

# Community ownership and management of assets

Findings  
Informing change

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Community organisations have owned or managed assets, including buildings and land, for many years. Current government policy encourages the transfer of assets to community organisations. This study reviewed existing evidence to explore the scale of community ownership in the UK, the benefits and outcomes that arise from it, and differing international approaches. It highlights that much of the existing evidence has been produced from within the community sector, and concludes that further independent evidence is needed. In co-ordination with others, JRF will be developing a new work programme on community assets to help address the knowledge gaps and inform future policy and practice development on this agenda.

## Key points

- Since 2002 there has been heightened policy interest in community ownership and management of assets across the UK.
- The tradition of UK community organisations' involvement in assets dates back over 400 years to early charities, social movements and mutual organisations (including co-operative housing).
- Contemporary organisations owning or managing assets include development trusts, community centres, settlements and social action centres, village halls, city farms, housing co-operatives and community land trusts. The scale of community ownership of land and buildings across the UK is unclear.
- The suggested benefits include financial sustainability for community organisations, support for better public services and an empowered community.
- Some 'assets' can be liabilities and ownership may distract from the original mission of the organisation. Smaller organisations may face barriers to acquisition.
- Community control of assets is conceived differently in Europe, the USA and elsewhere. For example, in Sweden the focus is on use rather than ownership of assets.
- The authors conclude that existing information/data (the evidence base) should be improved through an inquiry into the importance of assets for rebuilding society and research that both captures the knowledge gained from experience and examines the benefits for communities.

## The research

By Mike Aiken and Ben Cairns,  
Institute for Voluntary Action  
Research, London, and Stephen  
Thake, London Metropolitan  
University.

# Background

There has been a high degree of policy interest in community ownership and management of assets such as buildings and land in recent years, and a significant amount of community activity has taken place to justify this interest. It has been less clear how much was known about the issue, particularly from independent evaluations and research. This study reviewed the evidence base to identify gaps in existing knowledge. It was undertaken by analysing a wide range of documents from policy, research and community organisation sources and through discussions with practitioners in the field.

For the purpose of this study, key terms are used as follows:

**'Assets'** is used to cover physical assets such as land and buildings. There are a wide range of other important assets (such as human, financial, social and intellectual assets) that are not considered in this study.

**'Community ownership of assets'** refers to a community-based organisation's freehold or leasehold interest in an asset on behalf of a wider community or for an organisation's own use.

**'Community-based organisations'** are local organisations that are independent of the government or the market and include locally-based housing associations.

**'Management of assets'** means the day-to-day responsibility and accountability for the operation and use of land or buildings, whether owned by the community or occupied under licence – formally or informally – by a third party.

## Policy interest and initiatives

Since 2002 there has been an acceleration across the UK in government policy initiatives, particularly in England, which have encouraged community organisations to own and/or manage assets. By 2007

the Quirk Review of community management and ownership of public assets had signalled that the transfer of public assets to community-based organisations should become a mainstream rather than an exceptional activity. The 2006 Local Government White Paper, the 2007 Local Government and Public Involvement in Health Act and the 2008 Community Empowerment White Paper are just three recent examples of legislation and policy in this arena. These, alongside dedicated funding programmes (including the Adventure Capital Fund, Futurebuilders and Community Assets Fund), have given a prominent role to community asset ownership.

There are some differences in the policy frameworks between the four countries of the UK. In Scotland, the 2003 Land Reform Act gave communities the right to buy land and buildings in certain circumstances. The Welsh Assembly's 2005 Social Enterprise Strategy set specific targets for contracts, asset transfer and asset refurbishment for social enterprises. In Northern Ireland, the 2007 Community Support Programme was targeted at community centres and other facilities to underpin economic and social development. Despite these initiatives, the assets agenda has been developed most proactively in England.

## History

The idea that communities might own or manage physical assets goes back at least 400 years in the UK. The Diggers in the 17th century aimed to take on under-used land for the common good. Early charitable organisations owned land and buildings (for example, almshouses) to support poor people. The collective ownership of assets also had roots in the co-operative and mutual tradition of shared ownership by members. Settlements and social action centres, community centres and village halls have frequently managed a building as part of delivering their service.

From the 1970s a new community economic development movement arose that used assets as a way of meeting social and income-generating goals. It included co-operative housing, development trusts and other local community-run facilities. City farms, community gardens, village halls and community land trusts are also an important part of the contemporary shared-ownership sector.

## Scale and type of community-owned assets

The scale of asset ownership by community organisations is not clear. Research by the National Council for Voluntary Organisations (NCVO) calculates

that charities in England owned assets (defined as land, buildings, shares and investments) of over £86.1 billion in 2005/6, with just four charities holding 20 per cent of the entire amount. Three-quarters of assets held by the largest charities were in the form of investments rather than tangibles such as land and buildings. The Development Trusts Association (DTA) is a network of practitioner organisations engaged in ownership of buildings and land with the aim of bringing about long-term benefits to communities. Its mapping exercise suggests that DTA members held £436 million of assets in mid-2007.

There is limited evidence concerning the scale and type of community ownership of assets. There is no consensus on what an asset is or which organisations can be included as 'community-based'.

## Benefits

The potential benefits of asset management and ownership are clearly spelled out by practitioners, although they focus mainly on the advantages gained by organisations. There is less evidence on benefits accruing to communities.

