

Assets of Community Value (Community Right to Bid) Frequently Asked Questions

What is the aim of Assets of Community Value (Community Right to Bid) legislation?

The legislation aims to help communities faced with losing local amenities and buildings which are of importance to them. The Government recognizes that over the past decade community asset ownership has been growing with over two hundred communities having bought their village shop and many looking to take over their local pub to prevent it closing. However, it is felt that in many cases communities have lost the use of buildings and land because they were sold privately or without a community group having the time to raise the necessary funds. The Community Right to Bid gives communities the opportunity to identify those assets which are of importance and to have time to prepare a proposal in the event that the asset comes up for sale.

What powers does the legislation give to Communities?

The legislation gives community groups the opportunity to request that assets that they believe to be of community value be formally listed on a list that is maintained by the local authority.

How is 'community value' defined?

- Community value is defined as the principle use of the asset currently furthers the social wellbeing or cultural, recreational or sporting interests of the local community the building can continue to be used to further the social wellbeing or interests of the local community

What types of asset are eligible for listing?

Land and buildings, either in public or private ownership which can demonstrate community value are eligible for listing.

What kinds of assets could be considered as having community value?

These examples give an indication of the types of assets which may be defined as having community value:

- sport, recreation and culture
 - cinemas
 - libraries
 - museums or heritage sites
 - parks and open green spaces
 - sports and leisure centres
 - theatres

community services

- community centres
- youth centres

health, education and wellbeing or community safety

- health centres, surgeries and hospitals
- day care centres, residential care homes
- nurseries and schools
- children's centres

any economic use, for example a business such as a shop which also provides an important local social benefit and which would no longer be easily available if that service stopped

- village shops
- pubs
- markets

What kinds of assets would NOT normally be considered as having community value?

- administrative offices, land or property where community use is not the main purpose
- land attached to residential property, although the Regulations set out certain exceptions for shops and pubs
- land covered by caravan sites and Control of Development Act 1960 land used by public utilities, defined as operational land in section 263 of the Town and Country planning Act 1990

A full list of exemptions and definitions are listed in the Regulations.

Can an asset that doesn't currently demonstrate community value still be nominated?

An asset can still be nominated even if it is possible to demonstrate that the main use of the asset helped to further the cultural, recreational or sporting interests of the local community in the recent past, and is realistic to think that it will do so again in the next five years.

What effect does the listing have?

Where an asset is included in the list of assets of community value, the owner is required to notify the local authority with in writing of their intention to sell off the asset.

What happens when notification of an owner's intention to sell off an asset is received by the local authority?

This notification will trigger a period of delay of up to six weeks, during this time community groups and organisations which can demonstrate a local connection may submit an expression of interest in the asset. The asset owner is not allowed to sell the asset during this time. If no expression of interest is received then the sale may then proceed as normal

What happens if community groups submit an intention to bid?

If intentions to bid are received from community groups then the period of delay will be extended to six months, starting from the date of receiving written notification of the owner's intention to dispose of the asset, and the owner cannot dispose of the asset during this time other than to a community group.

Does the community right to bid give community groups a right to buy assets within their community?

No, the legislation only delays the selling process to give community groups a period of time to prepare a proposal and raise the funds needed to put in an offer. The sale takes place under normal market conditions and the owner is under no obligation to sell to the community group at the end of the moratorium period.

Can the legislation force a sale?

No, listing an asset does not force the owner to sell that asset unless they wish to do so. It also does not mean that they need to sell at below market value. The effect of listing an asset is to potentially delay the sale or disposal of an asset to enable community groups to have time to make an expression of interest or bid for that asset.

Does the owner have to sell to the community group?

No. The owner is under no obligation to sell the asset to the community group that made the original listing or who made an expression of interest in buying it. There is no obligation for the community group responsible for listing to make a bid and the group has no rights of purchase over other potential buyers. If the owner decides to sell to the community group, they may do so within the initial six month period

Who is eligible to nominate an asset for inclusion on the list of assets of community value?

Nominations can be submitted by:

- town and parish Councils
- unincorporated bodies with at least 21 individual members and which does not distribute any surplus it makes to its members
- registered charities
- companies limited by guarantee which do not distribute any surplus they make to their members
- industrial and provident societies which do not distribute any surplus they make to their members

- community interest companies
- a body designated as a neighbourhood forum under the Town and Country Planning Act.

Local Authorities or other public bodies are not able to nominate an asset for listing.

What do eligible groups need to demonstrate?

Groups eligible to nominate an asset - apart from town and parish Councils - will need to demonstrate a local connection:

- activities must be wholly or partly concerned with local authority's area or neighbouring local authority area
- any surplus made must be wholly or partly applied for benefit of local authority's area or neighbouring local authority area
- unincorporated bodies must have at least 21 local members included on the register of electors

How long will the asset remain on the list?

Assets if listed will be listed for five years and registered on the local land charges register. The Land Registry will also be informed and the asset will be registered as a restriction in the land register for the land.

Are there any exceptions?

The Regulations detail circumstances where disposal is exempt. For more information visit the [government legislation website](#).

If an asset is listed by the local authority as being of Community Value can this decision be challenged?

The owner of the asset once notified by the local authority of their decision to list can request that the local authority carry out a listing review. The request to review the decision must be made within eight weeks of the day on which notice was given by the and requires a decision-maker who did not take part in making the original listing decision to carry out the review and make the review decision.

A community group may also request a review in the event of an asset not being listed and the same process would apply.

Is compensation is available to owners of assets in the case of them being affected by a listing?

Compensation could be requested provided by the landowner if they can show that they have incurred the loss from delay directly due to the listing of an asset, for example for matters such as extra security costs arising as a result of the property not being able to be disposed of within the moratorium period. Claims for compensation must be made to the Council within 13 weeks of the loss or expense being incurred. They must state the amount of compensation claimed with supporting evidence. Payments are made at the discretion of the authority who must give the claimant written reasons for its decisions.

What advice and help is available around getting an asset listed or making a bid to purchase an asset that's listed?

Independent support is available from Locality, a national network of over 700 community-led organisations appointed by the government to provide advice and help on community rights agenda. For more information visit:

- [the locality website](#)
- [the community rights website](#)
- [my community rights website](#)