# Communities and Local Government Committee

## Oral evidence: Community Rights, HC 262
## Tuesday 2 December 2014

Ordered by the House of Commons to be published on 2 December 2014.

**Evidence from witnesses:**

**Panel 1 (Questions 156-204)**

Locality

Social Investment Business

National Coalition for Independent Action (NCIA)

**Panel 2 (Questions 205-245)**

Department for Communities and Local Government

**Watch the session**

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

Panel 1 Questions [156-204]

Witnesses: **Tony Armstrong**, Chief Executive Officer, Locality, **Seb Elsworth**, Director of Partnerships and Communication and Deputy Chief Executive Officer, Social Investment Business, and **Laird Ryan**, Co-Director, National Coalition for Independent Action, gave evidence.

**Q156 Chair:** Welcome to our third and final evidence session in our inquiry into community rights. Before I go into the witnesses, we just need to put our interests on the record as members of the Committee. I am a vice-president of the Local Government Association.

**Mrs Glindon:** My husband is a councillor and one member of staff is a councillor in North Tyneside.

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

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

**John Pugh:** I am a vice-president of the LGA and I have got two members of staff who are councillors.

**Chair:** Okay. Those are on the record, so, for the record as well, could you just say who you are and the organisation you represent, please?

***Laird Ryan***: I am Laird Ryan and I am the co-director of the National Coalition for Independent Action.

***Tony Armstrong***: I am Tony Armstrong. I am the chief executive of Locality.

***Seb Elsworth***: I am Seb Elsworth. I am the deputy chief executive of the Social Investment Business.

**Q157 Chair:** When the Government launched the whole idea and programme of community rights, it said this was really about putting influence and power in the hands of communities. Do you think that has proved to be somewhat of an exaggeration, given what has happened since?

***Laird Ryan***: You need to set these rights within the overall context of Government policy, where you effectively have the privatisation and marketisation of public services, with the impact that it has on the voluntary sector across the country. It creates boundaries between the sectors. There is only so much multi-tasking and taking responsibility that folk in the voluntary sector can do when they are being put upon by policies right across the board—in health, social services, education—that mean they do not have the time or the resources to deliver those services independently. It has also been placed in the context where the planning system, which has existed in various forms for over 100 years, has been effectively transformed radically so that, whereas in the past you had a planning profession and local councillors who probably number something like 14,000 planners and 20,000 local authority members across the country, you are opening this up to many hundreds of thousands of people. The capacity to deliver that is quite difficult. What it has also done is created a sense of fragmentation and controversy between central

Government, local government and communities at a time when people need to be working more effectively together.

***Tony Armstrong***: I would say that the movement is in the right direction. A good start has been made and there are some very useful tools as part of the Localism Act that have given people the mechanisms to use them in a way that gives them power in their local communities. Things can be improved and built upon, but there is a good first step and a good start—what I would maybe describe as a solid start—for what has happened. I am happy to go into detail about some of the areas where we think some of the rights could be strengthened and improved upon and what might happen next, but generally across the sector—people often think about any progress as the enemy of perfection—a really solid start has been made to build on.

***Seb Elsworth***: I would broadly agree with what Tony said there. It is important that communities understand that through this legislation and through the support package around it, there is essentially someone there and on their side to help community organisations take advantage of opportunities to own assets and deliver local services. Our role has been to run the grant programme that has supported organisations wanting to take advantage of these opportunities, and we have seen very strong demand from communities right around the country wanting to apply for grants to allow them to take opportunities to receive local assets and run local services. We think, similar to Tony, a good start has been made and there is more opportunity to build.

**Q158 Chair:** Can I say I found those comments a bit divorced from reality? Tony Armstrong said "useful tools", but for the most part are not the tools still in the toolbox because perhaps nobody knows they are there?

***Tony Armstrong***: I do not think nobody knows that they are there. We have had 15,000 enquiries in the advice and support service that we are contracted at Locality to provide, which would suggest that people do know they are there. We have always said, throughout this contract, that there could be more that happens. We always, as an organisation, want more people to be enthusiastic about taking control of what happens in their local neighbourhood, but the rights are different and there are different levels of interaction and different levels of engagement across the different rights. We have seen lots of interest in the right to bid in particular and lots of people taking part in that. It is really good that the funding has been flexible to allow really vital funding to go down to communities in developing their plans. That has been quite transformational for lots of communities who have accessed that funding and the support that we have taken them on a journey with so they are able to take on assets and to think about how they deliver services. We want more people to take part in that, but it is a starting point and we have only been running the advice service for two years, so we are on the beginning stages of that journey.

The right to challenge has not been, in pure outcome-measure successes, something where lots of communities have taken on lots of services as perfectly prescribed by the legislative steps, but about three-quarters of community groups who have engaged with the process have used it as a tool; they have not necessarily gone through the outcomes and delivered service transfer as a result of the process, but they have used it because they know that the local authority has come and talked to them by the fact the power is in their back pockets. It has brought people to a negotiation—to a discussion—when before it would not have happened.

**Q159 John Pugh:** You mentioned the number of people who have come to you making initial inquiries, particularly about the right to bid, and there are a lot. What was the figure you gave?

***Tony Armstrong***: It was 15,000.

**John Pugh:** Of those 15,000, how many of those projects—and it is a limited time we have looked at here—have come to fruition as a constituted scheme run by the community? How many of those 15,000 have got to that stage?

***Tony Armstrong***: We have got different data depending on the right. I can go through each of them in turn.

**John Pugh:** The community right to bid.

***Tony Armstrong***: On the community right to bid, we have had 1,500 nominations to date. There is no data in terms of local authorities giving us information on which ones have gone all the way through the process. There is no central way of us being able to collect it.

**Q160 John Pugh:** You know somebody contacts you about the right to bid, because there is a process gone through, you have helped them, and so on. What I am really trying to figure out is, having done all that—and you are well pleased by that, because it is work for Locality and so on—how many of those schemes you have set up you can look back on and say, "There they are. They are up and running now. We can move on."?

***Tony Armstrong***: There is information, which Seb might want to elaborate on, in terms of the grants that have gone out through the process. That will give you more of an indication in terms of money going to support the process.

**Q161 John Pugh:** That is the distinction I am trying to draw. A lot of money has gone out, I know, on supporting the process, and the process goes on. What I want to know is how many of those processes have now resulted in the communities running a library or whatever it may be that they did not previously run, as opposed to how many people are going through the process.

***Tony Armstrong***: Local authorities have that information independently.

**John Pugh:** But you do not.

***Tony Armstrong***: We do not have any central mechanism to collect that data, because local authorities are not required to collect that data and report it.

**John Pugh:** So it could be three.

***Tony Armstrong***: It is more than three, certainly. We have got the answers. I would just say, by contextual point, often we find, particularly on right to bid and also on right to challenge, that it has sparked off a conversation or a debate at local level. The end result might not be technically attributable to the process as set out in the legislation—

**John Pugh:** But you alluded to it being more than three.

***Tony Armstrong***: Significantly more than three.

**John Pugh:** But you cannot tell me how many it is.

***Tony Armstrong***: We cannot collect that information.

**John Pugh:** You cannot. Okay. That is what I wanted to clarify.

***Seb Elsworth***: In terms of the grants awarded, 730 grants have been awarded to community organisations across that support programme. Many of those organisations are at an early stage of their development, so with a pre-feasibility grant, for example, there would not be an expectation that the organisation would be ready to run an asset or ready to take over a service after that very early stage.

**John Pugh:** Your figure was that the number of applications are—

***Tony Armstrong***: The number of nominations that have been registered for assets of community value.

**John Pugh:** Are how many?

***Tony Armstrong***: 1,500.

**John Pugh:** 1,500. And 730 of those have received—

***Seb Elsworth***: That includes organisations supported through the right to challenge strand as well, so it is different data.

**Q162 John Stevenson:** I will start with you, Tony. You mentioned the right to bid, which does clearly seem to be the most popular of the community rights that have been exercised. How would you go about strengthening it—or would you?

***Tony Armstrong***: Our original proposal when this was going through the legislative process was that it should be a right to buy, in that community groups should have a first refusal rather than an option to bid. That would be something that we would say could be considered in taking it forward. We have found the registration process to be of use; it is a way that community groups can get interested. You can use it as a tool to get support within your local community for thinking about what is your asset in your local neighbourhood. As a tool of engagement, as a process, it has been very useful.

We would want to improve it around the length of the moratorium. There have been issues around that. Six months is, we think, just too short a time. We were talking about 12 months when we were going through the legislation. Nine months would be better than six months; 12 months would be better than nine months, in our view.

**Q163 John Stevenson:** If you had a choice, which would you prefer?

***Tony Armstrong***: We would go for 12 months, but nine months would be more helpful, so we would not die in a ditch for that figure if we had the choice.

***Seb Elsworth***: I would very much echo Tony's thoughts on that. In addition to the grants that we provide, we also make loans to community organisations to manage assets, and we know that that process can take time in terms of helping organisations to develop their proposals. More time allows for that process to be better conceived.

**Q164 John Stevenson:** Would you want nine months or 12 months? What would be your time limit?

***Seb Elsworth***: The longer the better, so 12.

***Laird Ryan***: I do not think it really matters, given that the system is one that creates conflict between communities and the local authority—it is essentially an adversarial one. It is far better for communities and the local authority in partnership to identify in an integrated way the assets that are needed for sustainable development to take place. The number is an infinitesimally small proportion of the total number of assets that are needed right across England to make a community sustainable.

If you increase the length of time, you are costing the local authority more money through the legal process. There is only so much money that is available to support that. For example, as I understand it, every local authority is given something like £4,000 to support the process and DCLG will only come into the picture when it goes above £20,000. If you increase the length of the moratorium, you are not only causing a greater sense of uncertainty—and bear in mind that the asset may not necessarily be taken over by the community at the end of the process—

**Q165 John Stevenson:** The argument, though, for extending the period, is to allow the community to raise the finance and to get themselves organised as a community group. That would be the argument that it should be extended.

