

Assets of Community Value - Community Right to Bid

The Localism Act 2011 gave communities a number of rights to help them take greater control over the way their local area develops and the way services are provided.

One of these rights is to help communities keep buildings which they value in community use if they are sold by the owner. This may be a public building such as a community centre or a police station, or it may be a privately owned building such as a shop or a pub.

This right is known as the **Community Right to Bid**

Register of Assets of Community Value

The Localism Act requires local authorities to keep a register of these community assets so that if an owner decides to sell a listed property, the community is given the opportunity to bid to buy it and keep its community use. The current register is available at www.croydon.gov.uk/acv. The Croydon register combines both assets listed and assets where a nomination has been declined either by the Council or at a subsequent appeal.

What can be put on the list of community assets?

The law requires the Council to make sure it is satisfied that property nominated as community assets “enhances the social interests and social wellbeing of the local community”.

Organisations wishing to nominate a property must therefore provide evidence that;

- (a) an actual current use of the building or other land that is not an ancillary use furthers the social wellbeing or social interests of the local community, and
- (b) it is realistic to think that there can continue to be non-ancillary use of the building or other land which will further (whether or not in the same way) the social wellbeing or social interests of the local community.

Or

- (a) there is a time in the recent past when an actual use of the building or other land that was not an ancillary use furthered the social wellbeing or interests of the local community,
- and
- (b) it is realistic to think that there is a time in the next five years when there could be non-ancillary use of the building or other land that would further (whether or not in the same way as before) the social wellbeing or social interests of the local community.

Some types of property are excluded. The full list is set out in the government regulations

(http://www.legislation.gov.uk/ukxi/2012/2421/pdfs/ukxi_20122421_en.pdf) but the most significant ones are, residential properties, including gardens, hotels, caravan sites

Who can make a nomination?

Only groups of people with a local connection to the nominated property can make nominations, not individuals. Before making a nomination there are two questions which a group has to ask itself;

1. Does it have a strong local connection to the property it wishes to nominate for listing?
2. Is it one of the following types of organisation?
 - An unincorporated group with at least 21 members registered to vote in Croydon,
 - A registered charity
 - A company limited by guarantee
 - An Industrial and Provident Society
 - A community interest company, or
 - A local neighbourhood forum recognised by Croydon Council

A group can only make a nomination if it can answer 'yes' to both questions.

If a local group believes a building or land meets these criteria, it may nominate it as an asset of community value. To do this, the group should complete the nomination form (available at www.croydon.gov.uk/acv) and submit it with any supporting evidence to the Council. The Council must make its decision within 8 weeks of accepting a completed and valid nomination form.

What happens if a nomination is accepted?

The property will be placed on the list of community assets published on the Council's website for five years. This will be recorded at the Local Land Charges Registry to ensure that the building cannot be sold without reference to the Council's interest.

The nominator will be informed of the date the property was placed on the list and the date it will be removed.

The owner and anyone else who has an interest in the property such as leaseholders and mortgagors will also be told. The owner will have the opportunity to make a formal appeal to an independent body.

If the owner accepts the listing or is unsuccessful in appealing against it, the listing will remain in force for five years or until the property is put up for sale, whichever is sooner.

What happens if a nomination is rejected?

The Council will inform the nominating organisation and explain why. There is no right of appeal. The details of why the nomination was rejected will remain on the register for five years.

What happens if a listed community asset is put up for sale?

If an owner decides to dispose of a listed asset either by selling or granting a lease for a long term, the Council must be notified. The Council will then inform the group which originally nominated the asset and publicise the owner's intention to sell.

If any local group wishes to buy the property it must notify the Council of its wishes within 6 weeks. The Council will then inform the owners that the disposal must be delayed the sale of the property by up to 6 months to give the group an opportunity to raise funding and make an offer to purchase the property.

The owner will be free to sell the property if a group does not formally express an intention to buy to the Council within the 6 week period or if the subsequent purchase is not agreed within 6 months.

The community right to bid does not:

- make any assumption that any listed property will ever be sold
- give local community groups and organisations a first right of refusal
- restrict who the owner should sell the asset to
- determine the price at which the asset can be sold
- place any express restrictions on the owner's use of the land
- imply that public funding will be provided to purchase the asset

Assets will stay on the Register for a period of 5 years

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