Communities and Local Government Committee

Oral evidence: Community Rights, HC 262

Tuesday 18 November 2014

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Evidence from witnesses:

Panel 1 (Questions 74-131)

National Association for Voluntary and Community Action (NAVCA)

Campaign for Real Ale (CAMRA)

British Property Federation

Panel 2 (Questions 132-155)

Confederation of Co-operative Housing

UK Cohousing Network and the National CLT Network

Building and Social Housing Foundation

Listen to the session

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

Panel 1 Questions [74-131]

Witnesses: **Barney Mynott**, Public Affairs Officer, NAVCA, **Tom Stainer**, Head of Communications, Campaign for Real Ale (CAMRA), and **Ghislaine Trehearne**, Assistant Director of Planning and Development, British Property Federation, gave evidence.

Chair: Welcome to the Communities and Local Government Select Committee. This is our second evidence session of our inquiry into community rights, and it is being held this afternoon at the Ivy House public house, Nunhead. I understand—and I am sure, having got the advice from the Clerk, that this is absolutely correct—this is the first time our Select Committee has met in a public house to take formal evidence, and it is probably the first time that any Select Committee has met in a public house to take formal evidence, so thank you very much to our host for allowing that to happen. I also understand that some other members of the Select Committee have actually been in a public house before. That is true, is it? Yes. Anyway, it is great to be here. Thank you very much indeed.

One of the formalities to start off with is that, as members of the Select Committee, we have to put on record any interests that we have. I am a vice-president of the Local Government Association. Obviously I am going to put that on the record. Do any other members need to add things on as well?

Simon Danczuk: Councillors as well?

Chair: Yes.

Simon Danczuk: Yes, my wife is a councillor and members of my staff in the constituency office are councillors.

Mrs Glindon: My husband is a councillor and one of my members of staff is a councillor.

Chair: Okay. That is on the record. The next thing we need to do is ask our first set of witnesses if you would say who you are and the organisation you represent.

Tom Stainer: Good afternoon, and thank you very much for the invitation to speak to you today. My name is Tom Stainer, and I am the Head of Communications for the Campaign for Real Ale, which represents about 165,000 members nationwide.

Ghislaine Trehearne: I am Ghislaine Trehearne, Assistant Director at the British Property Federation and we represent those with interests in commercial property investment.

Barney Mynott: I am Barney Mynott, Head of Public Affairs at NAVCA. We are the national charity for local umbrella organisations – for CVSs and voluntary actions.

Q74 Chair: Thank you all very much for coming. What I am going to do first is look generally at the right to bid, which the Government announced it was going to bring in in 2010, saying it would empower communities, diversify the provision of services and further many other grand designs it had. After four years, what do you think the impact has been in reality up and down the country?

Tom Stainer: I think there has been an impact. We describe this as the start of conversation for communities in trying to save valuable community assets. From CAMRA's point of view, we are obviously talking about pubs—pubs like the pub you are sitting in today—which communities value, use and want to be able to save. We would say that unfortunately the impact has not gone far enough and that the Government has deliberately misrepresented and overstated the strength of the locals mapped and the right to buy, in that there are still loopholes in planning law. For example, you can change pubs into bookies; you can change them into undertakers; you can make office space out of them. As I am sure you have heard today, this pub could have had this interior ripped out very quickly had the community not acted very fast, and unfortunately the locals map and ACVs would not have affected that.

Having said that, it is the start of the conversation and we have seen 581 pubs listed as assets of community value. We have seen communities getting behind their local pubs. We have seen communities demonstrate that they do value pubs and they want to have the tools to save them. We will be calling on the Government to strengthen those tools to allow that conversation to continue, rather than communities having that conversation drowned out by developers. We would also like to see local authorities given more support, more information and more power to enforce the planning rules that they would like to use. We hear so often from local authorities saying, "We wanted to save that pub. Sadly, we couldn't because of the planning ordinance."

Chair: I think we will probably come on to that in a little while, yes.

Ghislaine Trehearne: From our perspective, we have been very supportive of the assets of community value process. We were supportive of it as one of the fundamental tenets of localism at the beginning of the process. We have some concern about the instances where process is used to sterilise assets that may be dead or dying and have no real hope of the community taking them over in any serious way.

Barney Mynott: I think what we would say is that there has been some success, but possibly it is the case that that would be more useful in certain areas, such as areas of high land value, rural areas or where there are fewer assets, and possibly also with certain types of assets—pubs have been a particular success with this right.

What our members have found—our members are often the bridge between the local authority and local charities and local community groups—is that local authorities, especially in metropolitan areas and possibly more in the north, are coming to them and saying, “How can you help us with these assets?” Having a right to bid is useful, but often things have been offered to them and what is more important is understanding: is this a community asset or is it a community liability?

Q75 Chair: You are saying that, perhaps in the changing climate where public bodies—particularly local authorities—are trying to divest themselves of responsibility for assets, looking at voluntary transfer of assets by agreement, particularly within the public sector, is currently higher up the agenda than the probably slightly more confrontational bid process.

Barney Mynott: Yes, and from our members’ experience—our last survey of our members—twice as many were involved in the transfer of assets than were involved in the community right to bid.

Q76 Chair: Is that the case from CAMRA’s point of view, or, as they are probably said to be in the private sector, do you face slightly different issues there?

Tom Stainer: Yes, pubs tend to be privately owned and they are being sold to private developers. The assets of community value scheme is useful in that it allows communities to at least start that conversation, to try to get a bit of a pause to give them enough time to tell people what they want and why these are important to them.

Q77 Chair: I understand what you say. I just got a message through to say that perhaps the room was not designed particularly for Select Committee hearings, so if we could all speak up a little bit it might help, because there are people trying to listen at the back who are having a bit of a problem hearing.

Do you think the Government probably overstated what was possible to achieve? Do you think this has been a success measured in its own lights, but not a success measured by the hype that went on at the beginning?

Tom Stainer: Certainly, as I said at the start, I think they have overstated when it comes to pubs. They have overstated the powers. They have overstated the power that communities will have and not done enough to change the balance between developers and the communities. An example I give of this is the fact that developers have the right to appeal from a planning decision and they have a right to appeal an ACV listing, but campaigners trying to save a community asset do not currently have the same right of appeal. They cannot go through the same appeal process, and that is one of the things we would be calling on the Government to change, to give people like the group behind this pub the chance to go through an appeal process.

Q78 Mrs Glindon: How effective is the listing process, do you think, for communities and property owners alike?

Tom Stainer: Sorry, could you repeat that?

Mrs Glindon: I am just asking a bit about the right to bid and the listing process: how effective do you think the actual listing process is and does it help communities and property owners?

Tom Stainer: Again, from a pub perspective, it starts a process but there are still too many ways to circumvent that listing. As I mentioned, there are the planning loopholes that allow pubs to be demolished overnight with no reference to planning law. They can change their use, and once a pub has had its use changed—maybe it has had the interior ripped out, it has been changed into office space temporarily—quite often unscrupulous developers are hoping that if it is an office for six months people will forget it was ever a pub. So the listing is not enough to protect pubs, unfortunately, and that is why we are calling for it to be strengthened.

For example, we would call on the Government to make it clear that if a pub is successfully listed as an ACV, you could not then make any change to its use or demolish it without further permission or further reference to the planning authority and to the local people.

Ghislaine Trehearne: I think there are three points to make from the unscrupulous developers' perspective. In local authorities across the country there is a very different application of the mechanics of the assets of community value listing process, so that an asset that would be listed in one authority would not be in another. In addition, the definition of the asset has been extended greatly past the original suggestion of pubs, post offices, libraries, schools, whatever it may be, to now the listing of a mountain and a football pitch. So it has expanded perhaps from where it was supposed to be.

I think the other thing is that for both community groups and for developers, speed is important. In many cases local authorities have taken quite some time to make a decision and are not terribly good at publicising those decisions, once made. I think everybody's evidence suggested that obtaining the list of assets of community value from local authorities can be very challenging. That is certainly something where a bit more pressure in that direction could be beneficial for everybody.