***Laird Ryan***: That would be the argument, but it does not make it a certainty that the community will eventually get the asset.

**Q166 John Stevenson:** That is an interesting point, which has been raised previously. If it became clear that the community could not go ahead—they did not have the finance or they did not have the inclination—would you therefore then agree that they could effectively call a halt to the six-month period so it could terminate after, say, two months?

***Laird Ryan***: Then you would have to think of what happened afterwards.

**John Stevenson:** The owner could go and sell to whomever they wanted.

***Laird Ryan***: Who takes it over—there would need to be some role for the local authority to re-appraise where it goes afterwards.

**Q167 John Stevenson:** Tony, you mentioned the right to buy option. How do you determine the market price?

***Tony Armstrong***: Consistency is the key thing. A consistent approach is the most important way of determining it. There are pre-existing ways of doing it around compulsory purchase. You would have to take surveying advice on it. We have not done detailed work about this, but there needs to be a transparent and consistent approach that landowners and community groups understand well in advance of the process, so that would need to be sorted out. The other side of this, though—

**Q168 John Stevenson:** Can I just hold you on that point? The market price is a very important thing from the seller's point of view, because they might not be agreeable to the price suggested by the community group. Would it be better if it went to auction?

***Tony Armstrong***: You would have to have an independent valuation done by a particular standard that was agreed and consistent across the country. I am not a surveyor, but you would have to get detailed surveyor advice on how to do that. There are common ways that—

**Q169 John Stevenson:** If that was the case and you agreed a process and an independent surveyor came along and gave a valuation, would the community group be bound to buy then?

***Tony Armstrong***: I do not think they would be bound to buy before—

**John Stevenson:** Why should they not be? They are getting the market price. Why should they not be bound in to buy?

***Tony Armstrong***: There would be lots of different barriers that would potentially be in the way until the point of contract exchange was reached. You could not compel a community group to purchase until they were ready to go and the finance was in place.

**John Stevenson:** You have got to get the balance with the developer. Why should the developer then have to wait and see that community group get their independent valuation, it not be a price that they are willing to pay, and he then have to go off and look for another buyer?

***Tony Armstrong***: It is the timing that is the key thing. All you are doing through the moratorium is giving the opportunity to the community, which is what is happening at the moment. You are giving the community the right to develop, to build up their capacity, to build up their financing and to work out whether this is something that they can take on. The reason we think a longer timeframe is needed is because that is a tall order in a six-month period. If you just think about the funding cycles of lots of funders, for example, they may well have quarterly trustee meetings and you have only got one in that timeframe. They need to build up that time. All we are suggesting is that you extend that time period, where then the landowner still has the option of selling.

**Q170 John Stevenson:** Laird, what do you think about the right to buy?

***Laird Ryan***: Again, it needs to be supported within an overall framework that ensures that the community group in the long term has got the ability to run the asset. Knowing what I do about voluntary organisations and in the current financial policy climate, they may be handed something that in the medium to long term they will not be able to run properly. It would have to be supported by a number of measures regarding who carries the can if that situation takes place.

**Q171 John Stevenson:** Seb, do you have any comments?

***Seb Elsworth***: It is not something we have particular expertise on. I am aware of another opportunity where you could offer preferred-bidder status to the organisation that has registered it as an asset of community value, and then if other bids come in at equivalent price there would be a preference for the community organisation.

**Q172 Chair:** Do you think there is an element of unfairness, probably not to local authorities, but to the private owner? They may not be a large business—maybe this one property is their only asset. They have got somebody willing to buy it off them, for whatever use. They go through this process; at the end of it the community do not buy and the original purchaser has disappeared, so they are sat with an asset that maybe someone nearing retirement cannot now sell. How do you deal with that problem?

***Tony Armstrong***: It is balancing the value; they are called "assets of community value" precisely because in many cases they are essential to the lifeblood of that local community. Most of the particular categories that have been successfully registered are pubs, shops, libraries and things like that, which are in some communities the essential facility or meeting place that makes that community viable for the long term. That is why you have seen, through this programme and outside this programme, assets that have been transferred into community ownership very much are around those kinds of categories.

The danger is that if you end up losing things—perhaps landlords sell them on, they are derelict or communities cannot get control of them—that has serious consequences for the rest of the community, which is why the legislation was put in place in the first place, which we strongly support. The review of this and the opportunities to strengthen are about building on that principle but just making it easier for communities to exercise the rights. It is a very good principle, but it is just that the communities need some help because the timeframe is very short and then there is great uncertainty for the community after that six-month period if they have not got that preferred bidder or that cool-off first right of refusal.

**Q173 Simon Danczuk:** It has been suggested the assistance being offered to communities is not the right type—it needs to focus on helping them to run existing assets, not take on new ones. How do you respond to that?

***Laird Ryan***: We are very much talking about a long-term commitment. It is a bit like a marriage or a funeral; the hard work starts after the ceremony of signing-up takes place. A lot of what you see on the website is related to the process of acquiring the asset—identifying it and going through the moratorium stage. There is also the issue—I think it is only fair to mention—of local democracy. Who does this community group represent? We have talked about them as if it is some kind of formulaic, one size fits all, but, as you know, different parts of the country have got different levels of engagement in local processes, and community groups often depend on the successful interaction of one or two key individuals. If that person moves away, then it does not really work.

I would argue it is going back several stages. It is looking at how you educate or create an awareness among the wider population. It needs to be done in schools, because you are talking about plans that go 15 years or 20 years hence. If the Scottish referendum showed anything at all, it is that young people, who may use these facilities more than any other group, need to be brought in at the very start. It cannot just be documents up on a website that attract the usual suspects, because if they are worded in that way, those are the very people you will get; you will get retired architects, retired town planners and retired accountants who have a particular view. These are facilities that deal with people who may be vulnerable, and unless you look at education and engagement in a much more organic and a much longer term way, all you are going to do is create processes that may end within a year or two.

**Q174 Simon Danczuk:** To summarise, then, do you think that the assistance to communities needs to be more focused on helping them run existing assets rather than just taking over new ones?

***Laird Ryan***: I would say that, but it also requires people to look into the future at what kinds of assets they are going to be using in five, 10 or 15 years' time.

**Q175 Simon Danczuk:** Tony, what is your view?

***Tony Armstrong***: The issue you raise is a critical one. I have been to lots of organisations where they have been struggling with the assets that they have in their possession for a number of years to make them viable, so you are right to raise it. I would say two things about it. One is as part of this contract that advice and the commercial nous—the pre-planning, the feasibility and the business planning—is a key part of the process. If there is one thing Locality is known for in the sector, it is asset transfer. We have that level of expertise and certainly in the advice and support services that we run we work closely with SIB on that to make sure that people have a really clear sense of what is involved in taking over an asset.

**Q176 Simon Danczuk:** I understand that, and that is my next question, really, to yourself and Seb. What support do you provide in terms of running services? You are saying that at the outset you encourage people, or enable them, to business-plan for the future around that asset and things, but once they have acquired it and stuff, do you walk away? What is the interaction after that?

***Tony Armstrong***: Outside the ambit of this contract, one of the major pieces of work Locality does is to support people who manage assets. That is one of the things that we offer through our membership.

**Simon Danczuk:** So it is ongoing.

***Tony Armstrong***: Yes. That is our bread and butter outside of this contract with our members; it is a lot of our day-to-day work through our delivery team. We have a lifeboat fund where we go in and support members who are struggling to manage their assets. We have done asset transfers for many years and we used to be funded by the Government through the Asset Transfer Unit that we used to run, which provided that ongoing support. I am very open and would strongly recommend any new Government money to support that kind of asset management and transfer. I would say that this particular contract is specifically looking at helping communities identify those areas that are currently at risk of being lost to community use, so there is a difference in this contract, but a complementary scheme that was supporting asset transfer more widely would be extremely welcome.

**Q177 Simon Danczuk:** What is your view, Seb?

***Seb Elsworth***: The vast majority of the grants we have awarded have been pre-feasibility and feasibility grants, which are exactly supporting that kind of business development acumen at an early stage of the organisation's journey in owning and managing a local asset. The programme has awarded 27 capital grants, so it is a small number in terms of the number of total grants but quite a high volume.

Our approach on supporting organisations in receipt of those is very similar to the broader work that we do, where we provide grant and loan packages to community organisations to help them manage assets in the long term. Our interaction with those organisations is very intensive and ongoing, and they have regular contact with our team of business advisers and investment managers to ensure that the organisation is in good health, finances are being run appropriately and the board has the right information to manage the asset in the best interests of the community. It has to be a long-term piece of support. As Tony said, this particular programme is focusing on that early stage.

**Q178 Simon Danczuk:** Tony, just to be clear, do you have any data on the level of enquiries that you receive on the right to bid and on asset transfer? Can you separate that out?

***Tony Armstrong***: On the right to bid we have data. We talk to organisations all the time about asset transfer, so it may or may not come through the particular advice and related discussions.

**Simon Danczuk:** So you do not collate that necessarily.

***Tony Armstrong***: We have data ourselves on asset transfers that our members have gone through and that are linked to the programme. We do have data on the numbers of inquiries we have. On right to challenge, we know that we have had just around 40 expressions of interest, which is the level that we track it at.

**Q179 Simon Danczuk:** Seb, do you have data on how many right-to-bid grants and how many asset-transfer grants have been awarded?

***Seb Elsworth***: I do, for the pre-feasibility and feasibility grants. On right to bid, we had 178 grants awarded—that includes the capital grants—and on asset transfer 338.

**Q180 Chris Williamson:** I want to move on now to the community right to build. Probably the best way of describing it would be to suggest it has been a damp squib. I wonder what you think should become of it. Your organisation, Laird, said there have only been five applications and two of them failed at examination. Should we let it quietly die? What should we do with it?

