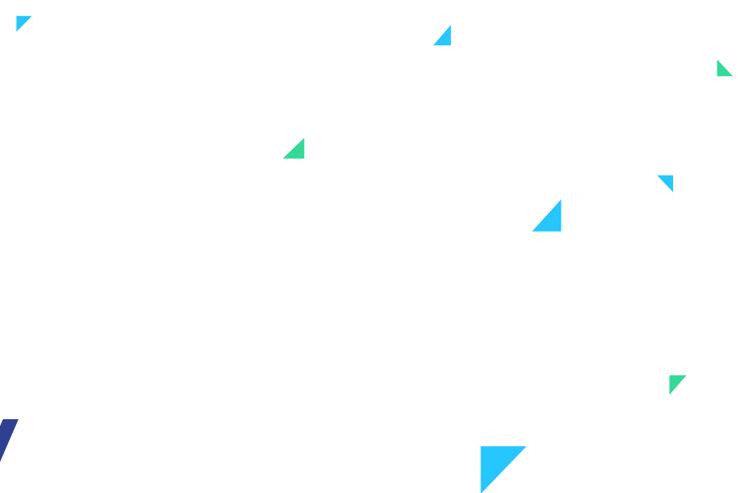


Fair economy. Better world.



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# Building Community Resilience

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Wessex Community Assets



Tim Crabtree and Paul Sander-Jackson

## Friends Provident Foundation

Friends Provident Foundation is an independent charity that makes grants and uses its endowment towards a fair, resilient and sustainable economic system that serves people and planet. We connect, fund, support and invest in new thinking to shape a future economy that works for all.

Since 2004, we've pioneered the creation of fair economy for a better world. Already, we've helped improve access to financial services for people who were once excluded, and supported the development of resilient economic communities across the UK.

We're a catalyst for wider change, making an impact through continuous experimentation and shared learning. And we do all we can to embody the change we want to see. We invest in great social enterprises, and use our money in line with our values.

Tomorrow, we'll continue to fund more new thinking, connect new ideas, invest our capital in line with our aims and values and create better systems so that in the future, the economy will serve both people and planet.

## Wessex Community Assets

**Wessex Community Assets** has established itself as the country's leading development agency for community land trust housing. Over the past seven years it has enabled the development of 130 affordable houses in 13 communities across the three counties of Devon, Dorset and Somerset, and has a further pipeline of more than 30 community housing projects under way. It is also involved in programmes of support for the development of other community assets and enterprises, and through its sister organisation Wessex Reinvestment Society is a registering organisation with the Financial Conduct Authority for Community Benefit Societies. Over 120 societies have been registered since 2007 using its model rules, many of which have gone on to raise finance through community share issues.

## About the authors

**Tim Crabtree** has been involved in 'new economics' for 30 years, after studying economics at Oxford University and then working for the New Economics Foundation for five years. He was a founder Director of the Wessex Reinvestment Trust group and now works part-time for Wessex Community Assets, focusing on innovation in affordable housing. He also teaches part-time on a Master's Programme in Economics at Schumacher College, and is combining both roles while undertaking an action-research based Ph.D. with Plymouth University. Tim has a particular interest in social enterprise development, and set up Dorset-based Local Food Links Ltd. He was also instrumental in establishing Dorset Community Energy, a community renewables enterprise, which raised £0.5 million in community shares to install PV solar panels on 10 schools and four community halls.

**Paul Sander-Jackson** was a founder Director of Wessex and currently chairs the Board. From 1999 to 2006, as Director of Somerset Food Links, he led development work for the local food sector in Somerset and was co-founder and first Chair of Food Links UK. He chaired the Big Lottery Local Food Grant Panel (2008–13) which distributed over £50 million to the sector. His previous work has included development of an urban farm and a cooperative garden centre in Bristol as well as providing support for a wide range of community led enterprises in both urban and rural settings. He has lived on the Somerset Levels for the past 25 years.





## Introduction

Wessex Community Assets (WCA) received funding from the Friends Provident Foundation's Building Resilient Economies funding programme. The aim of this programme is 'to contribute to a more resilient, sustainable and fairer economic system' (FPF 2018). WCA is exploring how a particular form of social enterprise – the *community benefit society* (CBS) – can support such a shift.

