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

Rural Community Buildings in England 2009 Key Findings

The largest network of community owned halls in England, with assets worth over £3 billion, are only sustained due to the efforts of local volunteers. 73% of nearly 10,000 village halls which underpin rural community life are owned freehold by local community groups and 90% are charities run by local volunteer trustees - a management style unique in Europe.

Rural communities have traditionally owned and managed the buildings in their communities, providing vital facilities, activities and services which would not otherwise be available. This report provides early key findings from ACRE's third comprehensive survey of the state of rural community buildings, updating data from surveys in 1988 and 1998. ACRE is extremely grateful to the trustees of the 2,355 halls, 24% of those contacted, who gave up time to complete the survey.

Summary of findings

1. The total value of assets in rural community owned halls is now estimated as over £3 billion. 58% of halls reported being the only multi-purpose meeting place in the community.
2. Volunteers contributed 18.5 hours per week on average to running the hall. 75% of halls cost less than £10,000 p.a. to run, 51% cost less than £5,000 p.a.
3. 75% of all halls provide a focus for local democratic engagement. 72% support local community group fundraising and 50% provide a venue for activity supporting health needs.
4. Hall use has trebled since 1988 but 10% of halls require urgent repairs to keep them in use.
5. 46% of halls usually earn sufficient income to make a surplus, 27% of halls receive some financial support from their parish council, and the remainder rely on fundraising effort to survive.
6. Only 3% of halls receive regular local authority funding. 46% receive no discretionary rate relief.
7. 61% of halls that carried out recent improvements say this led to provision of new services. 78% of improvements cost less than £50,000 with 31% costing less than £10,000.
8. 60% are planning major improvements in the next 5 years, 35% will require grant funding of under £20,000 whilst 8% say they will require over £200,000.
9. 56% of halls have no reserves policy, 62% have no planned maintenance programme, 89% have no formal business plan. 68% believe they will remain financially viable over the next 5 years.
10. 45% of hall committees have sought no advice from the local Village Halls Adviser. 83% of those hall committees which sought advice from the Village Halls Adviser rated the advice good or excellent.

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 the penultimate key finding above demonstrates the hidden need for a proactive, local service that can support all halls to achieve their aspirations and potential.

About ACRE's 2009 Survey

The report summarises key findings from ACRE's third comprehensive survey of rural community buildings in England. Previous surveys were conducted in 1988 and 1998. Survey forms were posted out to 9,828 community buildings, indicating that electronic versions for online completion were available through the ACRE website. Around 60% of respondents chose to return their survey forms in hard copy, showing the degree to which rural community groups have not, or cannot, fully embrace the use of IT communication. Barriers include slow broadband speeds in rural areas and lack of access to, or familiarity with IT that is fairly common amongst the age group that traditionally lead village hall management committees.

2,355 completed survey forms were received delivering a 24% response rate. This report contains the initial high level analysis, but further analysis will be undertaken to produce more detailed publications in subsequent months. Further reports will cover environmental sustainability, accessibility and contribution to the rural economy.

Serving rural communities

"Village Halls are the focal point for developing solutions for provision of essential services."

In rural areas, community buildings are important as without them, it means that people have to travel out of the area to access activities and services. It is easy to become isolated if there is no access to transport. The elderly and the young and their families/carers are the most vulnerable in this respect. A varied social life and learning opportunities are necessary to keep people involved and healthy.

A variety of buildings provide multi-purpose community facilities in rural areas, be they village halls, parish and town halls, church halls, community centres or sports pavilions. 85% of respondents to this survey used the description 'village hall' or 'memorial hall'. 58% of respondent halls provide the only community meeting place which offers multi-purpose use.

There is correlation between population and number of facilities in the community. 42% are very small communities with a population under 600 and 73% have a population under 2,000. Villages of over 2,000 population are more likely to have more than one meeting places. 25% have either no bus service or one bus a day, so residents without their own transport, predominately the old and the young, are particularly reliant on local community-based facilities and services.

Population served by hall	*%*
301-600	42
601-2,000	31
2,001-4,000	15
More than 4,000	12

Management and volunteers

"New people just won't come forward to volunteer."

