

Property Sub-Committee

Wednesday 1 December 2021

12:00

Oak Room, County Buildings, Stafford

The meeting will be webcast live which can be viewed at any time here:

<https://staffordshire.public-i.tv/core/portal/home>John Tradewell
Director of Corporate Services
23 November 2021

A G E N D A**PART ONE**

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of the Meeting held on 3 November 2021** (Pages 1 - 2)
4. **New all through school, former power station site, Rugeley - Proposed Lease** (Pages 3 - 10)
5. **Exclusion of the Public**

The Chairman to move:-

"That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972 as indicated below".

PART TWO
(reports in this section are exempt)**PART TWO**

6. **18 Greengate Street Stafford - Proposed Renewal of Lease (Exemption paragraph 3)** (Pages 11 - 14)

7. **Plot E i54 South Staffordshire Business Park - Proposed Sale (Exemption paragraph 3)** (Pages 15 - 36)

Membership	
Mark Deaville	Alan White (Chairman)
Ian Parry	Philip White (Vice-Chairman)
Jonathan Price	

Notes for Members of the Press and Public

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Recording by Press and Public

Recording (including by the use of social media) by the Press and Public is permitted from the public seating area provided it does not, in the opinion of the chairman, disrupt the meeting.

Minutes of the Property Sub-Committee Meeting held on 3 November 2021

Present: Alan White (Chairman)

Attendance	
Ian Parry Jonathan Price	Philip White (Vice-Chairman)

Also in attendance: Samantha Thompson

Apologies: Mark Deaville

PART ONE

42. Declarations of Interest

There were no Declarations of Interest on this occasion.

43. Minutes of the Meeting held on 6 October 2021

RESOLVED – That the minutes of the meeting held on 1 September 2021 be confirmed and signed by the Chairman.

44. Hagley Park Sports College - Proposed Early Surrender of Lease

Details were submitted for the proposed lease of the former site of the Hagley Park Sports College to the Creative Education Trust.

RESOLVED – That (a) the recommendations of the Sub-Committee from 7 July 2021 to surrender the academy lease to Creative Education Trust for the whole site be noted.

(b) a new academy lease to Creative Education Trust for the playing field land shown on the Plan at appendix 3 in the report be granted on the terms indicated in the report; any actions to implement the decision be delegated to the Assistant Director for Commercial and Assets.

45. Cannock Household Waste Recycling Centre - Proposed Lease

Details were submitted for the proposed lease of part of Cannock Household Waste Recycling Centre, Lichfield Road, Cannock WS11 8QN.

RESOLVED – That part of Cannock Household Waste Recycling Centre, Lichfield Road Cannock be leased to Katherine House Hospice for a term commencing from 20 March 2020 and ending 31 March 2023 for £1 per annum on the terms indicated in the report.

46. Exclusion of the Public

RESOLVED - That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraph of Part 1 of Schedule 12A of the Local Government Act, 1972.

47. Innovation Centre No.5 (IC5) - Proposed Lease - Exemption paragraph 3

Details were submitted for the proposed surrender of lease and new lease of the Innovation Centre No.5 (IC5) to Biocomposites Ltd for a 10-year period.

RESOLVED – That approval be given for the surrender of the existing lease and the granting of a new a 10-year lease of the Innovation Centre No.5 (IC5) on the terms indicated in the report to Biocomposites.

48. i54 Plot D - Proposed Lease - Exemption paragraph 3

Proposals were submitted for a 40 year lease of Plot D at i54 South Staffordshire Business Park to Gridserve UK Projects Ltd.

RESOLVED – That approval be given for a 40 year lease of Plot D at i54 South Staffordshire Business Park to Gridserve UK Projects Ltd on the terms indicated in the report; any actions to implement this decision be granted to the Head of Regeneration & Strategic Projects.

49. Lot 1, Holding No. 43 Canwell Estate, Oak Tree Farm, Drayton Lane, Drayton Bassett, Tamworth B78 3EF - Proposed sale - Exemption paragraph 3

Details were submitted for the proposed variations of sale of Lot 1, Holding No.43 Canwell Estate, Oak Tree Farm, Drayton Lane, Drayton Bassett, Tamworth B78 3EF comprising of 52.33 acres.

RESOLVED – That approval be given for the terms of the sale of Lot 1, Holding No.43 Canwell Estate, Oak Tree Farm, Drayton Lane, Drayton Bassett, Tamworth B78 3EF comprising of 52.33 acres be amended as indicated in the report.

Chairman

Property Sub-Committee – 1 December 2021
Recommendations by Cllr Mark Deaville- Cabinet Member for Commercial
Item Title

New all through school, former power station site, Rugeley

Electoral Division

Lichfield Rural West

Local Member

Richard Ernest Cox

Recommendations

That the council enters into an Agreement for Lease with Secretary of State for Education. In due course the council subsequently acquires the freehold of the completed school site from Rugeley Power Limited (the Developer) and then grants a free school lease to a party nominated by the Secretary of State for Education (most likely to be John Taylor MAT). That the final details of the terms of all three transactions and the parties to such transactions is delegated to the Assistant director for Commercial and Assets

Transaction Summary
1. Current Arrangements

Owner: Rugeley Power Limited

2. Proposals

Agreement for Lease with the Secretary of State for Education.