***Laird Ryan***: The housing market now is quite a diverse one, and there are housing associations that have a local presence and a local commitment that can offer the right sort of expertise to people who want to build new properties on land that nobody wants. However, when the market does not make it possible for houses like this to be built, you should not be offering the carrot to people who are going to have to go through a very complex, bureaucratic process. Since I wrote my report, there have been a couple of right to build applications that have been approved in West Sussex.

**Q181 Chris Williamson:** How many does that take it up to?

***Laird Ryan***: That is two in the whole country.

**Chris Williamson:** That is pretty much damp squib territory, is it not?

***Laird Ryan***: Very much so. That is what I am saying. There are people out there—

**Q182 Chris Williamson:** What do you think should happen to the community right to build, then? Do you think it should be scrapped, or what? Or should its focus maybe be changed to building capacity in community organisations?

***Laird Ryan***: That is far more constructive.

**Chris Williamson:** What, to build capacity in community organisations?

***Laird Ryan***: Exactly. The whole issue of housing need is something that quite clearly needs to be at the heart of a sustainable planning policy for the area. There needs to be innovation in different places, but the housing strategy should be very specific indeed to the needs of the community and to the social and environmental structures of that community, and it should be looking at the long term rather than cherry-picking individual sites, which this particular proposal was all about.

**Q183 Chris Williamson:** Any comments from Tony or Seb?

***Tony Armstrong***: There was fairly widespread recognition that this would be a very difficult process for communities to go through from the very beginning, and that certainly was our view. The requirements are very onerous. You have to go through similar kinds of processes to the neighbourhood planning mechanism, so you have to get registered and go through all of these different steps. They are quite high hurdles.

**Q184 Chris Williamson:** Would you agree with Laird, then, that the focus ought to be on building capacity?

***Tony Armstrong***: One of the things that has been really useful about having the current right in place is the money that has been attached to it in terms of the grants—again, the pre-feasibility and feasibility—and it was very good that the Government was flexible about how those grants could be used.

**Q185 Chris Williamson:** You say it has been useful, but it has only led to two successful applications.

***Tony Armstrong***: They have led to community groups being able to build their capacity around community-led housing schemes. We have got one referendum that is coming up next week around the mechanism of the legislative steps, but what has happened is that lots of different community groups have used that access and they have progressed their planning around community—

**Q186 Chris Williamson:** Do you think it is worth leaving it in place, then?

***Tony Armstrong***: We would like to see it—and I think the Government has listened to this—rolled into the neighbourhood planning process in a more integrated way so you do not have separate steps to go through but it is part of that process; you take away the need for a separate referendum and a separate order but it becomes part of neighbourhood planning and integrated into it. The Government's new invitation-to-tender documents that were released a few weeks ago have brought together neighbourhood planning and community right to build.

***Seb Elsworth***: It is not an area we have worked on particularly. The Homes and Communities Agency run that grant programme.

**Q187 Chris Williamson:** I will maybe come back to you, Tony, in regards to a comment that you made about the right to reclaim land. I think you said that the right should be altered somewhat to demand discounted asset transfer. Do you think that is a realistic demand?

***Tony Armstrong***: Because it is not part of the Localism Act powers we have not done as extensive work on this area, but we think it is an under-used tool—certainly it has been. It is slightly changed, but it has been on the statute book for quite a long time and is very under-used and not publicised at all, as far as we can tell—certainly not by the Government or by local authorities. We think if we were to look at it there is an opportunity to meet a need. As a number of us have said, encouraging asset transfer and encouraging local authorities to be open about what is on their books—and it is very variable—might be a useful way of looking at this power. We have not done any detailed work or recommendations.

**Q188 Chris Williamson:** You are quoted, are you not, as talking about a right to demand discounted asset transfer? That is quite strong.

***Tony Armstrong***: It is based on our experience of what happens across different local authorities. I was talking to one of our organisations a few weeks ago, where there is a derelict building in a park. It has been derelict for over 25 or 30 years. A community group go together to say, “Hey, could we do something about this? It is a magnet for crime and anti-social behaviour.” As soon as the council started to get interested that this could be turned into something viable, they then put them through all manner of different hoops around insurance and cost. They wanted to get it valued; they wanted to sell it rather than transfer it. If you had a right, in the same way that right to challenge has been useful, you would then force the local authority to come to the negotiating table. That would be a really useful way of saying, “Do you know what? There is this power”—

**Q189 Chris Williamson:** Do you see any downsides, or do you only see upsides?

***Tony Armstrong***: One of the downsides with all of the powers is that local authorities can pretty much do what they want in terms of engagement with them. We see that. So 100 local authorities do not advertise the fact that they have the rights and how to go through the process, which is a big weakness across the range of all of the rights. It would be a similar set of weaknesses to what we currently see with community right to challenge, in that a local authority, if it is really resistant, can put blocks on it. What we have found through the community right to challenge, which would be the same for this new revised right for discounted asset transfer, is that it can be a backstop—something in your back pocket to say, “This right exists. We could go through this formal process. You could block it if you want, but by triggering the formal process we can then campaign to get people supporting this transfer and—"

**Q190 Chris Williamson:** Is what you are asking for that it would not be possible for a local authority to block? Is that what you want to get to?

***Tony Armstrong***: No, I do not think we should take out all barriers. We should improve—

**Chris Williamson:** When you said "demand" a discounted asset transfer, you did not mean that there could not be any sort of—

***Tony Armstrong***: No. Finesse the language. The oppositional language of right to challenge has not been particularly helpful, in actual fact. We would say we should call that the "right to reshape services", which is not quite as snappy, but there is a feeling amongst some local authorities of, "Who is challenging us?" The thing that has worked well through the rights generally is that it has brought people together to discuss particular partnership ways of working. That has been a real strength.

**Q191 Chris Williamson:** Have you any thoughts about any assets that have maybe been externalised to the private sector and the right being applied there equally?

***Tony Armstrong***: To private-sector property?

**Chris Williamson:** Yes. Particularly where it has been externalised—so, the private sector has taken over something that was in the local authority but it is now the responsibility of a third party, as it were.

***Tony Armstrong***: If it is of certain community value—if it was a community centre for 10 years and then has been sold to a private developer to turn into some private sector thing and it has not worked out—then there is a strong call on it. It depends on that value and the historic value that it has had.

**Q192 David Heyes:** I would like to try to tease out a bit more your thoughts on the right to challenge. Tony, you are saying that it has been useful but you can see that it could be modified and there could be more emphasis on it being used perhaps to shape rather than to deliver services. There has been very limited take-up on it. That is the first thing to say about it. Others have been extremely critical. Laird, for instance, earlier talked about confrontational relationships, and we have had evidence that that is a real concern about the use of the right to challenge—that it leads to confrontation rather than co-operation. Laird, am I expressing your view correctly?

***Laird Ryan***: Yes, that is true. Again, if you have a situation where central Government does not have a very good relationship with local authorities and communities do not have a good relationship with their councils, the councils are getting it both ways. It also goes against the idea of, if you like, strategic appraisal of the assets and the services that are being delivered in a local area. It tends to create a notion of cherry-picking which assets can most profitably be outsourced. Bearing in mind that most of the cuts that were promised back in 2010 are still to come, there is very much the danger that a community group that lacks the capacity to make that challenge, but sees the need for that challenge, is going to draw upon the expertise of maybe an external body—possibly a Trojan horse—that will then take over those and therefore reduce the quality of that service.

**Q193 David Heyes:** Is it, then, right to characterise your view as saying that the right to challenge should be scrapped or, more like Tony, should we talk about reforming it?

***Laird Ryan***: It does not help to institutionalise the right to challenge. In a democratic society, we all have the right to challenge. To make it into a legislative, bureaucratic process that is almost a one-size-fits-all that is beyond the capacity of most community groups—bearing in mind that some commentators say that over and above the 180,000 registered charities in England there are about 850,000 organisations in civil society—means organisations or groups that deliver a niche service that may be more expensive per recipient than a formulaic one are very much going to lose out.

**Q194 David Heyes:** Why, then, Tony, given all the dangers that Laird talks about, are you in favour of—I do not want to put words into your mouth. You appear to be in favour of retaining it but re-shaping it a bit.

***Tony Armstrong***: Yes, that is right. I was not around at the point that this was negotiated, but the unintended consequence of it has been to provide a framework and—I do not want to say "threat" because it is not quite as oppositional at that—something in people's back pocket, as I said before, that allows people to say, "I would really like to have a conversation with you about these service provisions". Perhaps a local authority before could quite legitimately have just said "not interested" whereas now they know that there is this power available to a community group. It has not been used particularly much. Again, there is no central collection of the data as part of the contract, but we think there are slightly fewer than 40 expressions of interest that have been put in.

**Q195 David Heyes:** Have all of those been in this confrontational approach, to threaten the authority?

***Tony Armstrong***: That is based on our best finding of the data. We do not have all of the data and what happens as a consequence because, again, it is held by individual local authorities. What we know—because we run an annual survey—is that three-quarters of community groups that took part in the survey said that they were in negotiation with an authority precisely because the right is there, so it particularly led to that conversation, and half of them felt that the authority was open to contracting more because the right was there. It has either deliberately led to a conversation or the local authority’s behaviour has changed as a result, which is a very positive move.

It may seem that the right has not been successful, if we are only talking about a handful of process points being hit, but the mood music is changing. I have spoken to a few local authority officers who have said that it has had an impact on the way that they deliver things. Some of our members have used it as a way of also having conversations, because one of the challenges that lots of smaller community-based organisations who are interested in service delivery are finding is that local authorities, when facing cuts, are aggregating up large numbers of services into huge, multi-million-pound contracts and then contracting them out to whoever can provide the cheapest quotes. Often that will be a large outsourcing company and our local specialist voluntary-led or community-led organisations who have been delivering very good services are not even able to compete for those tenders. This is a useful way of starting some of those conversations.

