

Committee: Community and Health Committee	Date: 25 March 2021
Subject: Asset of Community Value - Ingatestone Post Office, Ingatestone	Wards Affected: Ingatestone, Fryerning and Mountnessing
Report of: Zara Clarke, Community Development Assistant	Public
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Summary

The Localism Act 2011 introduced the Community Right to Bid, a new right for local people to nominate buildings or pieces of land that they believe contribute to the social interests or wellbeing of their local communities to be listed on a register of Assets of Community Value (ACVs), managed by the local authority. The Right applied to public and private property, although there are a number of exceptions under the legislation, including private residences. Where land is listed as an ACV, if an owner of a listed asset subsequently wishes to dispose of it, there will be a period of time during which the asset cannot be sold, or a qualifying lease granted or assigned (a qualifying lease is a lease originally granted for a 25year term). This period is known as a moratorium and would ultimately be for a period of six months. The moratorium is intended to allow community groups the time to develop a proposal and raise the required capital to bid for the asset when it comes onto the open market at the end of that period. The owner is under no obligation to accept a bid from the community group and can sell the property to whomever they wish once the six-month moratorium is over.

A valid nomination has been received to list Ingatestone Post Office, Ingatestone as an Asset of Community Value and this report asks the Committee to make a decision on this nomination.

Recommendation(s)

Members are asked to: -

R1. List the land known as Ingatestone Post Office, as indicated on the site map in Appendix A of the report, as an Asset of Community Value

Main Report

Background

1. A report was presented to Policy, Performance and Resources Committee on 7 December 2011 (min. ref. 386) so that members were aware of the implications for the Council of the Localism Act 2011 which was given Royal Assent on 15 November 2011. Part of the Localism Act 2011 includes the ability for communities to be able to ask for community assets to be put on a register of 'Assets of Community Value'. These can include local pubs, shops, village halls, libraries and community centres.
2. A subsequent report was presented to Strategy and Policy Board on 20 November 2013 (min ref. 264) recommending that delegated authority to determine whether nominations should be included within the list of assets of community value, be given to the Head of Borough Health, Safety and Localism in consultation with the Chair of Strategy and Policy Board and relevant ward Councilors; and that the officer grade for carrying out and determining reviews be at Head of Service level or above.
3. The consultation part of the delegation was changed at Ordinary Council on 22 October 2014 (min. ref. 213) that the Communities Committee be granted delegated authority to determine applications/nominations for designation of Assets of Community Value.
4. The Localism Act provides an opportunity for communities to raise finance to competitively bid when a community asset comes on the open market. This is achieved through a legal framework governed by the Local Authority. The Act allows communities to nominate assets of community value (ACV's). The council is given eight weeks to determine whether it meets the criteria for listing from the date of submission, and then places its decision on the list. When the owner of a listed asset wishes to dispose of it, the Act introduces a delay or 'moratorium' before he or she can do so, to give any interested and eligible community groups the time to prepare a bid. However, at the end of the moratorium period the owner can sell to whomever they choose at a price agreed by the buyer.
5. The Council received a valid nomination (**Appendix A**) on 2 February 2021 from Ingatestone and Fryerning Parish Council in relation to the land as indicated on the attached site plan in **Appendix B**. The regulations made under the Localism Act 2011 require the Council to determine within 8 weeks whether to list the nominated asset. Therefore, the deadline for a decision is 30 March 2021 which is why this report is before Members tonight.

6. In broad outline the new provision under the Localism Act 2011 for listing an Asset of Community Value and subsequent disposal are set out in Appendix C. In particular Members are reminded of what is meant by a relevant disposal of a listed asset (see 1.15 of Appendix C).

Issue, Options and Analysis of Option

7. The essential statutory test for an ACV is set out in Section 88 of the Localism Act 2011. It is for the local authority to judge whether the criteria are met (subject to any challenge by way of a judicial review). The criteria are set out as follows:

8. **Is the nominating organisation an eligible body to nominate?**

Officers have checked and confirmed that Ingatestone and Fryerning Parish Council are an eligible body to nominate the land as an Asset of Community Value.

9. **Does the nominating body have a local connection to the asset?** Yes, Ingatestone and Fryerning Parish Council operates in the Ingatestone area.

10. **Does the nomination include the required information about the asset?**

(This includes the proposed boundaries, names of the current occupants of the land and names of the current or last known address of those holding a freehold or leasehold estate of the land). All of the necessary information was supplied to the Council (see nomination form Appendix A) and site plan (Appendix B).