3. Undervalue Transaction

The transaction is not for value and therefore technically undervalue in accordance with S123 of the Local Government Act 1972/General Disposal consent Order 2003 and give rationale (or refer to section 6). However in the context of the overall transaction the council is not foregoing any current assets of value and is essentially administering statutory processes.

Supporting Details

4. Background Information

John Taylor Multi Academy Trust with the support of SCC made a successful application on Wave 14 of the free schools process, to run an all through school on the former power station site, Rugeley.

Cabinet are in full support of the project and agreed a contribution of £1 million towards its delivery. The DfE, and Engie (Rugeley Power Limited) are funding the vast majority of the project which is setting out to provide a 5FE High and 2FE Primary, zero carbon School.

We have been working with the DfE since early November 2021 to agree Heads of Terms (copy attached) for the future Academy lease which the DfE need in place before signing the agreement with Engie (Rugeley Power Limited) to construct the new all through school.

We were contacted by Engie (Rugeley Power Limited) on the 16th November regarding completion of their agreement with DfE and they are targeting the 6th December (no later). Engie (Rugeley Power Limited) we understand, wish to commence construction works on site prior to Christmas 2021. Once the school has been constructed Engie will transfer the school site to the SCC. SCC will then grant a free school lease (in the DfE's standard form) to a party nominated by the Secretary of State for Education (most likely to be John Taylor MAT).

It should be noted that Rugeley Power Limited achieved full detailed planning permission for the new all through school in September 2021.

5. Alternative Options

None considered

6. Implications of transaction for County Council (Risks)

Any delay whatsoever in the process will prejudice the ambitious delivery of the new all through school for September 2023. Which in turn would have significant consequences for pupil place planning in Rugeley and Lichfield.

7. Community Impact *

Rugeley require additional school provision which will be provided by our proposals. It should be noted that the MAT are high performing and will no doubt enhance life chances for its students and community.

8. Comment by Local Member

To be reported to committee.

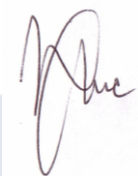
9. Proposal supported by/approved by Assistant Director for Commercial

Signed: 

Name: Ian Turner

Date: 24 November 2021

10. Valuer/Officer advising on this transaction

Signed: 

Name: Stuart Lane

Date: 24 November 2021

Background Documents

None

*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.

HEADS OF TERMS: LEASEHOLD ACQUISITION FS1008 Rugeley John Taylor School**125 YEAR LEASE AT PEPPERCORN WITHOUT PREMIUM – Developer Procuring the works with a development agreement**

Although these heads of terms are not intended to be legally binding, once agreed, they will be distributed within the Department for Education (DfE) and will inform the production of a number of documents between the school and the Secretary of State for Education (SoS). It will therefore not be possible to agree variations to the commercial terms set out below once the heads of terms are agreed between the parties. In addition, a number of the provisions relate to policy requirements of the DfE. Any derogation from the heads of terms would be considered on a case by case basis and the terms of other transactions would not necessarily be relevant.

Background/Structure

Rugeley Power Limited owns the freehold interest in land known as the former Power Station Rugeley, Rugeley WS15 1NZ. It is proposed to complete a Masterplan of comprehensive redevelopment of the entire site for housing with other ancillary uses. It is proposed that part of this land will be the permanent site for a new all through Free School operated by the John Taylor Multi Academy Trust (Trust).

Rugeley Power Limited have entered into a s106 agreement with Staffordshire County Council, Cannock Chase District Council and Lichfield District Council whereby at practical completion of the school the Freehold of the school site transfers to Staffordshire County Council. The timescale for construction of the all through school option set out in the s106 agreement has been brought forward and it is accepted by the parties that in order for the DfE to commit to provide funding towards the construction of the school there needs to be certainty that on practical completion of the construction that the Rugeley Power Limited will immediately offer the school site to the Staffordshire County Council who will accept the transfer of the freehold which is offered to them so that the lease can simultaneously be granted to the operating school trust.

Rugeley Power Limited have agreed to enter into a Development Agreement with the SoS for the delivery of the Free School and will at Practical Completion transfer the land to Staffordshire County Council who in turn will simultaneously grant a 125 year lease at a peppercorn to the Trust on terms detailed below.

Staffordshire County Council will on completion of the lease to the Trust pay to the Procuring Agent the sum of £1,000,000 pursuant to a Capital Contribution Letter.

