

Property Sub-Committee – 6th February 2019

Recommendations by Cllr Mark Deaville - Cabinet Member for Commercial

Site: Silkmore Academy, Exeter Street, Stafford, ST17 4EG
Location/Electoral Division Stafford
Proposed Transaction Surrender of existing Academy Lease and the grant of a new 125 year Lease to the Reach2 Academy Trust on the same terms as the existing Lease (peppercorn rent in the standard form in accordance with the requirements of the Department of Education) save for a variation to the demise to reflect the relocation of the children's centre which was retained by Staffordshire County Council. The Reach2 Academy Trust are obliged to obtain the consent of the Secretary of State to the surrender of the existing Academy Lease and the grant of the new Lease prior to completion.

Recommendations

The existing Lease be surrendered and the new Lease be granted to vary the extent of the demise to allow for the relocation of the children's centre.

Decision Level/Authority/Officer Delegation Scheme number

Property Sub-Committee decision as undervalue transaction

Details

1.Current Use and Owner/Occupier/Lessee etc

The land is owned by Staffordshire County Council and leased to Reach2 Academy Trust on a 125 year Academy Lease. Plan A annexed shows the extent of the existing Lease to Reach 2 Academy Trust edged in red. The demise excludes the childrens centre on site which has been retained by Staffordshire County Council

2.Proposed Use

The property will continue to be used as an Academy and childrens centre.

3.Proposed Purchaser/Lessee/Lessor/tenant etc...

The Tenant of the area let to the Academy will continue to be Reach2 Academy Trust

4.Estimated Value/Cost/Rental Income

No valuation has been undertaken

5.Proposed transaction sale price/outline terms

Not for value as referred to above

6.Implications of transaction for County Council (Risks)**(a) Strategic: To include contribution transaction makes to outcomes listed in the Strategic Plan ***

None

(b) Financial:

Capital costs/income

Revenue costs/income

Change in Property running costs

Under the terms of the existing Lease Reach2 Academy Trust are responsible for repairing and maintaining the extent of the area demised by the Lease. Staffordshire County Council are responsible for the repair and maintenance of the childrens centre. Both parties pay a fair proportion of the cost of the repair and maintenance of the structure of the roof. This remains unchanged in the new Lease.

There are likely to be relocation costs for the relocation of the childrens centre.

(c) Operational: None**Legal:**

Part of the site is retained by the Staffordshire County Council for use as a childrens centre.

The Rights granted within the Lease for the Tenant include the right to connect to services within the Landlords retained land, the right to divert conduits upon giving reasonable notice, the right of support, the right to access the landlords retained land for the purpose of repairing and maintain the Property. Rights of access over the land coloured yellow on the Plan have been reserved for the Landlord, rights of access to the property, services and support have all been reserved for the Landlord.

7. Background Information:

- (a) site history/details of negotiations etc
- (b) Consultations carried out/required
- (c) Alternative options for site
- (d) Reasons for recommended option
- (e) Rationale for acceptance of lower offer (where applicable)
- (f) Relevance of Section 123 of the Local Government Act 1972/General Disposal consent Order 2003
- (g) Resource/VFM Analysis

Staffordshire County Council granted a 125 Academy Lease of part of the Property to Reach2 Academy Trust on the 1st July 2015. Staffordshire County Council retained possession and control of the childrens centre shown on Plan 1.

Reach2 Academy Trust wish to carry out some alterations to the school and the parties have agreed that to facilitate these alterations the childrens centre will be relocated to the position shown on Plan 2.

It is therefore intended that the existing Academy Lease is surrendered and a new Lease granted to amend the demise of the area retained by Staffordshire County Council for use a childrens centre.

9. Community Impact i(eg, reference to particular communities or service users affected by the proposal)

It is anticipated that there will be a continuity of School arrangements so the communities will not be impacted

10. Comment by Local Member

To be reported to committee

11. Comments by SLT Members

None

12. Proposal supported by the Head of Commercial and Property

Signed



Date 2/1/19

13. Valuer/Officer advising on this transaction

N/A

*3 priority Outcomes for the people of Staffordshire are:

- To be able to access more good jobs and feel the benefits of economic growth
- To be healthier and more independent
- To feel safer, happier and more supported in their community.