Barney Mynott: We have nothing in particular to add to that.

Q79 Mrs Glindon: Do you think that tightening the definitions, such as "social well-being", "ancillary" and "recent past", would make the process any more efficient?

Ghislaine Trehearne: I would hope it would make the decision-making process less convoluted for local authorities. Fewer factors that can be negotiated should help and should try to weed out some of the anomalies.

Q80 Mrs Glindon: Should communities have greater opportunities to list assets that are on the brink of sale?

Tom Stainer: They need the communication that they are on the brink of sale. At the moment the problem is there is no mechanism whereby communities are going to be guaranteed they will find out about this. I will refer back to this pub, because you have talked to the people behind the scheme: they had to move incredibly quickly. Had they not got a tip-off about the fact that the pub was literally going to be closed and the use changed in five or six days, they would not have had a chance to get off it the ground. Again, one of the things we are calling for is that the moratorium on development should be extended from the current six months to nine or 10 months.

This will not slow down developers where genuinely the pub is no longer wanted. At the moment there is a six-week moratorium and a community group can trigger that to extend a moratorium. but if no one is interested in the pub and no one is using the pub, it is going to be six weeks during which time the legal work can still go on, so the contracts can be exchanged after six weeks and a day. It is not going to slow down genuine development where a pub is no longer useful to the community, but groups need to be given that time. They need to be given the warning beforehand. They need to know that the change of use cannot happen without reference to planning, and they need to know that they have the time to put together what can be very complex legal community buyout schemes after the event as well.

Q81 Mrs Glindon: Finally, would business rate relief on listed assets help BPF members to engage with the process?

Ghislaine Trehearne: It is an interesting idea, but I find it very difficult to see where the real benefit would be. In a position where the asset was owned by an individual and, for example, they wanted to sell the asset because the business was failing, I do not think that business rate relief would be enough to be the straw that unbreaks the camel's back. In a position where the asset is perhaps owned by a larger company the business rate relief is going to be a drop in the ocean. I also think we have to take a broader view and look at it from the other side—where that business rate relief is going to come away from. Is it is going to hit local authorities and central government to a certain extent? They need all the help they can get at the moment. It is not a policy we would find very easy to support.

Q82 Chair: This issue about having notice so that you can start the process seems to be absolutely key but very difficult. You cannot begin the listing process until you know a building is going to be sold, therefore it is very difficult. Suppose you get a tip off, as you were saying. As an organisation, do you want a process to be put in place where no pub could be sold without first giving notice so that the listing process can begin? Is that what you are really after?

Tom Stainer: First of all, it is possible to list a pub as an ACV before it is sold. You can still get the required group of people together and say, "We want to list this as an asset of community value," even if it is running perfectly as a pub. In many cases licensees are quite happy for that to happen. Again, we would not expect no pub to be sold—we are not saying there should not be market forces. If a pub genuinely is not being used by local people and they no longer need it as a pub, the process is going to be very quick. It is going to go through probably as quickly as it would have done anyway, because you need the legal work done.

Q83 Chair: Should every pub have to give notice so that the community can have a look at it if they want to?

Tom Stainer: I think we would like to see it changed so that we do not have these planning loopholes—so that if a purchaser wants to do something with a pub they would apply for the planning, and that would be notified in the way that most other planning schemes are.

Q84 Simon Danczuk: Starting with you, Tom, why do you think we are so rubbish in this country at defending community assets, things that are important? Do you think there is something cultural about this? Why are we rubbish at it?

Tom Stainer: I think that is maybe a little bit unfair. If you look at the number of community buyout schemes, I think there are around 30 successful buyout schemes. As I said, almost 600 ACVs have been listed. If people have the time, they have the notice and they think it is worthwhile, they can do it, but a lot of it is that they are going to local councils and they are finding that even the local council does not have the right information and do not know how to process ACVs. In many cases we are ringing local councils to ask if they have a listing of ACVs. They do not know which department to put us through to, whether it is legal, planning, or finance.

Q85 Simon Danczuk: You do not think we are rubbish at it then?

Tom Stainer: I think we could be better but I think there are so many obstacles currently in the way that it makes it very difficult to unify a group of people, because these people have to give up their time, they have to take time out of their weekends. We see from our CAMRA volunteers that people want to get behind the schemes, but there are so many obstacles at the moment it makes it difficult. So I would not want to say we are rubbish at it. It is just that if there was more information, if there was more leadership from Government—

Q86 Simon Danczuk: I am going to work along. What do you think? Do you think we are good or bad at defending still?

Ghislaine Trehearne: From my members' perspective, there are many BPF members who do an awful lot with the community, and it would be very difficult to see a situation in which landowners were worried enough by mechanisms like this that they stopped sharing their assets with the community in the way they do now. That perhaps is somewhat less true for some of the commercial guys. For example, a square in Kings Cross is privately owned land, and were it to be designated an asset of community value, a developer could decide that that was no longer to be used by the public. It could be a very troublesome thing. I think there has to be a certain degree of fluidity within the system to allow for a bit of give and take.

Barney Mynott: One of the problems with the perception of whether we are good at protecting assets is that often when we look at assets we look at a physical asset. We have a very healthy voluntary sector in this country and recognising the difference between assets and services, between services and people as assets, is quite important. Let me give a quick example: we were looking at library services, and lots of local authorities are looking at getting library services into the voluntary sector. What they are looking at is getting that building with those books and everything there into the voluntary sector, and they are not looking at different ways of delivering the service, which probably would be a more effective way of preserving services and assets.

Q87 Simon Danczuk: Starting with you again, Tom, what impact would removing permitted development rights for assets of community value have on the right to bid process?

Tom Stainer: I think and CAMRA thinks it would be absolutely vital. As I mentioned before—

Simon Danczuk: As important?

Tom Stainer: Yes. I would call them planning loopholes but, yes, permitted development rights, which are these particular uses you can change a pub or another community asset to without reference to the planning authority—as I mentioned, bookkeepers, undertakers, office space, estate agents and so on. If we removed those and made it clear that if it has a listing, so you cannot change to anything without reference to the planning authority, I think it would help protect these assets. I also think it would help energise community groups, who would know that it was worthwhile getting an ACV because it will protect them. Too often you see people go to the trouble of getting ACVs and then unfortunately it does not give the protection they were expecting, and that is very demotivating.

Q88 Simon Danczuk: Ghislaine, would you support that?

Ghislaine Trehearne: No. I find it difficult to agree with those statements. I think you have to take community development rights back to the sentiment behind them, which is that of freeing up dead assets or dead space in an environment, ensuring that assets that are no longer viable can easily be changed, whether it be into residential to deal with the chronic shortage of housing or to something else, whether that be pubs or offices or any of the other proposals or mechanisms that are in place at the moment.

I also think that it should not be forgotten that local authorities can put in place article 4 directions, in order to stop this happening. That has taken place. It is under consultation at the moment in Wandsworth, and I believe Camden have this in place and various other places as well. So there are ways for local authorities to have types of controls over this.

Q89 Simon Danczuk: If we did not move permitted development rights would it deter developers from bidding for pubs do you think?

Ghislaine Trehearne: Probably not.

Q90 Simon Danczuk: They would still bid for them anyway. Is that right, Tom?

Tom Stainer: We believe at the moment that permitted development makes pubs a softer target for developers because they know they can acquire them and, for example, change their use to a local supermarket store very quickly. The removal of permitted development would put pubs on a par with other properties that could be acquired and would hopefully reduce the numbers that are acquired. At the moment, two pubs a week are being changed into supermarkets and that shows the level of the issue.

Q91 Simon Danczuk: The Government's view is that councils can use article 4 directions. What is the problem with that?

Tom Stainer: Yes, I think there are issues with article 4 directions. First of all, they are not meant to be used in blanket cases. They are meant to be used in very specific cases, but the Government seems to be telling councils they should be using them as blanket protection for pubs, which seems wrong. Councils as I see them—again going back to the leadership shown by Government and the information—seem very reluctant to apply article 4 because of the potential financial penalties, which are uncapped in terms of compensation. For a council that may be under-resourced at the moment due to cutbacks, using article 4s can make it very nervous.

