Communities and Local Government Committee

Oral evidence: Community Rights, HC 262

Tuesday 4 November 2014

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Evidence from witnesses:

Panel 1 (Questions 1-38)

Action with Communities in Rural England

Civic Voice

Plunkett Foundation

Panel 2 (Questions 39-73)

Wiltshire Council

Country Land and Business Association

Cornwall Council

Members present: Mr Clive Betts (Chair); Bob Blackman; Simon Danczuk; Mrs Mary Glindon; David Heyes; and John Stevenson.

Panel 1 Questions [1-38]

Witnesses: **Janice Banks**, Chief Executive, Action with Communities in Rural England (ACRE), **Dr Freddie Glick**, Chair, Civic Voice, and **Mike Perry**, Head of Development and Policy, Plunkett Foundation, gave evidence.

Q1 Chair: Welcome to the start of our new inquiry and our first evidence session on community rights. Before we start taking evidence, members of the Committee will want to put on record their interests. I am a vice-president of the Local Government Association.

David Heyes: Two members of my staff team are local councillors.

Simon Danczuk: My wife is a local councillor and members of my staff are councillors.

Chair: That is our interests on the record. For the sake of our records as well, could you just say who you are and the organisation you are representing?

Janice Banks: Janice Banks, Action with Communities in Rural England.

Dr Gick: Freddie Gick, Civic Voice.

Mike Perry: Mike Perry, Plunkett Foundation.

Q2 Chair: Thank you for coming. We appreciate you giving your time to come to the Committee this afternoon to talk about community rights. The Government set out in 2010 to give communities freedom to run their own affairs. I suppose the first obvious question is: have these rights had any meaningful effect?

Dr Gick: I would like to say that I think they have. We would emphasise more the importance of wider community engagement rather than simply the rights. What the Localism Act has done is to enliven that whole community engagement agenda. We see people nowadays being much more interested in contributing—being interested in where they live and getting more involved in it. That is partly to do with picking up some of the rights conferred under the Localism Act, but it is a general spirit of community engagement that we see has been enhanced over the last couple of years.

Mike Perry: We would agree. The rights themselves have certain uses, and we can discuss some of that today, but the fact that they exist is a vote of support for community groups; that has given community groups confidence that they can achieve certain things and that the Government is on their side.

Janice Banks: ACRE would support that. We think that the rights have much greater potential than has hitherto been realised and that there is more that can be done to communicate and raise awareness of them so that they are better taken up.

Q3 Chair: I am maybe getting two slightly different messages there. One is they are useful because they are changing the culture. I think that is what is being said—it is more about the cultural change than a legalistic change. Then, Janice Banks, you were really saying that if more were done—more advertising, more information and more awareness—maybe the legal processes would be used more. Are there two slightly different messages?

Janice Banks: What we are finding from surveying our membership is that there is an awareness out there, but there is not absolute clarity between the different types of rights that community rights provides, so they tend to be talked about as one almost amorphous whole, whereas there are quite different rights contained within them. There is some confusion there and also a reluctance without seeing some practical examples for people to fully get behind and adopt them. That is why we say we think there is more potential there, but we think there needs to be more awareness-raising and more successful examples communicated, which will give communities more confidence in taking these forward.

Dr Gick*:* I would go along with that. That is exactly right. In the nicest meaning of the word "ignorance", there is still a certain amount of ignorance of exactly what rights are available to people. There is enthusiasm for getting involved, but there needs to be quite a lot more promotion locally as to exactly what options are available. That information provision has to be done at a very local level, ideally on a face-to-face basis, rather than relying on people going to websites.

Q4 Chair: It has also been said to us that the legalistic processes involved are probably a bit of a deterrent and that more can be achieved by councils and voluntary organisations sitting down and working together on programmes like community asset transfer, which are done with mutual agreement on both sides and can achieve more than going through some of the hoops and processes of the various rights. What do you feel about that?

Dr Gick*:* That is a realistic assessment. There will be a number of cases where local groups have simply worked with the local council to arrange an asset transfer. I was down in Canterbury recently visiting Westgate Hall, where the local group had done that. They had not used the right to bid or a right to anything else; they had simply worked with the local authority and transferred into community ownership a hall that was going to be demolished. The council had plans to demolish it to enlarge a car park. They managed to find finance outside any of the statutory provisions and have spent £800,000 making a really delightful community hall. That is a specific example of something that can be done using the spirit of the Localism Act but not necessarily having to draw on its provisions.

Mike Perry: The legal aspects are needed. It is worth saying that the community rights were really inspired by a whole range of different things happening in communities, particularly communities saving shops and pubs, communities getting involved in libraries and community centres, communities stepping in with football clubs and sports clubs that were failing, and communities coming together to develop affordable housing. I think it is fair to say that some of those communities that were trying to do that faced significantly more problems than others, which in my mind came down to inconsistencies across councils, where councils were required, and inconsistencies elsewhere, so the powers were in my mind seen to create more of a level playing field. That is important to say. There is a great deal that can be achieved by community groups and councils sitting down together, but at times these powers are needed. The other thing to say is in terms of asset transfer. We deal primarily with small rural communities. There are no public assets to transfer there. The majority of community assets are either owned by the community in some form—village halls, etc.—or privately owned—shops and pubs.

Janice Banks: Picking up on small rural communities, because of the nature of communities and the fact that you are much more likely to know people within the community, the first action is likely to be that you would have a discussion with the owner rather than go straight down the rights route. I think you would find that that is quite widespread everywhere. Having said that, around 30% of our network said they had used community rights as part of an asset transfer process, but the initial response would be, "Well, let's have a discussion and see if we can negotiate".

Q5 Chair: Just coming to that last point about the extent to which they are used, does anyone really know? The Government does not keep any records. Do any of your organisations keep records as to how far these processes have been used, if at all, and how far they have succeeded in delivering an end result?

Mike Perry: There are mixed levels of data available. For example, CAMRA have done a fantastic job of recording pub registrations, of which there are 550 or thereabouts, but those that have transferred all the way through would be much smaller in number, because essentially you are talking about an asset registration as a measure of success—it is a measure of success, but the ultimate end goal is protecting that asset. If that requires a community buy-out, then that is another measure of success that is interlinked. The data is not perfect. We have certainly seen it, from our perspective, used significantly more for pubs than for any other form of asset. The data is pretty clear on that. We are talking 550 asset registrations for pubs, and very few asset types come anywhere close to that. We have seen different take-up by different types of assets and different types of groups. I think it is fair to say the community right to bid has been used a whole lot more than the community right to build and the community right to challenge.

***Dr Gick**:* Our organisation does not collect data. There is data available from your own Department, but the figures tend to be fairly round.

