



The impact and potential of ‘community right to buy’

‘Community assets’ is JRF’s programme of research and development that is exploring the role of community-owned land, buildings and other assets in the development of neighbourhoods. Its seminar series is a forum to discuss policy development issues relating to this agenda.

Could legislation pioneered in Scotland open the doors to large-scale community asset ownership in England? Julian Dobson reflects on the second of the Joseph Rowntree Foundation’s (JRF’s) community assets seminars.

Main points

- The ‘community right to buy’ legislation is not a magic bullet. While there have been benefits in Scotland where this has been introduced, they have been relatively small scale.
- For legislation to work the process needs to be simplified, communities need more time, and they need to know of the opportunities.
- Financial and technical support throughout the process of exercising the right to buy is crucial.
- Where community buyouts succeed, the benefits can be significant. In Harris, Gigha and Neilston there has been strong evidence of the beginnings of community revitalisation.
- The biggest impact of legislation both in Scotland and England may be as a catalyst for community action and new ideas. While that should not be underestimated, how much difference will it make in seriously disadvantaged areas?



Lessons from Scotland

Scotland's laws giving rural communities the right to buy land and other local assets has gained an almost totemic status in some quarters south of the border.

Case study after case study has praised the successes of the island of Gigha, now owned by local people and reaping profits for the community through renewable energy.

So the anticipation surrounding a community right to buy in English legislation has been palpable. Here might be a key to large-scale, asset-based community development in hard-pressed neighbourhoods, bringing together local citizens and generating economic opportunities.

The second of JRF's events on community assets, held at the Royal Horticultural Halls in London on 28 October 2010, set out to explore the lessons learned from the Scottish experience and the potential benefits in England.

In attendees' packs were two sober-looking briefing papers. One, by Heather Holmes, head of the community assets branch in the Scottish Government, outlined the official view. It's worth quoting one of the key points in full:

'The community right to buy has provided and is continuing to provide opportunities for rural communities throughout Scotland to take greater control of their destinies and to become more empowered; have more skilled and successful people; have more employment opportunities; and sustainable places where people are able to access the amenities and services they need. It is also playing an important role in the empowerment and long-term sustainability of communities throughout rural Scotland.'

Compare that with the conclusions of the companion briefing, outlining the findings of research by Calum Macleod and Tim Braunholtz-Speight of the Centre for Mountain Studies at the University of the Highlands and Islands:

'[the community right to buy] has had relatively little direct use in purchasing land or other assets for community ownership... any prospective legislation which appears to ensnare rather than enable communities' ambitions to take collective control of land and associated assets risks eroding participants' confidence that the rhetoric of community ownership is matched by policy-makers' commitment to making that happen in reality.'

You might wonder whether the two papers are talking about the same thing. So it's worth noting the statistical common ground.

Latest figures from the Scottish Government, provided at the seminar by Heather Holmes, show a total of 148 approved community bodies have submitted 124 applications to buy land or other assets when they come on the market since provisions within the Land Reform (Scotland) Act became law in 2004. Some 52 applications have been registered and are awaiting notification of sale. There have been ten successful land purchases, and five have been completed outside the official process. Another ten purchases have failed.

For something touted as one of the most significant reforms of the devolved government, this might seem small beer. So is there a bigger and more important story behind the figures?

From statistics to stories

Two success stories help to throw some light on what can be achieved, and what it takes. David Cameron, Director of Community Land Scotland, described the well-known example of Gigha and the less-trumpeted one of North Harris. In Gigha, the school rolls have risen from six in 2002 to 22 this year – a visible sign that local people have faith in the community. In North Harris, new homes and jobs have followed the purchase of a 62,000-acre estate. Eight new affordable homes should be ready for occupancy next year, while the community is hoping to generate £60,000 a year from hydro energy.

But both these buyouts, while demonstrating the benefits achievable in rural areas, preceded the legislation. The story of Neilston Development Trust's efforts to take over and refurbish the former Clydesdale Bank branch in the East Renfrewshire town may be more pertinent.

Pauline Gallacher, a full-time volunteer with the trust, explained how a local arts project, Space to Live, set the right-to-buy process in motion after a community campaign to keep the bank open had failed in 2006.

The building was put up for sale in January with a closing date of March 2006 – an extremely tight timescale in which to register an interest under the legislation. There were unexpected and unpredictable delays, including hold-ups in getting paperwork processed by the local authority's legal department. All this was conducted against the 'ticking clock' of the deadline and the fear of being rejected on a technicality.

Having successfully registered an interest, another ticking clock started. The community had six months to develop its plans, spread its message, and arrange a ballot. Using a bright yellow double-decker bus as a mobile polling station helped – but with a ballot scheduled at the height of the holiday season every vote counted.

In the end, 28 per cent of the adult population turned out and 97 per cent of them voted in favour of the buyout. If that sounds like an overwhelming result, it was far from it: the legislation required a minimum majority of 26 per cent of eligible voters. That meant the purchase went ahead by a tiny margin of eight votes.

'There are a huge number of challenges and contradictions – finance is the primary one,' Ms Gallacher said. 'But the idea that communities might be able to act in the open market to buy properties is a fantastic one.'

What prospects for England?

Complex, cumbersome, frustrating, painful – these were just some of the words used to describe the process of turning the Scottish legislation into the acquisition of real assets for communities. So with an English version expected within the Localism Bill, will lessons be learned and will the prospects for community groups in England be different?

