

WE'RE  
RIGHT  
HERE.

MAY 2022

The Campaign for  
Community Power

INTRODUCING  
**THE  
COMMUNITY  
POWER  
ACT**

## We're Right Here

*We're Right Here* is a national campaign to shift power to communities, so that local people can shape the places where they live. We are supported by nine national organisations long committed to 'community power' – these are Power to Change, The Cares Family, New Local, Locality, the Young Foundation, the Joseph Rowntree Foundation, Local Trust, People's Health Trust and Friends Provident Foundation. But we are led by people with direct experience of making things happen in their local areas. The campaign seeks to draw on the energy and ambition of those committed to their communities and places, but also their frustration at a system that too often gets in the way. *We're Right Here* is campaigning for a Community Power Act – a landmark piece of legislation which will fundamentally change where power lies, so that communities can take back control for real.

## Authorship

This report was written on behalf of the *We're Right Here* campaign by Richard Bell, Will Brett, Katy Oglethorpe, Nick Plumb and Ed Wallis. It was designed by Vivek Bhardwaj.

Looking for answers?  
We're Right Here.

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# Executive summary

There is a growing consensus that empowered communities are a vital part of the answer to some of the biggest problems facing us as a country – problems like inequality, local decline, loneliness and mistrust.

Local communities are innately powerful. They are made up of networks of relationships and social ties which help individuals to prosper. And they hold crucial and unique knowledge about the needs and ambitions of people in local places. Yet this power residing in communities everywhere is held back by a system which appears not to trust local people. The powers which local people need to shape their neighbourhoods are mainly held far away, by institutions which often implicitly reject communities' right to determine their own future.

*We're Right Here* is therefore calling for a Community Power Act, a major piece of legislation which would fundamentally change where power lies in this country. It is made up of three parts:

1. Establishing **new community rights**:
  - A Community Right to Buy
  - A Community Right to Shape Public Services, and
  - A Community Right to Control Investment

These rights are designed to support and encourage local communities to take actions which determine the future of their neighbourhoods.

2. Enabling **Community Covenants** – neighbourhood-level arrangements bringing local people, community organisations and local authorities together to share power and make decisions. Once formed, these Covenants will allow communities and local authorities to draw down the powers they need to shape their areas.

3. Establishing a **Community Power Commissioner** – an independent office charged with ensuring action is taken across government to uphold the new community rights, enable the formation of Community Covenants everywhere, and generally unlock community power.

These three pillars of a Community Power Act are mutually complementary and reinforce each other. The three new rights make it much easier for communities everywhere to shape their areas. Community Covenants offer a convenient vehicle for communities to exercise these rights, while also triggering the devolution of extra powers down to the community level, as well as to the local authority. And the Community Power Commissioner is in place to help make sure these new rights, processes and powers are taken up across the country.

There is already a large and growing movement of people around the country taking action in their communities. This Act would remove some of the institutional and legal barriers in their way. And by changing the basic assumption about where power lies, it would also help inspire others to take action so that ultimately every neighbourhood in the country is supported to take control of its future.

A Community Power Act does not 'create' community power on its own. That comes from the awesome potential residing in communities everywhere. But this Act is needed to unlock that potential. We're Right Here looks forward to working with government, parliamentarians, local authorities, civil society organisations and local communities everywhere to make it happen.

# Why we need a Community Power Act

The country faces big problems. There is an increasingly glaring inequality between those people and places benefiting from prosperity and those which seem locked out. Many of our public services seem stretched beyond breaking point. And a long-running epidemic of political distrust shows no signs of abating. In short, our current social model does not feel fit for purpose.

People in government and beyond are looking for solutions to these problems. Our contention is that they are looking in the wrong place. Away from the glare of Westminster, thousands of community leaders have been working tirelessly to tackle these very challenges as they find them in their neighbourhoods: challenges like inequality, local decline, loneliness and mistrust.

But they have generally been doing this work on their own steam. It has not been facilitated by national policy frameworks or supportive systems. These are determined, practical people making things happen – finding workarounds, not taking no for an answer, pushing rocks up hills.

Imagine what could be achieved if we made it easier for these community leaders? Imagine if all this hard work went with the grain of the local system, rather than having to kick against it?

That's why we're calling for a Community Power Act: to make the decisive shift in the balance of power local people have been waiting for.

We need to reset the foundations of public policy, so it supports and incubates the solutions that are already there in our communities, rather than always starting with a blank sheet of paper in Whitehall.

And so that talk of prevention-focused public services can be made a reality and people's wellbeing is truly put first. This is a huge task – and we know that serious efforts in the past have failed.



**If the Community Power Act existed back then, our David and Goliath battle would instead have been an exciting journey with our community. It would have been a challenge with a chance to succeed; rather than a battle only made possible through luck and circumstance.**

Charlotte Hollins, campaign leader



## The time is now

Over the years we have witnessed various attempts by governments of all stripes to decentralise, from New Labour's *Communities in Control* white paper in 2007 to the coalition government's Localism Act in 2011. Each, however, has failed to achieve a decisive reset and make real power something people can feel in their own communities. And so policy failure became political earthquake when people's desire to "take back control" fuelled the Brexit vote in 2016.

The latest attempt is seen in the Government's Levelling Up White Paper. This, once again, shows that public policy is moving in a promising direction towards trusting local people. But it stops well short of delivering on the real potential of community power.

The pandemic has reminded us of what our communities are capable of, and has generated a once-in-a-lifetime opportunity to bring about a major decentralisation of power in our society. How can we make this the moment we finally deliver on the promise of community power? How can we shape public institutions and services to reflect a rich and dynamic understanding of what it means to be a citizen? How can communities take back control for real? We believe the answer is to introduce a path-breaking new piece of legislation.

*We're Right Here* is backed by a number of national organisations who have been supporting community power to flourish over many years. One of the key barriers that they have consistently identified is risk-aversion in the public sector to do things differently and really trust communities to get on with things. We see this across service design and commissioning, budget management and the community ownership of assets. Too often, a lack of trust holds back the potential of community action.

A Community Power Act will fundamentally change the dynamic, making community power the default rather than the exception. The balance of risk calculation that prevents the public sector giving power away will be reversed. Finally, after years of false dawns and unmet manifestos, local people will have the power they need to shape the places where they live.

## Public appetite for change

The public know that they and their communities are being given short shrift in decision-making.

Polling conducted for our campaign in August of last year<sup>1</sup> showed that:

- 71% of UK adults feel they have 'no' or 'not much' control over important decisions affecting their neighbourhoods and local communities. And people believe that the government has a clear opportunity to address this power imbalance.
- 63% of UK adults said that the Levelling Up agenda should involve giving local people more power over the decisions, services and spaces which shape the places where they live.

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<sup>1</sup> Polling research conducted by Opinium for The Cares Family and Power to Change, using a representative sample of 2,000 UK adults, between the 20th and 24th of August 2021. For more information, see: <https://files.thecaresfamily.org.uk/thecaresfamily/images/Building-our-social-infrastructure-Final.pdf>

There is also clear public appetite for a Community Power Act. Polling from New Local published in April 2022 found that:

- 73% of respondents agreed with the statement: “National politicians should commit to transferring more power to local areas”
- 71% agreed with the statement: “National politicians should introduce a legal right for communities to have a say over how local public services are run”

# The Community Power Act – in brief

*We're Right Here* is calling for the Government to bring forward a Community Power Act.