Q92 Simon Danczuk: It is not as easy as the Government just saying, "You use that then"? That is not—

Tom Stainer: No, and they are not always successful. Councils either turn down article 4 directions or there are other ways of circumventing them, for instance, selling a pub as a going concern or leasing—giving a long lease on a site, which again means the pub does not enjoy the protection of either the ACV of the article 4.

Q93 Simon Danczuk: Barney, do you have a view on any of this?

Barney Mynott: Not really, no. I cannot add anything.

Q94 Simon Danczuk: No. To finish then, Tom, your view is that things are too skewed in favour of developers? That is the gist of it?

Tom Stainer: Yes, going back to what we were talking about, it is about the lack of a right of appeal, the way the ACVs work, the permitted developments, the soft target the pubs can become. I think it is far too skewed at the moment towards them.

Q95 Simon Danczuk: Ghislaine, do you think it is about right now, or does it need rebalancing?

Ghislaine Trehearne: I think you have to take each case on its individual merits. There will be some assets that are unable to be continued and are just unviable businesses. For those that are in that situation, then probably being able to exercise the PD is a very good thing indeed. There will of course be some that slip through the net, but it should be up to the local authority to put in place the measures that it can to ensure that that does not happen.

Simon Danczuk: Thank you.

Q96 John Stevenson: Looking at whether or not we should strengthen the right to bid, given the Government's unwillingness to remove the permitted development rights, how do you think the right to bid could be improved?

Tom Stainer: I have mentioned several times already that the ACV moratorium needs to be extended to give communities longer to get organised if necessary. Again, just to stress, if a community is not interested in saving a pub, as in this case, it is going to be six weeks. They need to trigger that longer moratorium period. We would also say the right of appeal is vital on this, to allow communities to have an independent assessment of the council decision. They can do it internally. They can then have the independent assessment of the Community Rights Tribunal, which developers are allowed to use currently, but community groups are not. Their only recourse is to the High Court, which is time consuming and very costly.

We would also like to see a compulsory purchase option for community groups that can put together a market rate for these assets, but currently we are seeing some examples of pubs where communities are getting the funds together and they are being turned down, even though they are offering the market rate for a property. We would like to see that in legislation as well.

Ghislaine Trehearne: Our key concern is that, in many cases, local authorities use the assets of community value listing as a material consideration in cases where that should not be happening. Particularly when there are applications for minor material amendment, local authorities tend to wade in and use the listing as a reason to refuse that application—minor material amendments and quite often advertisements. That is probably our key point. Also, as I said before, we need clarity about when the listing designation should really take place: for mountains, probably not; for pubs and libraries, yes.

Barney Mynott: What we would say is that a lot of the emphasis is on getting the asset, and actually a bigger issue often is running the asset and making it viable. Just changing ownership will not always transform an asset's fortunes, and this is the thing about: is it a community asset? Is it a community liability? So we would like to see more support, a refocus of support to have communities run assets. A sort of example of this is our member in Dudley. Dudley CVS has a good programme of work supporting other community groups within the Dudley area. Also because it is a locally based organisation it is going to have an expertise. I think one of the problems at the minute is a lot of the support that comes with the right to bid is about help coming from outside, coming in, giving a lot of help for someone to take over an asset, and then going away again. There is nothing sustainable there.

One final thing with that is we also wonder if there is enough to encourage the use of pro bono support to do a lot of this work, because support is being brought in from elsewhere. Things like surveying—I was going to say is not the easiest, but that is unfair—is one of the most successful areas where you can get pro bono support in the voluntary sector. It would be good to be able to develop that locally and build up the local industry, rather than having help come in from sometimes hundreds of miles away.

Q97 John Stevenson: I want to focus on two points: first of all, the moratorium. The British Property Federation think the six-month period is too long. What would your response be, Tom, and what do you think it should be?

Tom Stainer: We are saying the moratorium should be more than nine or 10 months. Again, it is important to stress that the initial period would be six weeks. Then, if community groups want to trigger the moratorium because they have an interest in preserving and protecting the community asset—

Q98 John Stevenson: If they do trigger the longer period, would there be some penalty if they are mucking the developer or the property owner around? Should they have a penalty clause?

Tom Stainer: I am not sure how you would judge the mucking a property developer around. I would say they are expressing a right to question whether a development should go ahead. That it should go through the proper planning process.

Q99 John Stevenson: They could do that in a vindictive way just because they do not like what is happening, even though they are not serious about carrying out a development.

Tom Stainer: I have certainly not heard of any examples of a community group doing it in a vindictive way. It may be that you have had evidence that that happens but I am not sure that is an issue for these cases, certainly when it comes to pub groups.

Q100 John Stevenson: So you think an extension to about 10 months would be about right?

Tom Stainer: I think so, yes. Again it can be very complex and you need to motivate a lot of people who cannot work on it full-time. They are working weekends and evenings. To get those community schemes together, to get a community motivated takes longer than six months in some cases.

Q101 John Stevenson: Ghislaine, your organisation believes six months is too long.

Ghislaine Trehearne: To respond to Tom's points, clearly six months works. There have been many examples where it has worked. So to suggest that it is not long enough is probably not very fair. I think it has to be remembered that the current owner of the pub should be able to enjoy their property rights as they have originally acquired. It would also be unfair, particularly if somebody is selling up because they need the cash, they need to be able to move on. It would be very unfair to make them wait just under a year to be able to do that.

In the wider scheme of things, it would be a real deterrent to investment to say that you may well indeed not be able to shift your assets in a speedy enough way. There is a big difference in the investment world between six and 10 months. I think it would be a very unwise idea.

John Stevenson: Is there such a big difference?

Ghislaine Trehearne: I think so.

Q102 John Stevenson: On another point then: compulsory purchase price. They have got the market value; why shouldn't they have to sell at that price? It seems fair.

Ghislaine Trehearne: I think it is very difficult to say that that would be a wise idea. As I think you heard from the CAA a few weeks ago, we would support their view that in—

Q103 John Stevenson: If you want to sell and you get a market value and that market value is X, then if somebody wants to buy it why should they not agree that you have to pay the market value?

Ghislaine Trehearne: Because you might be able to get more from somebody else. It is a very base competition level, and I think that property owners should be allowed to take advantage of the market in that way.

Q104 John Stevenson: Should they be forced to go to auction because that is a market price?

Ghislaine Trehearne: Possibly, but then I would think it is a waste of everybody's time because the community group are unlikely to be able to play that game with a potential commercial investor.

Q105 John Stevenson: What if you get market value at an auction and the community group go along and make an appropriate offer?

Ghislaine Trehearne: It would be worth considering.

Q106 John Stevenson: Tom, what would you think about that? Do you think it should be compulsory?

Tom Stainer: We are currently pushing for compulsory purchase. If the community can put together a bid for market rate, they should be able to buy that asset because then the developer is making a return on their investment or the—

Q107 John Stevenson: How do you ascertain market value then?

Tom Stainer: An independent surveyor, the same way that you can ascertain the value of other things.

Q108 John Stevenson: That is somebody's professional guess. It is not necessarily the market value.

Tom Stainer: It tends to always be someone's professional guess. When it comes to property values, you get in someone independent who could assess the value of the business.

Q109 John Stevenson: What if a professional comes along and values it at £1 million but the owner thinks it is worth £1.2 million? Why should they not be allowed to test the market?

Tom Stainer: Again, whether an auction would work or not I am not sure. A community group that is trying to get funds together to buy a property is going to struggle to be able to suddenly add an extra £200,000. What we are more concerned about, rather than if there are lots of bidders and there is a market value there, again, this is not about trying to fight against the free market, but we are seeing examples where community groups are the only bidders for a property and they are getting together £100,000, £120,000, and they are still being turned down for reasons we are not very sure about. It is just about looking at a process and making sure that they at least have a fair stab.

