

Community Right to Bid – Assets of Community Value

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1. Purpose of the Report

1.1 The purpose of this report is to inform members of the current status of the register of Assets of Community Value, brought about by nominations received from community groups in South Somerset using the Community Right to Bid. It also flags up any issues arising from the implementation of this duty.

2. Forward Plan

2.1 This report appeared on the Executive Forward Plan for presentation in July 2015.

3. Public Interest

3.1 The Government is trying to provide communities with more opportunities to take control over the ownership and management of local assets. The Community Right to Bid came into effect on 21st September 2012 as part of the Localism Act 2011. It provides opportunities for voluntary and community organisations, as well as Parish Councils, to identify land and buildings which they believe to be important and which benefit their community. If they qualify, these can be placed on a Register of Assets of Community Value. If the asset comes up for sale, then in certain circumstances, an eligible community group can apply to be given time to make a bid to buy it on the open market.

4. Recommendation

4.1 That Members note the report

5. Background

5.1 In November 2012, District Executive agreed a process for considering nominations from communities to place assets onto the SSDC Register of Assets of Community Value. This was based on clear criteria set out in the Localism Act. When nominations are received, SSDC has 8 weeks to consider them and respond to the applicant.

5.2 The assessment of nominations is delegated to the relevant Area Development Manager in conjunction with the Ward Member(s) and Area Chair. The result of the assessment & decision is presented to the relevant Area Committee for information. A quarterly report is presented to District Executive, also for information. Decisions about any SSDC-owned properties will be brought to District Executive for decision.

5.3 Since the regulations came into force, SSDC has considered 22 completed nominations for the Register.

All have been approved and placed onto the Register of Assets of Community Value. **Appendix 1** lists all nominations and their current status. No nominations are recorded on the Register of Unsuccessful Nominations.

6. How the Procedure Works

- 6.1 The relevant Parish Council, the owner, the tenant and the Land Registry have all been notified of the successful nominations (as well as the nominating groups) and the assets have been placed on the SSDC Register of Assets of Community Value. Owners can appeal against the decision within 8 weeks. Appeals are considered by the Council's Monitoring Officer. One appeal has been heard and dismissed. We wait to see if this will be challenged.
- 6.2 Once an asset has been listed, nothing further will happen until the owner decides to dispose of the asset. This can be either through a freehold sale or the grant of a lease for at least 25 years. At this point they must notify SSDC of their intention to sell. The community is then given 6 weeks to express an interest in the asset and submit a written intention to bid for the property(s). The table indicates where this has occurred.
- 6.3 If any written intentions are received, the Council passes on the request to the owner, at which point the full moratorium period of 6 months (from the date that SSDC is notified of the intention to sell) comes into force. If no written intention(s) to bid are received, the owner is free to sell the asset.
- 6.4 The guidance is clear that there is no role for the local authority in the negotiations between owner and 'bidder'. SSDC Area Development Teams (ADTs) provide support to community groups in considering if the Register will help them to achieve their goals, putting together their business plan, fundraising, etc. In several instances groups have approached the ADTs to consider a nomination, but after discussion have decided to take up their issues and progress the matter in a different way.
- 6.5 All accepted nominations will normally remain on the Register for 5 years and then be removed. A successful appeal against registration will trigger removal. Should there be a successful disposal by the current owner, the asset remains on the register and the restrictions transfer to the new owner thus if the new owner decides to initiate a relevant disposal further down the line then the first stage moratorium is triggered again.
- 6.6 As new situations are faced, the process map is improved and guidance to groups/owners is clarified. All details are available on the SSDC website at <http://www.southsomerset.gov.uk/communities/ssdc-and-the-localism-act/community-right-to-bid/>

7. Nominated Assets

- 7.1 Five further assets have been added to the Register since Members last received a report in March 2015. These are:-
- The Catash Inn, North Cadbury
 - The Portman Arms , East Chinnock
 - The Green Dragon, Yeovil
 - The Gainsborough Arms, Milborne Port
 - The Smithy Inn, Charlton Musgrove

