk and
<http://caseonline.org.uk>
Please note that while CASH-ONLINE is
a national service for groups throughout
the UK, it is unable to answer specific
enquiries regarding accountancy from
groups other than those based in the
London boroughs it has funding to work
in: Kensington & Chelsea, Hammersmith
& Fulham, Brent, Westminster, Ealing,
Harrow, Hillingdon and Tower Hamlets.

Community Action Network (CAN)

Head Office
CAN Mezzanine
49-51 East Road
London N1 6AH
Tel: +44 (0)20 7250 8000
Website: www.can-online.org.uk

Community Alliance

33 Corsham Street
London N1 6DR
Tel: +44 (0)20 7336 9491
Web site: www.comm-alliance.org

Community Development Finance

Association
Room 101
Hatton Square Business Centre
16/16a Baldwins Gardens
London EC1N 7RJ
Tel: +44 (0)20 7430 0222
Web site: www.cdfa.org.uk
As a trade association CDFA does
not provide loans, funding or financial
advice to the public. If you are looking for
finance one of its members might be able
to help www.findingfinance.org.uk

Community Foundation Network

12 Angel Gate
320-326 City Road
London EC1V 2PT
Tel: +44 (0)20 7713 9326
Web site: www.communityfoundations.org.uk

Community Interest Companies Regulator

CIC Team
Room 3.68
Companies House
Crown Way
Maindy
Cardiff CF14 3UZ
Tel (24 hr voicemail service): +44(0)29
20346228
Web site: www.cicregulator.gov.uk

Community Land Trust Network (National)

c/o National Housing Federation
Lion Court
25 Procter Street
London WC1V 6NY
Tel: +44 (0)191 514 3945
Web site: www.communitylandtrusts.org.uk

Community Matters

12 - 20 Baron Street
London N1 9LL
See also Community Alliance
Tel: +44 (0)20 7837 7887
Web site: www.communitymatters.org.uk

Community Shares

(see Development Trusts Association and
Cooperatives UK)
Web site: www.communityshares.org.uk

Companies House

Main Office
Companies House
Crown Way
Maindy
Cardiff CF14 3UZ
Tel +44 (0)303 1234 500
Website: www.companieshouse.gov.uk

Confederation of Co-operative Housing

Fairgate House
205 Kings Road
Tyseley
Birmingham B11 2AA
Tel: +44 (0)121 449 9588
Web site: www.cch.coop

Construction Industry Homelessness

Charity (CRASH)
The Gatehouse
2 Devonhurst Place
London W4 4JD
Tel +44 (0)20 8742 0717
Website: www.crash.org.uk

Construction Industry Research and Information Association (CIRIA)

London Office
Classic House
174-180 Old Street
London EC1V 9BP

Scottish office details on web site

Tel: +44 (0)20 7549 3300
Website: www.ciria.org

Co-operative & Community Finance

Brunswick Court
Brnswick Square
Bristol BS2 8PE
Tel: +44 (0) 1179 166750
Web site: www.co-opandcommunityfinance.coop

Co-operatives UK

Holyoake House
Hanover Street
Manchester M60 0AS
Tel: +44 (0)161 246 2900
Web site: www.uk.coop

Croner Training

7th Floor, Elizabeth House
York Road
London SE1 7NQ
Tel: +44 (0)845 082 1170
Website: www.cronertraining.co.uk

D

Department for Business Innovation & Skills (BIS)

1 Victoria Street
London SW1H 0ET
Tel: +44 (0)20 7215 5000
Minicom: +44 (0)20 7215 6740
Web site: www.dti.gov.uk

Development Trusts Association

33 Corsham Street
London N1 6DR
See also Community Alliance
Tel: +44 (0)845 458 8336
Website: www.dta.org.uk

Directory of Social Change

24 Stephenson Way
London NW1 2DP
Liverpool office details on web site
Tel: +44 (0)20 7391 4800
Web site: www.dsc.org.uk

E

Ecology Building Society

7 Belton Road
Silsden
Keighley
West Yorkshire BD20 0EE
Tel: +44 (0)845 674 5566
Web site: www.ecology.co.uk

Employers Forum on Belief

Floor 3, Downstream
1 London Bridge
London SE1 9BG
Tel: +44 (0)845 456 2495
Web site: www.efbelief.org.uk

Energy 4 All

Unit 33
Trinity Enterprise Centre
Furness Business Park
Barrow In Furness LA14 2PN
Tel: +44 (0) 1229 821028
Web site: www.energy4all.co.uk

Energy Saving Trust

Regional offices for England, Scotland, Wales and N Ireland. Contact details on web site
Freephone customer advice line:
+44(0)800 512 012
Tel (England office): +44 (0)20 7222 0101
Web site: www.energysavingtrust.org.uk

English Heritage

1 Waterhouse Square
138-142 Holborn
London EC1N 2ST
Tel: +44 (0)20 7973 3000
Web site: www.english-heritage.org.uk

Ethical Property Foundation

Development House
56-64 Leonard Street
London EC2A 4LT
Bristol office contact details on web site
Tel: +44 (0)207 065 0760
Web site: www.ethicalproperty.org.uk

F

Facilities Management Associatio

c/o Cripps Dransfield
206 Upper Richmond Road West
London SW14 8AH
Tel: No telephone enquiries
Web site: www.fmassociation.org.uk

Federation of Master Builders

Gordon Fisher House
14-15 Great James Street
London WC1N 3DP
(Regional and branch office details on web site)
Tel: +44 (0)20 7242 7583
Web site: www.fmb.org.uk

Fit 4 funding

The Charities Information Bureau
93 Lawefield Lane
Wakefield
West Yorkshire WF2 8SU
Tel: +44 (0)1924 239063
Web site: www.fit4funding.org.uk

Future Builders England

Closed to new applications. See Social Investment Business
Tel: +44 (0)191 261 5200
Web site: www.futurebuilders-england.org.uk

G

The Glass-House Community Led Design

51 Tabernacle Street
London EC2 4AA
Tel: +44 (0)20 7490 4583
Website: www.theglasshouse.org.uk

H

H2Ope

Lower Mount Farm
Shore
Todmorden
West Yorkshire OL14 8SD
Tel: +44 (0) 7964 106037
Website: www.H2Ope.org.uk

Health and Safety Executive

Rose Court
2 Southwark Bridge
London SE1 9HS
Details of offices around the country on
web site
Tel: +44 (0)845 345 0055.
Web site: www.hse.gov.uk

Heritage Lottery Fund

7 Holbein Place
London SW1W 8NR
Details of offices across UK and regions
on web site
Tel: +44 (0)20 7591 6000
Minicom: +44 (0) 20 7591 6255
Web site: www.hlf.org.uk

Highlands and Islands Enterprise

Cowan House
Inverness Retail and Business Park
Inverness
Scotland IV2 7GF
Details of area and other administrative
offices on web site
Tel: +44 (0)1463 234171
Web site: www.hie.co.uk

HM Revenue & Customs Charities

St Johns House
Merton Road
Liverpool L75 1BB
Tel (charities helpline):
+44 (0)845 302 0203
Web site: www.hmrc.gov.uk

Homes and Communities Agency

Two corporate centres are:
HCA Warrington
Arpley House
110 Birchwood Boulevard
Birchwood
Warrington WA3 7QH
and

HCA London

110 Buckingham Palace Road
Victoria
London SW1W 9SA
Details of 17 other offices on web site
Tel: +44 (0)300 1234 500
Web site: www.homesandcommunities.co.uk

I

ICOF see Co-operative & Community Finance

Institute of Historic Building Conservation
Jubilee House
High Street
Tisbury
Wiltshire SP3 6HA
Tel: +44 (0)1747 873133
Web site: www.ihbc.org.uk

Institute for Voluntary Action Research
(IVAR)
32 Tavistock Square
Bloomsbury
London WC1H 9EZ
Tel: +44 (0)20 3073 8399
Web site: www.ivar.org.uk

J

Joint Contracts Tribunal Ltd

4th Floor, 28 Ely Place
London EC1N 6TD
Tel - no telephone enquiries
Web site: www.jctltd.co.uk

L

Land Registry

32 Lincoln's Inn Fields
London WC2A 3PH
(Details of other Land Registry offices on
web site)
Tel: +44 (0)844 892 1111
Web site: www.landregistry.gov.uk

LawWorks

10-13 Lovat Lane
London EC3R 8DN
Note: LawWorks does not give legal
advice itself nor does it issue a list of
individual solicitors or firms undertaking
pro bono work
Tel: +44 (0)207 929 5601
Web site: www.lawworks.org.uk

Law Society

The Law Society's Hall
113 Chancery Lane
London WC2A 1PL
Tel: No telephone enquiries
Web site: www.lawsociety.org.uk

Local Government Association

Local Government House
Smith Square
London SW1P 3HZ
Tel: +44 (0)20 7664 3131
Web site: www.lga.gov.uk

Local Investment Fund

See Social Enterprise Loan Fund

M

Maintain your Building

c/o SPAB, 37 Spital Square
London E1 6DY
Tel: +44 (0)207 377 1644
Web site: www.maintainyourbuilding.org.uk

N

National Association for Voluntary and Community Action (NAVCA)

The Tower, 2 Furnival Square
Sheffield S1 4QL
See also Trainers and Consultants Direct
Tel: +44 (0)114 278 6636
Textphone: 0114 278 7025
Web site: www.navca.org.uk

The National Council for Voluntary Organisations (NCVO)

Regent's Wharf
8 All Saints Street
London N1 9RL
Tel: +44 (0)20 7713 6161
Web site: www.ncvo-vol.org.uk

National Council for Voluntary Youth Services

3rd Floor, Lancaster House
33 Islington High Street
London N1 9LH
Tel: +44 (0)20 7278 1041
Web site: www.ncvys.org.uk

National Energy Action

St Andrew's House
90-92 Pilgrim Street
Newcastle upon Tyne NE1 6SG
Northern Ireland and Wales office contact
details on web site
Tel: +44 (0) 191 261 5677
Web site: www.nea.org.uk

National Federation of Artists' Studio Providers

Unit 5, Toynbee Studios
28 Commercial Street
London E1 6AB
Tel: +44 (0)20 7426 0067
Web site: www.nfasp.org.uk

National Housing Federation

Lion Court
25 Procter Street
London WC1V 6NY
Tel: +44 (0)20 7067 1010
Web site: www.housing.org.uk

Natural England

Head Office
1 East Parade
Sheffield S1 2ET
Tel: +44 (0)845 600 3078
Web site: www.naturalengland.org.uk

P**Peppercorn Rent**

c/o West Hampstead Community
Association
60-62 Mill Lane
London NW6 1NJ
Website: www.peppercornrent.co.uk

Planning Advisory Service

Local Government Improvement and
Development
Layden House
76-86 Turnmill Street
London EC1M 5LG
Tel: +44 (0)20 7664 3000
Web site: www.pas.gov.uk

Planning Aid England

Planning Aid England is operated through
nine regional offices. There is also
Planning Aid for London, Planning Aid for
Scotland and Planning Aid Wales, where
the service is delivered independently.
Contact details with advice line numbers
on website
See also Royal Town Planning Institute
Web site: www.rtpi.org.uk/planningaid

PPL

1 Upper James Street
London W1F 9DE
(PPL is the music licensing company
which, on behalf of 42,000 performers
and 5,000 record companies, licenses
the use of recorded music in the UK)
Tel: +44 (0)20 7534 1000
Web site: www.ppluk.com

The Prince's Trust

18 Park Square East
London NW1 4LH
Full contact details for 12 national and
regional offices on web site
Tel: +44 (0)20 7543 1234
Minicom: +44 (0)20 7543 1374
Web site: www.princes-trust.org.uk

PRS (Performing Right Society)

Copyright House
29-33 Berners St
London W1T 3AB
Tel: +44 (0)20 7580 5544
Web site: www.prsformusic.com

R**Regeneration and Renewal**

174 Hammersmith Road
London W6 7JP
Tel: +44 (0)20 8267 4381
Web site: www.regen.net

Registers of Scotland Executive Agency

Erskine House
68 Queen Street
Edinburgh EH2 4NF
Glasgow office contact details on web
site
Tel: +44 (0)845 607 0161
Textphone: +44 (0)845 607 0168
Web site: www.ros.gov.uk

Royal Institute of British Architects (RIBA)