11. **Is the nominated asset outside one of the categories that cannot be and Asset of Community Value (a residence together with land associated with that residence; land in respect of which site license is required under Part 1 of the Caravan Sites and Control of Development Act 1960; and operating land as defined in Section 263 of the Town and Country Planning Act 1990)?** The land indicated is not one of the exempt categories that cannot be listed as an ACV, so this nomination cannot be ruled out on that principle.

12. **Is the current or (recent usage) which is subject to the nomination an actual and non-ancillary usage?** The current usage as submitted in the nomination form is a post office offering services such as banking facilities, bill payments, licensing and passports, money and travel services.

13. **The Council also needs to consider if in their opinion (a) an actual current use further the social wellbeing or social interests of the local community, and (b) it is realistic to think that there can continue to be non-ancillary use of the building or other land which will further (whether or not in the same way) the social wellbeing or social interests of the local community.** They may take into account the following:

- a) **What is the ‘local community’ of the asset as defined by geographical area?** Officers consider that this would include the immediate vicinity of Ingatestone, the Borough of Brentwood and surrounding areas.
- b) **What is the current/recent use of the asset?** The nominated asset’s current usage is as a Post Office.
- c) **How well is the asset used?** The nominee has stated that the site is well used by the community and the building has been used as a Post Office for over 100 years.
- d) **What will be the impact if the usage ceases?** The nominee states that the loss of the Post Office would be significant, and that it would require a bus journey of considerable expense to either Brentwood or Chelmsford by bus. They also believe it would jeopardise the economy of the High Street if the Post Office were to close.
- e) **How does it meet the social interests of the community as a whole and not users/customers of a specific service?** For information in the Act ‘Social interests’ includes each of the following – cultural interests, recreational interests and sporting interests. The Asset provides cultural interests for the local community.
- f) **How is the asset regarded by the local community (community consultation, evidence of support)?** Ingatestone and Fryerning Parish Council have submitted the nomination form for this site and the Parish Council are representatives of the local community of Ingatestone.

Reasons for Recommendation

14. The nomination has passed the Council’s due diligence tests including the submission of evidence that the group is eligible to be nominated. The nomination passes the first statutory test as it clearly furthers the social interests and wellbeing of the local community.

15. There is a realistic chance that the asset will continue to provide the activities for which it has been nominated. The nomination therefore passes the second statutory tests.
16. The Council could decide not to list the Ingatestone Post Office as an Asset of Community Value, but this would mean that it was not fulfilling its statutory duty under the Localism Act 2011.

References to Corporate Plan

17. Assets of Community Value sit under the Developing Communities strand by encouraging individual and corporate volunteers to help strengthen communities.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director of Finance & Resources

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18. Under the Assets of Community Value Regulations, the local authority is responsible for paying compensation in respect of listed assets within its area. There is no statutory cap on the amount of compensation that may be payable in respect of any one claim, and one local authority may face multiple claims in any one year. The Department for Communities and Local Government has issued guidance in relation to the Community Right to Bid. With regard to compensation claims, any individual or total payments of over £20,000 in a financial year will be funded by the government. In addition, a New Burdens grant has been allocated to all administering councils to cover the costs associated with implementing the new scheme.
19. Whilst the funding from government will help to meet some of the costs of the new arrangement, local authorities will still be expected to fund the first £20,000 of any compensation payments.
20. The current balance in the Community Rights to Bid reserve has a balance of £37,644.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law and Governance) and Monitoring

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21. The Council has a statutory responsibility to comply with the provisions as set out in the Localism Act and the Regulations made under the Act, currently Assets of Community Value (England) Regulations 2012 SI 2421 to list assets nominated by community groups as assets of community value if these are deemed to pass the statutory tests set out in the Act.
22. Decisions on nominations are made under Community Right to Bid which are considered by Community and Health Committee which was within the timeframe within which the Council is, by law, required to respond to the nominating group.
23. There is a clear penalty for non-compliance with the new rules by owners. All new registrations on the Register of Assets of Community Value will also be recorded on the Local Land Charges Register. Therefore, when the asset changes hands, a search of the register will reveal the asset's status. Where a sale is found to have taken place which does not comply with the Localism Act 2011 the sale be void.

Economic Development Implications

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24. Local Post Offices provide an important local service, as outlined in this report. In addition, they have local economic benefit.

Equality and Diversity implications – The process will be fair and consistent for all members of the community and therefore is not anticipated that there will be any direct impact on individual community groups or members.

Appendices

Appendix A – Application of Asset of Community Value

Appendix B - Nomination of land – Ingatestone Post Office, Ingatestone site map

Appendix C - Provisions under the Localism Act 2011 relating to Assets of Community Value

Background Documents

Localism Act 2011