90% of respondent halls are registered charities. 88% have volunteer management committees that include representatives of users. 5% are run by community associations and 5% by parish or town councils. 73% of halls own the freehold and 20% have a lease, in the main from local authorities or private landlords. 7% responded they did not know the details of their tenure!

Difficulty recruiting hall trustees is cited as a major problem regularly affecting 39% of respondents and impacting on another 34% occasionally. Halls were reliant on volunteers to maintain viability in serving their communities. Each hall benefits from, on average, 18.5 hours per week of volunteer time, a saving of £6,734 per hall p.a., at a notional £7 per hour.

93% had no paid management staff at all. The majority have one or two part time staff such as a cleaner, booking secretary or contractors to cut grass. A small number employ a range of staff but only 2% of halls employed a full time member of staff to manage the hall.

Changes in use of the buildings

The research shows that hall use has trebled over the last twenty years. The average use is currently 36 hours per hall, a rise from 20 hours per week in 1998 and 11 hours per week in 1988. This scale of use may appear small compared with urban community buildings, but it should be remembered that a significant proportion of rural community buildings consist of only a single large room with a kitchen and facilities attached.

Since 1988 activities which have become less widespread include baby clinics, pre-schools and nurseries, youth clubs and senior citizen's groups, all of which have particular relevance for local people who are disadvantaged by lack of private transport. It is worthy of note that these activities have all become highly regulated in the last 20 years. This impacts on volunteer helpers, recruitment of appropriate personnel and in some cases the ease with which Ofsted requirements for the facilities can be met. 30% of halls reported activities moving to other larger venues, potentially at some distance away since most halls were the only such venue in the community. In such cases, the loss of activities or services appears to be more supply led rather than demand led.

60% recorded new activities in the past five years and 37% of activities had grown more popular.

Five most widespread activities	*% 2009*	*% 1998*
Private parties	95	93
Hall Committee meetings	91	88
Public meetings	83	78
Polling Station	78	75
Parish Council meetings	75	75

Five most regular users	*% 2009*	*% 1998*
Pre–school/nursery	34	44
Fitness classes	50	*
Mothers and Toddler	43	37
Dancing classes	39	*
Senior citizens clubs	37	42

75% of all halls provide a focus for local democratic engagement. 72% provide a venue for supporting local community groups and 50% provide a venue for supporting health needs of residents. Without the hall, these outcomes are unlikely to be achieved to the same degree by alternative, more distant venues.

17% of hall management committees find it difficult to adequately meet users' needs due to the age of the building. Buildings built before 1930 are less likely to be fit for modern purposes or expectations. Storage facilities were cited as a significant problem followed by too many users wanting to hire the hall at the same time. No car park (23%) and lack of volunteers (6%) impact on use of the hall.

11% would like to develop more services delivered from the hall. These are mainly health and wellbeing services such as medical, chiropody or day centre facilities but also include community shops, post office services, farmers markets, youth centres, local authority services, pre-schools and Children's Centres.

The buildings

"I would love to know if funding will be around to replace our roof before Mother Nature beats us to it!"

56% of respondent halls are over 60 years old and 33% over 90 years old. Those built before 1914 were most likely to have building works planned. 7% are in a conservation area and 7% are listed buildings. 10% of respondent halls need urgent repairs, mainly to the roof, toilets, heating or kitchen. **This is consistent with previous surveys, indicating a steady demand for modernisation and improvement commensurate with an ageing stock of buildings.**

The average insurance value is in the region of £345,000. Taking into account the 9,828 halls contacted through this survey, this would indicate a total asset value tied up in rural community buildings of over £3 billion, significantly, in excess of previous estimates available to ACRE. **The average valuation is more than double 10 years ago**, potentially reflecting inflation in building costs and improvements to meet legislative requirements.

Accessibility of halls has improved but gaps in provision are widespread. 77% now have buildings fully accessible to wheelchair users, a significant increase on the 48% which did in 1988, but less than half have parking for disabled people. Only 32% have a hearing loop and 12% have measures to assist the partially sighted. Lack of funding is the principle reason preventing more halls becoming fully accessible, but 36% cited lack of space or listed building status.

Licensing and regulation

"We need the top ten tips on what the committee have to comply with!"