Q6 Simon Danczuk: In what way would removing permitted development rights from assets of community value help communities to save local properties, do you think?

Mike Perry: This is a particular issue for pubs. One of the challenges you have got is that the message out to community groups is, "Register things that matter to you. Register your assets and you can protect them. We will help you to protect them. Take the power back," as we were talking about earlier, but the reality is that community groups have registered pubs as assets and those assets have been demolished, in one case in Lincolnshire, in Dunholme; they have been converted into supermarkets—the Golden Harp in Windsor and Maidenhead; and they have been converted for other uses as well—private property, etc. It is a particular issue for pubs—but it is not exclusively for pubs—if you are telling people "We can help you protect your pub", and you have gone through all the processes that have been asked of you and it turns out to be a supermarket. The removal of permitted development rights would help that.

Q7 Simon Danczuk: Not for houses, because they are not covered by permitted development rights. Is that not right?

Mike Perry: Yes. I am mainly talking about pubs turning into shops, restaurants, offices, etc. As I say, it is a particular issue with pubs, but I am sure other asset forms have similar problems. We would strongly advocate an ACV listing. If you are saying to a group, "You have taken a step to protect your pub", then it should remove permitted development rights, in our view.

Q8 Simon Danczuk: It should remove them. Do you have a view, Freddie?

***Dr Gick**:* Yes. I would be less sure about that. The local authority already can issue an article 4 declaration to remove permitted development rights for specific purposes.

Mike Perry: The problem with that—and this is a really important discussion—is that councils have been unwilling to use those powers because of the risk of compensation. If we have got councils facing budget pressures and they feel liable to a £100,000 compensation claim, and they have consulted their lawyers who say there is a risk, then understandably councils will refuse to use those powers to some degree. There is a case that there is something needed to almost de-risk that listing process—to de-risk the ability of councils to make pro-community decisions. This is something that was put in place when the asset of community value listings process came in; there was a £20 million compensation fund, which was untouched.

Q9 Simon Danczuk: Janice, do you have a third way that will satisfy Freddie and Mike?

Janice Banks: No, I am afraid I can't add anything on this.

Simon Danczuk: This is not your area at all, is it?

Janice Banks: We don't have a lot of data on this.

Q10 Simon Danczuk: Fair enough. Mike, in response to one of the points that you were making, why not just increase the number of assets that the community have an interest in, so that when a property comes up for sale they then have a greater chance of buying it? Is that not the solution?

Mike Perry: As in, if they expressed interest in four pubs they might be able to save one?

Simon Danczuk: Yes, that is right.

Mike Perry: The problem is—and some councils have made this view known to groups—that when groups have tried to register a pub that they have said is important to them, councils have said, "Oh, well, there is a pub half a mile up the road, so it is not really an asset". For me, the powers were put in place for groups of people to determine what is important to them, and if there are four pubs next door to each other all registered as assets, all for different reasons because they all mean something important to different people, then they all deserve the same amount of protection. I know for a fact that community groups are trying to save a pub. They are not interested in necessarily a pub up the road; it is a particular asset they have in mind.

Dr Gick: The principle is right, though, that as many assets as possible should be listed, because they are all of value in some way to the community. We would definitely suggest that there should be a great deal more listing of assets.

Q11 Simon Danczuk: Why are you so reluctant to remove permitted development rights, Freddie?

***Dr Gick**:* I do not think there is a need to.

Simon Danczuk: Councils should just use article 4.

***Dr Gick**:* Yes. I accept the point that has been made, though, that there may be some reluctance.

Q12 John Stevenson: I just want to touch upon the right to bid. I will start with Mike. Do you think the present rights work, or do you think they can be improved to become more effective? If so, how?

Mike Perry: How long have you got? The community right to bid works the best of the powers—the community rights to bid, build and challenge. There are some fundamental problems with the rights to challenge and to build. The community right to bid, when you look at it, feels like it has the fairest balance between all the powers—between communities wanting to do things and the impact it will have on those who may own the assets. The problem has been that that fairness does not come across particularly on a case-by-case basis. For example, there are some loopholes that have been used that undermine the asset of community value listing and that for some communities have rendered it pretty much useless.

For example, a group in Southampton was looking to save their pub. There was a unilateral notice placed on that pub by a fast food chain that pre-dated the asset listing, which meant the listing did not mean anything at all. Those sorts of things are a real problem. Going back to pubs, wherever there has been a problem with the community right to bid it has generally been with a pub; that is why I tend to talk pubs. There have been issues where there is a clause where a pub can be sold as a going concern and bypass the listing process, so the community do not necessarily have the right to step in there. That has meant that some people have lost their pub because the pub has been transferred, been run for a few weeks and then been closed. There are certain loopholes that are a concern. Clearly the six-month moratorium is a problem for some groups. Six months sounds like a long period, but if you are talking about having to fit in with cycles of things like parish councils, as we were talking about earlier—

Q13 John Stevenson: Why should that be a concern of somebody who is trying to sell? Why do they not just have an emergency meeting of the parish council, for example?

Mike Perry: You can have emergency meetings, but to go through a process of saving an asset as a community, as a group of people, you need to have gone through a process of saying, "Is this of concern to us? If so, how do we proceed?" For example, the most common form of ownership of a community-owned pub would be a co-operative or community benefit society. It can take between two and four weeks to register that structure. It is a slow structure to register. In the worst-case scenario, that is a month's worth of time. You then have to raise significant amounts of money.

Q14 John Stevenson: I will come back to that in a minute. Freddie, do you have any general comments on the right to bid?

Dr Gick: First of all, the civic society movement has very little involvement in the right to bid. We are much more involved in the listing of assets of community value, so our experience of that territory is not great. I would just echo the point about the six-month period. If an asset is listed now and comes up for sale in two years' time, the original group that was enthusiastic about the listing may not be there in its entirety, so you may have to assemble a new group, find business plans, find sources of finance and so on. The six-month period we think is a bit short—a bit tight.

Q15 John Stevenson: What would you like to see if you had the option to increase it?

Dr Gick: You have to balance out the rights of the owner in a situation. We think that something in the order of nine months would be about as much as you could extend it to.

Mike Perry: The average community pub buy-out is 10 months.

Janice Banks: I would agree with those comments. We feel that the six months is too short a period. In answer to your question about why the parish council cannot hold an emergency meeting, quite often it is not the parish council that takes the lead; it will be a community group. These will be made up of volunteers who have other commitments, and the sheer amount of time it takes to get a group together, get a consensus of opinion, go through the application and the funding options and generate funding sources means that to achieve that within six months is really challenging. If we do not recognise that, we risk favouring those communities with articulate retired people who are able to dedicate the time to it and disadvantaging communities that do not have those people there. You could almost say that there might be a split across the country as to where those communities might predominantly be.