Q110 John Stevenson: Barney, do you have any comments on those two key issues I just described?

Barney Mynott: I think when the Localism Bill originally went through Parliament we argued for a 12-month period. Obviously we are two months out with this, aren't we? I think we would tend to support 10.

The reason we would is because of the expense our members have in helping groups set up. So, starting from scratch, to get organised, if you have to have a constitution, if you have to get finance, six months is difficult.

Q111 John Stevenson: That is fair enough if you extend the time, but should there be some sort of penalty if the community group are not really serious?

Barney Mynott: If you could find a way of having a test or having some sort of minimum hurdle to jump then I think that would be worth investigating, but off the top of my head, I see difficulty about how you would do that.

Q112 John Stevenson: What about the fixed price?

Barney Mynott: I do not have any views on that.

Q113 Chair: Should there be the possibility of withdrawing from the process or stopping a process? The thing goes in and then after two weeks, six, they cannot go ahead with it—not necessarily malevolently, but they have overstretched themselves; they have been unrealistic and they want to stop it. Should that be a possibility?

Tom Stainer: I am sure there is nothing stopping them from withdrawing from it.

Q114 Chair: There is. I do not think it is allowed. I do not think the process is allowed at all, as I understand it.

Tom Stainer: Yes.

Q115 Chair: Equally, within the six-month period, after a group says, "We think we can get a bid together within the six-week period and then we will want to go ahead with the full process," if after two months they think, "We cannot raise the money. We are going to have to call a halt to it," should the process come to a stop then?

Ghislaine Trehearne: Yes.

Tom Stainer: If the community group themselves are no longer driving it forward, no one else is going to do that so it is going to naturally come to a halt.

Q116 Chair: Except the owners cannot sell it for the six months.

Tom Stainer: The six-week process, yes, the community group would have to trigger that at six weeks.

Q117 Chair: Yes, but once they have triggered it, that is it for six months.

Barney Mynott: Stopping the process that you spoke about, is that the sort of mechanism that is already in place to do that I wonder.

Q118 Chair: I do not think there is. I am not aware of one anyway.

Ghislaine Trehearne: I do not think there is. I think it would be very helpful if that process were to be in place.

Tom Stainer: Again, I do not know how the system works but, yes, I would imagine if the community groups are no longer interested then it would be in no one's interest to say, "You have to sit for nine months until the moratorium period ends".

Barney Mynott: Yes, I would agree.

Q119 Simon Danczuk: Barney, how effective has the community right to challenge been do you think?

Barney Mynott: If you started to look at how many times it has been used and how many times it has resulted in a service being run by a neighbourhood organisation or group, then hardly effective at all I think you would say. There has only been a very small number. I have done some very, very high level research using Google. I could not find a find a thing. I have heard some whispers around 40 and talking to members—one or two of my members who are involved—there is one going in.

Interestingly, the interactive map does not even mention use of the right to challenge. I think that possibly says how big the thing is in that way. Although it has been useful, and it has been used as a way of opening up relationships with local authorities, it is the threat of using it that has got people around the table and people are keener to talk.

Q120 Simon Danczuk: They said that it can lead relations between groups and local authorities severely damaged, and they described it as a nuclear option.

Barney Mynott: Yes, we call it the nuclear option because once it is used you cannot go back. Local authorities are really key partners for a lot of voluntary organisations, so to ruin the relationship is not in their interests mainly. The other key thing about the right to challenge is, should you put in an expression of interest and the local authority accepts that, all you are doing is then going to get an open procurement process where there is no guarantee you are going to win. The aim is to get more services delivered at a neighbourhood level. That was the intention of the latest submission. A rational neighbourhood group would think an open procurement process is more likely to end in the service being run by a large national organisation, possibly private sector, and whatever the rights or wrongs of it most local community groups would rather the council ran a flawed service than that the service was privatised.

Q121 Simon Danczuk: Do you think the Government wanted to open it up to get more services delivered by neighbourhoods, or do you think the real intention was to get more large companies running services? What do you think the Government's real intention was?

Barney Mynott: It would be difficult for me to say. They said it was about delivering services at a neighbourhood level. I can see why that would be in the Government's interest, because there is a lot of evidence that if services are run and designed by the people on the receiving end, they are normally better services and normally they are saving money as well.

Q122 Simon Danczuk: How should we amend it? Could we improve things? Should community groups be given a protected period of time in which they can bid for contracts as opposed to it just being opened up to everybody?

Barney Mynott: Yes. It might be quite difficult to say only community groups because I think you have to definitely decide. What we have looked at and are putting into the pot in a way is that the Government is now considering the consultations on transposing the new EU procurement laws into UK law. As part of that, the Government lobbied for the inclusion in the EU law of a reserve power that would enable commissioners to be able to preserve certain contracts for public sector spinouts and mutuals and possibly other not-for-profit organisations. I think it would be quite interesting to look at whether that could be applied to this right.

Q123 Simon Danczuk: So you do not think it should be scrapped completely or anything?

Barney Mynott: No. I think the language isn't great, and the idea of challenge does not suit the times and the way that most voluntary organisations work with local authorities. The language could be changed. I think the common sense on the ground in a way has meant that the legislation has produced some good, because it has had those conversations and it has enabled those conversations to take place by getting local people more involved in those services.

Simon Danczuk: Any quick comments from you, Tom, or Ghislaine? No. Thanks, Chair.

Q124 John Stevenson: To touch upon the targeting of resources: Government resource is quite clearly limited, so how should the Government go about supporting and financing community groups that undertake the ownership of community assets, Barney? How best could they do it?

Barney Mynott: What we would argue—and this may surprise you—is that there is a network of local umbrella organisations already there; organisations that will not walk away when the funding goes and they will help with sustainable support. It is not just our members. You spoke with ACRE last week. ACRE have the network of rural community councils with a lot of experience in helping groups take over assets, run assets. So I think they should look at the existing infrastructure out there, rather than setting up any new infrastructure. I think that is quite important because you are likely to duplicate more networks.

As I said earlier, a lot of the support should be going into helping groups run community assets rather than just take them over. Taking them over is one thing, making them last for the community and have them there in years to come is quite another.

Q125 John Stevenson: Should Government be concentrating on support rather than finance?

Barney Mynott: I think what has become apparent to me, both in preparing for this and also listening to the other evidence, is that there are some very different circumstances. I think the situation with pubs, and some of the assets coming from private owners, is very different to the situation with local authority assets, especially in some areas. I think evidence submitted by CAMRA shows how the right to bid is used a lot more in the south than in the north. I think that is quite interesting. I would not say it is one or the other, but I think you have to look at what is right for the right area. So support to get the asset is right for some areas. Support in running an asset is probably more appropriate for other areas. I think at the moment there is too much emphasis placed on getting the asset rather than running it.

Q126 John Stevenson: You think more concentration should be given to support?

Barney Mynott: Yes.

Ghislaine Trehearne: From our perspective, we would quite like to see some revisions in the guidance—not necessarily a new wave of guidance, but just some tweaks to the guidance now that we have seen it working for a while, particularly to encourage local authorities to get on with it and do it properly.

Q127 John Stevenson: Are you more concerned about the financing, the purchase of an asset rather than the running of the asset?

Ghislaine Trehearne: Yes.

Tom Stainer: In the specific example of pubs, most community buyout schemes are self-sustaining after the buyout has occurred because they will generate profit; they will be able to pay the staff and the manager. It is supporting the buying of the asset in the first place that needs the funding and the support. On both sides for the community groups but also for the councils, the way that ACVs apply, the information supplied, are very patchy. So Government need to help by giving the information, the support, the education and the leadership to apply the guidance in the right ways in terms of the right to bid and ACVs, article 4 directions and all the rest of it. For us, it is the before the buying that needs to be supported. Afterwards it should look after itself.

Q128 John Stevenson: We have Locality that provides advice and we have the Social Investment Business Group that awards grants. How well do you think they are providing?

Tom Stainer: I do not know anything about those, I am afraid.

