

Community building management

Draft 141124 Neil Townsend

Introduction

When a community facility is built, a number of things need to be ensured for the long term:

- That the purposes for which the facility was set up are achieved on a day to day basis.
- That the facility is well maintained, well operated and fit for those purposes.
- That the facility has the necessary financial resources to achieve those purposes

It should be noted that over the long term, the reasons that led to the creation of the facility may no longer apply, and so it will be necessary also to engage in occasional redefinition of these purposes.

Areas of responsibility

When thinking about building management, it is helpful to consider eight distinct aspects:

- Who owns the land
- Who owns the buildings
- Who has landlord responsibility for building maintenance
- Who has tenant responsibility for building maintenance
- Who develops the building and its facilities over the medium and long term
- Who defines the ground rules for the day to day running of the facilities
- Who manages the building day to day
- How the each of the above is funded.

Responsibility holders

A list of groups which might hold responsibility for one or more of the above responsibilities is as follows:

- The County Council
- The District Council
- The Town (Parish) Council
- A local company
- A national company
- A Community Land Trust
- A local small charity (say turnover under £500,000 or less than 5 years old)
- A local mid-sized or large charity (turnover > £500,000 with at least 5 years existence)
- A national charity (similar requirements to a mid-sized or large local charity)
- A club or society

The body of this paper will present the advantages and disadvantages of each of those carrying each of the responsibilities.¹ Prior to that, the question of funding is summarized.

¹ Technically, it would also be possible to consider national bodies, such as HM Government and NGOs. For the sake of this document, appropriate NGOs will be treated as National Charities, even if they may not, technically, be charities.

Funding the facility

History teaches us that such facilities have to be fully funded at or near set up and to be self-funding in the long term. To develop, build and run a community facility demands a number of phases as follows:

1. The scale and overall concept must be agreed.
2. The funding for cost of the build must be determined and agreed.
3. The cost of running of the facility must be defined.
4. The means by which that cost is met must be determined and agreed.

This document is not concerned with building and development of the facility. To be self-funding requires a combination of:

- Endowment or guaranteed long term funding (typically from the developers)
- Income from facility use.
- Income from facility sponsorship.
- Income from those with a sufficient stake in the building to invest in it (probably in exchange for a portion of ownership or reduced rates)

In essence, there is a certain trade-off between lowering costs by offering ownership to appropriate bodies in exchange for understanding that the use of the facility may then be biased towards those organizations. So if a body invests in the development or running of the body, they will expect to get influence in the day to day use of the facility.

It is our contention that facilities should be set up with established funding streams for the short term (getting going), medium term (running normally and maintenance) and long term (strategic development and building maintenance) and that this funding stream may include the long term commitment of a group to the facility in exchange for certain influence and use rights.

Ownership

Generally in the UK, ownership of land and buildings go together, but this need not be the case. First, thinking about ownership in general:

Potential owner	Pros	Cons
County Council	Long term stability, the land or building is very unlikely to be misused	It is quite far removed from their active interest, and such ownership isn't on their list of statutory roles
District Council	Long term stability, the land or building is very unlikely to be misused	It is a bit removed from their active interest, and such ownership isn't on their list of statutory roles.
Town Council	Long term stability, the land or building is very unlikely to be misused. Close links to the property.	Although Abingdon Town Council have recently taken on the Guild Hall, town councils aren't historically geared up to hold property and assets in this way. Risk that they pass it on to the district or county council, moving it away from those who it is intended to benefit.
Local company	Strong understanding of local financial context.	Very hard to guarantee that they would be able to keep the value of the property from their assets, with consequent risks in terms of bank loans etc.
National company	As a general rule financially secure, so a reasonably safe place to house the facility.	Very hard to guarantee that they would be able to keep the value of the property from their assets, with consequent risks in terms of bank loans etc. Also possible that the particular property gets lost in a large company.
Community Land Trust	Specifically designed for this purpose. There is a history of using Trust structures for such purposes.	This particular approach is a relatively new model, as yet untested by time. Unclear how their financial stability is assured.
Small Local Charity or Trust	Passion and care!	Would they be stable or secure for the long term financially and able to exercise good governance over the long term? Need to ensure that it doesn't become solely for the charity that owns it.
Larger Local Charity or Trust	Passion and care with more skills and expertise.	Need to ensure that it doesn't become solely for the charity that owns it.
National Charity	High expertise base.	It becomes one of many things and gets lost.
Club or Society	Passion and care.	Would they be stable or secure for the long term financially and able to exercise good governance over the long term? Need to ensure that it doesn't become solely for the charity that owns it.

