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regeneration in a period of state retrenchment**

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10. The Contribution of community enterprise to British urban regeneration in a period of state retrenchment.

**Nick Bailey**

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### 10.1 INTRODUCTION

This chapter evaluates the role of community enterprise (CE) as a sub-set of social enterprise (see Pearce, 2003, p. 25), and particularly those community enterprises which develop an asset base as a mechanism to bring about benefits to a defined area which would not otherwise arise. These asset-owning organisations are often called community development trusts (CDTs). The next section begins with a discussion of the definitions and variables which influence the formation of community enterprises (including CDTs) and reviews recent research on their size and distribution in Britain. It then examines the ways in which CDTs have contributed to a variety of government-initiated regeneration strategies. In the following section, three models of community enterprise are developed, illustrated by different approaches to innovation and entrepreneurship at the local level. The conclusions assess the relevance of community enterprise as a model for local development and review its contribution to urban regeneration. The chapter ends with a number of priorities for future research.

The debate about how far community-based organisations can contribute to urban regeneration through the reduction of deprivation and social exclusion has developed significantly in the past two or three decades. This might be due in part to the major economic recession of 2007-08 but also the growth of community-based, entrepreneurial solutions to housing provision and neighbourhood revitalisation (Cadywould and O'Leary 2015). Similar trends can be observed in the USA (Varady et al. 2015), most countries in the European Union (EC 2014) and indeed worldwide (Peredo and Chrisman 2006). Although a significant amount of research has been undertaken, the field is still dominated by discussions about definitions of different types of organisation (Teasdale 2011) and uncertainties about distribution and prescriptions about scale and relationship to social and community capital (Forrest and Kearns 2001). In Britain there is a high level of contingency in that each community enterprise evolves in response to different local conditions, the availability of assets and access to funding. Thus we still lack a degree of certainty about what kinds of enterprise deliver which benefits, how far enterprise can be matched with accountability and what kinds of support are most likely to promote increased investment in the areas suffering the highest levels of deprivation (Teasdale 2010). Furthermore, it remains uncertain how far

the recent increase in community enterprise is a response to the economic recession and resulting reduction in public expenditure at central and local levels and how it is likely to develop in future (Leadbeater 2007).

Both the Coalition Government of 2010-15 and the Conservative Government from 2015 onwards have responded to the adverse economic climate by promoting neoliberalism. This approach includes reducing public expenditure and increasing the involvement of the private sector in service delivery. Local authority budgets have been particularly badly hit and in November 2015 the Chancellor announced 'overall resource savings' of 29 per cent by 2019-20 in the Department for Communities and Local Government's budget. In addition, central government support for local government expenditure in England will reduce total expenditure from £11.5 billion in 2015-16 to £5.4 billion by 2019-20. This represents a reduction in planned expenditure of £6.1 billion or 47 per cent over five years (H.M. Treasury 2015, p. 100). This level of financial restraint has led city governments to develop innovative and inclusive approaches and, as Hambleton (2015) illustrates with international examples, many of these involve close collaboration with different sectors around ideas of locality and place.

## 10.2 DEFINING COMMUNITY ENTERPRISE

There has been a considerable amount of research into the wider social enterprise (SE) sector which has highlighted the lack of clarity about the subject of study and the barriers to further advancement. Mueller et al (2014, p.2) put this down to four factors: the lack of 'agreement on the domain, boundaries, meaning and definition of SE'; the lack of rigorous research methods; 'the limited conceptual understanding of the role of SE in the light of traditional economic assumptions'; and the limitation of descriptive powers and language (2014, p.2). The term 'enterprise' is open to a number of different definitions relating to organisation, management and the reallocation of profits. For community enterprise, the focus of this chapter, the same factors apply, but the concept of 'community' is equally problematic. Somerville and McElwee (2011) argue that the most important factor in defining community enterprise is the extent to which there is alignment between the enterprise and members of the local community. As they point out, the most sustainable community enterprises tend to be based on a continuum of participation from a relatively small network of active participants to a much larger group of 'unmobilised inactive community members' (2011, p.323).

Community enterprises are established in a defined area in order to generate benefits for those living and working in the defined area, which might be called the 'community'. These community enterprises normally share the principle of reinvesting profits into the organisation rather than distributing them to shareholders but are owned and managed by members of that community. They may also seek to acquire land or buildings in their defined area in order to provide facilities and services orientated towards meeting local needs which would not otherwise be met, as well as contributing to broader regeneration strategies. These organisations adopt a variety of legal and organisational models but usually select (or elect) their management board to be representative of the area they serve and operate different methods of remaining accountable to the wider membership (Bailey 2012).

