

**HINCKLEY HUB PAYMENT OF STAMP DUTY  
REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE  
DIRECTION)**



Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

**WARDS AFFECTED: ALL WARDS**

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1. **PURPOSE OF REPORT**

In accordance with financial procedure rules, to seek member approval for the creation of a budget to pay for the Stamp Duty Land Tax (SDLT) associated with the Lease of the Hinckley Hub. The costs will be met from the relocation reserve.

2. **RECOMMENDATION**

Members approve the creation of a budget of £165,549 to be funded from the relocation reserve to cover the cost of the SDLT payable on the lease of the Hinckley Hub building

3. **BACKGROUND TO THE REPORT**

On the 22 May 2013 the Council entered into a lease of the Hinckley Hub building with Aviva Investors Realm Commercial Assets LP for a term of 35 years. The lease attracts a payment of SDLT based on the rent values of the property over the initial five years of the term.

The SDLT calculation has been based on a worst case scenario of the rent rising at 4.5% per year for the first five years of the term. This gives a stamp duty land tax payable of £165,549.00.

If in actuality the annual rent increase is less than 4.5% after five years an application can be made to Her Majesty's Revenue and Customs for a rebate for any amount overpaid.

There will need to be a supplementary budget approved by Council of £165,549.00 in respect of this required payment.

4. **FINANCIAL IMPLICATIONS [IB]**

The current balance in the Relocation Reserve is £337,548.50. If the release of fund to pay for SDLT is approved the revised balance will be £171,999.80.

5. **LEGAL IMPLICATIONS AB**

Contained in the body of the report.

6. **CORPORATE PLAN IMPLICATIONS**

This document Contributes to the Mid Term Financial Strategy, Strategic Objectives 2 and 5 of the Corporate Plan, and the ICT Strategy.

7. **CONSULTATION**

None specific for this report.

8. **RISK IMPLICATIONS**

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

The recommendations contained within the report present no implications with regard to equalities or rural areas. However, the wider redevelopment proposals which have been previously approved by the Council have given full consideration to equality and rural considerations. The development will be of benefit to all groups within the community and all areas of the Borough.

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

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Background papers: none  
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