

Property Sub-Committee

Wednesday 3 November 2021

12:00

Oak Room, County Buildings, Stafford

NB. The webcast can be viewed here - <https://staffordshire.public-i.tv/core/portal/home>

John Tradewell
Director of Corporate Services
26 October 2021

A G E N D A

PART ONE

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of the Meeting held on 6 October 2021** (Pages 1 - 4)
4. **Hagley Park Sports College - Proposed Early Surrender of Lease** (Pages 5 - 18)
5. **Cannock Household Waste Recycling Centre - Proposed Lease** (Pages 19 - 28)
6. **Exclusion of the Public**

The Chairman to move:

'That the public be excluded from the meeting for the following item(s) of business which involves the likely disclosure of exempt information as defined in the paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 indicated below'

PART TWO

7. **Innovation Centre No.5 (IC5) - Proposed Lease - Exemption paragraph 3** (Pages 29 - 34)
8. **i54 Plot D - Proposed Lease - Exemption paragraph 3** (Pages 35 - 48)

Membership

Mark Deaville
Ian Parry
Jonathan Price

Alan White (Chairman)
Philip White (Vice-Chairman)

Note for Members of the Press and Public

Filming of Meetings

The Open (public) section of this meeting may be filmed for live or later broadcasting or other use, and, if you are at the meeting, you may be filmed, and are deemed to have agreed to being filmed and to the use of the recording for broadcast and/or other purposes.

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 6 October 2021

Present: Alan White (Chairman)

Mark Deaville
Ian Parry

Philip White (Vice-Chairman)

Apologies: Jonathan Price

Also in attendance: David Smith

31. Declarations of Interest

There were no Declarations of Interest on this occasion.

32. Minutes of the Meeting held on 1 September 2021

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

33. Proposed Leases to Academies

Proposals were submitted to lease the sites of two Academies to their Trusts for a 125 year period at a peppercorn rental in line with the expectations of the Department for Education for those schools converting to Academy status.

RESOLVED – That approval be given to the grant of 125 year leases, at a peppercorn rental, to the two Academies detailed in the schedule to the report.

34. Stonnall Youth and Community Centre/ Stonnall Community Centre/ The Hut - Proposed Early Surrender of Lease

Details were submitted for the proposed early Surrender of the Lease of Stonnall Youth and Community Centre, Stonnall Community Centre/ The Hut to Shenstone Parish Council.

The Committee were advised that the Parish Council have reviewed their community property needs and determined that they do not wish to take the freehold of the Property. It was reported that the Parish Council favour the current management committee becoming a formal community body and taking over the responsibility of the community centre.

The Committee were requested to consider the proposal to provide a tenancy at will to a lead member of the management committee for a maximum period of 6 months whilst the group created a corporate body.

RESOLVED – That (a) the lease to Shenstone Parish Council be terminated early, subject to the county council receiving £18,324 in lieu of the demolition of the buildings on the site and the Parish Council meet the County Council's legal costs in arranging the early termination.

(b) the Assistant Director for Commercial and Assets be delegated approval to enter into a Tenancy at Will for the temporary occupation and management of the property for a maximum of 6 months.

(c) future long term arrangements be reported to committee in due course.

35. Tri Veterans Support Centre, Hassell St, Newcastle ST5 1AR - Proposed renewal of Tenancy at Will

Details were submitted for the proposed renewal of Tenancy at Will to the Tri-Veterans Support Centre.

It was reported that negotiations for a new lease or a purchase of the building were ongoing and the Veterans have recently made an application for a grant to purchase the property under the Community Ownership Fund and are currently awaiting the results.

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

36. Community Hub, Northfield Village, Stone Road - Proposed Grant of Lease

Details were submitted for the proposed grant of a Lease of the Community Hub on the Stone Road site for 20 years at a peppercorn rent from 2021 to the Wrekin Housing Group Limited.

RESOLVED – That approval be given for the lease of Community Hub, Northfield Village to be granted to the Wrekin housing Group Limited; the final details of the lease to be delegated to the Assistant Director for Commercial and Assets.

37. Burntwood Youth Centre and Community Office - Cherry Close, Burntwood WS7 4RJ - Proposed Renewal of Lease

Details were submitted for the proposed renewal of lease of Burntwood Youth Centre and Community Office to Liberty Jamboree on similar terms to the existing lease.

RESOLVED – That approval be given for the Lease of Burntwood Youth Centre and Community Office to Liberty Jamboree to be renewed on similar terms to the existing lease; any actions required to implement the decision be delegated to the Assistant Director for Commercial and Assets.