66 Portland Place
London W1B 1AD
Tel: +44 (0)20 7580 5533
Web site: www.architecture.com

Royal Institution of Chartered Surveyors (RICS)

Parliament Square
London SW1P 3AD
Tel: +44 (0)870 333 1600
Web site: www.rics.org

Royal Town Planning Institute (RTPI)

41 Botolph Lane
London EC3R 8DL
See also Planning Aid England
Tel: +44 (0)20 7929 9494
Web site: www.rtpi.org.uk

S**School for Social Entrepreneurs**

18 Victoria Park Square
London E2 9PF
Tel: +44 (0)20 8981 0300
Web site: www.sse.org.uk

Scottish Council for Voluntary Organisations

Mansfield Traquair Centre
15 Mansfield Place
Edinburgh EH3 6BB
Tel: +44 (0)131 556 3882
Web site: www.scvo.org.uk

Small Business Service

See Department for Business Innovation
& Skills

Social Audit Network

c/o CEU Ltd
Garden floor suite 1
11-15 Dix's Field
Exeter EX1 1QA
Tel: +44 (0) 1392 666282
Web site: www.socialauditnetwork.org.uk

Social Enterprise Coalition

49-51 East Road
London N1 6AH
Tel: +44 (0)20 7793 2323
Web site: www.socialenterprise.org.uk

Social Enterprise Loan Fund

Ground Floor, Ibex House
42-47 Minories
London EC3N 1DY
Tel: +44 (0)20 7680 1028
Web site: www.tself.org.uk

Social Enterprise London

3rd Floor, Downstream Building
1 London Bridge
London SE1 9BG
Tel: +44 (0)207 022 1920
Web site: www.sel.org.uk
Social Enterprise Training and Support
c/o Coin Street Community Builders
Coin Street Neighbourhood Centre
108 Stamford Street
London SE1 9NH
Tel: +44 (0)20 7021 1600
Web site: www.setas.co.uk

Social Firms UK

Suite 2, Victoria House
10 Brighton Road
Redhill
Surrey RH1 6QZ
Tel: +44 (0)1737 231360
Web site: www.socialfirmsuk.co.uk

The Social Investment Business

5th Floor
6 St Andrew Street
London EC4A 3AE
Newcastle office details on web site
Tel: +44 (0)20 7842 7700
Web site: www.socialinvestmentbusiness.org

The Social Return on Investment Network

c/o 29 Haldane Avenue
Haddington
East Lothian EH14 3PG
Tel: +44 (0)151 703 9229
Web site: www.thesroinetwork.org

T

Trainers and Consultants Direct

The Tower
2 Furnival Square
Sheffield S1 4QL
See also National Association for Voluntary and Community Action
Tel: +44 (0)114 278 6636
Web site: www.trainersandconsultantsdirect.org.uk

Tenant Participation Advisory Service

TPAS Ltd
5th Floor
Trafford House
Chester Road
Manchester M32 0RS
Tel +44 (0)161 868 3500
Web site: www.tpas.org.uk

Triodos Bank

Brunel House
11 The Promenade
Bristol BS8 3NN
Scotland office details on web site
Tel: +44 (0)117 973 9339
Web site: www.triodos.co.uk

U

UK Association of Preservation Trusts

9th Floor, Alhambra House
27-31 Charing Cross Road
London WC2H 0AU
Tel: +44 (0)207 930 1629
Web site: www.ukapt.org.uk

Unity Bank

Unity Trust Bank plc
Nine Brindleyplace
Birmingham, B1 2HB
London office address on web site
Tel: +44 (0)845 140 1000
Textphone: 18001 0845 140 1000
Web site: www.unity.co.uk

Unltd

123 Whitecross Street
Islington
London EC1Y 8JJ
Contact details for 6 UK offices on web site
Tel: +44 (0)20 7566 1100
Web site: www.unltd.org.uk

Upkeep

Royal London House
22-25 Finsbury Square
London EC2A 1DX
Tel: No telephone enquiries
Web site: www.upkeep.org.uk

V

Volunteering England

Regents Wharf
8 All Saints Street
London N1 9RL
Tel: +44 (0)845 305 6979
Web site: www.volunteering.org.uk

Valuation Office Agency

No postal address
Local office and contact information on web site
Tel (Business rates): +44 (0)845 602 2010
Web site: www.voa.gov.uk

W

Wales Council for Voluntary Action

Head Office
Baltic House
Mount Stuart Square
Cardiff Bay CF10 5FH
Aberystwyth and Rhyl office contact information on web site
Tel: +44 (0)800 2888 329
Web site: www.wcva.org.uk

£25 (£15 for DTA members)

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Save our
Spaces



The Great British Sell Off

How we're losing our vital
publicly owned buildings
and spaces. Forever.

June 2018



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Executive Summary

Locality, the national membership charity of community organisations, is launching Save our Spaces, a campaign to save our much-loved publicly owned buildings and spaces from being sold off for private use.

In January this year Locality submitted a Freedom of Information (FOI) request to all councils in England to try and get a better sense of the problem.

We were shocked to learn that on average more than 4,000 publicly owned buildings and spaces in England are being sold off every year. That's more than four times the number of Starbucks in the UK. This is a sell off on a massive scale.

example of community ownership. Opening hours have doubled, the number of children taught to swim every week has jumped from 950 to 1700, and young people can access a lifeguard training programme to develop job opportunities.

Yet, our FOI request found that less than half of all councils have a policy, known as a Community Asset Transfer policy, in place to support community ownership.



These buildings and spaces have potential to provide vital services and support to local people, but they are being lost to the community forever, through private sale to the highest bidder.

Community ownership is a solution that puts these buildings and spaces back at the heart of the community and protects them for local people for generations to come. Community owned spaces are where people can come together, meet their neighbours and access vital support and services.

Spaces like Bramley Baths, a Grade II listed Edwardian bath-house in Leeds, which was saved by a community group in 2013 when cuts to the Council's leisure budget meant they had to consider closure. It is now a shining



Our FOI shows that **less than half (41%)** of councils have a strategy or policy in place for community ownership, yet 95% of local authorities surveyed expect the sell off of publicly owned buildings and spaces to play an increasingly important role in the next five years.

That's why we want to see community ownership prioritised, with a range of measures, including a Community Ownership Fund of £200m a year for five years.

At Locality we see the passion of inspiring local people, like those behind the success of Bramley Baths, in our member organisations day in, day out. And we know it is through the power of community that many more spaces like this can be saved. For all of us. Forever.

Our publicly owned buildings and spaces under threat

“ I used to come here and meet my friends and it was like a second home, where we could feel safe and chill, giving us a place to keep us out of trouble.”

Ian¹, 18, who used the services at the Grove



The threat

England's vital publicly owned buildings and spaces are being sold off on a massive scale for private use and short-term profit.

These buildings and spaces are ours, owned by councils on behalf of citizens. In many cases these places have been at the heart of our communities for decades or even centuries, and in some cases were originally paid for by us through public subscription. They are our libraries, youth centres, allotments and public swimming pools. These are the everyday places where extraordinary things happen, where local people come together, access vital services and support each other. Once sold off to private developers and short-term speculators they are lost to us. **Forever.**

No official data

There are no official figures published that reveal the speed and scale of this very real threat. Although we are aware of many examples from our members, there is no central source of information available about the number of public buildings and spaces that local authorities own, or the rate that they are being sold off into private hands.

Freedom of Information request

That's why we submitted a Freedom of Information request to all 353 councils in England in January 2018 to try and gain a clearer picture of what we know is happening in many of our communities. With rising demand for services at the same time as budgets are being squeezed, the short-term gain of a commercial sale will likely remain an understandable pull for Councils.

Why does this matter?

This isn't about buildings of historical or architectural value, although many of them are, and it isn't about protecting green space for the sake of it. This is about people - all of us - and our local communities. These buildings and spaces are often at the heart of the community, where local people meet, access services and find support.

They are where we can connect with our neighbours, give help and be supported by others, and where we can come together to shape our own areas. They are spaces where everyone belongs and where lives are transformed.

Importantly it is often the poorest places that are most reliant on these types of spaces. Losing them can have a devastating impact on local people and communities. Years of austerity and lack of investment have decimated local services and left many of the places people rely on shuttered up, under threat or falling into disrepair.

Private sales

Selling these buildings and spaces on the open-market to the highest bidder means they are often lost to the community forever, and that the deeper value to local people will never be realised. In these circumstances the community have no real influence over what the space will be used for and so-called 'fire sales' of public assets to remote private owners can mean empty, boarded-up properties, which can lead to social, economic and environmental decline.

Of course there are times when a private sale may be the most viable or appropriate option, but this should not come at the cost of the community or ignore credible community-led alternatives.

UNDER THREAT: Braunstone Grove Youth and Community Centre, Leicester

Locality member, B-Inspired, are currently fighting to save Braunstone Grove, a youth and community centre in Braunstone, Leicester. In an area where people die up to 10 years younger than other cities and low incomes and unemployment are an ongoing challenge it is an important space with huge potential for local people.

B-Inspired have worked hard to submit a tender for the Centre to be transferred into community ownership and have consulted more than 500 local people to find out what is really needed in the area.

The vision is a community hub, with a wide range of activities and services for the local community, with fitness and social opportunities for everyone in the community and learning and work placements for young people.

“The impact of losing this vibrant, respected and well used youth centre has been huge for local young people. That's why we are working hard to get community ownership of this space and create a community hub to provide activities and opportunities for local young people.

“We know there is competition from private and other investors to get the building, as the potential for commercial use of the football pitches is obvious. But we have the support of local people, community groups, football clubs, local councillors and our MP.

“We're now just waiting for a final decision and are hopeful we will become a community ownership success story!”

Angie Wright, B-Inspired

“I used to come here and meet my friends and it was like a second home, where we could feel safe and chill, giving us a place to keep us out of trouble. If I had no one to turn to I could always talk to our youth workers we have known since we were little. Without them here we wouldn't have anyone to talk to if we can't or don't want to talk to our family or friends.”

Ian¹, 18, who used the services at the Grove

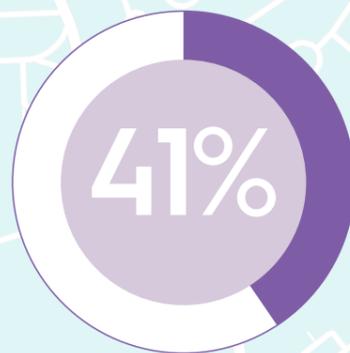
¹Name has been changed for protection of privacy