Ghislaine Trehearne: Me neither.

Barney Mynott: We think they have both done a good job. The SIB are providing quite a lot of prefeasibility grants that we hear are useful for groups to investigate whether they should be delivering services and how they can shape services. One thing we would add to that is what is missing, and locally also work with the advice and the support they are giving.

One thing we are finding generally with the localism agenda is that there is probably more support needed to get people together and to learn and have peer learning. A lot of support is put on a website, which is good but it is not enough. Getting people in a room and getting some real learning, getting some honesty about what has happened rather than glossy case studies that make things look easy, really does help. Tom used the word "patchy". Patchy is inevitable with localism and patchy is not always bad in a way. You cannot have localism and not have some benefits and some not so good, but what a waste it is if in 150 different areas groups are making the same mistakes because someone has not made it first and, therefore, the other 149 have not learned, "I won't do that."

Q129 John Stevenson: You need best practice and how you disseminate that information to other organisations.

Barney Mynott: Yes, I think you need face to face contact. I think people should be providing the resources to allow people to get together physically and talk about what problems they have had, what works, what does not work. I think there is too much reliance on methods on the internet, and I do not think you get the nuances or you get to some of those real issues and a lot of the failures are just glossed over.

Tom Stainer: To be clear, when I said "patchy" I was meaning the local authorities' implementation of ACVs and Articles. For example, 37 councils have still not provided us any information on what they have listed—I think you mentioned this earlier. Some councils are requiring a freedom of information request before they will tell you what has been listed as an ACV, and some councils have gold plated requirements for an ACV to be made, so they are expecting the community groups involved to jump through all sorts of hoops to even be recognised as a group that can make the ACV listing. So that is what I meant by "patchy".

Q130 John Stevenson: Did you think that local authorities should be forced to help or give greater assistance to community groups?

Tom Stainer: I do not know how much they can be forced. Definitely carrot is better than the stick. I think greater assistance. Support and leadership from Government—the Government has been very timid in pushing this. More top-down leadership is required in this case, just to help local authorities who are under-resourced and struggling. In many cases they do not feel they have the financial resources or the expertise in some cases. As I said earlier, they do not now which department it falls within, so there needs to be some top-down leadership and some consistency across local authorities.

Barney Mynott: But also within local authorities. We have an example of a local authority where they are accepting a right to challenge—it looks like they are going to put translation services out to procurement—but there is a similar conversation around allotments and there is a lot more resistance. What we have been told is that the group involved in the allotments might be forced to do a right to challenge and put in an expression of interest, because that part of the council is not talking to them, whereas other parts of the council are quite open to it.

Q131 John Stevenson: Even within councils there are differences?

Barney Mynott: Yes.

Chair: Thank you very much for coming to give evidence this afternoon. We will go on to the second panel. Thank you very much.

Panel 2 Questions [132-155]

Witnesses: **Nic Bliss**, Chair, Confederation of Co-Operative Housing, **Jo Gooding**, National Coordinator, UK Cohousing Network, and **Jennifer Line**, Senior Researcher, Building & Social Housing Foundation, gave evidence.

Q132 Chair: We move on to the second panel. It would be very helpful if people could put on the record their interests as well.

David Heyes: Yes, thank you, Chairman. I employ two members of staff who are local councillors.

Chair: Thank you for that. I would be grateful if the second panel could say who you are and the organisation you represent.

Jennifer Line: Hello, I am Jennifer Line. I represent the Building & Social Housing Foundation. We held an event in May. The theme was scaling up community-led housing, which involved stakeholders from all across the sector, and I have been focused on that as a workstream ever since.

Jo Gooding: Hello, I am Jo Gooding. I am the Coordinator of the UK Cohousing Network. This is a joint submission with the National Community Land Trust Network with Catherine Harrington who is also in the room. Between us we work with around 300 community-led housing organisations.

Nic Bliss: I am Nic Bliss. I am the Chair of the Confederation of Co-Operative Housing. Likewise, we are working with a number of organisations here. In every way they are developing community-led housing.

Q133 Chair: Thank you. Again, as I asked before, if you could all remember to speak up a little bit so that everyone at the back can hear us.

What we discussed with the first panel was this issue of whether the rights that are being enacted by Government are constructive, and do they bring communities together to get the best for their local areas or have they become confrontational? Has that been a problem with them?

Jennifer Line: The feedback that we have had suggests a bit of both. They have made a good start. They have got communities engaged perhaps more than they were before, but by its nature having rights to challenge the status quo implies that it is not being done properly. So we have been advised that that is starting off on the wrong foot and that communities do not want to start with a confrontation. They would rather engage proactively with the local authority and other stakeholders.

Jo Gooding: I would agree with that to a large extent. I think some of the language and the process of accessing support and, indeed, seeing through the measures is a little bit adversarial. Unfortunately, often the main liaison point there will be local authorities and—as we have already heard from the previous panel—local authorities are absolutely fundamental to community-led housing proposals and it is always better to have a positive relationship.

In terms of these rights, I do not think we thoroughly understand because the awareness of what is in the rights, how to use them in a practical sense, in different contexts and in different areas, is still exceptionally low. There are measures and provisions within the rights that lots of communities are not aware of and have not been able to use. I think there is a bit of work to be done on communication and also looking at some of the criteria to access support and so forth.

Nic Bliss: In terms of our perspective on this, we are looking to support community-led housing in a number of different ways, so that has brought us into contact with the Community Right to Build as such rather than the other rights. We thought the Community Right to Build was quite interesting, in principle, but it was a bit too prescriptive and a bit too rigorous to enable the development of very much community-led housing. We think it has not led to the development of much community-led housing.

Q134 Chair: We will probably come on specifically to those detailed points about the Community Right to Build in just a few moments. The Government talked about these rights being a powerful tool for communities to agree and implement a vision for their areas. Do you think, therefore, it is probably over-sold: in principle it is a good idea, but in practice the delivery has not been significant? Is that your take on it?

Jennifer Line: That seems to be the message that is coming back. It takes communities to a certain point, but it does not have the teeth at the end. For example, the purchase of land is a real sticking point. They get to the point where they accumulate the assets, get their bid together and then they compete on the open market and lose that land. Then it is all for nothing, and I think we sensed a fair amount of bitter disappointment at the outcome of that process.

Jo Gooding: I do not believe that they have been oversold in terms of the potential to empower communities to build housing, to deliver services and to run community assets. There is immense demand and it is growing all the time, from all parts of the UK and within England. So the overall objective was good. That was not oversold. I think it is the mechanisms of delivery and what the obstacles are. Maybe some of the obstacles that are inherent within the rights, so within the Community Right to Build—I know we will come on to that—the planning is perceived to be the principal obstacle. Maybe there are other obstacles that should be addressed within the support and the criteria, if the end objective, for example in that case, is to support more communities to build and manage housing. That applies to some of the other rights as well.

Q135 Mrs Glindon: We have touched on how valuable the Right to Build is. Why do you think that the Community Right to Build has been a damp squib?

Nic Bliss: I don't know that it has necessarily been. I thought it was quite good in theory, but I think that the issue in terms of this is more to do with—I do not think it is a legislative solution that is needed, it is more a strategic approach that is needed to help and support communities to develop community-led homes. In terms of the actual Community Right to Build, it was quite a prescriptive framework that focused on planning permission, and I am not entirely sure that that was what was needed to help communities to develop new homes. I think it was far too much based on the principle that suddenly communities were going to spring up and take these rights, and the practice of developing and supporting groups to develop community-led housing does not work that way. It requires quite a lot of nurturing, which is more of a strategic and support function rather than some sort of legislative necessity for formal rights and a rigid and prescriptive process about how that should be implemented. That is my view.

Jo Gooding: I guess the end outcome of the Community Right to Build is a successful planning permission. That is not necessarily an obstacle to many of the projects that we support. It is part of the process. It is expensive. It can be arduous and, yes, we would all like to see it streamlined. But that is not the end goal. The end goal is starting on site and of course having a viable business plan so that you will be able to manage the housing for the community in the long term.

