

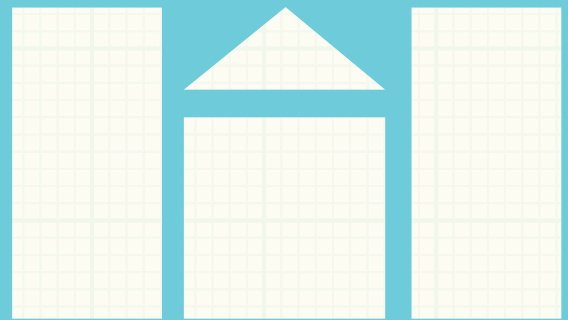


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business in  
community  
hands



# Saving the high street: the community takeover



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**A report prepared for Power to Change**  
Written by Neil Lee & Polly Swann

September 2020

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## About this paper

This working paper, commissioned by Power to Change in March 2020, looks at examples of community businesses operating in high street or town centre locations across the UK and draws out lessons from their experience. It aims to help local communities, local government and national policymakers better understand the potential role of community business in supporting the regeneration of high streets.

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## About the authors



Neil Lee is a Professor of Economic Geography at the London School of Economics. He joined the Department in 2013, having previously been Head of Socio-Economic Research at The Work Foundation, a think-tank. Neil's research considers economic development, innovation, public policy and inequality; with his recent studies considering the impact of high-technology sectors on low-wage labour markets, access to finance for SMEs in cities across the world, and new forms of innovation policy. He has worked with public and private sector organisations, including NESTA, the World Bank, the OECD, the European Commission and the UK government.

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## Summary

This is a critical moment for our high streets, which already faced problems caused by the rise of out-of-town shopping centres and the growth of online retail. They now face the short-term challenges of the Covid-19 pandemic and, in the aftermath, the longer-term problems caused by social distancing. Yet the pandemic also presents an opportunity to rebuild in a new way. There has been a resurgence of community spirit, a renewed connection with local areas, and a growing recognition that communities need to play a central role in shaping their town centres and high streets to meet people's needs. As such, the aftermath of the pandemic is an important moment to reflect on established practices.

A community business is set up and run by the community in a particular place, to address local challenges and deliver positive impact. Any profits generated are reinvested locally. Overall, community businesses, as defined by Power to Change, have four key characteristics: they are locally rooted; they are accountable to the local community; they trade for the benefit of the local community; and they have a broad community impact. The number of community businesses has been growing, with many in high street locations. An accompanying body of research facilitated by Power to Change demonstrates how community business provides a chance for high streets to be rebuilt by and for local communities.

This working paper presents **six case studies** of community business on the high street, with the aim of providing examples of the contribution community businesses can make to the regeneration of high streets and how this might happen. The intention was to select case studies which were illustrative of best practice or particularly interesting examples, rather than providing a representative sample. Nor were the case studies to serve as impact evaluations of their wider role in the high street. Our six case studies are:

- **The Old Library, Bodmin** – where a significant local building has been used by a community business as a cultural facility, drawing visitors to the high street
- **Midsteple Quarter, Dumfries** – a community-led initiative which is developing a group of high street buildings into a live/work quarter
- **Hebden Bridge Town Centre** – a town with a thriving high street, with multiple community businesses supported by the local authority through their 'community anchors' policy
- **Made in Ashford, Kent** – an independent shop which provides a platform for local business to sell on the high street and for community-based craft activities

- **Radcliffe Market Hall, Bury** – a rejuvenated market hall, combining a traditional market with an evening dine-in street food and community venue
- **Ultimate Picture Palace, Oxford** – where members of the local community are trying to bring an independent cinema into community ownership.

Our case studies show the importance of community business as ‘destination places’, drawing people back to the high street and helping to increase footfall. Community businesses can play an important role in ensuring high streets have a more diverse mix of uses and activity, meeting local needs and bringing a wider range of people to the high street. Our case studies showed that this worked well when community business played a role as a complement, rather than a competitor, to other high street businesses. We also identify a number of benefits which community business can have to the rest of the high street (extending beyond their ‘basic’ role providing goods and/or services) and potentially increasing numbers of customers in other, non-community businesses. These include:

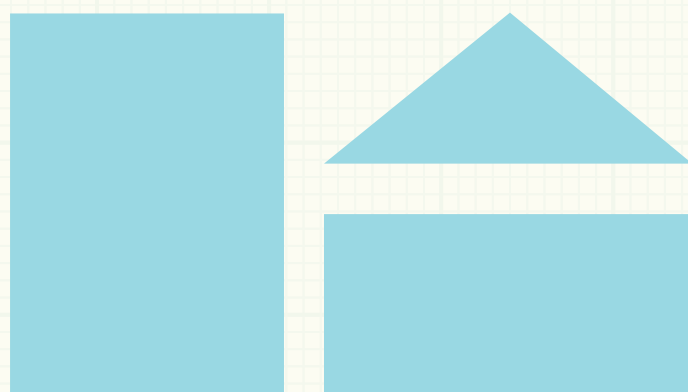
- **Serving as a ‘destination place’** – increasing footfall in the high street, and so bringing people in to use other local businesses. For example, Bodmin Old Library runs events which have brought people from across Cornwall to the town, many of whom also visited local restaurants, pubs, and cafés
- **Increasing diversity of high street users** – the community business often attracted groups who would not otherwise have felt comfortable or been attracted to the high street. The Ultimate Picture Palace in Oxford brought elderly people to the high street who would not otherwise have had a reason to come
- **Building resilience** – community businesses, as stewards of important local buildings, felt they had a wider role in enabling the high street to thrive in adversity. For example, Hebden Bridge Town Hall played an important role in the town’s recovery from major flooding events in 2012, 2015 and 2020
- **Building links with other local business** – through voucher programmes or by providing incubator space for other local businesses to sell, as in the case of Made in Ashford
- **Shaping a vision for the high street** – by building a reputation for the high street as an interesting, thriving place. The success of Radcliffe Market Hall Community Benefit Society in turning the market hall into a destination place has had a significant impact on people’s views of what can be achieved in the town centre. The redevelopment of The Oven building is the first phase in achieving the Midsteeple Quarter’s vision for Dumfries town centre, based on local views and aspirations: a place where more people can live, work and socialise on and the around the high street.

The Covid-19 pandemic has led to significant problems for our case study businesses. Business models have been challenged – with income forgone, staff furloughed, and in one extreme case, a share issue postponed. But they have also shown innovation, launching initiatives and crowdfunding to ensure survival. Our case studies further strengthen the argument that community businesses can, and do, play an important role in high street regeneration. Community managed businesses can achieve benefits, such as increased customer loyalty, which allow them to succeed where commercial businesses do not.

While in each case the driving force of these case studies has been the local community, the local authorities have realised it is in their enlightened self-interest to work to support them. Efforts to do this have included asset transfers, subsidised leases and using community business to deliver services. However, town centre regeneration is often made harder for local authorities because of fragmented property ownership and a lack of transparency on who owns the high street. With so many different landlords on the high street, it can be impossible for local actors to create unified regeneration strategies. Our examples show how support for asset ownership and management can give back more control and enable this sort of regeneration, with local authorities being critical in facilitating community ownership. Similarly, the example of the Midsteeples Quarter shows that the ‘meanwhile use’ of community buildings during the asset transfer process can be just as important.

Local authorities can also support community business to manage both public and privately-owned assets, through short-term leases and licenses. Whilst ownership of the asset remains with the freeholder and provides no legal rights of tenure, it can be an important part of the process towards full community ownership and can allow community businesses to bring empty or under-used buildings into immediate community use, as in the case of Radcliffe Market.

The case studies serve to reinforce how community groups often face difficulties in gaining access to assets and/or making the transition from grassroots fundraising to running a successful community business. Local authorities and other statutory funders can play a crucial role in supporting community businesses through these challenges. In the report we outline three principles for local authorities wishing to facilitate the growth of community business on the high street and one principle for community business looking to move onto the local high street.



1. **Providing flexible finance for establishment, growth, and sustainability.** Community businesses often require short-term funding to move from being the ambition of the community to a successful business. Local authorities have an important 'enabling role' to play in providing flexible funding which can help this happen. For example, through:
  - Initial pump-priming investment to support planning applications, business plan development and ensuring the ongoing sustainability of an asset
  - Providing grants, bridging loans and co-investment in properties to overcome early-stage financing problems faced by community business.
2. **Ensure access to high street locations.** Our case studies showed the important role local authorities can play in helping community business to access properties. Local authorities can:
  - Ease the asset transfer process/support greater community ownership
  - Support the 'meanwhile use' of buildings and management leases of high street assets such as markets, public spaces, libraries and community hubs, directly to trusted community businesses
  - Connect up community businesses with vacant properties on the high street
  - Provide leases which are either secured leases, or which start at a low level and scale up gradually, giving community business the space to grow and become financially sustainable.
3. **Build effective, clear and collaborative long-term relationships.** Local authorities can place community business at the heart of their strategies. For example:
  - Having a designated policy for community businesses, such as Hebden Bridge's community anchor policy
  - Having community business representatives in the governing bodies of Business Improvement Districts (BIDs)
  - Ensuring community businesses are represented in local economic development fora, in particular on Local Enterprise Partnership boards.

4. **Prepare for opportunities.** Our case studies show the need for community businesses to have the necessary structures in place to take advantage of high street assets when they becomes vacant/available, together with the ability to sustain activity in these properties. For example, community businesses can:
- Ensure they are able to demonstrate financial sustainability, with a robust (and commercially viable) business plan to take on and maintain an asset
  - Ensure they have ‘fit-for-purpose’ governance to manage an asset, with the necessary capacity and skills
  - Use community shares as a way of securing community involvement through pooled commitment and investment
  - Build connections with local authorities and other statutory agencies, helping to make themselves relevant to the priorities and core activities of a council/strategic body(ies) and in doing so, access a greater range of funding sources.





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# 1. Introduction

## 1.1 Context: The decline of the high street

The traditional model of the high street as a retail-dominated space is in decline. The rise of ‘big box’ and out-of-town shopping centres from the late 1970s started to draw footfall away from high-street shops; a change which has been exacerbated by the rise of online shopping. By 2011, when Mary Portas conducted her independent review into the future of the high street for the Government<sup>1</sup>, high streets were seen as being in crisis - at the time, one in six shops were thought to be vacant. In response, many high streets have seen the focus shift to the ‘experience economy’ with new coffee shops, restaurants, barbers and nail bars filling some of the gaps left by the decline of big retail names. But the Covid-19 pandemic has now challenged the high street further; threatening the immediate viability of many businesses and the social distancing measures, which are likely to remain in place for a significant period of time, will challenge the longer-term survival of restaurants, cafés, pubs and bars.

The decline of the high street matters for both economic and social reasons. High streets are not simply locations for shopping and service provision, but also form part of collective identities, places of shared interaction and experiences. Prior to the growth of consumerism (from the late 19th century onwards), high streets were as much civic as commercial places, with guildhalls and public meeting spaces sitting alongside a mix of stores and markets, and a higher proportion of housing than is seen today<sup>2</sup>. Retail should be part of the mix in any place where people come together. Yet policy has too often tended to support the ‘big chain’ retail dominant model, which has arguably resulted in places suffering from a lack of diversity, resilience and longer-term sustainability.

<sup>1</sup> Available at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6292/2081646.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/6292/2081646.pdf)

<sup>2</sup> Brett, W and Alakeson, V (2019) Take Back the High Street. Available at [https://www.powertochange.org.uk/wp-content/uploads/2019/09/PCT\\_3619\\_High\\_Street\\_Pamphlet\\_FINAL\\_LR.pdf](https://www.powertochange.org.uk/wp-content/uploads/2019/09/PCT_3619_High_Street_Pamphlet_FINAL_LR.pdf)

The need to shift away from a retail-only model of the high street and encourage a greater role for communities is recognised in much of the contemporary debate. The Government's own The High Street Report (published late 2018)<sup>3</sup>, stresses the need for community involvement both in putting together bids for the new High Street Fund and in making a success of the new High Streets Task Force to support local leadership. Subsequently, the House of Commons Housing, Communities and Local Government committee report on high streets (February, 2019)<sup>4</sup> called for new uses of the high street as "activity-based community gathering places", which are less dominated by retail and instead offer more leisure, arts and culture, and health and social care. This approach has been taken up by the most recent review of town centres by the retail expert Bill Grimsey<sup>5</sup>, in response to the Covid-19 pandemic, which sets out how town centres and high streets could 'build back better' by transferring power to local communities. It argues that local communities could develop new models for their high streets and town centres, based on quality of life and local needs rather than mass consumerism. Indeed, the response of communities to Covid-19 has shown that people want to be a part of their community and can come up with better solutions to local challenges than central government.

