

Property Sub-Committee – 6th October 2021

Recommendations by Cllr Mark Deaville - Cabinet Member for Commercial Matters

Site: Tri Veterans Support Centre, Hassell St, Newcastle, ST5 1AR
Location/Electoral Division Newcastle – Newcastle South – Stephen Sweeney
Proposed Transaction Renewal of Tenancy at Will

Recommendations

The Tenancy at Will to the Tri-Veterans Support Centre be renewed whilst the results of a grant application are known and to allow time for a subsequent sale or letting be agreed and finalised.

Decision Level/Authority/Officer Delegation Scheme number

Committee

Details

1.Current Use and Occupier Tri Services Veterans Support Centre occupy the property as a centre for former Service Veterans
2.Proposed Use Continued use as a Centre for former Service Veterans and the local community
3.Proposed Purchaser/Lessee Tri Services Veterans Support Centre
4.Estimated Rental Income £1pa
5.Proposed transaction sale price/outline terms To renew the Tenancy at Will on similar terms to the existing arrangement as outlined below
6.Implications of transaction for County Council (Risks) (a) Strategic: To include contribution transaction makes to outcomes listed in the Strategic Plan * (b) Financial: Capital costs/income Revenue costs/income Change in Property running costs to avoid the costs associated with a vacant property

(c) Operational: n/a

(d) Legal: Concerns have been raised by the legal dept regarding the length of time the existing Tenancy at Will has operated without being renewed.

7. Background Information:

NB Please ensure that reference is made to any issues which may affect any transaction e.g. restrictive covenants

(a) site history/details of negotiations etc

The Council granted a three years lease to Tri Services and Veterans Support Centre which expired on 25 June 2018. The lease was excluded from the provisions of the Landlord and Tenant Act 1954 and therefore, to regularise the situation so that they could remain in the property after this date, a Tenancy at Will was granted on 9th September 2019 whilst terms for a new lease were agreed.

Both the lease and the current Tenancy at Will are on the basis of the occupier paying the sum of £1pa and the occupier is to be responsible for ensuring the property is kept in no worse state than as shown in the schedule of condition prepared in 2015.

Negotiations for either a new lease or a purchase of the building have continued in the interim and the Veterans have recently made an application for a grant to purchase the property under the Community Ownership Fund and are awaiting the results.

A Tenancy at Will is only intended to be in operation for a very short period of time and with the existing Tenancy at Will already 2 years old there are concerns this is now out of date. The replacement TaW is to be on the same terms as the exiting TaW and to provide cover until the Veterans know whether they can proceed with a purchase of the building.

As a result of the recent pandemic, it is unlikely the Veterans could now proceed with a purchase if the grant application is unsuccessful and a new lease would then need to be negotiated. The Centre is an important community facility and the TaW is to allow this work to continue.

(b) Consultations carried out none

(c) Alternative options for site Disposal for residential or commercial purposes

Reasons for recommended option To allow time for the results of the grant application to be known

(d)

(e) Rationale for acceptance of lower offer (where applicable)

Relevance of Section 123 of the Local Government Act 1972/General Disposal consent Order 2003

Not Applicable, this is not a disposal for the purposes of the act

(f) Resource/VFM Analysis

- **8. Community Impact (e.g. reference to particular communities or service users affected by the proposal)** To enable residents to be healthier and more independent and to feel safer, happier and more supported in their community

9. Comment by Local Member none received at date of report

10. Comments by SLT Members none received at date of report

11. Proposal supported by the Assistant Director for Commercial and Assets

Signed 

Date 23/9/21

12. Valuer/Officer advising on this transaction P Townley

Signed 

Date 9th September 2021

Background Documents:

Please list here any previous reports to Members relevant to this transaction/site:

*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.