Arguably, it might make sense to separate the ownership of the land from the property specifically to make it harder for the land to be misused in the future because it would demand that two parties (who may have differing agendas) agree.

Landlord Responsibility

Potential owner	Pros	Cons
County Council	Stable financially, and is democratically accountable for placing the interests of the county first. Has experience exercising landlord responsibilities.	Somewhat remote. Managing such facilities isn't on the list of required functions for a county council.
District Council	Stable financially, and is democratically accountable for placing the interests of the district first. Has experience exercising landlord responsibilities.	As Wantage isn't the district town, there is also a danger of remoteness, and "stop start" management intervention as seen in The Beacon. Managing such facilities isn't on the list of required functions for a district council.
Town Council	Local, financially stable	Not necessarily geared up to run something of this scale.
Local company	Local, possibly more financially stable than other local groups. May understand landlord responsibilities.	May be hard for a local company to keep the best interests of the facility separate from the best interests of the company unless there is a clear contractual requirement to do so. One option is to pay a local company a fixed annual fee with an agreed schedule of landlord work. Obviously they would need to make a profit on the arrangement.
National company	National, likely to find one with a good understanding of landlord responsibilities	It could only ever be a contractual arrangement with clear Quality of Service agreements so that the facility isn't lost in the list of everything the company does. Obviously they would need to make a profit on the arrangement.
Community Land Trust	Have the interests of the community written into their trust deeds and so must stick to them.	Are more designed for holding assets in trust than running them. More likely to negotiate long or medium term contracts for such a role.
Small Local Charity	Clearly have local interests at hearts.	Generally, management of facilities isn't the strong point of smaller charities.
Larger Local Charity	If they have proven experience in facility management could work well, as they are mandated to act for the public benefit.	Would require clear agreement with Quality of Service to protect both the facility and the charity from ambiguity in the arrangement.
National Charity	If they have proven experience in facility management could work well, as they are mandated to act for the public benefit.	Similar to a national company, there would need to be a clear definition to ensure that the facility isn't lost in the list of things the charity does.
Club or Society	Have local interests at heart.	Unlikely to be able to have the expertise over the medium to long timeframe. It would probably also be a distraction from their core purpose.