Power to Change has been developing a new body of evidence on the importance of community business as part of successful high streets. In a 2019 pamphlet 'Take Back the High Street'<sup>6</sup>, Will Brett and Vidhya Alakeson highlighted the need for greater community ownership and control of high street properties to help ensure fewer empty shops (compared to ownership by private-sector interests) and set out a number of recommendations to support this, including: a powerful new Community Right to Buy so that communities can more easily purchase neglected high street properties and force the sale of these where necessary; £250m to support community buyouts of strategically important high street properties over the next five years; and increased support for neighbourhood plans aimed at revitalising high streets. Evidence suggests that community businesses remain around for longer than other forms of private enterprise<sup>7</sup>, helping to build community wealth in an area and support bottom-up regeneration. This staying power and stability are particularly important commodities when the national (and international) socio-economic backdrop appears so uncertain.

<sup>3</sup> Available at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/766844/The\\_High\\_Street\\_Report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/766844/The_High_Street_Report.pdf)

<sup>4</sup> The inquiry's final report is available at: <https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/1010/1010.pdf>

<sup>5</sup> Grimsey, B. et al. (2020) Build Back Better. Available from: <http://www.vanishinghighstreet.com/wp-content/uploads/2018/07/GrimseyReview2.pdf>

<sup>6</sup> Available at [https://www.powertochange.org.uk/wp-content/uploads/2019/09/PCT\\_3619\\_High\\_Street\\_Pamphlet\\_FINAL\\_LR.pdf](https://www.powertochange.org.uk/wp-content/uploads/2019/09/PCT_3619_High_Street_Pamphlet_FINAL_LR.pdf)

<sup>7</sup> Research commissioned by Power to Change suggests that community shops trading in England can boast a 95% long-term survival rate, compared with a 45% five-year survival rate for UK small business in general. For community pubs, the survival rate rises to 100%.

## 1.2 About this report

This working paper aims to help local communities, local government and national policymakers better understand the potential role of community business in supporting the regeneration of high streets. Community businesses are defined by Power to Change as being:

- (1) locally rooted, i.e. started by local people for the immediate community around the business;
- (2) accountable to the local community;
- (3) trading for the benefit of the local community; and
- (4) having a broad community impact.

Similar to social enterprises, community businesses are committed to positively benefiting society through trading in a sustainable way, with all profit from a community business reinvested in the local area. Unlike social enterprises, community businesses are focused on benefiting a specific local geographic area and because they are accountable to the beneficiary community, local people can be involved in formal participation or even legal ownership.

There are many types of community business working across a wide range of sectors including, for example, employment support, training and education/ business support, housing, health and social care, transport, sports, craft, finance and environment/nature conservation. Many community businesses are in the realm of public service and civic space, such as community centres, libraries, leisure centres, pubs, shops and catering; and as such form vital parts of high streets.

There are an estimated 9,000 community businesses in England, employing some 33,900 paid staff and 205,600 volunteers. The reliance on volunteers allows businesses to keep costs low and benefit from flexible resources, albeit raising other issues around competition with other business. Community businesses also draw supplies from their local economy and bring vital community assets sets back into use. In 2019, the community business market in England had an estimated income of £890 million and held £945 million in assets<sup>8</sup>.

<sup>8</sup> Research Institute Report No.25 (June 2020) Community business in England: Learning from the Power to Change Research Institute 2015–19

This paper presents six 'best practice' case studies to show what can be achieved by community business in the high street. These case studies:

- Provide examples of different types of community business on the high street
- Highlight how these came about, which actors were involved and how they were funded
- Consider the wider benefits of these community businesses to their local high streets
- Consider how they are coping with the current Covid-19 crisis
- Draw out wider lessons for communities, local government, and national policymakers about how community business can best form part of the response.

By providing examples of what works and models that can be tried out and replicated, it is hoped that local authorities can be encouraged to think of community businesses as important decision makers, with real influence to shape how the high street evolves.

### 1.3 Our methodology

We addressed these aims using a three-phase methodology:

**Phase 1: A scoping exercise** – we began by drawing up a ‘long list’ of potential case studies. The intention was to select case studies which were illustrative of best practice or particularly interesting examples, rather than providing a representative sample or impact evaluations of their wider role in the high street.

Our aim was to cover a variety of different types of community business (in terms of their activity, ownership and structure) and also some varied geographical coverage, but all would be based on the high street or in a town centre. To do this, we used Power to Change’s grant making database which details all of the community businesses in receipt of funding from Power to Change. We used this to identify a series of potential case study sites, but also wanted to extend our focus beyond organisations which were already well known. To do this, we sourced other examples from internet searches and discussions with stakeholders.

At the end of this phase, we chose four organisations which we felt were illustrative of different types of community business on high streets in England, but which had their own useful points of interest. The fifth case study was chosen as a profile of a high street/town centre which has a number of community businesses centred on it, whilst the decision to include an example from Scotland was taken so that we could explore how community business can take more of a ‘whole high street’ regeneration approach.

**Phase 2: Best practice case studies** – we conducted our case study research during June and July 2020. We interviewed representatives of the community businesses and also representatives from relevant local authorities. We conducted a secondary data analysis and tried to place these community businesses in their wider context. We wanted to know about the history of the community businesses, the way in which the businesses were funded, their wider impact on local high streets, and how they were dealing with the Covid-19 lockdown.

**Phase 3: Synthesis and lessons learned** - in our final phase we drew out the wider lessons from the case studies: about what they meant for communities, local and national policy. We also wanted to highlight the mechanisms through which community business can benefit high streets.

## 2. Case studies

The six case study community businesses are summarised in Table 1, followed by the full case study reports.

**Table 1.** Case study sites

Case study	Background	Key points of interest
<b>The Old Library, Bodmin</b>	A community hub and events space in a historic high street building	Community business focused on culture-led regeneration
<b>Midsteeple Quarter, Dumfries</b>	An innovative community-led initiative to redevelop a group of high street buildings into a live/work quarter	Community business centred on local people developing their own high street
<b>Hebden Bridge Town Centre</b>	A town centre underpinned by community businesses	Calderdale Council's community anchor policy
<b>Made in Ashford, Kent</b>	An independent-led shop providing creative activities in the community and a platform for creative businesses to sell on the high street	Learning how a pop-up shop can be developed into a community business
<b>Radcliffe Market Hall, Bury, Greater Manchester</b>	A rejuvenated market hall, combining a traditional market with an evening dine-in street food market and community venue	Importance of having a commercially viable business model; providing the right offer to customers
<b>Ultimate Picture Palace, Oxford</b>	A small cinema just off a high street about to launch a community share issue to bring the property into community ownership	Learning how a going concern can be moved into community ownership

## 2.1 The Old Library, Bodmin

### Overview

The Old Library is a historic building in the centre of Bodmin which is now a community hub, including a café, performance space, office space, and cultural activities. Its cultural role brings more people into the high street, benefiting other local businesses.



*The Old Library, Bodmin*

### Background

Bodmin is a small market town in the east of Cornwall with a population of around 15,000 (2011 Census)<sup>9</sup>. The town has relatively high levels of income deprivation for Cornwall, itself one of the most deprived counties in England. However, Bodmin is a local employment hub, with some major employers including food processing and digital technology, but less tourism than other comparable Cornish towns. This was, at least until the pandemic, expected to change this year as the historic Bodmin Jail had been redeveloped as a hotel.

<sup>9</sup> Office for National Statistics 2011 Census: Population and household estimates for the UK available at <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/populationandhouseholdestimatesfortheunitedkingdom/2011-03-21>

Bodmin's high street faces considerable challenges. A relief road has reduced passing traffic to the town centre and there are concerns that businesses in the town centre are squeezed by high costs, including business rates, and the convenience of out-of-town retail. There are a number of independent businesses and some chain stores, such as Millets and Dorothy Perkins. Cornwall Council has used Growth Deal money to fund cycling improvements with the aim of bringing tourists who pass nearby on the Camel Trail (a cycle route) into the town centre. The local master plan suggests that "An attractive and expanded town centre is essential to supporting an increased population and workforce". The town centre provides important services, particularly for those without transport. There are concerns that the town centre's problems are linked with a negative perception of Bodmin in the rest of Cornwall.

The Old Library is an important building on the main shopping street. Dating from 1896, it housed the town's library until 2017, when the library was re-located to the Cornwall Council offices to allow for investment in facilities and books – leaving the future of the old library building uncertain. Into Bodmin, a local Community Interest Company, proposed a new arts centre there in 2017 and have received funding from a number of organisations to help redevelop the building. It is now a community hub serving multiple functions - as an events space, providing office space and a café, with workshops and other community activities.

### **History of the project**

There was no long-term plan to turn the Old Library into a community hub and events space – instead, an existing community organisation identified the opportunity and, with local authority help, was able to act on it. Into Bodmin's director, Fin Irwin, had established a Community Interest Company (CIC) in October 2017 on the basis of an Arts Council England grant which provided the director with 6 months of funding to develop a plan and local engagement. They had held a number of successful events in the area and were considering what their next steps would be.

Around this time, the Old Library was planned to come onto the market. The previous owners, Cornwall County Council, had planned to market the Old Library for redevelopment as flats. Deciding instead to maintain it as a community building, the Council provided Into Bodmin with a ten-year lease with a scaling rent. Lower initial payments allowed the business to establish itself, but ensured that the local authority benefited. Into Bodmin found funding from a range of sources – initially from Arts Council England, but also from the National Lottery Heritage Fund, the National Lottery Community Fund and Power to Change. Flexible funding allowed the business to establish itself in the building and become a local presence.



### **The Old Library now**

The Old Library now consists of a café, events space, and offices rented by Citizens Advice and other local businesses or freelancers. The building also hosts a range of other activities such as:

- Classes and workshops - such as play readings and stand-up comedy, and a series of public events
- A repair room - a monthly meeting place with tools, materials, and expert volunteers helping people make repairs and learn new skills
- A film club - a community film club, Bodmin in Motion, which screens films in locations around Bodmin
- Theatre and music - performed by local and touring companies.

Because of the range of activities hosted in the building, the Old Library now serves an important function in bringing people into Bodmin. While Bodmin high street has a number of shops, it is not seen as a strong shopping destination - most people visit the high street for services, such as collecting pensions or prescriptions. The events bring in people from the rest of Cornwall, but the low-priced café is also designed to bring in people from the less affluent areas of Bodmin. By bringing people into town, the Old Library helps solve the problem, as Fin Irwin (Into Bodmin Managing Director) noted, that “You need the footfall to attract the business, but you need business to attract the footfall”.

The model is obviously challenged by the Covid-19 crisis, but interviewees suggested the Old Library was otherwise relatively low cost and sustainable. Income from rentals and the café pays for the building and one staff member, but the model is still reliant on grants and the goodwill of the local council for growth. Into Bodmin reported some issues dealing with the local authority which was overall supportive, but parts of the Council (notably legal services) were less flexible when it came to agreeing lease terms.