38. Land off Falkland Road, Lichfield - Proposed Transfer

Details were submitted on the proposed Transfer of Land off Falkland Road, Lichfield to Lichfield and Hatherton Canal Restoration Trust.

It was reported that Cadent need to move a gas main incorrectly located in part of the land, so it is intended for the transfer to be completed in two phases. Zone B as soon as reasonably practical and Zone C following the completion of the works.

RESOLVED – That approval be given for the land off Falkland Road, Lichfield, to be transferred to Lichfield and Hatherton Canal Restoration Trust in two phases, for nil consideration, to facilitate the continued restoration of the canal in the Lichfield area.

39. 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.

40. Community Managed Library - Rising Brook - Proposed Transfer of Lease

Details were submitted for the proposed Lease of Rising Brook Library.

RESOLVED – That approval be given for the Lease of Rising Brook Library on the terms indicated in the report; delegated authority be granted to the Assistant Director for Commercial and Assets in conjunction with the Deputy Chief Executive and Director for Families and Communities.

Chairman

Property Sub-Committee – Wednesday 3rd November 2021

**Recommendations by Mark Deaville- Cabinet Member for
Commercial Matters**

Item Title

Early Surrender of Lease

The former site of the Hagley Park Sports College, Burnthill Lane, Rugeley, WS15 2HZ shown edged red on the Plan at Appendix II.

Property PID 368

Electoral Division

Brereton and Ravenhill

Local Member

Peter Kruskonjic

Recommendations

That:

- 1) The recommendations of the Sub-Committee from 7th July to surrender the academy lease to Creative Education Trust for the whole site be noted
- 2) A new academy lease be granted to Creative Education Trust for the playing field land shown tinted yellow on the Plan at Appendix III. Or a partial surrender of the existing site be agreed to allow the school to retain the playing fields.
- 3) That any and all actions to implement this decision be delegated to the Assistant Director for Commercial and Assets

Transaction Summary

1. Current Arrangements

Lease to Creative Education Academies Trust for Education use although the site is currently mothballed save for license to DHSC for a coronavirus testing site

2. Proposals

Cease educational use of the school site and return to SCC control, retaining the playing fields within the school control.

3. Undervalue Transaction

N/A

Supporting Details

4. Background Information

4.1. The Property Sub-Committee on 7th July 2021 approved the surrender of the academy lease from Creative Education Trust (CET) for the whole of the former Hagley Park Site. A copy of the report is attached at Appendix I.

4.2. CET made an application to the Department for Education (DfE) for consent to surrender of the whole of the lease of the former Hagley Park Site. The Site has not been used by CET for some time. The application to the DfE was made on the basis that the Site is no longer used and is not required going forward given it represents a costs liability for CET.

4.3. The DfE's view is that the surrender of the playing field element of the former Hagley Park Site (shown shaded yellow on the title plan attached at Appendix III) is against policy while the current Hart School remains short of playing field land according to the relevant regulations concerning playing field space. The Hagley Park site is actually considered by DfE to be part of the open space forming part of The Hart School site. The playing field is within close proximity to The Hart School and adjoins The Hart School's playing field land. The DfE have said that there is unlikely to be any objections by ministers to the surrender of the remainder of the former Hagley Park Site (excluding the playing fields).

4.4. CET queried the comments relating to playing field land stating that The Hart School has sufficient playing field land given the availability of MUGAs and also having use of leisure centre facilities which are used for

physical education. The DfE have advised that indoor spaces and swimming pools do not count for the purposes of calculating playing field land, so they need to be disregarded. As such, DfE have indicated that the application to surrender the playing field is very unlikely to succeed and requested that the Trust discuss a surrender of part (excluding the playing field land) with the Council as an alternative.

4.5. The Trust have now approached the Council for a surrender of the land and buildings only (shown shaded pink, blue and brown on the attached plan Appendix III) on the same terms as the surrender was agreed previously (i.e. a full release for both parties) but excluding the playing field land (shown in yellow in appendix III).

5. Alternative Options

None

Resource/VFM Analysis

As laid out above there are holding costs for SCC at circa £120,000pa. As soon as the site can be declared surplus for future school use demolition will be progressed and the site disposed of.

6. Implications of transaction for County Council (Risks)

(a) Strategic: To include contribution transaction makes to outcomes listed in the Strategic Plan

The surrender of the lease forms part of the wider strategy for education places in Rugeley.

