Community Space Barometer

January 2023

Community Matters

Community Building Barometer

This research came about as a result of the survey done by Pro Bono Economics and the VCSE Data and Insights National Observatory at Nottingham Trent University. The survey which took place in November 2022 had 750 responses. Community Matters supported this, and probably provided a significant number of respondents. The data from the survey was interesting and covered the whole of the sector, however we thought it would be useful to have a subset that just looked at Community Buildings who have a very specific set of issues tied to their funding model. Using a subset of the State of the Social Sector Survey we surveyed community buildings in December 2022 during a two-week period.

Firstly, the results

We had 121 responses

Government Region	No of responses	Percentage
East Midlands	9	7%
East of England	9	7%
London	9	7%
North East	8	7%
North West	11	9%
South East	31	26%
South West	16	14%
West Midlands	9	7%
Yorkshire and Humber	18	15%
Wales	0	0%
Scotland	1	1%
Northern Ireland	0	0%

While 121 responses is reasonable we suspect the number was impacted by the proximity to the end of the year and also the short time between our request and the State of the Social Sector call for responses. Given the circumstances it was a reasonable sample across all the English Government Regions.

We asked about demand for services given the current Cost of Living Crisis

Increased a lot	30	25%
Increased a little	59	49%
Stayed the same	20	16%
Decreased a little	5	4%
Decreased a lot	6	5%
Not applicable/don't know	1	1%

This is broadly in line with the State of the Social Sector Survey which showed a 77% increase in demand for organisations' services.

We also asked about organisations' financial position, and whilst it is good to see that 20 percent of respondents' financial position had improved, the issue was that for 50 percent of organisations it had worsened. 78 percent of organisations identified that their financial position had worsened due to rising costs.

improved a lot	2	2%
Improved a little	22	18%
Stayed the same	28	23%
Deteriorated a little	44	36%
Deteriorated a lot	24	20%
Not applicable/don't know	1	1%

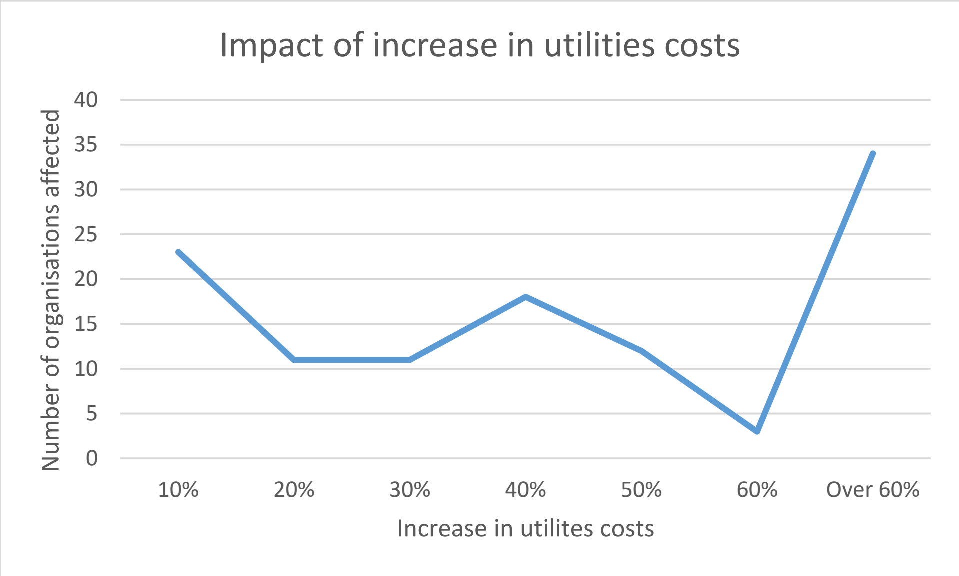
One of the key drivers for the research was to understand the impact of the increases in Utility costs. The first questions asked were to get an understanding of the types of tariff for gas and electricity that organisations had and when they would expire.

	Electricity	**Gas**
Fixed, expiring by 31st December 2022	6	6
Fixed, expiring by 31st March 2023	11	15
Fixed, expiring after 31st March 2023	51	39
Fixed, but don't know expiry	12	9
Variable	21	16
Don't know/not sure	19	32

The key point from this is that a large number of organisations have been partially insulated from the large increases in utility costs up to this point. However approximately 50 percent of respondents' fixed tariff will expire from March 2023

"We are doing fine in 22/23, but will take a hit with increased prices and salaries etc. next financial year."

We asked organisations to quantify the size of increases in their utility costs



"Current annual energy c £1,700. Offers for April £7,500 to £17,000"

"We have seen our energy bills rise from £300 a month to £3,800 a month. We are using all our reserves to cope.

The answers showed that whilst all organisations have had an increase in their utility costs, for a third of respondents the increase was 60% or higher.

We also asked organisations to rank their costs with half of respondents saying that Utilities were their largest single cost and staffing being largest in only 40 percent of respondents. This is significant, as staffing is traditionally an organisation's biggest single cost.

Most organisations had instituted some form of action to reduce their energy consumption

Measure taken	Number of organisations	Percentage of organisations
Reduced hours of operation	13	11%
Reduced premises use	10	8%
Turned thermostats down	75	62%
Installed retro-fit energy efficiency measures (e.g. insulation, room thermostats, LED light bulbs)	48	40%
Installed micro-generation (e.g. solar or wind)	14	12%
Installed ground or air source heat pumps	7	6%
No actions	22	18%
Other	22	18%

The majority of organisations were undertaking simple steps such as turning down thermostats or retrofitting energy efficiency measures. However, more worrying is that nearly 20 percent were reducing the availability of their community space.

It was heartening to see that 47 percent of respondents were acting as warm hubs, although there is an issue that the funding for this is very ad hoc with some having to fund this from their own reserves.

Finally, the two most important concerns for community spaces were income and the increases in utility costs. In most cases because these organisations work to provide affordable spaces for community activities, they find it more difficult to just increase their rates to cover the increased utility costs. This comes at a time when many have still not recovered their pre COVID 19 footfall and income. Our previous research showed that whilst many organisations ended the COVID period on a sound financial footing at the point government support stopped, many were still to reach 50 percent of their pre-pandemic use. Especially activities for older people who were cautious about restarting. This meant that during the last 12 months many organisations have had to subsidise their running costs from reserves.

Because of their funding model community spaces are vulnerable to the current large rises in utility costs. Most community spaces are funded from community use, and there is a finite level of charges that can be levied on these groups. In many cases these buildings are the only place that communities can come together especially in more rural areas or urban areas of deprivation.

Many community spaces are old buildings which are not the most energy efficient. The current government support with utility costs is welcome, but the uncertainty from April is a concern.

One of the most interesting results from our survey is the appetite for energy saving measures, with 18 percent installing either micro generation or air or ground source heat pumps. Support for doing this unfortunately is limited, with a recent support programme from The Key Fund in Yorkshire being heavily oversubscribed. While there is a small capital grant fund for village halls from DEFRA administered by ACRE, there is no equivalent for Urban Community Spaces. There are few sources of capital grant funding available and often those that are in existence operate in very limited geographic areas.

> "We are small local charity that runs a community hall, we were just about covering our costs. Since the cost of living problems our users have quit using the centre and our bills have risen. We cannot make money if people don't rent our space to them. I am not sure how we are going to keep going as we are a not for profit charity and only have a small amount of money in our account that is just getting eaten up."