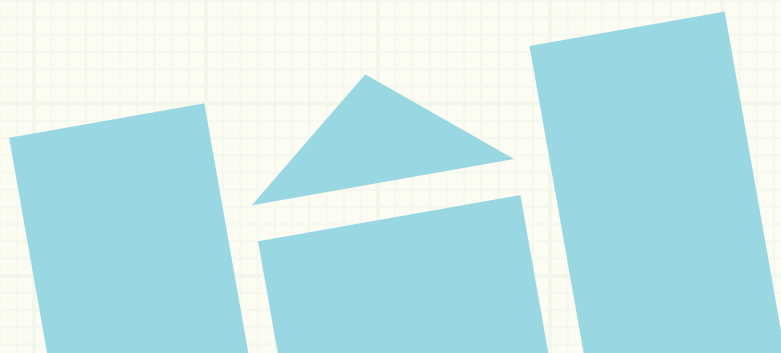
### Covid-19 response

The Covid-19 pandemic has led to the short-term closure of the Old Library. Events have moved online and changed, with new online initiatives keeping people engaged. There is a Kernow Bedroom Choir, where people sing traditional Cornish songs online in practice for a concert when social distancing ends, a Community Drawing Challenge based around local history, an audio play and a patchwork which will eventually be made of individual contributions made under lockdown.



#### *The Kernow Bedroom Choir*

The pandemic has also allowed the management to reflect and prepare for the future. They are preparing facilities which are compatible with social distancing, such as outdoor seating and a raised bed garden. In the short-term, the willingness of funders to provide cash during the lockdown period means that social distancing does not threaten viability. In the longer-term they will need to consider ways to adapt their business model.





### Key points of interest

The Old Library provides an important function in the high street, bringing in greater numbers and a more diverse set of people.

- The development of the Old Library as a community hub was partly opportunity-driven, but built on a tradition of successful though less ambitious activity
- Community hubs can provide an important role in drawing visitors to the high street, with spill over benefits to other high street businesses
- Supporting community business on the high street may require local authorities to act strategically, recognising their shared interest
- Some community businesses have adapted rapidly to Covid-19, innovating and changing their activities rapidly

See more information on Bodmin Old Library [here](#).

## 2.2 Midsteple Quarter, Dumfries

### Overview

Midsteple Quarter is the first community-owned development of a high street in the UK. Led by the Midsteple Quarter Community Benefit Society, this multi-million-pound regeneration project for the centre of Dumfries, Scotland, will diversify the high street by turning an underused and neglected group of high street buildings into a modern mix of homes, business and community spaces.



### Background

Dumfries is a town of approximately 40,000 residents, in Dumfries and Galloway in the south west of Scotland. A Royal Burgh since 1186, and the home of Robert Burns, it has fine historic buildings and an attractive river setting. The combination of industrial, commercial and residential use brought prosperity to the town, becoming known as 'The Queen of the South'. Whilst Dumfries still serves as the main administrative, shopping and health care centre for the region, the town centre has experienced a steady decline as people's shopping habits change, local businesses have been priced out by high rents and people have moved away from the town centre. Dumfries has one of the lowest levels of residential living of any high street in Scotland.

In 2007, Dumfries and Galloway Chamber of Commerce, with a £750,000 grant from the Scottish Government, bought an empty shop building – 100 High Street – and started work to provide a new cultural attraction in the town centre. When this did not reach fruition, and faced with the prospect of the building becoming a shop again, a group of local artists formed The Stove Network to present an alternative plan to Dumfries and Galloway Council: running 100 High Street as a public arts centre. In 2011, the property was transferred to the Council free of charge and leased to The Stove as an exhibition space and third floor workspace; bringing a cultural offer back to the high street and attracting visitors. The Stove Network is the only artist-led Community Development Trust in the UK.

Community Development Trusts are community based, owned and led organisations, which work to improve the quality of life in the local community through delivering services and facilities, finding solutions to local problems, and helping other organisations and initiatives succeed. As a result, development trusts become involved in a very wide range of activities, such as: running a local shop, developing leisure and recreational facilities, managing housing developments, setting up training/employment programmes, and managing workspace for small businesses. Development trusts are independent but seek to work in partnership with other private, voluntary and public sector organisations.

Most development trusts register as a ‘company limited by guarantee’ with charitable aims and many have trading subsidiaries. Profits cannot be distributed to members, but must be used for the further benefit of the local community. Membership is drawn from a geographically-defined area. A trust would expect to obtain revenue to fund its operations and activities both from grant income and trading income. Core funding (for staff and running costs), particularly in its first few years, might come from a variety of public sector sources. Private sector sponsorship might also be obtained.

### **History of Midsteeple Quarter**

Many of The Stove Network projects in the town have encouraged discussion with local people about the future of Dumfries. The absence of homes on the high street was a recurring theme and sparked the idea of a town centre building owned and regenerated by the community, bringing vacant properties back into use. A group of local individuals took this idea on and they identified an area of the high street known as the ‘Midsteeple Quarter’, after the Grade A listed Midsteeple building that dominates the town centre. With funding from Dumfries and Galloway Council’s Town Centre Living Fund, the Midsteeple Quarter Community Benefit Society (CBS) was formed in 2017 to take the project forward. Anyone can become a member of the society, but only people and businesses resident in postcodes DG1 and DG2 have voting rights. The CBS currently has 400 members who are all part-owners, an elected Board and a small project team for day-to-day delivery.

## Midsteeples Quarter today

The eight buildings on the High Street and within the Midsteeples Quarter are owned by a mixture of public and private investors. The Oven (at 135-139 High Street) was the first building acquired by the Midsteeples Quarter project after Dumfries and Galloway Council agreed to a Community Asset Transfer of the property in November 2018. Temporary improvements and upgrades have been made on the ground floor, providing a flexible space for community use and a pop-up shop. With £2.85 million of investment from a number of public sources and grant bodies and other commercial funding streams, plans are at an advanced stage to completely redevelop The Oven. This flagship property will consist of an enterprise centre for local businesses at street level and seven new affordable flats on the upper floors. Despite the restrictions imposed by the Covid-19 lockdown, construction work is due to start early 2021, with completion mid-2022. One of the interviewees noted that, had ownership of The Oven not been transferred to Midsteeples Quarter, it almost certainly would still be empty and costing the council money, and not initiating the changes on the high street that are being witnessed now.

Community Asset Transfer is the transfer of a publicly owned asset (usually land or buildings) to a community organisation at less than market value, or at no cost. It is a voluntary process, entered into proactively by public bodies. For community businesses, owning an asset can provide a sustainable income stream and a secure base for community activities, service delivery and local enterprise.

The remaining buildings in the Midsteeples Quarter block are privately owned. When two of the High Street buildings (113-119) came up for commercial sale last year, Midsteeples Quarter secured public funding to purchase them, together with £80,000 crowdfunded. The redevelopment of these buildings will be similar to The Oven (commercial units at ground level and housing behind and above), with the initial feasibility study and business plan completed in November 2019. Redevelopment opportunities for the other buildings on High Street and their Backlands will be considered as they arise. Hence, full delivery of the project may take up to 15 years to achieve.

The Board recognises that delivering the full Midsteeples Quarter project will require significant funding (£25-30m) over an extended period and as such, it cannot be reliant on public grants and loans funding. Opportunities for private investment need to be explored, alongside a Town Centre Investment Vehicle and Community Bonds. Midsteeples Quarter has worked closely with Dumfries and Galloway Council, with the initial ‘pump-priming’ investment from the Council being critical in enabling Midsteeples Quarter to develop the project to a sufficiently advanced stage, that it could then attract public investment from the Scottish Government and other national bodies. The ‘Midsteeples Quarter: A Blueprint for the heart of Dumfries’ is a critical document for the project, helping to present the vision in terms that are convincing to stakeholders and other funders. It has been adopted by Dumfries and Galloway Council as part of the Local Development Plan 2.<sup>10</sup>

***‘The hardest bit is getting started and having the capacity to produce the feasibility studies etc., so that you’re in a position to apply for funding. Without (Dumfries & Galloway) Council funding, this wouldn’t have happened’.***

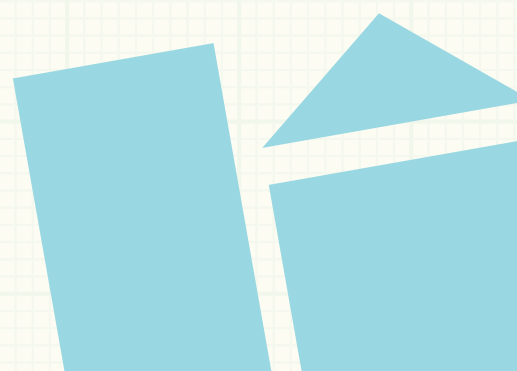
***Matt Baker, Strategic Director of Midsteeples Quarter***

Although the Midsteeples Quarter project is in its early phases, the ‘meanwhile’ refurbishment of The Oven has brought the building back into immediate life on the High Street, creating a new community space and attractions. This has generated a ‘buzz’ amongst the local community and raised perceptions of what can be achieved in the town. An important premise of the project is that more people living in the town centre will create new and different markets for retail businesses, whilst also producing a sense of safety and bringing a more family friendly night-time economy to the high street.

***‘There is a strong sense of community in the town and, as Midsteeples Quarter is a group of local people trying to do something about the high street, there’s a lot of good will.’***

***Scott Mackay, Midsteeples Quarter Manager***

<sup>10</sup> For more on Local Development Plan 2 see: <https://www.dumgal.gov.uk/ldp2>



## Covid-19 response

The Oven has been closed to the public during the Covid-19 pandemic, but 'The Oven Arts' has been active on Instagram displaying contemporary art. The Midsteeples Quarter Manager is positive about the post Covid-19 situation, as funding is in place to start the construction work on The Oven early next year and the purchase of the two additional buildings is near completion. In terms of practicalities around social distancing, the project team is looking at how The Oven can be best used when it opens.

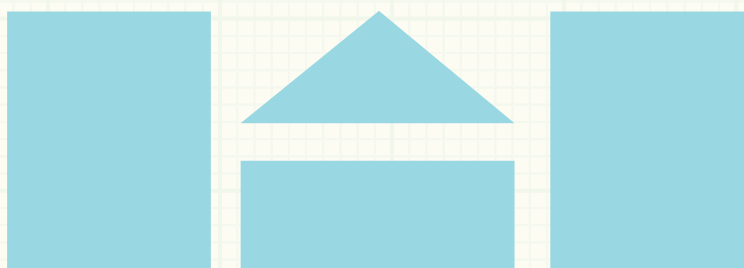


### Key Points of Interest

Midsteeples Quarter is a unique and ambitious community-led initiative; one which presents an opportunity to rethink the high street in order to achieve the widest potential community and town centre benefits. It shows that by giving the community control over the commercial and creative opportunities in the high street, the challenges presented by the dramatic change in high street retailing can be addressed.

- By working closely with Dumfries and Galloway Council, the Scottish Government and South of Scotland Economic Partnership, Midsteeples Quarter has positioned the project within the strategic priorities of these agencies. This has helped them access a wider range of external funding sources and resources.
- The Midsteeples Quarter project has grown from over four years of community engagement and conversation (initiated and supported by The Stove Network). It has been a long process but is a fundamental foundation to achieving the long-term regeneration of the high street.
- Midsteeples Quarter will need to be financially independent after receiving initial public investment. Bringing The Oven buildings back into commercial use (as new businesses, venues and affordable homes) will be key.

See more information on Midsteeples Quarter [here](#)





## 2.3 Hebden Bridge, Calderdale

### Overview

Hebden Bridge has an unusually high number of community businesses, including several on the high street. These contribute to a relatively buoyant local high street which has remained so despite three floods in the past decade. The local authority has actively worked with community assets through a 'Community Anchors' policy.

### Background

Hebden Bridge is a small market town in West Yorkshire with a population of around 5,000. The town has good commuting links and serves as a base for commuters to Manchester or Leeds, but also as an employment hub in its own right. The town is a river valley surrounded by steep hills, and the high street flooded in 2012, 2015, and 2020.

The town centre is seen as one of the most vibrant in the UK, winning the Small Market Town Prize in the 2016 Great British High Street Awards. It has few chain stores and few vacancies compared to similar towns, despite the floods. The town centre is regularly highlighted as a thriving, independent town centre.

Community business plays an important role in the town's success. The Hebden Bridge Town hall, a community hub run by the Hebden Bridge Community Association, is right in the centre of town. Valley Organics, a co-operative, has two shops on the high street and there is a community pub, The Fox and Goose, just outside town. The Trades Club, a member-owned co-operative, is a music venue and social space. There are also a large number of other community businesses nearby.