At the core of the WCA project is a participatory action research approach, with associates from WCA working alongside volunteers and staff from five CBSs, as they develop new approaches in the face of changing circumstances. The CBSs are:

- Bradworthy Community Land Trust (CLT)
- The Real Food Store, Exeter
- Norton sub Hamdon CLT
- The Red Brick Building, Glastonbury (two projects: Redevelopment of Building C, and Re-imagining the Levels)
- Queen Camel CLT

The Learning Network – which was a key component of the participatory action research – has also engaged with other individuals and organisations involved with community resilience, including Re-imagining the Levels, Beer CLT, Dorset Community Energy, Totnes Community Development Society, St Ives Town Council's neighbourhood planning officer, the Frome Foundation, Learning to Lead, Upper Frome Valley CLT and Schumacher College.

All the analyses, recommendations and conclusions in this report are based on the narrative contained in our full report on the Building Resilient Economies Action Research Project (Wessex Community Assets 2018).

## What do we understand as the economy?

An economic system transforms resources such as energy, finance, materials and knowledge into goods and services. There is a 'formal economy' where products are bought and sold, a public sector economy where goods and services are funded by taxation, and a 'core economy' comprising households and civil society that operates outside the market. There is also an important sector known as 'the commons', within which resources are considered to be held in trust for the benefit of a community, either in a formal structure such as a community land trust or through a set of rules developed by that community (Raworth 2017; Ostrom 1990).

## What do we mean by local economic resilience?

A common definition of resilience is the ability of something to return to its original shape after it has been pulled, stretched, pressed, bent, etc. This might then be applied in a community context as: 'how stable is a community in the face of changing circumstances and challenging dynamics?' However, human societies, of whatever size or complexion, are never 'stable' and in equilibrium. They are *complex* – there is a constant weaving together of a large number of 'agents' (people, organisations, non-humans, etc.) and dynamic forces (economic, social, environmental, political). They are also *adaptive* – there is a constant process of responsiveness that leads to the emergence of new patterns, flows and events.

The Friends Provident Foundation commissioned the New Economics Foundation to undertake a review of the resilience literature, and they came to a similar conclusion:

“The conception emerging from the literature that is particularly applicable to human (socio-economic) systems in the broadest sense is that of an adaptive or evolutionary process. This is exemplified in the ability to self-organise, innovate and learn. According to this conception, the most valuable quality of a system is an ability to adapt to changing external circumstance or shocks in a way that maintains functionality, including supporting well-being and social justice outcomes, rather than to merely rebound quickly to its previous state.”

(Greenham et al. 2013: 12)

## Summary of the action learning process – what were we trying to learn?

WCA supports NEF’s understanding of resilience as the ability of a system (in this case a community) to adapt to changing circumstances. This then raises a number of questions:

- How does a community benefit society work with the community to define what adaptations are desirable or needed?
- How does it organise itself (e.g. in terms of process, structures and governance) to be an effectively responsive organisation, supporting adaptation by the community?
- How can it show that there is a need for this kind of catalytic change agent?
- What role should an outside facilitator such as WCA play in the process?
- How can the community benefit society demonstrate impact?

The last question is particularly important, in a context where organisations are expected to predict in advance what they intend to achieve (in terms of both outputs and outcomes), by setting this out in, for example, business plans, funding applications and community share offers. Yet resilience theory focuses on adaptation and improvisation in situations of uncertainty, so it can be very difficult to predict in advance what impact might be achieved. Outcomes are of course important, but at the same time, through this participatory action research project, WCA and its partner community benefit societies wish to demonstrate the importance of the ongoing process of building community resilience, and the important role that CBSs play in catalysing responsiveness and adaptation.

## What are the dynamics within the South West economy?

If communities are thought of as more or less resilient systems, then we need to have some understanding of the dynamic forces they are subject to. From an economic point of view, communities of whatever size (the projects are located in villages, a market town and a small city) need to have access to a range of goods and services.

