

Introduction

The Government recognises that village halls, community centres and other charities that provide space and facilities for community services and activities can make an enormous difference to the well being of their communities.¹ These charities are an extremely important resource with a crucial role to play, not only in the economic and social regeneration of their local communities, but also in their contribution toward the Government's Civil Renewal agenda.²

The Strategy Unit paper "Private Action, Public Benefit" recognised the value of small charities (which includes many village halls and community buildings) by describing them as *"a vehicle for community involvement, they contribute to diversity; they develop new approaches to local problems, they identify new needs quickly"*.³

Village halls and community centres exist with the purpose of meeting the needs of users and beneficiaries within their community; needs which are rapidly changing. Social and economic factors are altering the demographics of many villages, towns and cities. People's interests and tastes also change. The challenge for trustees of these charities is to adapt to reflect such changes in the way they operate.

A great deal of research and commentary exists describing the changes that impact upon rural and urban communities. The report *Village Halls and Community Centres* does not rehearse those details. The aim of this report is to look at what charities are doing to meet the new challenges that they face and to outline some of the options that are open to them. The report provides an overview of the challenges faced by village hall, community centre and similar charities and looks at what trustees can and cannot do within charity law and regulation in order to adapt their operations to changing circumstances. In particular, it outlines how the Charity Commission can help charities to modernise and provides signposting to further advice and guidance.

The report is aimed at anyone involved in the governance and management of a village hall, community centre or other community-based charity that provides facilities for the community in which they are located, and for anyone with an interest in such charities.

¹ For ease of reference, the report uses the description 'village halls and community centres' to refer to charities that provide space and facilities for community services and activities. These charities do not always have the words village hall or community centre in their title. See main report, Annex A - Glossary of Terms for further details.

² The Government defines 'civil renewal' as "negotiating a new relationship between citizen and state, seeking to empower people to be active in furthering not only their own interests but those of other people in their community (whether a community of place or interest)."

³ Cabinet Office, (2002) "Private Action, Public Benefit: A Review of Charities and the Wider Not-For Profit Sector". See main report, Annex A - Glossary of Terms for a definition of small charities.

Executive summary

There are over 9,000 village halls and community centres recognised as charities in England and Wales, representing more than 5% of the Register.⁴ Their combined annual income is around £0.25 billion.

The report *Village Halls and Community Centres* presents the findings of research into the way in which these charities are changing. Best practice examples are used to illustrate how charities are adapting to meet the needs of their local communities.

It is well documented that some charities, village halls in particular, are struggling to survive because of falling demand for the services they provide. Ageing rural populations, lack of interest among younger people or among new residents in commuter villages, competition from nearby towns and cities that are now easier to reach - all of these factors have been identified as problems for some rural village halls and community centres.

Difficulties also often arise in funding the maintenance of these charities' properties. In some cases, services and facilities that many local people rely upon are threatened because income from use of the hall is not sufficient to fund its up-keep. In other cases, charities struggle to fund the modernisation of the property to comply with changes in regulations such as disability access and health and safety.

Village hall charities in particular are faced with the need to adapt their services and their property. There is evidence of a move away from the traditional village hall concept to a community based ethos of charities combining to provide a broader service; a kind of 'community hub'.

It is often easier to identify need within an urban community where the population is larger and more diverse and, therefore, the problems associated with social and economic deprivation more likely to be apparent. For trustees of rural village halls or community centres, identifying those needs that attract grant funding is therefore often a greater challenge than it is for urban community centre trustees and managers. For these charities, funding the up-keep of the hall can be a problem if income from use of the hall doesn't cover running costs.

While there is no doubt that some charities are facing a battle to get users involved in the activities of their village hall or community centre, there is certainly scope for improvement in the way that some charities are responding to this challenge. Our research revealed a mixed picture with some charities being extremely effective at identifying and meeting the needs of their community and others being very narrow in their focus. At one extreme there is great enthusiasm for the diversity of interests in the community and at the other a tendency to focus on problems rather than solutions. While some trustees and their staff embrace change and seek imaginative ways of responding to it and securing the funding they need, others are blinkered by nostalgia or a failure of imagination.