### The development of community business in Hebden Bridge

The thickness of community activity in Hebden Bridge comes from the long-history of cooperative activity in the area. A local mill, Nutclough Mill, was a cooperative in the late 1800s. The area was also home to non-conformist churches and had, in the 1960s and 1970s, attracted hippies from the cities with cheap housing, beautiful countryside and ample community spirit.



### *Hebden Bridge Town Hall*

Hebden Bridge Town Hall is a significant local building close to the centre of the town. This is the historic town hall, a grade-II listed building dating from 1897. A community association, the Hebden Bridge Community Association (HBCA), was formed in 2008 and the Town Hall was given to them by Calderdale Council in 2010 along with a grant of £60,000 and a loan of the same amount. The HBCA raised money to redevelop the building (much of which was from the European Regional Development Fund), and the Town Hall now offers events space, weddings, conferences, office space for business, and a café. The development of the town hall was, in part, a reaction to protests by the community against the loss of another building which had been sold by the council. The asset transfer process was led by local residents with a large number of consultation events and bringing together of the community. It is now funded largely by revenue, with a small amount of grant income from the Council who ask the HBCA to provide services.

Calderdale Council has had a Community Anchor Policy since 2016. This sets out the different characteristics of Community Anchors – defined as organisations playing a role in community leadership, as a provider of services or by maximising community assets for long-term resilience and sustainability. Community anchor organisations have a designated relationship manager and are seen as important parts of local service provision, being offered shared objectives and ‘parity of esteem’. The Council has also been willing to transfer ownership of buildings - with asset transfers from Calderdale Council both of the Town Hall and of the cinema, which was transferred to Hebden Royd Town Council and is now run as a not-for-profit.

## Hebden Bridge now

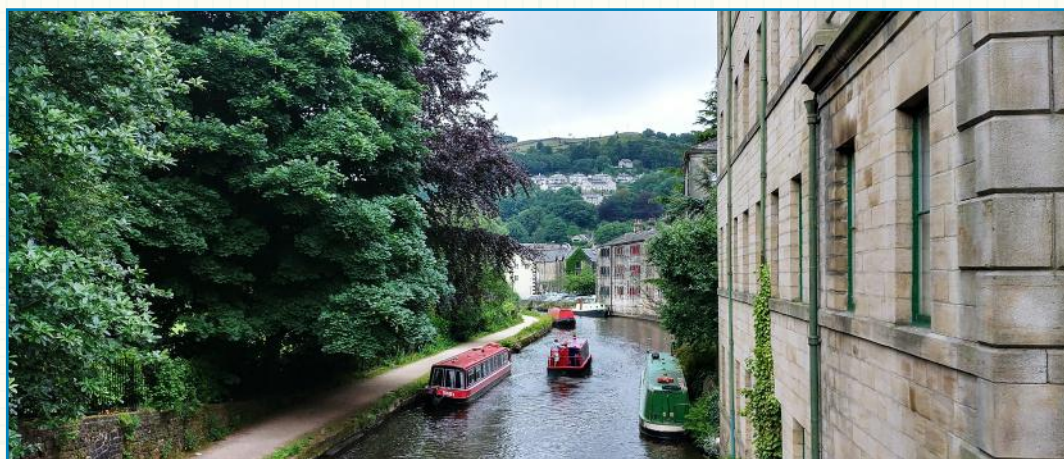
*“There is a fantastic circularity if in my work I can make the Town Hall a successful building that adds to Hebden Bridge, which means the town thrives, which means the Town Hall thrives”.*

*Graham Mynott, Director of the Old Town Hall*

Hebden Bridge’s high street, while having some vacancies, is much stronger than that in similar towns. This is partly because of the strength of the local economy, which draws custom into the town centre, and because of the tourist trade to the town. But interviewees argued that the reverse was also true: the successful town centre was both a cause and a consequence of the town’s wider economic success. It attracted residents, businesses, and tourists who were part of the town’s appeal.

The community businesses provide a complement to the wider set of local shops and cafés rather than competing with them. The Town Hall had benefited from the asset transfer of an important civic building, alongside multiple grants, and the café might be seen as competing unfairly with other local businesses. The management were acutely aware of this problem, seeking to bring people into town and provide an alternative space, rather than growing the café business at the expense of other local cafés. As Sian Rogers – Policy and Projects Manager and Lead for the Voluntary and Community Sector at Calderdale Council – put it, they wanted the Town Hall to be “a convenor not a competitor”.

Community business has played an important part in building resilience in the town. For businesses in Hebden Bridge, the Covid-19 pandemic is not the first time they have had to shut shop for a significant period of time - floods in 2012, 2015, and 2020 all led to significant damage to the town centre. The Town Hall served as a fulcrum of efforts to rebuild in each case, hosting and organising volunteers and helping the town build back.



## Covid-19 response

Like most of the town's shops, most community businesses in Hebden Bridge have been forced to close because of Covid-19. The Town Hall closed as soon as the lockdown was announced, and the vast majority of staff were furloughed. While their basic business model is likely to survive, they are concerned about the potential problems of tenants who underpin the finances of the business, most of whom are unable to operate at present. The Trades Club faces problems as a music venue, as live music is unlikely to return for some time. But other businesses have found it easier to adapt - the Valley Organics Co-operative shop has changed its business model, offering deliveries to vulnerable customers and thriving during the crisis. While individual business models may be threatened, there is hope that the diversity of community business will help the town to come through the crisis.

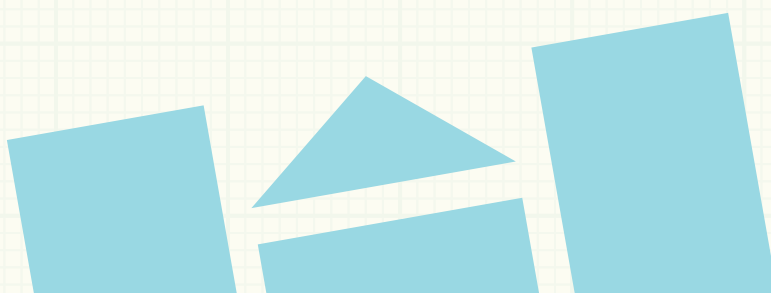


### Key points of interest

Hebden Bridge is an exceptional case, but one which shows that a tradition of community business can provide anchors to a successful high street:

- Thick networks and a historic culture of community business were seen as an advantage, allowing community anchors to develop when important buildings became available
- Community business in the high street faces a tension between growth and competing with other businesses. Businesses in Hebden Bridge saw that it was in their best interest to be part of a thriving town centre
- The local authority has – through its Community Anchors policy – put community business at the heart of the town's economy and social service delivery
- Organisations which have received an asset transfer are important community infrastructure and are playing a significant role in recovery from Covid-19.

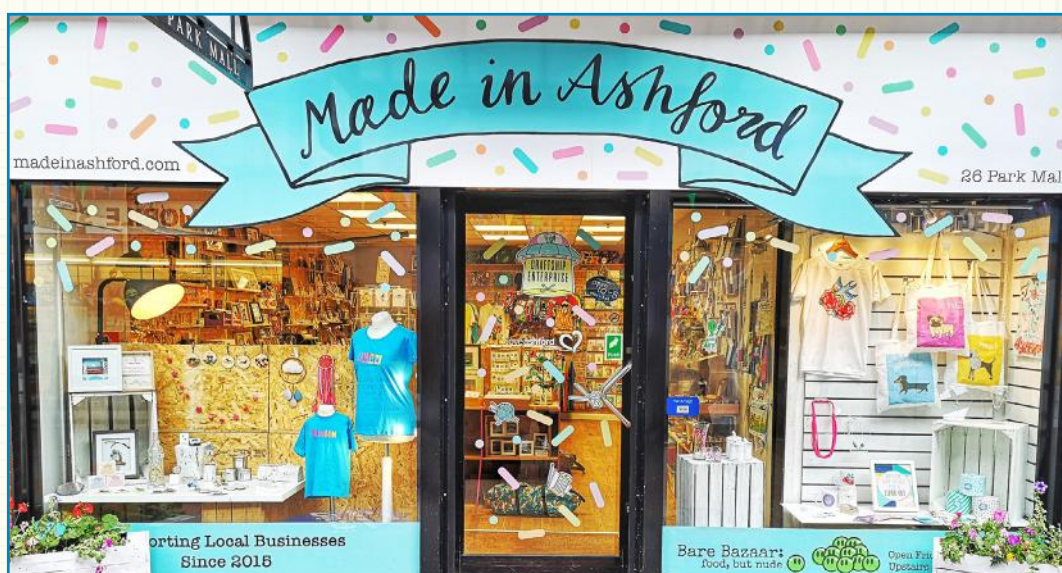
See more information on Hebden Bridge [here](#)



## 2.4 Made in Ashford, Kent

### Overview

Made in Ashford is an independent led shop run by Craftship Enterprise Community Interest Company (CIC). Based in the Park Mall shopping centre in Ashford, Kent, it is one of the longest running organisations delivering community-based craft and creativity activities in the area. The shop has been successful in attracting people who would not necessarily choose Ashford high street as a shopping centre, thereby benefiting other local businesses and supporting the town's regeneration. It is also successfully incubating other small enterprises and new high street businesses.



### Background

The market town of Ashford in Kent has expanded significantly in recent years, both in terms of its population and its economic growth. According to the Office for National Statistics, Ashford's population is set to be the second-fastest growing in the South East, increasing by 31% by 2033. Significant public and private investment has been committed to the town and surrounding borough (c.£600 million), including 13,000 new homes and a commercial office quarter next to the Ashford International railway station. Ashford's prime location on the HS1 rail line to London St. Pancras and its proximity to the M20 motorway are key drivers in the town's current (and future) growth.

Whilst Ashford town centre is the primary shopping area in the borough, it faces strong competition from nearby Folkestone and Canterbury (both 15 miles away), and larger out-of-town shopping centres. In 2012 Ashford was one of 15 Town Teams selected to be a Portas Pilot (in response to Mary Portas's independent review of the high street in 2011). Recent improvements to the public realm have improved the town centre's physical environment, but the Ashford Town Centre Area Action Plan 2010 also recognises the need to encourage more variety in the town's offer, alongside high-quality town centre living.

### **History of Made in Ashford**

Made in Ashford started life as a pop-up shop. As a direct result of being a Portas Pilot town, the Ashford Town Team worked with PopUp Britain<sup>11</sup> to deliver a pop-up shop in an unused retail unit in the Park Mall shopping centre. At this time, a third of the stores in the 1980s-built mall lay empty. Start-up businesses were invited to share the space at a low cost and for short two-week tenancies, testing their trade on the high street and attracting more pedestrians into Park Mall. Melissa Dawkins, a founding member of Craftship Enterprise CIC, took the opportunity to showcase her homemade clothing business on three separate occasions. When the pop-up project came to a natural end after 18 months, Ashford Borough Council asked Melissa to run her pop-up business for a further three months over Christmas. Melissa asked five other creative individuals to work collaboratively with her and such was its success, that they took on the Made in Ashford shop unit permanently in 2015.

Melissa and her colleagues formed Craftship Enterprise CIC to run the Made in Ashford shop as a community-focused, not for profit enterprise to help support local creative businesses and deliver art-based activities to help improve the health and well-being of local people. Membership is drawn from the creative community in Ashford and other interested individuals, supported by four directors who meet on a monthly basis.

### **Made in Ashford and Craftship Enterprise today**

The Made in Ashford shop showcases the work of some 50 individual artists, many of whom are from Ashford or the surrounding area, and are themselves not in a position to take on business premises. Sections of the shop are tailored to suit different designers/makers, with regular gallery exhibitions on the stairwell. All the shop tenants are encouraged to help staff the shop, with incentives to support this, and a commission (of between 15% and 30%) is charged on what each tenant sells. The commission goes back into Craftship Enterprise to support the delivery of activities. A license to trade in store is for a minimum of 3 months, then on a monthly rolling basis.

