

Community Right to Bid – Successful Registration Information Sheet
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Moratorium

The listing means that when the owner next wishes to dispose of their interest in the property, with vacant possession, the owner **must** notify the Council in writing that they wish to sell. This notification should include details of the interest being sold (e.g. whether the property is being sold freehold, or leasehold and, if the latter, the length of the lease).

The owner will then be prevented from selling the property until the Council has:

- allowed 6 weeks (called the initial moratorium period) for community interest groups to express a wish to be treated as potential bidders for the property. If no groups express any interest the owner can sell to anyone, but if the owner does not complete the sale within 18 months, and wishes to complete the sale, the owner will again be required to notify the Council in writing and a further moratorium will then apply.

NOTE: The owner can sell to any relevant community interest group (as defined in law) during this 6 week period. The owner is strongly advised to take legal advice to determine whether any proposed community interest group purchaser comes within the legal definition, as any sale with vacant possession outside of the legal requirements may be void.

- if any community groups express an interest in bidding then the owner will be notified, and the owner then cannot sell to anyone who is not a community group for a period of 6 months (called the full moratorium period). This period is intended to allow community interest groups time to submit a bid for the property. Once the 6 months has expired the owner may sell to anyone, but again if the owner does not complete the sale within 18 months, and wishes to complete, the owner will need to re-notify the Council at the end of the 18 month period.

NOTE: The owner can sell to any relevant community interest group (as defined in law) during this 6 month period. The owner is strongly advised to take legal advice to determine whether any proposed community interest group purchaser comes within the legal definition, as any sale with vacant possession outside of the legal requirements may be void.

The moratorium applies only where the sale is with vacant possession, and some other sales are exempted. If the owner wishes to sell an interest they are advised first to take legal advice or check with the Council to find out whether the sale is exempt from the procedure.

Registration of the property

The listing of the property as an asset of community value is a local land charge and is registered on the local land charges register. This means that if any person carries out a local land search before buying the property the fact that the property is listed as an asset of community value will be revealed on the search result.

If an owner's interest is not already registered at the Land Registry then if and when the owner, or a mortgagee, makes a first application to register an owner's interest the owner, or the mortgagee, **must** (paragraph 2 of Schedule 4 to the Assets of Community Value (England) Regulations 2012) at the same time apply to the Land Registry to enter a restriction on the Land Registry which reads as follows, and must notify the Council once this restriction has been registered:

"no transfer or lease is to be registered without a certificate signed by a conveyancer that the transfer or lease did not contravene section 95(1) of the Localism Act 2011."

If the owner's interest is already registered at the Land Registry at the date of listing the Council will make application for the restriction to be entered against the owner's title.

Duty to notify Council of any change in ownership

Whilst the property remains listed as an asset of community value any purchaser must notify the Council (Regulation 19 Assets of Community Value (England) Regulations 2012):

- that the purchase has been completed;
- of the name and address of the purchaser, including the registered office and company number where the new owner is a body corporate.

Owner's right to have the listing decision reviewed

The owner of the property now has a right to have the listing decision reviewed. Section 107 of the Localism Act 2011 defines who the owner is as follows

- If there is a single lease of the whole of the property which, when granted, had at least 25 years to run, then the owner of the property is the holder of that lease
- if there is more than one lease of the whole of the property which, when granted, had at least 25 years to run, then the owner of the property is the holder of the head lease
- if there are no leases, or if any leases had less than 25 years to run when they were granted, then the owner is the freeholder.

How to request a review of the listing decision

If the owner wishes to have the listing decision reviewed the owner must:

- request the Council in writing to review the listing decision within 8 weeks from the date of this letter (or such longer period as the Council may agree in writing).
- provide evidence to the Council that they meet the definition of owner as set out above.

The Council must then review the decision within 8 weeks, or such longer period as may be agreed in writing with the owner. Full details of the process will be provided to the owner if a review request is received.

Further information and advice

You can contact us about the Community Right to Bid via telephone or e-mail.

Telephone: 01427 675145

E-mail: communityrights@west-lindsey.gov.uk



My Community Rights Website

Further advice and support is also available from the My Community Rights website provided by Locality. Visit: www.mycommunityrights.org.uk