

## **Asset Disposal Governance which has a Community Right to BID Input**

### **Introduction**

The Community Right to BID provisions has required the Council to consider its governance arrangements when disposing of its own assets. The Community Right to Bid enables a “relevant body” to list the asset which has the following effect:

- (i) Following application the asset is listed and recorded on the Local Land Charges Register and a restriction is placed at the Land Registry.
- (ii) The owner (Council) is required to notify the “relevant body” of its intention dispose of an asset. The “relevant body” then has six weeks from the date of the notification to decide whether it wishes to make a bid for the asset. The Council is able to put the asset on the open market at this stage but is not able to dispose of it at this stage.
- (iii) If the “relevant body” decides that it does want to bid for the asset then it has up to six months (which includes the first moratorium of 6 weeks) to co-ordinate its bid. The Council cannot dispose of its asset during this moratorium unless it is to the “relevant body”.
- (iv) If the Council does not receive a bid from the “relevant body” then a third moratorium is invoked which “protects” the asset from further listing for a 12 month period. The Council is therefore free to dispose of an asset in which ever way is decides.
- (v) If the Council receives a bid from the “relevant body” then it must consider this with any others it receives from the “open market”.

### **Advice and Support**

The Council will provide appropriate advice and support to any “relevant body” and organisation/company during the time which the asset is either listed under the Community Right to Bid or on the “open market”. The level of advice and support will depend of the individual circumstances of each disposal.

### **Governance**

In assessing any bids which are received through the Community Right to Bid and the “open market” process the Council will ensure that, where possible the

last date to receive bids from any “open market” process should be the same as the Community Right to Bid process.

The Council will consider all bids whether received through the Community Right to Bid process or “open market” process at the same time.

The Council’s Asset Management Plan suggests that in disposing of any property the Council should seek to obtain the best value for the property unless there is an overriding community benefit. In the case of a Community Right to Bid offer the Council would ensure that best value and community benefit were appraised before making any final decision.

In appraising any bids received it will be important to consider the following:

- (i) Viability and credibility of overall offer
  - (a) Does the organisation have the necessary resources, funding and competence to deliver against the proposal?
  - (b) What are the timescales for the deliver of the project?
- (ii) Community use and benefit
  - (a) How wide will the community benefit be?
- (iii) Cash benefit to the Council

Once all “offers” have been appraised by officers a report will be presented to the following groups making an appropriate recommendation for the asset’s disposal.

- (i) Asset Management Group
- (ii) Capital Strategy Group
- (iii) Corporate Board
- (iv) Management Board
- (v) Executive

In many instances Officers will be able to make disposal decisions under the Scheme of Delegation. However, where there is a Community Right to Bid recorded for transparency purposes a report (albeit in Part 11) will be taken to the Executive for a decision.