**Q196 David Heyes:** So there should be some modification of the rules to prevent that extreme occurrence.

***Tony Armstrong***: Yes. This is one tool in the overall picture, and the overall picture is that we do need to have better skills and support for commissioners and procurement, and we want to have a presumption that contracts can be bid for at a local level and at small enough scale—

**Q197 David Heyes:** Seb is nodding sagely. Do you agree with that?

***Seb Elsworth***: Yes, I agree with that. When we were negotiating the support contract with DCLG back in 2012 we were clear that the number of take-ups of the right should not necessarily be the measure of success, because we did not want to force community groups to exercise the right to challenge if that was not appropriate for the relationship they had with the local authority. This sense that it is a potential point in a negotiation far down the stream has definitely, as Tony said, changed the nature of the behaviour of those interactions, but it is part of a much broader trend for commissioners to understand the value that community organisations can bring to local service delivery.

An important part of it is for some of the key information that community organisations need to consider if it is a service that they could deliver to be clearer. If it is currently a service delivered in-house by a local authority, it might be quite complicated to understand the costs that are associated with delivering a service. For that information to be more transparent and for community organisations to be able to assess if they could put a bid together themselves is all an important part of creating a more diverse local economy for delivering public services, so we welcome that. It is just worth adding that the grants are there to support community organisations who are interested in running local services and not just for those seeking to exercise the right to challenge, so it has a much broader application to build that capacity at a local level.

**Q198 David Heyes:** Is there a need for a longer protected period for groups who might be in that position of wanting to make such a bid?

***Seb Elsworth***: It is complicated for those organisations if they have never run a local service before to understand the procurement process, the bidding process and the regulations that may be in place, so more time helps them to do that. I am not sure that is the number one issue; it is part of a broader environment around local public service commissioning and the skills of local commissioners to engage with community groups.

**Q199 John Pugh:** I am rapidly forming the impression that the bulk of what preoccupies you guys is the type of scenario that occurs when a local authority cuts a facility, like a library, or a service—a youth service, or whatever—and stepping into the breach comes a worthy community group that wants that service and wishes the local authority could provide it and is trying in some way to plug the gap. Am I wrong in that assumption?

***Tony Armstrong***: That is certainly the case in some instances. In other instances I would say it was a bit more of a positive, proactive position.

**John Pugh:** Give me a percentage.

***Tony Armstrong***: We could not possibly have that level of data.

**John Pugh:** It is very unhelpful not to have a percentage, because we really need to know what your workload is about. If 80% of your workload is digging communities out of a hole when the council is cutting and they do not have the facilities they had before, that would be a very interesting fact, would it not?

***Tony Armstrong***: It would, but the point I am trying to make is there is a wide range of things going on, some of which involves the use of some of these rights, some of which has a nod to the rights being in place, which has brought people to the negotiating table but then they are going off and doing things alone. We do not track data because we simply cannot access it in terms of small—

**John Pugh:** You must have some sort of feel of what it is you are doing. I am only familiar with Locality simply because they are involved in my neck of the woods in trying to do something about libraries that have been closed down. Communities regret that and want to do something about that and they approach Locality and they get a grant for doing that. I want to know whether that is a typical case and that is your standing workload—that is 70% or 60% or 50% of your workload—and you cannot tell me any of this.

***Tony Armstrong***: I can tell you what we are doing in terms of the projects that are running, but what I was trying to say was that there were—

**John Pugh:** I just want percentages, really. How much of this is digging local authorities or communities and/or the Government out of the fact that services rendered are no longer there and communities are unhappy about it?

***Tony Armstrong***: Sorry not to give you a simple answer, but it depends on the issue and where communities are working and what they are constituted as. If you want to use libraries as an example, I would say with libraries a very high proportion of community groups were coming to us because a service was being withdrawn or under threat.

**John Pugh:** Can you put a figure on libraries, then?

***Tony Armstrong***: I would say almost all of the ones that come into contact with us as an organisation were because of that defensive work. We are also doing some proactive work around piloting different models of delivery—whether libraries can diversify and find sustainable sources of income to continue, which is an interesting piece of work. We are partly funded by—

**Q200 John Pugh:** I want some sort of feel for the stream of work that goes through, really. The next thing it would be interesting to know is how many of these worthy community groups that set about trying to save the local library, youth club or whatever do succeed in doing that. We have spent a lot of time today talking about the process they go through and what happens, and you advise them and you go through assessments of various kinds.

You said when I previously quizzed you that you cannot give a clear idea about that at the moment, probably because most of these processes are at relatively early stages. If they are not succeeding, though, there could be a range of factors that could explain that. It could be that the community group is not good enough in general; it is just not sufficiently savvy in knowing what to do and how to use a process. It could be that the process is too long. It could be that councils are just obdurate and do not want to play ball. Or it could be that even if the councils want to play ball, the community groups cannot get the finance.

I would just like your view on what are the most obvious failure points. A lot of these groups will have come to you, they will have gone through the process and then they will have given up. I want to know what makes them give up at the end of the day. The resistance of the council; the process itself—activists leave during the process—they are not robust enough groups; or they just cannot get the money. Could I ask you, Mr Ryan, to go first?

***Laird Ryan***: First of all, it makes a mockery of community sustainability when you are asking voluntary organisations to take on the role of the state. When you look at any of these services—

**John Pugh:** To be fair, some things like libraries were originally voluntary organisations that were taken over by the state, were they not? There were community libraries before there were state libraries.

***Laird Ryan***: The issue really, as the leader of Derby City Council said recently, is that libraries are about more than rearranging books on shelves; it is linking into a professional worldwide digital knowledge system, which is not something that somebody who is a glorified version of, say, Jennifer Archer in "The Archers" can deliver. Like a lot of services that voluntary groups run, it depends on the interaction of two or three committed individuals who happen to be there at the time. We are talking about a long-term relationship. We are also talking about a changing philosophy and technology of librarianship. If you are looking at that particular service, if you expand it right across the range of public service delivery, you cannot expect community groups to perform that kind of service.

**Q201 John Pugh:** That is an in-principle objection, but clearly there are a number of casualties along the way in terms of this process, for one reason or another, and Mr Armstrong and Mr Elsworth spend some time trying to support them. I am not asking for figures now, because I do not think they are available, but just based on your intuition, if it does not work out—if the community group goes through the right to bid and it just hits the buffers—what is the principal reason behind it hitting the buffers when it hits the buffers?

***Tony Armstrong***: I would say generally around asset transfer—because our experience goes beyond just the ones that come through the right to bid—it is some of the reasons you suggested. It is the organisational development. Are there good enough financial management skills? Are there good business development skills? You do need to be enterprising in order to take a building and turn it into an income-generating self-sustaining enterprise. That is something that is our core business over and above what we do through the contract for these rights.

We talk about asset transfer, but often local authorities are offering liabilities, not assets, and that is a huge challenge. Many community groups who are well-meaning and want to make a difference in their community faithfully go along with the asset transfer. We try to give them some sense of what is possible or not, but often outside of this process people come to us with an asset that they have just had where we have not had any contact with them before and we have to give them quite a lot of detailed advice and support to say, "This is the way that you can make this work. Close off three floors of the building until you have sorted out the bottom floor and lower your ambitions." Quite a lot of it is around that general, fairly mundane but vital delivery planning and business development planning.

I would say another thing was around the contracts. Often an asset or a liability is offered by a local authority with very little revenue—contract funding—to support it from a local authority. Then if other things are happening across the local authority—we all know that local authorities are changing things around and restructuring and downsizing some of their services—often what was perhaps an anchor tenant, a part of the local authority or the local NHS, in a building suddenly disappears because of restructures. That has completely cut the rug from underneath one of the community groups who did have a viable proposition and two months later do not have a viable proposition.

**Q202 John Pugh:** That is really interesting. Before I bring Mr Elsworth in, one line the DCLG are going down is to concentrate more on certain deprived communities, through community economic development and so on. If what you are saying is sometimes the group is not in sufficiently good shape in order to carry through this project to the end, that will be more likely to happen—the risk will be greater—in deprived communities where there is not a level of professional expertise they can plug into of their own, will it not?

***Tony Armstrong***: Yes. With the pressure on budgets for local authorities, you are seeing more asset-transfer keenness from local authorities and more matching up with community groups that have not perhaps got that track record and capacity. We would much rather see asset transfer done from a position of strength, both from a strategic sense of, "This is an asset that we wish to have the community leading" and there to be a well-developed and strong community group to take it on. At the moment we are seeing bits of fire sales in some local authorities, with community groups keen to take on the asset because they know it is going to be derelict or their service will be lost, and it is a big risk for people taking on assets that are not actually assets.

***Seb Elsworth***: From this contract and our broader work on the community ownership of assets side, I would say that the biggest challenge is probably the capabilities within the community organisations around the governance table; professional skills to manage capital projects; and the business modelling to understand how assets can generate revenue in the long term. On the service delivery side, I would say that that remains an issue but the skills of commissioners to engage with community organisations is a significant issue, which is a broader one than just the community rights agenda. Broadly, I would say that the support designed here through this programme and other similar demand-led capacity-building programmes is very much recognising that need for early-stage intervention to help organisations to understand the potential liabilities they are inheriting or the potential opportunities that come down stream. Investing a relatively modest grant in a community organisation to help them figure that out and them then deciding, "Actually, this does not stack up. This is not right for us," is not a failure; that is a good part of the process.

**Q203 John Pugh:** But there must be, intuitively, in your own mind, a concept of worthwhileness. If you handed over taxpayers' money to a range of community groups and, say, 99 out of 100 produced nothing at the end of the day—they have just been through a process of looking at whether they can do something—you would feel slightly dissatisfied. It would not be a worthwhile job.

***Seb Elsworth***: Of course.

**John Pugh:** Have you any idea what you would like your success rate to look like? It would not be 100%, obviously.

***Seb Elsworth***: Building the capacity of community organisations to better engage that local community in shaping the destiny of that community is of value. Clearly a worthwhile success rate would be the majority of those cases generating positive value for the community.

**Q204 Chair:** Just finally, I think it might be a good idea if we had some figures so we could have a better view of what is happening. You have all said nobody is collecting any data overall.

