



Community Asset Ownership in 'Left Behind' Neighbourhoods

Executive Summary, Key Findings, and Recommendations

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Introduction

This is an executive summary of the findings and recommendations of a report into the state of community asset ownership in 'left behind' neighbourhoods, commissioned for the APPG for 'left behind' neighbourhoods by Local Trust together with Power to Change. The full report and technical appendices will be produced later in 2021.

Background

Renaissi was commissioned to undertake a scoping study into community asset ownership in 'left behind neighbourhoods' (LBNs). These comprise the wards that fall in the top ten per cent most deprived (according to the IMD) and the ten per cent most in need on the Community Needs Index (CNI). The research aimed to:

- Review the last 40 years of policies and programmes on community asset ownership in England
- Map all community owned assets in LBNs in England
- Identify barriers and enablers to community asset ownership in LBNs
- Provide recommendations in response to the current policy setting, i.e. the levelling up agenda, reconstruction post-pandemic, and launch of the Community Ownership Fund

Approach

Firstly, a literature review scoped out the context and existing gaps in the literature about asset ownership and deprived areas / LBNs.

Secondly, interviews were delivered with both subject matter experts and practitioners. These interviews explored barriers and enablers to asset ownership, the outcomes of asset ownership in deprived areas or LBNs, and recommendations for future policy and funding.

Case studies were developed from the practitioner interviews, to tease out how those barriers and enablers affected outcomes and impacts at a project and community level.

Finally, a database of all known community owned assets was created and used to cross check against another database created with all postcodes in LBNs. The full report and technical appendix contain a list of all community owned assets with postcodes in LBNs.

Key Findings

Asset Ownership in 'Left Behind' Neighbourhoods

Quantitative analysis was undertaken in those wards in England identified in research by Oxford Consultants for Social Inclusion (OCSI)ⁱ as 'left behind' to map the extent and range of community owned assets. The research showed:

- More than half of 'left behind' neighbourhoods (LBNs) have no community owned assets (these areas have 163 community owned assets in total)
- Other deprived areas and the rest of England have 1.6 and 2.2 times more community owned assets per 100,000 population than LBNs respectively.
- With some exceptions, the regional distribution of community owned assets in LBNs roughly follows the same regional distribution of LBNs.
- Further research is needed to determine why there is a higher level of community asset ownership in LBNs in some regions than others

Barriers, Enablers and Outcomes

Existing research has demonstrated that community asset ownership is lower in 'more deprived' areas in comparison to other neighbourhoods.ⁱⁱ While some interviewees commented that the barriers and enablers are similar between LBNs and deprived areas more generally – although the barriers are likely to be more pronounced - other interviewees pointed to factors that may impact LBNs differently due to limited levels of social capital.

Barriers and enablers include:

- The various motivations of communities, businesses and local authorities to engage with community asset transfer
- Collaboration, particularly on the part of local authorities, and the 'coming together' of people
- Resources (time, knowledge and skills), the lack or perceived lack of them.
- Access to funding and the type of funding available
- The level of use and interpretation of the Localism Act
- Austerity incentivising local authorities to transfer assets that may be/become a liability
- Financial viability of the asset in a cash-strapped neighbourhood

Outcomes and impacts for community groups are:

- Delivery and facility of services such as health, sport and training
- Economic development – through skills development, entrepreneurship and revenue generation
- Resident engagement with local democratic processes
- A sense of community spirit and cohesion

Recommendations

Key recommendations to the APPG on actions they can take to improve asset ownership by community groups (including businesses), through policy, programmes and funding.

Community Ownership Fund

This report recommends that a **review or evaluation of the Community Ownership Fund** is undertaken one year from its launch to assess its effectiveness, and consider the recommendations made in this section.

