

Community Right to Bid – Assets of Community Value

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1. Purpose of the Report

- 1.1 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 implementation of this duty.

2. Forward Plan

- 2.1 This report appeared on the Executive Forward Plan for March 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 and 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 19 completed nominations for the Register. All have been approved and placed onto the Register. **Table 1** attached 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. The Picture to Date

7.1 Of the 18 registrations:

- 9 are village pubs/clubs; 4 former school properties , the remainder mainly open spaces
- Most of the nominations, 16 of the 19, have come from parish or town councils
- An intention to sell has been notified in 7 cases
- Of these: 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; a further school field is under informal negotiation by the community;
- One is an area of open land where negotiations are ongoing between a parish and a public agency

7.2 In most instances, where the asset is up for disposal, the community has experienced some or considerable difficulty negotiating with the owners. In the case of pubs this is a national issue. Many community pubs are being lost, especially following the relaxation in planning regulations. There has been a written statement to Parliament which recognizes the importance of community pubs and sets out an intention to introduce secondary legislation in the next Parliament. For those on a Community Asset Register the intention would be to remove permitted development rights & address the relaxation of change of use by requiring a planning application to be made. If this legislation is passed it could increase the risk of compensation liabilities.

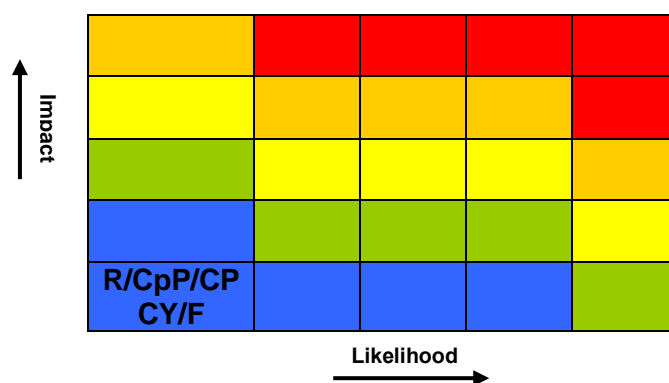
8. Financial Implications

8.1 There are none at this point in time. From 2014/15 onwards any costs incurred by SSDC must be absorbed into the Revenue Support Grant.

8.2 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.

9. Risk Matrix

9.1 This matrix only identifies the risk associated with taking the decision as set out in the report as the recommendation(s). Should there be any proposal to amend the recommendation(s) by either members or officers at the meeting then the impact on the matrix and the risks it identifies must be considered prior to the vote on the recommendation(s) taking place.



Key

Categories	Colours (for further detail please refer to Risk management strategy)
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

9. Council Plan Implications

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

10. Carbon Emissions and Climate Change Implications

10.1 None in relation to this report

11. Equality and Diversity Implications

11.1 None in relation to this report

12. Background Papers

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

Table 1 : Details of Nominations received by SSDC up to and including 12 February 2015

Register of Assets of Community Value

Reference	Nominator (name of group)	Name, address and postcode of Property	Date entered on register	Current use of property/land	Proposed use of property/land	Date agreed by DX	Date SSDC received notification of intention to sell	Date of end of initial moratorium period (auto-fill ie.6 weeks after date of notification to sell is received)	Number of Expressions of Interest received	Date of end of full moratorium period (auto-fill ie.6 months after date of notification to sell is received)	Number of written intentions to bid received	Date for Review	Reason for review	Date to be removed from register (auto-fill ie. 5 years after listing)
ACV1	Kingsdon Parish Council	Kingsdon Primary School School Lane Kingsdon Somerton TA11 7JX	05/04/2013	Unoccupied	Community café & multi-functional community facility	04/04/2013	15/01/2014	25/02/2014	1	14/07/2014				05/04/2018
ACV2	Kingsdon Parish Council	Former Kingsdon Primary School playing field Mow Barton Road Kingsdon Somerton TA11 7JX	05/04/2013	Closed but used by residents for informal sports	Village consultation underway	04/04/2013								05/04/2018
ACV3	Barrington Parish Council	Barrington Oak Public House Main Street Barrington Ilminster TA19 9JB	10/05/2013	Licensed public house	Licensed public house	09/05/2013	27/01/2014	Current disposal of property is exempt as it is being sold as a going concern						10/05/2018
ACV4	Langport Town Council	Cocklemoor Off Parrett Close Bow Street Langport TA10 9PR	05/07/2013	Recreational space	Recreational space	04/07/2013	01/11/2013	12/12/2013	1	30/04/2014	1			05/07/2018
ACV5	Compton Dundon Parish Council	Former School Playing Field School Lane Compton Dundon Somerton Somerset TA11 6TE	01/08/2013	Not used	Community Allotments	01/08/2013								01/08/2018
ACV6	Dinnington Parish Council	The Dinnington Docks Dinnington Hinton St George Somerset TA17 8SX	21/08/2013	Public House	Not known - would like it to remain as village pub	21/08/2013								21/08/2018
ACV7	Montacute Parish Council	Montacute Working Mens Club & Associated Land The Hall Bishopston Montacute Somerset TA15 6UU	04/11/2013	Working Mens Club	Village Hall	04/11/2013	04/11/2013	Moratorium period ceased on 03/05/2014 with no community interest. Asset is now protected from further nomination for the next 18-months						04/11/2018