<sup>11</sup> PopUp Britain is the retail arm of national enterprise campaign StartUp Britain. It offers retail start-ups access to high street spaces.

The upstairs space is used to deliver a range of free and/or low-cost creative workshops to local groups and individuals, from sewing and knitting to drawing classes. Most of the workshops are open to anyone, and as such, the Made in Ashford shop is evolving into a 'creative hub', providing a meeting space where people can spend time and share skills. In 2019 Craftship Enterprise received funding from the National Lottery Community Fund to deliver creative business workshops for disadvantaged women in the community. Some 40 women took part, including from the local Syrian refugee community. Alongside skills development, the project fostered the women's self-confidence and encouraged self-employment opportunities. The start-up incubator space within the shop also supports fledgling businesses. Bare Bazaar CIC, a plastic free grocery store, occupied the start-up space for 18 months, before moving to a larger retail space in Ashford town centre earlier this year. At the town level, Craftship Enterprise supported an outdoor events programme in Ashford coordinated by Emergency Exit Arts; delivering workshops in the community and partnering with local schools to create giant Christmas baubles which were paraded through the high street.

The Made in Ashford shop has become a 'destination' point on the high street, not only driving footfall in the town, but according to the Ashford Town Centre Manager, it also 'drives interest in a demographic who are more affluent and would not normally choose Ashford high street as a shopping destination'. Craftship Enterprise has forged strong relationships with a variety of other businesses on the high street and actively supports town events. The team has led shop window takeovers, dressing empty shop windows so that they look more attractive.

The strong relationship between Craftship Enterprise and Ashford Borough Council has, and continues to be, a critical factor in the success of Made in Ashford. The Council committed the initial funds to re-fit the shop unit and a year ago formerly commissioned Melissa to manage the shop. Although the shop has seen a 25% growth in sales year on year for the past two years, both the Council and Craftship Enterprise recognise that the current business model on which the shop operates (a shelf space retail model) needs to become more financially sustainable. Plans are currently being developed for the first phase: moving the enterprise to a larger space in the town centre. This would provide more workshop space to create a rolling programme of craft courses and small-business development support, studio space for rent and the potential to have specialist art equipment for local artists, schools and colleges to use. This first phase could cost £50,000 and will require a level of supportive funding from the Council for five years or more.

***'We have a very close and effective relationship with the Council, which has been very important to our success. I want it to continue and grow'.  
Melissa Dawkins, Director of Made in Ashford-Craftship Enterprise.***

## Covid-19 response

The Covid-19 pandemic led to the short-term closure of the Made in Ashford shop and it has undoubtedly been a challenging time; with around £10,000 in foregone income. All the planned workshops and community events are also on hold. However, the team has been extremely proactive. A significant amount of free content has been placed online to keep people engaged and creative, including VE Day activity packs, virtual craft workshops, and the production of 200 creative booklets with funding from the Council, which were distributed to foodbanks, schools and low-income families in the borough. Craftship Enterprise also helped coordinate the production of hospital scrubs for the NHS by sewing groups across Kent. The website has enabled the selling of products to continue, whilst holding an online raffle was a way of generating extra income to support its members to continue producing creative content.

*'Made in Ashford – Craftship Enterprise has provided lots of products and services during the lockdown and has recognised the crucial role they could play in the recovery – especially in the town centre.'*

*Hannah Clayton-Peck, Ashford Town Centre Manager*



### Key points of interest

Made in Ashford-Craftship Enterprise has evolved from a pop-up shop in a near-empty shopping centre, into a creative hub for the whole community. The Made in Ashford shop offers a platform for local creatives to sell their work, and in turn, share their skills with the local community through workshops and projects. The shop has become a 'destination' shop in Ashford, attracting more people to the high street and contributing to the revival of the town's shopping centre. Made in Ashford Craftship Enterprise CIC is clearly more than just a shop:

- It fosters and supports creative individuals and fledgling businesses by providing flexible space and business support to its tenants
- It plays an important role in the town, acting as a destination shop helping to generate footfall on the high street and support other local businesses
- It has an important social impact, encouraging local people to be creative and in doing so, improve their skills, confidence and well-being
- It is forging a powerful partnership with the local council, business and community groups.

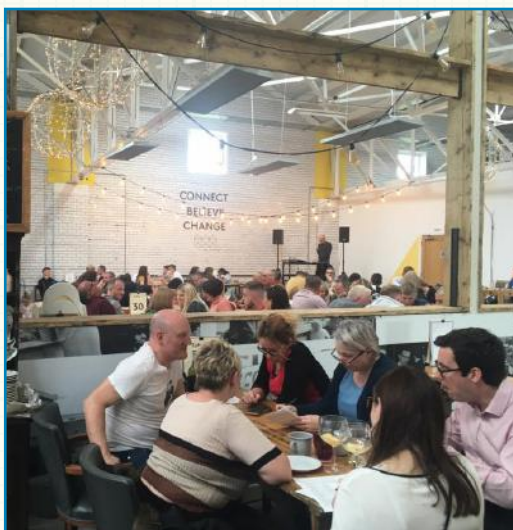
See more information on Made in Ashford [here](#)



## 2.5 Radcliffe Market Hall, Bury

### Overview

Radcliffe Market Hall is a rejuvenated market in the town of Radcliffe, North Manchester. Managed and operated by the Radcliffe Market Hall Community Benefit Society since 2018, it features a traditional market open four days a week, monthly speciality markets and a night time dine-in street food market. It also serves as a venue for community activities, performance and arts events. The market has gone from strength to strength, with 32 market stalls (up from just five in 2018), becoming a destination point in the town centre and encouraging more people into the high street.



### Background

Radcliffe is a small market town in the Metropolitan Borough of Bury, Greater Manchester. It has a strong industrial heritage, becoming well known for its paper and cotton mills. From the 1950s, Radcliffe's textile industry went into terminal decline and the subsequent closure of the town's paper mills in the late 1990s left a large gap in the town's local economy. The town centre in particular has suffered. Most of the employment opportunities and housing that surrounded the town centre have gone, whilst people can easily travel to Manchester and surrounding towns like Bury (on the Metrolink line) for shopping and services. The last remaining secondary school closed in 2014.

The 'Re-inventing Radcliffe' report (2004) recognised the growing feeling that Radcliffe had been neglected and sets out several initiatives designed to improve the range and quality of housing, the attractiveness of the town centre and the quality of local facilities. The subsequent Radcliffe Town Centre 2010 Masterplan included opportunities for a new supermarket and retail units, a bus station and

the potential to create a new residential neighbourhood. It also recognised that the Radcliffe Market Hall should be an integral part of the town's retail core. This is further reflected in the recently approved Radcliffe Strategic Regeneration Framework, which proposes ambitious developments to the town centre and area around the market hall over the next 15 years.

### **History of Radcliffe Market Hall**

Radcliffe Market Hall has been in operation since 1851 and on the current riverside site since 1937. It is owned by Bury Council. In 2014, the Council spent £1 million refurbishing the market in an attempt to improve its image and attract more shoppers. Following this, local resident Jodi Bannister took on the lease of the market café 'Farrar's Café' and started to transform it into a fashionable, relaxed space. She introduced 'Friday Food Nights' to utilise the market space when it was not being used, and invited independent traders to hold stalls. These events slowly gathered momentum and created a buzz in the market.

With the future of the market still uncertain, Jodi and a small group of regular Farrar's customers (including Ricky and Angela Davies and Cllr Rhyse Carthcart), started to think about how they could build on the success of Farrar's and the Friday Food Nights, to transform the market hall into a bustling modern-day food hall. When in 2018 the Council went out to tender for the operation and management of the market, these four individuals put together a bid. As they were not an organisation at this point, the Council asked for the bid to be submitted by Impact Management Solutions Ltd (a management consultancy in the food, drink and community enterprise sectors), owned by Ricky Davies. The bid was successful and Impact Management Solutions Ltd was awarded the contract in January 2018 for a five-year period (with lease and extension options).

To ensure that the local community benefitted from the redevelopment of the market hall, the Radcliffe Market Hall Community Benefit Society (the Society) was formed to operate the market hall under the contract with the Council. The Society was faced with three main challenges from the outset:

- The building was unwelcoming to customers and not fit for purpose
- Income levels from such a small number of rentals (only five) was unsustainable
- An open space was needed to install a new dine-in market that would increase footfall and rental yields.

With a grant of £14,000 from the Power to Change Bright Ideas Fund, the Society undertook some infrastructure work to put the existing eight traditional market stalls in one area, generating space for the dine-in area. They received a further £70,000 from other social funds, including a £60,000 'social value' grant from the Greater Manchester Centre for Voluntary Organisations, which went towards installing ventilation for five new fully equipped kitchens and a brand new central bar area. The remaining funds required (c.£20,000) came from loans and personal contributions, which Ricky Davies acknowledged has put pressure on the Society. A local arts association and a brand design agency, True North, also helped develop a strong brand identity for the market hall. Six months later, in June 2018, Radcliffe Market Hall re-opened.

### **Radcliffe Market Hall today**

The Society manages the market hall so that it provides not just a market but also space for community activity, events and entertainment. Its traditional market is open four days a week and includes a butcher, grocers, deli, cobbler and hairdresser. Speciality markets take place throughout the year. In the centre stands the licensed bar and stage, together with three hot food vendors serving the 300 capacity dine-in area. The main challenge for the market hall has been generating sufficient footfall, both in the day-time and through into the evening, thereby developing a viable evening economy. The success of the original Friday Food Nights has been built on, with a hot 'street food' selection of artisan food producers from across the region. The dine-in market is also open Saturday evening (with live music), Sunday afternoon and on Thursday evenings for comedy and theatre events. The Friday Food Nights regularly attract up to 500 people and approximately 1,200 people visit the market hall each week. Ricky Davies puts this success down to the affordable and family-friendly nature of the market.

***"It is very much about entertaining people and giving them fresh restaurant quality food at takeaway prices."***

***Ricky Davies, Managing Director at Radcliffe Market Hall***

The market hall is appealing to traders too, as taking on a market stall enables them to test and develop their business while being protected from major outlays on rent, rates and fit-out. Of the 34 stalls, 32 are occupied (as opposed to just five stalls when the Society took over in 2018) and many of the traders are from the local area. The Society receives income from the rent on these stalls and the hot food vendors – the income having doubled since 2018. Market traders report an increase in footfall and trade, accompanied by a rise in individual customer spend. The decision to build and operate a licensed bar was an important one for the Society as it has proved to be a successful venture. It has a turnover of c.£250,000 a year, supporting 23 full-time equivalent jobs. The Society's commitment to support local business and products is evident in the beer poured at the bar, which

is brewed by Brightside Brewery on a nearby industrial site, while the cider comes from Radcliffe-based Red Bank Cider. A conscious decision was made to price a pint of beer slightly higher than in the local pubs, so that they are not in direct competition.

The market hall has assumed the role of community hub, offering space for groups to meet and a weekly schedule of activities, ranging from Tai-chi and tea dances to children's crafts and open mic nights to encourage new musical and comedic talent. The Society works with local agencies and charities, supporting initiatives such as food parcels for the homeless and working with schools on healthy eating and living. Furthermore, the market hall is the only place in the area with a public toilet, thus providing an important community facility.

From the outset, the Society recognised the importance of ensuring that the Board has the necessary skills and expertise required to run the market hall as a business. This has required the Society to actively engage with potential board members, whilst carefully 'vetting' candidates and ensuring diversity. Membership is open to all local residents, market traders and the wider community.

By becoming a 'destination' place, Radcliffe Market Hall serves an important function in bringing people into the town centre, both from the local area and the wider Greater Manchester region. Its success has undoubtedly had an impact on people's views of what can be done in the town centre, especially in the evenings. There is anecdotal evidence of an increase in footfall on the high street, with one of the interviewees noting that (prior to the Covid-19 pandemic), a few businesses had started staying open later on Fridays and Saturdays to capitalise on the greater number of people in town for the market hall's food nights. There was a hope that more bars and restaurants would start to open up on the high street (now unlikely in the short-term at least). Bury Council clearly sees Radcliffe Market Hall as a success and a crucial part of the town's ongoing regeneration. The Radcliffe Strategic Regeneration Framework highlights the need to support the market hall's retail function by extending its opening hours and providing outdoor space; opening up the market hall frontage to the river and 'enlivening the town centre'.