Q16 John Stevenson: We are trying to get a balance here between the owner and the community group.

Janice Banks: Yes, I recognise that.

John Stevenson: What period of time do you think would be appropriate?

Janice Banks: I would agree with nine months. I think it gives sufficient extra.

Mike Perry: I have said the typical community pub buy-out is 10 months, but there are other options for pub purchases.

John Stevenson: Just quickly, if you were going to have a time period, what would you suggest it should be?

Mike Perry: Six months can be reasonable if there is a quick discussion with a community group.

John Stevenson: I am just asking for a time period.

Mike Perry: I have said 10 months is a typical community pub buy-out—

John Stevenson: So you say 10 months.

Mike Perry: But it will vary.

Q17 John Stevenson: None of you have mentioned the six-week window. Do you think that is long enough to get your bid in in the first place? Do you think that is adequate?

Mike Perry: At the point of the six-week window, all you need to do is commit to a bid.

John Stevenson: I appreciate that. You do not see a problem with that.

Mike Perry: We have not come across many problems with that.

Janice Banks: We have not either.

Dr Gick: That should be sufficient.

Q18 John Stevenson: You are quite happy with that. Mike, you mentioned finance. How would you resolve that if you have got a six-month or even a nine-month period?

Mike Perry: The more time you have, the more chance you have of raising the money you need, but it links into all sorts of other issues. It links into permitted development rights and planning hope value. Particularly with pubs, if it is worth more as something else, that could be a problem. We have had community groups raise independent valuations for pubs and be refused because they want 50% more, because it would be worth more knocked down for houses. A typical community pub buy-out would raise £200,000 through a community share issue if they are using a certain structure, but again you are talking about different communities with different abilities and different levels of income. It is not immediately resolvable, but the longer the period of time you have, the longer you have to write grant applications, raise money from communities, take on loans and give people confidence.

***Dr Gick**:* I have nothing to add to that, really.

Janice Banks: I would say it is more complicated because of the different types of funding arrangements that come into play to enable this to happen. If I give the example of the Friends of Horspath from Oxfordshire, which was to save a Methodist church as a community asset, the funding to raise the money involved the village hall loans fund that ACRE administers, the local parish council, the district council and three local charitable trusts, plus local pledges and donations. It is a lot harder to put a funding package together like that than it is to just go and get a mortgage for a residential home. That needs to be recognised.

Q19 John Stevenson: Hence you would encourage a longer period.

Just quickly, Mike, you seemed to suggest that the right to bid was the best part of the Act, effectively. We have talked about the timescale. Ignoring that, what other aspects of it would you like to see improved?

Mike Perry: We would like to see the ability for a community to challenge a decision if they are turned down for an asset listing.

John Stevenson: To appeal.

Mike Perry: To appeal. There are some informal processes where councils will say, “We are refusing you, but have you got any other evidence?” but in reality there is no community right to appeal, whereas an asset owner has the right to appeal. That is one.

***Dr Gick**:* There are five things that we would be interested in. One is extending the moratorium period to nine months. We would like to see the introduction of a community right to appeal. We think there should be a separate planning class for pubs to get away from the problems of conversion into supermarkets. We would like some consideration of the idea of reducing business rates for properties that are listed as assets of community value, and we think that the fact that a property is listed as an ACV should be taken as a material consideration in planning decisions.

Janice Banks: Increased timescale and the right to appeal.

Q20 Chair: Can I just pick up on a couple of points? The process can have an effect on the value of a business. If a group expresses an interest and gets the property listed and then changes their mind very quickly, should there be a way for them to de-list the property rather than having to wait for the six weeks for the window or, indeed, if an expression to make a bid is made within six weeks then they change their mind after eight weeks, to de-list the property at that point in some way? Should there be a process to curtail this if the group change their minds?

Dr Gick: It is a bit like an uninstall programme on the computer, isn't it? I am not quite sure why a group would want to de-list an asset.

Chair: I will put it this way. I certainly had an example in my constituency where someone was trying to sell a business that happened to have a room in it that was given almost free of charge to a local community group, who recognised that the business was going to be sold and said, "We do not want to lose our room. We want to list the property." They changed their mind a week later and realised there was no chance of them raising the money and said, "Okay". This person, though, had already got someone to buy his business and could not go ahead with the sale, even though the group had changed their mind. Is that not something for which we need a way out—when everyone now recognises it was probably wrong to stop a process in the first place?

Mike Perry: We have not come across it as being a particular problem, but in theory, yes, it should. If they had attempted to list an asset and a week later changed their mind, the likelihood is that it would still be getting assessed by the council.

Chair: The council had acted quickly in this case.

Mike Perry: Okay. They can take up to eight week, so normally there is a bit of time to back out if you want to, and there is the break at six weeks as well.

Dr Gick: There is also the issue of whether the group that got the listing in the first instance is still in existence. Would it be the same group? Could some other group decide to de-list? You might want to do that two years down the track. That could get a bit complicated.

Q21 Chair: Have you any evidence about the effect on the value of property for that five-year period when it remains listed?

Mike Perry: It is extremely difficult for us to gauge that, because, again, with pubs we tend—not always—to be dealing with pub owners who want to sell it as something other than a pub, so their valuation is not a valuation as a pub, it is a valuation as something else. The listing process has not, in our mind, changed the valuation up or down. If someone decides they want twice the market valuation of the pub because they think it has development potential, and that is what they decide to hang on for, then the listing does not necessarily change the process because they will happily wait the six months out.

Q22 David Heyes: Mike, you said the right to bid was the most successful of these powers. I think you possibly agree that the right to build is the least successful.

Mike Perry: It is a close call between that and the community right to challenge, but yes.

David Heyes: You have suggested it should be redesigned.

Mike Perry: Yes. I go back to the point that originally these powers were inspired by groups doing things that MPs all across the House had seen happening in their constituencies. The community right to build was inspired by community land trusts—community groups coming together and developing affordable housing—and this was supposed to ease the process. How designing a referendum initially requiring 90% approval—it is now just a straight majority—speeds up the process is beyond me, really. It is not being used, because communities are going through the process that they would have gone through anyway and trying to get planning permission. It was designed to shortcut the planning permission because the community had endorsed it, but in reality arranging a referendum is no mean feat in its own right and it is a measure of last resort. The community right to bid is used because it is seen as something that communities can do and take a proactive stance on. It seems like if you really must use it and if you really have no other options then maybe you might consider the community right to build.