So the process is very difficult. It only makes sense in a limited number of cases. I said at the beginning that a positive relationship with the local authority is always something that a community housing organisation would like to do because it is essential. Perhaps it could be more effective if it is aligned with neighbourhood planning a little bit more and promoted within the neighbourhood planning context. It makes more sense if you are having a neighbourhood plan referendum, perhaps where there is a community that has a particular preference on where they would like to build and where to tag a Community Right to Build order within that.

There is a little known facility within the guidance, the criteria around leasehold and franchisement in urban areas. That is something that is very under-known but in some urban areas could have been an incentive, but it still applies to a small number of cases. I do not know if we are touching on the community-led Project Support Fund, which is an extension of the funding available for the Community Right to Build. That has had a bit of an impact on community housing groups in feasibility support for groups going through the normal planning route.

Jennifer Line: I do not have anything to add.

Q136 Mrs Glindon: Could I ask about the referendum requirement, how do you view this? Do you think that the Community Right to Build would be strengthened if it were removed?

Jennifer Line: Yes. I think when you compare it to what is required for a standard planning application it is pretty cumbersome. You do not get a referendum for a normal planning application for, say, 10 dwellings across an entire community. So I absolutely think it would help. It is unbalanced—the requirements for a community-led project against any other form of private development.

Jo Gooding: Yes, I think we would agree with that. I would like to see some sort of presumption in favour or a streamlining, where there is demonstration of popular support and the community has been involved and will be involved, so yes, the removal of the referendum.

Q137 Mrs Glindon: On the issue of working with housing associations, the Building and Social Housing Foundation says that this can mean some loss of control, but the CCH seem to support it. What is the difference in the views on that? Why should one group think housing associations are valuable and the other think they are not?

Jennifer Line: Shall I go first? We absolutely think housing associations make sense as partners. They are the logical intermediary between communities and the planning system. Our caution is that we have had some feedback that suggests that the engagement of housing associations is not equal and some are better at it than others, and so we would be looking at a way of instilling best practice and ensuring that the community engagement practices of housing associations are genuine and are not just rubber stamping, so that stock ends up being managed essentially by the housing association and removed from control of the community. So it is just a precaution rather than a veto.

Nic Bliss: I would agree with most of that. I think there certainly have been historic examples where some housing associations have completely screwed up community-led development, and that is a reality. But I think that the focus of this should actually be about: how do we change housing associations? How can we get housing associations as allies to support community-led development? There are a lot of good housing associations out there doing a lot of good things. You have probably all come across them in you constituencies, and if we took a bit of a strategic lead, I think we could help to shape housing associations to make them more supportive in enabling communities to develop community-led housing schemes and do it in the right way. I think there is work to be done on that.

Certainly, in our experience—because we are working very much in Wales at the moment—the Welsh Government made a specific commitment to developing community-led housing under their manifesto. There was absolutely nothing to build on there at all. So the work that we have done in Wales has been very much working with local authorities and with housing associations to develop something, working in partnership with them. The outcome of that has been developing a lot of flexible models that have developed that fit the local criteria and what have you. Also some housing associations who initially, when you started talking to them about it, were a little bit sceptical until you worked through the issues with them. We have staff in places like Gwalia Housing Group and Cadwyn Housing Association, who are clearly excited about it now and, having had some initial support in how they should work with communities, are doing it really well and not requiring an awful lot of support to make those groups function.

In the case of the Cadwyn Housing Association, they started developing one housing co-operative. They have now, without any further Government support, set up another one because it is working so well for them. That is possible in England. We can generate support among housing associations. There are housing associations working with community-led housing schemes in England. But what gave the push for that in Wales was the politicians saying, “We would like this to happen” and then the civil servants try to implement that and going out and doing this behind-the-scenes conversations with the chief executives and so on, to give them a little bit of a nudge. They do not like to be told what to do, but if you give them a bit of a nudge to say, “This is something we’re interested in,” the chief execs will say, “Yes, let’s do that,” and then that will filter down to the staff on the ground.

Providing there are people who can work with those people on the ground, we can develop community-led housing schemes. But it comes back to what I was saying: if the objective is to get—in our case—community-led housing schemes, I don’t think that is a legislative issue, it is a strategic issue coming from Government. It is the politicians saying, “We would like this to happen,” and then getting the civil servants to work in partnership with people such as ourselves to work out how that happens in practice, and then getting the civil servants going out and talking behind the scenes to the people who will make the difference. Does that make sense, guys? Yes.

Q138 John Stevenson: Yes, thank you. I have been interested in your comments so far about the right to build, and I think it is strategic thinking and you have mentioned the obstacles. Is funding an obstacle? I will start with you.

Nic Bliss: There are methods of funding. For us, what we want to get to is if there are a lot of schemes looking for funding that could become a problem. But at the minute, in terms of the funding routes for community-led housing, there are ethical banks that will lend to small-scale schemes. In terms of some of the schemes I am talking about, working with a bunch of housing associations, there are routes working with the housing associations to get funding. We did some specific examination in the CCH talking to all the big financial institutions that lend to—

John Stevenson: In your view, you do not think funding is ineffective at this point in time.

Nic Bliss: There needs to be some work done on it but it is achievable, getting the funding, yes.

John Stevenson: Good.

Jo Gooding: This goes for both the Cohousing Network and the Community Land Trust Network. There are two types of funding needs, of course. There is revenue funding— feasibility funding at the front end—and capital development funding that follows on. Of course, thirdly, there is the management of the properties. But if we deal with the first two, there is a huge need for revenue feasibility funding for community housing groups that are undertaking a project, to take them up to the point where they have a viable business plan that they are ready to start on site and have worked out all the different components that are involved in project delivery. The further down you get, the more secure the funding gets obviously, but at the front end it is quite risky and it is very difficult for community organisations to get hold of that. There are a number of measures.

The community led project support fund has bridged some of that gap or had the potential to. Unfortunately, some of the criteria for eligibility was a little bit off kilter in how you would attempt a project, for example, you needed to have a secure interest in the land up front, but we would not advise a community organisation to be that far ahead when they are quite early on in their feasibility planning and they have not considered their options and put their business plan together. So some of those eligibility criteria need reviewing.

On the capital funding side, yes, there are some ethical small-scale lenders that are quite strongly supporting community-led housing projects across the piece. Access to dedicated affordable homes programme funding could be key. Community organisations have been able to access affordable homes programme funding through different routes. But as we have seen with the success of the community empty homes fund, which was administered by an organisation other than the Homes and Communities Agency, it has had significant success in stimulating and getting projects delivered, and we would like to see that across the community-led housing sector.

Q139 John Stevenson: Picking up on a couple of points, overall do you think the funding is not bad?

Jo Gooding: Which bit?

John Stevenson: Just overall. Clearly, you have highlighted areas where it could be improved.

Jo Gooding: Yes.

John Stevenson: But, as a general observation, it is reasonable and just needs to be tweaked.

Jo Gooding: It more than needs to be tweaked, particularly on the feasibility side. We need to see more of it, more tailored towards getting projects up and running.

Q140 John Stevenson: On the feasibility side, do you think the requirements of the community groups are too prescriptive?

Jo Gooding: Yes. We all want to see a process that evaluates and measures risk and protects public money, but there are ways of doing it. It is more stacked towards how a community housing project takes place. You can still protect and guard against the risk but you could genuinely enable the group to go through a process that allows them to consider their options, get the right technical support and get a good business plan going.

Q141 John Stevenson: Do you feel, therefore, that there has to be some acceptance that that is risk money?

Jo Gooding: Yes.

John Stevenson: At the end of this, some community groups will be successful, some will clearly not be successful and we should just accept that is a risk.

Jo Gooding: Yes.

John Stevenson: There will be a degree of money that has to be written off.

Jo Gooding: Yes. But the more you include advice and support from organisations like ourselves that have done it, and the more that diagnostic process and support is put in place, the more you mitigate the risks. But if you are designing it and you are not quite sure of how it takes place on the ground, there is always going to be some risk involved.