This report follows interviewee suggestions, and recommends that the Community Ownership Fund is delivered with **'grant flexibility'**; the ability to change the terms on what the money is used for. This is important given the nature of asset ownership – large capital sums may be required for maintenance of a previously unforeseen issue. This was also raised in terms of deadlines for applications, or how quickly money should be spent; “asset-based projects take a long time” and any requirements around the funding should reflect that. As stated by Woodley for the Centre for London, “genuine co-production can only take place when there is a realisation that it can't be imposed top down... [through] prescriptive funding and procedural requirements”.ⁱⁱⁱ

A key recommendation is that if match funding is required, community groups in LBNs have the flexibility to **deliver this against 'sweat equity'** due to the significant investments made by volunteers in terms of time and effort, while Localis have similarly recommended that payback for any loans-based funding arrangements should “encompass non-financial capital benefits such as health and wellbeing dividends”.^{iv} If only financial match funding is required, there is a risk that LBNs are further marginalised by the fund, due to lower levels of income and finance in those areas.

Interviews and literature have also recommended that funding for **feasibility studies** would be useful to increase the likelihood of community asset ownership, against private bidders (who may be able to finance such studies independently).^v In terms of the levels of finance that have been agreed (so far), interviewees generally agreed that it was insufficient to tackle the substantial inequalities and lack of access to social capital in LBNs once it has been diluted through funding bodies. Suggestions from interviewees in terms of distribution included: delivering it through experienced organisations with a track record in supporting community asset ownership, or ensuring it is delivered through devolved regional powers rather than centrally.

Support and Advice

A key theme emerging from the interviews and literature was the need for **'wrap around support'**.^{vi} As stated previously, skills and knowledge about community assets is needed to support groups in firstly, giving them the confidence to engage with asset transfer, and secondly, to interpret often confusing language and lengthy processes. It was also suggested that support is not provided solely at the stage of acquiring the asset or lease, but to enable longer term financial viability. The Joseph Rowntree Foundation, for

example, recommend supporting community organisations to ‘move towards enterprise’ to diversify activities delivered on site, and improve income generation.^{vii}

This report recommends:

- A centralised database is made available online, with information on all available grants and support available (searchable by postcode)
- Specific capacity building in LBNs – for example to support grant writing
- Access to pro-bono lawyers and architects that can provide expert advice on feasibility studies and leases
- Business advisor to provide guidance on sustainable and financially viable business planning
- Development funding for community groups to visit other community assets to enable peer-to-peer learning and network development.

Policy Making

This report echoes Localis in its recommendation that asset transfer processes should have “**more stringent recognition of liabilities taken on by community groups**” to encourage councils to hand over buildings with less expensive upkeep / maintenance costs.^{viii} Local authorities must consistently recognise the importance of social infrastructure in delivering public services to the benefit of local people.^{ix} While the legislation surrounding community rights and assets of community value may enable community groups to begin the process of asset ownership – the evidence reviewed for this report suggests that the long-term maintenance, upkeep and the need to generate revenue from community assets can be challenging for communities, and due to a lack of access to social capital, is likely to affect LBNs to a greater degree than other areas. Given the challenges experienced by local authorities, it is important that policy must look explicitly at the misaligned incentives between authorities and community groups, and find ways to shift those incentives.

The connection between local government budget reductions and financial support for social infrastructure was identified as a barrier to asset ownership in both LBNs and deprived areas more widely. The lack of social infrastructure has been highlighted as an issue, for example, in community responses to the Covid-19 pandemic in which LBNs were less likely than other areas to have developed mutual aid groups. This report therefore suggests that the APPG looks at **investment in social infrastructure for LBNs**.

The APPG could also consider reforms to the Right to Bid and associated legislation to make it easier for community groups to take part in the process. Recommendations coming through the interviews and case studies suggested:

- Greater independence from the Council – such as an independent body to agree whether an asset is ‘of community value’
- Learning lessons from the Scottish legislation on Right to Buy, such as by providing communities with the first option to buy the land or asset once they have registered interest^x
- Increasing the moratorium period, to enable community groups a longer time to raise required capital

Levelling up

Funds made available to local areas and communities to support the ‘levelling up’ agenda should directly and intentionally support LBNs, to ensure they do not miss out or fall further behind, and are able to recover, and thrive, after Covid-19. As established by this report (and previous research), the Covid-19 pandemic has had a significant impact on deprived communities – as they are more likely to have higher rates of multiple or long term health conditions, and higher numbers of people working in ‘front line’ occupations. Reflecting this change in context and drawing upon existing research and interviews, this report recommends the APPG looks into exploring targeted funding directed to LBNs as part of the recovery and separate from the Community Ownership Fund.^{xi} This should be flexible, patient, long-term, and made available at a hyper local (e.g. ward) level. The focus of the recovery funds should **focus on re-establishing social capital** in these areas which will build on the harnessing of a ‘community spirit’ developed in the pandemic, and also help address the associated barriers (access to networks, groups and support) to community asset ownership from the outset.