Village Halls and Community Centres aims to provide some of the solutions that trustees need in order to operate in a way that meets their objects and the needs of their community.

⁴ 5% is a conservative estimate. Not all community buildings have the term 'village hall' or 'community centre' in their registered name; nor is there a universal definition of such facilities.

Attributes of a successful village hall or community centre

As a general rule, active, vibrant governance and an active, vibrant village hall or community centre go hand in hand. Our research revealed a clearly identifiable link between the ability of village hall and community centre charities to attract users, their ability to attract trustees and other volunteers, and their ability to generate funding. Many of the successful charities we identified had a 'cradle to grave' policy of offering something for everyone. The charities that thrive are those in which trustees are pro-active in understanding their responsibilities and in ensuring that their charity provides activities that meet local needs.

Our research shows that a successful village hall or community centre charity usually has:

- A governing document that is workable and up-to-date, containing provisions for everything that the trustees need to do.
 - A trustee body that is diverse, knows the extent of its role, responsibilities and powers and presents potential new trustees with a realistic picture of what is involved.
 - A building that meets legislative requirements and that can facilitate a range of activities.
 - An effective means of communicating and consulting with the local community to ensure that its needs and interests are understood and that the community knows about the charity's activities and plans.
- A funding regime that is sustainable and diverse enough to allow trustees sufficient flexibility to direct their activities in accordance with local needs and interests.
 - A strategic plan, however simple, that takes account of the impact of proposed changes on all aspects of the running of the charity.

The Charity Commission's role in supporting village hall and community centre charities

The Charity Commission's role in respect of village hall and community centre charities is to encourage and enable them to continue to meet the needs of their users or beneficiaries. We aim to ensure that the regulatory framework does not present any unnecessary barriers to charities' ability to adapt and to modernise.

The Charity Commission can help trustees of village hall and community centre charities in a number of ways. For example, we can:

- help and advise through our extensive range of guidance available in hard copy and on our website, and also through our contact centre, our Small Charities Unit 'one stop' service and our broader advice and support function;
- make an order to change or modernise the administrative powers of a charity where trustees are not able to do so themselves;⁵

⁵ The order would be made under section 26 of the Charities Act 1993. See main report, Annex A - Glossary of Terms for a definition of an order.

- make a scheme to replace a charity's governing document where the document is unworkable or the purpose of the charity needs to be changed;⁶
- help charities with disposal of land and permanent endowment;
- look at charities' governance through our Review Visits programme; and
- continually review our regulatory approach and its impact on charities, particularly at the smaller end of the scale. We are in the process of commissioning research examining the impact of regulation for small charities.

The Charity Commission's extensive range of guidance sets out our position and the main points of consideration for charities in relation to each issue covered. Relevant guidance is sign-posted at the end of each section of the report. Other bodies also provide advice and guidance to charities and these are sign-posted in the resources section at the end of the report.

The report outlines a range of scenarios that our research and experience have shown to affect village hall and community centre charities. Different charities will, of course, have different circumstances and some sections of the report will be more relevant to some charities than others. At the end of each section there is a checklist which trustees may find a useful resource against which to measure their activities.

About the report

The report on Village Halls and Community Centres has been compiled using evidence from the Charity Commission records and an examination of our case files. We have also spoken to a number of charities and advisory and umbrella bodies.

To obtain a full copy of the report **Village Halls and Community Centres** you can either:

- View and print from the publications section of our website at www.charitycommission.gov.uk; or
- Call our Contact Centre staff on 0870 333 0123 between 8.30 am and 6.00 pm on weekdays or, at other times, our answer phone order line on 01823 345 427 for a printed copy.

⁶ The scheme would be made under section 16 of the Charities Act 1993. See main report, Annex A - Glossary of Terms for a definition of a scheme.