CALL FOR EVIDENCE FROM THE LOCAL GOVERNMENT AND REGENERATION COMMITTEE OF THE SCOTTISH PARLIAMENT

Response from the Plunkett Foundation

Plunkett Foundation

Plunkett Foundation is an independent charitable body which has been supporting the empowerment of rural communities throughout the UK and Ireland since 1919. Our philosophy is based on enabling each generation to address the issues that matter to it through co-operation and enterprise. Today our focus is on community-owned and run businesses in rural areas, often centred on the ownership of physical assets, land and buildings. In 2013 Plunkett Foundation merged with Scotland’s Community Retailing Network to create Plunkett Scotland, a comprehensive community enterprise support service for rural Scottish communities.

Plunkett helps communities to respond to the challenges they face, providing ideas and inspiration, access to online and face-to-face networks, business advisors, mentors and trained staff who can advise on legal structures, incorporation, business planning, community engagement, access to development finance. Our interest in this Bill stems from our conviction that communities know best how to tackle the challenges they face, and empowerment is the way to unlock their potential.

General Comments

In general we welcome the Scottish Government’s foresight in putting the principles of subsidiarity, community empowerment and improving outcomes at the heart of the government’s purpose. We are conscious however that a supportive legislative framework, while a vital precursor to empowerment, is not enough. To achieve genuine and widespread community empowerment, and the beneficial outcomes that can flow from it, communities need appropriate support to exercise those rights. It is important that the processes and details reflect the ways in which communities respond to the challenges facing them. In an ideal world communities would sit down and put together a considered plan for their long-term development, and identify which assets they will need. In practice however communities are often only galvanised into action by the threat of loss or withdrawal, and there is little time to plan. We are concerned that this Bill should not restrict communities’ options and the tools available to them, nor put undue burdens on them in accessing and operating the provisions.

1. To what extent do you consider that the Bill will empower communities?

This Bill can be seen in the context of an evolving public policy agenda in Scotland which over the past 10 years has seen community empowerment and community-led regeneration taking over from the previous top-down approaches based on investment in physical infrastructure. The Bill presents communities with a number of new opportunities to take control of some of the issues affecting their lives, but the extent to which this genuinely empowers communities will depend on other factors. Ownership of assets and the ability to generate income streams independent of the state are critical factors in determining the
degree to which a community is enabled to empower itself. Legislation alone cannot empower communities, only local people can do that for themselves. In addition to the legislative framework communities need Capacity (skills, experience, confidence), Resources (both human – volunteer effort and paid staff – and funding), and a Supportive Context (local authorities, public agencies, voluntary bodies and third sector intermediaries).

2. **What will be the benefits and disadvantages for public sector organisations?**

While it is true that only communities that can empower themselves, it is equally true that public sector organisations have a key role to play. The community empowerment process can assist public sector bodies achieve more efficient outcomes in the design and delivery of public services at a time of ever decreasing resources. But if the process is seen as a threat or an unnecessary distraction at a time of ever more scarce resources, then those in the public sector can prove obstructive. At the heart of this policy shift towards community and co-produced solutions lies a requirement for an openness to new thinking and ways of working. Changing attitudes and culture on this scale is very difficult to bring about in large organisations and remains one of the biggest obstacles to be overcome. If public sector organisations are able to view an empowered community sector as a partner, with parity of esteem, within the community planning process then significant long term benefits may accrue.

In the past, by effectively controlling all decisions of how and where regeneration investment was to be made, the public agencies have worked within very low thresholds of risk and trust – ‘risk’ in terms of the risk of money being misspent, and ‘trust’ in terms of trusting local people to know what is needed to improve their community. In respect of both of these critically important elements of the regeneration process, what is required more than anything else is a fundamental shift in terms of attitude and approach.

3. **Do you consider that communities across Scotland have the capabilities to take advantage of the provisions in the Bill?**

It is critical that communities are properly supported to take advantage of opportunities the Bill presents. Simply extending CRTB (Community Right to Buy) to the whole of Scotland will not achieve the policy objectives if it only gets used by most able and advantaged communities. Undoubtedly some communities will have the capacity and support to take advantage of the opportunities. Within the Highlands & Islands communities are able to access a comprehensive support service through HIE’s Community Assets Team and local development officers. Outwith this area, in lowland and southern rural Scotland, the support is much more fragmented, and communities face a patchy landscape of advice and signposting. Marginalised and disadvantaged communities will need a lot more support in capacity-building and confidence raising to realise the potential opportunities. That support needs to be properly resourced through third sector intermediaries. Big Lottery’s programmes such as Investing in Ideas and Growing Community Assets have been very useful in funding feasibility studies and development projects, but can’t be relied upon to
deliver national outcomes – community empowerment requires properly resourced grassroots development support or community initiatives will never get started. In particular there is a need to support those organisations doing the proactive 'inspire' work – promoting the benefits and opportunities of community ownership and enterprise – networking, inspiring and showing what can be achieved.

4. Are you content with the specific provisions within the Bill?

With regard to the operation of CRTB we welcome the attempts to streamline the application process, increase flexibility and reduce the burden on communities to meet deadlines, however we feel that the process is still weighted in favour of landowners, and where they choose to be obstructive the options available to a community are still very limited. Given the onerous nature of the registration process for community interest in land, we would support the proposition that re-registering should only be required every 10 years, not 5 as is currently proposed.

We are however disappointed that definition of an eligible community body has only been extended to include SCIOs, and we suggest that is too narrow. The decision on what type of legal entity best represents their interests should be left to communities. It would be better for legislation to simply define characteristics of a democratically accountable community body (as CERB does), and not go on to restrict the choice of legal structure to the two options currently proposed (CLG & SCIO). The decision on whether a particular proposed structure meets the eligibility test for a community body could then rest with Scottish Ministers. Restricting the choice of legal structure to two options now cuts off opportunities for communities to select the most appropriate vehicle to acquire and manage an asset in the future under circumstances which cannot be known now.

In particular the exclusion of Registered Societies (formerly known as Industrial & Provident Societies) from eligibility has created anomalies whereby Scottish communities (for example Tweedsmuir in the Borders, and Midmar in Aberdeenshire) that wished to exercise the CRTB to acquire their local pubs through a Community Benefit Society have been prevented by the current Land Reform Act from utilising the potential of community shares to fund the acquisition of the assets. Within the UK as a whole 62% of community owned shops and 90% of community owned pubs have chosen to adopt the Registered Society legal structure as their preferred vehicle for ownership of a community asset. These are fundamentally democratic structures with a long and proven history of successful community co-operative enterprise. We cannot predict now what legal structures communities will need in the future to take advantage of the opportunities presented by the Bill, so cannot see any reason to restrict them unnecessarily?

If Ministers are uncomfortable with the proposal that the exact type of legal structure for an eligible community body is left open, eligibility in principle should at the very least be extended to include Community Benefit Societies and Community Interest Companies as well as SCIOs.
We welcome changes to the legislation around allotments, especially the imposition of a duty on Local Authorities to be more accountable over the provision of allotments, waiting lists and development plans for allotment land. We would also like to see specific duties on a Local Authority to make provision for communal (as opposed to individual) allotments where demand is evidenced by a group of people.