

CHESHIRE EAST COUNCIL

REPORT TO PORTFOLIO HOLDER – FINANCE

Report of: Property Services Manager

Subject/Title: Renewal of 21 year lease at Sandbach Park in favour of Marriot House Veterans Association.

Date of Meeting: 2nd February 2015

Portfolio Holder: Councillor Peter Raynes

1.0 Report Summary

The purpose of this report is to seek approval for the Council (as Landlord) to agree a new 21 year lease at a peppercorn rent of £1.00 per annum with Marriot House Veterans Association, at Sandbach Park, Sandbach.

2.0

Decision Requested

To grant a new 21 year lease agreement with Marriot House Veterans Association, at Sandbach Park, Sandbach at a peppercorn rent of £1.00 per annum and to first advertise the proposed disposal of an area of public open space which falls within the lease demise.

3.0 Reasons for Recommendations

Marriott House Veterans Association have operated from Sandbach Park since 1950. The Bowling Club occupy a building on site which they own and the club have previously held a 21 year ground lease with Congleton Borough Council (which has now expired). The land in question is shown delineated red the attached plan for identification purposes.

Marriott House Veterans Association actively provides a number of social activities for approximately 400 local senior citizens and is the only facility of this type in the immediate area.

Marriott House Veterans Association have recently made a request for a new 21 year lease at a peppercorn rent of £1.00 per annum. ANSA have provided approval for the new lease to be granted subject to first advertising the proposed disposal of public open space in respect of part of the lease demise. The principle of granting a new lease is agreed by the Local ward member for Sandbach.

4.0 Wards Affected

Sandbach Town Ward

5.0 Local Ward Members

Cllr Barry Moran

6.0 Policy Implications including - Carbon reduction - Health

There are perceived health benefits arising from the provision of facilities for senior citizens.

7.0 Financial Implications

A peppercorn rent of £1.00 per annum (if demanded) is proposed.

8.0 Legal Implications (Authorised by the Borough Solicitor)

The Localism Act 2011 introduced the General Power of Competence, which allows the Council to do anything an individual can do, provided it is not prohibited by other legislation. These powers have replaced the previous wellbeing powers; however, the use of these powers must be in support of a reasonable and accountable decision made in line with public law principles.

The Council has the power to grant a lease of the land pursuant to s123 of The Local Government Act 1972 subject to any disposal for 7 years or more being at the best consideration that can reasonably be obtained and if any of the land includes public open space subject to first advertising the proposed disposal of any areas of public open space (or any rights granted over public space) and considering any objections and/or representations received prior to making any final decision in respect of the disposal of the public open space. The land the subject of this report does contain an area of public open space and therefore the proposed disposal must first be advertised and any objections and/or representations received in respect of the proposed disposal must be brought back for consideration by the Portfolio Holder.

The General Disposal Consent 2003 authorises the disposal of land for 7 years or more at less than best consideration if the undervalue is £2million or less, as in this case.

The Council has a fiduciary duty at all times to the taxpayers and must fulfil this duty in a way which is accountable to local people.

All disposals must comply with the European Commission's State Aid rules. When disposing of land at less than best consideration the Council is providing a subsidy to the occupier of the land. In such cases the Council must ensure that the nature and the amount of the subsidy complies with State Aid rules, failure to comply means that the aid is unlawful and may result in the benefit being recovered with interest from the recipient. If the occupier receives less than approximately £155,000 (200,000 Euros) in state aid over a

3 year period then the De Minimis Regulation will apply (small amounts of aid are unlikely to distort competition).

8.6 The merits and benefits that are not measured in financial terms, but are of considerable value nonetheless, and merit proceeding (in support of an accountable and reasonable decision) are dealt with elsewhere in this report. Examples including public benefit, health benefit, and social well being which are matters that can be brought into account in exercising the general disposal consent in the promotion or improvement of social well being.

9.0 Risk Management

There are no perceived risk management issues

10. Alternative Options

Not to agree a new lease with Marriott House Veterans Association. This would result in a loss of a facility for local senior citizens.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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