The overarching purpose of this Act would be to create new permanent community rights, powers and institutions which would:

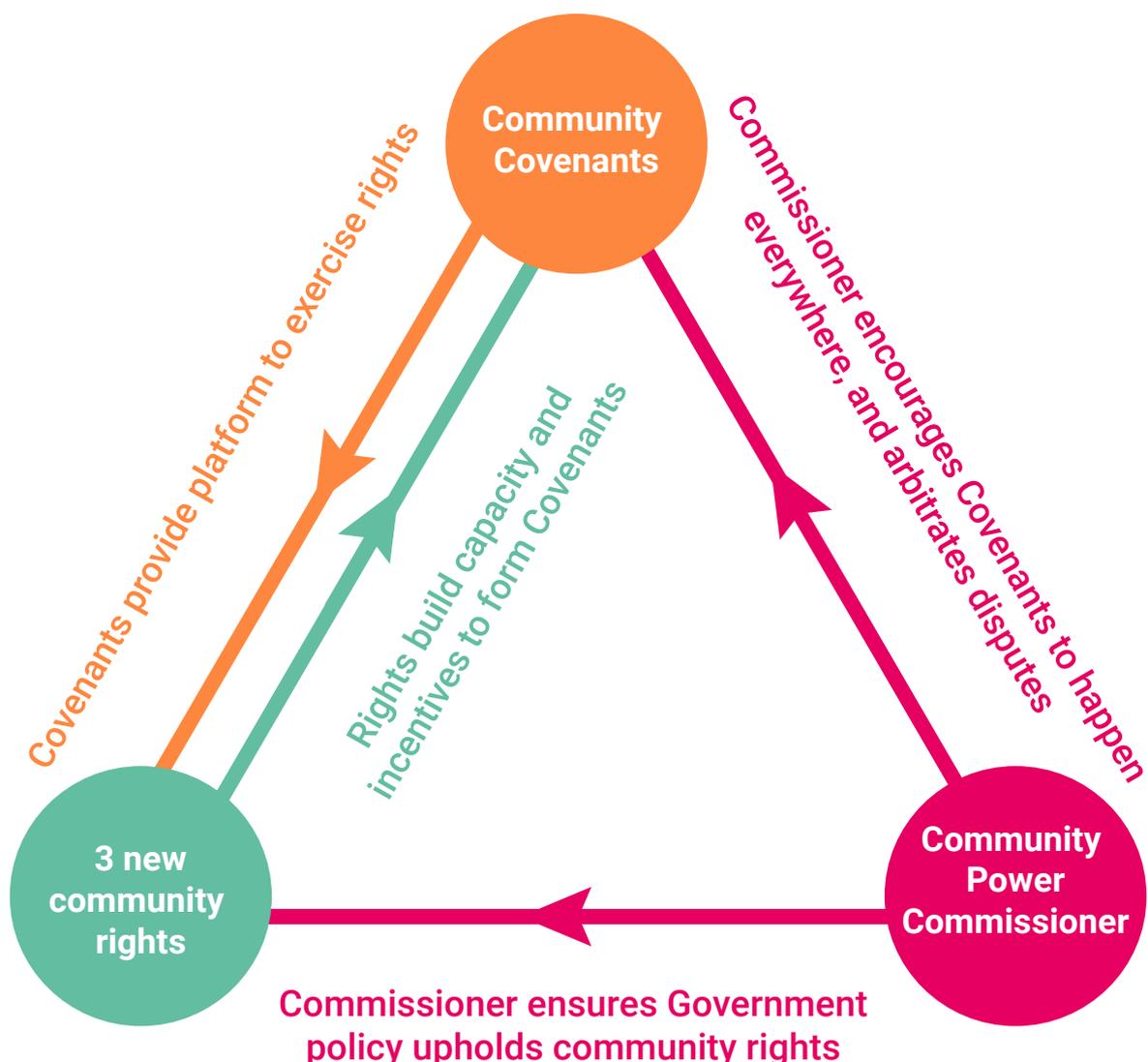
- Legitimise and encourage action taken by local communities
- Commit the Government to the transfer of substantive decision-making powers to the neighbourhood level
- Address power imbalances within our system of government effectively and consistently

A Community Power Act would include specific measures to:

1. **Introduce three important new community rights to increase local control over spaces, services and spending decisions which affect communities:**
  - The Community Right to Buy
  - The Community Right to Shape Public Services
  - The Community Right to Control Investment
2. **Enable and encourage the formation of Community Covenants** – neighbourhood-level power sharing arrangements between local people, community organisations and local authorities.
3. **Mandate the appointment by the Secretary of State for Levelling Up, Housing and Communities of an independent Community Power Commissioner**, charged with steering and promoting cross-government action to unlock the power of communities.

These three measures are intended to complement and reinforce one another. The three new community rights provide a basis for action which is supported and enhanced through the formation and work of Community Covenants. Meanwhile the Community Power Commissioner would both drive the formation of Community Covenants and work to ensure that the government upholds communities' rights fully and effectively.

The Community Power Act is the missing piece of the devolution puzzle – it will build a clear and trusted track along which power can be devolved from Whitehall to regions, local areas and all the way to the neighbourhood level. This paper goes on to explore each of the three key measures which would be included in a Community Power Act, and how these might play out in real-life examples.



## Three new community rights

The Community Power Act would radically increase the ability of communities to collectively control their lives and futures. A key means of doing this would be the introduction of three powerful new community rights. These would build on and expand the community rights that were introduced by the Localism Act a decade ago, learning the lessons from their implementation and expanding the scale and scope of community action (see *Appendix 1* for a detailed run-down of existing community rights and how the new rights build on these).

These new community rights would be focused on three key areas: spaces, services and spending.

### Spaces (The Community Right to Buy)



**And you just think why? Why are these buildings shut up and nobody can get hold of them or it takes absolutely years? We need proper control over land and buildings, and then amazing things will happen.**

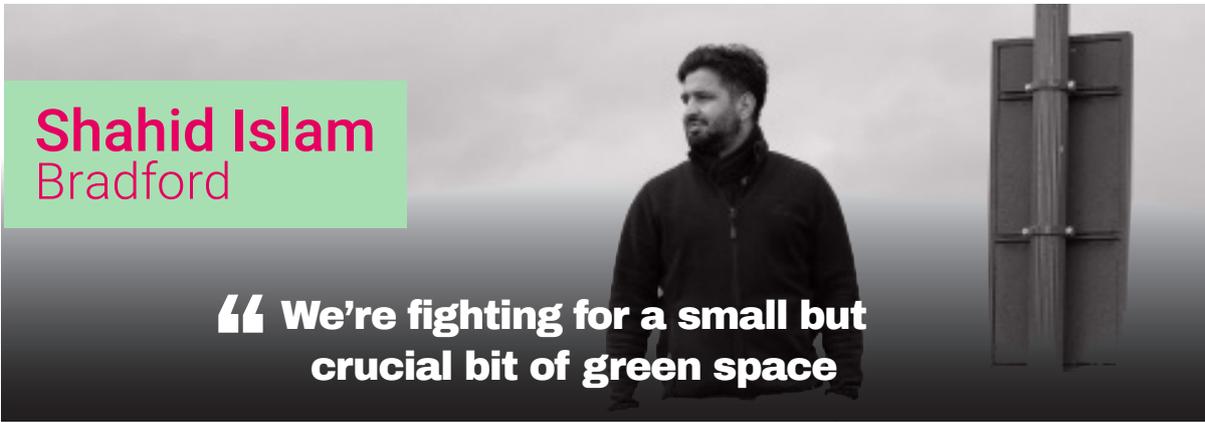
Deana Wildgoose, campaign leader



A new Community Right to Buy would considerably strengthen the existing Community Right to Bid, giving communities the right of first refusal once important local buildings and spaces with significant community value come up for sale. If a community organisation or group was able to raise the required funds when an Asset of Community Value (ACV) comes up for sale, it would be theirs to purchase without competition. As part of this, the current moratorium of six months should be extended to 12, to give local communities the time to raise the necessary funds.

Importantly, this right would apply not only to spaces which are presently in community use but also to those which have the potential to be used by the community – including privately-owned vacant or derelict buildings and land, the use or management of which is causing harm to the environmental wellbeing of the community. As is currently the case with spaces which have a main use or purpose of furthering the social wellbeing or social interests of the local community, these could be nominated as ACVs by a community body or group connected to the area including a parish council, Neighbourhood Forum or a community group with at least 21 individuals involved.

To facilitate the effective implementation of this right, ACVs should be protected from change of use planning applications unless the applicant is able to prove that there is no prospect of community use; while property and land-owners should be required to maintain (or else improve) the condition of the relevant asset during the 12-month moratorium period.



**Shahid Islam**  
Bradford

“ We’re fighting for a small but crucial bit of green space

## What’s the story?

There’s a well used green space in my neighbourhood. And when I say well used I really mean it. You can find every age group there, particularly children. In the winter they sleigh in the snow, in summer they play football and cricket.

But the local authority has decided they want to sell it to developers.

As a community we've got together several times to try and stop this from happening. So far we've succeeded and it has been a right tough fight, but it feels like a never-ending battle we're not really equipped for.

We're trying to tell the council – please do not lose this important bit of green space. This area has such high rates of obesity and mental health problems, and we live in one of the most polluted parts of Yorkshire. This little piece of land is vital for us and our children.

## **How would a Community Power Act help?**

As the social philosopher John Dewey said, there is a difference between 'doing to' and 'doing with' and we need people to do things with us whilst respecting our needs rather than steamrolling in with their own ideas.

In a country where health inequalities are growing, where fast food take-aways are easily delivered to our homes, where green spaces are being sold off to housing developers, where sedentary behaviour is on the rise and pollution levels are breaching EU regulations, we really should be finding ways to work with communities to save every remaining green space that offers children and families somewhere to go and burn some energy and be in nature.