Q142 John Stevenson: The HCA, obviously, have a requirement that they make sure that public money is not wasted.

Jo Gooding: Yes, absolutely.

John Stevenson: We are almost suggesting to them they are going to have to waste some money.

Jo Gooding: Not necessarily waste, and we should still put in the measures but, yes, there is going to be some at-risk funding. If you want to stimulate a new market and you believe in the additionality that community housing projects can bring—and it is very varied and very different because they are not all one size fits all—you want to break the monopoly down, you want to get more houses built and you want to keep them affordable in the long term, then yes, in stimulating that market there is an element of risk.

Nic Bliss: I agree with everything that Jo is saying here, but the key issue is that the critical bit is that very early stage stuff—helping groups to work out what it is that they are doing—and that is the risk. But I don’t think that necessarily needs to be vast amounts of funding because once you get to permission—

Q143 John Stevenson: I accept your point there, but there is a cultural issue of an organisation and civil servants, by way of example, being willing to accept there is a write off and then there is—

Nic Bliss: You can have more flexible criteria than exists at the minute to help them develop. Of course, you have to have some criteria, but they could be more flexible. But the key point is that you get to a certain stage where something is going to move forward and you can capitalise the revenue support that you need—that can go into the actual business plan at some point.

John Stevenson: I might come back to you. But, Jennifer, just do you have any comment?

Jennifer Line: I agree with all of that. The conclusion that we have come to is that there is a need for technical support to get community groups to the point where they can access the capital funding and that technical support already exists within the infrastructure. Within the community-led sector there is a lot of expertise, within the Housing Association sector there is expertise. There may be a role for strategic housing officers within councils to engage with community groups to get them to a certain point where they are economically viable. There is an existing infrastructure that could be tapped into here.

Q144 John Stevenson: Right. Can I take it from all three of you, broadly speaking, you think there is a bigger issue on the feasibility funding, rather than the capital funding?

Jennifer Line: Yes.

Nic Bliss: Yes.

Jo Gooding: At the moment there is a pipeline of projects that could see demand for increased capital funding and, of course, most of the projects that we are involved in the vast majority of them are about affordable housing. Access to affordable homes programme grant is also key, whether that is an independent access, the group applying independently and becoming a registered provider or in partnership with a housing association, that sort of circuit.

Q145 John Stevenson: Going forward, do you think there are any changes that need to be made to the capital funding?

Nic Bliss: The challenges that community groups face in terms of developing schemes and housing associations working with them are the same as the kind of challenges that any housing provider faces in terms of developing schemes. Funding is never easy, that is the real world, isn't it?

Jo Gooding: We would like to see proportionate criteria and application process for affordable homes programme funding that is tailored slightly towards the needs of community housing organisations, whether they are working in those different routes. That is a significant change we would like to see, as has been demonstrated through the community empty homes programme and maybe adopting and learning from that programme, as it has been quite successful.

John Stevenson: Any final comments, Jennifer?
Jennifer Line: No, I would agree that there needs to be the correct balance struck between caution and scale. Small-scale developments shouldn't have to jump through the same bureaucratic hoops as huge 250-plus housing developments.

John Stevenson: Thank you.

Q146 Simon Danczuk: If I could start with you, Jennifer, and your role in work, what effect do you think the availability of affordable land has on the uptake of community grants?
Jennifer Line: I couldn't comment in terms of statistics but making affordable land available is a key issue for anyone.

Simon Danczuk: Yes. Jo?
Jo Gooding: Affordable land is always a significant issue for groups and varies, depending on the area that they are in—land and property, I should say. But it isn't necessarily the only issue and we have talked about access to different types of funding and technical support. Yes, it is an issue but it is not the only issue and it is often inflated to be more than it is.

Q147 Simon Danczuk: By whom and why?
Jo Gooding: By whom and why? I guess because it is easy to focus on that. You have to have a development opportunity—a proposal—in place to progress, and that does become a panacea for groups: where are we going to develop and how are we going to develop? There needs to be compromise at different parts of the process and looking at what is viable in terms of a development opportunity. It is often very nice—and we see this in the right to build consultation—to prefer an area of high demand, but if you want to build and want to make the project successful, sometimes there is an element of compromise. With public sector land, community groups have been able to benefit from a vast array of possibilities, from asset transfer to deferred payment and

market. There are also a lot of private individuals that have worked with community housing projects, Holy Island and Glendale Gateway Trust are very good examples of where private individuals have made land available on good payment terms to allow a project to take place.

Q148 Simon Danczuk: You do not think affordable land is such a massive issue at all—that is your take on it.

Jo Gooding: No, it is a big issue, particularly in some areas. There are some cities that are struggling to identify land. If we look at Brighton, as a good example, where there are scarce development possibilities, particularly for small-scale projects that need viable chunks of land. It is part of the picture but it is not the panacea, and community right to build is predicated on funding and land being the main issue.

Nic Bliss: I would agree with that. Obviously it is very difficult to get the land that we need to build the number of homes that we need in this country—that is the reality of it. Obviously community-led housing groups, alongside anybody else building, have to find the land to do it and that is not easy. In some cases, community-led developments have led to land being made available that otherwise would not be available, such as with some of the community land trusts.

But also just down the road in Southwark here is Leathermarket JMB, and they had some land on their estate. The council would have had lots of local opposition if they had tried to build homes, but Leathermarket are looking to build some homes that are led by the community and that is what has made that development possible. If you can get communities on board, more land may become available to build the homes that we need.

Q149 Simon Danczuk: Do you think there is anything more the Government could be doing to help and assist in terms of creating more affordable land for these projects or not?

Jo Gooding: Yes. If we look at the HCA's public land disposal policy and sites that are currently being assembled for development, often you do get areas where there is a willingness for a small proportion of the site to be custom built, self-build or even Community Land Trust or another. What we find in those larger processes is that it is quite difficult for community organisations to get a stake in the procurement process. I don't think that is a legislative issue, it is more good practice—something that could be done to help community groups get hold of and work on that asset. Similarly—again, it is good practice guidance—there are lots of local authorities doing some good stuff with section 106 agreements, tying in community development into their requirements, or things like deferred payments. There is a whole spectrum of measures. It is a post-code lottery of whether you know about them and whether they could be a success in your area, and maybe there needs to be a little bit of work in disseminating that.

Nic Bliss: There is a suite of things that are needed. In terms of this, we advocate community-led housing because we see the multiple benefits that can come from it. In terms of making land available, it is part of a whole suite of things that need to happen. What we would like to see happening is that every local authority considers the opportunities for people to develop community-led housing in a range of different forms, in a lot of flexible different ways—for people of all incomes, people of different tenures and all the rest of it—so that is part of the suite of things that they consider when they are considering their housing strategies. As part of that, then the local authority has to look at—in terms of developing their housing strategy—what land is available, and linking people up to who might develop community-led housing and the options that people are looking for in those particular boroughs to make the land available.

Q150 Chair: Following up on that, we should probably be encouraging local authorities that have some small sites to say, "Okay, we are not willing to sell this to the highest bidder," and to be prepared to take a look at the receipt in order to get a community-led scheme on the ground, providing affordable housing for local people. Do you think that is the sort of deal that could be done, that should be done?

Nic Bliss: Great, yes, please.

Jennifer Line: Yes.

Jo Gooding: Yes. Local authorities need some help to understand the powers at their disposal. Any local authority, even where the political will is there to do it and they can see the benefit, can also see the risks involved in that, and so a little bit more learning could enable officers to take forward that decision. What do the powers they have actually mean and how can they use them? Some local authorities are very good at it and others need a bit of help.

Chair: Do you have examples of some who are good at it? If you do not have them today, could you let us have them?

Jo Gooding: Yes, I can.

Chair: That would be good. Thanks.

Q151 David Heyes: You have each been making the case in slightly different ways for the Government giving umbrella bodies more responsibility for providing support and guidance. Nic, you have referred to experience in Wales, where there has been apparently a more flexible approach, so can you expand on that for us?