Freedom of Information request² - national results



4,131

average number of publicly owned buildings and spaces sold off each year

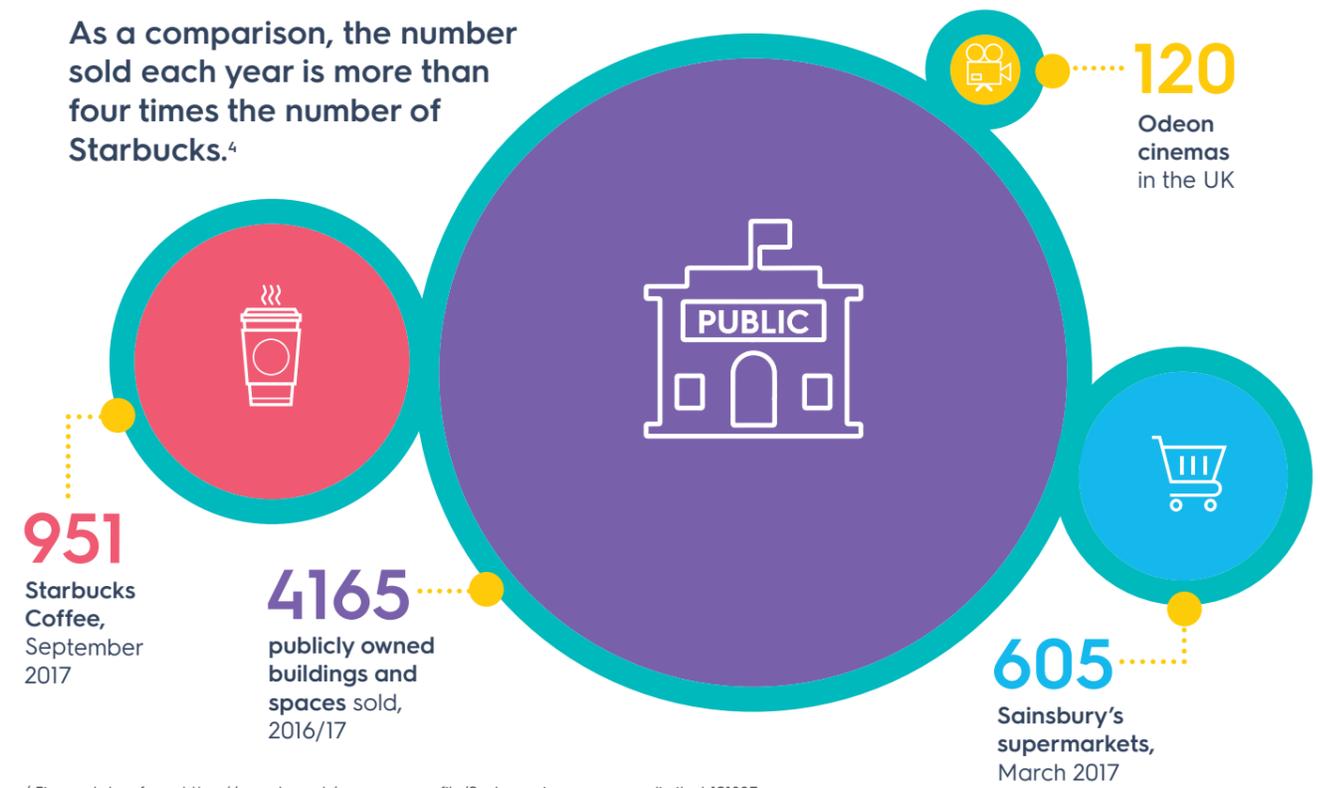


Our FOI shows that **less than half (41%)** of councils have a strategy or policy in place for community ownership, yet 95% of local authorities surveyed expect the sell off of publicly owned buildings and spaces to play an increasingly important role in the next five years.³

²The FOI request was submitted to all 353 councils in England on 31st January 2018 and, as of the 1st May, we received 233 responses with useable data. The level of data provided by each council to each question varied, leading to different sample sizes for each question. The questions asked covered three areas: Does the council have a CAT policy? How many assets have been disposed of in the since 2012/13? How many council assets are currently considered surplus to requirement?

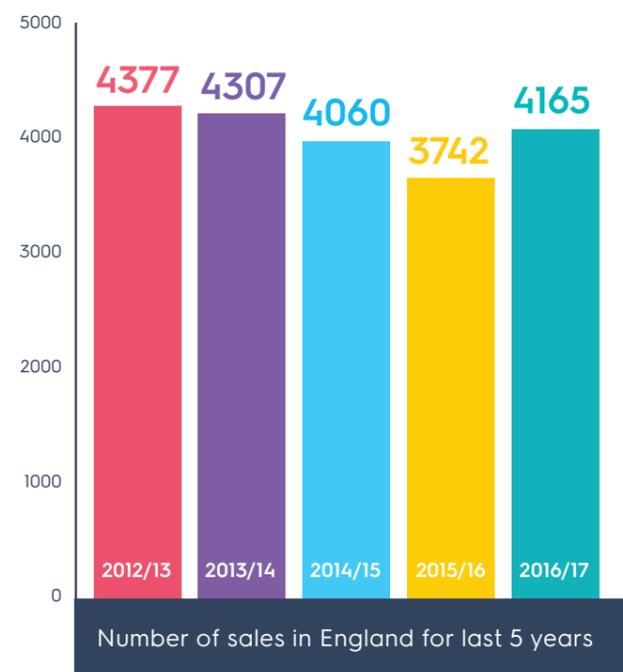
³A Schultz, 2016. 'Community Asset Transfer: A review of progress and practice in post-recession England.' Available at: <http://tinyurl.com/j6ev5f3>

As a comparison, the number sold each year is more than four times the number of Starbucks.⁴



⁴ Figures taken from: <https://www.b.co.uk/company-profile/?odeon-cinemas-group-limited-101823>
<https://www.statista.com/statistics/386475/sainsburys-store-numbers-by-convenience-and-supermarket-united-kingdom-uk/>
<https://www.statista.com/statistics/218388/number-of-starbucks-stores-in-the-uk/>

The rate of sales has been consistently high for the last 5 years⁵



⁵These figures were extrapolated from responses from 55 councils who reported their asset sales year on year over these five years. If the average rate of sale in our sample applied to all councils, this chart demonstrates how this looks nationally.

UNDER THREAT: Victoria Park Lodge, Bristol

Now under threat of being sold by Bristol City Council, this lodge house in Victoria Park, Bristol, was built in 1870s for the park keeper.

"Selling it to make flats would be such a waste. We strongly believe that the lodge should be a community space."

"Without our intervention the building would either be abandoned or sold to a developer rather than kept in public ownership and community use. This is still a real risk but we believe that so much more could be done with it."

"We've got some great creative ideas that would bring significant community benefit - far more than a residential block."

Sean Hennessy, chair of the Victoria Park Action Group, who are part of the campaign to take the lodge into community ownership

Freedom of Information request - regional results

Annual average sales in each region with examples

SAVED

Byrne Avenue Baths, Wirral, Merseyside
A 1930s Grade II listed swimming pool complex, saved to become a thriving community space providing jobs, sports and a volunteering time bank

SAVED

The Linskill Centre, North Shields, Tyne & Wear
A 1930s school building, saved to offer classes, events, a nursery and a café, with over 120,000 visits every year

UNDER THREAT

Dewsbury Park Mansion, West Yorkshire
Campaign to save a former mill owners mansion set in 72 acres of parkland, and use it to offer horticultural and creative therapies, training and volunteering and to support local start-ups

SAVED

Mosely Road Baths, Birmingham
The oldest Grade II listed baths still open for public swimming in the UK, saved by the local community

UNDER THREAT

Braunstone Grove, Leicestershire
A campaign to save a youth and community centre from private development

SAVED

Shotley Pier, Shotley Gate, Suffolk
A 650-foot Victorian pier, saved to become a community space that will offer events, a visitor centre and a food market

UNDER THREAT

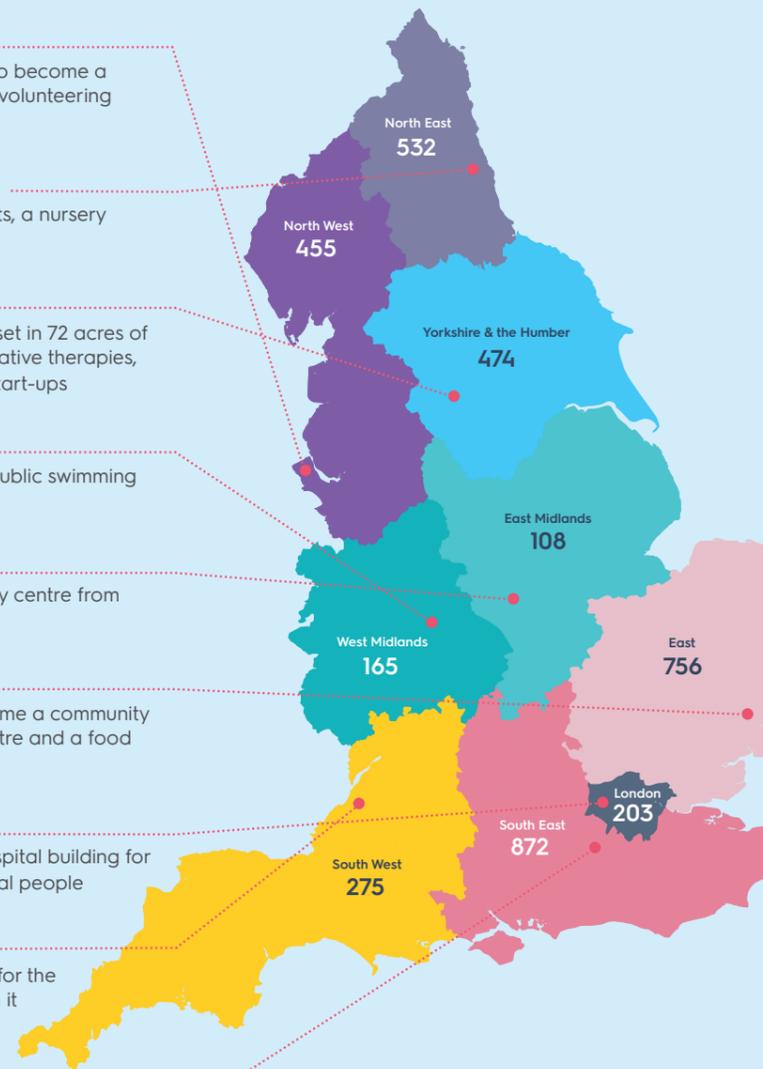
StART, Harringey, London
A campaign to use part of an old hospital building for genuinely affordable housing for local people

UNDER THREAT

Victoria Park Lodge, Bristol
A campaign to save a house built for the park keeper in 1870 and transform it into an outdoor learning centre, community space and cafe

UNDER THREAT

Horton Chapel, Epsom, Surrey
A Grade II listed Chapel being transformed as a not-for-profit arts centre



Summary of Save Our Spaces Freedom of Information request results

Due to varying sample sizes at regional level, these figures cannot be used to compare relative performance between regions, and are indicative only of the scale of the sell-off.

| Area | % that do have a Community Asset Transfer policy (1) | Number of annual sales (2) | Number identified as surplus in next 5 years (3) |
|------------------------|--|----------------------------|--|
| England | 41% | 4,131 | 7280 |
| North West | 35% | 455 | 610 |
| North East | 60% | 532 | 518 |
| Yorkshire & the Humber | 56% | 474 | 1,602 |
| West Midlands | 47% | 165 | 755 |
| East Midlands | 26% | 108 | 548 |
| East | 50% | 756 | 898 |
| London | 17% | 203 | 358 |
| South West | 40% | 275 | 763 |
| South East | 48% | 872 | 592 |

(1) Based on 233 councils who answered the question of whether they have a Community Asset Transfer policy.

(2) Extrapolated from an England wide average and regional averages from the sample of 55 councils who specifically gave information about the number of sales of publicly owned buildings and spaces from 2012/2013 - 2016/17.

(3) Extrapolated from 127 councils who were able to identify how many publicly owned buildings and spaces they have identified as surplus over the next 5 years. NB: This is likely to be significantly lower than the number of sales that will take place.

Community ownership to save our spaces



Locality believes community ownership is the answer to saving publicly owned buildings and spaces under threat.

All over the country thousands of local people are coming together in community organisations to step in, step up and fight to save these buildings through community ownership.

Local people are transforming empty or underused buildings; taking control of the things that matter most to them and building community from within, based on existing strengths and skills.

Many of these community groups are Locality members. This is the power of community.

These are local heroes working tirelessly to safeguard these vital places and ensure they continue to offer valuable services and remain available to everyone for many more generations.

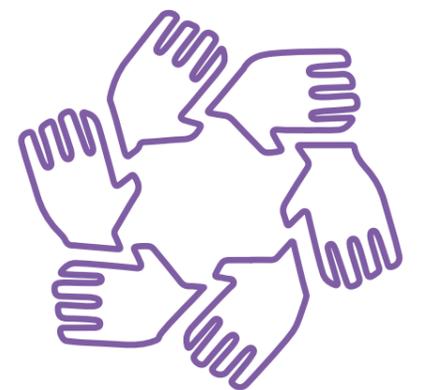
“Fundamentally, it’s about giving local people a bigger stake in the future of their area.”

The Quirk Review,
Quirk B, 2007, Making assets work

Locality’s campaign to Save Our Spaces

Save Our Spaces is Locality’s campaign for community ownership, to protect publicly owned buildings and spaces. For all of us. Forever.

We want to increase the number of buildings and spaces taken into community ownership, and reduce the number sold into private hands or that are left stagnating and empty, falling into disrepair.



