



Community Right to Bid

Background

The Community Right to Bid came into force on 21st September 2012 and gives communities a right to identify a property that is believed to be of value to their social interests or social wellbeing and gives them a fair chance to make a bid to buy the property on the open market if the property owner decides to sell. Only eligible community groups, local parish councils or local neighbourhood planning forums and charities can nominate.

What is the definition of an asset of community value?

A building or land is deemed to be of community value if, in the opinion of the Harborough District Council:

- A current principal use ('non ancillary') of the building or land furthers the social interests or social wellbeing of the local community, and it is realistic to think that there can continue to be a principal use of the building or land which will further the social interests or social wellbeing of the local community, although this does not necessarily have to be in the same way, or;
- A principal use of the building or land in the recent past (two years in Harborough District) furthered the social interests or social wellbeing of the local community and it is realistic to think that within five years the building or land can be brought back into use that furthers the social interest or wellbeing of the local community, whether or not in the same way as before.

Making a nomination

It is important that your community group is eligible to nominate, you can only do this if you answer yes to the two questions below:

- Do you have a local connection to the property you are wishing to nominate? and;
- Are you an unincorporated community group with at least 21 members who are registered to vote in the District of Harborough, a parish council, charity, industrial & provident society, local neighbourhood forum, company limited by guarantee or a community interest company?

To nominate you must inform us of the address of the property, details of the owner, the extent of the site and why you feel it is an asset of community value. You must also provide evidence of your eligibility to nominate.

To assist you we have provided a nomination form which you can access through the following link '[Nomination Form](#)' [insert link] once completed you can email the form to [*Strategic Planning email*]. Alternatively, you may send your nomination by post to:

What we will do next

Once the completed form has been received HDC will check the eligibility of the nomination and if it is considered the property does have community value it will be added to the 'list of assets of community value'.

How we will determine your nomination

Your bid will be assessed against the following criteria:

- a) That the current principal use of the asset has been for furthering the social wellbeing or cultural, recreational or sporting interests of the local community
- b) The principal use of the asset within the last two years has been for furthering the social wellbeing or cultural, recreational or sporting interests of the local community
- c) It is realistic to assume that in the next five years the asset will continue to be used for furthering the social wellbeing or cultural, recreational or sporting interests of the local community
- d) The nomination has been made by a community interest group in line with the regulations and is locally based.
- e) The information required on the nomination form has been fully completed.

If the nomination meets the above requirements it can be included on the 'list of assets of community value'.

Assets will remain on the list for five years and a land charge will be registered against the property. Nominations will normally be considered within eight weeks of receipt. The flowchart below details the process for the Council assessing the nomination.

HDC will inform you if the property has been listed and the date, in five years time, when it will be removed. There will be no further contact with you unless the property owner decides to sell. When the five years have expired you can submit a new nomination.

If a property is listed on the list of assets of community value the property owner can ask for a review and there will be a process for an appeal to an independent body. Further guidance will be provided in the letter to the property owner.

The nominee will be informed should the nomination be ineligible and an explanation will be provided as to why it was unsuccessful. In such circumstances the property will be added to the list of 'land nominated by unsuccessful community nominations' and will remain on the list for five years. There is no appeal or review process for unsuccessful nominations.

Making a bid

The property owner must advise us when they intend to sell the property and this intention will be publicised on our web site as well as informing the nominator.

If the group wants to make a bid you must inform us you want to bid within six weeks of being told by HDC that the property is available to purchase. You will then have six months to put together the bid (this is not from when you inform us but six months from the owner advising us of their intention to sell and is known as the moratorium period). If there is more than one community group interested in purchasing the property we would encourage the groups to work together.

At any point before the end of the six months you may enter into negotiations with the property owner providing the owner is willing to do this. You should keep HDC informed of developments throughout the negotiation period.

At the end of the moratorium period if you have successfully put a bid together the owner will have the option to either accept your bid or sell the property freely on the open market.

Sales outside of the Act

There are some circumstances where the property owner does not need to comply with the Act, these are:

- Disposing the property in the form of a gift.
- Disposal of a property containing a business which uses the property and it is a going concern.
- Disposal within a family or a partnership or between trustees or a trust or between companies in a group.
- Disposal in the execution of a will or arising from various legal proceedings.
- Disposal of a property that is part of a larger estate, part of which is not listed, but where the whole estate is owned by the same person and is a single lot of land.

Further information

Contact Strategic Planning

[details to be inserted]

Glossary

- **Assets of Community Value** – building or land used to further the social wellbeing in particular, though not exclusively, the cultural, recreational or sporting interests of the local community
- **Community group or organisation** – parish council, charity, community group, neighbourhood forum, not-for-profit company
- **Disposal of land/property** – sale
- **First Tier Tribunal** – independent body to decide on appeals by owners against assets being listed, and against decisions on compensation
- **Local connection** – the connection that community organisations have with the area that the asset in question is in
- **Moratorium period** – periods during which a sale cannot go through, which community organisations can consider if they are a potential bidder, and if so, time to raise the money to buy
- **Not-for-profit company** – companies whose activities benefit the community and who reinvest surplus made from trading back into the community (often called Social Enterprises or Community Interest Companies)