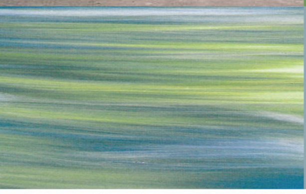


Supporting vibrant and sustainable rural communities through the Rural Community Action Network

The Economic Impact of Community Buildings in Rural Communities

In 2009 ACRE carried out its third national survey of almost 10,000 rural community buildings, updating data from the 1988 and 1998 surveys with information from 2,355 respondents. This is the first in a series of short reports providing additional information and supporting the key findings. Community buildings have a significant impact on the economy in rural areas, where there are fewer local job and training opportunities, land based wages are traditionally low and access to activities and services is often difficult to reach given the challenges of rural public transport.

This paper demonstrates that investment in rural community buildings has a multiplier effect. Building works create local employment, new halls activate community activity and development of services, which have important social benefits and create further employment. Key fiscal measures and targeted investment will help community buildings deliver these multiplier effects, weather the economic downturn and contribute towards the new Government's vision for society.

90% of rural community buildings are charities run by local volunteer trustees and heavily reliant on fundraising. Nonetheless, they support a range of local jobs and provide a wide range of services and activities which reduce public expenditure. They deliver policy outcomes at low cost, such as childcare, health and wellbeing, stronger communities and environmental sustainability.

The following measures would help make more efficient use of limited investment, particularly during the current economic situation:

1. Encourage parish councils to borrow to invest in local facilities by relaxing the rules which prevent successful halls from helping to repay councils for their borrowing.
2. Increase the capital in the Rural Community Buildings Loan Fund to help make halls fit for purpose and enable investment in renewable energy.
3. £7million of investment was lost to irrecoverable VAT on work to village halls in the last five years. Consider reducing VAT to 5% on improvements and extensions to charitable buildings and support the call for a VAT refund scheme for charities affected by the recent 2.5% increase.
4. Provide grant aid for energy efficiency work and renewable energy installations in community buildings and ensure that community buildings are eligible for incentives such as Feed In Tariffs and the Renewable Heat Incentives.
5. Relax Early Years Foundation Stage requirements which result in demand for building improvements and remove the link to Ofsted inspection grade.
6. Encourage local government to exercise 100% rate relief on community owned buildings in recognition of their contribution to local well-being.

ACRE and the Rural Community Action Network (RCAN) together deliver a local advisory service tailored to the needs of rural community buildings throughout England. This service aims to ensure that hall trustees have access to accurate information about regulatory requirements, training and one-to-one advice and support with business planning. All RCAN advisers are networked by ACRE, undertake an OCN accredited course and are provided with resources to support their work. The national Hallmark quality standards programme encourages hall trustees to adopt best practice through a peer visitor programme. However, demand from halls for support often exceeds supply and demonstrates the need for a proactive, local service that can support all halls to achieve their aspirations and potential.

Contribution to employment

Community halls support employment opportunities in four distinct ways:

- Direct regular employment - by the management committee
- Indirect regular employment - provision of space for community activities at which people earn a living
- Irregular and occasional work - in building trades, catering and similar occupations
- Volunteering – building skills and adult education opportunities.

The halls responding to the survey each support, on average, seven jobs either directly or indirectly, excluding those in building trades. Although most are part time, these jobs are significant in the context of those rural areas where there are few job opportunities and household income is lower than average. Nationally the impact is substantial, indicating that at least 70,000 rural jobs are provided by community buildings.

Direct employment

Rural community buildings mainly employ part time staff though there is significant use of self employed contractors.

The table shows that 66% employ a part time or self employed cleaner. Just 2% employ a full time manager and 2% a full time cleaner or caretaker.

Roles performed by staff or volunteers	% Part time or self employed staff	% Full time staff	% Vols
Cleaner	66	2	71
Caretaker	26	3	70
Grounds maintenance	25	1	63
Booking secretary	20	2	32
Secretary/admin	12	2	20
Finance/treasurer	11	2	20
Bar staff	5	0.5	18
Hall/centre manager	5	2	11

Indirect employment

Childcare provides a key form of indirect employment. Over a third of respondent halls, 34%, are used by charitable pre-schools or private nurseries. In rural areas these form a key component of provision for the Early Years Foundation Stage. They are generally staffed by full time supervisors and a rota of local parents, who gain childcare qualifications and experience, as well as supplementing family income. Student placements are also provided. The availability of local childcare places is especially important in allowing parents to work part time.

The other key form of indirect employment involves running classes. 50% of halls are used for fitness classes, 39% for dancing classes, 31% for yoga and a wide variety of Adult Education classes are held. There is also growing use for office space; for a parish clerk, for a police presence or as an alternative to home working or providing a community information office.

The survey indicates that use for outreach medical services such as doctor's surgeries and baby clinics is in decline, for reasons of cost and regulation.

The closure of local shops and post offices has created difficulty accessing fresh food, cash and other services. A small but growing number of halls are now providing retail services. 5% are used by WI or Farmer's Markets, providing a low carbon miles outlet through which local producers can make an income. 4% have a post office and 1% a community shop.

Occasional work

95% of halls are used for private parties, 69% for wedding receptions. They are also used for a wide variety of fundraising activities and occasional commercial use such as company meetings, antique fairs and one day sales. Catering firms and bar work therefore provides significant employment.