Future Research Needs

There are substantial **gaps in both the academic and grey literature** on asset transfer in left behind neighbourhoods. This report – using interviews and case studies – has identified likely barriers and enablers to community asset ownership in LBNs, alongside some outcomes and impacts. More in-depth primary analysis of asset ownership in these areas is needed to quantify the economic impact, as well as a cost benefit analysis (taking account of qualitative or ‘soft’ impacts), to inform policy going forward.

The quantitative data highlighted stark regional differences between the level of community asset ownership in left behind neighbourhoods. While this research has uncovered various enablers and barriers that affect asset ownership in LBNS, further research is needed to determine regional factors – such as property prices, or the role that devolution to regional mayors may have.

Data mapping highlighted a number of issues and inconsistencies with the way assets have been counted. Future research is needed to identify all other community owned assets in LBNs that have not been registered or captured in the data provided for this research. It would also be useful to draw findings out by comparing community owned

assets quantified by other variables – such as categories of assets, the type of transfer and value.

Investigation into the accessibility of community asset transfer, and other means of community ownership of assets, suggests a substantial gap in relation to the impact on marginalised groups. An Equality Impact Assessment may be a useful research tool from which to identify the ways in which existing processes for asset transfer may exclude marginalised people.

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- ⁱ OCSI and Local Trust (2021) Left Behind Neighbourhoods [<https://localtrust.org.uk/policy/left-behind-neighbourhoods/>]
- ⁱⁱ Onward (2020) The State of Our Social Fabric [<https://www.ukonward.com/wp-content/uploads/2020/09/The-State-of-our-Social-Fabric.pdf>]; Power To Change (2021) Written Evidence (LOL0121) [<https://committees.parliament.uk/writtenevidence/19417/pdf/>]
- ⁱⁱⁱ Woodley, K. (2019) Heart of the Community: Community Led Approaches to Protecting Neighbourhood Assets. [<https://www.centreforlondon.org/reader/act-local/karin-woodley/>]
- ^{iv} Localis (2020) Local Delivery: Protecting Social Infrastructure [http://www.localis.org.uk/wp-content/uploads/2020/06/032_LocalDelivery_AWK.pdf]
- ^v Localis (2020) Local Delivery: Protecting Social Infrastructure [http://www.localis.org.uk/wp-content/uploads/2020/06/032_LocalDelivery_AWK.pdf]
- ^{vi} Localis (2020) Local Delivery: Protecting Social Infrastructure [http://www.localis.org.uk/wp-content/uploads/2020/06/032_LocalDelivery_AWK.pdf]
- ^{vii} Thorlby, T for the Joseph Rowntree Foundation (2011) Finance and Business Models fo Supporting Community Asset Ownership and Control. [<https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/community-assets-business-models.pdf>]
- ^{viii} Localis (2020) Local Delivery: Protecting Social Infrastructure [http://www.localis.org.uk/wp-content/uploads/2020/06/032_LocalDelivery_AWK.pdf]
- ^{ix} Localis (2020) Local Delivery: Protecting Social Infrastructure [http://www.localis.org.uk/wp-content/uploads/2020/06/032_LocalDelivery_AWK.pdf]
- ^x Scottish Government (2019) Community Right to Buy [<https://dtascommunityownership.org.uk/community/other-community-rights/community-right-buy/community-right-buy#:~:text=A%20CRtB%20gives%20a%20pre,land%20is%20offered%20for%20sale.>]
- ^{xi} Power to Change (2021) Written Evidence (LOL0121) [<https://committees.parliament.uk/writtenevidence/19417/pdf/>]