Analyses of household and public expenditure indicate that these fall mainly into the following eight categories:

- food
- energy
- housing
- care and health
- education
- entertainment/culture/sport
- communication
- transport

Two ends of a spectrum can be identified:

- (a) A community may have a local economy that produces none of these goods and services itself, instead buying them in from outside the area. This would require transfer payments from government (e.g. welfare benefits and state pensions) and funds brought in by residents (e.g. second home owners, visitors and retirees) rather than earned locally.
- (b) A community might produce a significant percentage of these goods and services itself. This would imply a local economy made up of a wide range of employment in a variety of sectors. There might also be a high 'local multiplier', with local firms and employees spending a significant percentage of their earnings in other parts of the local economy, thus multiplying up local incomes and employment.

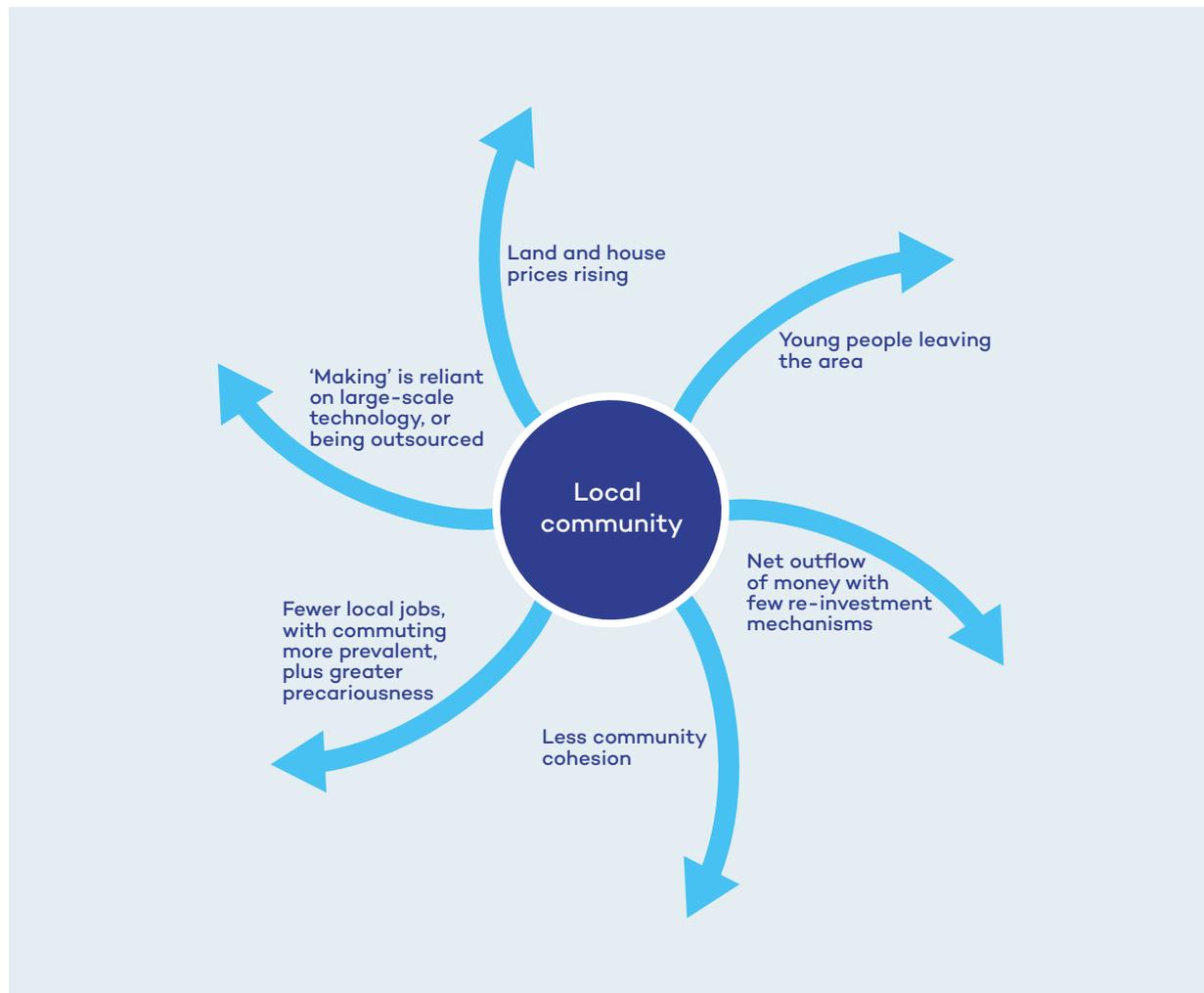
In reality, communities will find themselves somewhere along this spectrum, but it seems clear that for a community to enjoy high levels of well-being for the widest range of citizens it makes sense to try to move towards a more vibrant and diverse local economy as described in (b) above.

