

**REPORT FROM: CORPORATE DIRECTOR**

**TO: EXECUTIVE**

**DATE: 15<sup>th</sup> MARCH 2018**

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## **HOLT HOUSE COLNE- COMMUNITY ASSET TRANSFER REQUESTS**

### **PURPOSE OF REPORT:**

To consider community asset transfer requests from Colne FC and Colne and Nelson RUFC.

### **RECOMMENDATIONS**

- (1) That Colne FC be offered a 125 year lease including additional land and that the Corporate Director be authorised to agree the terms.
- (2) That further discussions be held with Colne and Nelson Rugby Club on the possibility of a community asset transfer to it.

### **REASON FOR RECOMMENDATIONS**

To support the proposals and ambitions of the two clubs.

1. The Council has received a request from Colne FC for the transfer to it of the freehold of the land at Holt House of which it currently has a lease of 99 years. This is related to its proposed development in five phases of the stadium with increased capacity, the provision of additional parking and an improved access off Birtwistle Avenue as shown on the attached plans.
2. The request includes taking additional land which would involve the loss of a youth 11 a side pitch. This is in poor condition and badly drained. The loss could be mitigated by the provision of a 3G pitch which the Council is exploring with the Lancashire Football Association and which would include Colne FC as a partner.
3. Further land may also need to be included for the new access off Birtwistle Avenue.
4. Following receipt of the request a meeting was held with representatives of the Club together with the Leader of the Council and the three Vivary Bridge Councillors. At the meeting the Council explained its unwillingness to transfer the freehold but offered to extend the lease to 125 years. In response the Club has written further as follows:

5. *"I am still of the opinion that a full asset transfer/land transfer would be the preferred option for Colne Football Club moving forward. I appreciate the offer of a 125-year lease and understand in principle this is in part an asset transfer however this still leaves the club open to a number of risks:*
  - ☐ *A change in Council policy and hierarchy could lead to unseen issues surrounding terms of the lease with regards to general renovation and upkeep*
  - ☐ *The club, after investing a large sum of money in developing the asset could in theory be open to a bidding war for the lease upon renewal plus an increase in the ground rent*
  - ☐ *The council could also choose to run down the lease effectively leaving the club homeless.*
6. *I understand these are variables that cannot be foreseen at this moment in time however, my aim is to safeguard the club's short and long term future. I am looking at providing a sporting venue for generations to come and that by definition is past the 99 or 125-year lease options.*
7. *The only negative I can see from the Council's perspective is the sale of the land for potential domestic development but I believe a caveat stating that the asset would be transferred back to the council if the land is used for anything other than Colne FC and sporting facilities would negate this concern."*
8. The Executive previously considered a similar request in March 2013. Whilst amenable to the idea of asset transfers it took the view that these should be by way of long leases rather than freehold disposal. The argument is that this makes more sense where the land is part of a larger landholding and gives the Council more protection against unwanted disposal. A lease can impose covenants and restrictions for the benefit of the Council and adjoining land which are easier to enforce than similar provisions in freehold transfers. For most funding applications a long lease is sufficient. It therefore authorised further negotiations with the Football Club which resulted in the grant of a 99 year lease from February 2016.
9. Under the lease the Club do not in fact pay a ground rent but an annual peppercorn. Also they would have Landlord and Tenant Act protection so that they could renew the lease on the same terms and conditions.
10. Because of the impact of the Club's proposal on Colne and Nelson's Rugby Club's facilities they have been asked for their thoughts about their landholding which is currently on a 28 year lease. They have replied that they would be interested in considering an asset transfer.
11. The proposals and ambitions of both clubs are to be welcomed and the Council will wish to facilitate them with asset transfers. It is considered that long leases of 99 or 125 years are the appropriate form of transfer, giving ample security for obtaining funding whilst protecting the wider Council interest for the future.

## IMPLICATIONS

<b>Policy:</b>	The Council's policy is to look favourably on requests for community asset transfers.
<b>Financial:</b>	None arising from the report.
<b>Legal:</b>	Fresh leases would need to be drawn up and agreed.

**Risk Management:** None arising from the report.

**Health and Safety:** None arising from the report.

**Sustainability:** None arising from the report.

**Community Safety:** None arising from the report.

**Equality and Diversity:** None arising from the report.

## **APPENDIX**

Colne FC redevelopment plans