Since community enterprises are established voluntarily with little if any state assistance, the distribution is uneven and often dependent on a tradition of community activity and engagement in the area. Clifford (2012), for example, uses statistical data on the wider voluntary sector in order to determine that the general pattern represents '...a higher prevalence of local voluntary organisations in less deprived areas' (Clifford 2012, p.1158). In addition, residents in more affluent areas are more likely to have the skills to manage an organisation of this kind as well as the political skills and contacts to secure contracts, funding and assets.

*Locality* is the national body which represents CEs, CDTs and related organisations in England. It carries out an annual survey of its members and in 2014 reported a total membership of 492 organisations in England. London has the highest number of members with 93, followed by Yorkshire and Humberside with 82 and the North West with 64. The East of England has the fewest with 22 (Locality 2014, p.4). There are separate organisations covering Scotland, Wales and Northern Ireland. *Locality* members in England employed 10,500 staff and had a combined income of £315 million and assets totalling £652 million. 32% of members owned assets worth more than £1 million while 28% held assets valued up to £10,000. 53% earned income from public sector contracts although 22% reported that these contracts were operated at a loss. Thus while these organisations are united in their adherence to the principles of community enterprise, they vary in many other important ways. Key variables are: the size and social and economic characteristics of the area; the legal framework and organisational arrangements; the extent of community participation in strategy and delivery; and the access they can secure to service contracts, state, private sponsorship or charitable funding, and assets with the potential to deliver benefits to the wider area. A survey by Social Finance found that community businesses (of which CDTs are

a small proportion), of which there are at least 4,400 currently operating, were particularly in need of access to funding of up to £200,000 in order to expand their role and markets (Social Finance 2015, p.4, see also the chapter of Nick Williams and Colin Williams).

Community development trusts (CDTs) tend to accentuate the ownership of assets and delivery of services in order to benefit the population of a defined neighbourhood or locality. To do this a variety of commercial and non-profit activities are initiated demonstrating varying degrees of entrepreneurship and creativity, such as training, employment, housing and the arts and festivals. Where possible local and national funding opportunities are exploited and steps are taken to acquire land or buildings which might be used to improve service provision in the area, whilst making creative use of cross-subsidisation and additional (state, charitable or commercial) grants and loans. These organisations are unevenly distributed in England, have a tendency to be in more affluent areas and may be operating on very tight margins with significant dependence on voluntary assistance. They demonstrate many of the characteristics of co-production through the generation of social capital in that residents and other stakeholders are engaged in the use of local assets through collective action (Bovaird 2007; see also the chapter of Reinout Kleinhans).

Although CDTs may be constituted under different legal powers they have a number of constitutional and organisational arrangements in common. They adopt memoranda and articles setting out the mechanisms for determining membership and managing the day to day running of the agency. Membership of the board is normally designed to be as inclusive and representative of the area served as possible and may include representatives drawn from local businesses, public sector service providers, third sector organisations and local residents. A director and a number of salaried employees are appointed where resources permit. At regular intervals public meetings take place designed to inform and consult the wider public and to report back on the organisation's activities. The 'entrepreneurial' dimension comes in whereby the staff and members identify new opportunities, assets to be acquired or services to be delivered, in order to advance the objectives of the CDT. A variety of public, private and charitable sources can be drawn on in order to fund viable projects and certain tax advantages apply to enterprises registered as charities. The assessment of financial or other forms of risk is essential and board members are ultimately responsible for ensuring the organisation operates according to legal and ethical principles.

### 10.3 COMMUNITY ENTERPRISE AND URBAN REGENERATION

Community enterprises, and in particular CDTs, have emerged in both urban and rural areas largely as a result of bottom-up community aspirations rather than top-down government policy. In a number of cases CDTs were a community response to urban interventions such as road building or slum clearance, while in others funding opportunities or sponsorship provided a catalyst. For example, the Westway Trust (see [www.westway.org](http://www.westway.org)) was one of the first in London and was formed in 1971 in order to acquire a lease on 9.3 hectares of vacant land under an elevated motorway. The Londonderry Inner City Trust (see [www.innercitytrust.com](http://www.innercitytrust.com)) was established in 1981 as a non-sectarian organisation to provide training and employment at the height of the Troubles in Northern Ireland. In Central London the Coin Street Community Builders (see [www.coinstreet.org](http://www.coinstreet.org)) was set up in 1984 when 5.3 hectares of vacant land was transferred to the trust by the out-going Greater London Council. All three CDTs represented areas with long histories of community activism and this was a characteristic of many more recent examples.