(b) Financial:

No change from the report submitted 7th July 2021 (appendix I)

(c) Operational:

No change from the report submitted 7th July 2021 (appendix I)

(d) Legal:

None

7. Community Impact *

Specifically, in relation to the surrender there are no immediate impacts however this forms part of the overall strategy to provide good quality school places for residents of Rugeley.

8. Comment by Local Member

To be reported to committee

9. Proposal supported by by Assistant Director for Commercial and Assets

Signed: 

Name: Ian Turner

Date: 20.10.2021

10. Valuer/Officer advising on this transaction

Signed: N/A

Name: N/A

Date: N/A

Background Documents

Appendix I - Property Subcommittee Report 7th July 2021
Appendix II - Plan of the Hagley Park Site
Appendix III - Plan of Playing Field Land

*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.

Appendix I

Property Sub-Committee

Wednesday 7th July 2021

Recommendations by Mark Deaville- Cabinet Member for Commercial Matters

Site The former site of the Hagley Park Sports College, Burnthill Lane, Rugeley, WS15 2HZ
Location/Electoral Division Brereton and Ravenhill - Peter Kruskonjic
Proposed Transaction Early Surrender of Lease

Recommendations

That the lease to Creative Education Trust (CET) be surrendered and that the Assistant Director for commercial and Assets be delegated any and all actions to implement the surrender including the transfer of licence arrangements for the Coronavirus testing site to the Department for Health and Social Care (DHSC)

Decision Level/Authority/Officer Delegation Scheme number

Sub-committee

Details

1.Current Use and Lessee : Lease to Creative Education Academies Trust for Education use although the site is currently mothballed save for license to DHSC for a coronavirus testing site
2.Proposed Use None
3.Proposed Lessee: None
4.Estimated Rental Income: current rent is nil.-
5.Proposed transaction outline terms: N/A
6.Implications of transaction for County Council (Risks)
(a) Strategic: To include contribution transaction makes to outcomes listed in the Strategic Plan The surrender of the lease forms part of the wider strategy for education places in Rugeley.

(b) Financial:

The council will be liable for holding costs equivalent to £146,000 pa as estimated by CET.

Estimated costs for SCC are

circa £40,000 general holdings costs for security, insurance, services, grounds and responsive maintenance.

Circa £80,000 for business rates, based on £63,000 in 2011 escalated by 20%. We are not aware of any revaluation and so this is an estimate only. It is anticipated that CET have benefited from any vacant property relief but this will be investigated and applied for if appropriate.

The council is liable for costs of £400 per day on delay of surrender past 31 July 2021 unless any delay is contributed to by CET.

(c) Operational:

The site will remain available for a coronavirus testing site for the time being. The building in use for this purpose is separate from the main school buildings and operation is completely under the control of DHSC.

We will arrange for security provision by Guardians in the caretakers house.

When the strategy for school places is known in December following the decision on the all through school on the power station site a decision will be made on disposal.

It is likely that access arrangements and playfield restrictions will mean it is a relatively low value asset at disposal.

The relevant preparations for handover are underway.

(d) Legal:

A draft deed of surrender is appended to this report and it is anticipated the parties will formalise the surrender via this mechanism.

The council will then have total responsibility for the property and no recourse to CET for any building condition and the like.

7. Background Information:

The background to school places in Rugeley is long and complex but for the purposes of this transaction culminates in the attached Heads of Terms with the Academy trust for the Hart School for additional school places entered into with SCC in February 2021.

This requires the surrender of the lease for the site of the former Hagley Park Sports College.

The future of the site then depends on the decision to proceed with an all through school on the Power Station site in Rugeley which is expected in December.

Via the HoT the council is liable for costs of £400 per day of delay in the surrender of the lease past the 31 July 2021, unless such delay is contributed to by the school or CET.

Secretary of State for Education approval to the surrender is required and it is the responsibility of the school to obtain such consent.

Alternative options for site:

none

(a) **Reasons for recommended option:** The site is surplus to the school's requirements.

(b) **Rationale for acceptance of lower offer (where applicable)**

N/A

(c) **Relevance of Section 123 of the Local Government Act 1972/General Disposal consent Order 2003**

N/A

(d) **Resource/VFM Analysis**

As laid out above there are holding costs for SCC at circa £120,000pa. As soon as the site can be declared surplus to future school use demolition will be progressed and the site disposed of.

8. Community Impact Specifically in relation to the surrender there are no immediate impacts however this forms part of the overall strategy to provide good quality school places for residents of Rugeley.