The political and cultural contexts are very different. In Scotland the right to buy legislation has been seen as an attempt to rectify historic injustices that have left large tracts of rural land in the hands of absentee landlords. In England, the proposed legislation is being filtered through the overarching narrative of the Big Society – a move from central state provision to the local delivery and shaping of activities and services.

Claire Cooper, Deputy Director for Community Action at the Department for Communities and Local Government (CLG), described Big Society as 'a society where people, neighbourhoods and communities have more power and responsibility and use it to create better services and outcomes'. Where the Scottish right to buy is seen primarily as a way for communities to acquire assets that are in private hands, in England the Government's priority is to divest the public sector of assets and transfer them to community bodies.

The legislation will also take effect within a very different set of circumstances. Until recently the main difficulty for any community group seeking to take over an asset has been the owner's unwillingness to part with it. In Scotland many prospective purchases have not taken place simply because the land has not come onto the market (there is no provision to force owners to sell).

In England, local authorities and other public bodies are already listing many more buildings for sale than there is an appetite or resources to buy. As one participant in the seminar commented: 'There's going to be asset dumping on a gigantic scale, and the support and funding [for community groups] will not be there and the capacity will not be there.'

There is also a growing track record in England of successful asset transfers irrespective of legislation, stimulated in part by the recommendations of the Quirk Review in 2007. Annemarie Naylor, Asset Programmes Manager at the Development Trusts Association, pointed out that there had been more than 30 asset transfers in 18 months in the Wirral area alone.

This poses questions about the significance of the proposed provisions within the Localism Bill. On the positive side, they are expected to allow community groups to take pre-emptive action by identifying assets that are of interest. It was suggested that communities would then have six months before an open market sale to prepare business plans for their takeover and raise funds, and the provisions are expected to apply to private as well as publicly owned assets. However there is not expected to be a 'right of first refusal' as there is in Scotland – once a site is on the market, it will be an open competition. All this, of course, is subject to official announcements from CLG.

It was also suggested that in England, as in Scotland, asset owners will be under no obligation to sell once a community organisation has expressed an interest. While this might allow communities to think strategically, it may also lead to situations where time and effort is spent planning for eventualities that never arise.

There is also a danger that the mere fact of expressing an interest in an asset might have unintended consequences. As Heather Holmes' paper notes: 'We know that some landowners dislike the right to buy and will not sell the land and any assets to a community body while their interest is registered.'

The importance of support

Both the enthusiasts and the sceptics stressed the importance of appropriate help for community organisations. This was a recurring theme throughout the event.

Financial support is the most obvious need, and the Centre for Mountain Studies paper criticises the closure of the Scottish Land Fund in 2006, which was dedicated to supporting community land buyouts. In England, organisations are unlikely to receive direct financial assistance for asset purchase.

Technical help is as significant. While some community organisations have experience of asset management, many do not – and will need assistance with everything from surveys to legal requirements to setting up management bodies. These issues are time consuming and often costly in terms of professional fees, and can make all the difference between a proposal that goes ahead and one that is rejected on technical grounds.

Perhaps the most important help required is time, accompanied by capacity building to enable groups to take advantage of opportunities. Six months is a very short timescale for volunteers to create a viable asset management model from a standing start. As one attendee put it: 'You have to make friends with people you don't know, identify a vision, raise money and do a deal. To do that in six months is a hell of a lot of pressure.'

The fourth area of support needed is information. Community Land Scotland has been set up to share knowledge, help new proposals reach fruition and provide a common voice for those involved in land transfers. Steve Wyler, Chief Executive of the Development Trusts Association, suggested information was key to the success of the right to buy in England: 'We need a transparent system publicly listing assets of community value and information about services and service reviews. We need to create a community right to know alongside the community right to buy and right to bid.'

Will legislation change the game?

The mood at the JRF event was sceptical rather than enthusiastic. Some thought the legislation would favour communities that had well-established organisations or were more affluent; others felt the risks were high and the level of support insufficient to provide an incentive.

Ben Cairns, Director of the Institute for Voluntary Action Research, summed up the concerns: 'The policy assumes communities are ready, aware, have an appetite and skills in terms of owning and strategic thinking.' He argued there was a 'huge tension between the vision of entrepreneurialism and empowerment and systematic cuts which will engender a sense of fatigue and disillusion locally'.

Another way of looking at it, though, is to see the legislation as reflecting a change in communities' expectations and government's readiness to respond. Steve Wyler said there was already a 'critical mass' of know-how within development trusts 'and it gives us the confidence to understand how community asset transfer can bring real and lasting benefits to some of the poorest communities'. Legislation may catalyse a process that has already begun.

Simplification, more time and greater support and transparency were his key messages. The expectations now raised are not going to disappear, as David Cameron of Community Land Scotland commented: 'It's very difficult now to put the genie back in the bottle.'

The briefing papers, *Providing opportunities for rural communities in Scotland: the community right to buy policy in Scotland*; and *Community right to buy in practice* are both available from the Joseph Rowntree Foundation at <http://www.jrf.org.uk/events/community-assets-seminar-series>

About the author

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Coming up in the Community Assets Seminar Series:

February 2011: The role of community assets in new developments

April 2011: Finance and business models for community organisations

June 2011: Experiences of community control of assets in practice

Please note: dates are provisional and subject to change. Locations to be confirmed.

Other formats available.

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Ref. 2594

Published by the Joseph Rowntree Foundation, The Homestead, 40 Water End, York YO30 6WP. This project is part of JRF's research and development programme. The views expressed in it, however, are not necessarily those of JRF. ISSN 0958-3084