***'The market hall has created an environment that's looking to future; it's brought people into the town, both local & from across the city. It's offering something a bit different, that's good quality & in a family friendly environment. There has been significant investment in Radcliffe town centre by the council and its partners and developments around the market hall... the regeneration of the market has helped to kick start all of this.'***  
***Councillor Rhyse Cathcart***

## Covid-19 response

During the Covid-19 lockdown, the traditional market stalls remained open and continued to provide an essential service to the local community – ensuring access to healthy, affordable food at a time of heightened food insecurity. Some of the hot food vendors have diversified too, offering a take-away service. For Ricky Davies, this ability and willingness to adapt is an encouraging sign and places the market hall traders in a strong position going forward. The open plan nature of the market hall also provides sufficient space and flexibility of use to comply with social distancing guidelines in the short to medium term, alongside opportunities for traders to offer pre-orders and pick-ups. Although the amount of income generated over the short term will most likely be reduced, the board<sup>12</sup> of the Society is ‘confident that the market hall will survive’ (Ricky Davies, Radcliffe Market Hall Manager).



### Key points of interest

From the outset, the aim of the Society has been for the market hall to be a thriving market and a space for community activity, which makes a difference to the reputation and image of Radcliffe. In order to achieve this, the Society has done a number of things:

- Ensured that its business model was commercially viable from the outset. Ricky Davies commented that if a community business is seeking to take on an asset, it must ensure that ‘its offer is as good as, if not better, than the other (private) offers’
- Provided the right offer to its customers: high quality, affordable and local products
- Ensured an open membership so that the market is owned and developed by and for the local community
- Ensured that the board of the Society has the necessary skills and professionalism to manage the market hall as a business
- Created a space where people can go, enjoy themselves and experience what the town has to offer; thereby creating something Radcliffe can be proud of and have a regenerative effect.

See more information on the Radcliffe Market Hall [here](#)

<sup>12</sup> Radcliffe Market Hall CBS is run and owned by its members and operates a democratic structure, whereby the board of directors is elected. The board has overall management responsibility for the Society.

## 2.6 The Ultimate Picture Palace, Oxford

### Overview

The Ultimate Picture Palace is a historic cinema just off the Cowley Road, a multicultural high street in East Oxford. The cinema attracts people from across Oxford, many of whom also use local restaurants and cafés. A group of local residents have formed a Community Benefit Society and are launching a share issue to bring the cinema into community ownership.



### Background

The Ultimate Picture Palace is an independent cinema in East Oxford. It sits just off the Cowley Road, one of Oxford's main arterial roads, on a high street which consists mostly of independent shops and restaurants. It is one of Oxford's less affluent and more ethnically diverse neighbourhoods.

The Cinema is in a Grade-II listed art deco building and dates back to 1911, limiting what it can be used for. The box office opens out onto the street and there is one theatre with 108 seats. The freehold is owned by the Donnington Trust and the building is next door to a pub.

Oxford's other independent cinemas have become part of chains or closed. In 2017 a new shopping centre opened in the centre of Oxford with a large cinema of the Curzon chain. This was seen as threatening the viability of the Ultimate Picture Palace.

## History of the project

The UPP is an important fixture on the Cowley Road. Between 2011 and her death in 2018 the cinema was owned by Becky Hallsmith. Under Hallsmith, the cinema used local suppliers wherever possible. For example, beer was supplied by a local social enterprise which worked with people in the criminal justice system. The company was a living wage employer (although it also used volunteers). Cinema-goers were given discounts in local restaurants to encourage them to contribute to the local economy.

Hallsmith had hoped to transfer the cinema into community ownership and left instructions on her death that she wanted this to happen. To reflect this, a group of local residents - including some members of her family - set up the Ultimate Picture Palace Community Cinema Ltd, a Community Benefit Society, in May 2019 to try to bring the cinema into community ownership. Rather than place it on the open market, the executors of her will gave preferred bidder status to the CBS, which attempted to raise the capital needed to buy the cinema. The purchase would, along with some improvements to the projection room and a new disabled toilet, require them to raise around £250,000.

## Taking the Ultimate Picture Palace into Community Ownership

*“I think the only way this cinema will be viable is if it’s a community-owned cinema”.*

*Margaret Wolf, Chair of the CBS Committee*

The Ultimate Picture Palace was a going concern, rather than a business started from scratch. This made the purchase more complicated than starting anew and the CBS committee were clear that they needed specialist advice.

The CBS committee included people who worked in community business and had already worked on the purchase of a community pub, a fundraiser (working pro bono), people who had successfully run businesses, and an accountant and a lawyer. Other local people with appropriate skills were drawn in to work on the share document.

The group also had professional support. The share issue was managed by Ethex, a social investment platform which also happened to be based over the road. They also drew on advice from Co-operative Futures, a specialist consultancy. They also looked for advice from the Power to Change website. Grants paid for the consultancy advice, as well as solicitor’s fees, the creation of a schedule of dilapidation, and accountant’s services (who also did some work pro bono).

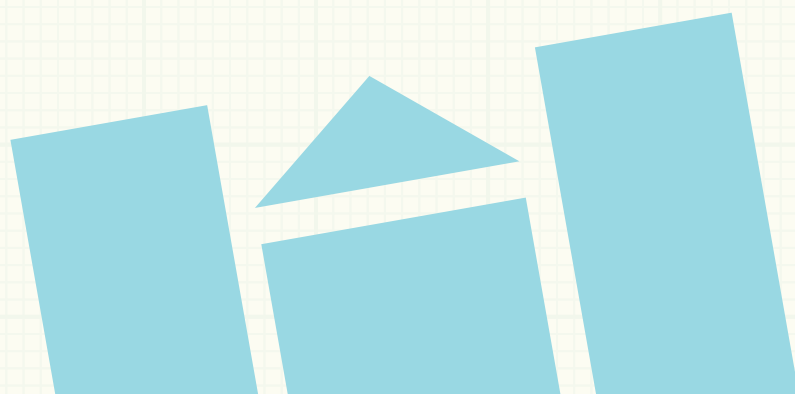
The CBS consulted with the community early on, conducting a survey to gauge support for the project. A public meeting was packed out, with standing room only, and a number of people made pledges to invest in the share issue. But there was some concern that they had built up expectations too soon, as it took them longer to prepare for the share issue than they had initially thought.

### **Covid-19 response**

The launch of the community share issue was scheduled for the 1st of May 2020, a date which is a significant celebration in Oxford. But the Covid-19 pandemic and the introduction of social distancing measures meant it could not go ahead.

The Covid-19 pandemic has caused significant problems for the share issue. The ongoing uncertainty around the viability of cinemas meant it was not clear whether the cinema would still have the value it had had beforehand, potentially making it cheaper to buy. But at the same time, it threatened the viability of the business model - a particular concern given they were looking to the local community to invest. Rather than change the scenarios, the modelling was not updated as the CBS committee did not feel they would be able to reliably update them. Negotiation around the lease required costly legal advice.

The pandemic caused significant problems for the cinema as well. The UPP forgoes income of around £9,000 a month while closed. Some staff were furloughed and the UPP received a £10,000 grant from the government as well as a £12,683 grant from the British Film Institute. The CBS will regroup and aim to launch the share issue once things are clearer. To cope with the immediate impact of the crisis, the cinema launched a crowdfunding campaign in July. They produced a short video, set up a stall outside the cinema to ask for donations, and set up a crowdfunder page to collect money. The appeal was extremely successful, raising over £50,000 and showing the strong community support for the project.







### Key points of interest

The transition of a cinema from a going concern to a community business has been hard and, to date, is not yet complete. Yet the Ultimate Picture Palace is clearly an important part of the Cowley Road and becoming a community business is seen as important to its viability.

- The Ultimate Picture Palace has an important role in the local high street, bringing customers in for other local business. It also plays an important role in the community
- The transition to community ownership is seen as a good way of ensuring the survival of the business
- The transition to community ownership has been hard. Despite strong local support, bringing an existing business into community ownership has been difficult - they have had to patch together grants, pro bono support, and expertise from the community.

See more information on the Ultimate Picture Palace [here](#).

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## 3. Main findings

### 3.1 The wider impact of community business on the high street

High streets are not collections of competitive businesses, but sets of different shops, restaurants, and services, whose business is dependent on each other. The importance of a diversity of uses was noted by Jane Jacobs<sup>13</sup>, probably the most important thinker about urban areas, who argued that diversity of uses meant that there were people coming and going at different times, ensuring the streets felt safe, and were well supervised<sup>14</sup>. It also meant that businesses of different types could learn from each other and benefit from each other's customers. The individual shops and cafés compete, of course, but the relationship is more complex - and the success of any one business is often dependent on the footfall drawn to others nearby. Consumers might choose between restaurants, but are more likely to come for a night out to a street with a number of them. People might come to a high street to visit a chemist, but stay for a coffee in a nearby café. In short, it is important to think of town centres or high streets as being bundles of activities, rather than simply in competition with one another - the mix of uses matters.

Community businesses can play an important role in ensuring high streets have a more diverse mix of uses, meeting local needs and bringing a wider range of people to the high street. Our case studies show that community businesses can have some important impacts on the high street, which extend beyond their 'basic' role providing goods and/or services. These include:

- **Community business as destination places** – by bringing in people to the high street, the community businesses we profiled played an important role in increasing footfall on the high street. For example, the Bodmin Old Library's events and the services offered there gave people a reason to come to the high street; the office space provided in Hebden Bridge Town Hall meant that there were working people in the town centre who would also use the local cafes, pubs, and shops; whilst the craftwork sold in the Made in Ashford shop and the creative activities offered to the wider community, drew people into the high street shopping centre. The intention of Midsteeple Quarter to facilitate the innovative use of former ground floor shop units will attract more people into Dumfries and support an evening time economy, which is currently very poor; whilst providing homes on and around the high street will create residential footfall, with people using shops, services and caring for its safety and security at night.

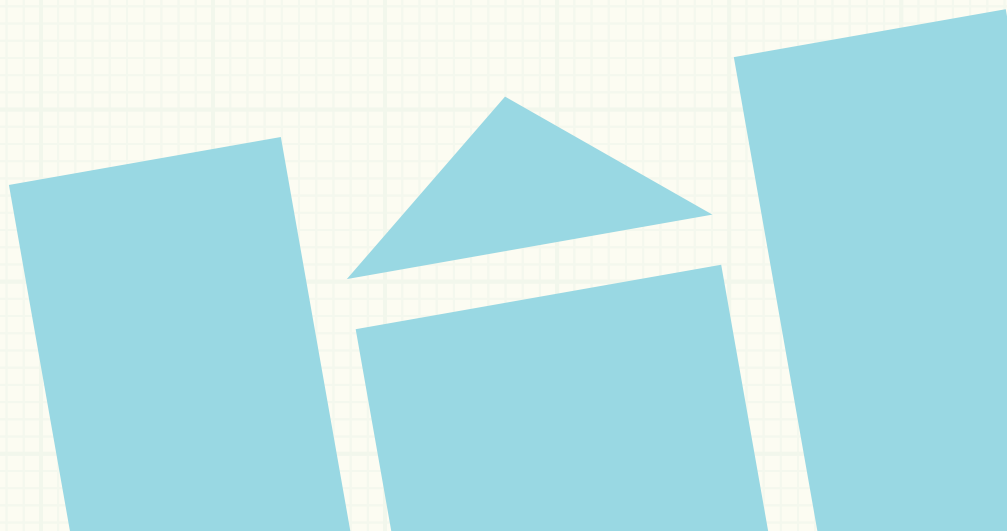
<sup>13</sup> Jane Jacobs (1916-2006) was a journalist, author and activist whose writings championed a fresh, community-based approach to city building. She had no formal training as a planner, and yet her 1961 treatise, *The Death and Life of Great American Cities*, introduced ground-breaking ideas about how cities function, evolve and fail. She promoted higher density in cities, short blocks, local economies and mixed uses. For more information visit: [www.janejacobswalk.org/about-jane-jacobs-walk/meet-jane-jacobs](http://www.janejacobswalk.org/about-jane-jacobs-walk/meet-jane-jacobs)

<sup>14</sup> Jacobs, J. (1961). *The Death and Life of Great American Cities*. New York, Random House.