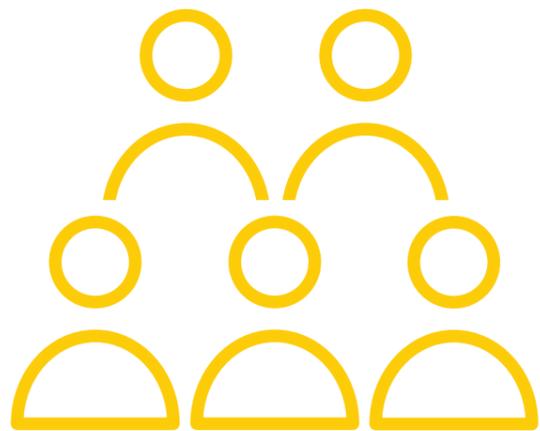
What is community ownership?

Community ownership is an alternative to private or public ownership and allows community organisations to take on a building or space to create a place that benefits local people.

Community ownership guarantees that a building or space will be available for the whole community and will not be for private use or private commercial gain.

The organisation that takes ownership must be set up legally for public benefit and involve local people in its decision making. There are a range of not-for-profit organisation options and they are often charities.

The terms of community ownership vary. A freehold, 99+ year lease, or long leases of at least 25 years on unrestricted terms are the most secure. These terms provide genuine community control and allow community organisations to take decisions over the use of the building or space for community benefit, as well as for potential leverage for additional borrowing.



Benefits of community ownership

Although community ownership isn't new, now more than ever it is a vital solution to the thousands of public buildings and spaces being sold off for private use to the highest bidder.

But it is much more than protecting valued local spaces. It can unlock the power of community to enable community action and support resident-led solutions. When properly supported, it is a genuine route for devolving power and resources to neighbourhoods, giving people a stake in shaping the area where they live.

Community ownership can reinvigorate local economies, help bring additional funding that councils can't access and create services for local people that are rooted in local knowledge and passion for the issues facing a community. It can also support local community organisations to create a sustainable income and financial stability. There's a relationship between community organisations who have taken on community ownership and those that have been successful in adapting to financial uncertainty and funding cuts.

Community owned spaces can play a crucial role in creating good jobs, good health and good housing. They offer training opportunities and enable people to find work. They offer affordable housing designed for the local community. They support health and wellbeing through sports facilities, allotments to grow vegetables or by combating isolation and loneliness.



SAVED: The Linskill Centre, North Shields

The Linskill Centre, built in the 1930s as a school and used as a community centre from 1984, was saved in 2006 thanks to a campaign by local community organisation Linskill and North Tyneside Community Development Trust.

Thanks to the support of local people and the cooperation of the Council, who put it in the community ownership of the Trust, it is now a thriving hub and financially sustainable thanks to 120,000 visits from the local community every year.

The Centre's strapline is 'The Heart of the Community', and it hosts 54 groups using it for weekly classes from digital skills and maths to tai chi and Spanish, as well as 20 permanent tenants who hire the affordable spaces within the centre. Linskill delivers a programme of community events including Easter Fair, Linskill Halloween Chase and the ever popular Winter Wonderland, and the venue is also licensed for civil partnerships and wedding ceremonies.

The Centre is home to the Ofsted registered Linskill Nursery and a community café. These proved to be vital and transformational resources for a local single mother, Joanne Hunter, who, having experienced severe post-natal depression volunteered at Café 32. Now she has a paid job at the café for three and half days a week.

"Being able to leave my baby in the Linskill nursery gave me a break to focus fully on work," says Joanne. "Bit by bit I've regained my confidence."

"I feel so lucky to be working in this centre. It's a fantastic place and is definitely a big asset to the community."



"I've been here just over two years now and I'm a totally different person."
Joanne

"Community ownership can bring people from different backgrounds together. It can foster a sense of belonging. It can play a role in enhancing the local environment, alleviating poverty and raising people's aspirations."

The Quirk Review, Quirk B, 2007, Making assets work



Policy context

Austerity

With councils facing ongoing financial challenges following years of austerity, many are resorting to cutting non-statutory services and selling associated buildings and spaces in neighbourhoods across the country.

Since April 2016, councils have also been able to spend the receipts from the sale of their surplus land on the revenue costs of service transformation, adding a further temptation to cash strapped councils to sell now and think later.⁶

Central government

Recent governments have introduced key new policies in support of community ownership of public buildings and spaces. The Labour government introduced the 'Disposal of assets at less than best consideration' in 2003, which accelerated the concept of Community Asset Transfer. And an important part of the Coalition Government's Localism Act in 2011 was the launch of the Community Rights, including Assets of Community Value (ACV) and the Community Right to Bid, pausing the sale of ACVs for six months in order that communities might prepare bids to buy buildings and spaces of community value on the open market.

Now we need government to lead a substantial programme of funding and support for community ownership, including a new Community Ownership Fund to enable communities to ensure that valued public land, buildings and services are retained for community benefit.

⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/508307/160316_Land_disposal_guidance.pdf

Community ownership policy framework

There are two main policy frameworks that support community ownership of public buildings and spaces – Community Asset Transfer and the Community Right to Bid. These are two different policies, with different implications and drivers.

What is Community Asset Transfer?

Community Asset Transfer is the transfer of management and/or ownership of public land and buildings from its owner (usually a local authority) to a community organisation for less than market value, in return for social, economic or environmental benefit locally.

The existence of a clear Community Asset Transfer policy means the council is more likely to be strategic about how its buildings and spaces can benefit the community if they become surplus to requirements. And communities can clearly understand the processes and decision-making criteria they need to address to achieve community ownership through asset transfer.

The FOI results show that less than half of councils have a Community Asset Transfer policy.

What is Community Right to Bid?

Communities can nominate any public or private land or buildings in their community as an Asset of Community Value (ACV) with their local authority. If it meets the criteria for listing as an ACV, and if it ever comes up for sale in the future, the Community Right to Bid can be invoked. This puts a six month pause, or moratorium, on the sale to allow the community to raise funds to buy it. At the end of the six month period, the owner does not have to sell to the community and they can sell at whatever price they choose.

This can be an important right if a public building or space is put up for sale on the open market and the council has not considered community ownership through Community Asset Transfer.

Buildings and spaces can only be recognised as ACVs if they produce social benefit or wellbeing through their current or 'recent past' use, such as sport, community centres, culture or recreation. Once listed the ACV stays on the local authority register for up to five years, after which point it can be re-nominated.

Local government – a Council getting it right

Kirklees Council offers tailored support to community organisations as part of their Community Asset Transfer policy. If an initial expression of interest is accepted, the Council offers support in developing a business case and governance, as well as small grants of up to £5,000 to assist groups with prefeasibility and/or legal costs.

Kirklees Council also offers some revenue support for community organisations – typically for building running costs, of up to 15% of the average of the previous two years' running costs. Groups can also apply to the Council for a loan if external capital grant funding (e.g. lottery funding) requires match funding, with loans of up to £100,000 available.

The Council is also open to offering freehold transfers, as well as long leasehold.

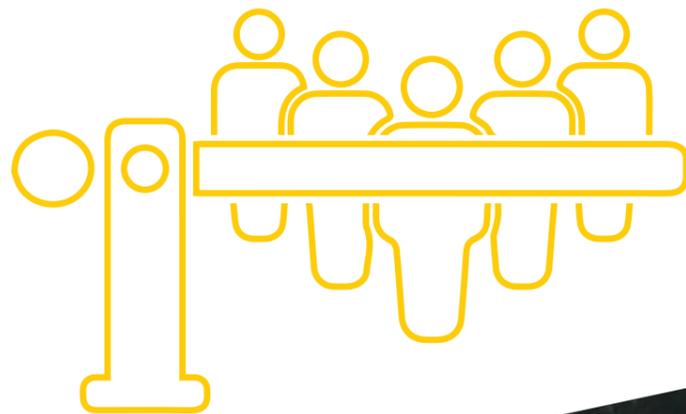
"Asset transfer puts communities directly in control, allowing them to develop their own communities. We see that in the assets we have transferred so far: it builds confidence, capability and local pride. People see the fruits of community action, and they want to do more."

Councillor Graham Turner,
Cabinet Member – Corporate (Place, Environment and Customer Contact Services)



Barriers to community ownership

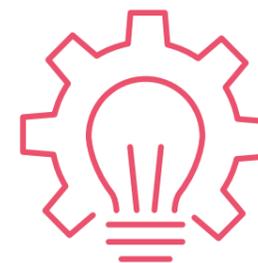
Whilst community ownership is a powerful alternative to losing our buildings and spaces to private use, with many other benefits for the community, it is not a straightforward option for a local community organisation.



Funding

Private developers will have money at the ready, so community organisations need help to:

- Pay specialists such as legal, architects and surveyors to check out and advise on technical issues to do with the acquisition or the physical building itself
- Hire expertise to help with setting up a new organisation, write a business plan and undertake community consultation
- Access capital funding to make the purchase and pay for development and working capital
- Make refurbishments or changes to the building .

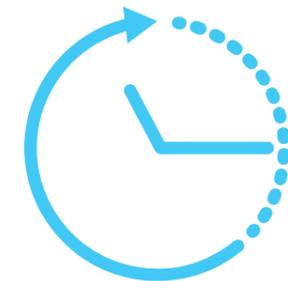


Expertise

Taking ownership of a public building or space can be complicated, and community groups may not immediately have this expertise. Competing with the private sector through the Community Right to Bid for example, can be particularly tough as they are often going up against large organisations with significant expertise and ready-available capital.

Time

Community organisations using the Community Right to Bid to take on ownership are only given six months to prepare everything necessary to make a credible offer to the owner. Often this will be the first time they have ever had to complete the process.



Clear process

Most councils do not have a Community Asset Transfer policy, which means there is no clear process for a community organisation or the council itself to follow.



Save Our Spaces calls for change



Locality is calling for:

01

Central government to kickstart a **Community Ownership Fund** with £25m a year, and coordinate other funders to build a pot of £200m a year for five years. This should include using £500million from Dormant Assets funds (unclaimed pensions, insurance, stocks and shares).

02

A change to the **Right to Bid** legislation to give community organisations one year, rather than the current six months, to prepare a bid to purchase.

03

The Right to Bid to become a **Right to Buy** so local community groups have a first right of refusal ahead of private competition.

04

Every local authority to establish a **Community Asset Transfer policy** strategically embedded with a cabinet member responsible for community assets.

05

Every local authority to offer **low cost or zero interest loans** for community groups to purchase public buildings and spaces.



locality

the power of community

About Locality

Behind the scenes in our communities, driven and dynamic local community organisations are working tirelessly to create a fairer society.

They step in when other people look away. To fill a need that's not being met. They create spaces at the heart of our communities where everyone belongs and where local people can shape their own future.

They know the place, the people, the needs and they care. Their work is nimble, cost effective and responsive. And their solutions work better.

Every week over 400,000 people walk through their doors, and ultimately lives are transformed.

That's the power of local community.

Locality is the national membership network supporting community organisations to be strong and successful.

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west midlands
co-operative
taskforce

our future in our hands

a co-operative plan for the next mayor of
the west midlands



**co-operative
party**

the west midlands co-operative taskforce

The West Midlands Co-operative Taskforce was set up by Liam Byrne, Shadow Mayor of the West Midlands and MP for Birmingham Hodge Hill. It met between July and September 2020 to develop plans to support the scaling up of co-operatives in the West Midlands.

The Taskforce had four co-chairs :

- ✚ Liam Byrne, Shadow Mayor of the West Midlands and Labour MP for Hodge Hill
- ✚ Preet Gill, Vice-Chair Co-op Parliamentary Party and Birmingham Edgbaston MP
- ✚ Olivia Birch, Wolverhampton Councillor, Director of Revolver Co-op.
- ✚ Tony Kennedy, Chair of Birmingham, Solihull and Tamworth Co-op Branch.

Other members of the Taskforce involved a geographical spread, the local Co-op Party, and co-operative sector:

- ✚ Jo White – Executive Director of Co-operatives Future
- ✚ Nick Matthews – Vice Chair of Co-ops UK
- ✚ Richard Bickle, Central England Co-operative Director
- ✚ Colin Wilkes, West Midlands Co-operative Party
- ✚ Cllr Faye Abbott, Chair of Feeding Coventry
- ✚ Cllr Karen McCarthy, Birmingham City Council and Joint Co-ordinator of Localise West Midlands

The Taskforce was supported by the Co-operative Party, with additional support from APM Communications, and Liam Byrne's team.

Throughout the summer, the taskforce engaged with Co-op and Labour Party members, including dedicated meetings online to present the themes of the taskforce as well to hear people's views.