Nic Bliss: As I say, the Welsh Government made a specific commitment to developing community-led housing in a range of different forms. There is an organisation in Wales called the Wales Cooperative Centre that deals with all forms of cooperatives, not just housing issues. Through the Wales Cooperative Centre, the Welsh Government funded them to provide a call-off contract, to provide early diagnostic support and technical support to developing schemes and we have been helping and providing support through that. But all of our organisations could be involved in helping to shape the kinds of things that need to happen and probably not just us, because the Welsh Government support has not been infinite, as you would expect obviously.

To me, the critical thing is that early diagnostic support to get the things in place to help to make a scheme happen, to get the partners together, to get the local authority on board and certainly in the Welsh schemes, to get the housing association on board—helping them with the initial support and what it is that they need to do to make the scheme happen. Then just standing a bit away from them to let them just get on with it and being there to provide technical support when it is needed, because the resources are never going to be as much as we would like them to be. The critical issue is that early diagnostic support and all of our organisations should be playing a role in that.

David Heyes: Yes. I guess your colleagues would want to agree with that.

Jo Gooding: Yes, the Cohousing Network and the Community Land Trust Network would agree with that and I would add in different parts of the process. We already do provide a lot of support and advice guidance around the community rights, but we are doing that within the context of a programme that has been designed without consulting us, so we are trying to make things fit. Some parts of it are quite vague, and we are trying to interpret that and help groups through the mire. We are not resourced to do that, but obviously that is part of our programme and we would like to see resourcing to do that. But more fundamentally it would be better to be involved at the front end and to try to work out if we can get the criteria improved a little so that more groups can access it readily without our support because it makes sense. Also, sharing data and information about what is happening would also enable us to improve what we can do to promote and communicate the rights.

David Heyes: Is that true for you, Jennifer?

Jennifer Line: We are not as integrally involved, so we have just been consulting the people active in the sector. But, yes, I would agree that fundamentally what you need is for people to be aware that these things are available, so promotion and then support to get them there. They are the two key things that will help communities to feel empowered and to take advantage of these rights. Whatever form they take, they will need to know that they have access to them and then have support to exploit them.

Q152 David Heyes: Jo, you said you are not resourced to do this. You want money on the table to enable you—and I guess this is true for all of you—to give this early support that you are advocating. It could potentially be very costly.

Jo Gooding: It can be very costly to the organisation, but it can be even more costly to the community housing organisation if they are not given the right advice at the right time. Across the sector, we would like to see a more robust diagnostic approach that is tailored towards delivering a community housing project. We would like to see some attention being given to the specialist, detailed technical assistance that is required. We could get schemes moving much faster and being more cost effective, to save the huge amount of time that volunteers put into this. I am always taken aback by what drives people out into their cold village hall, year after year, to pursue this. When people say, "What does community housing bring?", well these guys know why they are doing it and what they are doing it for, and they deserve a bit more assistance and help.

Q153 David Heyes: I think you have advocated the DCLG publishing performance against key performance indicators in this area. Can you tell us a bit more about what impact you think that might have?

Jo Gooding: Yes. We find it difficult to find out who is applying, who has not been successful, what they have applied for. If you have been successful, what have you used it for? Because some of the criteria are a little vague, and because we have not designed it, we want to be able to understand the possibilities, so that we can help community organisations to understand them, and we can then provide improved support to community organisations. For example, how could the community right to build be used? How have those few that have done it managed it?

We could learn from that and that might help us to translate what we don't think is a good measure into something a little bit better. We have only just realised that the community led project support fund has had 90 successful applicants. We do not know the exact rate, but we think that around £4 million, of what we thought was a £14 million pot, has been spent. We know that some groups have had viable proposals signed off by the HCA but have since been told there is no money left. As infrastructure organisations, we are floundering in the dark. We are trying to provide support, but we don't have the good quality information to help us to improve that.

Nic Bliss: I do not think this needs to be that comparatively expensive. The key to this is getting coherence and the strategic frameworks that would enable the delivery where it needs to be. At the moment there is a real danger of lots of expensive consultants reinventing wheels all over the shop because there isn't much of a coherent framework for this. You hear stories about people going off and doing this, that and the other wonderful thing and spending lots of money. For example, in Wales we were working with a number of housing associations to help them generate schemes, so we had a meeting with a number of staff from a lot of different housing associations to explain to them the kinds of things that they needed to do, so that they then went away and did the work. If we had a bit more of a coherent approach to doing this, we could do things like that and make the scarce money go further. It is not rocket science.

David Heyes: I have no more questions.
Jennifer Line: I don't have anything else to add to that. I agree with that.

Q154 Chair: You talk about incoherence, do you think there is so much proliferation in the different schemes and models and arrangements that they are confusing, rather than helpful? We have the community right to build and now we have a right to build. Is that a—
Nic Bliss: People get bombarded with a plethora of models and all sorts of legal structures and this, that and the other thing. That can be confusing and we haven't done ourselves any favours as a sector by allowing that kind of model to proliferate. However, the key issue here is that early diagnostic work and promotional work needs to be the focus. It is almost as basic as saying to people, "Would you like to participate in providing your own housing solutions?" Then taking it from there, piece by piece, dependent on what people are telling you, rather than going to them and saying, "Here is a legal structure" and all the rest of it, because that is obviously going to be off-putting to people. But we can come up with a carrier and a framework on that and, to a certain extent, we are.

Jo Gooding: The UK Cohousing Network, the Community Land Trust Network and Locality organised a series of 11 events across the regions last year, called "Getting it Built!". Part of the purpose of those was to promote community rights and the community led project support fund.

In all, about 450 people attended those. They were not all from developing organisations—some were local authorities, housing associations—but we had strong consistent feedback from people attending those events that they were struggling to make head or tail of the community rights. They are all in their different components and promoted separately. What did they mean? How could they use them? Could they be a bit more aligned and could they be streamlined in the communication? It is fair to say that was consistent feedback across the regions we visited in England.

Q155 Chair: The right to build, just coming as an additional right, is it helpful, not helpful?

Jo Gooding: I don't think the right to build has yet trickled down into people's thinking. There is the consultation, the 33 questions, the questions around the register and what that would mean. How would local authorities operate that? Secondary to that, from our perspective, if you are a community housing organisation, what does that register mean to you and your relationship with the local authority and improving access to land? There are the secondary issues with right to build such as whether they will make it enforceable for local authorities to have to supply land and sell it. That is not in the consciousness of most community housing organisations at the moment, but it will add to the confusion without doubt, yes.

Nic Bliss: The right to build, in principle, is quite interesting. The idea of asking local authorities to keep some sort of register and then to try to help meet the needs of that register is a good one. But the concern that I have is that it will end up being prescriptive again. It will be saying to people, "You have to do it this way." In my experience, what we need to be doing is going and talking to communities, to local authorities, to housing associations and saying, "What do you want to do? Let's try to find a way to make that possible."

The focus of the right to build, as I understand it at the moment, is very much on individual self-build, which we 100% support. Great, if people want to do individual self-build, that is brilliant—but only so many people are going to want to do that. What is so exciting to me is the scheme in Cardiff, where a bunch of people, who had never come across anything like this before—they had never had anything to do with developing a community-led scheme, so it was completely alien to them—came forward and they were converted into wanting to do a community-led scheme. They suddenly had this amazing opportunity that they never had before. That is brilliant, and that is what we should be doing. We should be working with local authorities to make that possible.

Chair: On that positive note, we have probably finished our questioning for today. Thank you very much for coming to give evidence to us, it is appreciated.

Jo Gooding: Thank you for inviting us.

Chair: We have to now bring our proceedings to a close here. Before I do, I would just like very much to thank Ivy House for being our host today and for giving us a briefing about the way in which they have become a community-led organisation and pub. Hopefully they will go from strength to strength. We certainly wish them all the best and look forward to an invite to one of their anniversary parties in the future, to celebrate their continued moving forward. I therefore want to put our thanks on the record.