

Report of the Acting Chief Asset Management Officer

Report to South (Outer) Area Committee

Date: Monday 3 September 2012

Subject: Community Right to Bid

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Community Right to Bid is part of the Localism Act (2011) and provides community organisations with an opportunity to list assets as Assets of Community Value (ACV) and delays the sale of such assets for six months to allow them to put a bid in.
2. Only local community and voluntary groups can take advantage of the right.
3. The criteria are laid down in the Localism Act and draft regulations, although there is some scope for interpretation in terms of definition of social wellbeing and recent past.
4. Area Committees and area support teams have an important role to play in terms of encouraging and helping local communities to nominate assets and commenting on nominations submitted.

Recommendations

5. South (Outer) Area Committee is requested to note the contents of this report and consider ways that the committee and area support team can encourage and help local community organisations to nominate assets.

1 Purpose of this report

- 1.1 This report updates South (Outer) Area Committee on developments with Community Right to Bid and advises of the implementation date.

2 Background information

- 2.1 The Localism Act (2011) came into effect in November 2011 and contained a number of community rights. Part 5 Chapter 3 of the Act details Assets of Community Value and set out the Community Right to Bid. The right gives communities the opportunity to nominate assets as assets of community value. If, in the opinion of the Local Authority, the nomination meets the eligibility criteria then the asset is placed on the List of Assets of Community Value. Listing prevents the owner from disposing of the asset without first giving the community a six month period to put a bid together to buy it. However, there is nothing to say the landowner must accept the offer and once the offer has been submitted the landowner is free to dispose of the asset to whoever they wish.
- 2.2 For an asset to be eligible its current main use must further the social interested or social wellbeing of the local community and it must be realistic to think that such a use can continue, or a use in the recent past must have further the social interest or social wellbeing of the local community and it must be realistic to think it could be brought back into such use within the next five years.
- 2.3 Draft regulations for Community Right to Bid have been published and are currently being discussed in Parliament, so some of the detail is still to be agreed. However, the right will come into effect from 12th October 2012.

3 Main issues

- 3.1 Community Right to Bid is managed by Asset Management Service and the Acting Chief Asset Management Officer has authority to approve listing. Nominations can be made in writing or preferably online via righttobid@leeds.gov.uk. A simple nomination form has been produced to aid nominating organisations.
- 3.2 Organisations that are eligible to nominate are:
- a) A body designated as a community forum;
 - b) A parish council;
 - c) An unincorporated body whose members include at least 21 individuals registered to vote in the local authority's area;
 - d) A charity
 - e) A company limited by guarantee or industrial provident society that does not distribute any profit to its members;
 - f) A community interest company.

The Council is not able to self-nominate assets.

- 3.3 Only organisations listed under d-f above may trigger the full moratorium period, although a parish council may also trigger the full moratorium if the asset is in the parish council's area.
- 3.4 If the owner of a listed asset decides to sell, they must notify the Council. We will then notify whoever nominated the asset and publicise the fact on our website. At this stage interested community groups have a six week period to inform us that they intend to submit a bid. If notice is not received within this period then the landowner is free to dispose on the open market. If notice is received then the full moratorium period begins. This period is six months from the date the landowner informed the Council of their intention to sell. Within this period the landowner can only dispose of the asset to an eligible community or voluntary organisation (as per paragraph 3.3).
- 3.5 The majority of the criteria are set out in the act or regulations. However, there is room for interpretation around what "recent past" is. Furthermore, there is no set definition for social wellbeing. It is up to the nominator to make a case for meeting the eligibility criteria.
- 3.6 In some circumstances it may be difficult to establish the current or recent use of a property. To that end the local intelligence of Ward Members and officers in area support teams will be required to help determine use.
- 3.7 Ward Members will be informed by email when assets in their ward are nominated and will be able to comment by reply. Ward Members will also be informed of the decision taken.
- 3.8 It is hoped that Area Committees and area support teams will play an active role in helping local communities pull together nominations.
- 3.9 The regulations have made clear that landowners will be able to claim compensation from the Council for both costs of complying with the scheme and any loss of value from a delayed sale.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Department for Communities & Local Government (DCLG) consulted widely on the wider Localism Act and on each of the community rights individually.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 This report has no implication for Equality and Diversity / Cohesion and Integration.

4.3 Council policies and City Priorities

- 4.3.1 Although a central Government piece of Legislation, implementation of ACV contributes to the Vision for Leeds and the City Priority Plan priorities that Leeds will be fair, open and welcoming and that all Leeds communities will be successful. The strategic outcomes for these priorities include:

- Increase a sense of belonging that builds cohesive and harmonious communities;
- Leeds will be a city where there is a strong community spirit and a shared sense of belonging, where people feel confident about doing things for themselves and others;
- Local people have the power to make decisions that affect them;
- People are active and involved in their local communities.

4.4 Resources and value for money

4.4.1 This report has no implications for resources and value for money.

4.5 Legal Implications, Access to Information and Call In

4.5.1 This report has no implications for legal, access to information or call in.

4.6 Risk Management

4.6.1 There are no risk management issues from this report.

5 Conclusions

5.1 Community Right to Bid comes into force on 12th October 2012. It gives communities a right to delay the sale of assets that are deemed to be assets of community value to give them an opportunity to put a bid together to purchase the asset.

5.2 Area Committees and area support teams have an important role to play in terms of encouraging and helping local communities to nominate assets and commenting on nominations submitted.

6 Recommendations

6.1 South (Outer) Area Committee is requested to note the contents of this report and consider ways that the committee and area support team can encourage and help local community organisations to nominate assets.

7 Background documents¹

7.1 Localism Act (2011)

7.2 Draft Asset of Community Value (England) Regulations 2012

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.