The Co-operative Party in the West Midlands encouraged its branches to hold Taskforce events. The Co-op Party Sandwell branch met 14th July; Birmingham, Solihull & Tamworth met 2nd August; Coventry and Warwickshire met 28th August, Walsall & Wolverhampton 2nd September, Dudley 10th September. And even the Stafford and Stone Branch, although not in the Mayoral region, discussed the Task Force at their branch meeting in September. Co-op



Party members engaged with the wider Co-operative Movement, through the Co-operatives West Midlands body at their meeting online on 3rd July. That body has representatives from all the major co-ops in the West Midlands.

There was an online event with Joe Fortune, General Secretary of the Co-op Party and Jo White, Executive Director of Co-operative Futures open to all Labour Party members in the West Midlands on Thursday 17th September.

There has also been the opportunity for people to make submissions via the dedicated webpage at <https://party.coop/west-midlands-co-operative-taskforce/>.

A number of submissions were received and as well as inputting into the main themes of community wealth building, food and energy, they highlighted further areas that would benefit from a co-operative approach. These included issues such as social care, housing and community banking. Though they are not within the main focus of the taskforce, members have listened and made further recommendations to take these important contributions forward. ●



foreword

rt hon liam byrne mp



We live in difficult times – but I'm filled with hope and optimism for our region. All around us I see the creativity, ingenuity and ambition that made the West Midlands not just the leading region in the UK, but best in the world. That spirit, that never gives up, that always finds a way to make things work, hasn't left us. We have the talent and knowhow to match anyone.

After all, the West Midlands led the first Industrial Revolution – now it's time for us to be a leader again, to build on our heritage and lead Britain's new Green Industrial Revolution, delivering cleaner air for our region, low carbon transport for us all and good green jobs for our communities – especially for our young people.

Make no mistake, the Coronavirus crisis has made things even tougher for those just beginning to make their way in life. We need to give our young people better chances in life. They deserve good jobs, and fine communities to live in – with safe spaces to socialise, proper support for their mental health and real prospects for the future.

But if this crisis has a silver lining, it's seeing our instinct to pull together come to life. Neighbours talking to each other. Looking out for each other. Finding ways to help out. We need to build on that to create thriving communities for us all. And I believe that we can do that by committing to the values and practices of the co-operative movement.

I'm a co-operator and the Labour and Co-op candidate for West Midlands Mayor. So this document means a lot more to me than just a set of policy proposals – it

stands for what I believe: working together, standing up our region, standing by our neighbours in times of trouble, building community wealth, putting people before profit and building an economy and a society that works for everyone.

At its heart, this report addresses the things we need most – with a simple formula to find a better way. Food, opportunity and energy are the basics of life and co-operative values provide the basic principles that can power community-led transformation.

Food, opportunity and energy are the basics of life and co-operative values provide the basic principles that can power community-led transformation.

Friends from around the region and beyond have spent countless hours working with their local neighbours, friends and colleagues to bake in the lived experience and knowledge of families, businesses and communities across the region, preparing and presenting their expert analysis, and debating and refining these proposals. That's how politics should work – proper engagement, and policy built from the ground up based on what is really needed and what really works – and I am enormously grateful to each and every one of them.

This report shows what we can do by putting co-operative values into practice. But this isn't the end of the discussion; it's the start of a community-led revolution that can make the West Midlands all that we know it can be.

So let's not stop here. Join me to make this happen. Let's start now – let's do this. ●

introduction

preet gill mp

emma hoddinott



The co-operative movement has a long and proud history in the West Midlands. Time and again through this document you will read about the fantastic work that co-operative pioneers are leading in their own communities to build a fairer economy and a better society, like the Acts of Random Caring group in Wolverhampton, Feeding Coventry or the Black Country Food Bank. They are already showing what can be done in West Midlands – transforming and improving lives today, now.

But we all know that more needs to be done. The West Midlands has experienced profound upheaval in recent decades, and huge shocks within its labour market.

Deindustrialisation - in particular the reduction of manufacturing - and the reverberations of the 2008 global financial crisis created hardship and entrenched inequalities for the many, especially the most vulnerable in our society, even before the Covid-19 pandemic.

Today, as we face the Coronavirus crisis and an uncertain and worrying future, we have no choice but to think big. Unless action is taken, the pandemic will make things worse and more unequal. That means more people going hungry, more families left without a place to call home, the public services that communities rely on being scaled back even further and people continuing to be ripped off by utility companies.

It does not have to be this way.

The co-operative movement is committed to building a society where wealth and power are shared, democratising ownership of services and utilities that our communities rely on. The pioneers of the co-operative movement have shown that in times of crisis, when we share wealth and power, our capacity to respond is so much greater and new boundaries are set for what is possible.

In *Our Future in Our Hands*, we don't just explore the challenges facing communities in the West Midlands ahead of the 2021 West Midlands Mayoral election – we propose real solutions.

The thread that underpins these proposals is 'Community Wealth Building' – making sure we work

together so that more of the fruits of our labour stay in our communities. Not just ensuring that more of the money we make circulates in the local economy but ensuring we can live fuller, greener lives. That means providing community assets for families and young people, lower pollution and better air quality for us all, and crucially it means ensuring that jobs stay here too – good jobs that we help boost skills and opportunities in our communities.

So we consider how, in the aftermath of the pandemic, the next elected West Midlands Mayor can share power and wealth with communities in the West Midlands to increase the resilience of people

in responding to the economic turbulence that lies ahead. We'd like to see the next mayor commit to a community wealth building approach and treble the number of co-operatives in our region.

We explore the crisis of hunger, and consider how communities have rallied together to provide food for their neighbours and what needs to be done to ensure that, whatever is around the corner, people can provide their families with nutritious meals all of the time. That's why we want to see a Mayor's Foodbank Services Co-operative and Food Justice

Partnerships across the region.

And finally, we consider energy and how coops can lead the way in putting the West Midlands at the heart of the Green Industrial Revolution through renewable energy networks, building fuel efficiency into our daily lives and ensuring that the region doesn't just meet its net-zero targets – but retains the green jobs in new industries that will be required to help get us there.

For more than two hundred years co-operatives - run and owned by the people they serve – have given communities across the UK, and across the world, a stake in responding to the social challenges we face. Here, we set out specific and actionable measures that the next West Midlands Mayor should take so that communities across the West Midlands can renew that work – responding to the crisis we face today, and building back better for tomorrow.

Through this plan, and by embracing co-operative values, the future is truly in our hands. ●

executive summary

our recommendations

This report addresses the basics in life – food, energy and opportunity – and provides real, workable solutions, built from co-operative principles, to find a better way so we can all prosper in thriving communities that provides real hope for our young people and a greener, cleaner environment for us all.

In each section, we set out our analysis of the problems currently facing communities across the region and a series of practical recommendations for the next Mayor of the West Midlands to deliver real change. ●



the mayor's co-operative agenda for community wealth building

🔗 **Progressive Leadership** – we need a West Midlands Metro Mayor who is fully signed up to co-operative principles. We have to change the way our economy and our society works and that means putting community wealth building at the heart of public policy. Without clear political commitment these principles won't get us to where we need to be. We'd like to see the next Mayor commit to trebling the number of co-operatives around the region as a step towards delivering real change. The Mayor should establish a Co-operative Policy Unit to embed co-operatives in all the work of the West Midlands Combined Authority – in particular, the inclusion of co-operatives in any economic and inclusive growth strategies – and require all providers of business support programmes to include the co-operative option alongside other business models.

In Greater Manchester, under the Labour Mayor, there are plans to create designated 'Co-operative Zones' – with dedicated resources to offer business advice and support for new and existing co-ops in the city-region. With the

right leadership we can go just as far through community innovation districts.

🔗 **Harnessing the power of local institutions** – the next Mayor should use the full convening power of their office to bring together the major businesses, employers and community groups in the region to use their collective power to transform the way workers are treated, investments are made, and procurement decisions are taken by putting the creating shared value within our region at the centre of decision making.

🔗 **Progressive Procurement** – the Mayor should lead a region-wide progressive procurement audit, and work with partners to ensure that local businesses are at the front of the queue and community value is prioritised and promoted.

🔗 **Co-operative Development** – promoting co-operatives should be central to the Mayor's economic plan. We need a review of existing capacity which ensures that successful groups have the support they need to grow, alongside knowledge sharing schemes and an ambitious target to support more new co-operatives into being in each year of the next Mayoral term.

We'd like to see the next Mayor commit to trebling co-operatives around the region as a step towards delivering real change .

What's more the West Midlands should pioneer **'Community Innovation Districts'** to establish and scale co-operative models across services and assets using every lever at hand. This could be through subsidy support and business rates discounts, to bring forward community buildings and to boost community led development in a single space. Through these new Community Innovation Districts local leaders and activists can work together to build hotbeds of community wealth building in defined hubs around our region.

👉 **Local Investment** – a new Mayor's community fund should support groups with the seed funding they need to start on the road to real change. In particular, the Mayor should provide support for co-operative friendly finance by underwriting democratically owned, local community banks and financial institutions as a route to capital investment.

👉 **Assets and services working for the whole**

community – the Mayor's office should lead a 'community first' mindset across the region, putting community value at the front of decision making, and convening co-operative groups and the wider community to develop plans to ensure that we build our own solutions to ensuring everyone has what they need to live full and happy lives.

👉 **But we don't have to wait for the next election – we can all take action today** – You can contact your local council and councillors today and ask what they are doing to build community wealth in your area. Ask how they are incentivising co-operative models, and how they weight towards them in their procurement processes – and if not, why not. If you run a business or are self-employed why not look at ways you can work together with your peers to build a better society. And finally, you can talk to your neighbours about how co-operative models can transform your local community. You can be the spark that sets off a community-led revolution in your area.

a community-led food revolution

The first thing the Mayor should do is back the Co-op's Food Justice campaign. The Mayor's platform means that, combining the powers and financing available to the Mayor, with political leadership, the West Midlands can rapidly scale up co-operative food solutions.

Putting co-operative values into action and scaling up co-operative food solutions means:

Emergency support – because no one should go hungry

- 👉 Build on the experience of the Black Country Foodbank, Coventry Trussell Trust and Central England Co-op to create a Foodbank Service Co-operative to help organise vans and warehousing space for food banks operating across the region.
- 👉 Organise Hunger Kitchens in our most vulnerable communities at times of greatest need, and during the holidays when free school meals are taken off the menu.
- 👉 Build Fareshare networks sourcing donations for

those in need with businesses that can donate food at the end of the day at no or very low cost.

👉 Provide Mayoral seed funding for foodbank co-operatives to get off the ground – especially at times of heightened need.

Create new Food Justice Partnerships by bringing communities together to find solutions and build community wealth

A day to day food economy that works – delivering food justice for all

- 👉 Create new Food Justice Partnerships tasked with delivering zero hunger by bringing communities together with institutions and businesses to find solutions, and build community wealth.
- 👉 Provide leadership through the creation of a West Midlands Food Board; drawing on the experience of the London Food Board.
- 👉 Provide a Mayor's Fund inviting bids for seed-funding for creating and scaling up food co-operatives in the West Midlands.

👉 Brokering finance with partners including the Co-operative and Community Finance to enable

loans and equity for co-operative start-ups in the food sector.

- ✦ Put food at the centre of regional spatial planning policies, particularly in terms of housing development and regeneration projects.

- ✦ Work with regional co-operatives and independent retailers to create a wholesale and distribution co-operative for regional and locally produced food. ●



energy: a cleaner co-operative future

The next Mayor has to lead our region into a cleaner, greener future, where the jobs of the future stay right here in the West Midlands. We need a revolution in the delivery of renewable energy with a Bristol-style municipal energy accelerator that helps roll out solar and on-shore wind on the public estate, expand waste to energy plants and district heat networks and fosters community owned power generation projects.

- ✦ **Community run renewable energy** – the next Mayor should provide seed funding for community run renewable energy projects across the region – these should triple over the course of the next Mayoral term – so co-operative projects are best placed to provide for their communities. And the Mayor should develop – and meet – ambitious targets for community renewable energy usage across the region.

- ✦ **Energy Infrastructure** – as the nature of our energy network changes, the Mayor should lead in creating a policy framework at a regional level that does not favour a “business-as-normal, private sector best” assumption, but

creates a level playing field in which co-operative models can demonstrate their added value of keeping money in the local economy. The WMCA should play a proactive role in identifying opportunities for localised energy infrastructure in regeneration and new-build development schemes. The “assumption in favour of sustainable development” that already exists in planning policy should be implemented to favour localised, low-carbon energy infrastructure.