A Community Right to Buy would mean we would have a chance to get together and take ownership of that much loved green space for ourselves. This Act would make it a legal duty to respect the wishes of residents rather than simply decide what is best for them. It's exactly the kind of thing that would help our cause. Bring it on!



**Rob Hopkins**  
Atmos Totnes, Devon

“ Our community was gazumped – now we're left with a derelict eyesore

## What's the story?

In 2007 the last big employer in Totnes, Dairy Crest, closed down, leaving a big industrial site to go to ruin. We immediately came together as a community to consider what could be done with the site to generate jobs, provide local, affordable housing and improve local facilities. We got the Brunel Building on the site listed, and formed a community group to start developing plans. Over the course of a whole decade, with the site remaining unused and unsold, we worked and worked until we at last got agreement from the owners that we could develop our own community-led plan for taking on ownership of the site. Between 2014 and 2016 we engaged deeply with the local community and with planning and design experts to produce a watertight plan for the site, taking into account the deep needs of the community for affordable housing and historically sensitive, carbon-neutral development. By 2017 the financing was in place, the Community Right to Build Order had been made and 86% of local people had voted in favour of our plans in a historic local referendum.

## What stood in your way?

We were about to take ownership of this vital site at the heart of our community and develop it according to the community's real

needs. And that's when things went wrong. There were two years of prevarication by the owners, during which Dairy Crest were sold to Saputo Inc and became Saputo (Dairy) UK, and then in 2019 they sold it to a private business, Fastglobe (Mastics) Ltd. Of course, this company have not done anything with the site yet and their plans for it do not even begin to address the needs of the community.

## How would a Community Power Act help?

It's simple, really. If the Community Right to Buy had existed, then we would have been able to apply to list the site as an Asset of Community Value and exercised our Right to Buy it at an independently set market price. We would have had 12 months to complete the transaction, with legal protection from being gazumped. And instead of a derelict eyesore, Totnes would have had a thriving and thrilling community-owned site right at its heart, providing local jobs, affordable housing and prosperity for all.

## Services (The Community Right to Shape Public Services)

The introduction of a Community Right to Shape Public Services would significantly strengthen and expand the scope of the existing Community Right to Challenge, encouraging greater collaboration between communities and public institutions when designing, commissioning and delivering local services.

It would enable local communities to trigger a joint review of a particular local service, which the local authority or relevant public body would be required to undertake alongside local organisations and service users as well as the provider. There would be a set period of

community consultation and co-design, with the option of triggering a full commissioning exercise – which might, for instance, result in a decision to insource a service. The Community Right to Shape Public Services could be triggered by any qualifying body, including Neighbourhood Forums, parish councils and community organisations which form Community Covenants ([see p27 below](#)).

Importantly, community organisations would be able to trigger joint reviews of services provided by health authorities, public institutions with responsibility for the provision of housing, education and skills training services and bodies with responsibility for local business policy, such as Local Enterprise Partnerships. In other words, unlike the existing Community Right to Challenge the new right would apply to many services beyond those run by local authorities.

The policies contained within this proposal for a Community Power Act are intended to work in conjunction with one another. As additional policy powers come to be transferred to local authorities through the process of devolution described in the Community Covenants section below ([see p27](#)), associated public services would also come under the scope of this new community right. And the availability of targeted capacity building support for Covenant partners would enable every community to make effective use of this right.



**Natascha McAllister**  
 SEDCAT, Bournemouth

“ **Our community buses  
 get people to hospital** ”

## What’s the story?

There was a time recently, when if you were older, disabled or struggling for money in the Bournemouth area, it was very difficult and costly to get to your healthcare appointments. There was a lack of suitable public transport to local hospitals, and taxis were prohibitively expensive and inaccessible.

That’s why in 2015 we set up our own community transport service. We provide affordable, accessible flexible transport, based on what the community needs. In our case, this has meant helping people socialise and run errands, and most importantly get to hospital appointments and, during Covid, visit vaccination centres.

## What’s stood in your way?

Funding has been our biggest obstacle to ensure a sustainable service to the community. We, the community, need more control on where funding should be directed within local councils.

## What difference would a Community Power Act make?

The Community Power Act would support the most vulnerable disadvantaged people in the community. The Community Right to Shape Public Services and the Community Right to Control

Investment would mean our community's real and intense need for a more cost-effective and accessible community transport service would get the attention and funding it requires. This would reduce the risk of ailments leading to emergency hospitalisation, which in turn reduces the added financial burden to the UK's health system. This would in turn address the problems of inequalities, loneliness and mistrust within our communities.



**Ben Hughes**  
Essex County Council

**“ We put service users in charge  
of their own addiction services**

## What's the story?

Five years ago, I could see that the outcomes for Essex's substance misuse services were ok, but they were the outcomes that we as bureaucrats had chosen.

While we paid lip service to involving communities and service users, we didn't really do it. But I firmly believed that we could achieve more by working with people with lived experience. We had to make a change, we had to grasp the opportunity to do something differently.

Working with people in recovery and in treatment across the system in Essex, we created the charity 'The Essex Recovery Foundation – Revolutionising Recovery', entirely chaired and

run by people in Essex communities, in recovery and their family members.

Slowly but surely, we are transferring responsibility for all of our drug and alcohol agenda to the charity. This includes control of the budget, and the strategy.

We are also negotiating a seat for the charity on the council's Health and Wellbeing Board, so they can be at the top level of decision making across all health and wellbeing commissioning.

Power that once sat with a small group of people in the public health team will now sit with the community directly affected – so they can define their own outcomes, allocate their own resources, and work with providers to build a better treatment and recovery system.

## **Why I support a Community Power Act**

This has been one of the most exciting bits of work that I've ever been involved with. It's also been a process of ceding control and realising that actually, things are going to get better with the community in charge of its own provision, its own functions, and its own services and support networks.

A Community Power Act would help more councils to realise these advantages. It would engage and empower communities to self-organise where it really matters. It would directly link communities to powers and influences that impact on their daily lives. And it would ensure communities are at the heart of all relevant decision making.

## Spending decisions (The Community Right to Control Investment)

A new Community Right to Control Investment would increase community control over the key spending decisions which affect local neighbourhoods. Where there is an accountable community-level decision-making institution such as a Community Covenant ([see p27](#)) or parish council, a significant proportion of all public regeneration and local economic devolution funds allocated to that area should be controlled and invested directly by that community-level institution. This could include the UK Shared Prosperity Fund, for example. It would also provide a means to ensure that developer-generated funding streams such as Section 106 revenue and the Community Infrastructure Levy are, in future, directly invested by community-level decision-makers.

The Community Power Commissioner ([see p37 below](#)) would be expected to safeguard the ability of communities to control a substantial share of these funding streams through their power to review the degree to which any government policy or practice is consistent with communities' rights. This new right would apply to new spending decisions only – it could not be used to overturn or renegotiate existing Section 106 agreements, for instance.

The Community Right to Control Investment would also provide a mechanism through which local communities could trigger an “open book accounting process” with the council of any spending in their neighbourhood. As described by the Chartered Institute of Public Finance and Accountancy (CIPFA), “open book processes involve sharing cost information within organisations and across organisations in the supply chain” and are a means of “developing collaborative processes that ensure projects deliver outstanding results”.<sup>2</sup> Its key purpose in this respect would be to radically increase transparency about how, where and how much public money is being invested in a local neighbourhood.

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<sup>2</sup> See <https://www.cipfa.org/training/short-courses/an-overview-of-open-book-accounting>

Once this open book accounting process is completed, the community would be able to negotiate with the council how and where to exercise greater control over certain aspects of spending. It could lead to decisions being devolved directly to the community in some areas of spending, or to participatory budgeting style processes being carried out for identified funding pots. This power would be most effectively exercised through Community Covenants ([see p27 below](#)), which create a clear mechanism for constructive engagement and cooperation with the local authority and through which the designated Covenant partner could both trigger the right and take on any ensuing responsibilities. It could also be exercised by parish councils in areas without Community Covenants.



**Sacha Bedding**  
Wharton Trust, Hartlepool

**“ Poor people aren't lazy and feckless – they need power & hope**

## What's the story?

The Annexe is a community organisation in Dyke House in Hartlepool. Over the last 10 years or so, we have worked with the community to find the solutions to their own issues. We are a place people can come to, where they can feel safe, and where we can give a bit of inspiration and hope about what's possible.

There's this idea that poor people are lazy, feckless, they eat takeaways, waste money and deserve what they get. It couldn't be more wrong. In Dyke House, people care deeply about each other and about the future of the neighbourhood, and when they're given the right opportunity and support they'll do amazing things.