9. Comment by Local Member

To be reported to committee

10. Comments by SLT Members None

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

Signed



Date 25/6/21

12. Valuer/Officer advising on this transaction:

Signed N/A

Date

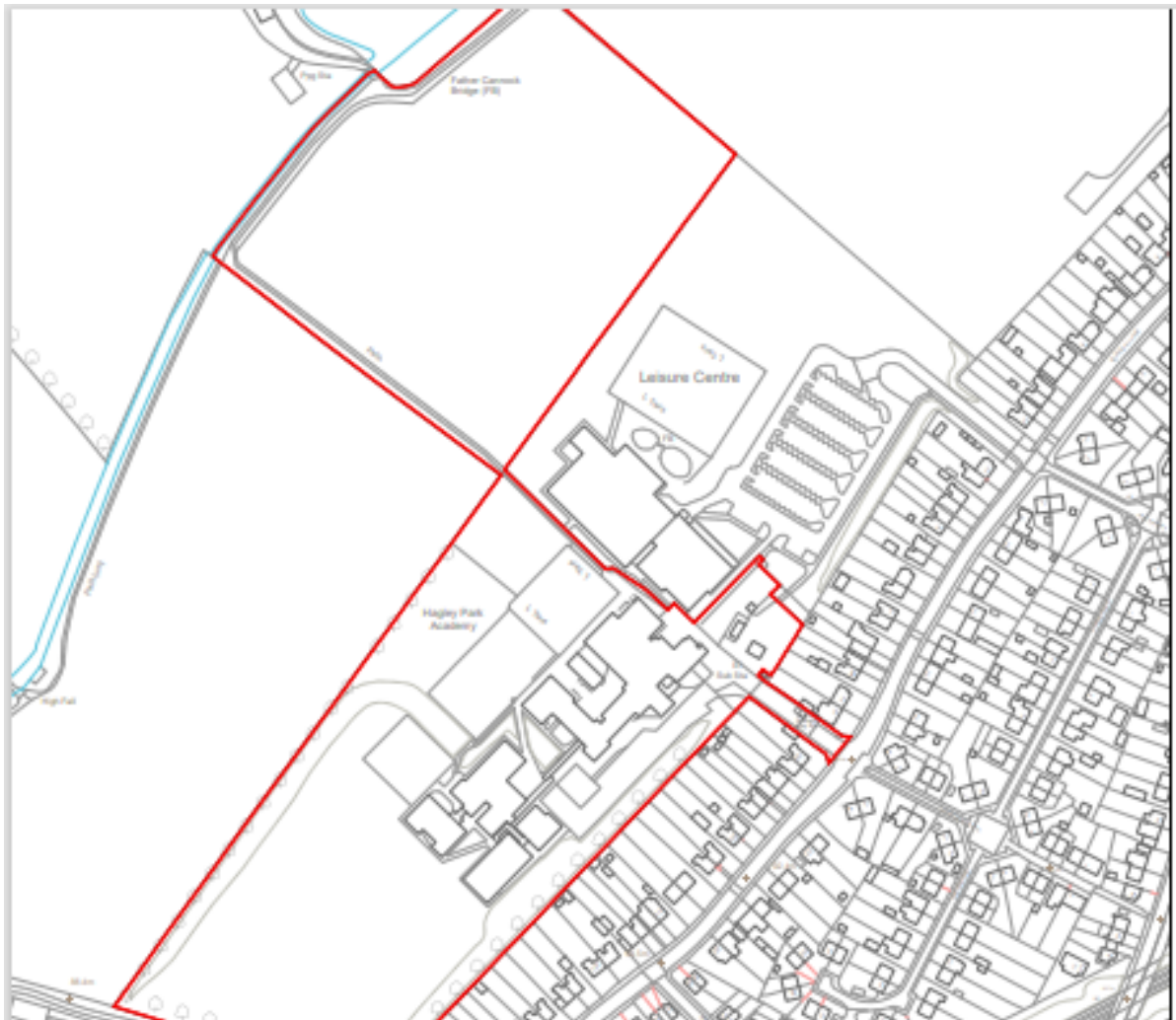
Background Documents:

Head of Terms between SCC and CET for additional school places at the Hart School
Draft Deed of Surrender

*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.

Appendix II – Hagley Park red edged site plan



Appendix III - The Former Hagley Park High School – Playing field (shown in yellow)



Property Sub-Committee – 3 November 2021

Recommendation by Mark Deaville - Cabinet Member for Commercial Matters
<p>Location/Electoral Division Cannock Household Waste Recycling Centre Lichfield Road, Cannock, WS11 8NQ</p> <p>Samantha Thompson – Cannock Villages</p>
<p>Proposed Transaction Grant of lease of part of Cannock Household Waste Recycling Centre, Lichfield Road, Cannock, WS11 8QN</p>

Recommendations

To approve the granting of a lease of part of Cannock Household Waste Recycling Centre, Lichfield Road, Cannock, WS11 8QN to Katharine House Hospice for a term commencing on 20 March 2020 and ending 31 March 2023 at £1 per annum.