- ✦ **Tackling Energy Efficiency and Fuel Poverty** – we have to do all we can to end fuel poverty in the West Midlands. We need a major community retrofitting effort across the region that brings down costs and protects the environment. There are currently no retrofitting co-operatives in the region. That has to change. The Mayor should bring experts and communities together across the region to understand the scale of

the task, and develop an ambitious community led approach, improving efficiency, protecting the environment and bringing down bills for struggling families.

👉 **Leading by example** – the public sector has to practice what it preaches. The Mayor should use the convening power of the office to ensure that the public realm operates on community wealth building principles – including with a new 'Solar for Schools' programme – when it comes to investing in the community energy sector. The Mayor should also work with local leaders to assess whether business rates incentives can be optimised to help boost the co-operative energy sector.

👉 **New technologies and the jobs of the future** – Co-operative principles can sit at the heart of innovative schemes that help build the businesses and jobs of the future while giving our young people the skills they need to compete by ensuring that the value created circulates around the local community. New technologies mean new opportunities for community wealth building.

Our region spends more than £3bn on fuelling road vehicles every year, but fossil fuel cars will be phased out by 2040. The future is electric

vehicles (EVs) and that's a huge opportunity for the West Midlands – not just because of our car-making heritage but also world leading new industries like the battery technology coming from Coventry's £80m National Battery Manufacturing Development Centre. But the West Midlands is the worst region for number of EV charging points per vehicle.

Energy co-ops can support EVs in a number of ways from providing the charging infrastructure helping make owning EVs more practical to engaging members and the local community on the advantages of driving a greener vehicle today.

But it doesn't stop there, co-operative principles are already being used across the manufacturing sector. With the West Midlands' experience and expertise, there is enormous potential to create good jobs building the renewables infrastructure of the future from batteries to solar panels and beyond.. ●

a wider co-operative approach

Housing

👉 Recognise the important role of co-operative housing models within the region's housing strategy and its beneficial contribution to other economic, educational, social, environmental and health programmes, and engage with the region's existing sector to support its growth.

👉 Commit to a 5% minimum target for community-led housing of new homes within the next 10 years.

👉 Adopt the plans for a Black Country Garden City put forward by RED co-operative and supported by the Black Country LEP and local authorities, fully in keeping with the co-operative origins of the Garden Cities Movement.

Social Care

👉 The Mayor should develop a 'Co-operative Compact' with local co-operative and mutual organisations. This compact would set out how the statutory sector and co-operative enterprises will work together to deliver co-operative care in their area.

👉 The Mayor should build a region wide consensus behind co-operative procurement of social care services, ensuring that the unique benefits of co-operative and social enterprise delivery models are reflected within the evaluation of bids.

Community Assets

👉 The Mayor should work with other local authorities and community groups to test new ownership and investment models for high street projects, such as co-operative investment funds or community shares.

Community Banking

👉 The Mayor should establish a working group to assess the potential scope for a new generation of community-led banks. In particular, the group should evaluate the case for providing seed funding from the WMCA, and investigate partnerships with other institutions such as the 'Post Bank' model recommended by the CWU trade union. ●



community wealth building

We can all see that the economy doesn't work as it should – and the Coronavirus crisis has exposed just how broken it is more clearly than ever. Our society is too unequal. In the world's sixth richest economy far too many are forced to rely on food banks to feed their families – 170,000 people in the West Midlands alone last year, a figure that has almost doubled in just 6 years¹ – we have the moral emergency of a homelessness epidemic – 1 in 66 are now homeless in Birmingham² – and everything from school results to health outcomes and even life expectancy are permanently held back for those who grew up in deprived areas. Too many have too little to make ends meet and too little power to do something about it.

Deindustrialisation has left large swathes of this country facing huge challenges, with jobs taken away and community links and support torn away. Former community focused employers have been replaced by multinationals that have few links to places and communities. Wealth is too often concentrated in the hands of the few and decision makers rarely put public good at the centre of their decision making.

The results are all around us. High youth unemployment, hollowed out town centres, insecure jobs, a minimum wage that doesn't make ends meet and far too many with the terrible feeling that the next economic downturn could destroy their lives. What's more, local communities have been increasingly bullied into

accepting what they are given, so when government austerity arrived people felt they had nowhere to turn.

This inequality isn't just unfair, it's inefficient. We are wasting so much potential, just when we need it most. The Bank of England is predicting we face the worst recession in 300 years³. Without fundamentally rethinking how we run our economy we will face the old cycles of slow decline and big economic shocks. There must be – and is – a better way.

“A new way has to be developed in which we all have a stake in basic services and the local community share in the development of their area”

- Harmesh Singh, taskforce submission

The inequality we see is a symptom of the narrow ownership of our economy – not just wealth and assets but power too. Faceless investors can make decisions on the other side of the world that obliterate communities in the West Midlands, yet local people rarely have a say. The result is short-term decision making that doesn't benefit the long-term interests of workers, businesses, families or our environment. That's unsustainable and it doesn't work.

What's more we all know that real wealth doesn't just come from pounds in your pocket. A richer life means living in a thriving community, a sense of well-being, good health and a healthy environment. We need answers that aren't limited to the economy, or even just jobs and skills, we need to build communities rich in the things that

makes life worth living – a society that provides value and meaning for everyone. ●

how it works

Through this crisis, communities have stepped in. Proving once again that at heart we are a social, co-operative country. We need to build on that energy to rewrite the rules governing our economy so that it reflects our values.

Because there is a better way – it is called 'community wealth building'. Putting power back in the hands of local communities. Community wealth building means exactly that – starting with the community and building economic regeneration by empowering local people to create, and crucially retain, wealth in their area – not just cash but skills and opportunities too, as well as helping to create and retain the community assets that make life worth living. It means giving us the chance to make our own future, building on co-operative values of self-help, participation, social responsibility and democratic accountability.

This is a plan to do it ourselves, not subject to the whims of a desk in Whitehall or distant multinationals, so success stays in the community.

The Co-op Party's six steps to community wealth building

What's so exciting about community wealth building is that we know it works – around the country and here in the West Midlands. That's why we need to do so much more of it. Local government should get behind these kinds of schemes and help fire a sector that is already transforming lives and communities with real support and proper backing.

They are six steps⁴ to making this really work on a scale that could truly transform the way our economy and society works. Give the size of the West Midlands, the second largest urban area in the UK, we also have the ability to create an at scale step change.

Step one: Progressive Leadership - reorganising the local economy requires local representatives turning ideas into action. It needs deep and enduring partnership with local organisations, businesses and communities. What's more local leadership is the critical ingredient in culture change.

Where we have seen it working: Glasgow

Co-operative principles have been embedded in the Council's long-term strategic plan and under Labour control, the Council established a Co-operative Development Unit (CDU) to deliver the agenda. This

commitment to a Co-operative City was underwritten with a £500,000 annual budget – used to set up the Glasgow Business Development Fund which gives transformational grants to co-operatives, mutuals, social enterprises and any parts of the Council which require support to further develop co-operative working or opportunities⁵.

Here in the West Midlands

This report is full of examples of progressive West Midlands leaders putting co-operative principles into action across the region – we know it works here. But we also know that with the power of the Metro Mayor, we could see real transformative change, that's why the next mayoral election is so important.

Step two: Harnessing the power of anchor institutions

- local authorities, hospitals, football clubs, universities and a range of other large institutions spend millions of pounds annually on goods and services – but much of that spend results in limited additional benefit for the local economy. That should change – and it could transform a local economy. Buying locally means local businesses, social enterprises and co-operatives can thrive and grow. Shifting focus from 'lowest cost' to 'social outcome' means the public pound can go further in enabling local regeneration, and gaps in the local economy can be filled by community-run organisations supported to establish new co-operative models.

Where we have seen it working: Preston

Working with partner organisations and supported by the Centre for Local Economic Strategies (CLES), Preston moved to community wealth building in 2013. They started by identifying 12 large institutions rooted in Preston, such as the council, the hospital, the university, and the police, and together revised procurement strategies, encouraged members to pay a real Living Wage and promote it through their supply chains, as well as securing a commitment, where possible, to buy locally. In partnership with the University of Central Lancashire the council is expanding the co-operative economy through Preston's Co-operative Network – supporting new and existing co-operatives to grow and bid for contracts from anchor institutions⁶.

Here in the West Midlands

In Birmingham, the City Council has worked with the University of Birmingham, the Office of Police and Crime Commissioner, hospital, housing providers

“Progress is greatest where there is political and effective local leadership”

- Cllr Karen McCarthy, submission to the taskforce

and further education colleges to build community wealth with innovative schemes across workforces, purchasing, their combines estates and building community ownership into the local economy⁷.

Step three: Progressive Procurement - harnessing the spending power of local authorities can keep money circulating locally and regenerate the region. Money spent locally not only creates direct benefit for the successful businesses and their employees – the income is also more likely to continue to circulate locally, multiplying its impact.

Where we have seen it working: Manchester

Manchester City Council have transformed their procurement policies to achieve over £65 million efficiency savings while increasing the proportion of spend with organisations in Greater Manchester from 51.5% in 2008-09 to 73.6% in 2015-16, creating over 5,000 new jobs⁸.

Here in the West Midlands

In Sandwell, the council has been updating their Social Value Policy to include a stipulation for part of the evaluation of bidders to be weighted towards social value – putting people and the local community at the heart of decision making, not just pounds and pence⁹.

Step four: Co-operative Development - developing new worker co-operatives to deliver goods and services to the anchor institutions.

Where we have seen it working: The Welsh Labour Government

The Wales Co-operative Centre is the largest co-operative development body in the UK. It delivers support to all kinds of co-operative and social enterprises across Wales and works in partnership with the Welsh Government. They have been successful in developing consortia to bid for public contracts – for example, with the support of the Wales Co-operative Centre, six social enterprises created a North Wales Textile Recycling Consortium to collectively bid for local authority recycling contracts.

Here in the West Midlands

In Wolverhampton, the Council has committed to delivering the House Project¹⁰, which will expand the range of offers available to young people in care and care leavers, based on co-operative principles through which adults and young people in and leaving care, work together to refurbish properties that become their homes, developing a long-term community of support.

Step five: Local Investment - providing start-up capital and loans to grow the local co-operative and social economy.

Where we have seen it working: The Hampshire Community Bank

A community interest group in Hampshire has developed a locally-owned and run bank modelled on German's network of public savings Sparkassen and co-operative banks which focusses on providing credit to small and medium sized enterprises (SMEs) in the local area¹¹.

Here in the West Midlands

In Birmingham, the City Council supported the creation of CitySave – a credit union open to all who live or work in Birmingham and Warwickshire too, providing loans and financial guidance¹².

Step six: Assets and services working for the community - Creating a stronger local economy must also focus on tackling unfair practices and building the sort of communities we want to live – from housing and energy to financial services – so that everyone benefits from the community wealth building approach. It means ensuring that people can afford the everyday things they need.

Where we have seen it working: Leeds

Leeds City Council have supported community-led housing as a way to develop affordable, sustainable homes. For example, the council supported LILAC to build 20 affordable homes using a mutual home ownership model. The council provides support in a variety of ways: selling land with exclusivity agreements; transferring empty homes on long leases to organisations who work with people who are homeless; offering practical assistance on legal and other acquisition issues; and offering affordable loans to turn plans into reality¹³.

Here in the West Midlands

In Wolverhampton the Council has handed two pieces of land to community groups rent free in Whitmore Reans¹⁴. The group – 'Acts of Random Caring' – plan to "provide a safe and inclusive centre that puts community at the heart of its diverse projects. Empowering people to be a better version of themselves. Enabling change to a sustainable future." ●

delivering food justice through a community food revolution

Food should bring us together – with our families and with our communities. Here in the West Midlands we're home to some of the best food in the world from Bourneville chocolate to the Balti triangle. And that diversity speaks to what makes

“The Coronavirus pandemic has revealed just how vulnerable the food system in the West Midlands is after the impact of a decade of austerity”

- Richard Bickle, taskforce submission

our region great – from Dudley Road and China Town to the best fish and chips in the country.