Q23 David Heyes: But you have said it could be redesigned and improved. In what ways?

Mike Perry: The referendum is considered to be a problem. I cannot claim that we have worked a huge amount on the community right to build. I would certainly look to the advice of the Community Land Trust Network and the Cohousing Network on it. It just does not reflect the process that communities go through. If you are looking to help communities do positive things, affordable housing—particularly in rural areas but also in urban areas—is a massive problem. If community groups are trying to take steps to address that, why place additional barriers in their way to prevent them from doing a positive thing?

Q24 David Heyes: Janice, you have said there is a need for more support and promotion around the right to build. Is that right?

Janice Banks: Around the community rights in general. We have not seen a lot of take-up at all of the right to build. We have got six schemes going through at the moment in Sussex and we have had two previously that have gone through the process, but there has been very little take-up on the right to build across the network so far.

Q25 David Heyes: Has it been an issue for you, Freddie?

Dr Gick: It has not been an issue for us. The civic societies generally have not been involved in the right to build. Civic societies are much more interested in community engagement—things like more meaningful participation in planning processes, which might have an impact on the community right to build—but they have not been involved in that specifically.

Q26 Bob Blackman: Moving on to the community right to challenge, Mike, you have already hinted at your view on this, but I will start with you. How effective do you think the community right to challenge has been?

Mike Perry: Again, you have got to come back to: is it being used? It is not being used. For me, when you compare the community right to bid with the community right to challenge, with the community right to challenge you have to challenge a service deliverer, and that triggers a tender process. It gives the community no protection; it gives the community no moratorium and no protected period. If you are frustrated with how a service is being delivered in your local area and you think, "We can do something better", in reality you are probably going to fear what could happen if it went out to tender and went to one of the giant outsourcing companies.

Q27 Bob Blackman: We will look at some of the alternatives in a couple of minutes. Janice and Freddie, do you have views on how effective it has been?

Dr Gick: Again, the experience of this has been very limited, because it has not been taken up that much. What we are aware of is a few cases where the local authority has been, let's say, not very quick about processing the process and the whole procurement exercise has been delayed, whether it is to do with people changing jobs or some other reason. Possibly the process is something that gets in the way.

Janice Banks: From our point of view, the first thing that came back was that a lot of communities do not think they ought to be taking on the services anyway. They do not see it as part of their role to do it. Where we have examples of it, East Cambridgeshire looked at taking on a leisure centre, and when it got into TUPE and maintaining the Government pay levels of the staff that would come across, it became unfeasible in terms of what the community were putting forward. There are barriers that come across with other legislation that make this quite challenging for a community group to take forward. We think that this will always be the least popular of the community rights that are available.

Q28 Bob Blackman: The Government is saying this is opening up new relationships and encouraging people to talk. At the same time, the National Association for Voluntary and Community Action are saying this is the "nuclear option" to be used as a last possible resort, and no one really wants to use it. That is kind of the message I am hearing.

Mike Perry: It is a good conversation starter. That is what the feedback has been; that you can almost use it not so much as a threat but to say, "We have this power and we could use it if we wanted to, so can we have a conversation?" NAVCA's assessment is pretty—

Q29 Bob Blackman: Is it fair, then, to say that this is being used where local authorities or other bodies are reluctant to open discussions with the community on a potential transfer of assets or what is going to happen to an asset in the future? Is that fair?

Mike Perry: It is either reluctance or being a bit slow. Yes, I would say that is pretty fair.

Q30 Bob Blackman: Okay. So it is a reserved power. Given that is the position, should this right be scrapped or changed? What should we recommend, in your view, to the Government to do?

Mike Perry: The principle is right—a group of people saying, "We can do things better. We can do things differently. We can challenge how that service is being delivered" is a useful power, but we would like to see something like a moratorium period, where a community group may have six months or so to develop some proposals and have some conversations with the councils, because if goes to a straight tender fight you may have a community group that has no experience of tender processes. Something that levels the playing field and recognises the fact that a community has come forward to say, "We think we can do things differently" would be useful.

Q31 Bob Blackman: Taking your moratorium suggestion, what would happen if, say, a local authority was closing down a service and the community said, "We think we could provide it better"? Under such a proposal, would the local authority have to keep it going when they are already saying, "We have got financial problems; we have got to cease this service"? The effect on the local authority could be severe in that case, could it not?

Mike Perry: It is a good point, but if a council is able to cut a service because it is not obliged to provide it, then I am not sure whether the community right to challenge really comes in. Again, this comes out of conversations. We have seen Hill Holt Wood, a community-owned woodland in Lincolnshire, take on management of some green spaces and woodland in Lincolnshire free of charge in exchange for the timber. You see interesting relationships emerge from it. Really the community right to challenge was supposed to be for where a service costs a certain amount and the community could do it better or cheaper or differently, but if there is no money then that is a slightly different conversation.

Q32 Bob Blackman: Janice, I just want to give you the opportunity to clarify. You were not suggesting, I trust, that where a service is being transferred to a community organisation the staff should suddenly go on to lower rates of pay or different terms and conditions.

Janice Banks: No, I was not suggesting it. What I was saying is that that becomes a barrier in terms of the financial feasibility. I am saying that you have got different legislation that is coming into play here. The community rights might give you the ability to do it in theory, but if the financial case does not stack up because other legislation comes into play, then it is not possible for that to go ahead, which is why in this case the leisure centre did not proceed—because it was not financially viable.

Q33 Bob Blackman: Are there any improvements that you would like to see to the right to challenge?

Janice Banks: Community groups coming together to put forward a proposal are generally coming with a lack of experience against some of the professional organisations that come in quite often with bid-writing teams that can do something a lot more slick in a shorter space of time. There is something about the support that is available to help a community group do it and assess it properly in terms of financial viability, and also the time to be able to do that and think it through properly. Nobody wants to see organisations rush through a process and it fail at the end. We would like to see a sound process followed through with support for a community group so that it remains sustainable and is not a sad story at the end.

Q34 Bob Blackman: Freddie, do you have any suggestions for improvements?

Dr Gick*:* The only comment I would make is that it is hard to see how there is going to be a lot of use of this right. The one thing that we would probably like to see is a tighter time constraint being put on a local authority to deal with a submission.

Q35 Chair: Should there be an opportunity just for a community group to bid by itself rather than having to open it up to any private sector bidder?

Mike Perry: Yes. If the conversations are productive between a council and a community—councils are increasingly looking to communities to help deliver services, or to deliver services—then I see no reason why not, but there are tender processes that restrict that.

Dr Gick*:* Yes. We would be all for communication between community groups and councils, whether under a right to challenge or on any other basis.

