

**Subject:** Granting of Lease for Whitworth  
Leisure Centre and Civic Hall  
below market value

**Status:** For Publication

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**Report to:** Cabinet

**Date:** 17<sup>th</sup> October 2007

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**Report of:** The Head of Financial Services

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**Portfolio**

**Holder:** For a Well Managed Council

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**Key Decision:** No

Forward Plan  General Exception  Special Urgency

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**1. PURPOSE OF REPORT**

1.1 The purpose of the report is to seek Member approval of a lease below market rate.

**2. CORPORATE PRIORITIES**

2.1 The matters discussed in this report impact directly on the following corporate priorities and associated corporate objective.

- Delivering Quality Services to Customers (Customers, Improvement)
- Promoting Rossendale as a cracking place to live and visit (Economy)
- Improving health and well being across the Borough (Health, Housing)
- Well Managed Council (Improvement, Community Network)

**3. RISK ASSESSMENT IMPLICATIONS**

3.1 Current partnership arrangements mean that there are no specific risk issues for members to consider arising from this report.

**4. BACKGROUND AND OPTIONS**

4.1 The council is ready to finalise two separate leases with the Community Leisure Association of Whitworth Limited (CLAW) for the Whitworth Civic Hall and the Whitworth Leisure Centre (ie the pool) for a period of seven years commencing 1<sup>st</sup> April 2007.

- 4.2 Previous leases have been based on a commercial rental value, with the Council giving a back to back grant to cover the cost of the lease. This resulted in no finances exchanging hands.
- 4.3 It is intended, that because of stamp duty costs, the separate revenue grant to CLAW and that both Whitworth Civic Hall and the Whitworth Leisure Centre are community assets that the rent should be below Market value. £1.00 (one pound) is proposed as an annual rent for each property and the same terms and conditions as previous leases.
- 4.4 The direct cash benefit in terms of stamp duty together with the wider benefits to the community secured by the management of these two facilities by CLAW outweigh the theoretical lost income by some margin. This therefore satisfies the test set in the General Disposal Consultation.

## **5. COMMENTS OF THE HEAD OF FINANCIAL SERVICES**

- 5.1 The financial implications are noted above

## **6. COMMENTS OF THE EXECUTIVE DIRECTOR OF REGULATORY SERVICES**

- 6.1 Circular 06/03: Local Government Act 1972 General Disposal Consent (England) 2003 provides that Council can, in certain circumstances, dispose of land for less than the best consideration that can reasonably be obtained. When disposing of land at an undervalue, the Council must remain aware of the need to fulfil their fiduciary duty in a way which is accountable to local people.
- 6.2 The terms of the Consent mean that specific consent from the Secretary of State is not required for any disposal of land where the difference between the unrestricted value of the interest to be disposed of and the consideration accepted (the undervalue) is two million pounds or less and where the Council considers the disposal will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area; the Council should also have regard to its Community Strategy.
- 6.3 The Council should ensure that it complies with normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer as to the likely amount of the undervalue.

## **7. COMMENTS OF THE HEAD OF PEOPLE AND ORGANISATIONAL DEVELOPMENT**

- 7.1 There are no Human Resource implications.

## **8. CONCLUSION**

- 8.1 That a rental below market value be offered to CLAW.

**9. RECOMMENDATION(S)**

9.1 That CLAW are granted a 7 year lease on the Whitworth Civic Hall and the Whitworth Leisure Centre at an annual rent of £1.00 for each building and on the same terms and conditions as the previous leases.

**10. CONSULTATION CARRIED OUT**

10.1 CLAW

**11. EQUALITY IMPACT ASSESSMENT**

Is an Equality Impact Assessment required No

Is an Equality Impact Assessment attached No

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Background Papers	
Document	Place of Inspection
Draft Lease Agreements	Legal Services