- **Bringing more diverse groups into the high street** – our case studies also show how community businesses can bring in people who would not always feel comfortable using other high street facilities. Sometimes this was a conscious strategy, such as with the changes to the café at Into Bodmin. In other cases, it was the nature of the facility, such as the Ultimate Picture Palace which had a large clientele of women who preferred not to go to the local pubs. The Radcliffe Market Hall has been consciously redesigned to provide a relaxed and family-friendly environment, enabling a mix of customers from the local community and wider Manchester metropolitan area to use the market hall throughout the day and into the evening. Similarly, the creative and bespoke nature of the craftwork sold through Made in Ashford created interest in a more affluent demographic which would not normally choose Ashford high street as a shopping centre. One final benefit is important but often understated: the community businesses often provided toilet facilities, which made town centres accessible to groups who would not have been otherwise comfortable coming to town.
- **Building resilience** – the communities we spoke to were often very conscious that they are stewards of community assets, and were willing to use those assets in a different way. The importance of Hebden Bridge Town Hall to the town's recovery from three major floods in a decade was a good example here. Similarly, the traditional market stalls in Radcliffe Market Hall continued trading during the Covid-19 lockdown, offering food security for the local community. The redevelopment of the Midsteeple Quarter into a contemporary living, working and enterprise hub will contribute to the viability and vibrancy of Dumfries town centre, so necessary in the face of the dramatic decline in high street retailing.
- **Building links with other local businesses** – we saw examples of community business building links with local businesses, such as the Ultimate Picture Palace offering discounts in local restaurants to cinema goers and the Radcliffe Market Hall's commitment to providing fresh and local food/goods has resulted in more local businesses and individuals trading in the market.

- **Shaping a vision for the high street** – our case studies also showed the role played by community business in building the reputation of the high street. The community businesses in Hebden Bridge were a core part of its reputation as independent and individual, organising events and festivals throughout the year and helping bring people into the town. Similarly, the success of Radcliffe Market Hall CBS in turning the Radcliffe market hall into a destination place, has had a significant impact on people’s views of what can be achieved in the town centre. Bury Council sees the market hall as a crucial part of the town’s ongoing regeneration, with explicit reference to supporting its retail function and links with the high street in the Radcliffe Strategic Regeneration Framework. The Midsteeple Quarter project had a very clear vision for Dumfries town centre based on local views and aspirations: a place where more people can live, work and socialise on and the around the high street. The redevelopment of The Oven building into a mix of uses is the start of achieving this. Crucially, the Midsteeple Quarter Masterplan was adopted by Dumfries and Galloway Council as Supplementary Guidance for the Local Development Plan.

One of our concerns in this research was that community businesses might be competing in some unfair sense with existing local businesses, particularly given they were able to use volunteers, access grants and often made use of subsidised assets. While this is an important concern, the representatives of community businesses we spoke with were aware of the problem and tried hard to avoid direct competition. They were often providing a service as a community business which would not have been provided by the market, such as the Ultimate Picture Palace. Or they were offering something new to the high street, rather than directly competing, as in the community hubs or Made in Ashford.



### 3.2 Dealing with Covid-19

The Covid-19 pandemic and associated social distancing measures have clearly been a challenge for our case studies. In most cases, the businesses have been forced to close and furlough staff, cancel normal activities and long-planned events and, in one unusual case, postpone the launch of a community share issue. There is also considerable uncertainty about when and how they will be able to return to normal. In the short-term, there are some great examples of innovation as community businesses adapt to the 'new normal'. The Old Library in Bodmin is a good example with their online choir and other activities which keep people engaged. The Ultimate Picture Palace launched a crowdfunder, raising over £50,000 to help ensure the survival of the cinema whilst it remains closed; but in the long-term it is not yet clear how they will adapt.

Made in Ashford placed a significant amount of free creativity-based activities on their website. They also explored ways to generate extra income whilst the shop was closed, including an online raffle and Makers Market. Radcliffe Market Hall was able to respond quickly to the immediate need for fresh, affordable produce during the lockdown, supporting the traditional market stalls to remain open and help ensure food security for the local community. Indeed, the ability of markets like Radcliffe Market Hall to offer a more flexible and adaptable retail space, which allows for social distancing, makes them an essential part of the post Covid-19 recovery in town centres. There are numerous examples from up and down the UK of community businesses and community groups that have, and continue to support their local communities throughout the crisis. Community businesses have shown that they are extremely responsive to local need, being able to adapt and innovate at speed<sup>15</sup>.

Covid-19 raises a dilemma for high streets. Shops and services in the centre of towns are likely to close and many valued high street buildings will be vacant, if they were not already. Similarly, the business models on which community business relies are threatened by (current) social distancing measures. This was clearest in the case of the Ultimate Picture Palace - a building which is now worth less than it would have been, but on the basis of a business model for cinemas which has been seriously threatened in the short-term at least. However, the current crisis also presents an opportunity for the community sector to take ownership of commercial properties on the high street, which would not otherwise be possible. Indeed, community business should be seen as a more resilient and sustainable alternative to a high street model that is failing. According to research by the Plunkett Foundation (2018) pre Covid-19, community shops had a long-term survival rate of 94%, compared with estimations for all small UK businesses of 44.1%.<sup>16</sup>

<sup>15</sup> Power to Change (May 2020) Local Heroes: How to sustain community spirit beyond Covid-19.

<sup>16</sup> Plunkett Foundation (2018) Community Shops: A better form of business.

### 3.3 Lessons for communities, local and national policymakers

There has been growing recognition that the future for high streets lies in meeting peoples' desire for more community-centred and vibrant town centres. The Covid-19 pandemic appears to have reinforced this, with more people relying on local high streets and neighbourhood networks to access food and essential services at a time of need. At the same time, the Government has proposed planning reforms to provide greater flexibility for businesses to adapt and diversify to meet changing demands – such as allowing landlords to switch from commercial to residential use with ease. Whilst this offers an immediate response to empty properties, there may well be some unintended consequences and fall out for the high street. In contrast, our case studies strengthen the argument that community businesses can (and do) go further in offering a locally-focused and longer-term solution to high street regeneration. Community managed businesses can achieve benefits, such as increased customer loyalty, which allow them to succeed where commercial businesses do not.

#### 3.3.1 Community ownership on the high street

Interest in and demand for community ownership and control of assets on the high street has been growing for many years, spurred on by recent policy developments. The interest of successive governments in community asset ownership has led to the establishment of community asset transfer under New Labour and a range of formal 'community rights' enshrined in the Localism Act since 2011 (including Community Right to Bid). In Scotland, the pre-emptive Community Right to Buy allows communities to register an interest in land and the opportunity to buy that land when it comes up for sale, and has since been extended into urban communities through the Community Empowerment (Scotland) Act 2015. Despite signs of a commitment amongst local authorities to transferring over the control of public assets to local people, community ownership, influence and control of high street property varies across England and is not the 'norm' - for a variety of reasons as highlighted by the work of Power to Change<sup>17</sup>.

<sup>17</sup> Brett, W & Alakeson, V (2019) Take Back the High Street: Putting communities in charge of their own town centres. Available at [https://www.powertochange.org.uk/wp-content/uploads/2019/09/PCT\\_3619\\_High\\_Street\\_Pamphlet\\_FINAL\\_LR.pdf](https://www.powertochange.org.uk/wp-content/uploads/2019/09/PCT_3619_High_Street_Pamphlet_FINAL_LR.pdf)

Power to Change Research Institute Report No.21 (July 2019) Our assets, our future: the economics and sustainability of assets in community ownership. Available at <https://www.powertochange.org.uk/wp-content/uploads/2019/07/Assets-Report-DIGITAL-1.pdf>

One of the key barriers facing town centre regeneration is fragmented property ownership, whereby there are so many different landlords with their own individual investments in a relatively small place that it can be impossible for local actors - community businesses, local authorities or locally engaged businesses - to act strategically and create town centre plans. The example of the Midsteeples Quarter project shows how pooling of asset ownership can give more control, enabling the required degree of change to be achieved through asset management. Pooling can be achieved by existing owners voluntarily pooling their assets, by the acquisition of assets or, in the last resort, compulsory purchase. Pooling of assets allows for them to be managed as part of a single entity; thereby making it easier to make physical adaptations and improvements and specify the occupier mix to suit the high street concerned (housing, business and community space, in the case of Midsteeples Quarter). Midsteeples Quarter acknowledges that it will take time for the community to accumulate enough high street property to achieve their overall regeneration strategy (possibly 15 years), but even one or two property transfers into community ownership is starting to bring the new vision to life.

Another barrier to community ownership is a lack of transparency on who owns the high street. The Government is responding to widespread local concern by piloting local public registers of ownership based on Land Registry data, together with a wider rollout of a public beneficial ownership register of all property by 2021 to identify overseas owners. Full transparency around commercial property ownership on the UK high street would also support an accountable property market.

### **Community asset transfer**

Local authorities are critical in supporting and enabling community businesses to take ownership of high street assets and they have a number of powers they can use to support this. In the case of Hedben Bridge Town Hall and Midsteeples Quarter, the mechanism was a community asset transfer.<sup>18</sup> Calderdale Council transferred ownership of the Town Hall to the Hebden Bridge Community Association in 2010, whilst Midsteeples Quarter acquired its first building, The Oven, after Dumfries and Galloway agreed to a community asset transfer in 2018. For Midsteeples Quarter, the acquisition of The Oven and the planned redevelopment of these neglected buildings into a mix of housing and enterprise space, sets the template for the future of the Midsteeples Quarter project. It is also key to Midsteeples Quarter building a track record and confidence amongst funders, investors and residents.

<sup>18</sup> Community Asset Transfer is the transfer of management and/or ownership of public land and buildings from its owner (usually a local authority) to a community organisation for less than market value – to achieve a local social, economic or environmental benefit.

Calderdale Council's Community Anchor Policy is another important example<sup>19</sup>. It is the first Council to have adopted such a policy, having recognised the importance of certain community-led organisations to their local high street economies and building on their tradition of asset transfer; trying to build long-term relationships with these organisations, often community businesses and involving them in service provision. In Hebden Bridge, this has helped the Town Hall become a valued fixture in the town centre, drawing in a diverse range of people and benefiting the local economy – not least during the episodes of flooding that have hit the town.

Similarly, the meanwhile use of community buildings during the asset transfer process can be just as important. While the proposals for The Oven redevelopment were progressing, Midsteeple Quarter continued to manage the space, temporarily improving it for use by community groups and pop-up creative initiatives, and testing the market for possible future uses of the ground floor space. Midsteeple Quarter will adopt a similar 'meanwhile phase' when it takes ownership of the remaining High Street frontage buildings; working with local businesses, third sector groups and community initiatives to bring them back into immediate life on the high street.

Although the primary focus of Midsteeple Quarter is community ownership and redevelopment of buildings within the high street site, the latter phases of the project acknowledge that community ownership of some of the smaller, ground-floor buildings may not be a priority. Instead, encouraging owners to invest and bring forward improvements can make a valuable contribution towards the vitality of the high street.

<sup>19</sup> For more details, see here: <https://news.calderdale.gov.uk/an-anchor-in-our-communities/>



### **Local authority ownership to support community business**

There are other community management options of both public and privately-owned assets that do not involve full ownership, such as 'meanwhile use' or short leases and licenses. In these cases, ownership of the asset remains with the freeholder and provides no legal rights of tenure, but it can be an important part of the process towards full ownership and can allow communities to bring empty buildings into immediate community use. The Radcliffe Market Hall case study is a good example of this, with the market hall managed and run by Radcliffe Market Hall Community Benefit Society following a successful tender process, whilst Bury Council retains ownership of the market building. The society has a five-year management contract, with lease and extension options. The Council does not expect to receive a rent, instead seeking to share a proportion of the surplus but only after all costs had been covered (including an allowance for wages and operator profit). Within six months of securing the management agreement and premises licence, Radcliffe Market Hall was in community use, with some 1,200 visitors a week. The new vision and programme of events in the market has seen it become 'a catalyst for change' in Bury town centre.