Q36 Chair: Even if the process were perfect, it might not happen because people might not know about it. Is there a problem with awareness, information and guidance? Are there failings there that you want to see addressed?

Dr Gick*:* I would not want to talk about failings, but there is a big opportunity to promote the whole community rights agenda much more widely. But as I said earlier, it has to be done at a local level. Quite often, in areas where maybe there is more deprivation, there may need to be more intensive work, particularly to find people who are going to be the leaders. Very often what is missing is somebody who is going to lead whatever action is going to be taken. We would certainly advocate much more local face-to-face promotion.

Chair: That is not just awareness; that is support, help and guidance as well.

Dr Gick*:* It is awareness in the first instance, but the support and guidance is needed. I would not see it as a failure; I would see it as an opportunity.

Janice Banks: We think that the information that is available is well written and informative. The problem that we see is that most of it is online, which is fine if you have got reliable broadband and if you have got the IT skills to use it. There is an access problem, particularly in rural areas where the connection is not that good. People are not getting the information. There are also a lot of responses coming to us that people would like more face-to-face support and less online support, because they need somebody to help them through the process. In terms of awareness-building, we need to look at other forms than just putting it online, and then, in terms of taking people through the process, they want one-to-one on-the-ground support, not just a resource.

Q37 Chair: Who is going to provide that?

Janice Banks: There are organisations on the ground that can help provide it, but it is about who finances the provision of it.

Chair: Yes, exactly. Who is going to finance it, then? Have you any ideas?

Janice Banks: I would say it should come from DCLG.

***Dr Gick**:* I think it can be done very cost-effectively if you use voluntary organisations—dare I say it, like civic societies.

Q38 Chair: So, with a bit of money from DCLG to help you, you could be helpful in this process.

***Dr Gick**:* We would be very happy to be involved, yes.

Mike Perry: There is a need for community groups to have a basic awareness that this exists. To make any kind of practical use of these powers, they need to get to someone who has a decent working knowledge of the powers pretty quickly. That could be locally; it could be nationally; it could be a website—just something that can help people through the process. Something that is really important is that the community rights do not necessarily mean a huge amount to people. What people care about is, "My pub is closing"; "My shop is closing"; "My football club is failing"; "My library is closing"; "My community centre is under threat". That is the viewpoint we would have—we need to talk less about community rights, or talk about community rights as a secondary message, and talk more about the fact that communities are doing these things.

Janice talked earlier about examples of successful things attributable to the community rights. That is what you need to get people to use the powers. In reality, the powers are a tool that people can use, but they do not help them to do everything. If you are undertaking a community pub buy-out, using the community rights helps you; it is one of a huge range of things you will need to use and need to take advantage of to make that happen. Just understanding that and portraying that, as opposed to community rights first and foremost as the lead message, is imperative.

Chair: I see a lot of nodding going on down the table there. On that point of general agreement, we can probably end this particular panel session. Thank you very much for coming and giving evidence.

Panel 2 Questions [39-73]

Witnesses: **David Bowater**, Senior Corporate Adviser, Wiltshire Council, **Councillor Jeremy Rowe**, Deputy Leader, Cornwall Council, and **Ross Murray**, Deputy President, Country Land and Business Association, gave evidence.

Q39 Chair: Thank you for coming. You are very welcome. For the sake of our records, could you just say who you are and the organisation you represent?

David Bowater: I am David Bowater. I am a senior corporate adviser at Wiltshire Council.

Cllr Rowe: I am Jeremy Rowe. I am Deputy Leader of Cornwall Council.

Ross Murray: I am Ross Murray. I am Deputy President of the CLA, and for the record I live and have a professional practice in Wales, which has decided not to go down the ACV route.

Q40 Chair: First of all, has the exercising and operation of the community rights been generally constructive and helpful, or has it led to confrontations and conflicts?

Cllr Rowe: From our perspective—we have had 109 right-to-bid nominations and 72 listed—the dialogue has been very constructive and very helpful, not simply because of this but because of a slightly different approach around localism generally for us. I have noticed that the relationships that we are currently having between us, as the largest rural unitary in England, and our community groups and parish councils are rather more constructive than they were even two years ago. This is part and parcel of that, but of the 72 that we have listed, none of them have been successful yet, which I suppose is the chink in the armour. The relationships and conversations are much more constructive and better than they were.

David Bowater: If I could echo that, Clive, Wiltshire Council is supportive of these community rights, particularly the ethos behind them. As Councillor Rowe said about the dialogue, often these rights, particularly the community right to bid, act as a starting point for wider conversations about potential use of assets, and anything that gets communities thinking about how they can safeguard these assets and what potential uses they could be put to is welcome.

Ross Murray: I am going to be difficult, if I may, Chairman. It causes my membership enormous difficulty. We were very against the whole principle when the Act first came in in 2011, and it still causes us difficulty today. The eye has been taken off the ball of the principle of fairness to the asset owner. We heard from the Plunkett Foundation in the previous session about fairness to the community. I am afraid the person who owns the physical asset is dealt with very unfairly.

Q41 Chair: So you just want to scrap it.

Ross Murray: That is probably unrealistic, but there are certain aspects of the Act that will need clarification. The really important thing, thinking long term, is to look at the unintended consequences of the provision and possibly review it in time and see whether it really has been a beneficial thing for the community.

Q42 Chair: Do you say it has been abused in some cases?

Ross Murray: I do not say that. My members have been involved in community assets for a very long time, and it has been custom and practice to provide facilities for the community, either pro bono or on sub-market rates. The concern about this legislation is the old law of unintended consequences. If there is this community right to bid that frustrates the process of sale of an asset, the great worry is that landowners and asset owners around the country—and I am principally talking about rural communities—will think twice about offering facilities to the community. In time, we might see that Government will regret this legislation.

Q43 Chair: Perhaps you could answer that point, but also answer this. Given that so few of these bids and challenges appear to have come to fruition in terms of changing anything, has it not all been a lot of effort for very little return? What has the benefit to the communities really been?

Cllr Rowe*:* I should declare that I have a foot in both camps, if you like. I spent 20 years in the licensed trade in a rural pub, which is in many cases one of the very types of assets that is spoken about, so I do have some sympathy with the view that has been expressed. I would offer you the scenario of somebody who is really struggling operating a rural business and desperately needs to dispose of it; you could say this would throw a spanner in the works and make things very awkward for them. As you have alluded to, at the end of that process, if nothing happens then there are just six wasted months on the books for them. I would not be hostile to a review of how well this is working, but I would re-emphasise the point that this is one of a number of mechanisms that have been very helpful in establishing a better relationship and bridging that gap between us as a unitary council—which in a rural context gives us an extra challenge; I think David would probably recognise that, with a similar scenario in Wiltshire—and communities. But I would not want there to be collateral damage to people who are otherwise struggling.