***Tony Armstrong***: That is something that could definitely be strengthened going forward from the contract. Having data from local authorities is the key missing link. We are not able to aggregate data because local authorities are not required to report it.

**Chair:** That is a helpful note to finish on. Thank you very much for coming and giving evidence this afternoon. Thank you.

Panel 2 Questions [204-245]

Witnesses: **Stephen Williams MP**, Parliamentary Under-Secretary of State for Communities and Local Government, Department for Communities and Local Government, gave evidence.

**Q205 Chair:** Minister, you are most welcome again to come and talk to us about community rights. It is our final evidence session in this inquiry. The Government clearly had an objective when it brought the community rights in to empower communities. Do you think it has had that effect? If so, can you show it has? There do not seem to be any figures around that anyone can give us.

***Stephen Williams***: There are lots of figures that I can give you. I would say it is fair to say that a lot of people do not yet realise what the full suite of community rights are. That would go all the way from members of the public, whose rights they are—they are their rights; they are not councillors' rights, they are not officers' rights and they are not MPs' rights—even all the way up to Members of Parliament and possibly even members of the Government. Without naming names, I discovered recently that a colleague in another Department had never heard of neighbourhood plans.

**Chair:** Go on, name them.

***Stephen Williams***: No. Clearly there is a job of work to do there in terms of realising what potential there is out there. The Cabinet committee I have just been at seamlessly comes into this one. It was the Cabinet committee on devolution. We talked about some big-picture items that I am sure will be matters of dispute between us at the general election—about how we respond to what is happening in Scotland by having more devolution and decentralisation within England. There, people are talking about the structure of local government and what powers Sheffield has or Bristol might have, not quite realising that the Localism Act 2011 is already an enormous opportunity both for people in England and for local authorities to come forward to central Government and say, "We want more things to do". In terms of the direct answer to your question on numbers, Chairman, there have been over 3,000 exercises of different community rights, but undoubtedly the most popular are neighbourhood plans, of which there are about 1,200 at various stages—

**Chair:** We are not looking at neighbourhood plans.

***Stephen Williams***: About 1,000 assets of community value have been listed as well. Those are the two popular ones. There are lots of other rights that stem from the Localism Act and they are still very much at early growth stages.

**Q206 Chair:** Of the particular rights in the Localism Act—neighbourhood plans we are not particularly looking at in this inquiry—can you give us figures for how many of these rights have led to an end result: an asset being bought by the community or a service being run by the community under the right to challenge? What are the figures? Nobody seems to have got any that we can find out.

***Stephen Williams***: You are examining these rights at an early stage of their roll-out around the country. While lots of community assets have been listed by local authorities as assets of community value, the right that accrues from that is the right to bid if that asset is then put up for sale by the owner. There will have been relatively few of those.

**Chair:** How many?

***Stephen Williams***: Indeed, that will become more the case, because one of the things I am doing—

**Chair:** How many is "relatively few"?

***Stephen Williams***: In terms of assets that have been put up for sale where the community right to bid has been triggered, I do not have an immediate number to hand, but there have been some public houses, for instance, that have been saved via that route.

**Chair:** Can you get us any figures?

***Stephen Williams***: I certainly can. For anything that I do not have the immediate figure to, as usual, we will drop you a line as soon as we can after we have finished. The rights only really started in September 2012. There is awareness that people could take them up; getting the asset listed; and then someone saying, "I want to sell this asset that is subject to a community right to bid listing" and therefore triggering the six months. You would not really expect us to have many examples yet of where something has been bought or saved because that right has been in place, because it is fairly obviously still very early days.

**Chair:** But you can get us figures about what rights have got to the final stage.

***Stephen Williams***: I will certainly try to give you the figures that we know, but because all of these registers of community assets are held by 336 local authorities we do not have a central register of them. We will give you what we know, but there is not necessarily a definitive national list.

**Chair:** Is what you know now more than you knew two minutes ago before the note?

***Stephen Williams***: It is quite possible that things will occur to me while I am talking to you, and of the assets that have been listed so far I believe there may well be 60 where a sale has been proposed by the owner of that asset that has been listed, and eight that have been bought by the community using that right to bid. Some of them have used methods like community shares, which is a very exciting way going forward for communities to come together and not only say, "We want to save this asset" but, "We are going to come together, buy it and run it". I do not know whether any of you have watched the BBC film I made for "Daily Politics". It was broadcast in January this year, but it was filmed this time last year in the winter cold in Oxfordshire. I tweeted it with the Select Committee handle just before the meeting, so I do urge you to have a look at it. The pub in that was an example of where the community had come together with a community-shares issue and bought their last remaining village pub.

**Chair:** We went to see a pub that had been bought under the process and we had one of our hearings in there—the first committee that has been to a public house to hold a committee hearing.

**John Pugh:** We have only got to go to the other six now, have we not?

**Chair:** Yes.

***Stephen Williams***: Endless opportunities to visit pubs in this role, I can tell you.

**Q207 Chair:** Just one more question from me. Do you think that in some ways the formulation of this package of rights slightly misunderstood where communities were at? Communities may be more interested in saving what they already have in many cases—an asset they already manage and are trying to run but struggling—and local authorities may not particularly be needing a challenge; they may be coming to communities now and saying, "We cannot run these services anymore with the financial strictures we are facing. Do you want to take them over?" It is almost that that sort of process is more prevalent than the sort of process the rights package was designed to deal with.

***Stephen Williams***: That may happen as a response to savings in local authority budgets. I am slightly straying off topic here, but a good local authority, if they were considering their libraries budget, for instance, or youth centres budget, may well say, "We would be interested in a social enterprise taking over the running of this facility at less cost but with more community involvement", and as a liberal I would welcome that way forward, but the Localism Act itself does not trigger that. What it does trigger is the community right to challenge, where a group may say to a local authority, "We think we could do a better job of running this particular service than you are doing at the moment". That is an example of a community right thus far that has not been used greatly. In fact, I think it is only in Kent where it has been used, partly because the local authority did encourage people to come forward with such bids.

**Q208 Mrs Glindon:** Minister, the right to bid is popular but achieving a sale can be hard. Would you favour introducing a right to buy where a market-level bid by the community has to be accepted?

***Stephen Williams***: No. I was doing something else when the Localism Act went through, but I am told that was a hot topic of debate at the time. This is an interference with the property rights of someone who owns a particular property. Whether it is a pub or a village shop or some other facility, to have it listed as a community asset and then when you wish to sell it to have to wait six months, effectively, for the community to come forward with an alternative bid to the one you probably already are anticipating selling to is in itself a major interference with somebody's property rights.

I think the Government came to the conclusion at that time that giving the community the opportunity to raise the funds to come forward with an alternative bid was already going as far as we wanted to. Forcing the owner of that pub or whatever it was to sell to a particular body of people was thought a step too far at the time. We are very much listening to people's experiences of all of these community rights so far, and what you are doing is going to be important in assessing how they are working so far. We have committed as a Government that by September 2015—three years after the rights started—there will be a full review in place, and that is certainly one of the issues that has been raised, so by this time next year there may possibly be a different answer. For the time being, we think that major fettering of an individual's property rights is as far as we want to go.

**Q209 Mrs Glindon:** The bodies that really support and fund community groups say, talking about the moratorium, that it is too short. Just before, Locality said possibly nine months would be better. From what you have just said, do you agree with that or not?

***Stephen Williams***: That will be a viewpoint that different people will put forward as these rights are taken up, and it is something that the next Government—whoever is in this post in a year's time—will have to consider. Six months is, I would say, quite a delay in somebody's right to sell something. Whether nine months would make any material difference we simply do not know yet. We will have to see whether there is evidence that people come forward with saying, "We wanted to buy this particular asset but six months simply was not enough time for us to work up a bid". If we get enough evidence that that is the case by this time next year when we do the review, then possibly the next Government will consider extending that time limit, but for now that time limit is set by the Localism Act and it is quite a generous time limit.

**Q210 Mrs Glindon:** Supposing that a group was close to securing funding, for example, would you consider maybe an extension?

***Stephen Williams***: Let us stick with the example of a pub. If the owner of the last remaining village pub has put it up for sale and it is an asset of community value and the community is saying, "We want to save it. We are going to make a serious effort to raise the money," and if the owner of the asset has been transparent about what offer is already waiting in the wings from his preferred commercial partner, and if it can be seen that the community is making a serious effort to raise that money and there is a reasonable expectation they will raise it, I would say it is then down to the owner to use his common sense. I do not think it is necessarily down to the Department or Parliament to have a tweak in the rules to give people, say, seven months or six months and two weeks if they are coming right up against the deadline. If they have got to six months and, say, a community share issue is underway and they can see that the money is coming in, then the owner would be well advised to work with the community and take that offer, but ultimately I do not think in a free society you should be able to force the owner of a property to sell to somebody if he does not wish to—if he wishes to take the money from somewhere else.

**Q211 Mrs Glindon:** A longer moratorium might cover that kind of—

***Stephen Williams***: It could do. I am not being evasive, Chairman; I am just saying that we will be reviewing how these rights are working and that as yet there is not a full body of evidence that suggests that six months is not long enough. There are some examples of assets that have been saved so far. There are examples of other assets that may not have been listed but may have been under threat or their future was uncertain where a community share issue has worked. The examples I give when I talk about this are the yellow ferry boats in the centre of Bristol and Hastings pier, where communities have raised the money and have therefore acquired them from a failing commercial operator.

**Q212 Mrs Glindon:** Do you agree that removing permitted development rights from assets of community value would strengthen the right?