But for too many families, food isn't a source of joy, but a reason to worry. In the West Midlands alone, 170,000 rely on foodbanks – 60,000 of them children¹⁵. At heart, that shows a deep problem with how our economy is run. We can't solve these problems until we properly address the inequality that blights our society, by building genuine community wealth.

But that doesn't mean we can't or shouldn't act now. Access to good quality, responsibly-sourced and

nutritious food should not be the preserve of some. It should be the lived experience for us all.

A decade of austerity has left more and more people without access to food. There can be no doubt that the causes of rising hunger are rooted in austerity; Universal Credit, the benefits cap and freeze, the bedroom tax. But also in our dysfunctional economy that no longer provides a fair day's pay for a fair day's work for too many; and our broken housing market. That trend has been exacerbated by the Covid-19 pandemic. It is utterly shameful that this government has done so little to support those in need – only lifting a finger to support hungry children because the brilliant campaigning of Marcus Rashford shamed them into it.

We need a community food revolution. Three principles should guide us:

- ✚ No one should go hungry – ever.
- ✚ Everyone in the UK – no matter what background they come from – should be able to make healthy food choices.
- ✚ Quality sustainable production can be a route to building community wealth, enabling and empowering communities and tackling the climate emergency. ●

creating food justice in practice

The co-operative movement has always put food at the centre of what we do. In 2019, we launched our Food Justice campaign – fighting to secure common decency for all.

Whilst many of the solutions to food poverty are the responsibility of our national governments, there is local action that can make a real difference. So, we are encouraging local leaders to commit to playing their

part in achieving food justice by taking some simple steps: designating a Food Champion with responsibility for food, setting up a food action plan, working with or helping establish a local food partnership, and measuring the scale of the problem in their area.

Already co-operative methods are making a huge difference. ●



emergency support - because no one should go hungry

We have all seen the moral disgrace in recent years of families in our region going hungry because of an uncaring government leaving too many adrift and alone when times get tough. During the Coronavirus crisis things have got much worse, fast. But when the pandemic hit, communities have stepped in to offer mutual support, creating co-operatives to provide emergency relief for people unable to feed themselves and their families.

Foodbanks

The shame in the fact that 750,000 people in the sixth richest economy in the world are forced to rely on foodbanks is matched by the pride we can all feel in the work of the Trussell Trust in ensuring that so many are able to feed their families and eat with dignity. Foodbanks are a true expression of co-operative values – communities coming together to support their own. Here in the West Midlands, the Black Country Foodbank is just one of the organisations doing exactly that, helping vulnerable individuals and families with

3 days of emergency food supplies while longer-term solutions are developed.

“We need a regional campaign to encourage people to donate to food banks”

- Bianka Petrova, taskforce submission

The Active Wellbeing Society has long been on the frontline – receiving tonnes of donated food a day – but when the crisis hit, they created the #BrumTogether movement and re-focussed their work on food distribution, co-ordinating feeding communities as part of the city planning. Because of them, thousands of families across Birmingham have decent food to eat – that’s the power of putting co-operative values into action.

FareShare Networks

FareShare networks redistribute surplus food to charities that turn it into meals. Today, FareShare Midlands – part of a community with over 1,500 volunteers nationally – works with 500 food business to redistributes surplus food to 151 organisations across the region that work with people in need, from families on low income and older people at risk of isolation to those affected by homelessness and mental health issues¹⁶. ●

a day to day food economy that works – delivering food justice for all

People should not have to rely on emergency food relief - that is the starting point for co-operators. We have to ensure that, whatever Government is in power in Westminster, in places like the West Midlands, people should not go hungry and should not be denied access to nourishing, wholesome food.

There is not a single solution – but co-operatives have shown that, with political leadership, communities can be more resilient to shocks. Building “food resilience” should be a priority for the next Mayor.

Food Boards

The London Food Board advises the Mayor on delivering the Food Strategy, food issues across the capital and the London food programme, as well as looking at ways to build a better more sustainable system across the city – from sustainable production to a food economy that pays a real living wage. Its membership is a diverse mix of leaders from across the city supported by the Greater London Authority’s food team. The London Mayor provides small grants to boroughs to pull relevant people together to change approach using the Food Board, to share and disseminate learning very quickly¹⁷.

Community Food Production

When it comes to community wealth building the food sector is a great place to start. Empowering

local people to create their own nutritious food in a way that puts people before profit can cut costs, create jobs, provide food for those in need and ensure that everyone has a healthy option whilst combatting climate change by cutting emissions. In Wolverhampton, the Community Farming initiative has supported local schools to create community orchards

to provide fresh fruit for children. In Birmingham, the Growing Project is a community-led growing scheme working with organisations who support the vulnerably housed and people in crisis. Aiming to “Green-Sense” the city, The Growing Project will improve sites across Birmingham by ‘growing food and creating green spaces’, sites that are developed, tended and nurtured by homeless people.

Community owned and run shops – not just value at the tills

When communities come together to create their own low-cost retailers, selling local produce, employing local people, and building accessible value in their own communities they do so much more than merely provide a convenient place to buy what we need. Feeding Coventry has been working with partners and local people to build food resilience across the city – just as Coronavirus

began to make things harder they stepped in by opening Coventry’s first ‘Social Supermarket’, providing affordable, good quality food alongside local produce and goods and wraparound advice services. ●

When communities come together to create their own low-cost retailers, they do so much more than merely provide a convenient place to buy what we need

Greenwich Co-operative Development Agency

The GCDA is working with partners to make Greenwich known as a great place for good food by all who live, study, work or visit. By celebrating the borough’s rich diversity through vibrant food markets, festivals, catering and businesses, they seek to grow, produce, prepare and share good food that is healthy, sustainable, affordable and accessible to all.

The GCDA’s Good Food in Greenwich Charter recognises and promotes fairness in the local food sector, encouraging businesses and organisations to operate by a code which instils a positive food sector that pays a living wage, buys and supplies sustainable, health food, reduces waste and encourages members to grow their own.

the mayor's co-operative agenda for food



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- 👉 Build Fareshare networks sourcing donations for those in need with businesses that can donate food at the end of the day at no or very low cost.
- 👉 Provide Mayoral seed funding for foodbank co-operatives to get off the ground – especially at times of heightened need.

A day to day food economy that works – delivering food justice for all

- 👉 Create new Food Justice Partnerships tasked with delivering zero hunger by bringing communities together with institutions and businesses to find

solutions, and build community wealth.

- 👉 Leadership from the West Midlands Mayor through the creation of a West Midlands Food Board; drawing on the experience of the London Food Board.
- 👉 Provide a Mayor's Fund inviting bids for seed-funding for creating and scaling up food co-operatives in the West Midlands.
- 👉 Brokering finance with partners including the Co-operative and Community Finance to enable loans and equity for co-operative start-ups in the food sector.
- 👉 Put food at the centre of regional spatial planning policies, particularly in terms of housing development and regeneration projects.
- 👉 Work with regional co-operatives and independent retailers to create a wholesale and distribution co-operative for regional and locally produced food.

But we don't have to wait for the next election – we can all take action today

When it comes to the community food revolution there is something we can all do right now – give to your local foodbank, or co-operative food scheme. Or better yet, give and volunteer. We all know that even before the Coronavirus crisis too many families were forced to rely on food parcels to get by – now the problem is set to get even worse. If you can, giving a little – both in donations and in your time – can go a very long way for those in our communities who need our support.

energy

a cleaner, co-operative future

Why Energy Matters

We face a Climate Emergency. Without real change, over the next century catastrophic warming will destroy our way of life and much of the natural world. Inaction isn't an option. The British Government has now followed progressive councils in declaring a Climate Emergency and the UK is legally bound to a target of net-zero-carbon by 2050 – here in the West Midlands we should and can make that happen much earlier, in the 2030s.

We have to be smarter and more careful about the way we use energy than ever before. Energy has powered our lives since the industrial revolution – born right here in the West Midlands. But today, the way we create, conserve and use energy has got to change. The future is going to be greener – we have no choice. So we need a new Green Industrial Revolution to power our homes, communities and workplaces, to create jobs, and keep our bills under control.

The West Midlands should be at the forefront of leading that Green Industrial Revolution – just like before – and the heart of green manufacturing. We should do it through a rapid expansion of the co-op model. There is much to do. The West Midlands

currently lags well behind the rest of the country. We spend almost £7bn on our energy – but 99% of that money leaves the region. We produce just 0.3% of the UK's renewables leaving West Midlands businesses with higher bills than their competitors.

As the Green Industrial Revolution unfolds we have the chance to become a world capital of clean and green manufacturing – to make the technologies the world needs to cut carbon emissions. But we need to act now, and getting this right can make a real difference:

For our planet – by reaching net-zero in the 2030s we can help drag our country and the rest of the world forward. We can lead the world again – just like we have before.

For our bills – improving energy efficiency and building local partnerships that put people before profit can help keep prices low and keep the family finances and business balance sheets in order – vital, now more than ever.

For jobs – by leading the way in the Green Industrial Revolution we can create the good, skilled, well paid jobs of the future, here in the West Midlands. ●

co-operative energy today

To get to net-zero we will have to re-imagine the way our society works – but that gives us a golden opportunity to do things better. If we get this right, then we won't just reduce carbon emissions – it could mean using co-operative principles to deliver better health outcomes, cleaner air, greater efficiency, lower costs, and more resilient, engaged communities with a real stake in local partnerships.

This is already happening, not just around the world and in the rest of the country – but right here in the West Midlands. There are already 29 co-operatives in energy and environment in the region, with around 2,000 members they operate mostly in renewable energy generation and ownership, community supported agriculture and wood fuel.

Community run renewable energy

The West Midlands needs to catch up to the rest of the country on renewables. For a start, local Government can and should help by investing in local community energy co-operatives.

Community run energy companies means local ownership and democratic control. That model can keep prices down, retain profits in the local community and ensure that investment decisions are taken for the good of the local area, not distant shareholders or private interests. In turn, the voice that members retain in the business – with a real vote on the big decisions that count – gives the community a real stake in the business, and with it a shared part in its mission. That can be key to securing wider behaviour change – an absolute necessity if we are to reach net zero (62% of all measures to achieve the target are dependent upon

behaviour change and so need our collective consent and buy-in to do things differently.¹⁸⁾

The Welsh Government, for example, now mandates all new energy projects to have at least an element of community ownership. They have developed a "hierarchy" of models in terms of the value they deliver to Wales, with 100% locally owned projects at the very top¹⁹.

Community energy is proven to be at least 25% better at engaging with the community on energy (conducting energy audits, installing smart meters, etc.) than the large energy companies or government, and delivers 12-13 times the community benefit of a commercial

energy installation²⁰.

Authorities can do more than just invest – they control assets like schools and offices with a strong case for on-site renewable energy generation. Local leaders have enormous convening power to do an awful lot of good by bringing together the right stakeholders to drive ambitious plans forward.

There are already a number of successful energy generation co-ops in the region – such as Community Energy Birmingham²¹ and Southern Staffs Community Energy²², generating renewable energy mainly from solar, with some wind and hydro – but we need many, many more.

Bristol's Municipal Energy Service

Bristol Council's Energy Services delivers energy and infrastructure projects that benefit the social, economic and environmental health of the city.

So far they've delivered a multimillion pound solar investment programme, established a best-practice community energy fund to support over 50 local community groups with sustainability and energy efficiency projects, helped over 2,000 private and council-owned homes to become warmer and healthier through upgrades to their energy efficiency, and they've launched the first section of a low-carbon and lower-cost heat network in, as well as several mini heat networks for social housing across the city.

Energy Infrastructure

As the energy market opens up and more smaller and local forms of energy generation continue to chip away at the old fossil fuel-led system, the infrastructure we use to support our network will have to be updated to reflect the new reality – from local batteries to electric vehicle charging points. Co-operative ownership of energy infrastructure could be perfectly placed to take advantage of the opportunities presented by decentralised generation in urban regeneration programmes – creating a real opportunity for community wealth-building. There are already successful models operating in the USA, Denmark and Germany.