David Bowater: To add to that, the process itself is fairly quick and simple. It is accessible for communities to not necessarily understand the finer points of the interpretation of the legislation all the time but to access the nomination form, get a nomination in and understand what the implications of that might be. I should add that one of the main interests in submitting nominations has not always been the "stop-the-clock" mechanism; it has been what possible implications there might be for change-of-use applications and the planning process as a whole.

Ross Murray: Chairman, if I may just add one more thing, it is instructive to see why the Welsh Government declined to go forward with assets of community value. One of the principal reasons was the enormous cost on local government and the administrative burden. That is worthy of review.

Q44 Simon Danczuk: That is an issue that I am going to come on to, Ross. Starting with you, David, what role do you think local authorities have in the implementation of community rights? What is your perspective on that?

David Bowater: Are you talking about the community right to bid in particular?

Simon Danczuk: Any of them.

David Bowater: There is a case to be made for not just administering the rights in a passive way but actively promoting them and also, at the same time, signposting parish councils to some of the other mechanisms that are available. For example, in Wiltshire we have a well developed community asset transfer policy, which parish councils have benefited from; 30 or 40 parks and public conveniences have transferred to parish councils. We have a service delegation policy, which enables parish councils to take on services with funding and run them, such as grounds maintenance and maintaining public conveniences. If it is promoted as part of a package of locally available offers to parish councils and community groups, then that is beneficial. In fact, if we had based our estimates of interest in the community right to bid on the DCLG impact assessment, we might have only seen seven or eight nominations; we have seen over the past two years closer to 50. We have been successful in promoting those conversations, but, as I say, it is about being part of a wider offer.

Q45 Simon Danczuk: So you take the opposite view to what Ross is saying. You think council tax payers' money should be used to actively move assets on.

David Bowater: When they are council-owned assets, Wiltshire Council does have a policy that parish councils and community groups can make applications to a local area board. If that asset is worth less than £250,000 then the area board can make the decision on whether the transfer of that asset at a price lower than market value would enhance social well-being. That is the policy of Wiltshire Council in that regard.

Q46 Simon Danczuk: Jeremy, do you have a view in terms of the role of councils in all this?

Cllr Rowe*:* Yes. Similarly to Wiltshire and what David has been saying, we have been having a promotional role. We have 213 parishes in Cornwall, of varying sizes and expectations, shall we say. As part of our switch to unitary, we put in place a localism set-up whereby we have 19 networks and within that there is a localism manager whose role, among other things, is to signpost towards funding and to give advice and help in the way that perhaps the previous relationship with the district councils had been. I think we do quite well. We are, as nobody needs reminding, in a climate where the money is tight, so we do not have that resource. It is an unfashionable thing to say, but when local government was confronted with the cuts that needed to be made, the first place it looked was administration rather than front-line services, for very obvious reasons, but in the end that becomes something of an easy target, so we are in a situation now where possibly we do not have enough administrators in the right places within our organisation to do this very work—to be able to be at the disposal of a community that wants to achieve something. We would previously have been able to help them, and perhaps we are not able to do that. Our localism team falls under my portfolio, so I am bound to speak slightly passionately about them, but they are wonderful people who do a lot of really hard work for their communities. That in itself is an evolving role, and over the five or so years that we have been unitary I do not think that has been fully tapped in terms of its potential. The resource is there and we do what we can; if we were better resourced, we could do a little more.

Q47 Simon Danczuk: Just briefly, where do you think your two authorities are proactively pushing and promoting this stuff and other authorities in the country are not? What is the difference?

David Bowater: Perhaps it is that we both became unitary authorities in 2009. As part of that process, the areas were fully parished. We had experience of setting up, for example, Salisbury City Council; as part of that, we transferred a whole range of assets and services at the same time to make that a cost-neutral package we could delegate to parish councils. We have seen when parishes take on those services that they are much more flexible and locally responsive than they might otherwise be if they are administered centrally. There is a real rationale for community ownership.

Simon Danczuk: Some of this stuff has come about because of reorganisation and restructuring, perhaps, in some ways.

David Bowater: Perhaps.

Cllr Rowe: Just to add to that, we went unitary at the same time, and there are many similarities between the Wiltshire model and our model in terms of our population, rurality and so on and so forth. The principal difference we had was that the switch to unitary was deeply unpopular in Cornwall, which I do not think it was in Wiltshire; I think it was seen as a logical step forward. We had a schism, if you like, that we had to bridge. If I am being perfectly honest, the first four years were largely wasted in that regard, because I do not think the previous administration at Cornwall Council had a full idea of what localism meant. I do not think they saw the point of it. Having watched that from afar and learnt from the mistakes of others, we have now got a better idea of what we think localism should mean, and although we are a little bit later to the show than Wiltshire we are trying to bridge that gap now.

Q48 Simon Danczuk: Ross, do you have any further comments in terms of local government?

Ross Murray: I do, please, yes. The gentlemen on my right are very unwise to advocate a promotional role for local authorities. Quite clearly they do not have the resource to do it. It is a contentious process; it is like putting your foot in a wasps' nest. The whole principle of localism is that it is bottom-up. It should not be for the mid-tier of Government to be pushing it down and telling community groups how they should run their business aspirations.

Q49 David Heyes: Ross Murray, the CLA, in your evidence to us, were fairly critical of the Government's guidance to local authorities in listing assets of community value. You talked about the "vague explanation of the complicated definition of land of community value", just to pick some of your words out. Do you want to expand on that?

Ross Murray: In 2011 we were talking about pubs and post offices; we are now talking about football stadia and mountains. The whole definition has been stretched. What is not up for grabs? I listened with horror to the previous session's evidence about listing as much as possible within the community. All that is going to do is disturb a long-honoured relationship between landowners in rural communities and local government. It is very established that the provision of community assets often comes from a landowner through an agreement with local government, and often with the involvement of the community at the same time. To impose this right for a so-called community group to bid and slow down the process of sale if a landowner happened to need to sell an asset is most unfortunate.

Q50 David Heyes: You think that can be addressed by the Government issuing much clearer guidance to local authorities. Is that the case?

Ross Murray: I do not think it can completely address it. I think it can ameliorate a situation by trying to tighten up the guidance.

David Heyes: I sense some disagreement here.

