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INSPIRING SOCIAL CHANGE

# COMMUNITY ASSET TRANSFER IN NORTHERN IRELAND

This research examines the policy environment, scope and impact of community asset transfer in Northern Ireland. It shows that considerable progress has been made, but that legislation, skills and new forms of social finance would help to maximise the benefits of asset transfer.

**Key points**

- Community asset transfer is not new in Northern Ireland, but it is considerably less well developed than in the rest of the United Kingdom in terms of the number, size and impact of schemes.
- Projects that have been developed have improved environmental, health, and labour market outcomes and controlling assets has enabled larger social enterprises to develop.
- Asset transfer has also supported cross-community contacts that have enabled innovative responses to the management of contested spaces between Protestant and Catholic neighbourhoods.
- There are supportive officials in a range of organisations that have pursued progressive asset transfer, but there are legal, institutional and financial barriers to its longer term development.
- In particular, there is a need to consider legislation that would enable communities to challenge service provision and transfer property as well as making it simpler for public agencies to dispose of assets at below best market value.
- Changing cultures will also require new public finance guidance and a better understanding of accounting for social value.

The research
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# BACKGROUND

This research reviewed community asset transfer in Northern Ireland, examining why practice in the region seems to lag behind the rest of the UK.

The community and voluntary sector has had a significant impact on community relations and peace building. But the changing nature of welfare, public sector cuts and poverty will require different skills, resources and models of practice for the sector in the future. Asset management involves challenges, but also opens possibilities to expand local ownership and recirculate resources within disadvantaged areas.

## Asset transfer in Northern Ireland

There are various forms of asset transfer; from small-scale, peppercorn rents and licenses to the legal transfer of title to enable larger-scale social enterprises to develop. In Northern Ireland, transfers tend to be small-scale, where ownership is retained by a statutory sector landlord.

Successful asset transfer can bring social, environmental and economic benefits, stimulating wider regeneration processes as well as more sustainable community businesses. Asset transfer also has the capacity to address the physical separation of Protestant and Catholic communities, reduce wasteful duplication of services and build shared resources, trust and relationships, even in the most divided communities.

The **Suffolk-Lenadoon Interface Group (SLIG)** used land and property owned by the Housing Executive to develop retail, childcare and training facilities. The scheme was jointly developed and managed by Protestant and Catholic communities and has helped build trust and reduce violence and anti-social behaviour.

The **Ashton Community Trust** in north Belfast started with a community share scheme, which subsequently enabled investment from central government and EU Structural Funds to build a multi-purpose community facility integrating childcare, commercial and community uses.

**Kilcooley Community Forum** is an area-based regeneration organisation working on a disadvantaged post-1960s housing estate in Bangor, North Down. The Housing Executive supported the development of an allotment scheme for local people, which supplies produce to an over-50s diners' club.

## Needs and asset-led approaches

The concept of asset transfer challenges Northern Ireland's preoccupation with needs-based approaches to neighbourhood development. Understanding need is important, but area-based strategies have often led to resource competition, dependence on external help and a deficit model of local planning. Resilience and adaptation need to be a stronger feature of area-based regeneration. Transferring control of land and buildings to communities might help shift planning approaches in this direction.

A focus on social capital has dominated approaches to segregation, community participation in politics and building relationships within and between communities and the public sector. These approaches have their time and place, but a stronger balance is needed between social, community and physical capital to generate more sustainable models of growth.

## Policy, practice and legislation

There is significant policy interest in asset transfer in Northern Ireland, with commitments from the British-Irish Council, the Programme for Government and a new policy being formulated by the Department for Social Development (DSD). Local authorities and agencies such as the Housing Executive are keen to develop asset transfer programmes to achieve regeneration, cost-saving and community relations outcomes.

The Asset Management Unit of the Government's Strategic Investment Board is developing an asset register and departmental asset strategies to raise an estimated £100 million through the sale of public assets. These include surplus health facilities, closed schools and reserved land for abandoned road schemes. The Unit is open to ideas about putting these assets to productive use. The three-year, £15 million modernisation fund has strengthened the physical infrastructure for the voluntary and community sector, but there are few dedicated community asset transfer investment programmes in the region.