Made in Ashford-Craftship Enterprise CIC is another good example of where local authority ownership of a high street property or unit can be a useful means of supporting community-led activity. Having purchased the rundown Park Mall shopping centre, Ashford Council launched the PopUp Ashford initiative as a relatively low cost way of supporting start-up businesses, whilst generating much needed footfall. By enabling this initiative to evolve into a long tenancy period and on a shelf-space retail model, Made in Ashford was able to grow at its own pace and in a collaborative way; developing into a successful social enterprise with tangible community benefits, including supporting and incubating other community businesses/social enterprises and as an important footfall driver on the high street. The importance of the ongoing business support provided by Ashford Council should not be underestimated. For Made in Ashford to expand its activity, it needs larger premises but any growth comes with added financial pressures. A level of supportive funding from the council for around five years will be needed, with the council and Made in Ashford-Craftship Enterprise working together on a business plan and financial modelling.

Similarly, Into Bodmin CIC is not paying the full market rent for the Old Library building. Having moved into the vacant building on a temporary-use licence, running it as a pop-up venue, Into Bodmin secured a 10-year lease on a scaling rent. The local authority saw that it was in their enlightened self-interest for the building to be used as a community hub rather than another use.

Community ownership does not need to be confined to buildings on the high street; otherwise underused spaces within a town centre can be transformed. For example, Projekts MCR in Central Manchester raised £132,194 from 70 community shares investors to transform a space under the motorway into a skate park and community café, bringing people together to improve their fitness and health and build community cohesion.

### **3.3.2 Challenges of financing community businesses**

Our case studies showed the importance of local authority funding for community business – and a clear need for local authorities to increase the level of funding and low-cost finance available to community businesses to support asset transfer, particularly funding for supporting planning, business development and ongoing sustainability of an asset. Midsteeple Quarter was acutely aware of the scarcity of funds available to the local council and they have worked closely on an overall resource strategy for the project – the principle of this was initial ‘pump-priming’ investment from Dumfries and Galloway Council to enable Midsteeple Quarter to develop the project to a sufficiently advanced stage that it could attract the main share of the public investment required from outside the local area. By aligning its regeneration plans with the priorities of strategic bodies, such as the Scottish Government, South of Scotland Economic Partnership and Holywood Trust, Midsteeple Quarter was able to access a greater range of funding sources and resources which have been brought in to support the high street.

As a community-led project, Midsteeple Quarter accessed the Scottish Land Fund to secure funding for initial feasibility work on taking over the next two buildings on the High Street. The Fund provides capital for the purchase of land or buildings (up to 95% of the purchase price of the asset) and then revenue funding again for initial running costs. The Midsteeple Quarter project also shows how assets which require larger scale renovation are often complex projects, requiring multiple funding sources at different times and with different reporting requirements. Therefore, long-term funding and meaningful funder relationships that span the lifecycle of a project can make a significant difference. Whereas the redevelopment of The Oven buildings has been funded from a mixture of grants available to community business and loan funding, Midsteeple Quarter recognised that subsequent development phases will need to be based on a wider funding model, such as Town Centre Investment Models to bring partnerships together, including private investors (councils in other areas of Scotland have used such joint investment vehicles), and community bonds<sup>20</sup>.

<sup>20</sup> A bond is a form of loan agreement between an individual and an enterprise. Capital is loaned in small denominations, typically between £100 and £500, and evidenced by a bond or agreement that the society promises to pay interest and to repay the capital to the bondholder on a set date. Bonds are usually transferable between third parties and do not confer ownership or voting rights.

## Community shares

Investing in community shares is a practical way of supporting a community business, generating income and community buy-in. These can only be issued by co-operative and community benefit societies (CBS). Midsteple Quarter offers community shares through its membership, whilst the Ultimate Picture Palace and Radcliffe Market Hall are exploring the potential of staging a community shares offer. Community share offers are a particularly useful way to raise funds to purchase an asset and tend to work best with community businesses where there is a clear source of revenue (such as rental income). Community shares cannot be used as a means of financial gain, although there may be financial returns for investors in the mid to long term. Rather, the benefit of issuing community shares for these three CBS, was the opportunity for local people to invest in the future of their respect town centres in a practical and meaningful way. According to Midsteple Quarter *‘a healthy, vibrant town centre would be a pretty good return for anyone who cares about the future of Dumfries’*.

The Ultimate Picture Palace has not yet made the transition to full community ownership, with the launch of the community share issue postponed because of the Covid-19 crisis. Their experience provides important lessons for other community businesses in doing so:

- 1). the importance of expert advice<sup>21</sup>;
- 2). the availability of funding; and
- 3). the importance of timing the community share issue to coincide with public interest.

There are other good examples of how community share offers can help rejuvenate the high street beyond those in our report. For example, [Nudge Community Builders](#) in Plymouth, whose share issue allowed them to purchase an empty building, The Clipper, with £204,750 raised from their community alongside an £85,000 one-year bridging loan from Plymouth City Council’s Affordable Housing Loan Facility. The building now hosts a local enterprise market, pop-up café and two apartments at affordable rent upstairs. The refurbishment of the historic [Stretford Public Hall](#) was funded through the sale of community shares (£255,000) by the Friends of Stretford Public Hall CBS, to ensure the hall could continue to provide a range of activities and services for the local community.

<sup>21</sup> For more information, see here <http://communityshares.org.uk>

## **Crowdfunding**

Investment crowdfunding is increasingly being used to fund a broad range of local assets, on and off the high street, including saving local shops and pubs from closure, such as The Bevy in Brighton and Black Bull Hotel in Gartmore, Stirling, to creating new community centres and leisure facilities. When an unforeseen opportunity arose through the sale at auction of two buildings in the High Street, for the Midsteeple Quarter to acquire on behalf of the community, a successful crowd-funding campaign raised over £80,000 in two weeks, to complement funding from the Scottish Land Trust. Although the buildings were quickly sold to an anonymous buyer, Midsteeple Quarter successfully negotiated with the new owner to secure them.

This example demonstrates the challenges community businesses face in securing privately-owned property on the high street, especially when property sells in excess of the valuations. But it also shows the potential opportunities in using investment crowdfunding for community-led projects; including helping to fund projects that would otherwise struggle to access funding elsewhere and how a community can be strengthened and brought together over an opportunity to take back ownership of their high street. This is echoed by the success of the Ultimate Picture Palace crowdfunded campaign (£50,000 raised) and the willingness of the community to support this valued community asset during the period of uncertainty caused by the Covid-19 pandemic.

### 3.3.4 Local government support

The case studies serve to reinforce how community groups often face difficulties in gaining access to assets and/or making the transition from grassroots fundraising to running a successful community business, often with a large number of investors to keep happy. Alongside this, there are often challenges around ensuring that the diversity of those investing in and governing these assets is representative of their local communities, and that Board members have the necessary skills sets. Local authorities and other statutory funders can play a crucial role in supporting community businesses through these challenges by: offering flexible funding options (including grants, bridging loans and co-investment); helping them access space by easing the asset transfer process; developing effective community business engagement and relationships with local/city government; and investing in skills and capacity building. To enable funders and local authorities to provide greater access to funding for the purchase and renovation of local assets, Power to Change has suggested that £250m from the Towns Fund in England is earmarked for the transfer of high street assets of community value. Similarly, the 2019 Conservative Party manifesto committed to establishing a £150m Community Ownership Fund to encourage local takeovers of civic organisations or community assets that are under threat.

The case studies also highlight how local authorities are a central player in town centre regeneration and post Covid-19, they are ideally positioned to capitalise on government initiatives and to kick-start regeneration. Local authorities can have an important 'enabling role', as in the case of the Midsteeple Quarter where Dumfries and Galloway Council committed the initial 'pump-priming' investment, assisted the planning permission process and supported Midsteeple Quarter in building the necessary partnerships with statutory agencies and private business. In the case of Hebden Bridge Town Hall, the council had taken the decision to transfer an under-used asset into community ownership, but, under their Community Anchor policy, had used the Hebden Bridge Community Association to provide services. This helped ensure the building was well used and financially viable. Similarly, in the case of Radcliffe Market Hall, the local authority could see the added benefits from the market hall being run by a community-focussed, locally-placed organisation.

Lastly, all six case studies highlighted how the cultural and creative industries play a huge part in the growth of community influence and ownership on the high street and in asset transfer. The excitement of community-led cultural events, which enliven public spaces such as the Ultimate Picture Palace and Bodmin Old Library, and bring people together, are critical to generating community support and the ambitious ideas needed for a community business to take ownership of a high street building. Indeed, the idea for Midsteeple Quarter came out of the artist-led activity of The Stove Network in Dumfries over many years and the skills of the creative community remain important to the project.

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## 4. Conclusion and implications

### 4.1 Conclusions

High streets across the UK face a critical moment. They have already faced decline caused by out-of-town shopping centres and online retail. Now, the Covid-19 pandemic, with its short-term economic consequences and the longer-term consequences of social distancing, will threaten them further. But this is not simply a moment to reflect on the problems of the high street. It is an opportunity to reflect on how they could be rebuilt in a more sustainable, inclusive and community-driven way.

This working paper has drawn on six case studies of community business in the high street to provide some examples of how this might happen. In each case, community business has contributed to a more vibrant mix to the high street – giving people a reason to come to the high street, and so benefiting other local businesses. Community business can play a role as a ‘destination place’ and contribute to wider local economic development, rather than competing with existing local businesses. It has often relied on the enlightened self-interest of the local authority to make this happen, but the benefits can be felt broadly across the local area.

### 4.2 A set of guiding principles for local government and communities

Local government plays an important role in ensuring the success of community business on local high streets. Our work suggests some guiding principles that can help local authorities to work supportively with community business, together with a principle for community business/communities looking to move onto their local high street. These are as follows:

#### 1. **Providing flexible finance for establishment, growth, and sustainability.**

Community business often requires short-term funding to move from being the ambition of the community to a successful business. Local authorities have an important ‘enabling role’ to play in providing flexible funding which can help this happen. For example, through:

- Initial pump-priming investment to support planning applications, business plans/development and ensuring the ongoing sustainability of an asset
- Providing grants, bridging loans and co-investment in properties to overcome early stage financing problems faced by community business.

- 2. Ensure access to high street locations.** Our case studies showed the importance of local authorities realising that it was in their enlightened self-interest to help community business access properties. Local authorities can:
  - Ease the asset transfer process/supporting greater community ownership
  - Support the ‘meanwhile use’ of buildings and management leases of high street assets such as markets, public spaces, libraries and community hubs, directly to trusted community businesses
  - Connect up community businesses with vacant properties on the high street
  - Provide leases which are either secured leases (providing security), or which start at a low level and scale up gradually, giving community business the space to grow and become financially sustainable.
- 3. Build effective, clear and collaborative long-term relationships.** Local authorities can place community business at the heart of their strategies. For example:
  - Having a designated policy for community business, such as Hebden Bridge’s community anchor policy
  - Have community business representatives in the governing bodies of Business Improvement Districts (BIDs)
  - Ensuring community businesses are represented in economic development discussions, in particular Local Enterprise Partnership boards.
- 4. Prepare for opportunities.** Our case studies showed the need for community business to have the necessary structures in place to take advantage of a high street asset when it becomes vacant/available, together with the ability to sustain activity in these properties. For example, community businesses can:
  - Ensure they are able to demonstrate financial sustainability, with a robust (and commercially viable) business plan to take on and maintain an asset
  - Ensure they have ‘fit-for-purpose’ governance to manage an asset, with the necessary capacity and skills
  - Use community shares as a way of securing community involvement through pooled commitment and investment
  - Build connections with local authorities and other statutory agencies, helping to make themselves relevant to the priorities and core activities of a council/strategic body(ies) and in doing so, access a greater range of funding sources.

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