***Stephen Williams***: I guess, Mary, you are referring again to pubs there, because that is where it is really contentious—where pubs are being sold by pubcos in order to convert them into other uses, such as supermarkets and whatever else. There are lots of constituency cases of this coming up, and CAMRA are very effectively raising awareness of these issues. CAMRA are a very important partner for us in encouraging their members to get these assets listed as assets of community value. Local authorities already have the power to suspend permitted development rights for particular buildings if they so wish under article 4. There is nothing to stop a local authority at the moment spot-listing, if you like, assets that happen to be of community value and putting an article 4 directive on them to suspend permitted development rights. If a pub had been listed as an asset of community value, I would encourage a local authority to consider putting an article 4 directive onto that asset as part of the process, which they can currently do under existing law.

**Q213 Mrs Glindon:** You just said you would encourage a local authority. How would you do that?

***Stephen Williams***: I cannot force them, can I?

**Mrs Glindon:** No.

***Stephen Williams***: I am a good localist. I cannot tell North Tyneside Council to put article 4 directives on all of its assets of community value, but, through you, I have just encouraged them. If there are assets of community value that have been listed in your constituency, Mary, I would encourage you to speak to the council and say, "Why do you not put an article 4 directive on them to give that extra layer of protection on top of the asset listing itself?" What would be a much bigger step is to suspend those permitted development rights altogether, which is what some of our parliamentary colleagues and CAMRA are talking about at the moment, because there may well be some cases where pubs are no longer viable in their communities because of changes in demographics, for instance. Suspending permitted development rights absolutely right across that use class is quite a big step and something we may well consider, but at the moment there are existing powers in place that are not being used to their full extent.

**Q214 Mrs Glindon:** Finally, does the Department have any plans to deal with practices that go against the spirit of the right, such as selling an asset as a going concern when the buyer has no intention of retaining the business?

***Stephen Williams***: Yes. All of these examples are very helpful, Chairman, as we consider how the rights are working. The framers of this legislation back in 2011 could not contemplate every single wheeze that people might try to use to get around them. I am a tax consultant by profession before I came here and I was Treasury spokesman for my party before I took up this post. Tax avoidance is an ever-evolving field of creativity, and we have Finance Bills that are rather fat and heavy pieces of legislation to try to block all of those avenues. The Localism Act undoubtedly was not intentionally drafted with loopholes, but as people test the legislation to its limits, we will have to consider whether either a Localism Act mark 2 or power by regulation will need to be taken up in 2015. Yes, those are examples that you have just given that are being put to us.

Also, there is, I have to say, Chairman, some evidence of local authorities gold-plating the law and making it a little bit more difficult for their citizens—these are community rights—to submit an asset for putting on that register of assets of community value, for instance by saying, "If you are going to do this, you have to have a business plan in order to list it". There is no requirement in the Localism Act at all that people have to do that, but there is some evidence that has been put to us that some local authorities are being difficult with getting those assets listed—more difficult than they need to be.

**Q215 Chair:** Just to pick you up on the article 4, I accept that is a way forward, except the potential for compensation against the authority. That is why authorities are often wary about using article 4. Would it be another way forward to say you are not going to remove permitted development rights but you would make sure local authorities did not have to pay compensation if they used article 4 in these cases?

***Stephen Williams***: The issue of compensation is always mentioned in this context when I or colleagues in the Department have discussions with campaign groups as well. However, there is no evidence that we have heard of any local authority being successfully taken on in a legal challenge by a brewery or a pubco where they have considered putting an article 4 directive on pubs. That has not been tested fully yet, but the power exists and we do urge local authorities to use it.

**Q216 David Heyes:** Witnesses have called for the Government's guidance to local authorities on listing assets of community value to be revised. Does your advice strike the right balance between the interests of communities and asset owners?

***Stephen Williams***: The process for listing the asset is quite straightforward, and the criteria are quite straightforward—deliberately so. In the original Localism Act, if 21 people agree together that it is important to the community and can demonstrate in plain English to the local authority that this piece of land or this building is of importance to the community then it should be listed, and no one should gold-plate away from that very basic test.

**Q217 David Heyes:** Just to give you an example, we have had witnesses saying that nominators should have the same right of appeal against a local authority decision as the asset owners. That would level the playing field, surely.

***Stephen Williams***: This comes back to the point I made about an interference in property rights that Parliament has decided to make in this case by holding up somebody's ability to sell something that belongs to them to someone to whom they wish to sell. That is quite an interference in somebody's property rights, so it is right that they should have a right of appeal against that limitation on their free will, if you like, in the future. I am not sure it needs to be balanced by a similar right to the people who have come together to put forward the bid.

**Q218 David Heyes:** Where is the danger in that?

***Stephen Williams***: Because the 21 or more people who are putting forward the request to have the asset listed as an asset of community value are submitting it to their local authority, and it should be the local authority at that point that considers whether they have made a reasonable case for demonstrating that it is an asset of community value. Although, as I said to Mary, we are finding examples where authorities are being a bit difficult, generally you would expect a local community's local representatives to want to work with their constituents in order to save whatever particular asset it is. You would not expect Sheffield City Council to wilfully turn down all applications for community value. You have democratic accountability on one side but you have the individual property owner's appeal rights on the other. That is a reasonable balance at the moment, but, as I keep saying, all of these things will be reviewed next year if we find that they are frustrating the original intention of the Act.

**David Heyes:** I think you will find when our report emerges that we have had a significant body of evidence that says you need to rethink on that.

***Stephen Williams***: Yes, and that will be helpful. I am sure the report that comes from this Committee will be a very good starting point, probably for my successor, in the summer of next year.

**Q219 David Heyes:** We have had other witnesses who have urged the Government to amend its guidance to local authorities to treat an asset of community value listing as a material consideration in planning applications. That would make the process more consistent and efficient, would it not?

***Stephen Williams***: I am not a planning lawyer and I am not the Planning Minister, but I believe it is already possible for a local authority, if its local plan is up to date, to say that if a planning application comes forward for a piece of land or a building listed as an asset of community value, that listing will be a material consideration, but it is up to the local authority to say that in its own plan.

**Q220 David Heyes:** Is there a hint in your answer there that this is something you might want to issue revised guidance on?

***Stephen Williams***: I will have to consider that, Chairman, and maybe get back to you, but I do believe it is already possible for a local authority to say that it is a material consideration that it is an asset of community value when deciding whether or not to give permission for a development that affects an asset of community value.

**David Heyes:** I shall not push it any further.

**Q221 Mrs Glindon:** The community right to build has proved complicated and ineffective. What plans do the Department have to do with it?

***Stephen Williams***: I said at the outset that neighbourhood planning and asset listing have been two very popular rights exercised so far, and then there are quite a few others where only a small number have proceeded so far, and community right to build is one of them. There is only one area that we are aware of, which is Ferring in Arun, which is Bognor Regis roughly, where a community right to build order has gone through the full procedure of being successful at examination and is now going forward to a referendum. It is going to a referendum next Thursday, so next week we could have the first example of a community right to build order being tested all the way through.

It is one of those rights that probably awareness needs to be raised of. I visit lots of neighbourhoods with neighbourhood plans, where the parish councillors or the town councillors talk to me about how they have decided they want this particular part of the parish or that particular part of the parish to be where future housing is built, but what they have not considered is that it may be them that wants to build them, or it may be a charity or community land trust in their area that wants to come forward to build the houses on that particular piece of land that they have designated in their neighbourhood plan as suitable for housing. One of the things I do want to encourage and will probably happen as these community rights become better understood and rolled out more is that people will not just consider them in silos but consider how they complement each other and can work together. When you are considering a neighbourhood plan and where houses should go, considering whether you want to have a community right to build would seem to be a logical step, but remarkably few have gone down that route so far.

**Q222 Mrs Glindon:** Where does the community right to build stand now with the new pilot scheme, Right to Build? Will there still be the community right to build? Will that still exist, or are you moving on to Right to Build?

***Stephen Williams***: They are different things, Chairman. It is part of the problem of the lexicon of Government schemes that things that sound similar are quite different, particularly if they are promoted by different Departments. The community right to build, which stems from the Localism Act, is the ability of a group to designate a piece of land and say, "We want to build something on it" and effectively is community endorsement of a planning application rather than going via the normal route, through development control and planning. That is what community right to build is, which is germane to what we are discussing here in terms of community rights. How did you describe in your question the thing you were comparing it to?

**Mrs Glindon:** Right to Build over the community right to build.

***Stephen Williams***: Right to Build is more to do with helping self-builders or people who want to build customised houses on particular pieces of land—enabling them to identify the land where they can do their self-building. I think what you are talking about is an announcement that was made in the Budget earlier this year, where we will be looking at whether a local authority should be obliged to identify pieces of land if a group of people say, "We want to go down a self-build route or a customised building route". When we were going through these discussions in the Department about housing policy, in France or Germany—I cannot remember which it is, Chairman—if an individual comes forward and says, "I want to build my own house" the local authority has to identify a piece of land for them to do it. That is what we are looking at. As well as identifying the land, you would have to put in the basic services and whatever so someone could come along and build their own property. They are two quite different things. The community right to build comes from the Localism Act and is established—the law is in place—but has not yet been much used; the Right to Build is an individual right that may happen but we are still consulting on whether a local authority should be obliged to come forward with the land. I hope that is clear.

**Q223 Mrs Glindon:** Thanks for clarifying that. That is clear, yes. It is good to hear that the community right to build is something separate and that it is not being taken over by the other. Critics have said that the funding for the community right to build should have been focused on building community capacity rather than gaining planning permission. Will that be changed at all?

***Stephen Williams***: As I said, this is one of the rights that has not yet got mass take-up in the same way as neighbourhood planning is definitely now getting, so we will have to look at what are the obstacles to people taking them up. In the support package that is being developed at the moment for 2015 onwards, one of the things that we will be looking at is how you support communities that may want to do something, or how you simply make them aware that they can do this. Some of that will come from the Government-funded support package. In time, an awful lot of it will come from sharing of information and best practice amongst groups that have been the pioneers in this area.

Most of the places that have done neighbourhood plans thus far have been parish councils. They have their own overarching body, NALC, which I am sure will be wanting to roll out that best practice amongst all the different parishes. About 1,000 have come forward so far; there are 9,000 altogether, so there is still loads of scope for that knowledge to be shared around, and on community right to build that is where we will need to be. We have got the first one going to a referendum next week. I cannot really judge what is going to happen, but once that referendum result is known I am sure there will be more interest in other places as to whether it is something they want to do.

