

Appendix 3 - Provisions under the Localism Act 2011 relating to Assets of Community Value

1.1 Process for Listing Community Assets

- 1.2** The first step is for a community group to identify a building or other land that they believe to be of importance to their community's well-being and nominate it for listing by the local authority. The local authority must determine a nomination for listing in 8 weeks.
- 1.3** Only voluntary and community organisations with a local connection (as defined in the Regulations), and local Parish Councils, may make nominations for community assets to be listed.
- 1.4** A local authority must maintain a list of land in its area which is land of community value. If a nominated asset meets the definition of an ACV as set out in the Act, the local authority must add it to the list.
- 1.5** If the authority refuses the nomination they must provide written reasons why it has been refused.
- 1.6** There are some exemptions from listing. Notably residential premises may not be listed (but not living quarters which are integral part of an asset such as a pub or shop which is otherwise eligible for listing).
- 1.7** The provisions require a local authority to notify the owner(s), occupier(s), nominator(s) and local parish council of any decision to list an asset. The local authority is also required to maintain a list of unsuccessful community nominations, and provide reasons to the nominator for any decision not to list an asset.
- 1.8** The owner of an asset may require an internal review of a listing decision by the local authority. The owner has 8 weeks from notification of the listing decision to request a review.
- 1.9** The review must be completed within 8 weeks (unless otherwise agreed with the owner). It must be carried out by an officer who did not take any part in making the listing decision. The review process may include an oral hearing, and must do so if the owner requests that it does.
- 1.10** If the review upholds the listing the owner may appeal to the First Tier Tribunal.
- 1.11** There are no similar rights of review or appeal for community groups. A community group's only mechanism for challenging a decision by a local authority not to list an asset is a judicial review.

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- 1.12** Assets must be removed from the list after 5 years. Prior to removal officers must write to interested community organizations. Community groups may nominate the asset for re-inclusion on the list.
- 1.13 Disposal of a listed asset**
- 1.14** If an asset is listed, the owner must notify the local authority of any proposed to make a relevant disposal.
- 1.15** A relevant disposal of a listed asset is the transfer of the freehold, or the grant or assignment of a qualifying lease which gives vacant possession of the buildings and other land in question. However they will not apply to all relevant disposals, as some types of relevant disposal are exempt. These exemptions are partly in the Act and partly in the Regulations. The moratorium provisions apply only to disposals, so for example if a building listed as an asset of community value is to be demolished without being sold, the moratorium rules in Section 95 of the Act does not apply. (A limited number of disposals, such as transfer by way of gift, within a family, due to inheritance or where the asset forms part of a larger estate are exempt and can place unimpeded by the community right to bid.) The relevant disposal is the transfer of the freehold, or the grant or assignment of a lease originally granted for at least 25 years, gives vacant possession to the new owner. (see section 96 of the Act).
- 1.16** On receipt of notification, the local authority must inform the community group which nominated the asset for listing and publicise the proposal to dispose generally in the area where the asset is situated.
- 1.17** The owner's notification triggers an initial moratorium on the disposal for an initial period of 6 weeks. If during these 6 weeks a community group states an intention to itself bid for the asset the full 6 month moratorium on the disposal is triggered.
- 1.18** The asset may be sold to a community group during this 6 month moratorium.
- 1.19** At the end of the 6 month period the asset can be sold on the open market. At this point community groups have the same rights as any other bidders. The community right to bid does not restrict who the owner of the asset can sell his property to, or at what price.

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- 1.20** If the owner wishes to claim compensation for any loss or expense following from compliance with the process he must do so within 13 weeks.
- 1.21** The owner of the land may ask for a review of the compensation decision and the Council will undertake a review and give written notification of the decision of the review and the reasons for the decision. The owner of the land is entitled to appeal to the First-Tier Tribunal against the decision.
- 1.22** It is likely that not all potential assets of community value will be identified and listed from the outset and that a community group may only become concerned about a particular property when it becomes aware that its disposal is proposed. An application for listing does not trigger any moratorium on the disposal.