In essence, the diversity of function and funding remains an overriding characteristic and one of the first publications from government particularly advocated the setting up of CDTs in areas undergoing regeneration (DoE 1988). With the election of the Labour Government in 1997 the Social Exclusion Unit was formed which advocated ‘reducing the gap between the poorest neighbourhoods and the rest of the country’. In putting forward a national strategy for neighbourhood renewal the SEU acknowledged that ‘Not enough had been done to build up skills and institutions at neighbourhood level, and often pressures to implement policies quickly have meant that bureaucrats fall back on their own assumptions rather than consulting the community’ (SEU 1998, p. 32). In many ways New Labour’s promotion of the ‘third way’ and the popularisation of civil society ‘was premised on its ability to resolve societal issues beyond the reach or interest of the state and the market, and to create innovative and socially just methods of meeting social needs, as well as its democratising potential through the engagement of citizens in the delivery and maintenance of social welfare’ (Moore and McKee 2014, p. 523).

Government policy towards urban regeneration, particularly from 1997-2010, favoured a direct assault on the areas with the highest levels of deprivation by setting up multi-agency partnership teams with budgets to deliver programmes over a fixed time period. In a limited number of cases these programmes, such as the Single Regeneration Budget, Neighbourhood Management Pathfinders and New Deal for Communities (NDCs) resulted in CDTs being set up either during the funding period or as part of a succession strategy after funding ceased.

For example, Shoreditch in London had been funded for 10 years under the NDC programme during which property assets to the value of £12 million had been acquired. These assets provided an important portfolio for the Shoreditch Trust which continues to deliver some of the previous NDC strategies (see [www.shoreditchtrust.org.uk](http://www.shoreditchtrust.org.uk)). In a very few cases CDTs were directly funded to lead regeneration strategies but these were very much the exception rather than the rule.

While some of the government regeneration programmes from the 1990s were perceived as unduly centralised and bureaucratic, the early 2000s saw a number of initiatives relating to community empowerment and the transfer of land or buildings to community-based organisations (Bailey and Pill 2015). From 2003 onwards, local authorities and certain other public bodies were able to dispose of surplus assets to community organisations at less than market value. Four years later Barry Quirk, Chief Executive of Lewisham borough council, was invited to undertake a review of the community management and ownership of assets (DCLG 2007). This report recommended that financial assistance should be provided to ease the transfer of assets from the public to third sector organisations. In response, government set up a £30 million Community Asset Fund and sponsored the Asset Transfer Unit, based at *Locality*, to provide support and technical advice. This did not unleash a rapid transfer of land and buildings as the budgets of public agencies were increasingly constrained and they often wished to realise the full market value of their assets.

The financial crisis of 2007-08 and the election of the coalition government in 2010 resulted in a significant shift towards neoliberalism (Peck and Tickell 2002), driven by the government's desire to reduce the national economic deficit largely by constraining public expenditure. This was couched in a new rhetoric of voluntarism and self-help and the reduced role of the state was portrayed as an opportunity to:

....promote decentralisation and democratic engagement, and we will end the era of top-down government by giving new powers to local councils, communities, neighbourhoods and individuals' (Cabinet Office 2010).

Funding for regeneration programmes largely dried up and much of the organisational infrastructure was dismantled. The commitment to target resources towards areas of greatest deprivation was largely replaced by the 'Big Society' where all citizens were expected to contribute towards the common good (Cameron 2010). The Big Society was heavily criticised for providing no additional resources, had no clear objectives or strategy (Kisby

2010; Lawless 2011; Bailey and Pill 2011) and was soon reinvented as ‘localism’ (Clarke and Cochrane 2013). Moreover, state funding which had gone to third sector organisations was also cut, thus making it more difficult to respond to new initiatives, and reinforcing the trend towards neoliberalism. By 2011 the passing of the Localism Act did at least offer some new opportunities for local communities to promote regeneration in their own neighbourhoods. The Act includes a Community Right to Bid (DCLG 2012) provision whereby communities can register an ‘asset of community value’ with the local authority and have the first opportunity to buy should the asset ever come onto the market. They would then have a period of six months to raise the full market value before the asset could be sold elsewhere. A further provision of the Localism Act enables local communities to seek approval to form neighbourhood forums and to prepare statutory neighbourhood development plans. They can also apply for a Community Right to Build Order whereby the local authority can approve a masterplan for the development of a site or area.