Cllr Rowe: I would take issue with the gentleman's point. Perhaps I have not been clear on what we mean by "promotion". We are not actively going out into communities and saying, "Look, there is an asset you can have. We will help you help yourselves." That is not what we are saying. What we are saying is: "These are powers that are now available to you. We will help you if this is something that you want to do." Our experience in Cornwall has been slightly different. We do not have any mountains, so that is a disadvantage for a start, but it has been shops and pubs and those kinds of assets.

My division is entirely rural. I have seven rural parishes in my electoral division. I have had two instances where community shops have been carried forward by the community before this legislation came in. They did that off their own backs. There are two different models. One is the affluent, leafy, retired model; the other is the slightly more—for want of a better phrase—working-class area. Both managed to do that within their own gumption and resource. If there is a power out there that can help communities protect part of the holy trinity of rural villages, which I would describe as pubs, shops and village schools, then it is our duty to promote their power to be able to do that. I do not think that is a bad thing. I do not think we have had a situation where we have a strained relationship with landowners, and I would not want us to get to that situation, because I do not think it is helpful if we are stopping people doing what they need to do. I do think it is important that we tell our communities what powers are available to them to help them if we can.

Q51 David Heyes: Do I take it from what you have said that you are content with the quality of the Government's advice and guidance on this?

***Cllr Rowe**:* Broadly, yes.

David Heyes: That is true for you.

David Bowater: Yes.

Q52 John Stevenson: I just want to touch on the right to bid. I will start with you, David. Do you think it is effective in its current form?

David Bowater: It could be strengthened. As the submission we have made says, there is an opportunity to think how it could link more clearly with, for example, change of use in pubs. We have seen examples—I gave an example in the submission—where pubs can be up for sale for three years. The issue has always been agreeing what is a reasonable price. That might be set out of the reach of any community group bidding for it, whereas if it was independently valued and the community group had the opportunity to meet an independently valued price, then that—

Q53 John Stevenson: I will come to that point in a minute or two. Overall, do you think it is reasonably effective, or could it be improved? What about the moratorium of six months?

David Bowater: I have not seen any evidence in Wiltshire that the moratorium of six months is too short. We have only had two full moratoria triggered, and in neither case did they proceed to a community-group sale, but I do not think if it was any longer that would have happened anyway. The issue with the operation of it is, I suppose, despite promoting it—and, I should say, promoting the value of informal discussions with landowners first, as well as the formal right—it is still often used very reactively by community groups and parish councils. It might be possible to consider perhaps allowing local authorities to set windows where nominations can be made at certain times of the year. That might help deal with any issues of vexatiousness or last-minute things coming in just as a property is about to go up for auction, and all those sorts of issues.

***Cllr Rowe**:* I would echo a lot of that. I do not necessarily see the need to extend that six-month period. The issue is more about finding ways to help the groups find the money to do it within the six months, because if they can find the money to purchase the asset then everyone is happy, aren't they? Simply extending the period would not necessarily make any difference. How we go about that is another thing.

Q54 John Stevenson: Ross, I appreciate you are against the whole thing in principle, but given that it exists, what are your observations on it?

Ross Murray: Can I just say that sounds like promotion to me? Anecdotal evidence suggests that it is successfully frustrating the sale of properties. The helpful thing that has come out of it is that local authorities have to publish those lists of assets that have been deemed to be of community value and also where the bid has failed. That is useful; it just quantifies how many properties within each local authority area are in play. Another interesting statistic to glean out of these chaps on my right is the whole cost of administering that list and the process, and to see what the success rate would be to the cost to the public purse. That is possibly another issue.

Q55 John Stevenson: Can I go back to the point you were raising, David? Were you suggesting effectively that a community group would have the right of first refusal at a price that is independently valued?

David Bowater: I am saying that is something that could be considered, yes.

Q56 John Stevenson: Is that something you would be actively promoting as a fundamental change to the system?

David Bowater: I am not sure I would say I would go as far as promoting. As the gentleman on my left says, there are often unintended consequences, but it is something that could be explored, perhaps allied to other measures. I am aware in Wiltshire that a number of the properties that have been listed as assets of community value already benefit from rural rate relief, for example, so there is a recognition through other means that those properties benefit the community. Is that something we can link more explicitly as well? I do not know.

Q57 John Stevenson: Is that not a solution, Ross?

Ross Murray: It would be anathema to a private owner. It might be possible for a local government owner.

Q58 John Stevenson: To some extent, why should it be anathema? The community group comes forward; they get the first right of refusal. They are having to pay the market value, effectively. Why would a seller be bothered about that? They are getting the market value.

Ross Murray: You can never really truly test the market without a competitive bidding situation. It would be an artificial market, and I would suggest that the price would always be discounted.

Q59 John Stevenson: But to be fair, surveyors do that all the time in so many different areas of the private sector. Why should it be different for a community group?

Ross Murray: I am a chartered surveyor.

John Stevenson: Exactly. Why should it be any different for a community group?

Ross Murray: Those of you involved in local government will know that local government has to in theory get the best price for its assets when it sells them. You can only truly do that by testing the market, not having a constrained process.

Q60 John Stevenson: Jeremy, do you have any thoughts on that?

Cllr Rowe: I would echo the sentiment that you posed in your question. If a fair value is achieved by not necessarily the landowner but whoever the owner is of the asset—whether it is a publican or whoever—and the community wins that, then that has got to be a good thing.

Q61 John Stevenson: I will swing back, then, to Ross. What if they had to put it up to auction?

Ross Murray: Are you asking me?

John Stevenson: Yes. You said "competitive market". What if they have to put it up to auction so the community group can go along and bid? They know exactly how much they have got but they might get it at a lower price.

Ross Murray: They might well do. That would be a desirable outcome from a private landowner's perspective, if they could sell it competitively.

Q62 John Stevenson: But would it? If they get an independent valuation, they have got that independent valuation and they know they are guaranteed that price, but if they go to an auction, they have got no guarantee that any other bidder is going to turn up. You could end up with just one bidder.

Ross Murray: You could do. You could have a reserve, though.

John Stevenson: That would not necessarily be fair.

Cllr Rowe: You might even call that artificial.

Q63 Bob Blackman: Moving on to the community right to challenge, in your written submissions, Jeremy and David, you have both said you have had no bids. Do you think this is an effective mechanism?

Cllr Rowe: We had one expression that was withdrawn. The circumstances of that were that a charitable group was looking to maintain a service that was provided within adult care, or something like that—I cannot remember the exact details of it. The issue behind it was that the charitable group were not financially well resourced enough to maintain it, hence it was withdrawn. I have to tell you that this is something that has not really come across my radar, because it is so rare, but the question that arose for me when I read about that was: are we helping the charitable groups in our area maximise what they have? To go into that a little bit deeper, we have many charities that have properties that they lease, they all have chief executives, and they are all trying essentially to operate in the same sphere, but they are not putting their heads together in a way that could probably help them all. My question is not so much whether the right to challenge is a good thing or a bad thing, because we have not seen enough of that; the by-product that comes out of that is: is there something more that we—whoever the "we" are—can do to help our charitable groups operate in a better way that is more productive for them?