Effective policy development and delivery will require investment in skills, social finance products and new delivery mechanisms (such as community share initiatives). Practice across Britain is supported by new legislation through the Localism Act 2011, establishing local property rights through the Right to Challenge and Right to Buy. It is too early to fully assess the impact of the Act on asset transfer or the strength of community 'property rights', but legislation and instruments such as General Disposal Consent can help to strengthen the enabling environment. While the Scottish Executive has taken steps to support asset transfer through the Community Right to Buy, social clauses in procurement in Northern Ireland have been slow to emerge.

Lack of progress on transfers is partly explained by a lack of skills to develop investment readiness through effective business planning and financial management. There are third sector models being developed, such as the Building Change Trust (see box below) and its related investment in Charity Bank. While these are largely experimental, they demonstrate the community sector's capacity to innovate and provide a supportive infrastructure on which to build.

The **Building Change Trust** was established in 2008 with a £10 million grant from the Big Lottery. The Trust aims to make up to 20 Deliver Change awards of £50,000 to strengthen organisational sustainability up to 2013. It also has a Partnership, Collaboration and Mergers support programme and, through Charity Bank, a Social Loan Fund. Around £4.2 million worth of lending to social enterprises is planned by 2018, supported by an Investment Readiness skills programme.

## The wider debate

The research encouraged wider debate about asset transfer via a stakeholder conference and an online seminar, involving representatives from the community, voluntary and statutory sectors. This highlighted a number of issues in relation to current policy and practice. In particular, there was frustration in the community and voluntary sector with the regulation of asset disposal, especially as vacant and surplus properties were not used to meet local needs. Community enterprises have developed their own sources of finance, such as the Ashton Community Share initiative, but not all organisations have the capacity to take on loan funding.

The full economic, administrative and personal costs of asset transfer need to be better understood in light of concerns among community organisations that risks and liabilities may surface downstream following transfer. There was a degree of cynicism about who was driving asset transfer and whether it was really about efficiency savings and government withdrawal from welfare. However, there were more positive reflections on a progressive version of transfer that empowered and enabled communities through new forms of property ownership.

## Conclusions

Policy in Northern Ireland needs to reflect what asset transfer is for: the resilience and adaptive capacity of disadvantaged communities, not cost efficiencies for the state.

Legislation should underpin effective practice, make community asset transfer a priority and ensure transfers are managed effectively and efficiently. This includes a community Right to Challenge and Right to Buy, which offer a different concept of property rights. A type of general disposal consent would help make transfer more transparent, but should not be confined to local government. Financial guidance on the disposal of public sector assets to the community and voluntary sector could further support a progressive attitude to asset transfer by public sector agencies. The Social Enterprise Investment Fund typifies the type of approach that needs to be supported and up-scaled.

The **Social Enterprise Investment Fund** is one example of innovation in Northern Ireland, in which the Ulster Community Investment Trust (UCIT) has partnered with Big Issue Invest (BII) to offer a new source of finance to social enterprises. Medium- and long-term funding and 'equity-like' investment solutions provide growth capital to social enterprises with the potential for scale and sustainability.

Resources are required to underpin policy. Patient capital, community shares and even private ethical investment could be developed alongside community finance to create mixed sources of funding for the community and voluntary sector. Different skills and knowledge are needed to enable asset transfer to be delivered effectively, including investment readiness skills in both government and the voluntary and community sector. There needs to be a stronger culture of learning and a commitment to co-producing policy and sharing best practice. Access to technical expertise around finance, business planning and legal services is required to support practitioners and policy-makers. Finally, better systems are needed to measure and account for social value and the full economic effect of asset transfer in benefits for the state, the sector and local communities.

## About the project

This study is part of JRF's Community Assets programme. It was carried out by a team from Queen's University and Charity Bank Northern Ireland, and consisted of a review of policy and practice in Northern Ireland; a series of semi-structured interviews with 20 policy-makers, NGOs and funding organisations; and 10 case studies of asset transfer. Online presentations, case studies and personal testimonies stimulated a wider debate, which fed into a policy-based seminar involving practitioners from across the UK.

## FOR FURTHER INFORMATION

This summary is part of JRF's research and development programme. The views are those of the authors and not necessarily those of JRF.

The main report, **Community asset transfer in Northern Ireland** by Brendan Murtagh, Niamh Goggin, Elaine Bennett and Lisa Copeland, is available as a free download at www.jrf.org.uk

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