

NORTH LINCOLNSHIRE COUNCIL

**ASSET MANAGEMENT, CULTURE AND HOUSING
CABINET MEMBER**

COMMUNITY RIGHT TO BID

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 The Localism Act 2011 introduced a 'Community Right to Bid' in relation to community assets for the third sector. This goes 'live' on 10 October 2012.
- 1.2 This paper outlines what this means for the council. It highlights what we need to do to put this into action.

2. BACKGROUND INFORMATION

- 2.1 The council have always responded positively to community groups who wish to take over the running of council assets. Examples of successful asset transfers include Baysgarth House Museum, Barton Youth Centre and numerous Community Centres.
- 2.2 The Localism Act 2011 will introduce a new requirement on council's to manage a 'Right to Bid' process for certain assets. This includes assets in both public and private ownership. Appendix 1 sets out the key principles of how this 'Community Right to Bid' will work.
- 2.3 The Cabinet Member approved a policy and procedures on Community Asset Transfer in April this year. The council has developed its approach on the Community Right to Challenge. We are drawing on the work done so far as we implement the Community Right to Bid. These processes will need to work together.
- 2.4 The government has now published regulations that set out the detail of the scheme.
- 2.5 Officers will develop and implement the new requirements. This ongoing work includes the following activities:
 - Asset Management are developing a set of policies, procedures, forms and standard letters
 - Development Management will receive and consider nominations for properties to go on the list. They will screen organisations for eligibility. They will create, publish and maintain the list of successful and unsuccessful property nominations.

- Asset Management will receive and manage Expressions of Interest for properties on the list. They will handle any claims for compensation from private owners.
- Voluntary Action North Lincolnshire, as part of a range of services commissioned by Stronger Communities, will have a role in supporting Community Groups in the process. They will also assess their business plans.

3. OPTIONS FOR CONSIDERATION

3.1 The council are obliged by statute to implement this new requirement. Members may wish to comment on the detailed way we are planning to implement the policy. However, in practice most of the requirements are prescriptive.

4. ANALYSIS OF OPTIONS

4.1 Proceeding as we suggest will allow the council to successfully implement the scheme.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Financial:

Council's are required to compensate private owners for loss or expense incurred as a result of listing and complying with any of the procedures required by the scheme. These will be assessed in each individual case. It believed that government will provide financial support for this purpose. The details are uncertain as yet. Compensation is capped at £20,000 for each claim.

5.2 Property:

The new scheme could impact individual council properties although there is no requirement to sell or lease to a community group. Any disposal can be at full market value or rent.

5.3 Staffing and IT:

There are no significant staffing or IT related implications to the policy.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

6.1 Statutory:

The scheme is a requirement of the Localism Act 2011.

6.2 Environmental:

Reducing our building portfolio cuts the council's carbon footprint.

6.3 There are no other implications to consider.

7. **OUTCOMES OF CONSULTATION**

7.1 The requirements are mandatory. We will publicise the new scheme through the council's website and also via a press release. We will also contact Voluntary Action North Lincolnshire and Town and Parish Councils.

8. **RECOMMENDATIONS**

8.1 That we implement the Community Right to Buy in accordance with Appendix 1.

8.2 That the decision whether or not to list properties is taken by the Head of Asset and Estate Management, in liaison with the Cabinet Member.

8.3 That any internal review of a decision is conducted by the Assistant Director Planning and Regeneration.

DIRECTOR OF PLACES

Hewson House
Station Road
Brigg
DN20 8XY

Author: Chris Ellerby
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Background Papers used in the preparation of this report:
The Asset of Community Value (England) Regulations 2012

The Community Right to Bid

The following is a simplified summary of the proposals

1. What is the Community Right to Bid?

Communities will have a right to identify buildings or other land they believe to be of importance to their community's social well being. If that asset comes up for sale, they will be given a fair chance to make a bid to buy it on the open market.

If the asset meets the definition, the local authority will list it.

The owner will have a right to an internal review by the council, and a right of appeal to an independent tribunal.

If the owner later decides to dispose of the asset, freehold, or a lease of at least 25 years, there must be a window (the 'interim period' of six weeks) during which community groups can express a written intention to bid.

If they do so, the 'full moratorium period' of six months will operate during which the group must put together a business plan and finance.

After that, the owner is free to sell to whomever he chooses at whatever price.

2. Definition of asset of community value

The asset meets the criteria if:

- Its actual current use furthers the social well-being and interests of the local community, or a use in recent years has done so.
- That use isn't ancillary.
- The use of the property to further social well-being is likely to continue.
- It doesn't fall within an exemption (such as where the main use is residential).

The council will have to decide what categories of asset are to be included, but it has been suggested that categories could include village shops and pubs, and community centres.

3. List of assets

The council will be required to keep two lists - assets successfully nominated, and those unsuccessful. Reasons for rejection must be recorded.

The lists will need to be amended each time a notice is received, noting the date, and the end dates of the initial and moratoriums, and the protected period.

One free copy of both lists can be requested by anyone.

Assets may be removed after five years, but there is no requirement for them to be.

4. Who can nominate an asset to go on the list?

Voluntary and community organisations with a local connection, and parish councils. This includes neighbourhood forums, charities based in, or active working in the area. Unincorporated bodies are potentially eligible, but must have at least 21 members.

Organisations who distribute surpluses to their members would not normally qualify.

A full definition is set out in the regulations.

5. Decisions to list

The council decides whether or not to list the property. We suggest that the Head of Asset and Estate Management take this decision.

The owner has a right to an internal review by the council, which must take place within 6 weeks. We suggest that the Assistant Director - Planning and Regeneration conduct this.

There is a right of appeal to an independent tribunal.

6. What happens when an owner wants to sell?

The owner must notify the local authority if they intend to sell.

The owner may be able to demonstrate that the disposal is an exempt disposal – there are certain exemptions such as a sale within the family, a gift or entitlement under a will.

The council then notifies the nominator and publicises to the community.

If no Expression of Interest is received from a community group within 6 weeks of the council being notified, the owner is then free to sell to whoever they wish.

If an Expression of Interest is received, the community group prepares their business plan and finance within 6 months.

The owners are free to accept an offer from the community group or sell to whoever they wish.

The owner has 18 months from the date of the original notification to the local authority during which to sell the property, without triggering a further period under the regulations.

7. Compensation

Owners other than local authorities will be entitled to claim compensation for loss or expense incurred as a result of listing any complying with any of the procedures required by the scheme.

The council will administer this process.

Claims should be made to the council within 90 days of the interim or full moratorium period; whichever is relevant to the claim.

The owner can ask for an internal review of the compensation within the council and there is a right of appeal to the independent first tier tribunal, which must be lodged within 21 days of receiving notification of the decision on compensation.