

Press Release - for release on 17 September 2019

Inquiry seeks to protect a potential 1,300 community assets at risk of falling out of community hands

The Protecting Community Assets Inquiry today publishes its interim report, warning that a fifth of existing community assets could be at risk of falling out of community hands unless steps are taken by funders, government and community organisations to protect the community interest in them. Recent high-profile losses have included Hadlow Tower in 2015, and both Hastings Pier and Unity Hall Wakefield in 2017.

Since February 2019 the inquiry has investigated current law, policy and practice, undertaken detailed desk reviews, investigated nine detailed case studies, interviewed more than 50 people, and held panel meetings with a range of stakeholders.

The number of community assets has been growing rapidly in recent years and the sector is now making an annual economic contribution of £220 million. This sits alongside the many potential benefits that community control can bring - such as a heightened sense of identity; a better physical environment; improved levels of activity; access to services; and building of community confidence.

Organisations taking ownership of community assets and make sure they continue to benefit the people that really value them, can face real challenges:

- Partly due to the emotional attachment to the asset and partly as result of limited access to specialist advice, it can be difficult to negotiate favourable terms on acquisition or transfer.
- Significant changes in skills and experience are required at every stage of the life-cycle of an asset – from campaigning to save it, through to acquisition, renovation, and into operations.
- A lack of realism in business planning alongside inherently unpredictable costs and trading performance are also factors – particularly when set against a lack of sufficient, flexible and long-term finance.

All of these can tip community organisations into losses, and even eventually into sale or insolvency. Once at this point, protecting the community interest in the asset, rather than necessarily the community organisation itself, can be very difficult to achieve with communities often frozen out of coordinating a rescue.

The report sets out the key findings, as well as points for funders and finance providers, central and local government, and community groups to consider. The inquiry also proposes six ideas for further development:

1. A Register of Community Assets, including the people from within the community with an interest in the assets.
2. Principles for Funding Community Assets, which funders can adopt.
3. Principles for Community Asset Administration, for insolvency practitioners – and including a possible distinct process for the administration of a community asset.
4. A Community Asset Protector, which represents the community interest in sales and insolvency.
5. A Community Asset Rescue Fund, to temporarily buy out assets in difficulty and secure their future.
6. A Community Assets Academy to research, disseminate learning and support activity across all of the above.

The inquiry is now actively seeking feedback or offers of support to continue its work.

Quotes:

Bob Thust of Practical Governance, the Secretariat to the inquiry says, *“Having published this interim report we welcome comments, challenges or offers of support. We intend to publish a further update in 2020 with a confirmed and resourced timetable of next steps. We are tremendously grateful to all the contributors to and funders of this work to date who have engaged with energy and in the spirit of open inquiry”.*

Duncan Laird, Head of Urban Places, National Trust says, *“Community assets can bring real benefits to the people that make use of them. It’s really important that communities should be involved and engaged in protecting the special buildings and places that mean the most to them, and the National Trust welcomes an evidence led and information sharing approach to delivering positive change in this area”.*

Jess Steele Director Jericho Road Solutions (former trustee of White Rock Trust, advisor Hastings Pier Charity, member of Friends of Hastings Pier) says, *“The story of Hastings Pier is a tale of highs and lows. Rescued from the brink of oblivion by the ‘dogged persistence’ of local people, with public investment of over £14 million and a successful compulsory purchase, Hastings Pier gave the town a bouncy confidence. Owned by 5,000 individual community shareholders through a charitable community benefit society with a strong asset lock, the community interest should have been safe. But it wasn’t. The loss of the pier from community ownership and the experience of that ultimately heart-breaking process demonstrated the need to learn the lessons. We can only hope that through this Inquiry and its practical ideas for prevention, rescue and impact limitation, other community-owned assets can be protected”.*

Rob Benfield, Director of Enterprise and Development, Social Investment Business says, *“Through our experience of funding hundreds of community assets over the last 15 years Social Investment Business has found ways to support and protect community assets. However, it is clear to us that much greater protection could be achieved in the future through a more co-ordinated approach to this issue across sector participants and government. This inquiry has been a collaborative effort to identify practical tools and initiatives that will reduce the loss/failure of community assets. We now need to collectively continue the momentum that has been built and seize the opportunity to turn these ideas into actions.”*

Vidhya Alakeson, Chief Executive at Power to Change Trust says, *“Community owned assets are incredibly important for bringing people together, instilling pride, and providing a home for essential services. Power to Change has supported hundreds of groups to take on assets and raise funds to strengthen them through grants and investment. Those assets - swimming pools, community halls, pubs and leisure centres – have gone on to create huge social value for their communities. However, all the work that communities are putting in is at risk by loopholes that can allow assets to be made good by communities and then sold off. Put simply, they need protecting. The recommendations in this report for a community assets academy, protector, rescue support fund and solidarity fund would be of huge value to communities and we are willing to invest further to ensure they become reality.”*

Matthew McKeague, CEO Architectural Heritage Fund says *“This has been an important inquiry to be involved with, to both look at the lessons and to help develop ideas that will support organisations to sustain their community assets, many of which are historic buildings. As well as the opportunities that these assets bring, we know there are a range of challenges to their sustainable use. Along with sector partners and government, we want to help communities to overcome these wherever possible and we look forward to continuing to work collaboratively in developing the ideas that have emerged from the inquiry”.*

Notes to editors:

The Protecting Community Assets Inquiry came about in response to high-profile instances where assets held by local communities and which had received significant public investment fell out of community hands, such as Hastings Pier in 2017, Unity Hall Wakefield also in 2017 and the Hadlow Tower in 2015. It

has brought together a wide range of contributors all of whom have direct experience of managing, supporting or funding community assets and who have been willing not just to understand the challenges and opportunities but help to shape some recommendations as well as some practical ideas.

The summary and full interim inquiry reports can be found on the website www.protecting-community-assets.org.uk including all key findings, recommendations, details of the proposed ideas, funders and contributors.

The figures of 1,300 assets at risk refers to one in five community assets that made an operating loss of 10% or more of their revenue in their latest financial year. This figure and the estimate of the £220m economic contribution of community assets comes from a recent report "[Our assets, our future: the economics, outcomes and sustainability of assets in community ownership](#)" by the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University and Institute for Voluntary Action Research (IVAR) July 2019 published by the Power to Change Research Institute.