Policy initiatives have often implied there are benefits that may occur as a result of transferring the ownership or management of assets to community organisations. Where benefits have been described, they include improved public services, increased local employment, restoration of unused buildings, organisational and financial sustainability and greater independence for community organisations. At times the empowerment of a local community has been cited as a possible outcome.

There has, however, been little independent evaluation of benefits. Such work as there is has suggested, cautiously, that organisational benefits might include increase in turnover, capital assets and financial reserves. There is also a lack of research that shows the combinations of factors that may lead to good results – either in the technical aspects of asset management or in improved outcomes for local people.

## Risks and difficulties

Very little information has been published on the risks and difficulties associated with community ownership or management of assets. The available evidence highlights concerns about the liabilities of asset management. In some locations there can be an imposition of rules by local authorities that effectively prevent community organisations benefiting from

revenue streams they derive from an asset, and the dilapidated condition of some assets. In addition, community organisations may be drawn away from their main work and become preoccupied with the technical and regulatory burden of asset management.

There may be a lack of technical aid available from other organisations and expert advisors to provide support. Some organisations, including rural or black and minority ethnic groups in particular, may be too small to experience benefits.

## Evidence from practitioner organisations

The largest volume of evidence on asset ownership and management comes from practitioner organisations. The DTA, which has had a consistent and specialist focus in this area for over 20 years, sees asset ownership as a means to achieve long-term social, economic and environmental improvements. Other accounts give more emphasis to the role of assets as just one form of engagement with communities or point out the high cost of maintaining buildings, which may detract from delivering services or organising activities. Elsewhere it has been felt that the extent and type of asset ownership in rural areas has been overlooked. In Scotland and Wales there is a particular focus on community assets connected to renewable energy, sometimes in conjunction with social inclusion activity, involving people from across the local community.

## International perspectives

Asset ownership and management is not just a UK phenomenon. However, it is conceived and practised in different ways in other countries. The difference between community and public ownership is not seen as so distinctive in Poland as it is in the UK. In Sweden, the local state and community organisations co-determine policy and implementation to a higher degree so the ability to use, rather than to own, an asset is more important. The tradition of collective common land in Italy – private properties that are managed by a community for the benefit of all – presents a different kind of stewardship of community assets. In the USA, legislative mechanisms ensure that commercial and financial institutions engage with community organisations both as partners in local developments and as funders. In addition, there are a wide variety of support organisations that offer technical assistance. Meanwhile some indigenous groups around the world associate the notion of assets – such as land or fishing – beyond ownership to a rights-based agenda concerned with self-determination.

## Conclusion

The authors conclude that the available information and data (the evidence base) on community ownership and management of assets should be improved in order to help shape and guide future policy and practice. The focus should be on an inquiry into the wider importance of assets for rebuilding society; learning from the experience already gained in asset ownership and management; identifying the needs of existing practitioners; and examining the benefits for communities.

### *Proposals for building the evidence base*

The following recommendations will address gaps in existing information and help to build a strong evidence base:

- a multi-disciplinary, multi-stakeholder inquiry to examine how asset ownership and management relates to the wider issues of rebuilding societies in the four countries of the UK and internationally.
- research into study areas identified by the authors:
  - *Learning the lessons of asset development.* Capturing the retrospective experience of practitioners, organisations and communities of asset management and ownership would help new entrants.
  - *Identifying the key variables associated with the organisation of asset ownership and management to achieve good outcomes.* Testing and refining the assumptions underpinning asset development would assist practitioners and policy-makers.
  - *Developing an effective supportive infrastructure for asset ownership and management.* Finding out what kind of organisational infrastructure needs to be

developed to support communities in areas where it is weak or absent would support existing initiatives and new entrants.

- *Examining the benefits of asset ownership and management for communities.* An examination of benefits accruing to communities would offer evidence to policy-makers and support practitioners engaged in existing and future asset transfer initiatives.
- *Knowledge sharing.* Data and evidence collected through this and other studies should be made easily and openly available to practitioners, academics and policy-makers in one location, probably online.

## About the project

Evidence was examined from a wide variety of sources in the four UK countries, including policy documents, accounts from community organisations, evaluation reports and academic commentaries. Over 200 UK documents were studied and analysed, a selection of key practitioners were contacted directly and the review was informed by discussions at three stakeholder forums organised by Renaissance Consultancy. In addition, a small sample of evidence was collected from documents and informants in mainland Europe (Poland, Sweden, Germany and Italy) and the USA. The review was carried out between April and July 2008 and was led by Mike Aiken and Ben Cairns (Institute for Voluntary Action Research, London) and Stephen Thake (London Metropolitan University).

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## Further information

The full report, **Community ownership and management of assets** by Mike Aiken, Ben Cairns and Stephen Thake, is published by the Joseph Rowntree Foundation. It is available as a free download from [www.jrf.org.uk](http://www.jrf.org.uk).

For further information, contact Ben Cairns (Director), Institute for Voluntary Action Research, 32 Tavistock Square, London WC1 H 9EZ ; email: [ben@ivar.org.uk](mailto:ben@ivar.org.uk); [www.ivar.org.uk](http://www.ivar.org.uk)

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Tel: 01904 615905 email: [info@jrf.org.uk](mailto:info@jrf.org.uk)