The coalition government also introduced legislation to make it easier for social and community enterprises to bid for local service contracts as opposed to the large, corporate providers. The Public Services (Social Value) Act 2012 requires those commissioning services to consider the economic, environmental and social benefits of their approaches to procurement before the process starts and to consult where appropriate (Cabinet Office 2012). To date the evidence is very limited on how far this has assisted social and community enterprises in winning service delivery contracts.

Since the last election in May 2015 a number of minor initiatives have been announced to assist community enterprises, such as the Local Sustainability Fund, which has £20 million to allocate to organisations meeting certain criteria. The Big Lottery Fund remains perhaps the most important source of competitive funding for community-led projects. In 2015 the Big Lottery Fund launched a £150 million investment programme in order to support new or existing ‘community businesses’ wishing to expand called the *Power to Change* (Big Lottery Fund 2015). CDTs would meet the definition of organisations eligible for funding:

A ‘community business’ or ‘community enterprise’ is a place-based business that is trading, locally rooted and delivers activities and generates profit for the benefit of a specific, local geographic community. (Big Lottery Fund 2015)

Thus while national regeneration policy has always accentuated the importance of collaboration and partnership between agencies operating at the local, neighbourhood level,



community enterprise, of which CDTs are an important sub-set, has rarely played a leading role in the initiation or delivery of regeneration strategies. In the early years, CDTs were established largely through local community responses to opportunities and indicators of need; communities became frustrated with the perceived inactivity of local public bodies and set up their own organisations which could genuinely reflect local needs and interests. As a consequence they were perceived by government as innovative experiments which should be supported where possible but measures to provide organisational, technical or financial assistance by central or local government were often lacking. Since about 2003, and certainly after 2010, there was a growing emphasis on ‘asset transfer’ to voluntary and community-based organisations. As usual the motives were mixed. CDTs lobbied government to make it easier to acquire under-used land and buildings which could be brought into community use. From its perspective, government saw the benefits of reducing capital and revenue expenditure at the local level through the disposal of surplus property.

Furthermore community enterprise, and indeed the wider third sector, was often too geographically dispersed and diverse in aims and organisation to work as part of a co-ordinated group in tackling deprivation in defined areas. As early as 1995 Thake (1995) put forward the proposition that community enterprise could make a major contribution to community regeneration by forming partnerships with other organisations in the voluntary and community sectors and public sector bodies. He observed that: ‘Such partnerships can form an integral part of city-wide and regional commitments to renewal that would be facilitated by and should inform the development of regional and city-wide regeneration strategies’ (1995, p.66). This holds true today. With a few notable exceptions, CDTs are often able to identify local needs and work closely in a community development role with their communities but are in many cases too small and under-resourced to take on this larger strategic role. Thus a variety of types of support are needed from different agencies in the early stages (Aiken et al. 2011).

Perhaps one of the main strengths of the community-based approach to urban regeneration is that it takes many forms and requires the skills of the social entrepreneur to identify opportunities, to arrange potential funding and delivery partners, and to deliver a well organised set of projects which deliver real benefits to the local community. This aspect is examined in the following section.

## 10.4 CASE STUDIES OF THREE MODELS OF CDTs IN NEIGHBOURHOOD REGENERATION

This section identifies three basic models of how CDTs relate to their wider communities using examples drawn from published sources (for example, Bailey 2012) and more recent interviews by the author and websites. The three models discussed here should be seen as ‘ideal types’ and reflect the perceptions of the entrepreneurs who set them up in relation to: the definition of the area perceived as the ‘community’; the needs and opportunities in the area; and the potential for securing grants and loans linked to local and regional regeneration strategies or from the private sector. In practice the nature of entrepreneurialism in this context is opportunistic and is based on the perceptions of the social entrepreneurs and consultations with local communities, but this can be exploited in different ways. The three models are discussed in more detail below:

1. Model 1: CDTs which are set up to develop particular sites or buildings acquired for community benefit and have a substantial impact on local planning and development strategies. They tend to be based in, and identify closely, with a defined neighbourhood and emerge from previous community action;
2. Model 2: CDTs which begin by acquiring one building or asset and develop this as a major community resource for a wide and often undefined area. They tend not to be based in a defined neighbourhood but see themselves as a resource for a much wider urban area;
3. Model 3: CDTs which largely focus on the delivery of local services such as employment, training, community development and cultural activities. They have a local focus but also draw users in from a wider catchment area.

### 10.4.1 MODEL 1:

This model is best represented by two of the longest established and largest CDTs which acquired a portfolio of land at well below market value in areas where asset values have increased rapidly after acquisition.