A substantial amount of work is provided to local building firms, electricians and similar trades. While most halls, 95%, rely on volunteers for routine maintenance, checks and small repairs, other works are usually carried out by local building firms. 65% of halls had carried out improvement or rebuilding work in the last five years, an investment of £63.5 million. Much of this work, at 78% of halls, was fairly small scale, such as health and safety requirements and improving inadequate facilities, but 6% spent more than £200,000 and several spent £1.3 million. 20% met the costs entirely from their own funds with the remaining 80% needing grant funding.

60% plan capital works in the next five years, for which approximately £65 million will be sought in grant aid. 89% of these hall committees plan to use local builders and or suppliers for all or most of the work.

Wider economic impacts

There are a number of less tangible impacts on the rural economy resulting from community activity that takes place at community buildings. Extensive volunteer management and fundraising towards upkeep enables hire charges to be kept at an affordable level. This enables use for voluntary services such as senior citizen's groups and lunch clubs, which improve the health and wellbeing of older people, helping them to live independently whilst employing people to provide help in their own homes. Volunteering on this scale helps build confidence and professional skills, often providing a gateway to paid employment for many people.

Other activites provide training and employment and 1% of halls provide a job vacancies board. These activities, computer classes, arts and crafts, visiting professional theatre and musical companies all require materials and equipment. Where these are purchased locally a contribution is made to the economy.

Use of halls has trebled over the last 20 years, thanks to investment by local authorities, the lottery and other funders in addition to local fundraising. Increased use enables halls to fund maintenance and improvement work and build up small reserves, reducing the need for public funding for such work in the longer term.

Investment in energy efficiency, renewable energy and other sustainability measures has multiple benefits, reducing running costs and carbon emissions. This provides practical demonstration to local people of the benefits of such investment, which encourages them to engage in such measures at home. The presence of a good quality local multi-purpose venue providing a wide range of community activity reduces car journeys to towns leading to reduced carbon emissions.

The financing of community buildings

The total funds raised each year by respondents to the survey was in the region of £4million, or £2,229 per hall, indicating that volunteers may be raising around £15 million p.a. towards improvements and running costs.

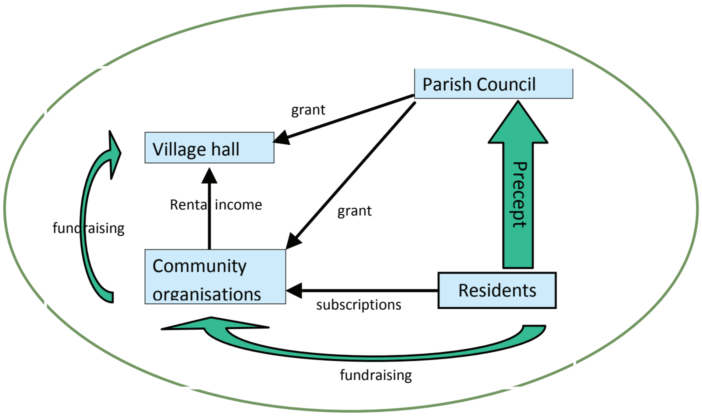
Community buildings rely on a great deal of volunteer support, both practical and fundraising, but public finance is also essential to their long term viability and in particular the support of the parish council. Volunteers contribute on average 18.5 hours per week to running each hall, worth approximately £6,734 p.a. to each charity. As a result they are therefore very economical to run: just over half, 51%, have running costs below £5,000 p.a. and 75% under £10,000 p.a.

This contrasts strongly with the capital costs of improvement and rebuilding and explains why large sums of long term loan finance are not appropriate.

While the majority, almost 60%, cover 75% or more of their running costs from hire charges and rent, a significant number, 17%, are not financially sustainable without additional funding, covering less than half their running costs from hire charges and rent. Significantly, the same proportion find it difficult to meet users' needs adequately due to the age of the building.

Less than half of halls, 46%, regularly make a surplus from hiring and rental income. The remainder are supported by fundraising and/or parish council grants. 27% have regular income from their parish council towards improvement and running costs.

ACRE has been working with NALC (National Association of Local Councils) to promote a concept of a parish partnership. The diagram illustrates this and demonstrates the significant mutual reliance between organisations in rural communities. Each community needs to work out the best approach to managing its collective income in a way that generates a more sustainable community sector overall.



Acknowledgements

Thanks to Louise Beaton, Consultant Village Hall Adviser, and author of the 1988 and 1998 Reports for her analysis of the data.

For further information about this Report or the RCAN network contact Deborah Clarke, ACRE's Village Hall Information Officer (d.clarke@acre.org.uk)

Cabinet Office
Office of the Third Sector

defra
Department for Environment Food and Rural Affairs

About ACRE

Action with Communities in Rural England is the national umbrella body of the Rural Community Action Network (RCAN), which operates at national, regional and local level in support of rural communities across the country. We aim to promote a healthy, vibrant and sustainable rural community sector that is well connected to policy and decision-makers who play a part in delivering this aim. ACRE is nationally recognised for its expertise in ensuring rural community-led solutions are central to public policy debate.

ACRE, Somerford Court, Somerford Road, Cirencester, Gloucestershire GL7 1TW
Tel. 01285 653477   acre@acre.org.uk   www.acre.org.uk