David Bowater: I broadly agree with that. The key thing is having that good relationship with the voluntary and community sector and parish councils. If they have ideas, come and have a discussion with us. The right is there as a back-stop, if you like, but, as I say, we have got a service delegation policy and we have delegated budgets to area boards so they can influence how highways maintenance, street works and youth service provision takes place. There are a number of different ways for parish councils and community groups to get the outcome they are looking for.

Q64 Bob Blackman: Ross, do you have a view on this?

Ross Murray: No.

Q65 Bob Blackman: What changes would you make, David and Jeremy, to reform this to make it useful? Or would you abolish it? What is the point of having it if it is not being used?

Cllr Rowe: I am going to be fairly agnostic on that, in that I currently do not really see much point in it.

Q66 Bob Blackman: Would you make any changes to it?

Cllr Rowe: I do not know whether you necessarily need to make changes to something that is not really achieving anything anyway, if that makes any sense. If it is going to wither on the vine, let it wither on the vine. It is not something that has been embraced. I am nervous to use the "promotion" word here. It is one of those things, again, that we promote in the sense that we let people know that the power is available, but if it is not being taken up then I am not entirely clear what the point of it is.

Q67 Bob Blackman: Could you, for example, put it to services above a certain value as opposed to saying it is available for everything that is provided?

David Bowater: Or under a certain value, perhaps. The key issue is that it triggers a procurement exercise that the organisation that triggers it may lose. Unless there is a way of, for example, exempting mutual organisations or parish councils from that competitive tender process for the first time round, notwithstanding any competitive exercise three or four years down the line, then the right will not really function effectively.

Q68 Bob Blackman: I will move on, then, to the generality of these rights. I apologise, Ross, in advance, because I do not think you are going to like this question. How should local authorities and other public bodies promote these rights and create greater awareness of what people have available to them?

Cllr Rowe: From my perspective it is precisely that: it is creating awareness of what is available. As I said earlier on, I do not think we should be out banging on people's doors telling them that they should be going out and grabbing such-and-such a thing. I mentioned the two examples in my own division earlier on. These were community-led things and people got their heads together and worked very hard to protect facilities that were very important to them. If it comes to that, and if we want to stop—I am talking particularly about rural communities here—rural villages simply being places where people go to sleep, then if there is that desire within a community we have to do what we can to help, which is to let people know what is available to them. If they come to us and ask us to help them, then we should do what we can.

Q69 Bob Blackman: Given that some of these rights affect what local authorities are offering, is there not a view saying, "Wait a minute. You are the enemy that we are trying to take on"? Would a body necessarily go to the local authority for help and advice?

***Cllr Rowe**:* Are you talking about if they are coming for a local authority asset?

Bob Blackman: Yes, potentially.

***Cllr Rowe**:* I would like to think that we would be prepared to have a conversation with anybody who wants to take on a local authority asset. It may be that that does not reach a conclusion that is satisfactory to us or to them, but we are in this climate and we have identified in our four-year budget process that we are looking to raise £31 million by devolving assets. That means that we have to be prepared to have conversations with anybody who is interested.

David Bowater: To echo that, that is where the resource-intensiveness for local authorities is. Wiltshire Council has a similar commitment in our business plan up to 2017 to delegate cost-neutral packages of services and assets to parish councils across the county. To make that happen, we are going to have to put significant resource in. There is support there for parish councils from organisations like Locality, but in terms of making it happen on our side of things, yes, there does need to be resource put in to make that happen successfully.

Q70 Bob Blackman: Do you think there is a need for umbrella groups such as the LGA and others to be promoting these rights and to be seen as a sort of disinterested assistance to community groups?

***Cllr Rowe**:* I do not necessarily know if it should be the LGA or, indeed, who it should be, but if the rights are going to be there in the legislation people might as well know about them. Whether that is a role for DCLG or for the LGA or whether it is for local authorities to do that role locally, people need to know what is available to them.

Q71 Bob Blackman: How should such advice be funded?

***Cllr Rowe**:* I would say DCLG is a good starting point.

Bob Blackman: Ross, go on. You have been very quiet for a while.

Ross Murray: As the non-local government person here before you, I think the LGA should be extremely worried about this. The LGA should look very carefully at what this whole process is costing in terms of staff time and delay in transactions, both for the private sector and, indeed, for the public sector. It is very worrying. This is fighting talk you are hearing today, really, isn't it, about what local government can do about enabling community purchases? But it is a huge ask for some of these community groups, who can be led on or can have their own head and get carried away with ambition. Some of these property assets are very expensive to purchase in the first place, to redevelop, to refurbish and then to run as business assets. It is extremely difficult for some people, and I am sure we will see some casualties along the way.

Q72 Bob Blackman: Given that, as you say, this can be a real problem for private owners of assets, would it not be in the best interests of those private owners that local authorities were able to speed up the process, that there was greater clarity, and that organisations that said, "We would like to bid for this" got help and advice and a quick decision was taken rather than an elongated process that might very much blight a potential business?

Ross Murray: The phrase "local government can speed up the process" is not one I am familiar with. It just doesn't sound culturally right. It is a hugely complicated area when you are involving yourself in what initially starts as a private transaction—a private owner trying to dispose of an asset it does not want or for which it needs the money. I would be very wary of local government getting involved.

Q73 Bob Blackman: Given that these rights exist and that they will continue to exist, how would you like to see the process improved?

Ross Murray: We need clearer guidance about definition. We need to be quite careful about the time limits—certainly no more than six months. I heard advocated some longer periods in the earlier session. The first period could be shortened down to a month, because that focuses the mind as to what is a practical period. Then we need to review the consequences of the legislation as we go forward, probably with a review in about five years' time.

Cllr Rowe: I want to respond to a couple of points that were made there. I do not think it is fighting talk for us to be in a position of telling communities what they are entitled to do. I think the phrase "communities getting carried away with ambition" was used. I do not think ambition is such a bad thing for communities to have either. The idea that we should keep communities in the dark and almost tell them that they should know their place is to me rather strange. There is nothing wrong with local government having a role of telling communities what they are entitled to do and saying, “If this is what you want to do—if you are ambitious—then we, as your representative body, will help you to do that”. That is a perfectly fair and reasonable thing to do.

Chair: Thank you very much for coming to giving evidence to us this afternoon. That brings to an end our public proceedings.