However, trends over the last 30 years have made this more difficult and this can be conceived as a challenge of maintaining resilience in the face of dynamic external factors. Before asking what might help a community to be more resilient in the face of these challenges, we need to understand more about these dynamics.

The provision of goods and services depends on combining various factors of production, and in economic theory these are land, labour, money and technology. Recently, knowledge and social capital have been added to this list. All of these factors have been subject to great change over the last 30 years and this has affected the ability of communities to remain resilient and ensure the well-being of their citizens.

Factor of production	Key trends
<b>Land</b>	The cost of land for agriculture, housing and workspace has risen dramatically over the last 30 years, well in excess of inflation. Land has become a speculative asset, with prices driven up by 'easy' credit, a deregulated financial sector, subsidies and tax breaks, and land-banking by volume house builders. This land cost does not relate to the land's capacity to produce marketable goods, nor to the state of health and residual fertility of its soil.
<b>Labour</b>	The labour market has shifted toward services and away from manufacturing and land-based industries. Employment has become more precarious with more part-time, low income jobs and zero hours contracts becoming prevalent. See also technology below.
<b>Money</b>	The financial sector prioritises the financing of land and property while small businesses can find it difficult to access finance for start-up or expansion. This has an impact on local economic development.
<b>Technology</b>	The UK economy has slowly been outsourcing the making of products, and there has therefore been a decreasing emphasis on the importance of technology for manufacturing. There are two other trends worth noting in relation to technology. On the one hand, some technology is becoming smaller and less costly, and this is allied with the development of open source hardware, 3D printing, etc. This opens up the possibility for distributed manufacturing at a local level (albeit this is in an early stage of development). On the other hand, there is a trend toward automation due to developments in robotics and artificial intelligence/computer learning, with estimates that 40 per cent of jobs will be lost in the next 10–15 years.
<b>Knowledge</b>	This relates closely to technology, but on a positive note there is greater availability of information, education and data through the Internet, including open source knowledge and peer-to-peer collaboration.
<b>Social capital</b>	Studies of successful local economies have demonstrated the importance of, for example, trust, communication, networks and places for gathering as key factors. However, the maintenance of this social capital is under pressure in all sizes of community.