**Q224 Chair:** Will there, Minister? The evidence we have had, as Mary has just said, is that this is trying to get round a problem of planning that most of the witnesses that we have had have said is not a real problem. It is a very complicated arrangement to get round something that could be done more simply through the planning process, when the real problem, as Mary said, is the capacity of groups to go through it. That is where the focus ought to be: on the capacity, not trying to find another process rather than the planning process.

***Stephen Williams***: I suppose, Chairman, we are still testing out by experience where the capacity gaps are as to what sorts of communities will take forward a particular community right. It is something I am very keen on and since I have been in this post I have been stressing in particular to officials that I want these community rights to be rolled out and exercised by the poorest parts of my constituency and yours as well as the rather twee parts of the country that are always the early adopters of new pieces of legislation. I have been very clear that the support packages that we design for the next phase must prioritise poor parts of North Tyneside, Sheffield or Bristol West to make sure that these are rights that people can take up.

As for the community right to build, I cannot really speculate about why someone would want to go down the right to build process rather than the normal development control process. I suppose it must be that the development control process is something that happens to you. You respond to somebody else's application to build 500 houses on the edge of your town, whereas the community right to build is an opportunity for you to pre-empt that by saying, "I know we have re-designated this particular field for housing, but we are going to build them ourselves and maybe retain community value as a result of that in our own community".

**Q225 Mrs Glindon:** Just finally, many of the witnesses have said that the referendum requirement was disproportionate. Do you think it should be scrapped, Minister?

***Stephen Williams***: Given that we will not have had the first one until next week it is far too early to say that. The referendum is there because it does go round the normal democratic process of councillors on the planning committee deciding whether a development should take place. If you are going round that, then there has to be some other community endorsement of that change to the community and if you are not having indirect democracy via elected councillors making those planning decisions then the only acceptable alternative is to have the direct democracy of the community themselves all voting on it.

**Q226 Mrs Glindon:** Even though it has been widely criticised as something that is causing problems, or could cause problems.

***Stephen Williams***: Let us get through the first referendum next week and see where we are after that. It is a right that has not really been taken up by many people so far, and if the evidence coming forward is that the referendum is a problem, then that will need a fundamental rethink, because the base starting point is to do something that is different to going down the normal development control planning avenue. There would have to be some democratic check in that process, otherwise you could have a group coming forward that otherwise meets the criteria of community right to build but how do you know whether that development is acceptable to the whole community? If you are taking local councillors and planning committees out of that process, how can you be sure that it is going to be acceptable to the community without some sort of vote?

**Q227 Chair:** Moving on to the community right to reclaim land, I understand there are so far two applications under consideration. It has not exactly had the effect that Ministers claimed when it was introduced, has it?

***Stephen Williams***: No. That is a fair opinion, Chairman. Again, this is a community right that has not exactly flown down the runway, and we will have to see why that is the case.

**Q228 Chair:** Is there any easy way in which it could be improved? We have had suggestions that there ought to be some sort of right to demand discounted asset transfer if land is unused, just lying there. Would that be a possibility? Or some way in which community groups could be allowed a protected period to compete in the open market. Are there any particular ways of improvement that you are looking at at present?

***Stephen Williams***: Possibly all of us in the room, Chairman, have been councillors in the past and will have considered how you get best value if you want to dispose of a piece of local authority land. There are already complex legal procedures in place to assess whether you can accept something lower than market value if it meets community objectives. We would have to carefully consider whether we want to make any legislative changes in this area in order to make this right work. I know I keep saying this, but it is still early days. This is one that has not yet taken off, and we are very keen to hear evidence as to why that might be the case. If it is the price, then the review will have to consider that carefully to see whether a legislative change—which is what would be needed—will be needed in 2015.

**Q229 Chair:** The other area of concern is that perhaps when applications have been made and they do not go forward—I understand over 40 have been made to the Secretary of State but only two have gone forward—it is probably because people do not understand what sort of land it is that they should be asking to be operated or designated under this process. Do you think the Department could be more helpful in specifying some definition of "underused" or "unused" land? Ultimately, if the Secretary of State is going to make the decision, would it not be helpful to know what definition he is going to use when he makes the decision?

***Stephen Williams***: That is fair. Transparency all round on landholdings is something that I am very keen happens. One of the Department's—and society's—wider objectives is to get more housing built, and if we were more transparent at least in the public sector about what land is owned by local authorities, by the Ministry of Defence, by NHS bodies and so on, that would be a major step forward. That information is not readily accessible to people at the moment, and that is something I am certainly keen changes.

**Q230 Chair:** Some guidance about what constitutes underused or unused land would be helpful as part of this process.

***Stephen Williams***: Logically it would, yes.

**Chair:** I am sure the Government is always logical in these matters, so we can expect to see some.

**Q231 David Heyes:** You said earlier that some of this basket of community rights that are the focus of our inquiry are in their "early growth stages", which is maybe polite language for "failing". Possibly the strongest candidate for that would be the community right to challenge. Is that what you had in mind?

***Stephen Williams***: I would not say it is a failure. The Localism Act is an opportunity for every single community in the country to look at what new powers and rights are available and to decide for themselves whether they wish to exercise them. It would be rather Stalinist of either me or my predecessors in this post to have said, "If we have not achieved this number of neighbourhood plans, this number of assets of community value and this number of successful rights to challenge by this particular date, the legislation is a failure", because that is entirely against the whole ethos of the Act. The ethos is an enabling series of mechanisms for people to take more powers themselves.

The more interesting question is: is the fact that some rights are being taken up at a faster rate than others a matter that comes down to the procedures that have to be followed—and the review will look at that—or is it awareness? A confession, Chairman: before I took on ministerial responsibility for this part of Government, I knew about neighbourhood plans because one was being developed in my constituency—indeed, I wrote the foreword to it just days before I became the Minister in the area—but many of the other rights I had not heard of as a constituency MP and I find by talking to parliamentary colleagues some of them are simply less known than others.

There are two things we have been doing. First of all, we have been working with other community groups—CAMRA I have already mentioned; the Theatres Trust would be another; NALC; Locality, who I know you have had in already; football supporters' trusts; Civic Voice; and other groups—to try to increase awareness of these rights amongst their membership groups. I have spoken at some of their conferences and events around the country. I did one with Griff Rhys Jones, for instance, in Bristol. In some parts of the country, we have organised a specific in-depth series of workshops over an afternoon and an evening. Buckinghamshire would be a good example, where we had about 100 county councillors, district councillors, parish councillors and officers in the council offices in Aylesbury, where we had different workshops on how these rights could be used, some plenary sessions and so on. Hopefully, soon we will see Buckinghamshire becoming a hotbed for the full range of these community rights, but there was an awareness-raising exercise that needed to be undertaken. The LGA have been doing some separately in other parts of the country too.

**Q232 David Heyes:** Maybe awareness is the problem, but it could equally be—

***Stephen Williams***: It is one of them.

**David Heyes:** It could just be wrong-headedness. What witnesses are saying to us is that the policy and use of the right, or threat of the use of the right, has led to confrontation rather than co-operation, or that the fear of that confrontation with local authorities is a disincentive to use the right. Is that fair?

***Stephen Williams***: Are you specifically on the right to challenge there, David?

**David Heyes:** Yes, I am still on the right to challenge. I would say it has been very little used, on what evidence we have been able to gather. We have been able to identify only 49 expressions of interest and only one example of successful challenge. Clearly awareness is perhaps a factor there, but is it not more likely that people just do not like it and do not see a purpose in it? If that is right, should you not be thinking about just getting rid of it?

***Stephen Williams***: I do not think we should get rid of it. I personally think that the state is not always the best provider of services that the public value, and there are alternative ways of providing the services. I gave the example earlier of social enterprises, something I have always tried to encourage as an MP—an organisation that may make a surplus but reinvests that surplus into its core purpose. Housing associations are social enterprises; I do not think anyone is going to say that we should abolish housing associations—I suppose some people might—and return to the days when only the state provided affordable housing. That would be reversing quite a lot of change that has happened in that area. Similarly, there are other local authority services, whether it is grounds maintenance or youth services, that could conceivably be better provided more holistically by a social enterprise.

**Q233 David Heyes:** If there is not a case in your mind for scrapping the right to challenge, is there a case for reforming it, given the very low level of take-up?

***Stephen Williams***: I certainly would not want to scrap at all the idea that someone else may be able to do something better than the state. That would be quite an odd position for a liberal to hold. I do accept that on the evidence thus far it may well be that the language of the right to challenge—you are confronting the council saying, "You are useless at this; we are going to do it better"—does not really lead to a council wanting to collaborate with this body that has come forward to challenge them.

**David Heyes:** That is exactly what witnesses are saying to us.

***Stephen Williams***: That might be something we do need to look at. Language is important, so that is something that undoubtedly we will be reviewing next year.

**Q234 David Heyes:** Should you be looking at changes to the procurement process, such as reserving certain contracts for public-sector spin-outs, mutuals or not-for-profits, or even exempting small contracts from the EU procurement rules? How open are you to those sorts of ideas?

***Stephen Williams***: There have been discussions going on with the European Union. I know Lord Young, the Prime Minister's enterprise adviser, has been leading this for the Government. There was a new European Union directive on public procurement on 28 March this year, and that does offer the opportunity to transform public procurement by making the process faster, and specifically says that voluntary-sector providers can come forward and take on Government contracts. Some of this, a bit like land, comes back to transparency. One of the things this Government has done that may or may not have been popular with local authorities is to oblige them to publish the full contractual offer that they have out there so that people can see what commercial opportunities there might be, either for a profit-making business or for a social enterprise. Maybe the bins could be better emptied by somebody else than the multinational that is doing it at the moment. I am sure we can all think of examples. Maybe grounds maintenance would be a good example of where a social enterprise that, say, uses ex-offenders or former addicts to get them back on track would provide a wider societal benefit as well as cutting the grass.