The Westway Trust (WT) ([www.westway.org](http://www.westway.org)) was one of the first CDTs in London when it was set up in 1971. The Trust emerged out of the local community politics of the 1960s. North Kensington was an area of overcrowded housing in poor condition and it was also an area with a rapidly growing immigrant population originating in the West Indies. As well as housing clearance, the area was directly affected by the construction of the elevated Westway flyover in Central London from 1964-70. This alone involved the demolition of 600 houses

and the displacement of 1000 local people and was a major cause of blight, noise and pollution. A by-product of this process was that the local community was highly motivated and there were many local groups campaigning for improvements.

North Kensington is by far the most deprived part of an otherwise very affluent borough in inner London. It became notorious for the exploitation of tenants by unscrupulous landlords in the 1960s. In subsequent decades gentrification became an issue because of the central location and attractive Victorian terraced properties. The area continues to have a large West Indian population and indices of deprivation and poor health remains high in comparison with the rest of the borough. In the borough's schools 70 percent of pupils are from ethnic minorities with high levels of deprivation.

The Royal Borough of Kensington & Chelsea accepted in 1970 that the 9.3 hectares of unused land under the flyover could be an important resource but was reluctant to take on responsibility itself for what could be a very expensive commitment. Instead, it sought to set up a partnership with the local community, chaired by an independent person who should live in the borough. The Council gave an initial grant of £25,000 to get the Trust going (Duncan 1992, 34). Over the next forty years the WT has become one of the largest of its kind and has pioneered a new approach to developing underused land for the long-term benefit of its local community. The Trust is a company limited by guarantee and a charity, an arrangement often used by similar organisations. The board has seven members elected by 36 member organisations and with seven nominated by the Council, including three elected councillors. Two additional trustees are co-opted and there is the independent Chair.

The land now owned by the WT was originally acquired by the Greater London Council in order to build the motorway. When this organisation was abolished in 1986, ownership was transferred to Transport for London and the land was leased to the Council. The Trust has a sub-lease for 125 years. Since 1971 the land has been developed for a variety of commercial and community uses, many of which provide sports, leisure and recreational facilities. In total, the Trust has a considerable impact on economic activity in the area in that about 850 employees work in its properties.

Two of its flagship projects are the Westway Sports Centre and the Portobello Green Fitness Club. The sports centre has six football pitches, basketball and netball courts, eight indoor and four outdoor clay tennis courts, a large indoor climbing centre, cricket nets, and the only publicly available handball fives courts in London. The Portobello Green Fitness Club provides a high quality gym run on a not-for-profit basis. It offers affordable membership to local people as well as subsidised membership for particular target groups in the community.

Another important function is education and the Trust runs a number of supplementary programmes to assist local schools. Grants are also given to individuals to enable them to undertake courses to help them into work.

The Trust now owns assets worth approximately £30 million and from this generates an annual surplus. Of this about £150,000 is distributed as core funding to local community organisations in the area together with grants and donations worth another £400,000. In addition, all charities occupying the Trust's properties pay only a third of the full market rent. The main priority now is to renovate some of the older properties and to redevelop vacant or underused buildings and sites in the portfolio. Planning guidance is set out in the Council's local development document drawn up in 2012 (RBKC 2012).

Another good example of this approach to neighbourhood regeneration is the Eldonian Village in the Vauxhall area of inner city Liverpool (see [www.eldoniangroup.com](http://www.eldoniangroup.com)). In the 1970s residents of Vauxhall launched a vigorous campaign to oppose slum clearance and to ensure the community was rehoused together rather than being dispersed to the fringes of the city. The organisation has three main parts: The Eldonian Community Trust (ECT) was formed in 1987 in a period of political ferment in Liverpool to represent the interests of local residents. The Eldonian Group Ltd. is the main delivery arm of the ECT which negotiated a derelict land grant of £6.6 million facilitated by the Merseyside Development Corporation in order to reclaim the site. It employs over 50 people in order to support small firms and social enterprises and manages a day nursery, a sport centre and other facilities. An important part of the Group is the Eldonian Community-Based Housing Association which began as the Eldonian Housing Cooperative in 1984 and managed the redevelopment of phase 1 of the village on the former Tate & Lyle sugar refinery. A second phase of housing, with special provision for the elderly, was carried out on the remainder of the Tate & Lyle site which had been acquired in 1991. The housing association now manages 523 properties and in 2007 had assets of over £10 million (McBane 2008, p.6). What sets the Eldonians apart from other community-based housing initiatives is that from the beginning they set out to construct an entirely new community. They also wanted to influence and sustain the entire community through the provision of new housing for existing residents, services and facilities to promote well-being, and a willingness to overcome opposition in the early stages through a direct involvement in local politics. In 2014 the Eldonian Group claimed the following achievements:

1. Developed and created 2000 new jobs;
2. 23 community businesses created;

3. 400 new social housing units built housing 1200 people;
4. 500 open market homes built to house 800;
5. 17.4 hectares of land restored and developed;
6. £65 million of assets created;
7. £150 million of inward investment;
8. 8 major awards including the UN World Habitat award. (Belmon 2014)

In sum, both Westway and the ECT illustrate how sensitive and localised forms of urban regeneration can be delivered to meet local needs. Both organisations have also been actively involved in the wider community and have worked with other partners to access a variety of regeneration funding available, thus creating a substantial impact on local planning and development strategies. The Eldonian group of organisations in particular, like other examples such as Coin Street Community Builders in London, has been able to take a comprehensive approach to neighbourhood regeneration and community wellbeing. Organisations in this category also work closely with their respective local authorities in improving services and developing wider planning strategies and neighbourhood plans.

#### 10.4.2 MODEL 2

This category groups together CDTs which, through particular local circumstances, are able to acquire single assets after extensive negotiations and access to large amounts of funding (such as the Big Lottery Fund). They may also involve a concerted programme of development over several years. The transfer of the asset may take several years to complete and the location may be some distance from any definable 'community' or neighbourhood. There are two good examples of this category.

Hastings on the Sussex coast has a nineteenth century pier which by the early 2000s had fallen into disrepair and had been severely damaged in a series of storms. The Hastings Pier and White Rock Trust (HPWRT) (see [www.hpcharity.co.uk](http://www.hpcharity.co.uk)) was established to raise funds through various means to renovate the pier, ranging from community fund raising to larger scale grant applications. Their long-term goal was to acquire the pier and form a not-for-profit company to renovate, reopen and revitalise the pier as a community owned asset. The Trust strongly opposed any decision to demolish and clear the site of the structure which would cost an estimated £4 million. Following another fire in 2010 the Trust put pressure on the Hastings District Council to serve a compulsory purchase notice and to transfer it at nil cost to them for community use.

In May 2011 the Heritage Lottery Fund (HLF) awarded the Trust a Stage 1 development grant of £357,400 out of a total of £8.75 million. This grant was intended to be used to complete the business plan, develop the heritage learning and activities programme and raise the £1 million match funding. In the meantime, Hastings Borough Council agreed to progress the compulsory purchase order. The remaining award (Stage 2) was subject to the total funding being raised, the approval of the business plan by the HLF and the successful completion of the CPO. Additional funding was raised from the sale of 3000 community shares by 'crowdfunding'.

The pier has now been reconstructed and opened in May 2016. A series of training, educational and cultural programmes are being run by the Trust involving a combination of commercial and non-commercial activities sufficient to maintain and manage the structure as a community resource. In addition, the Trust arranged for the contractors to take on six apprenticeships and 10 work placements during the construction phase.

A second example is the Atmos Project in Totnes, Devon, which is based on a 'brownfield' site next to the Totnes railway station (see [www.atmostotnes.org](http://www.atmostotnes.org)). The site housed the original station building designed by the nineteenth century engineer, Isambard Kingdom Brunel, but since 1934 it and surrounding buildings had been used for milk processing and is largely separate from adjoining streets. In 2007 Dairy Crest announced that they were closing the site and sought permission to demolish the former station building. After an extensive local campaign English Heritage decided to list the station building as a historic building and local interests came together to discuss ways of developing the whole site for community uses.

An extensive campaign involving local celebrities and the local Member of Parliament put pressure on Dairy Crest not to seek full market value for the site but to leave it as a 'legacy' to the town. The Atmos project team then formed the Totnes Community Development Society (TCDS). The Society, registered as an Industrial and Provident Society for the benefit of the community, formally agreed terms in 2014 and began a public consultation exercise in order to prepare a masterplan for a mixed use development using a Community Right to Build Order (CRBO) under the Localism Act, 2011. This power enables a community organisation to set out a masterplan for development and, subject to a ballot, can be granted planning permission by the local authority. The CRBO was published for consultation in November 2015 (TCDS 2015) and includes a mix of business, commercial and residential uses with part of the site being owned by a Community Land Trust to ensure the housing remains affordable.