8. The Picture to date

- 8.1 Of the 23 registrations in South Somerset:

- a) 14 are village pubs/clubs; 4 former school properties, the remainder mainly open spaces.
- b) Of the 23 nominations, 18 have come from parish or town councils.
- c) 2 pub/club premises did not get a community expression of interest and now serve an exemption period of 18m from further nomination, leaving the owner free to sell; 3 pubs were sold as going concerns, one club is exempt due to being in hands of receivers. 1 school has been leased by the community and a further school field is under informal negotiation by the community.
- d) One is an area of open land where negotiations are ongoing between a parish and a public.

8.2 As of April 6th 2015 the legislation has been amended so that pubs nominated to be included on the Local Authority's list will require planning permission to be demolished or converted to any other use. In effect existing permitted development rights will be removed for pubs listed as ACVs for as long as the pub is on the Local Authority's list. The new regulations can be summarised as follows:-

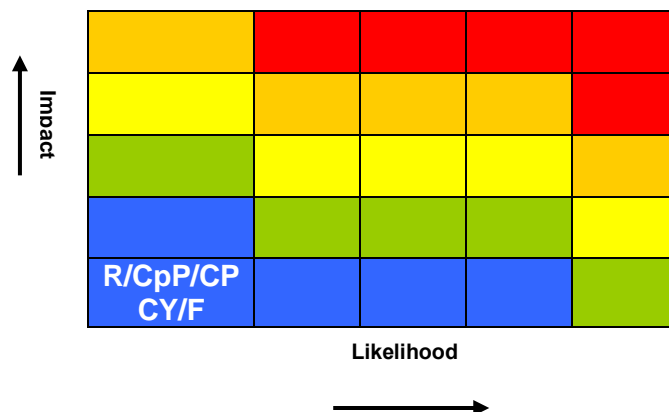
- All pubs listed as ACVs (including those already listed) will require planning permission prior to any change of use or demolition. This protection applies from the date of nomination and applies for the duration of the period the asset is listed (usually five years).
- If the building is nominated, whether at the date of nomination or on a later date, the Local Authority must notify the developer as soon as is reasonably practicable after it is aware of the nomination, and on notification development is not permitted for the specified period
- The Local Authority has 56 days to confirm whether the pub is listed or nominated. This means that the owner cannot change use or demolish a pub lawfully within the prescribed 56 day period.

9. Financial Implications

9.1 There are none at this point in time. The New Burdens Grant of £16.4k was received in 2013/14 but from the following year any costs incurred must now be absorbed within the SSDC revenue budgets..

9.2 Property owners who believe they have incurred costs as a result of complying with these procedures can apply for compensation from the Council. SSDC is in the process of designing this compensation scheme. Government recognises this as a potential risk to local authorities and will provide a safety net whereby any verified claims of over £20,000 will be met by Government.

10. Risk Matrix



Key

| Categories | Colours <i>(for further detail please refer to Risk management strategy)</i> |
|---------------------------------|--|
| R = Reputation | Red = High impact and high probability |
| CpP = Corporate Plan Priorities | Orange = Major impact and major probability |
| CP = Community Priorities | Yellow = Moderate impact and moderate probability |
| CY = Capacity | Green = Minor impact and minor probability |
| F = Financial | Blue = Insignificant impact and insignificant probability |

11. Council Plan Implications

11.1 Evaluate the overall requirements of the Government's Localism legislation and work with communities to develop plans for their community

12. Carbon Emissions and Climate Change Implications

12.1 None in relation to this report

13. Equality and Diversity Implications

13.1 None in relation to this report

12. Background Papers

Localism Act 2011; District Executive Agenda and Minutes November 2012; Assets of Community Value (England) Regulations 2012 Statutory Instruments 2012 n.2421; District Executive Agenda and Minutes August 2013; December 2013; September 2014; December 2014; march 2015; Nomination Forms received.