**Q235 Chair:** Just to come back on one thing there that David was suggesting, which has been suggested to us by a number of witnesses, and that is the problem that it is a right for the community to challenge the way services are run but that then gives an equal right for any private-sector organisation to come in as part of the tendering process. It is not much of a right for the community at all, is it? They unlock the door and some large private-sector organisation walks through it.

***Stephen Williams***: Slightly straying beyond my knowledge here, I would imagine that at that point it would still be up to the local authority whether they let that contract to the private-sector organisation.

**Chair:** Once the right to challenge has moved things forward, anyone can come in and bid.

***Stephen Williams***: As I understand the process, if a group says to a local authority, "We think in this particular area"—let us say it is grounds maintenance—"we could do a better job than you", in order to open the door to anybody the local authority has to agree at that point, "Yes, possibly someone could do it more efficiently than us". Once they have opened the door, I guess what you are saying, Chairman, is that other people may come forward to make a bid for running that service. I do not see that that is necessarily a bad outcome if the public, at the end of that process, get a better service, possibly at lower cost as well, than they had from the council in the first place. But we have not got to that point anywhere yet. That is the issue, is it not? That hypothesis has not been tested yet.

**Q236 Chair:** But it may be that they may be given some preference in that process you have talked about through the European procurement rules on small contracts for social enterprises and other small organisations to come in and have a preferential approach to a bid.

***Stephen Williams***: Yes. That is what I would want to see happen.

**Chair:** That is helpful.

**Q237 Mrs Glindon:** It has been suggested that uptake of new or existing rights could be improved if the emphasis was on communities taking part in decision-making rather than taking over assets and services. How does the Government intend to approach community rights from next year onwards?

***Stephen Williams***: When you say take part in decision-making, can you give me an example of what you mean?

**Mrs Glindon:** If people were able, rather than having to go so far as to take something over, just to be more included in the democratic process.

***Stephen Williams***: Chairman, you said you did not want to talk very much about neighbourhood planning, but that is an example of people taking part in decision-making.

**Chair:** It was not part of the terms of reference for our inquiry, no.

***Stephen Williams***: Yes, but it is a brilliant example of people taking part in decision-making. Local plan making was something that would have interested councillors on the planning committee and local architects and civic societies and planners and so on, but largely would have passed the public by, whereas now what I find when I visit all of these areas that are at various stages of neighbourhood plans is that hundreds of people are involved at a micro level in the decision-making—

**Q238 Chair:** Yes, but another example might be, Minister, some of the community rights issues, where instead of having this confrontational challenge, communities have said that they want to come in and change the way services are done, and sit down and work with the authority to deliver services in a different way. That would be a very different approach and one where authorities might welcome it rather than resisting it.

***Stephen Williams***: Yes, and you would hope a good local authority would have that sort of collaborative approach with its citizens anyway and should not need any Government to tell them to do so. One area that is complementary to this suite of community rights would be tenant empowerment, for instance. When I took over this role, tenant empowerment was part of my portfolio but it sat somewhere else, away from all of these community rights, whereas now, when I have my briefings with all the officials, the person who leads on tenant rights in the Department is there too. That comes back to what I want to see. I want these community rights to be exercised by everyone, and if tenants are running their estate through a TMO, why should they not therefore consider whether community buildings in their area should be listed as assets of community value and whether they want to have a neighbourhood plan for their area as well? In terms of tenant empowerment, there is a huge opportunity here.

**Q239 Mrs Glindon:** With regard to the future, what sort of analysis will there be on how many public and private assets have been transferred to community ownership? Will there be an analysis that might allow for more tailored support of community groups?

***Stephen Williams***: You mean where an asset has transferred into being run by a community.

**Mrs Glindon:** Just having more information. Looking forward, how thorough will the analysis be and what kind of information will you be using to assess how you can move forward with this and how the scheme can be more successful?

**Chair:** You have given us some information today, Minister, but it has been very difficult to get information about precisely how successful this policy has been in numerical terms, because we are told the local authorities do not collect the information.

***Stephen Williams***: Yes. This is an issue in several other areas in the Department. We do not oblige local authorities to give us information about a whole range of statistics that you might argue would be useful to Parliament. That is not an approach the Government has followed, but the local authorities themselves would have that information and in many cases are obliged to publish it. It is the local authority that has to publish the register of assets of community value; it is not for the Department for Communities and Local Government. Similarly with another completely different area, the pupil premium, for instance: I would love to have national data on how the pupil premium is being used, but what we have done is obliged each school to publish information on how they use the pupil premium money.

**Q240 Chair:** Yes, but you are spending public money. The Public Accounts Committee and the National Audit Office have been particularly critical of the Department on many issues for simply not being able to demonstrate what the impacts of its policies are. Is this not another one where you cannot tell us what the impact is because you do not know?

***Stephen Williams***: You cannot be sure yet of the impact of this suite of community rights because they are at early stages of adoption. While a group may have started the process, for instance, of a neighbourhood plan, it takes a long time to get all the way to a referendum. Then, once it becomes part of the local plan itself, what will be the evidence base to prove that a community that has gone through a neighbourhood planning process has happier citizens than a community down the road that has not done that? It is quite difficult to assess that on a hard-evidence basis, I would suggest.

**Q241 Chair:** I take the point that the impact may be greater in two years' time than it is now, but it would be helpful a) to know what the impact is now and b) in two years' time to be able to measure whether it has increased.

***Stephen Williams***: In two years' time we will have hundreds, possibly even thousands, of areas that do have neighbourhood plans.

**Chair:** Will you know how many? If nobody is counting them—if nobody is aggregating them—will you know how many?

***Stephen Williams***: The referendums we do know, because—

**Chair:** That is one.

***Stephen Williams***: There have been relatively few of them so far. We are fairly confident we do know how many assets of community value have been listed. We can say it is over 1,500, but whether it is 1,523 or 1,526 I could not tell you at any one point in time, because there may well have been something listed this morning in Sheffield that we do not know about yet. It is a movable number, but it is moving in the right direction. That is the point that we should all be pleased about.

**Chair:** I am not sure the Public Accounts Committee will be quite as kind to you as we are in the dissemination of the impact of this policy, but let us move on.

**Q242 Mrs Glindon:** Further to what you said, Chair, DCLG has said: "There is no formal reporting mechanism to establish use of the rights and our understanding of their uptake is based on ad hoc and informal information gathering". Witnesses have called for better information sharing by local authorities, the HCA and Locality to improve the support alone for community groups. Minister, what plans could you have to do this, further to what you have said?

***Stephen Williams***: There are two issues there. The first is whether there should be a central register of every exercise of each community right. I am not yet convinced there is a need for that. We do know where they are being used on the ground; in the absence of a central register, we may not be able, as I said, to say at any one point in time what the exact number is, but I am not sure that the way you assess a policy is based on whether at any particular point in time you have that exact snapshot. I do not think it really changes whether you think something has been effective or not. In terms of awareness, yes, there is more work to be done. Government has a role in that, but all the community groups and campaign groups that I mentioned have an important role there too.

Part of this comes back to the ethos. These are not state rights; they are not Parliament's rights; they are not local government rights. They are people's rights, and to maintain that ethos I would prefer it if the likes of Civic Voice and CAMRA are the people who say, "This is how the rights are being exercised, these are the number of examples where they have been exercised, and this is what we would encourage another community to do". It is better coming from them than it is coming from here.

**Q243 Mrs Glindon:** How can the Government then develop this if there is no formal record or transparent data for Government to make any improvement to rights at all?

***Stephen Williams***: The formal part of the review will happen by September next year. It has not happened yet, but I am sure once we get, say, shortly after the next general election into the process of starting the review we will want to collate hard data at that point and we will have to, but that hard data, Chairman, will still be a snapshot, because this is a moving process; it is not something where we are saying, "Here are the rights. Take them now or you cannot have them in the future." It is an organic process as they grow on the ground.

**Q244 Mrs Glindon:** Finally, Minister, some have called for more face-to-face support for community groups to help them in this. Alongside the £50,000 to the Plunkett Foundation, do you have any plans for future funding?

***Stephen Williams***: The contract for the funding from 2015 going forward is out there at the moment. At the moment, Locality are key partners for us in supporting quite a lot of community-rights activity. We will have to see who gets those contracts in the future, but one of the things that we have also been open to—you have just mentioned the Plunkett Foundation—is supporting particular groups that have a campaign remit in a particular area. I understand the Plunkett Foundation in particular works in deprived rural communities and that is why we want them to have the means to encourage take-up of those community rights in poorer rural communities.

**Q245 Mrs Glindon:** Councils are suffering a lot under the cuts being made to them. Would support help in making sure it was about helping communities to run assets rather than assets just being passed on? It is easier for a council to offload where they cannot run anything anymore. Will this ensure that the process is a proper process and everything is supported properly through?

***Stephen Williams***: The community assets that have been taken over so far are quite a mixed group of assets, if that is specifically what you are asking about. I have visited some of them. Some may be semi-derelict disused halls; I visited one of those in Balsall Heath in Birmingham where we provided a grant. Most of our grants for these community asset takeovers have been around about £400,000 to £500,000. Last Thursday I was in Greenham Common. All the elected people in this room will know exactly what that is. The younger officials in the Department were not aware of the significance of Greenham Common. I visited the control tower at Greenham Common last week, which is an asset that the community trust there has now taken over from the state in order to provide a café and community space for the village of Greenham Common and, indeed, a museum telling the story of what happened in the 1980s.  That is quite a different example.  It is something that does not exist at all at the moment—it is just a derelict building—but it is a story that needs to be told.  They are quite disparate in terms of what people have come forward with for assets they want to take over.

**Chair:** I think members of the Committee are all old enough to remember that particular episode.  On that reflection, thank you very much indeed for coming and giving evidence to us this afternoon.