1. LANDLORD	Staffordshire County Council 1 Staffordshire Place Stafford Staffordshire ST16 2DH
2. LANDLORD'S SOLICITOR	Staffordshire Legal Services, Staffordshire County Council, 1 Staffordshire Place, Tipping Street, Stafford, ST16 2LP Attn: Imran Razaq imran.razaq@staffordshire.gov.uk
3. TENANT	John Taylor Multi Academy Trust Dunstall Road Barton-under-needwood DE13 8AZ

4. PROCURING AGENT	Secretary of State for Education c/o Department for Education, 5 th Floor, Sanctuary Buildings, Great Smith Street, London SW1P 3BT	
5. PROCURING AGENT'S SOLICITOR	Womble Bond Dickinson (UK) LLP of St Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE1 3DX (marked for the attention of John Booth) John.booth@wbd-uk.com .	
6. DEVELOPER	Rugeley Power Limited Level 20 25 Canada Square London E145 LQ	
7. DEVELOPER'S SOLICITOR	TBC	
8. PROPERTY	<p>All that land as shown outlined in red on the attached plan being part of title number SF436495. Together with a permanent right of way over the temporary access road shown coloured brown on the attached plan.</p> <p>A Land Registry compliant plan is attached showing the extent of the lease demise outlined in red.</p>	
9. FORM OF LEASE	<p>DfE Model 125 year peppercorn Free School Lease save where amended only in accordance with the agreed Heads of Terms</p> <p>Up-to-date version also available on GOV.uk website (https://www.gov.uk/government/publications/free-schools-utcs-and-studio-schools-model-lease)</p>	
10. TENANT'S RIGHTS	10.1	The Tenant will benefit from the rights contained in the Transfer to the Landlord. The form of transfer is to be approved by the Tenant.
11. PREMIUM	Nil premium is payable for the 125 year lease rent is a peppercorn.	
12. TENANT'S BREAK CLAUSE	In the 25 th 50 th 75 th 100 th years for the benefit of the Tenant.	
13. SERVICES AND SERVICE CHARGE	13.1	For the avoidance of doubt the Tenant will not pay a service charge or contribution to the upkeep of common areas outside the boundary of the redline plan.
14. INSURANCE	The Tenant will insure the Property from completion of the grant of the lease. Where the Tenant is a member of the Risk Protection Arrangement such risks as are covered by the Risk Protection Arrangement.	

	The Developer will insure the property between exchange of contracts and transfer of the freehold to Staffordshire County Council.	
15. S106 OBLIGATIONS	Subject of the Developer agreeing to the vary the transfer , the draft transfer from the Developer to the Council will be amended to broaden the indemnity from the Developer to the Council against any liability that may arise from obligations contained in the s106 agreement or the subsequent unilateral undertaking. Such indemnity needs to also cover obligations in so far as they relate to the wider site and not just the property. A reciprocal indemnity will be contained in the lease.	
16. EXCHANGE & COMPLETION OF THE PROPERTY AGREEMENTH		
	16.1	The Landlord and Procuring Agent will endeavour to exchange the Property Agreement by 6 December 2021
	16.2	Completion of the Lease will take place following satisfaction of all the Conditions Precedent for Completion of the Property Agreement.
	16.3	Provision of a s151/capital contribution letter addressed to the DfE by the Landlord.
17. CONDITIONS PRECEDENT FOR EXCHANGE OF THE PROPERTY AGREEMENT	17.1	Satisfactory completion of title investigation;
	17.2	Receipt of satisfactory survey results;

18. CONDITIONS PRECEDENT FOR THE COMPLETION OF THE PROPERTY AGREEMENT AND GRANTING OF THE LEASE	18.1	Practical Completion Certificate being Issued by the Developer for the Building of an ATS school in accordance with the s106 Agreement
	18.2	Land Transferred from the Developer to the Landlord on PC of the construction of the School in accordance with the provisions of the s106 Agreement which the Landlord will be obliged in the Agreement for Lease to enforce. The Landlord will be obliged to accept a transfer of the Property from the Developer in the timescale required for the opening of the school in September 2023 but for the avoidance of doubt, the Landlord will not be obliged to accept the freehold transfer until the outstanding obligations on the part of the Developer contained in Schedule 5 part 2 in the S.106 Agreement have been satisfied.
	18.3	Granting of the Lease by the Landlord to the Trust.
	18.4	The Target Date for the granting of the Lease will be 1st September 2023.
	18.5	The long-stop date for the satisfaction of the Condition Precedent for the completion of the Property Agreement will be 1 st March 2026.
19. REVERSE PREMIUM ON COMPLETION OF THE LEASE	£1,000,000 exclusive of VAT is payable by the Landlord to the Procuring Agent on completion of the lease.	
20. COSTS	Each party is responsible for its own legal and professional costs in connection with this transaction.	
21. O & M	The Landlord will provide (provided that such information is received by the Landlord from the Developer or the Freeholder) DfE staff, or their representatives access to and obtain a copy of the site's health and safety files and the Operational and Maintenance Manuals including Planned, Preventative Maintenance Schedules and full site drawings and schematics. This information will include, but not limited to the 5 year electrical certificate, the asbestos management plan, survey, register and risk assessment, the L8 Water Risk Assessment including all associated documentation (i.e. 5 year water temperature records) and the Fire Risk Assessment.	

Not for publication by virtue of paragraph(s) 3
of Part 1 of Schedule 12A
of the Local Government Act 1972

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