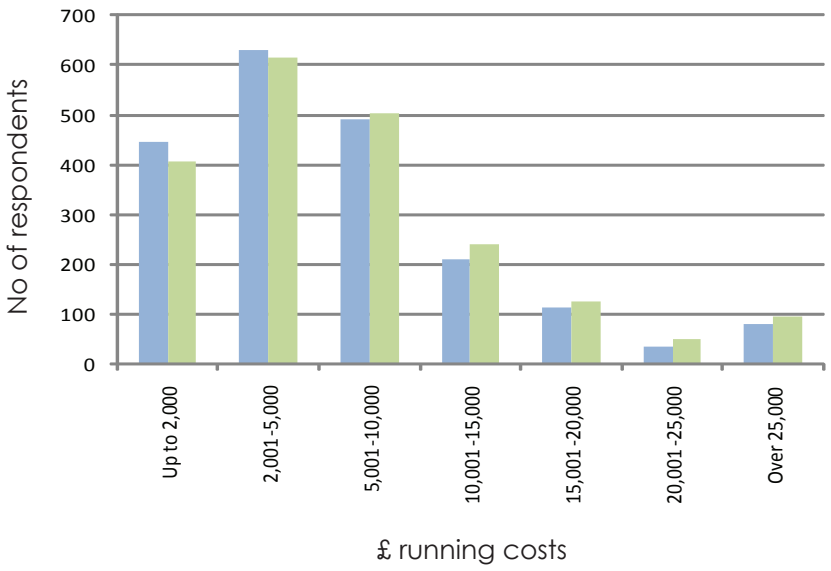
75% of halls hold a Premises Licence for regulated entertainment. **The proportion of halls with a licence to sell alcohol has risen sixfold from 6% (1988) to 36% (2009).** 5% of halls record problems with the Licensing Act 2003, most relating to the cost and limits of Temporary Event Notices. ACRE was instrumental in negotiating the recent changes in licensing, allowing community halls to apply for an alcohol licence without a Designated Premises Supervisor, which should mitigate some of the complexity and cost associated with compliance with licensing legislation.

19% of halls are registered as food businesses with their local authority. 49% had a Performing Right Society Licence and 7% a Phonographic Performance Licence with only 0.6% holding a licence for weddings.

20% reported problems meeting legislative requirements; however hall committees appear well aware of the need for compliance with employment and health and safety regulations.

Financial sustainability

"A major concern is the way energy providers and local authorities rate community buildings. It is unfair they are rated as 'businesses' rather than like churches. Hence the high bills which make so many halls struggle to survive." "Insurance is the major running cost of our small hall."



Rural community buildings are extremely economical to run. The survey shows the average annual running costs of a hall as being £8,974 per annum. However, 51% of halls have costs below £5,000 p.a. and 75% under £10,000. Running costs comprise mainly heating, insurance, cleaning staff and utilities (including rates where full relief is not given).

Less than half of halls, 46%, regularly make a surplus purely from hiring and rental income, the remainder of halls being supported by parish council grants and/or fundraising activity. 59% of halls cover 75% or more of their running costs from hire charges and rent. However,**17% cover less than half their running costs from hire charges and rent, the same as in 1998 and 1988.** Nevertheless, 68% think their halls will remain financially sustainable.

Do hire charges and rental income cover running costs?	%
A healthy surplus is usually made (over £2K p.a.)	14
A small surplus is usually made (under £2K p.a.)	32
It varies between surplus and deficit	19
Fundraising and/or grants help cover running costs	26
No, a deficit is incurred	8
Unsure	1

Two factors appear to impact favourably on financial viability - a larger community and a hall built after 1914 which is fully accessible and in good repair. Improvements also lead to better use and sustainability, as do good financial planning and high footfall.

Taking into account the £6,734 ascribed to volunteering effort given on average to each hall, it is clear that without the volunteers, the viability of at least 85% of halls (over 8,000 halls) would be in serious doubt.

9% of halls earn income from enterprises such as bars, catering and recycling and 11% rent out part of their property for specific services. 27% have regular income from parish councils.