We've been successful because we work side by side with the community, we listen to people, and we understand the real needs.

## What's stood in your way?

There's about £1bn a year spent in Hartlepool by our statutory sector. To be frank, it's hard to say that this money is being well spent. Talk to people here and they'll ask: "where does it all go?"

The big investments round here go on things that just don't touch the lives of people in Dyke House – airports, business parks, ring roads and the like. There is a disconnect. The question is how are we going to connect all this investment with people in the poorest communities. If it's done top-down, without the involvement or influence of the communities in question, it's just not going to work.

## How would a Community Power Act help?

You can't come in from outside this community and go round telling people what to do, thinking you know best how to spend public money and what's going to work. You've got to ask them. And you've got to trust them. And if you do, you'll find people are really careful with these investment decisions. There's very little wastage when communities are in charge of money. A Community Right to Control Investment would mean people in Dyke House, at long last, being trusted to find the right solutions for themselves.

Through the Community Power Act, these three new community rights would be extended unconditionally to all communities. They each reflect the guiding principle that decisions should be made at the 'most local' level possible and, except where clearly unfeasible, with the meaningful participation of the people affected. *We're Right Here*

advocates their introduction in part as a precursor to a broader right of community self-determination or community right to organise, which would affirm and incorporate the principle of subsidiarity into UK law.



**John Lockson**  
Nottingham

**“ We want us to run our youth club – not outside developers**

## What's the story?

Our local youth centre is facing closure and the building is being sold off under austerity measures. We want to take control of the building either as a community asset or to buy it and run it to meet local needs of local young people.

## What's standing in your way?

Backed by a corporate sponsor, we are proposing a rescue package to bring it back into use for the community, but we struggled to compete with outside developers both in terms of up-front finances and time.

Even on a smaller scale, we started a youth football programme in the local area during the summer and ended up with around 60 local children taking part, however, we have been trying to get access to deliver our sessions inside at the local Youth and Community Centre since September 2021 but we've faced barrier after barrier, passed from pillar to post, asked to produce endless documents, put our staff through costly training and issued with cumbersome checks.

I have the voice of my community, I have the backing of two community football clubs and the backing of a major local property developer. What we need now is to understand how we do it.

## **What difference would a Community Power Act make?**

My area is one of the 10% most deprived in the country. It's suffered from a rise in local anti-social behaviour, knife crime and county line exploitation. Young people need a place where they can be heard, where they feel they have a voice, where they can socialise with their peers, meet positive role models, create and realise positive aspirations and believe they have a way out of deprivation beyond their control.

A Community Right to Buy would give us the legal protections – and the time and support – that we need to take this much needed local asset into community ownership and ensure young people have what they need. A Community Right to Shape Public Services would mean those people most in need of services actually have a seat at the table when they are being designed. And a Community Right to Control Investment would ensure that the real needs of young people in my neighbourhood were taken into account when public money is being spent.

I don't think devolution of power has gone far enough. Let us determine the future of vital community assets to meet local needs. We owe it to our children, we owe it to ourselves and we owe it to each other. This Act would give us the legal powers to make the changes our communities need and deserve.

# Community Covenants



**There would be clear measures, clear direction, clear support to the local authority, to give support back to the grassroots. It's not just about giving everything to the local community. No – the local authority needs that support as well.**

Inayat Omarji, campaign leader



Community Covenants would be defined within the Community Power Act as a structure or mechanism through which community organisations and local people could take on more power to shape the areas where they live. Effectively, Community Covenants will allow local people to agree and implement neighbourhood-level power sharing and joint-working arrangements with councils and other public bodies.

The formation of Community Covenants would represent a major shift in the governance of this country, and a deepening of a devolution agenda which has not joined up the hyper-local with the regional. So far, power devolved from Whitehall has ended up in the offices of metro mayors, and the community rights introduced through the Localism Act have been exercised sporadically across the country. This legislation is the missing piece of the puzzle. It provides a clear and trusted track along which power and resource can be devolved from Whitehall to regions, local areas and all the way to the neighbourhood level – and the Community Covenants formed there.

## Composition

Community Covenants would be shaped flexibly to reflect the circumstances of the neighbourhood in question. The Community Power Act would include provisions enabling Community Covenants to be formed by local authorities and a range of potential 'Covenant partners', including:

- Parish Councils
- Neighbourhood Forums (a designation which community organisations could take up)
- Established independent community 'anchor' organisations
- Local alliances of community organisations, associations and informal and unconstituted groups

Local authorities might enter into a Community Covenant agreement with either a single Covenant partner or with multiple partners, while these organisations would in turn be required to demonstrate their intention and ability to work alongside and involve broader networks of community organisations and groups as well as local people in general (*see the five tests of local accountability set out below*).

Having formed a Community Covenant, Covenant partners would be able to draw down a range of powers from an agreed menu of options and would receive resources and capacity-building support to allow them to exercise these powers effectively.

In order to ensure that the work of Community Covenants is integrated into the local public service landscape, Covenant partners might also seek to engage and involve other local public bodies in their work – including health service commissioners and providers as well as employment, training and skills service providers. They could also be designated as statutory consultees in budgetary decisions made by some of those bodies.

## Formation and local accountability

The Community Power Act would require local authorities to agree to all reasonable requests from prospective Covenant partners within their local areas to form Community Covenants. They would also be required to promote participation in Community Covenants broadly and to all sections of the local community; to engage actively and openly with potential Covenant partners; and to work proactively towards the establishment of Community Covenants across the entire local authority area.

Ultimately, however, the process of forming Community Covenants must be led by communities rather than councils. Just as the 2011 Localism Act enabled neighbourhoods to self-define in order to form Neighbourhood Planning Forums, the geographic scope of Community Covenants would be decided by local people. We would, however, expect them to comprise a meaningful local neighbourhood, which might, for example, cover a Lower Super Output Area (as defined by the Office for National Statistics), a single ward or parish or a group of wards or parishes, or locally based communities of interest.

Community Covenants would be agreed by the relevant local authority, who would be expected to follow comprehensive guidance issued by the Community Power Commissioner ([see p37 below](#)). In order to gain agreement, Covenant partners would be expected to demonstrate how they would be appropriately accountable to their whole community. A parish council, for instance, is democratically elected and therefore has strong formal accountability; but might struggle to engage the whole community or might be subject to partisan interests, undermining its ability to act in the interests of local people generally. A community anchor organisation might be able to draw upon well-developed informal networks and local knowledge; but might lack clear mechanisms ensuring that it is genuinely rooted in and responsive to the needs of the whole community. In order to prove that they are accountable to the whole community, each prospective Covenant partner would be expected to demonstrate their ability and intention to fulfil five conditions.

## The five tests of local accountability

- Earn and maintain the trust of the whole community
- Support everyone within their place to participate in community decisions and activities in an inclusive and equitable manner
- Practise 'dynamic local accountability' and community leadership based not just on consultations and voting but on ongoing community participation, relationships and local action
- Work proactively to identify and address shared issues and local concerns
- Make decisions so as to promote the interests of local people, rather than institutions alone

Provided that these conditions are demonstrably fulfilled, Covenant partners would be permitted and supported to act not as agents of the local authority but as independent actors with distinct and valuable voices, expertise and skills. For its part, the Government would be required to recognise qualifying Community Covenants universally and on an equal footing.

Working in this way would mean Community Covenants will reflect and harness the full range of democratic expression which exists within local places – from the agency local people express through their participation in informal groups and formal community organisations, to that which they channel into the systems of representative democracy. For this reason, Community Covenants with significant reach into networks of local people could serve effectively as forums for participatory decision-making.

In the event that a prospective Covenant partner felt that their local authority had assessed their ability to pass these five tests of local accountability in an inaccurate or unfair manner, they would be able to appeal directly to the Community Power Commissioner ([see p37 below](#)). The Commissioner would in turn be able to issue binding directions to councils in response to appeals of this sort. Similarly, any community organisation or group which was active within the area covered by a Community Covenant, or any person who lived there, would be able to request that the Commissioner review the terms of that power-sharing arrangement. They might make a request of this kind if they felt that the Community Covenant in question did not pass the five tests; that the capacity of a particular organisation or group to contribute to its work had been either under or over-estimated; or that it failed to meet the needs of the local community in some other way.

Local authorities and Covenant partners would be expected to regularly assess the suitability of their power-sharing arrangement relative to the needs of their community; and to respond openly, even-handedly and in a timely manner to requests by community organisations and groups to join their Community Covenant as a full partner or otherwise play a part in its work.

