

My Community Rights Website

Assets of Community Value (ACV) form a part of the Community Right to Bid.

It acts as the first stage in identifying and nominating buildings or other assets such as land that have a main use or purpose of furthering the social wellbeing or social interests of the local community, and could do so into the future.

Once listed as Assets of Community Value with the local authority, the local community will be informed if they are listed for sale within the five year listing period. The community can then enact the Community Right to Bid, which gives them a moratorium period of six months to determine if they can raise the finance to purchase the asset.

What defines an Asset of Community Value?

A building or other land is an asset of community value if its main use has recently been or is presently used to further the social wellbeing or social interests of the local community and could do so in the future. The Localism Act states that 'social interests' include cultural, recreational and sporting interests.

The regulations list a number of situations where land or buildings are exempted from inclusion on the list or operation of the moratorium. These include:

- homes
- hotels
- assets being transferred between kindred businesses
- Church of England land holdings.

How do you nominate an Asset of Community Value?

A number of community organisations can nominate land and buildings for inclusion on the list:

- parish councils
- neighbourhood forums (as defined in Neighbourhood Planning regulations)
- unincorporated community groups of at least 21 members which do not distribute profits to members (this could include community groups with constitutions)
- not-for-private-profit organisations (e.g. charities).

Community organisations also have to have a local connection, which means their activities are wholly or partly concerned with the area, or with a neighbouring authority's area.

Decisions and appeals

If a community organisation nominates land or buildings that meet the definition of an Asset of Community Value, and the nomination process was undertaken correctly (i.e. came from a group entitled to nominate), then the local authority must include the asset on its list.

Assets will remain on the list for at least five years. If the council decides that the nomination doesn't meet the criteria, then they must write to the group who nominated the asset and provide an explanation. They must also keep a list of unsuccessful nominations for at least five years. Landowners can ask local authorities to review the inclusion of an asset on the list, and this triggers an appeal to an independent body, called a First Tier Tribunal.

Moratorium Periods

The Community Right to Bid does not give the right of first refusal to community organisations to buy an asset that they successfully nominate for inclusion on the local authority's list. What it does do is give time for them to put together the funding necessary to bid to buy the asset on the open market. If an owner wants to sell property/land that is on the list, they must tell the local authority. If the nominating body is keen to develop a bid, they can then call for the local authority to trigger a moratorium period, during which time the owner cannot proceed to sell the asset.

There are two moratorium periods. Both start from the date the owner of the asset tells the local authority of their intention to sell. The first is the **interim moratorium period**, which is six weeks, during which time a community organisation can decide if they want to be considered as a potential bidder. The other is a **full moratorium period**, which is six months, during which a community organisation can develop a proposal and raise the money required to bid to buy the asset. The regulations list some situations where the Moratorium will not be applied, even when it is an Asset of Community Value on the list. These include:

- If the disposal is a gift
- If the disposal is made between members of the same family
- If the land or building being disposed of is part of a bigger estate
- If the disposal is of a building or piece of land on which going-concern business is operating, provided that the sale is to a new owner to continue the same business (for example if an owner of a pub wants to sell the pub to a new owner, to continue running it as a pub).

During a moratorium, the owner of the asset cannot conclude the sale.

Why are Assets of Community Value and the Community Right to Bid important?

In neighbourhoods across the country there are buildings and amenities that are integral to the communities that use them. This could be a village shop, a pub, a community centre or a library for example. Many provide a base from which to deliver public services to the local community. The closure or sale of such buildings and amenities can create lasting damage in communities and threaten the provision of services.

Assets of Community Value and the Community Right to Bid offers greater opportunity for communities to keep such buildings in public use and ensure they remain a social hub for the community.