In both the cases of Hastings Pier and the Atmos project the acquisition of assets was secured after a long and protracted campaigns to mobilise the local community, political representatives and celebrities with links to the area. These projects have already taken several years to secure ownership and the necessary consents to proceed; it is very unlikely that they will take on any other assets for some time. Neither is in an identifiable neighbourhood but relate much more to the wider urban area in which they are located.

#### 10.4.3 MODEL 3

Unlike models 1 and 2, in this third model the CDTs are wholly or partly funded from public sources. Their main function is to act as a catalyst in developing employment, training and cultural opportunities as well as contributing to social, economic and environmental strategies in the area. A good example is the Lyme Regis Development Trust (LRDT) (see [www.lrdt.co.uk](http://www.lrdt.co.uk)).

Lyme Regis is a small, historic, seaside town with a population of 3,700 in West Dorset on the south coast of England. It is a popular holiday destination and is best known for the nearby Jurassic Coast World Heritage Site. The town's economy is based largely on tourism, public administration and retail. Unemployment and other indicators of deprivation are slightly higher than for the county as a whole. Housing is particularly expensive and about 20 per cent are holiday homes.

LRDT was established in 1998 and is 'a community-based organisation that works to stimulate the economic, social and environmental well-being for all in Lyme Regis and its surrounding areas' (Wiles 2007, p. iii). The idea for the Trust arose from an initiative supported by Dorset Community Action, called Lyme Looking Forward Forum, which included an informal Planning for Real exercise. The Trust's early phase included initiating a traffic survey, developing a youth café and promoting an information technology learning centre. The Lyme Regis Local Area Partnership was formed in November 2001, which was chaired by the town council, and run by the LRDT. This meets quarterly to discuss issues of general concern to the town. After a director had been appointed to the Trust, the role expanded to include promoting an ArtsFest, the Fossil Festival and making bids for the Cultural Quarter project. In 2006 Lyme Regis Development Trust acquired St Michael's Business Centre from West Dorset District Council as part of its sustainability programme. LRDT Property Management Ltd is a wholly owned subsidiary of LRDT and was set up to manage the property, both maintaining the building and administrating the collection of rental and service charges. Any surplus revenue raised by LRDT Property Management Ltd is gifted to Lyme Regis Development Trust to help it reach its charitable objectives.

The Trust has been supported financially by the Lyme Regis Town Council, the West Dorset District Council, the South West Regional Development Agency and the Esmee Fairbairn Trust. It is a company limited by guarantee and a charity. It is managed by a board of five, some of whom are retired residents, others working as professionals, for example as a Chartered Surveyor. In 2015 LRDT had a staff of 7 and a budget in the region of £300,000 (LRDT 2015).

The Trust has led and supported community consultation and planning initiatives since it started in 1997. Most recently, it supported the Market and Coastal Towns Initiative (MCTI), Lyme Forward, which has led to the production of the non-statutory Lyme Regis Community Plan (LRDT 2007). The Trust supports the implementation of the Community Plan through the network of statutory and voluntary organisations and individuals in the Local Area Partnership which is chaired by the Lyme Regis Town Council.

Many jobs in Lyme Regis are reliant on the short summer visitor season and the Trust has been working to lengthen that visitor period by starting two festivals, the Fossil Festival in the spring and the ArtsFest in the autumn. LRDT organised the first Fossil Festival in 2005 in order to promote the town and increase employment at the end of the summer season. This addresses contemporary natural science issues and offers people of all ages and backgrounds an interactive, eclectic mix of arts and science activities. In particular, it brings together teams of specialists from the Natural History Museum and other leading national scientific institutions and universities with local fossil collectors, artists and the community.

In the longer term, the Trust is hoping to establish a Jurassic Coast Field Studies Centre, possibly in conjunction with the Natural History Museum in London and Field Studies Council. The Trust has a number of other initiatives under development, including the provision of affordable housing, provision for young people and IT training and the development of the St. Michael's Business Centre which has received Big Lottery funding, and secured funding for the Malthouse, a former mill, to provide a venue for cultural events and office space for the Trust's festivals team (LRDT 2015).

Within this model, CDTs focus more on the creative initiation of projects and in bringing together partners to enhance the delivery and impact of community benefits than on the acquisition of assets. These organisations tend to focus on advice and training, getting local people into jobs, and supporting cultural festivals and events which bring investment into the locality, rather than managing assets per se.