Community Covenants would automatically cease to operate after ten years unless they had been renewed by the relevant Covenant partner(s) and council. In order to renew a Covenant, the current or prospective Covenant partner(s) would be required to once again demonstrate their ability and intention to fulfil the criteria outlined above.

## Powers

On the agreement and approval of a Community Covenant, Covenant partners would automatically and immediately be able to access and exercise a range of new powers and accompanying resources, including powers and resources related to:

- **Local economic planning:** Community Economic Development (CED) is a powerful tool for communities to meaningfully shape the economy where they live. Community Covenants could strengthen these local collaborations by giving formal weight to CED plans developed by Covenant partners. For instance these plans, based on participatory involvement, would take on statutory consideration within Local Industrial Strategies and other local authority economic plans.
- **Neighbourhood planning:** Covenant partners would become statutory consultees in Local Plan development processes. They would also have the ability to designate as Neighbourhood Forums and thus to develop and shape Neighbourhood Plans, with access to the government's Neighbourhood Planning support programme. These forums have been formed disproportionately in rural communities – enabling Covenant partners to replicate their functions in this way would encourage community participation in neighbourhood planning in urban places.
- **Community assets:** Covenant partners should have the power to co-design with the local authority a local approach to community asset transfer (CAT). This might include instituting an assumption in favour of CAT, placing the onus on local authorities to disprove that it would be to the community's benefit if a property or space were to be transferred to a community organisation or group and that they would be capable of managing it effectively. Covenant partners might also work with the council to improve their approach to managing and maintaining community assets owned by the council.
- **Local service delivery:** To break down procedural barriers to community-led provision, Covenant partners could be designated as trusted delivery partners for agreed services. This could be done through a service-level agreement or similar non-contract based mechanism, using local authorities' existing grant-making powers rather than an external procurement process.

- **Government funding streams:** As described above ([see p22](#)), Community Covenants would be able to exert some control over how regeneration funds are spent and allocated locally, drawing upon the Community Right to Control Investment.
- **Scrutiny of spending decisions:** Covenant partners would contribute as statutory consultees to budgetary decisions made by the local authority and other public bodies.

Community Covenants would play a catalytic role in supporting residents and community groups to make use of the three new Community Rights introduced through this Act.

In order to ensure that Community Covenants are able to exercise these functions effectively, the Community Power Act would include provisions to support Community Covenants through appropriate resourcing arrangements. The Government should create a development fund which Community Covenants could draw upon to meet their core operating costs, with grants of approximately £60,000 made available to fund the work of Covenants over a three-year period. This funding would be transferred from central government directly to Covenant partners. Covenant partners should also be able to gain access to local authority loan financing through individual preferential loan deals or via the Public Works Loan Board for larger projects.

Upon moving to assume responsibility for one of the policy powers listed above, the Covenant partner would be charged with directly negotiating the transfer of related funding and resources with the relevant local authority. The resulting settlements would, however, be expected to reflect two principles:

1. Community Covenants are appropriately accountable institutions which can possess total legitimacy in wielding public power and funds.

2. They will generally require the same level of resource to carry out a particular function as was previously required by the council in question for the same purpose.

Where a Covenant partner felt that their council was not acting in a manner consistent with these principles, they would lodge an appeal with the Community Power Commissioner.

Our campaign would envisage communities exerting more and more control over the spaces, services and spending decisions which shape their places and futures over time, as more policy powers and resources are devolved to the local level. This menu of powers would provide the foundation for a more far-reaching devolution of power to both local authorities and, crucially, communities themselves.

Our campaign believes that much more must be done to help communities genuinely exercise their right to buy and control local assets. The government's Levelling Up White Paper has committed to a range of measures which have the potential to do this: the Strategy for Community Spaces and Relationships; a review of neighbourhood governance; learning lessons from the first bidding round of the Community Ownership Fund; and enhancing current Community Asset Transfer and Asset of Community Value mechanisms to further support community ownership. So, in the short term, we would expect any relevant new powers resulting from these initiatives to be added to this menu as part of a step change in government support for community ownership.

## The role of local authorities

While local authorities would be expected to transfer significant powers and resources to Covenant partners upon the formation of a Community Covenant, they would continue to play the central role as guarantors of local service provision and quality. In the event that a Covenant partner ceased to be able to manage a space or deliver a service effectively on behalf of the local community – or was found

by the Community Power Commissioner to be falling short of any of the five conditions for local accountability set out above – the local authority would automatically reassume this responsibility. Similarly, if two partners within a single Community Covenant were to declare that they were no longer capable of working effectively together, the council would be expected to reclaim any functions which they had assumed responsibility for.

Local authorities would therefore be expected to assume a certain amount of risk in supporting the formation of Community Covenants. But they would also themselves be invested with new powers and resources as a result. Once a certain geographic share of the local authority area was ‘covered’ by Community Covenants, the government would be required to rapidly devolve substantial powers (including fiscal powers) and associated resources to the relevant local authority. These would, over time, enable councils to manage and deliver significant aspects of local welfare, education and health systems, while exercising enhanced housing and business policy powers. While some of these responsibilities might in effect be transferred on to the resulting Community Covenant, others would be retained by the council itself.

While the focus of this proposal is on building and maintaining powerful, funded Community Covenants, our work is also underpinned by the belief that local authorities need a long-term funding settlement. Years of financial pressure on local authorities has led to a fall in standards and a narrowing of their horizons. While this has created a burning platform which has driven innovation in some places, it is neither sustainable nor desirable. For the Community Power Act to have the most impact, councils need stability, supported by adequate funding. The legislation should act as a catalyst for wider cultural change within councils, helping them to continue to make the move away from paternalism to a much more enabling mindset.

## Tackling inequalities

Our proposals start from the understanding that community power exists everywhere, but that too often imbalances of power

prevent it from finding its full expression. It is therefore vital that the Government provides the right capacity-building support to ensure that the opportunities created by the formation of Community Covenants are targeted at the people and places which need them most. So while all neighbourhoods will have the opportunity to form a Community Covenant, there should be a generously resourced support programme to ensure that communities with less well-developed social infrastructure – but which stand to benefit the most from a meaningful effort to unlock community power – are first in the queue. This will be crucial to ensuring these neighbourhoods ‘level up’.

One way of achieving this could be to pilot Community Covenants first in those neighbourhoods. An initial test-and-learn approach could provide targeted capacity building funding to a number of areas to develop Community Covenants, using a transparent measure such as one building on the “left behind” neighbourhoods index developed by OSCI and Local Trust.<sup>3</sup> This will ensure that the practical development of this policy approach is focused on ensuring it works to build community power in the places which have experienced the greatest imbalances.

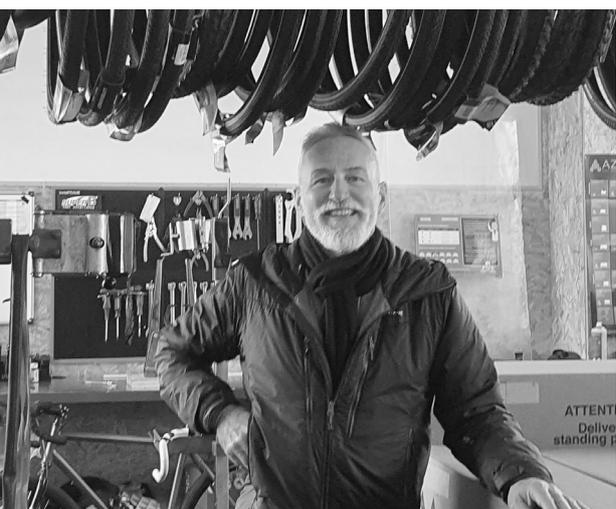
## Environmental protection and stewardship

Involving people in decisions on our climate future is central to their legitimacy and chances of success. Community Covenants provide a tangible vehicle through which these discussions can be had at the local level. Importantly, these new powers enable community stewardship of land for environmental protection and provide Covenant partners with the ability to assess the environmental impact of planning and spending decisions. They also give communities the ability to put environmental wellbeing at the heart of community economic development plans.

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<sup>3</sup> See <https://localtrust.org.uk/insights/research/left-behind-understanding-communities-on-the-edge/>

# The Community Power Commissioner



“

**If you unlocked the latent talent in our neighbourhoods and really invested in that, we wouldn't need Levelling Up. We wouldn't need a redistributed economy. We could grow our own economy and earn our own keep. That's what community power is about. It means we're independent, we feel we belong, we have agency and we're doing things ourselves.**

Andy Jackson, campaign leader

The Commissioner and their office would have a mandate to drive and coordinate cross-government action to unlock the power of communities. They would fulfil this mandate through carrying out three core functions.