Tenant Responsibility

Potential owner	Pros	Cons
County Council	Stable and have the skillset.	Somewhat remote. Managing such facilities isn't on the list of required functions for a county council. Even small decisions would be linked into complex processes.
District Council	Stable and have the skillset.	As Wantage isn't the district town, there is also a danger of remoteness, and "stop start" management intervention as seen in The Beacon. Managing such facilities isn't on the list of required functions for a district council. Even small decisions would be linked into complex processes.
Town Council	Stable, have local understanding.	Not an obvious fit for their skillset, and probably a distraction for them.
Local company	Stable, probably have local understanding, and may have the right skillset.	May be hard for a local company to keep the best interests of the facility separate from the best interests of the company unless there is a clear contractual requirement to do so. One option is to pay a local company a fixed annual fee with an agreed schedule of tenant work. Obviously they would need to make a profit on the arrangement.
National company	National, stable financially, likely to find one with a good understanding of day to day building management.	It could only ever be a contractual arrangement with clear Quality of Service agreements so that the facility isn't lost in the list of everything the company does. Obviously they would need to make a profit on the arrangement.
Community Land Trust	Not really at the heart of what they do, but it could fit in well to what they manage.	Are more designed for holding assets in trust than running them. More likely to negotiate long or medium term contracts for such a role.
Small Local Charity	Have local interests at heart and, if the facility benefitted the charity, could well contribute back in this manner. May well have easy access to volunteer work for such roles.	It would probably have to be multiple small local charities and it could get complex to manage all of them and their expectations given that they are each "making the place run".
Larger Local Charity	May have greater experience at this. Would have good volunteer access.	It won't be the only thing they do, so a clear definition of expectations and flow of money would be necessary to protect both the facility and the charity.
National Charity	May lack local skill but it may be a specialty they offer charitably.	It would be one of many things, essentially the same as hiring a company (but perhaps better value). Would need well negotiated contract.
Club or Society	Have local interests at heart and, if the facility benefitted the charity, could well contribute back in this manner. May well have easy access to volunteer work for such roles.	It would probably have to be multiple small local clubs and it could get complex to manage all of them and their expectations given that they are each "making the place run".

Strategic development of facilities

Potential owner	Pros	Cons
County Council	Have a long term plan for the county and can integrate the facility into that development.	It won't be their focus and runs a great risk of being ignored for long periods, especially if they have no financial imperative to develop the facility.
District Council	Have a long term plan for the district and can integrate the facility into that development.	It won't be their focus and runs a great risk of being ignored for long periods, especially if they have no financial imperative to develop the facility.
Town Council	Have a long term plan for the town and can integrate the facility into that development.	Developing facilities isn't currently on their list of skillsets or aims.
Local company	Assuming the company is developing itself, will bring entrepreneurship to the situation.	May be hard for a local company to keep the best interests of the facility separate from the best interests of the company.
National company	Assuming the company is developing itself, will bring entrepreneurship to the situation.	May be hard for a local company to keep the best interests of the facility separate from the best interests of the company. Like the larger councils, the facility may also get lost in the scale of the company.
Community Land Trust	This is in the "sweet spot" for this type of organization.	Hard to set up and ensure good governance of such organizations over the medium to long term.
Small Local Charity	Local passion, may have a good understand of need.	Small charities can be very focused on their niche, and may not have the scale to develop such a significant thing.
Larger Local Charity	Local passion, could have a good understand of need and the scale to develop the facility over time.	It would be necessary to ensure that the interests of the facility and those of the charity do not become too intertwined.
National Charity	Could bring the appropriate skillset and scale.	It would be necessary to ensure that the interests of the facility and those of the charity do not become too intertwined and that the scale of the company didn't mean the facility got lost in their planning.
Club or Society	Local passion, may have a good understand of need.	Small clubs and charities can (should?) be very focused on their niche, and may not have the scale to develop such a significant thing.

Definition of the ground rules for facility use

Potential owner	Pros	Cons
County Council	Have a very wide overview and experience of community facilities that have worked and not worked.	Wouldn't necessarily understand the local situation and would probably veer to a very "civil service" approach, potentially stifly local entrepreneurship.
District Council	Have some overview of other community facilities.	Would tend towards defining the role of the facility in terms of their obligations and processes rather than the local needs.
Town Council	Should have a good understanding of the local needs and tensions that may need to be resolved.	This isn't really on their list of roles.
Local company	Could have good experience of getting these things right.	It doesn't really matter to them unless they have a financial interest of some kind.
National company	Could have good experience of getting these things right.	It doesn't really matter to them unless they have a financial interest of some kind.
Community Land Trust	Absolutely on their sweet spot. They may be legally the clearest option for this.	Hard to set up and ensure good governance of such organizations over the medium to long term.
Small Local Charity	Good understanding of some local characteristics, and of the facility and some of its purposes.	Danger that the ground rules are biased towards the charity; smaller organizations can find it challenging to live magnanimously towards others as this would require.
Larger Local Charity	Good understanding of local characteristics, and of the facility and many of its purposes, may bring experience of setting such ground rules from other facilities.	Could become too centered on the specific charity without clear role definition. Would need clear definition and the charity to have shown the capacity to set ground rules that work for all elsewhere.
National Charity	Scale and experience.	Not necessarily an obvious thing for a national charity to do. Lack of local understanding
Club or Society	Good understanding of some local characteristics, and of the facility and some of its purposes.	Danger that the ground rules are biased towards the club; smaller organizations can find it challenging to live magnanimously towards others as this would require.