## 10.4 CONCLUSIONS

This chapter has critically reviewed the literature, policy and practical examples of how asset-based CDTs, previously noted as a sub-set of community enterprise, are contributing to the social, economic and environmental improvement of their neighbourhoods. In this respect they represent an important although small-scale addition to the promotion of community wellbeing in areas of relative deprivation. Certain key characteristics of these organisations emerge which typify the field. CDTs tend to be innovative in identifying opportunities, flexible in what they do and collaborative in harnessing political, technical and financial resources from other sectors and agencies. In addition, they are highly contingent in that they respond to and attempt to influence local circumstances in order to evolve a structure and organisational objectives to meet the needs of the defined community. These are the skills of the social entrepreneur (whether defined as an individual or organisation) in successfully integrating financial, policy and political requirements, whilst trying to secure the sustainability of the organisation in the long term. Above all, CDTs are good examples of third sector organisations which draw on representation, support and investment from both the public and private sectors and aim to achieve sustainability and financial independence through the careful management of their assets. While most CDTs are opportunistic in identifying an asset or assets which can be developed to provide benefits to the wider community, the three models discussed here reflect differences in the type of asset and the expectations about how far benefits can be applied to a clearly defined locality or a wider range of users drawn from particular sections of society. They thus represent three different entrepreneurial responses to the exploitation of opportunities in relation to locally defined needs.

Thus the first conclusion is that CDTs are very diverse in their origins, formation, objectives and in the basis of their viability. The case studies discussed above demonstrate how each has been formed in order to take advantage of a particular set of opportunities, have developed a particular structure to make best use of these opportunities while adapting and responding to changing circumstances. One area of continuity is to constantly consult and involve the wider membership and to remain true to the principles of enhancing community wellbeing, however defined. Clearly the larger the area owned by the trust, the greater the possibility to deliver services which meet the needs of the whole community.

The second conclusion is that urban regeneration policy is constantly changing and that each government (and sometime each Government Minister) introduces a new discourse, policy statements and funding opportunities to reflect their own priorities. In the UK this is accentuated in that the administrations in England, Scotland, Wales and Northern Ireland all have different policies towards the CE sector. These changes often happen very rapidly so that any continuity of policy or purpose is lost to organisations such as CDTs which are more concerned about achieving their own long term viability and sustainability. In this respect, ‘entrepreneurial’ implies being able to respond quickly to new opportunities arising in relation to funding sources or assets to be acquired. By owning income-generating assets, CDTs can ensure their own continuity in a policy environment in constant flux. In England many policy areas still operate in ‘silos’ and while in some circumstances CEs can join collaborative arrangements, only the largest have the critical mass to work closely with local government or other local agencies in delivering a sequence of linked policies. They also have the ability to be highly entrepreneurial, drawing on a ‘cocktail’ of funding sources, in taking on projects which others would reject as having too high a level of risk but where the benefits to the locality can be considerable.

A final conclusion relates to the nature of CDTs and the future of community enterprise more generally. They tend to be small scale, locally based and orientated around particular assets or the provision of particular services. These values make them more manageable where local representation and community consultation are important priorities. But if the approach is to be adopted more widely, support is needed from government and community-based organisations able to provide technical assistance, access to finance, and training for social entrepreneurs. In addition, local authorities and Local Enterprise Partnerships should be more flexible in transferring assets and community enterprise needs to be more effectively integrated into local regeneration strategies.

What is not in doubt is that a period of austerity is being imposed in England and public expenditure is being severely curtailed at least until 2020. In the current period of austerity, top-down urban regeneration strategies have been replaced by a growing trend towards localism and neoliberalism (Peck and Tickell 2002). The case studies outlined here demonstrate that community enterprise, and in particular CDTs, take many forms and offer some hope to local communities that the decline in local services can at least in part, and in some areas, be moderated.

## 10.5 FUTURE RESEARCH PRIORITIES

This chapter has highlighted some of the characteristics of CEs but there are many gaps in knowledge which have not been subjected to critical research. Some of the key tasks for the future are outlined below:

1. To research on a longitudinal basis the relative performance of neighbourhood-based community enterprises and their social, economic and environmental impacts;
2. To examine the governance and collaborative arrangements which lead to the organisation, delivery and management of innovative projects;
3. To evaluate how the most successful CEs balance competing priorities of innovation, financial stability, accountability to a wider public, and long-term sustainability;
4. To identify which kinds of state, industry and charitable support are most needed and how best they can be integrated into entrepreneurial activity, and how good practice can be disseminated through knowledge exchange;
5. To review questions of scale and reach; what are the main limitations on growth and are certain priorities lost if expansion happens too quickly?
6. To promote knowledge exchange between countries: To evaluate whether EU member states and the USA are experiencing similar processes of retrenchment and neoliberalism leading to similar path dependency in the third sector and to identify the most effective ways of promoting knowledge exchange between countries.

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