## **1. The Commissioner and their office would evaluate the government's performance in unlocking community power.**

This would involve developing a set of simple tests against which government policies, practices and bodies might be assessed; undertaking investigations as required; and laying a report before Parliament annually appraising the government's performance in this respect.

To ensure they could carry out this function effectively, the Commissioner would have statutory power to:

- Conduct ad hoc reviews of the degree to which any government policy, practice or body is consistent with communities' rights and with the principle that communities should be able to exert significant control over the spaces, services and spending decisions which shape their places and futures.
- Require government departments and public bodies to provide any information which their office might require in order to conduct full and thorough reviews of this kind.
- Make recommendations to government departments and public bodies as to how they might more fully uphold communities' rights.

Government departments and public bodies would in turn be legally compelled to take reasonable steps to fulfil any recommendations made by the Commissioner.

The Commissioner would also be empowered to investigate Treasury processes, practices and policies. They would hold the ability to make binding recommendations to Treasury ministers and officials so as to ensure that the social and economic value generated by community power is accounted for and reflected in Treasury costings and decisions.

This system would incentivise proactive consultation with the Commissioner on the part of ministers and officials – ensuring that there is a voice for community power in discussions regarding legislative and policy decisions as they develop and take shape.

## **2. The Commissioner would support Ministers and officials to consider how working with and through Community Covenants and unlocking the power of communities might enable them to achieve their goals.**

In part, this would entail working to embed recognition of the social and economic value of community power across government departments and public bodies – building understanding of the ways in which community-led approaches enable early intervention and prevention; improve health, wellbeing and social and economic outcomes; and generate cost-saving opportunities which can be obscured by the siloed nature of Whitehall policymaking.

Fulfilling this role would also involve directly advising ministers and officials as to the impact of past and prospective policy decisions on the ability of communities to organise and exercise power effectively; and promoting best practice in unlocking and measuring community power.

## **3. The Commissioner would be responsible for supporting the formation and development of Community Covenants.**

They would work to ensure that as many places as possible had formed Community Covenants, while also supporting local authorities, community organisations and communities themselves to grow the impact of their individual power-sharing and joint-working arrangements. They would achieve this through promoting learning, sharing ideas and constructively challenging participating organisations, groups and communities to think bigger and bolder.

As part of this role, the Commissioner and their office would be invested with broad responsibility for the oversight of Community Covenants. They would be charged with producing detailed guidance which local authorities would be expected to follow in agreeing Community Covenant plans devised and submitted by prospective Covenant partners; and with adjudicating appeals lodged by prospective Covenant partners who felt that they had

been treated unfairly by their council. In addition, anyone would have the ability to request that the Commissioner investigate the terms, membership, functionality and accountability of their local Community Covenant. The Commissioner would possess the power to launch a review of an individual Covenant in the event that they had received a request of this kind or otherwise had reason to believe that a power-sharing arrangement was failing the five tests of local accountability set out above ([see p30](#)).

Having conducted a review of this sort or investigated an appeal lodged by a prospective Covenant partner, the Commissioner would be able to issue binding directions to the relevant Community Covenant or local authority.



“

**The crisis we are facing in our neighbourhoods is enormous, and the pandemic has shown us that it can't be tackled by the state alone. It is communities which really drive and make change.”**

Neelam Heera, campaign leader

# Frequently asked questions

## **1. Is it possible to legislate effectively for community involvement at the local level across a very wide range of policy areas and diverse economic and social contexts?**

The Community Power Act will introduce a range of new community rights and powers to ensure that meaningful community involvement in the decisions which shape places becomes the default rather than the exception; and has been purposefully designed to enable communities to bring these rights and powers to bear on their particular local priorities.

Having said this, no piece of legislation can serve as a silver bullet. The Community Power Act represents an important step towards a community-powered Britain, but must also be accompanied by behavioural and cultural change within local authorities and other public sector bodies. We are proposing that a Community Power Commissioner should be appointed, in part, exactly to drive this wider reform agenda forward – a function the Commissioner would fulfil through promoting best practice and conducting reviews of government policies and practices. In addition, the dynamic accountability designed into the structure of Community Covenants will enable communities themselves to hold public bodies to account on the extent to which they are working in genuine partnership with local people.

## **2. What spaces, services and decisions would be impacted by a Community Power Act?**

The Community Power Act would create three powerful new Community Rights that would impact spaces, services and decisions in the following ways:

- **Spaces:** The Community Right to Buy would apply to spaces which have been nominated by local communities as Assets of Community Value (ACV). As the MyCommunity portal explains, “a building or other land is an Asset of Community Value if its main use has recently been or is presently used to further the social wellbeing or social interests of the local community and could do so in the future. The Localism Act states that ‘social interests’ include cultural, recreational and sporting interests.”<sup>4</sup> There are currently over 4000 ACVs listed. Keep it in the Community<sup>5</sup> maintains a list which shows how they range from pubs, schools and shops, to community hubs, football grounds and parks.
- **Services:** The Community Right to Shape Public Services would apply to any service local people feel is not achieving adequate levels of provision or in relation to which the community have ideas for a different approach. It does not need to be seen solely through the prism of service failure – though this might often be what inspires community action. But it could also be a vehicle for communities to investigate creative new ways of providing the services that matter most to people and put local communities at their heart.

This builds on the existing Community Right to Challenge, which applies to all “relevant services”, which means all services provided by a particular authority unless there is an explicit exclusion. Guidance published by MyCommunity<sup>6</sup> outlines the exceptions excluded by legislation, which are: individual packages of services for continuing health and social care for named individuals with complex needs, provided/commissioned by a local authority or NHS body (or jointly); and services commissioned and managed by individuals via direct payments.

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<sup>4</sup> <https://mycommunity.org.uk/what-are-assets-of-community-value-acv>

<sup>5</sup> See <https://plunkett.force.com/keepitinthecommunity/s/>

<sup>6</sup> <https://mycommunity.org.uk/understanding-the-community-right-to-challenge#:~:text=The%20Community%20Right%20to%20Challenge%20is%20the%20Right%20for%20community,on%20behalf%20of%20that%20authority.>

This makes clear that most services are in scope for this right, and it is flexible in allowing local people to define which are the most important services for them. Importantly, the Community Right to Shape Public Services would apply to all relevant services provided by health authorities, public institutions with responsibility for the provision of housing, education and skills training services, and bodies with responsibility for local business policy (such as Local Enterprise Partnerships).

- **Spending decisions:** The Community Right to Control Investment would provide a mechanism through which central government funds could be ringfenced for community control and devolved to the neighbourhood level.

We are proposing that a significant proportion of any new government regeneration funding should be devolved directly to Community Covenants to invest in local priorities for the economy. For example, the Communities in Charge campaign<sup>7</sup> has called for at least a quarter of the Shared Prosperity Fund to be controlled by neighbourhood-level partnerships. Community Covenants would also be a means for communities to control developer regeneration contributions such as Section 106 and the Community Infrastructure Levy (CIL). Too often the impact of this money is not felt by the communities whose lives are directly affected by new developments. The Levelling Up White Paper recognised this challenge, committing to “explore how the existing Community Infrastructure Levy (CIL) can be used to support neighbourhood and community activity”. We believe this new right would provide a clear way of doing this, via Community Covenants, and other appropriately accountable community-level decision-making institutions.

Another key part of this right is the ability to trigger an open book accounting process of spending in a particular

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<sup>7</sup> <https://locality.org.uk/policy-campaigns/communities-in-charge/>

neighbourhood. It would apply to any area of council spending where there is a reasonable expectation of data being held. This might be regeneration spending, public realm improvements, or existing central government pots like the Towns Fund or Levelling Up Fund. This would create radical transparency and enable the community to negotiate with the council about setting overall priorities, as well as opening up options for community delivery and neighbourhood control.

The Act would also impact spaces, services and decision-making via the menu of powers available to Community Covenants:

- **Spaces:** Covenant partners would hold the ability to co-design local community asset transfer policies with their council. This might involve instituting an assumption in favour of Community Asset Transfer, potentially creating a step change in community ownership of important buildings and spaces.
- **Services:** Covenant partners could be designated as trusted delivery partners for certain services. This would mean, for example, that 'person-centred' services, where high-quality community-led delivery is understood to have particular benefits, could be commissioned simply and collaboratively, avoiding complex and bureaucratic procurement processes.
- **Spending decisions:** Community partners would be able to impact a range of different decisions with the new powers available relating to spending scrutiny, local economic planning, neighbourhood planning and government and housing-led regeneration spending.