Day to day management of the facility

Potential owner	Pros	Cons
County Council	Plenty of experience at day to day running of facilities.	Very removed from them.
District Council	Plenty of experience at day to day running of facilities.	Fairly removed from them.
Town Council	Understand the local situation well.	Close to them, but not really in their remit.
Local company	May have good experience of running facilities and may understand local situation well.	May be hard for a local company to keep the best interests of the facility separate from the best interests of the company unless there is a clear contractual requirement to do so. One option is to pay a local company a fixed annual fee with an agreed schedule of landlord work. Obviously they would need to make a profit on the arrangement.
National company	May have good experience of running facilities.	It could only ever be a contractual arrangement with clear Quality of Service agreements so that the facility isn't lost in the list of everything the company does. Obviously they would need to make a profit on the arrangement.
Community Land Trust	Within their bounds, should have good understanding of the local facility and its purposes.	Not necessarily the prime focus of what is more an oversight body, and this skillset may not necessarily be present in the trust.
Small Local Charity	Could have the skillset, should understand the context. A specific local charity could be established with the goals of managing the facility day to day.	It would might have to be multiple small local charities (and therefore complex to manage all of them and their expectations given that they are each "making the place run") unless the running of the facility was the charities sole focus.
Larger Local Charity	Probably has, or has access to, the skillset and should understand the local context, especially if they run facilities elsewhere.	It won't be the only thing they do, so a clear definition of expectations and flow of money would be necessary to protect both the facility and the charity.
National Charity	Could well have access to the skillset and economies of scale.	Even more so, i It won't be the only thing they do, so a clear definition of expectations and flow of money would be necessary to protect both the facility and the charity.
Club or Society	Might have the skillset, should understand the context.	Not really the focus of a club, unless this is the thing they do, in which case would need to ensure that the goals of the club and the facility don't become too intertwined.

Proposal

Given the above, we propose:

That the land and building be owned by the Town council but with clear restrictions such that the town council cannot pass it on to another body, and must use it within the scope of the original founding purposes, with an understanding that, over decades, how that should be interpreted might need to change.

That the land and buildings are leased on a longer term (min 100 years) to a Community Trust established for the purpose of overseeing them. This Community Trust will:

- (1) Ensure that the facilities are used in line with their intended purposes.
- (2) Manage the strategic development of the land and buildings.
- (3) Set the ground rules for how the facility run in practice, using the establishing guidelines as a framework.
- (4) Ensure the landlord responsibilities of the land and buildings are fulfilled. This could well be contracted out to an appropriate commercial or charitable body.
- (5) Contract out tenant responsibilities and the day to day management. This contract, in particular, would have to be of sufficient duration (min 50 years) to ensure stability and long term development. It might also appropriate to contract landlord responsibilities to the same group. Whatever the exact combination, each group would have to demonstrate sufficient capacity, stability and skill before being granted the contract and would have to be given sufficient time to demonstrate their capacity to execute the contract.
- (6) Be run by a body on which Elected Officials (One Town, one District and one County councillor), local elected representatives (4) and user groups (one rep for each of the four organisations with the greatest time usage of the facilities, with a minimum usage requirement to hold the post). This should be structured so that none of those three groups can also control any of the other two groups' voting.