



**REPORT FROM: CENTRAL AND REGENERATION SERVICES
DEMOCRATIC AND LEGAL MANAGER
TO: EXECUTIVE
DATE: 22nd JANUARY, 2015**

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UNITY HALL, VERNON STREET, NELSON

PURPOSE OF REPORT

To ask Councillors to agree in principle that this building be transferred to Nelson Town Council and to agree the process by which this transfer will take place.

RECOMMENDATIONS

- (1) That Executive declare Unity Hall, Vernon Street, Nelson, as shown on the plan attached to this Report, surplus to the Council's requirements so that the existing lease of this property can be surrendered and the property can then be transferred under Contract Procedure Rules to Nelson Town Council.
- (2) That the Executive give delegated authority to the Head of Central and Regeneration Services, in consultation with the Executive Member for Resources, to conclude negotiations with Ithaad Community Development Trust Limited and the Nelson Town Council with a view to transferring the land/assets at the earliest opportunity.
- (3) That Liberata Property Services be instructed to carry out a structural survey of the building.
- (4) That the Executive agrees to write-off the payment of the outstanding amounts referred to in Paragraph 3 below.
- (5) That the Executive nominate the Neighbourhood Services Manager to be a member of the Steering Group referred to at paragraph 5 below.

REASON FOR RECOMMENDATIONS

To ensure the future use of the building as an asset to benefit the community.

BACKGROUND

1. The Council owns the freehold interest in Unity Hall. The building is currently let to the Ithaad Community Development Trust Limited ("Ithaad") on a 21 year lease from 31st March 2007 at a rent of £7,000 per annum.
2. As Councillors will be aware, Ithaad is a charity which provides a valuable resource to Pendle residents in terms of giving advice on a range of issues. However, the charity has for some time been experiencing significant financial challenges. In particular, the charity has been conscious that it needs to comply with the covenants contained in the lease of Unity Hall, but it is having difficulty in doing so. This is particularly so as regards the repairing and upkeep obligations on what is an old building which has proved difficult and expensive to keep in good condition and has been a severe drain on the charity's resources.
3. The following payments remain outstanding in respect of the building:
 - a. £2365.76, being the balance of rent and insurance premium due for the 12 month period to 31st March 2014;
 - b. £7000.00 being the rent payable in advance for the 12 month period to 31st March 2015.
4. Discussions have therefore taken place between the charity and officers and members of this Council, Nelson Town Council and Lancashire County Council with a view to securing the future of Unity Hall as an asset for the community.
5. At its meeting on 10th December 2014, Nelson Town Council agreed in principle to accept a transfer from this Council of the building., so that the future of Unity Hall as an asset for the community can be secured. The precise wording of the resolution was as follows:

"RESOLVED

That the Town Council agrees in principle to proceed with the acquisition of the building subject to sight of an independent structural survey and being satisfied that funding and a management plan for its operation is in place; and

- a. That Councillors Abubaker Anwar, Tony Edwards and Mohammad Aslam be appointed to represent the Town Council on the steering group."*

6. The intention of both this Council and the Town Council is that the future of Unity Hall as an asset for the community is secured. Making the building available at nominal value to the Town Council and waiving the outstanding rent will help both the Town Council and Ithaad move forward together and attract financial and other support from Lancashire County Council to bring the building back into good condition. Prior to this, agreement will need to be reached with Ithaad on the terms for the surrender of their existing lease of the building and with the Town Council for the subsequent transfer.

ISSUES

7. Committee is therefore asked to recommend to the Executive that Unity Hall be declared surplus to the Council's requirements. As a further recommendation to Executive it is proposed that delegated authority be given to the Head of Regeneration and Central Services in consultation with the Executive Member for Resources to agree terms with Ithaad for the surrender of their existing lease and to agree terms with Nelson Town Council

for the transfer of the building. It will also be necessary for this Council to nominate representatives to attend the Steering Group referred to in the Town Council resolution.

8. It is proposed that the freehold interest in the building would transfer at a nominal value for community uses only.

IMPLICATIONS

Policy: There are no policy implications arising directly from the contents of this report.

Financial: The financial implications are as follows.

Councillors should be aware that local authorities are generally under an obligation to dispose of land for the best consideration possible (as per s123 of the Local Government Act 1972). However, the General Disposal Consent (Circular 06/03 – Local Government Act 1972 General Disposal Consent (England) 2003) does permit a local authority to dispose of land/property at less than the best consideration (ie at an undervalue) where doing so will help secure the promotion or improvement in the economic, social or environmental wellbeing of its areas. This applies to undervalues up to a maximum of £2m. The opinion of Liberata Property Services as to the open market value of the building will be reported at the meeting. In relation to the outstanding rent arrears, it is recommended that these are waived as part of facilitating the transfer of the property. In so doing, this will require the Executive to give approval to write off the debt against the Council's Provision for Doubtful Debts. The current Provision for Doubtful Debts is £194K and is, therefore, sufficient to meet the write-off should Councillors approve this course of action.

Legal: There are no legal implications arising directly from the contents of this report. Should Councillors agree to dispose of the site, the necessary legal steps will be taken to transfer the premises to Nelson Town Council with the obligations/conditions set out in the report.

Risk Management: There are no risk management implications arising directly from the contents of this report

Health and Safety: There are no health and safety implications arising from the contents of this report.

Sustainability: There are no climate change implications arising directly from the contents of this report.

Community Safety: There are no community safety issues arising directly from the contents of this report

Equality and Diversity: There are no equality and diversity issues arising from the contents of this report.

APPENDICES

Plan showing the location of Unity Hall, Vernon Street, Nelson

LIST OF BACKGROUND PAPERS

None