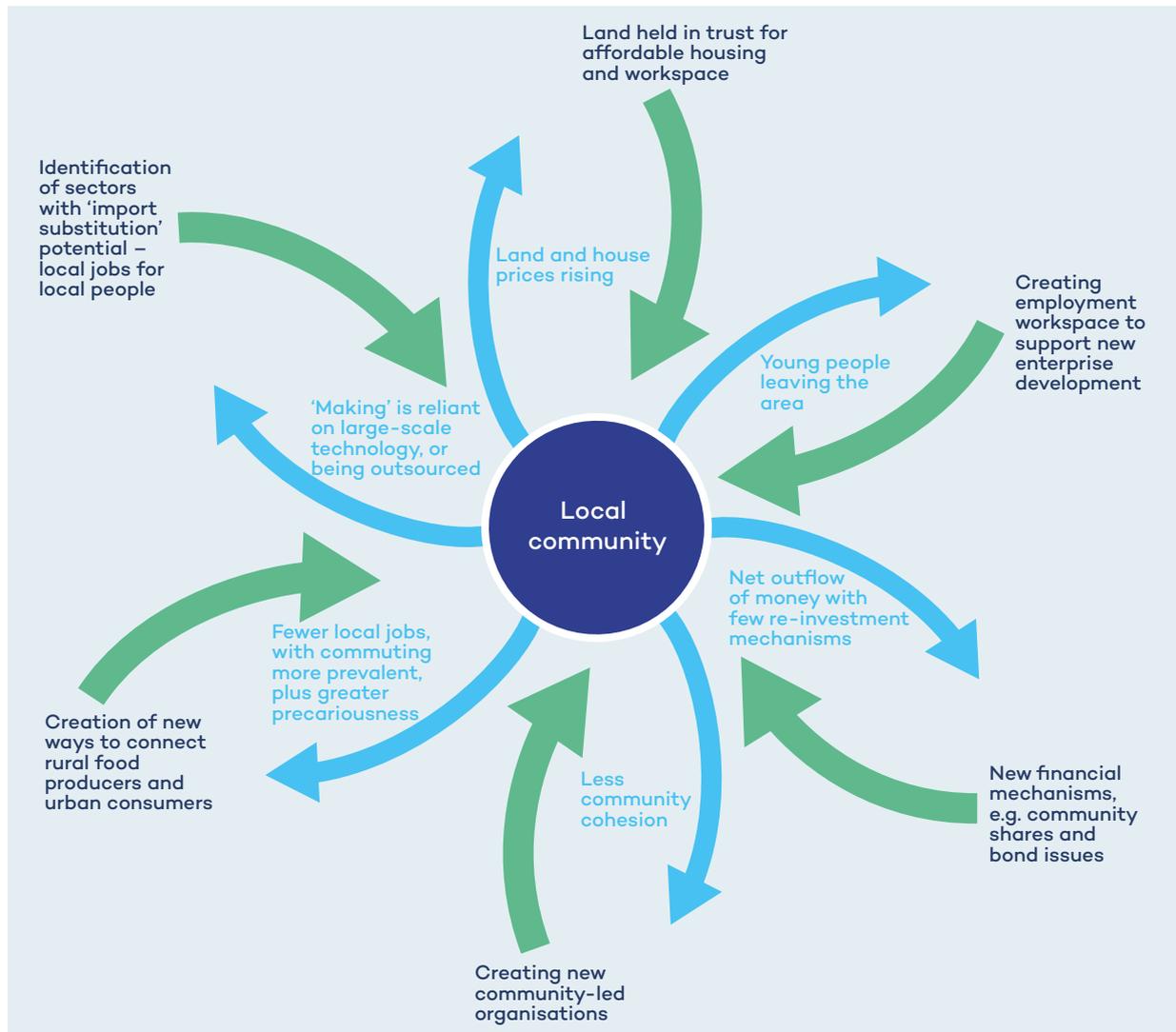
One way to visualise this analysis would be to show some of the forces that lead to an outflow of resources from a community:



### How has the work to date contributed to increased resilience?

It is clear from our analysis that communities in the South West are facing very significant pressures. However, the action research carried out with the community benefit societies highlighted a range of creative responses that are being developed to address these challenges.

Communities need to bring together various factors of production in order to deliver, create or sustain initiatives in sectors such as housing, workspace, food or energy. This is represented in the diagram overleaf, showing how the organisations act as a 'confluence'.



## What policy recommendations would we make?

The action research carried out by the five community benefit societies, and the accompanying discussions at the Learning Network meetings, have highlighted a number of issues that could be addressed through the introduction of supportive policies. In this section we focus on each of the five in turn, drawing out policy recommendations from each.

### Neighbourhood planning – Bradworthy CLT

Bradworthy CLT have explored three projects, and sought endorsement for these through the neighbourhood planning process. During the Building Resilient Communities project, WCA provided some support for this process, including a session with St Ives Town Council's neighbourhood planning officer. The aim was to explore how to use a statutory process, sponsored by the third tier local authority, with a process that supports community agency.

Neighbourhood planning produces a planning document that is very prescribed by outside bodies. However, this process also identifies other issues that are very important to communities, but which are not spatial planning issues and therefore cannot be included in a Neighbourhood Plan. We think that these elements should be incorporated into a Community Plan, which would identify a number of projects that could be taken forward. This would reinforce agency in local communities, as opposed to having to operate in a very constrained way. And to be effective and meaningful, it would need a clear route to be charted for progressing those agreed plans.