District, unitary and county councils provide regular funding for 3% of halls. Furthermore, although legislative powers in support of community halls offer the potential for 100% discretionary rate relief, local authorities failed to exercise this discretion, with 46% of halls, **a slight worsening of the situation since 1998.**

Fundraising plays a very important part in both capital and revenue financing. 87% of halls fundraise to boost income. The total raised was in the region of £4 million p.a, averaging £2,229 per hall, indicating volunteers may potentially be raising around £15 million p.a. towards improvements and running costs. 10% of halls raise more than £5,000 p.a.

Approach to fundraising	%
Fundraise only for improvements/reserves	42
Fundraise to pay revenue costs	28
Fundraise specifically to keep hire charges for voluntary groups affordable	26
Do not undertake fundraising	13

Which of the following best describes your committee's approach to finance and fundraising?	%
committee thinks the hall will remain financially viable over the next five years	68
committee has a reserves policy	42
committee prepares a planned repair and maintenance programme	38
committee prepares a budget each financial year	33
committee has a business plan, containing a budget	11

Improvements can and must be made in financial planning if halls are to remain viable. **Less than half undertake budgeting, forward planning or maintenance work or have a reserves policy.** This is a huge risk given the overall value of the asset they own and their need for compliance with many different types of regulation and risk management.

When hall committees approach the RCAN halls advisory service, they gain access to support resources and help to enable more effective financial management. Contact is also made when halls seek to prepare business plans for grant application. However, 45% of halls had not made contact with RCAN advisers in the last 5 years and it would appear, a significant proportion of halls do not seek advice on financial management from elsewhere. Some could be legitimately classed as **'hard to reach'** halls. A more proactive advisory service may be necessary to tackle those not voluntarily seeking advice on hall management or only making contact when the committee realise they need help.

Hall committees are unlikely to pay the cost of obtaining formal consultancy advice if they are not already accessing advice and support made available at no (or very little) cost to them.

There is clear justification for a public policy intervention which funds the support services directly, but services must be of a standard which is suitable for this target audience and they must be provided locally. If not, the hard-to-reach halls will stay hard-to-reach and carry a significant risk of eventual failure, leaving the most vulnerable of rural residents to cope with the loss of local services on which they rely.

Capital building works

"It has taken over a decade to raise the money to re-build the toilets and kitchen, due in part to the constant change of funding rules or availability."

This research shows that 65% of hall committees had carried out improvement or rebuilding work in the last five years, costing £63.5 million. This included up to £7 million in irrecoverable VAT. Of these, 78% were fairly small scale works costing less than £50,000. 31% cost under £10,000. Routine building management, inadequate condition of facilities and health and safety requirements have accounted for most of this work. Fewer than 10% embarked on major works costing more than £200,000. 61% of respondent halls carrying out improvement work say this has directly resulted in new activities and higher usage.

Reasons for work	%
Part of regular maintenance/upgrade plan	55
Condition of old hall	46
Health and safety requirements	40
Development of facilities for new activities	24
To reduce environmental impact	18
Hall too small	7
Had no hall	0.5

Improvement in use resulting from improvement work	%
None	13
1-3 new activities	39
3-6 new activities	15
6-10 new activities	5
11 or more new activities	2
Difficult to ascribe to building improvements	25

Local authorities are still the main grant source for capital improvement work carried out to rural community buildings. However, **the proportion receiving capital grants from either local authorities or the Big Lottery Fund fell by over a third from 1998**. 20% met the costs entirely from their own funds. Over 35% needed more than 75% in grant aid, contributing up to 25% themselves.

Awards for All and Landfill trusts have also funded significant numbers. The Big Lottery Fund has been one of few funding sources for large grants but its last suitable community buildings programme (closed in 2007) was oversubscribed tenfold.

Loan finance contributed towards 10% of these projects. Borrowing by parish councils assisted a third of these; there is potential for wider use of this power, though in small communities, repayment potential is inevitably limited.

Future plans for improvements

"It would help village halls enormously if we didn't have to pay VAT on improvement work".

60% of respondents are planning major improvements or repairs in the next five years (a slight fall from 64% in 1998). 85% of these are planning to apply for a grant. 25% have already applied. Most of the rest plan to do so within two years. The total sum to be sought in grants is around £65 million (using the mid point of each range). Over two thirds, 69%, are planning works under £50,000. 8% are planning works in excess of £200,000 (the current cost ceiling for the Big Lottery Fund open grants programme Reaching Communities).

