

## What is the 'Community Right to Bid'?

The Localism Act (September 2012) introduced two key community rights:

1. Community Right to Challenge
2. Community Right to Bid (Assets of Community Value)

This fact sheet focuses on just one of the community rights: The Community Right to Bid and includes a brief introduction to the Act.



### What is the Localism Act?

The Localism Act was passed by Parliament in November 2011. It aims to shift power from central government to the local level, particularly to communities and individuals, making it easier for them to have a big say in what happens in their local areas, get things done and achieve their aims for the place where they live. The Act contains five key themes / measures:

- New freedoms and flexibilities for local government
- New Rights and powers for communities and individuals
- Reform the planning system to make it more democratic and more effective
- Reform to ensure that decisions about housing are taken locally
- Empowering cities and other local areas

### New Rights and powers for communities and individuals

Under the theme of 'new Rights and powers for communities and individuals' the Act passed significant new rights direct to communities and individuals; giving them the opportunity to take the initiative on how local public services are run and decisions on planning made. These rights include:

- Neighbourhood Planning
- Community Right to Build
- Community Right to Bid
- Community Right to Challenge
- Community Right to Manage and Community Cashback
- Community Right to Reclaim Land
- Community Right to Approve or Veto Excessive Council Tax Rises

### Community Right to Bid (Assets of Community Value)

The community right to bid is intended to help local communities to keep buildings or land which they value for community use in the local area / community. This includes:

- the local library
- community centre
- swimming pool
- their local pub

- village shop

In many cases these buildings may be threatened with closure or sale.

Buildings or land so protected are known as assets of community value. A building or land may be considered an asset of community value if “currently, or in the recent past, it furthers the social well-being or cultural, recreational or sporting interests of the local community.”

To support the process of keeping these buildings or land in the local area / community, local authorities are required to maintain a list or register of assets which local communities have nominated as having a community value. When a listed asset becomes available for sale or change in ownership the local authority must notify any interested group and the Act gives community groups the time to put together a bid and to raise the capital needed to bid to buy the asset.

## Two key stages

- I. a ‘protected’ asset becomes available on the open market - this triggers a six-week interim period to allow the community group to register their interest;
- II. If an interest is then registered the community group has a further six months to put together a bid and raise the level of required capital to buy the asset. This would help ensure that such community asset can continue to play a vital part in community life.

## Nominating an asset

The process is open to community groups and parishes and nominated assets can be owned by anyone including local authorities and the Crown estate.

### Steps

- i) Community groups identify and nominate a building or land of community value.
- ii) Local authority decides whether nominated asset meets the definition as set out in the Act or whether it falls into one of the excluded categories;
- iii) If the nominated asset is properly nominated and is within the local authority’s area the local authority must list it and inform all specified parties;
- iv) Where there is an objection raised by an owner to have their property placed on the List, they have a right to an internal review by the local authority of the decision to list. If the objection remains after the internal review they have a right of appeal to an independent Tribunal;
- v) If the owner is successful in their appeal at an internal review or Tribunal stage then a nominated asset must be moved to the list of unsuccessful nominations. The decision on how long to hold unsuccessful nominations on the List rest with the local authority, and ensures transparency and also helps avoid re-nomination of an asset that has been deemed as not meeting the proper definition;

The owner is only able to sell the asset to whomever they choose after the specified period (see 4 above) has expired and there has been no interest from community groups / organisations. The protected period lasts for 18months from when an owner informs the local authority of an intention to sell and no further protected period will apply.

## Note

It is a good idea to try to negotiate an asset transfer with the local authority than to trigger a right to bid process for the reason that an asset transfer can be obtained for less than market value whereas under a right to bid the asset is usually made available at market value. You will also be in a stronger position working as a partnership or consortium.

## Resources

- [Localism Act & Community Rights](#)
- [Government Policy Paper on Localism](#)
- [My Community](#)
- Southwark Council has produced guidance on how to nominate an asset and can be accessed [here](#)
- A list of assets of community value held by Southwark Council and a nomination form can be viewed [here](#)
- The process followed by Southwark Council on receipt of a completed nomination form is [here](#)
- Instances when the owner may not need to comply with the Act - click [here](#)
- There is a good case study of Community Right to bid I action in Nunhead on the Locality website: <http://locality.org.uk/news/bid-helps-save-ivy-house/>

## Support

If you would like any support with the issues highlighted by this factsheet please contact the Development Team at Community Southwark: [development@communitysouthwark.org](mailto:development@communitysouthwark.org) or 020 7358 7020.