Parish and town councils have significant powers to raise funds through the precept and also to borrow at three per cent from the Public Works Loans Board. Frome Town Council and Norton sub Hamdon Parish Council, both in Somerset, have raised significant amounts from increasing their precepts in order to deliver specific community supported projects.

We recommend that community land trusts and potentially other community benefit societies work closely with their parish or town council to secure the implementation of projects that are endorsed by their community – for example, through the Neighbourhood Plan referendum.

It is worth noting that there is currently one financial incentive to complete a Neighbourhood Plan – if the local planning authority has chosen to replace Section 106 Agreements with the Community Infrastructure Levy, then 25 per cent of the money raised from a development in their area must be given to the parish or town council. However, the local authority can decide not to replace Section 106 Agreements with the Community Infrastructure Levy.

We further recommend that in those cases a comparable financial bonus is awarded to communities completing the neighbourhood planning process.

## Exeter Local Food

Supporting sustainable local food supply chains is central to the mission of Exeter Local Food. Small farm producers – particularly those farming between 20 and 250 acres – are frequently dependent for a very significant proportion of their overall income on the farm subsidies offered through the Common Agricultural Policy. In the current context of uncertainty about the future of farm support in the UK following Brexit, there is an existential challenge to the viability of these small farm businesses. The failure of small farm based producers would challenge the whole viability and raison d'être of pioneer local food hubs such as The Real Food Store, run by Exeter Local Food.

New policies need to be put in place to recognise the crucial role that small farms play in the rural economy, and the contribution they make to landscape, conservation and culture. There are highly relevant policies being proposed by both Sustain in 'Beyond 2020: New farm policy' (Sustain 2017); and by the Landworkers' Alliance in their report *Making Food Sovereignty a Reality: Recommendations for post-Brexit agricultural policy* (Landworkers' Alliance 2017).

We recommend that organisations involved in supporting community-led enterprises join together in advocating clear policies that support the future of small farm enterprises and their multiple roles in contributing to rural resilience.

We further recommend that local enterprise partnerships develop dedicated programmes for the support of community-led enterprise, giving it the recognition that the Ministry of Housing, Communities and Local Government has recently given the community housing sector.

### **Norton sub Hamdon CLT**

We are considering here two elements of the work being undertaken by Norton sub Hamdon CLT.

The first element is the running of the community shop and Post Office. Since the privatisation of Post Office Counters Ltd the terms and conditions under which village shops host and provide Post Office services have become much more stringent and less financially rewarding. This effect is felt more keenly by community owned village shops, as they rely on volunteers. This means it is not possible to operate the shop and Post Office from a single counter because volunteers cannot deal with Post Office services. The net effect is that the Norton shop makes a significant loss in the provision of Post Office services – which we know make a major contribution to the well-being and viability of a community.

We recommend that the Government, in its role as commissioner of Post Office services, insists that contracts should be priced at levels that make the provision of services viable.

The second element is the development of a renewable energy project in the village, which Norton sub Hamdon has been working on for the past two years. The withdrawal of tax incentives for investment in community renewables, alongside the drastic reduction in the feed-in tariff rates, has undermined the viability of community-led and owned renewable installations.

We recommend the re-instatement of enhanced support for community-led renewables, for example through increased feed-in tariff and/or the reintroduction of tax incentives through either the Enterprise Investment Scheme or Social Investment Tax Relief.

### **The Red Brick Building, Glastonbury**

The Red Brick Building Centre has been providing affordable workspace for the past six years, as well as playing a leading role in a number of community, educational and arts projects and programmes. However, it has struggled to get adequate support for the development of the rest of the buildings on the site, which have remained derelict as a legacy of 30 years of neglect, including 10 years of publicly funded ownership through the South West Regional Development Agency. In effect, the community has taken on the development of unviable buildings that are liabilities, not assets.

The economics of supported workspace for micro-enterprise do not stack up. This reflects an erosion of support for clusters of micro-enterprises through workspace provision and also a lack of associated affordable finance for pre-development and development. Local enterprise partnerships are not recognising the importance of micro-enterprise (and the role of community enterprise in supporting it).

