

BRIEFING NOTE, Parishes Liaison 22nd February 2012

LOCALISM ACT 2011: COMMUNITY RIGHTS TO CHALLENGE AND TO “BID”

The Localism Act 2011 introduced new “Community Rights”. Although further detail is expected in regulations, this note sets out current information about the rights to “Challenge” and to “Bid”. This note summarises the provisions.

Community Right to Challenge (Sections 81-86 of the Act)

This enables a voluntary, community or charitable body, Parish Council or two or more employees of a Local Authority to express an interest in running a Local Authority service. The Local Authority must consider Expressions of Interest and, where they accept them, run a procurement exercise for the service. The Local Authority can only reject this challenge on set grounds, including

- *the relevant body is not suitable to provide the service*
- *the expression of interest is submitted outside a period set by the authority*
- *there is a contract or other service agreement in place or underway*
- *the EoI provides unsatisfactory, inadequate or incorrect information*
- *the authority believes that acceptance of the EoI would contravene law*

Assets of Community Value - “Community Right to Bid” (Sections 87 – 108 of the Act)

This gives communities a right to identify a building or other land that they believe to be of importance to their community’s social well-being. If the asset comes up for sale, they will be given an opportunity to make a bid to buy it on the open market. Voluntary and community organisations with a “local connection” and Parish Councils will have the right to nominate assets to be included on the list. There are some exemptions to listing (eg residential property) and rights to appeal. The Local Authority must use the following criteria when deciding whether to list an asset.

- A main current use of the asset furthers the social wellbeing or social interests of the local community, and it is realistic to think that this can continue (whether or not in the same way)
- There is an additional provision for recent past uses but in this case it must be deemed realistic for social wellbeing to be realised from the building in the next five years

Unless an exemption applies, the owner will only be able to dispose of the asset after a specified “window” has expired. The first part of this is a 6-week interim period, which will allow community interest groups to express a written intention to bid. If none do so in this period, the owner is free to sell. If a community interest group does express an intention to bid during this interim period, then there is a 6-month window to prepare a full bid. So long as these processes are followed, it is for the asset owner to decide how to respond to any bid made and the owner has up to 18 months to decide on how to dispose of the asset before the community right can be applied again.

[Plain English Guide to the Localism Act](#)

More information from CLG on these new [community rights](#)