### **3. What legitimises the wielding of power and influence by communities? We elect local councillors to represent our interests and entrust them to take decisions on our behalf. Should people and organisations therefore be elected to Community Covenants?**

We don't think so. Electing people or organisations to take part in or lead Community Covenants would be both unwieldy and bureaucratic, and might inadvertently lead to highly driven but unrepresentative groups of local people in effect 'capturing' power-sharing arrangements which should be for the benefit of the whole community. In addition, legitimacy is a complex and multi-dimensional concept. A parish council, for instance, is democratically elected and therefore has strong formal accountability; but might struggle to engage the community or be subject to partisan interests, undermining its ability to act in the interests of local people generally. A community anchor organisation, on the other hand, might be able to draw upon well-developed informal networks and local knowledge – while simultaneously lacking clear mechanisms to ensure that it is genuinely rooted in and responsive to the needs of the whole community.

Our proposal for Community Covenants has been designed to reflect and harness the full range of democratic expression which exists within local places – from the agency local people express through their participation in informal groups and formal community organisations alike to that which they channel into and bring to bear on systems of representative democracy. In that spirit, democratically elected bodies such as parish councils as well as unelected community organisations might seek to form Community Covenants, but all prospective Covenant partners will be required to pass five tests demonstrating that they are appropriately accountable to their whole community before their power-sharing agreement is agreed by their local authority.

#### **4. How would community organisations and local people be held accountable for the power they would exercise through Community Covenants? What checks and balances would be put in place?**

In order to be agreed, prospective Covenant partners would need to show their council that they would be genuinely accountable to their whole community. This would mean demonstrating their ability and intention to:

- Earn and maintain the trust of the whole community
- Support everyone within their place to participate in community decisions and activities in an inclusive and equitable manner
- Practice dynamic local accountability and community leadership based not just on consultations and voting but on ongoing community participation, relationships and local action
- Work proactively to identify and address shared issues and local concerns
- Make decisions so as to promote the interests of local people, rather than institutions alone

Provided that these five key conditions are demonstrably fulfilled (in a manner reflecting guidance produced by the Community Power Commissioner), prospective Covenant partners would be permitted and supported to form a Community Covenant – and to act not as agents of the local authority but as independent actors with distinct and valuable voices, expertise and skills.

For its part, the Government would be required to recognise qualifying Community Covenants universally and on an equal footing.

## **5. Would Community Covenant plans need to actively involve a certain number of organisations and groups or otherwise surpass minimum standards of representation?**

Given that the strength and vibrancy of community life varies significantly from place to place, we don't believe that it would be helpful to stipulate that Community Covenants should actively involve a certain number of community organisations or groups. Prospective Covenant partners would, however, be expected to demonstrate their intention and ability to work alongside and involve broader networks of community organisations and groups as well as local people in general through their responses to the five tests of local accountability referred to above.

## **6. Wouldn't this proposal result in a postcode lottery for local service provision and outcomes?**

Community power is, at its core and by its nature, about harnessing and building upon the strengths of particular communities and places. A community-led approach to tackling homelessness which achieves results in Barnsley won't necessarily work in Bristol, and policy and decision-making systems and structures should reflect this reality. Far from leading to standards of provision or outcomes worsening, then, a well-designed system of local decision-making would enable communities to draw on their unique assets to develop approaches and solutions which work for them. We are clear, however, that the Government has an important role to play within this system both in setting standards for service provision and in supporting places to build up their capacity to design and deliver high quality community-led services.

## **7. Are you advocating the creation of a new layer of government?**

No. We are very deliberately building on what already exists in places. For example, some advocates of 'onward devolution'

suggest parishing the whole country in order to create powerful neighbourhood level institutions. We don't believe this is appropriate, as parishes are likely to work well in some communities but not others, and imposing them on places with no tradition of that type of governance model would not be effective. Instead, we are strengthening the range of different institutions that already exist – Neighbourhood Forums and community organisations along with parish and town councils – to give them greater statutory weight and influence.

## **8. Why should we legislate to establish Community Covenants when parish and town councils already exist?**

We are looking to create a range of new governance institutions at the neighbourhood level that reflect their local places and build on existing strengths and capabilities. So while parish councils may well be the appropriate neighbourhood partner for a Community Covenant in some places, they won't in others. We therefore need legislation to give statutory weight to certain existing community governance structures, such as Neighbourhood Forums, community anchor organisations or new community alliances. Neighbourhood Forums currently have a statutory role in planning, so this would need to be extended into other areas. Community organisations currently have no such statutory influence so it would need to be granted. What's more, we also don't envision 'business as usual' for existing town and parish councils. In order to qualify as Community Covenant partners, they would need to demonstrate their ability to meet elevated criteria on community trust, participation and dynamic accountability.

## **9. What would this proposal mean for local authorities? Would it simply create more hoops for councils to jump through?**

We believe this proposal follows the direction of travel many local authorities are already on. It is increasingly recognised that the scale and complexity of our big policy challenges can't be

successfully tackled by the public sector alone. Instead they require trusting relationships, local knowledge and widely dispersed power. We see this across New Local's work to support and platform councils committed to community power<sup>8</sup> or the local authorities who have joined Locality's Keep it Local Network.<sup>9</sup> So we don't see this as imposing new burdens on already overstretched councils, but rather as supporting the shift they are already trying to make, but which currently policy structures often militate against.

Indeed, the way we have designed our proposal for Community Covenants aims to avoid this being a hoop councils can jump through. Councils often have to comply with new centrally mandated duties, and are quite skilled as bureaucracies at ticking boxes without necessarily shifting practice in a meaningful way. Our proposal is all about creating meaningful partnerships, with newly empowered neighbourhood governance institutions able to exercise bespoke powers and supporting the development of mutually supportive community relationships.

There is also an element of quid pro quo to our proposals. Councils will be giving away power to local communities. But they will also be receiving new powers and resources from central government at the same time. This is in the spirit of "subsidiarity", where powers are exercised at the most local level possible. At present there are certain things local authorities control that local communities are better placed to do successfully. Similarly there are functions currently exercised by central government that would better sit at local authority level. Community Covenants create a mechanism for local authorities to have the powers and resources they need to exercise influence area- or borough-wide, while supporting local communities to play a bigger role at the neighbourhood level.

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<sup>8</sup> <https://www.newlocal.org.uk/research/community-power/>

<sup>9</sup> <https://locality.org.uk/policy-campaigns/keep-it-local/who-are-the-keep-it-local-councils/>

## **10. It's clear that this Act would have a considerable impact on local authorities but what are the implications for local hospital trusts? What about schools, colleges and universities?**

The Community Power Act is intentionally ambitious and designed to change the way communities interact with the state. Therefore, it will likely have an impact on a range of public institutions. This might, for example, include significant involvement in decision-making around local NHS spending and the delivery of important preventative health and care services. Having said this, it also aims to build on what's already in place. For many communities, their relationship with the local authority is the most important and most visible. So, we imagine the Act will have the most tangible impact on the way communities interact with local councils and a more peripheral impact on the way they interact with other public bodies.

## **11. What happens if two prospective Covenant partners don't get on?**

It's of course true that, in some places, community bodies and organisations have difficult relationships which might make it hard for them to jointly form a Community Covenant with their local authority.

We would hope that the opportunity to work in new ways and draw down on new powers through forming a Community Covenant would create clear and powerful incentives for those organisations to set aside any past differences. We would also hope that the process of jointly shaping a power-sharing arrangement with their council might present an opportunity to work through challenging issues; and that the relevant local authority would seek to mediate between the two organisations and bodies where this is appropriate.

Equally, we recognise that, in some instances, prospective Covenant partners simply won't see eye-to-eye. Where the Community Power Commissioner receives two requests to form a Community Covenant within the same neighbourhood – or an application to form a Covenant in an area where such an arrangement is already in force – they would be expected to assess the merits of both requests before making a judgement as to which more fully reflects the interests of the whole community. The Commissioner would need to take into account considerations including the ability of each prospective partner to fulfil the five key conditions for local accountability ([see p30](#)) as well as the views of the local authority and other community organisations and groups in the area in question.

## **12. Place-based identity doesn't always fit with official definitions and boundaries. Might there be some amount of geographic overlap between Community Covenants?**

Localism is messy. It doesn't always map neatly onto geographical and administrative boundaries. So, there may well be some Community Covenants which cross local authority areas and indeed overlap between two or more Covenants.

Having said this, one of the goals of the Community Power Act is to ensure any place that wants a new community-level institution, in the form of a Covenant, should have one. Therefore, this work will be guided by the principle that there should be as much Covenant coverage, with as little duplication, as possible.

