

The Community Right to Bid



Background

The Community Right to Bid (Assets of Community Value in legislation) is one of a number of new rights introduced in the Localism Act 2011 and came into effect 21 September 2012.

The Community Right to Bid allows communities and parish councils to nominate buildings or land for listing by Melton Borough Council as an asset of community value. An asset can be listed if its principal use furthers (or has recently furthered in the last 5 years) their community's social well-being or social interests (which include cultural, sporting or recreational interests) and is likely to do so in the future.

When an owner of a listed asset wishes to sell building or land, a moratorium on the sale (of up to six months) may be invoked, providing local community groups with a chance to raise finance, develop a business plan and make a bid to buy the asset on the open market.

The Legalisation: How the Community Right to Bid will work

This is set out in the **Localism Act 2011 Part 5 Chapters 2 and 3** and **Assets of Community Value (England) Regulations 2012**: Local Authorities must keep a 'List of Assets of Community Value'; the legislation sets out in detail the process they must enter into and what information they must include.

The legislation also outlines the definition of an asset of community value, which groups can legitimately nominate an asset, the appeals process for land owners, timescales for groups interested in buying land or property on the list, and compensation available to the owners of land or property on the list.

What is an Asset of Community Value?

A building or other land is an asset of community value if its main use has recently been (in the last 5 years) 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.

Examples of a community asset could include:

- **Education, health and wellbeing or community safety**
Nurseries and schools

Health centres, surgeries and hospitals
Day care centres, residential care homes

- **Sport, recreation and culture**

Parks and open spaces
Sports and leisure centres
Libraries/Theatres/Museums or heritage sites

- **Community services**

Community centres/Youth centres
Public toilets

- **Any economic use (e.g. a business such as a shop)**

Village shops - which also provides an important local social benefit which would no longer be easily available if that service should cease
Pubs

The regulations list a number of situations where land or buildings are exempted from inclusion on the list or operation of the moratorium. These include homes, hotels, assets being transferred between kindred businesses, and Church of England land holdings.

Who can nominate Assets of Community Value?

A number of community organisations can nominate land and buildings for inclusion on the list:

- Parish Councils
- Neighbourhood Forums (as defined in Neighbourhood Planning regulations)
- Un-constituted community groups (with at least 21 members register to vote in the District of Melton)
- Not-for-private-profit organisations (eg charities)
- Community organisations (must have a local connection, so their activities are wholly or partly concerned with the area or with a neighbouring authority area)

Community Interest Groups are defined by **Regulation 12**

To make a nomination please complete the form, available to download from the Melton Borough Council website.

Decision and Appeals

If a community organisation nominates land or buildings that meet the definition of an Asset of Community Value, and the nomination process was undertaken correctly (i.e. came from a group entitled to nominate), then the Melton Borough Council must include the asset on its list which will remain on the list for at least 5 years.

If Melton Borough Council decides that the nomination does not meet the criteria, then we will write to the group who nominated the asset and provide an explanation.

Melton Borough Council will also keep a list of unsuccessful nominations for at least 5 years.

Landowners can ask Melton Borough Council to review the inclusion of an asset on the list; this review will be undertaken by the Community and Social Affairs Committee.

If landowners are still unhappy with the outcome of the Committee's decision they may appeal to an independent body, called a First Tier Tribunal by contacting:

Tribunal Clerk, Community Right to Bid Appeals, HM Courts and Tribunals, First Tier Tribunal (General Regulatory Chamber), PO Box 9300, Leicester, LE1 8DJ or via email

to: GRC.CommunityRights@hmcts.gsi.gov.uk

There is no appeal or review process for nominating groups.

Moratorium Periods

The Community Right to Bid gives time for Community Groups to put together the funding necessary to bid to buy the asset on the open market. It does not, however, give the right of first refusal to community organisations to buy an asset.

If an owner wants to sell property or land that is on the list, they must tell the Melton Borough Council. If the nominating body wishes to develop a bid, they can then call for the District Council to trigger a moratorium period, during which time the owner cannot proceed to sell the asset but may still market the asset.

There are two moratorium periods. Both start from the date the owner of the asset tells the Council of their intention to sell:

The first is the '**interim moratorium**' period, which is **6 weeks**, during which time a community organisation can decide if they want to be considered as a potential bidder.

The other is a '**full moratorium**' period, which is **six months**, during which a community organisation can

develop a proposal and raise the money required to bid to buy the asset.

If a sale is not completed then there is an **18 month 'protected period'**(running from the date the owner notified the local authority of an intention to sell) during which the owner is free to dispose of the property without further moratoria.

Asset of Community Value Review and Appeal Process

