

## **Appendix 3**

### **The Localism Act**

The Localism Act 2011 includes new freedoms and flexibilities for local government. It also introduces new rights and powers for individuals and communities to take over public services, community assets and influence planning and development. This includes the Community Right to Bid. The other main new rights are Community Right to Challenge and Community Right to Build.

### **The other Community Rights**

#### **Community Right to Build**

Community Right to Build is a new power that gives local organisations the right to bring forward small-scale community-led developments. The new right forms part of the Neighbourhood Planning provisions in the Localism Act that give parish councils, or neighbourhood forums the right to develop plans for their area. Development proposals in neighbourhood plans, and Community Right to Build will need to be agreed through an independent examination, and have the agreement of 50% of people who vote through a community referendum. Local Authorities have a duty to assist and advise community organisations, which are also free to involve partners such as developers or housing associations.

#### **Community Right to Challenge**

Community Right to Challenge is the right for community organisations to say that they are interested in running a particular public service and potentially get the chance to bid to do this. If a community group, charity, parish council or group of public sector staff identifies a service they would like to run then they can submit an expression of interest to the authority. If accepted this will trigger a procurement exercise. The interested group will then most likely need to compete with others in a competitive tendering process.

#### **Community Asset Transfer**

Community Asset Transfer is the transfer of management and/or ownership of land or buildings from a public body to a community-based organisation, at less than market value, in order to promote social, economic or environmental well-being. The Community Right to Bid is sometimes confused with Community Asset Transfer.

Although they share some of the same objectives, these are substantively different mechanisms that communities can use to acquire land and buildings.

The crucial differences are:

- Community Asset Transfer is the transfer of ownership or management of publicly owned assets, whereas the Community Right to Bid applies to some public and some privately owned assets.
- Community Asset Transfer is the transfer of management or ownership at less than market value. Community Right to Bid gives a window of opportunity for a community group to compete to buy an asset on the open market.
- Community Asset Transfer is a voluntary process entered into proactively by public bodies. The Community Right to Bid is a pre-emptive legal right pertaining to communities.