When forming a Covenant, partners should consider whether there are other Covenant groups forming nearby and how the two might sit alongside one another. The local authority, which will be involved in conversations on the establishment of Covenants in a particular place, will also be able to provide a valuable steer on this question.

### **13. Wouldn't the proposed Community Right to Buy allow community organisations to buy a property or piece of land by claiming that it could be used by the community only to then sell it on for profit?**

No. The legal structures of community organisations which could trigger the Community Right to Buy are subject to an 'asset lock' – a clause in their governance which restricts asset disposal.

### **14. How would the work of Community Covenants be funded?**

If they are to be vehicles for meaningful community involvement in policy and decision-making, then Community Covenants will require a considerable level of core funding. We are proposing that the government should create a development fund which Community Covenants could draw upon to meet their core operating costs, with grants of approximately £60,000 made available to fund the work of Covenants over a three-year period. In addition, the need for targeted capacity-building support to be provided in places with less well developed social infrastructure will also result in significant spending.

Ultimately, though, we must be clear that unlocking community power is a growth proposition. Through working in genuine partnership with community organisations and local people, policymakers could boost wellbeing and resilience, enable the development of prevention-focused public services and turbocharge local initiatives which are working successfully to address some of our country's most pressing challenges, such as inequality, local decline, loneliness and mistrust. The creation of Community Covenants would, in other words, save the Treasury substantial sums which are currently being spent responding to those issues either in ways which don't factor in local needs and assets – in turn generating costly inefficiencies – or which are largely palliative in nature.

## 15. Would tax relief form part of the package of financial resources available to Covenant partners?

No, but our campaign would urge the government to extend Social Investment Tax Relief beyond its planned expiration in 2023 and create a supportive tax environment for local community organisations that supports them to maximise their local impact and serve their communities.

## 16. You talk about the Localism Act. Isn't this campaign just the Big Society Mark 2?

No. The Localism Commission <sup>10</sup> concluded that the Localism Act had introduced some important powers for local communities but had failed to live up to its promise of a “fundamental shift in the balance of power from Westminster to people”. The Commission highlighted how use of community rights were too dependent on local capacity and resources, and the outcomes of the Localism Act were too tied to the supportiveness and behaviours of the local authority.

The Community Power Act specifically addresses these weaknesses. Rather than simply creating a limited set of rights that are available to communities to use if they have the capacity and inclination, it builds community power across a range of domains:

- It creates new **institutions**, via Community Covenants, through which community power can be exercised and to ensure power sticks at the neighbourhood-level.
- It gives communities **strengthened** powers, creating three new community rights, which expand on those created by the Localism Act. These reflect lessons learnt from the application of the community rights over the past decade, ensuring there are meaningful mechanisms for communities to take action locally.

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<sup>10</sup> <https://locality.org.uk/policy-campaigns/localism-devolution/the-localism-commission/>

- It builds **relationships** between councils and communities through Community Covenants, providing a means for addressing the risk aversion and lack of trust in communities that has held back Localism Act initiatives.
- It strengthens community **capacity**, with significant investment to support communities to take up the rights and powers available to them, to ensure localism isn't just the preserve of wealthier communities or those with the loudest voices.

So the Community Power Act marks a line in the sand with the Coalition government's approach. The Big Society was laissez-faire localism – creating a set of rights and leaving it up to communities to use them or not. The Community Power Act takes a proactive, enabling approach to building community power. It recognises that community power exists everywhere, but needs support to unlock it and allow it to reach its full expression. It is a fundamentally different philosophy to the Big Society, one that starts with a clear-eyed understanding that we begin with huge inequalities of power and which creates a targeted framework for addressing those inequalities.

# Appendix 1: How the new community rights build on existing rights

The Localism Act 2011 was heralded by an ambition to “end the era of top-down government [through a] fundamental shift of power from Westminster to people.” This legislation built on an emergent political consensus for a stronger role for local government and to put greater powers in the hands of communities.

Central to the act was the creation of a new set of community rights. These aimed to give local people greater control over some of the key things happening in their neighbourhoods.

## **The community rights created by the Localism Act are:**

**The Right to Challenge:** A process for community organisations, including parish and town councils, to submit an expression of interest in running a local service on behalf of the public authority. If the authority accepts the expression of interest, they must then run a procurement exercise for that service. This procurement process is an open competition, where other providers including those from the private sector can also compete to run the service.

**The Right to Bid:** Communities can register land or buildings in their community as Assets of Community Value (ACV) with the local authority. If ever the building and land comes up for sale, the Community Right to Bid can be evoked. This puts a six-month pause, or moratorium, on the sale to allow the community to raise funds to buy it. At the end of the six month period, the owner does not have to sell to the community and they can sell to whoever they like at whatever price they choose.

Assets can be nominated as ACVs by a community group connected to the area including a parish council, Neighbourhood Forum, or a community group with at least 21 individuals involved. ACVs can only be nominated if they have a social use (such as sport, culture or recreation) or if it has a current impact on community wellbeing. Once listed the ACV stays on the register for up to five years.

**Neighbourhood Planning:** A Neighbourhood Plan is a document that sets out the planning policies within a neighbourhood which have been agreed by the people that live there. It is written by members of the community. Once agreed through local referendum, the Neighbourhood Plan forms part of the statutory Development Plan for that area and has to be considered in future planning decisions.

**Community Right to Build Order:** The Community Right to Build Order is usually, but not always, attached to the Neighbourhood Plan. It provides automatic planning permission once passed through local referendum for community buildings – for example community centres – as well as for local homes and community-led housing. Any profit generated from the development under this Order is reinvested for community benefit.

The Commission on the Future of Localism reviewed these rights in 2018. It concluded that the rights had made important advances – especially Neighbourhood Planning, which has benefited from statutory weight and a funded support programme. However, the Commission heard how using the community rights remained too dependent on local capacity and resources – and too tied to the supportiveness and behaviours of local authorities.

The Community Power Act therefore builds on the successes and learns from the shortcomings of the community rights introduced in the Localism Act. It does this by creating three new community rights which specifically address some of the weaknesses within the existing rights. Crucially, it also introduces Community

Covenants as a key neighbourhood-level institution to support local people to use the new rights and drive the necessary culture change in local authorities.

**The Community Right to Buy:** This enhances the existing Right To Bid, which has failed to significantly increase community ownership due to the lack of compulsion on property owners to sell buildings and spaces which have been designated as Assets of Community Value to the local community. The six month moratorium is often too short for communities to mobilise the required funds; and even if they do they can be easily outbid on the open market. So this new right extends the moratorium to 12 months and gives communities first right of refusal when Assets of Community Value come up for sale. This draws on the example of similar legislation in Scotland, where the community group is first in the queue for purchasing the listed asset, with an independent valuation to ensure that the owner receives a fair price at 'market value.'

This new right would also apply to spaces which are not presently in community use but which have the potential to be used by the community – including privately-owned vacant or derelict properties and spaces as well as publicly-owned assets.

**The Community Right to Shape Public Services:** Of the existing community rights, the Community Right to Challenge has been the least well used. The Localism Commission identified this to be due to its oppositional nature – communities find the 'challenge' process antagonistic and damaging to their relationships with local authorities. This new right therefore seeks to reflect a collaborative approach to reshaping local services. Local communities can trigger this power when local services aren't delivering in the right way, with statutory responsibility being placed on the local authority to begin a process for community consultation and co-design. Its scope is also considerably larger than that of the Community Right to Challenge, given that it could be used to trigger joint reviews of services provided by health authorities, public institutions with responsibility for the provision of housing, education and skills training services

and bodies with responsibility for local business policy (such as Local Enterprise Partnerships).

**The Community Right to Control Investment:** The big gap in the Localism Act's Community Rights was any measure to increase community control over economic activity in their neighbourhoods. This has been a critical flaw. The Localism Commission concluded that having control over economic resources at a local level, and having the means to address local priorities and find community-led solutions, is critical to community power. The Community Right to Invest therefore addresses this gap to give communities more control over how public money is spent in their communities, with direct control over government funding streams and the ability to invest in their own priorities.



There is a growing consensus that empowered communities are a vital part of the answer to some of the biggest problems facing us as a country – problems like inequality, local decline, loneliness and mistrust.

Local communities are innately powerful. They are made up of networks of relationships and social ties which help individuals to prosper. And they hold crucial and unique knowledge about the needs and ambitions of people in local places. Yet this power residing in communities everywhere is held back by a system which appears not to trust local people. The powers which local people need to shape their neighbourhoods are mainly held far away, by institutions which often implicitly reject communities' right to determine their own future.

We're Right Here is therefore calling for a Community Power Act, a major piece of legislation which would fundamentally change where power lies in this country.

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