We recommend that provision is made in local enterprise partnership funding for capital support for community-led and owned workspace that provides accommodation and services for micro and social enterprises.

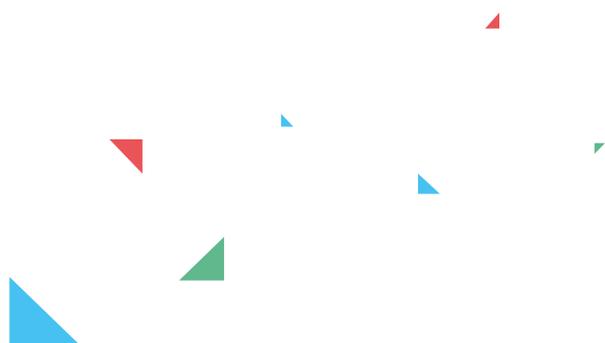
## Queen Camel CLT

The old school in the centre of Queen Camel has been replaced by a newly built school on a new site on the edge of the village. The Queen Camel CLT has led a major drive to secure this important asset for the community. This work has included registering the old school site as an asset of community value, undertaking a feasibility study and developing an initial business plan for a new community owned workspace and community centre.

The County Council, as owners of the site and buildings, have been unhelpful in their responses to the community, postponing meetings, and failing to provide any adequate relevant information about the condition and running costs of the site.

This experience highlights the weaknesses of the current 'community rights' legislation and that an unresponsive local authority can undermine the energy and wishes of the community to provide for themselves services that meet local needs. It is fair to say that the Community Right to Bid gives no real power to local people.

We recommend that a Community Right to Buy replaces the current Right to Bid, and that, as in Scotland, it is backed with match funding provision for any monies raised by the local community.





## Conclusion

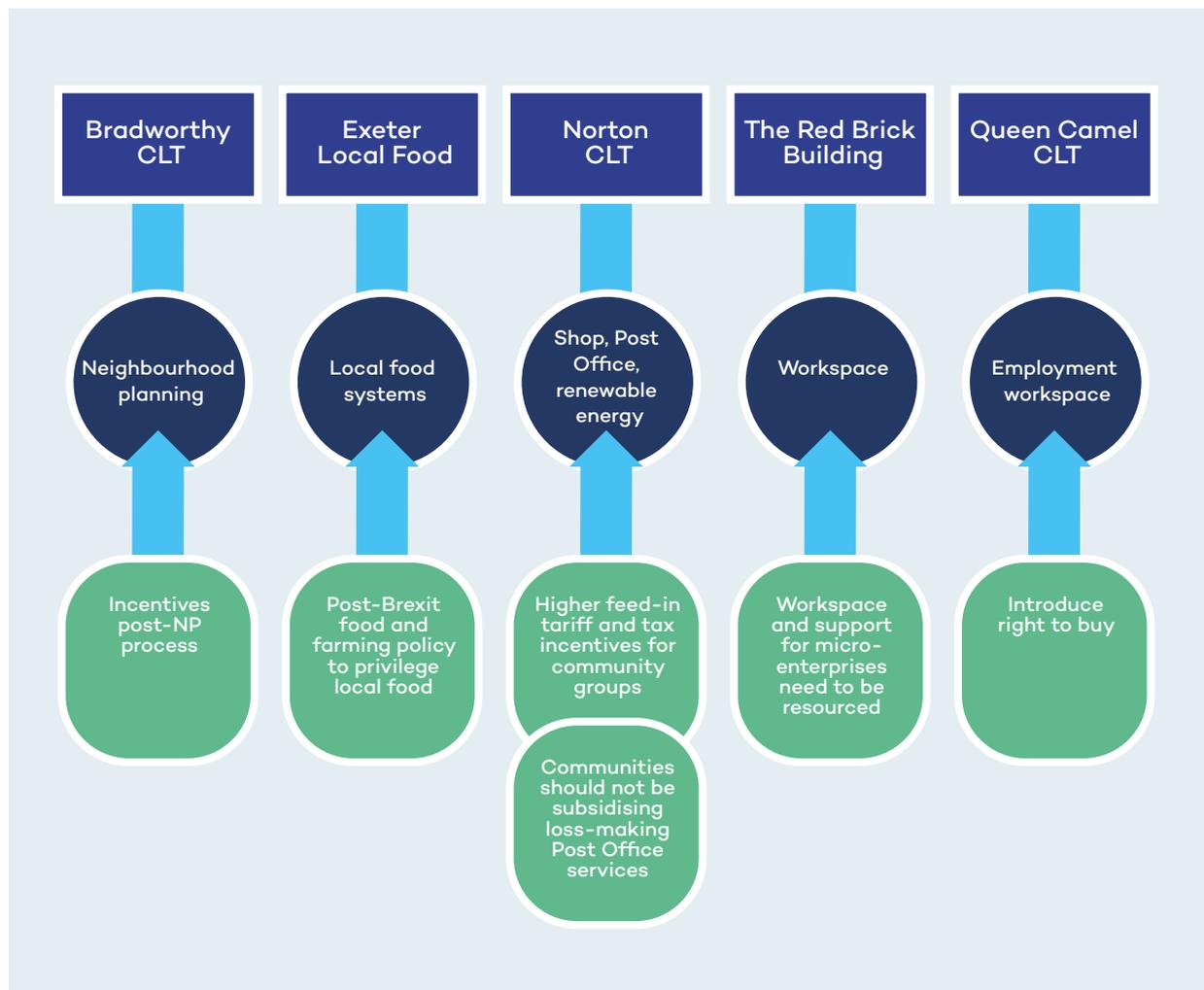
We know that the greatest contribution to local resilience is made by citizens driven by values, local rootedness and practical experience who are surrounded by groups of like-minded and supportive people, embedded in organisations that are accountable, democratic and open minded.