Tackling Energy Efficiency and Fuel Poverty

Heating our homes and workplaces with expensive fossil fuels costs money and damages the environment. Better insulation reduces our heating needs by limiting heat lost and therefore lowering our demand for

Retrofitting is a classic example of the virtuous circles that so often come with co-operative models

energy. So it isn't just good for the planet – it's good for our personal finances too. Community energy partnerships can make a real difference in pushing that work forward by retrofitting our properties to reduce our heating needs, boosting energy efficiency and tackling fuel poverty – ending the national disgrace that leaves hundreds of thousands forced to choose between heating and eating.

In fact, retrofitting is a classic example of the virtuous circles that so often come with co-operative models. Increasing insulation in council properties reduces heating bills, meaning rent and council tax is more likely to be paid, more income is available to be spent into the local economy, health and well-being increases, health cost fall, absenteeism reduces. The housing asset and rental value is protected by making it more "future liveable" and easier to heat with low-carbon technologies such as heat-pumps, thus enabling carbon targets to be achieved and climate change costs avoided.



RetrofitWorks

The London and South East based operation was formed from a community of SME contractors seeking to benefit from a new government scheme whereby consumers could pay for energy saving works using a loan attached to the electricity meter and repaid using the savings generated. Small businesses were concerned that the fine print of the policy excluded smaller traders – so they formed a co-operative organisation that could access various finance for retrofit.

Today, RetrofitWorks is a 'not for private profit' co-operative, matching communities and homeowners who want to retrofit their homes, with local, quality assured SME assessors and installers. The plan was pioneered in Haringey in 2013 and by 2016 they had delivered more than £1m of retrofit works across London and the South East

Leading by example

A simple first step for local leaders' can be to target their own estate and operations. That includes buildings (corporate, and rented out and housing), energy use, transport and procurement – this is where the early investments in community energy projects can be made. There should be clear lines of accountability to make it happen, headed by a high-level officer and adequate resourcing so that these principles are prioritised. Local government can also look at how to manage the other levers it holds to support co-operatives – such as the use of business rates incentives to support community energy projects.

New technologies and the jobs of the future

Co-operative principles can sit at the heart of innovative schemes that help build the businesses and jobs of the future while giving our young people the skills they need to compete by ensuring that the value created circulates around the local community. New technologies mean new opportunities for community wealth building.

Our region spends more than £3bn on fuelling road vehicles every year, but fossil fuel cars will be phased out by 2040. The future is electric vehicles (EVs) and

With the West Midlands experience and expertise, there is enormous potential to create good jobs building the renewables infrastructure of the future

that's a huge opportunity for the West Midlands – not just because of our car-making heritage but also world leading new industries like the battery technology coming from Coventry's £80m National Battery Manufacturing Development Centre. But the West Midlands is the worst region for number of EV charging points per vehicle²³.

Energy co-ops can support EVs in a number of ways from providing the charging infrastructure helping make owning EVs more practical to engaging members and the local community on the advantages of driving a greener vehicle today.

But it doesn't stop there, co-operative principles are already being used across the manufacturing sector²⁴. With the West Midlands' experience and expertise, there is enormous potential to create good jobs building the renewables infrastructure of the future from batteries to solar panels and beyond. ●

the mayor's co-operative agenda for energy

The next Mayor has to lead our region into a cleaner, greener future, where the jobs of the future stay right here in the West Midlands. We need a transformation in the delivery of renewable energy with a Bristol-style municipal energy accelerator that helps roll out solar and on-shore wind on the public estate, expand waste to energy plants and district heat networks and fosters community owner power generation projects.

- 📌 **Community run renewable energy** - the next Mayor should provide seed funding for community run renewable energy projects across the region – these should triple over the course of the next Mayoral term – so co-operative projects are best placed to provide for their communities. And the Mayor should develop – and meet – ambitious targets for community renewable energy usage across the region.
- 📌 **Energy infrastructure** - as the nature of our energy network changes, the Mayor should lead in creating a policy framework at a regional level that does not favour a “business-as-normal, private sector best” assumption, but creates a level playing field in which co-operative models can demonstrate their added value of keeping money in the local economy. The WMCA should play a proactive role in identifying opportunities for localised energy infrastructure in regeneration and new-build development schemes. The “assumption in favour of sustainable development” that already exists in planning policy should be implemented to favour localised, low-carbon energy infrastructure.
- 📌 **Tackling energy efficiency and fuel poverty** - we have to do all we can to end fuel poverty in the West Midlands. We need a major community retrofitting effort across the region that brings down costs and protects the environment. There are currently no retrofitting co-operatives in the region. That has to change. The Mayor should bring experts and communities together across the region to understand the scale of the task, and develop an ambitious community led approach, improving efficiency, protecting the environment and bringing down bills for struggling families.
- 📌 **Leading by example** - the public sector has to practice what it preaches. The Mayor should use the convening power of the office to ensure that the public realm operates on community

wealth building principles – including a new ‘Solar for Schools’ programme – when it comes to investing in the community energy sector. The Mayor should also work with local leaders to assess whether business rates incentives can be optimised to help boost the co-operative energy sector.

- 📌 **New technologies and the jobs of the future** - we can't just sit by and let the green transformation happen around us and to us – we have to shape it and take advantage of the opportunities it offers, especially green jobs. New technology, new ways of creating and storing energy, and the future of transport all play into our strengths as a region – innovation and making things. There are opportunities for green jobs across all sectors and parts of the economy but in the West Midlands we have a great opportunity to be the heart of green manufacturing. We can lead the Green Industrial Revolution and use co-operative principles to help get us there, and with it creating wealth, skills and good jobs for local communities.

We need a Mayoral taskforce to take us from one of the worst to the first in the UK for green jobs – building from our proud manufacturing heritage, by creating the incentives and conditions for community-led initiatives to thrive, as part of a plan to create 92,000 jobs in building homes, retrofitting homes and new solar and wind power. And what's more we should be building the electric vehicles of the future – it's time for our region to harness our position as the global heart of car-making – and we could do that through the strength of community led innovation making our region a hub of progressive manufacturing. In addition, we have to do much more to help the takeup of electric cars. Our goal should be to make our region the centre of a global electric vehicle and battery revolution and to build the new green transport systems for the West Midlands as well as the UK.

But we don't have to wait for the next election – we can all take action today

You can find out which co-operative schemes operate in your area and if they are right for you make the switch from the big suppliers. You can also ask your council and councillors what they are doing to incentivise more community models in your area. ●

a wider co-operative approach

The West Midlands Co-operative Taskforce was developed to address the basics of life – primarily food, energy and opportunity – getting by and getting on. But in our discussions and the hundreds of submissions made from across the region it was clear that there is a deep appetite for co-operative solutions to a wider set of problems. Four areas stood out:

- 🏠 Housing
- 🏠 Social Care
- 🏠 Community Assets
- 🏠 Community Banks

Housing

We all know that there is a housing crisis in this country. The two most obvious symptoms are the disgraceful

Community-led housing projects have a proven record in reducing loneliness and service demand

homelessness epidemic that is destroying lives across our region – the number of rough sleepers in our region trebled between 2010-2018 – and the awful blight on ambition that sees so many young people seeing their monthly wage disappear on skyrocketing rents.

Co-operative models can help. A housing co-operative is a group of people who manage and control the housing in which they live – they are all members of the housing co-operative, have an equal say in decision-making, and each take an active role in managing the accommodation. Crucially, the level of rent that tenants pay reflects the real cost of managing the housing, and what's more community-led housing projects have a proven record in reducing loneliness and service demand. There are already housing co-ops across our region – such as Redditch Co-operative Homes²⁵ – giving members a real say in the way their buildings are run, at an equitable rent that keeps costs down.

In Wales the Labour administration, working in partnership with the Wales Co-operative Centre, has been highly successful in expanding the co-operative housing sector over the last few years.

Here in the West Midlands, Birmingham boasts

one of the first student housing co-operatives – the Birmingham Student Housing Coop²⁶ – and the conurbation now has 26 co-ops, 18 Tenant Management Organisations, 6 self-help housing groups and 3 community associations, and co-operative housing in the region provides homes to some 16,000 people.

Recommendations

- 🏠 Recognise the important role of co-operative housing models within the region's housing strategy and its beneficial contribution to other economic, educational, social, environmental and health programmes, and engage with the region's existing sector to support its growth.
- 🏠 Commit to a 5% minimum target for community-led housing of new homes within the next 10 years.
- 🏠 Adopt the plans for a Black Country Garden City put forward by RED co-operative and supported by the Black Country LEP and local authorities, fully in keeping with the co-operative origins of the Garden Cities Movement.

Social Care

Social care has been woefully under-funded and underappreciated for far too long. Three Conservative Prime Ministers have promised to reform the sector, yet all have failed to act. The truth is the sector is close to collapse, staff are overstretched and underpaid and our loved ones are seeing their care deteriorate. We cannot wait for central government to provide the reform we need – we need to do everything we can to give the sector the support it needs and ensure that the people we love get the care they deserve.

The shift to private provision of care has reduced the quality of care, undermined labour market conditions and reduced cost efficiency within the sector. Improving adult social care requires the establishment and promotion of social care co-operatives. Learning from existing social care co-ops could empower service users and care workers, reduce profit leakage, and create a sector fit for the demographic and clinical challenges the country faces.

The West Midlands has a long history of providing care through community-led models. BCOP was established in 1946 by a group of concerned local people who realised that older people needed better care and support than what was available at the time. Today, it

Community-led housing projects have a proven record in reducing loneliness and service demand

employs nearly 200 staff who care and support for over 300 residents on a daily basis throughout our 13 schemes within Birmingham. The Equal Care Co-op²⁷ in Calderdale works on the principle of putting power in the hands of the people who give and receive support in what it describes as 'a relationship of equals. Independent caregivers

and receivers choose one another for the best chance of creating lasting, respectful, quality care and support relationships. Each role - giving and receiving - has control over what's important to them.'

Recommendations

- 👉 The Mayor should develop a 'Co-operative Compact' with local co-operative and mutual organisations. This compact would set out how the statutory sector and co-operative enterprises will work together to deliver co-operative care in their area.
- 👉 The Mayor should build a region wide consensus behind co-operative procurement of social care services, ensuring that the unique benefits of co-operative and social enterprise delivery models are reflected within the evaluation of bids.

Community Assets

Many of our high streets are in decline – we can see it all around us. It's not just the current economic slow-down, it's also a change in the way that people live from shopping online to working from home. Unless we act our town centres will be trapped in a spiral of decline where empty shops lead to lower footfall which in turn hits the businesses that remain. Town centres will become ghost towns.

Instead of simply resigning ourselves to the loss of our high streets we should find a way to inject a new sense of excitement and vibrancy to the heart of our communities. Part of the answer must be community ownership.

Enabling the community to invest in and govern local places and assets, can provide an alternative and cheaper route to finance, and perhaps more importantly, help better engage the community in deciding what local places should be used for.

Recommendations

- 👉 The Mayor should work with other local authorities and community groups to test new

ownership and investment models for high street projects, such as co-operative investment funds or community shares.

Community Banking and Financial Institutions

Access to banking is an absolutely fundamental part of financial inclusion. Today, too many are excluded from the benefits of basic banking services like access to finance, and since the 2008 financial crisis the banking sector has lost our trust and has been found wanting.

A big part of the solution could be community-led banking – new banks valuing local knowledge created to serve the everyday financial needs of small and medium sized companies, ordinary people and local community groups. These banks could help build and store community wealth, significantly increase the proportion of bank lending going to the 'real' economy and SMEs, whilst building economic resilience in our region and restoring the old practices of customer service, relationship banking and mutual trust.

These banks operate on the principle of one member one vote, providing services to members – individuals, businesses or community groups who meet are live or based in the area irrespective of income.

Instead of a distant head office disconnected from the communities in which they operate, each bank is managed, operated and held accountable from within its own region, recycling local savings into local loans and contributing to community wealth.

In our own region, we can see what is possible. The Aston Reinvestment Trust was established in 1997. It is a Community Development Finance Institution (CDFI), owned by its members - the borrowers and investors²⁸ - which has now lent over £25m to more than 1,300 borrowers. The Black Country Reinvestment Scheme was created by the local co-operative development agency in 2002 – and now lends almost £20m a year²⁹.

Recommendations

- 👉 The Mayor should establish a working group to assess the potential scope for a new generation of community-led banks and financial institutions. In particular, the group should evaluate the case for providing seed funding from the WMCA, and investigate partnerships with other institutions such as the 'Post Bank' model recommended by CWU.

These banks could help build and store community wealth

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