

Localism Act 2011 - Community Right to Bid

Financial pressures are forcing all land owners, whether public, voluntary and community sector or private, to think even more strategically about how they use their assets to maximise value and minimise cost. This may necessitate the disposal of those assets on the open market. In many places across the country, when local amenities such as community centres, libraries, village shops, markets or pubs have been threatened with sale or closure, parish councils and community groups have successfully taken them over. However in some cases community groups have faced significant challenges as they often need more time to organise a bid and raise the necessary finance to bid competitively than their private sector counterparts.

Provisions in the Localism Act 2011, known as the Community Right to Bid, are designed to give eligible local bodies and community groups this extra time to prepare a bid. Certain local authorities will be required to maintain a list of land or buildings which meet the definition of an “asset of community value”. Nominations to this list can come from parish councils or local voluntary and community bodies. When the owner of a listed asset wishes to dispose of it the Act introduces a delay (or ‘moratorium’) before he or she can do so, to give any interested and eligible community groups the time to prepare a bid. However, at the end of the moratorium period, the owner can sell to whoever they choose at a price agreed with the buyer.

Working with communities to identify “assets of community value”

Many local communities will have heard about the Community Right to Bid and the Local Government Association have highlighted that councillors have an important role to play in working with the communities to explore whether it provides a useful tool to fulfil their ambitions.

In short the Localism Act defines an “asset of community value” as an asset that ‘furthers the social well-being or social interests of the local community’. ‘Social interests’ cover cultural, recreational and sporting assets but aren’t limited to these.

It is vital that communities can demonstrate that the asset’s main use currently falls within this definition and show that it is realistic to think that the main use of the asset can continue to meet this definition (even if the exact use is different).

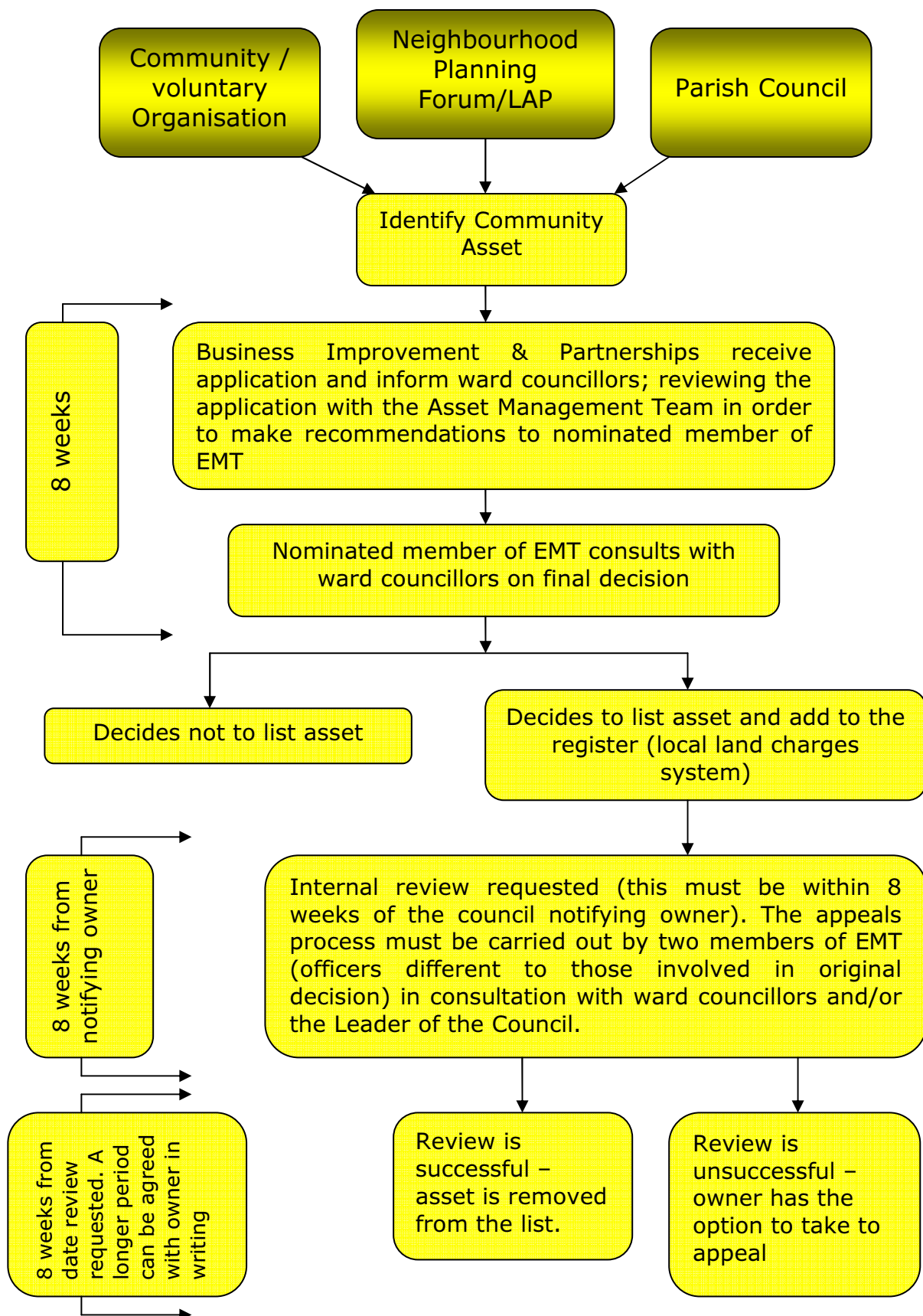
Alternatively, communities could demonstrate that the main use of the asset in the recent past has fallen within this definition and it is realistic to think that there is a time in the next 5 years when its main use could again fall within this definition.