Type of work (proportion of those planning work)	To be carried out in next 5 years %	Carried out in last 5 years %
Major renovation/improvements to basic facilities	55	67
Equipment/fixtures/fittings	44	57
Energy efficiency/renewable energy sources	34	51
Facilities for disabled people	24	26
Extension to accommodate new or growing use	18	17
Replacing an old hall or new build	8	5

Conclusion

This Report recognises and celebrates the success of volunteers and the buildings that they manage in rural areas across England. Half are thriving and overall, use of halls has trebled since 1988. Halls appear to cover most of their running costs from their own local resources. However behind this success story lays a huge dependence on fundraising, worth around £15 million annually. And without the significant amount of volunteer effort put into managing the buildings and carrying out essential tasks to keep halls open, most halls would simply be unsustainable.

The increasing age of England's rural community buildings requires a high level of maintenance and repair to keep them in suitable condition. The comparison between average running costs and the average cost of a significant repair to a hall highlights the challenge faced by hall committees when they are faced with essential capital improvements. While charitable halls often struggle to contemplate loan finance when they cannot rely on managing repayments, more parish councils could use their borrowing power, repaying loans from their more reliable source of funding via an annual precept. Nevertheless, the size of the community has a significant impact on whether the cost impact on individual residents is reasonable.

Significant capital investment by local authorities and funding bodies such as the Big Lottery Fund and WREN has helped keep the stock of community buildings "fit for purpose" in the 21st century and preserve those that are part of local heritage. The investment has been well justified as village halls provide an extremely wide range of services, community and cultural activities. Halls are essential to deliver the outcomes for which local authorities are funded through Local Area Agreements, e.g. Stronger Communities, Health and Wellbeing, Children and Young People and Environmental Sustainability.

The government focus on promoting community asset ownership aims to empower communities and generate income for local benefit. Whilst this research demonstrates that communities can own and sustain very successful and very important local assets, it also shows that the cost of major but intermittent capital works for small rural halls is significantly more than can normally be achieved through rental income and local fundraising alone. Those halls most at risk are older buildings serving smaller communities, yet small villages are those most in need of a community meeting place, and local service provision due to closure of pubs, post offices and shops and scarce transport links. Loss of halls would cause serious isolation for the young and the elderly, reducing access to essential services and opportunities for civic and civil participation.

Recommendations

1. Government policy on asset transfer should be re-balanced to ensure adequate recognition and support of the management of assets worth over £3 billion which are already in community ownership in rural communities.

2. Government proposals should be better scrutinized to assess the regulatory impact on volunteer-run assets and services which dominate rural and urban community action.

3. Government and funding bodies should actively seek a more realistic understanding of the volunteer support that sustains community owned assets and ensure policies and programmes better reflect both rural and urban community needs.

4. Government should explore the potential for strategic investment in support services suitable for the significant proportion of 'hard to reach' community halls not accessing external advice and which are most vulnerable to risks such as loss of viability, volunteers or lack of compliance.

5. Local government must recognise the contribution rural community owned buildings make to delivering local statutory objectives at little or no cost to them and ensure that a local register of rural community owned buildings is held in their area.

6. Local government must recognise value of investing in a comprehensive proactive support service, available locally, tailored to the needs of rural community owned buildings, which can maximise and sustain their value to the community.

7. Local government and funding bodies should recognise the significant challenge hall committees face when they seek to raise funds for essential capital works and respond with coordinated grant schemes which match the profile of intermittent investment needs.

8. Local government should exercise 100% rate relief on community owned halls in recognition of their contribution to local well-being.

9. Government, local government and statutory funding bodies should recognise the potential return and invest in energy efficiency and renewable energy provision in community halls.

10. Parish councils and local village hall management committees should work together to plan the future viability of facilities and ensure best value is achieved for the community, for example:

    - Encourage hall management committees to seek information, support and training from the local community buildings advisory service or network
    - Where necessary, establish a strategy of support involving, revenue finance or loan finance repaid from future precepts at an appropriate level for their community.

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

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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.

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