We know that there is huge power in rootedness, love of place and the commitment to action those qualities foster.

We know that the wider policy environment is inconsistent at best, and totally unsupportive at worst.

For local resilience to start to manifest itself in strong and measurable economic impact, we have to rise to the challenge of creating a more supportive environment for local communities to act as agents of change by supporting the creation of real tools for enabling such agency.

The diagram below summarises our policy recommendations, based on our action research work with communities.

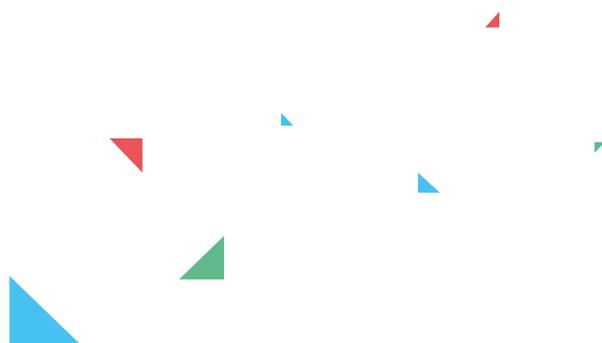


Regarding the context for policy advocacy, we note developments over the last decade that have contributed to the present situation:

- The localism agenda, which achieved wide currency in the late 2000s, has largely failed to develop into a coherent and resourced element in either provision or resourcing of community-led action.
- With the sequential demise of the Rural Development Commission, the Countryside Commission and the Countryside Agency there is no rural advocate in the socio-economic sphere.
- The elements of resilience that our work with communities has highlighted – micro-enterprise support, farming support, community acquisition of assets, renewable energy – are treated in silos rather than as components of a whole system.

We recognise the important role played by the national advocates of these specific sectors. But they, and the national funders, think tanks and network organisations need to join together in working for an integrated approach to community resilience, and the policy and resourcing changes that would enable it. We also wish to see allocated resources flow to communities as directly as is possible.

So – we challenge policy makers to hear what the experience of our action learning work has led us to advocate. And we ask supporters and funders of the community-led sector to consider the best mechanisms for supporting community resilience.





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### **Further information**

This publication can be downloaded free of charge at [www.friendsprovidentfoundation.org](http://www.friendsprovidentfoundation.org)

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