



# EXECUTIVE MEETING - November 2012

Agenda Item No.

# 13A

<b>Title</b>	The Community Right to Bid
<b>For further information about this report please contact</b>	Joe Baconnet, Economic Development and Regeneration Manager
<b>Wards of the District directly affected</b>	ALL
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b>	No
<b>Date and meeting when issue was last considered and relevant minute number</b>	None
<b>Background Papers</b>	None

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	No

<b>Officer/Councillor Approval</b>		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant Deputy Chief Executive, Head of Service, Finance, Monitoring Officer and the relevant Portfolio Holder(s).		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive		Chris Elliott / Bill Hunt
Head of Service		Tracy Darke
CMT		CMT
Section 151 Officer		Mike Snow
Monitoring officer		Andrew Jones
Finance		Jenny Clayton
Portfolio Holder(s)		ALL
<b>Consultation Undertaken</b>		
Please insert details of any consultation undertaken with regard to this report.		
<b>Final Decision?</b>		Yes
<b>Suggested next steps (if not final decision please set out below)</b>		

## **1. SUMMARY**

- 1.1 This report advises Members of the implementation of the section of the Localism Act 2011 relating to Assets of Community Value and seeks authority for setting up the list of assets and related processes. This part of the Localism Act is known as the "Community Right to Bid".

## **2. RECOMMENDATION**

- 2.1 That Executive notes that the part of the Localism Act related to the Community Right to Bid came into force on the 21<sup>st</sup> September 2012.
- 2.2 That Executive delegates authority to the Head of Development Services to:-
- maintain the List of Assets of Community Value and list of unsuccessful nominations;
  - consider and decide the technical correctness of nominations for inclusion of assets on the list; &
  - consider & decide, in consultation with the Development Services Portfolio Holder, the merits of nominations for inclusion of assets on the list.
- 2.3 That Executive delegates authority to The Head of Neighbourhood Services to:-
- conduct listing reviews and compensation reviews in respect of assets of community value; &
  - consider & decide any review of listing, or compensation.
- 2.4 To amend the scheme of delegation accordingly.
- 2.5 To note that the Government has given this Council "New Burdens" monies and to approve its transfer to reserves.

## **3. REASONS FOR RECOMMENDATION**

### **The Localism Act 2011**

#### Recommendation 2.1

- 3.1 The Localism Act allows community organisations to nominate buildings or other land for inclusion on a list of assets of community value, if they are considered to be of value to a community's social wellbeing. If added to the list, an asset must not be sold without the Council being notified. This triggers a moratorium during which community organisations have the opportunity to put together a bid to buy the asset. This scheme is also therefore known as the "Community Right to Bid".
- 3.2 Note that organisations are not given a right of first refusal, nor are they entitled to buy the asset at a discount.
- 3.3 The relevant statutory provisions came into force on 21<sup>st</sup> September 2012. This Council is now required to consider all nominations that it receives for Assets to be placed on the List of Assets of Community Value.

- 3.4 The provisions of the act cover all properties in both public and private ownership.

#### Recommendation 2.2

- 3.5 The Localism Act and the Community Right to Bid requires the District Council to maintain a list of assets of community value. There is no prescribed form, but the list must be available for public inspection without charge. The Council must also maintain a list of unsuccessful nominations.
- 3.6 Nominations for inclusion on the list must be made by a voluntary or community body with a local connection. The Regulations contain comprehensive definitions, but examples include a neighbourhood forum, an association of at least 21 members registered to vote locally and whose surplus funds (if any) are applied for the benefit of the area, or a charity which operates in the local area. Certain information must be included in the nomination. WDC's nomination form is attached at Appendix 1.
- 3.7 It is recommended that the technical issues such as eligibility of the organisation, completeness of the information supplied, and fact that the asset is not in an excluded category should be decided by the Head of Development Services. The value judgement as to whether the asset is of community value should be made by the Head of Development Services in consultation with the Portfolio Holder for Development Services.

#### Recommendation 2.3

- 3.8 The Head of Neighbourhood Services (with appropriate technical support) will be required to decide on the reviews. There are two situations where an owner can ask for a review of the Council's decision:-
- i) a listing review – which is a review of the decision to include an asset on the list; or
  - ii) a compensation review – a review of a decision whether or not to award compensation
- 3.9 Community or nominating organisations cannot request a review of a decision.
- 3.10 Flow diagrams of the outline process are attached at Appendix two, whilst Appendix three contains a written summary of the process.
- 3.11 A link to the non-statutory guidance for local authorities can be found at: <http://www.communities.gov.uk/documents/communities/pdf/2229703.pdf>

#### Recommendation 2.4

- 3.12 The Implementation of the legislation and on-going transfer of duties requires the Council to change the scheme of delegation.

#### Recommendation 2.5

- 3.13 The New Burdens monies to support this process will need to be transferred to Reserves to support any future compensation payments.

#### **4. POLICY FRAMWORK**

- 4.1 The proposal follows Council's statutory obligation under the Localism Act 2011

#### **5. BUDGETARY FRAMEWORK**

- 5.1 The government recently announced they are paying a "New Burdens" payment to support authorities with the introduction of the scheme. This year's payment amounts to £4,873. The government intends to continue these grants for a further two years. It is recommended that these monies be transferred to a New Reserve to cover any compensation payments. Should cost claims in any one year exceed the amount available in this Reserve, residual funding from the Contingency Budget will be considered. Should this prove to be a recurrent pressure, this will be factored into the Medium Term Financial Strategy.
- 5.2 The potential liability associated with the payment of compensation is set at a maximum of £20,000 to cover the costs associated. Local authorities are not eligible for compensation.
- 5.3 There will be minor miscellaneous disbursements such as fees for registering assets at the Land Registry (£40 per registered title), which can be met from within existing resources.
- 5.4 The workload and resource implications are currently unknown, but it is anticipated that the system and procedure can be managed within current resources

#### **6. ALTERNATIVE OPTION CONSIDERED**

- 6.1 The provision and maintenance of a List of Assets of Community Value is a statutory requirement and there is no alternative to this.

#### **7. BACKGROUND**

- 7.1 None