The Community Right to Bid allows communities to make the case to list private assets (such as a shop or pub) on the basis of their social role. Meanwhile there is clearly scope for public assets like libraries, leisure and community centres, museums, and parks to be successfully nominated. It offers a valuable tool, alongside others, to contribute to the building of a more strategic approach to managing all local assets with social, economic and environmental objectives in mind.

Newcastle-under-Lyme Borough Council Approach

Approved by Cabinet February 2013 the following procedure has been adopted for all applications received to

date:



The process is supported by a number of standard templates and guidance documents an example being the application form which has been modified recently to include user guidance on fully completing the form. These templates will continue to be reviewed to aid improvements to the process to both applicants and the authority alike. Officers have also commenced work to align the application process to the Councils planning software reporting.

To date 9 applications have been received; 6 have been accepted and listed on the Borough Councils register of 'Assets of Community Interest', 2 applications have been rejected and 1 further application is currently under review. Attached to this report is a copy of the Council's register of 'Assets of Community Interest' which is also available on the Councils website utilizing the following link:

www.newcastle-staffs.gov.uk/Documents/procurement/Assets%20Register%20-.pdf

The register contains two pages the first listing approved applications, the second page listing those applications that have been rejected with supporting reasons for such rejections.

Where an application is approved and the asset listed on the Borough Council's register of 'Assets of Community Interest' the Council is required to inform the owner of the asset of its listing offering an opportunity to appeal this decision. Further support is offered to the asset owner in the form of a guidance document produced by the Council titled 'Guidance Notes for Owners' which offers:

- a short introduction to the Act;
- an explanation of the provisions within the Act;
- an explanation of what makes an asset land of community value;
- an overview of the decision making process;
- what an owner may do if s/he is not in agreement with the listing of the asset;
- what an owner is required to do when s/he decides to sell the asset;
- what happens once the Council has been notified of an intention to sell the asset;
- an explanation of assets that may be exempt from moratorium periods;
- details on the enforcement of a moratorium;
- details on how a claim for compensation may be made;
- information on how long the asset will remain on the Council's register.