Decision Level/Authority/Officer Delegation Scheme number

Property Sub-Committee

Details

<p>1.Current Use and Owner/Occupier/Lessee etc</p> <ul style="list-style-type: none"> • Katherine House Hospice (KHH) are currently in occupation and sells items for re-use, which have been donated by the public at any one of the Household Waste Recycling Centres (HWRC) across Staffordshire, either directly from the re-use shop located at the Cannock Household Waste Recycling Centre or via their charity shop network. • KHH reimburses the Council for any costs incurred in transporting reuse items to the shop and for utilities used in operating the shop. • The Council benefit from the reduction in disposal costs for all materials which are diverted to the re-use facility.
<p>2.Proposed Use</p> <ul style="list-style-type: none"> • Continuation of a Re-use shop operated by KHH in line with the current and proposed exception which will expire in March 2023.
<p>3.Proposed Purchaser/Lessee/Lessor/tenant etc...</p> <ul style="list-style-type: none"> • The tenant is: Katharine House Hospice Weston Road

Stafford
ST16 3SB

4. Estimated Value/Cost/Rental Income

- Advised on 21 June 2021 by the Council's Interim Estates and Valuation Surveyor that:

'The rent should be £4,750pa, but anything above £4,000pa for a Charitable purpose would be in order.'

5. Proposed transaction sale price/outline terms

- A proposed peppercorn rent of £1 per annum.
- Lease to be excluded from the security of tenure provisions under the Landlord and Tenant Act 1954
- Either party can terminate the lease on not less than 3 months prior written notice at anytime
- Permitted use restricted to for the sale of reuse items received from Staffordshire Household Waste recycling Centres or any items directly donated to KHH by members of the public.

6. Implications of transaction for County Council (Risks)

(a) Strategic: To include contribution transaction makes to outcomes listed in the Strategic Plan *

Key Principles impacted are:

- **Encourage residents and communities to help themselves and one another**
 - Reducing the carbon footprint by encouraging residents to donate items for re-use which can also benefit other members of the Staffordshire community.
 - Supporting a charity which enables Staffordshire residents with life limiting conditions and those close to them to live life as fully as possible and make the most of the time that they have, whether at the hospice, in the community and at home.
- **Think climate change in all we do to limit our impact on the planet**
 - Using items for longer and removing the need to generate carbon in producing new items and unnecessary disposal of useful items.

(b) Financial:

Capital costs/income

- N/A

Revenue costs/income

- Loss of annual rental income of £4k. However, since Covid, the tonnage of re-use donated to KHH has significantly reduced which is impacting on the financial sustainability of the re-use facility.

Change in Property running costs

- KHH is paying for property running costs so therefore no change.

(c) Operational:

- Ongoing operation and service since 2014.

(d) Legal:

- KHH have been in occupation for more than 6 months and have had exclusive possession. In light of this, they will have acquired security of tenure under the Landlord and Tenant Act 1954 which grants them a right to request a new lease and limits the Council's ground for terminating their occupation. The main ground which the Council can terminate their occupation would be if the Council is looking to redevelop or if the Council wishes to occupy for its own use. Granting the lease (excluding the security of tenure provisions) will mean KHH will lose any rights to renew and the Council can terminate their occupation on a shorter notice period.
- This would also be a transaction at undervalue. Please refer to section 7 below on S.123 considerations.

7. Background Information:

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

- In 2020, the Council initiated an emergency procurement process necessitated by the premature termination of the HWRC contract.
- KHH ran a waste re-use scheme in partnership with FCC Waste Services UK Limited from 2014 until the HWRC contract was terminated in March 2020. The Council was not party to the arrangements between the former HWRC contractor and KHH.
- The Council stepped into the shoes of the former HWRC contractor to ensure the existing waste re-use shop service at the Cannock HWRC site managed and run by KHH continued to operate.
- In March 2020, a draft letter of intent was prepared setting out temporary arrangements for the continued running of the scheme between the Council and KHH, pending a full review once the shop had been up and running for an initial period of three months, with a view to putting in place a formal contract if appropriate in due course. However, the terms of the letter were not finalised before the government-imposed restrictions in response to the Covid pandemic which necessitated the closure of HWRC sites and the suspension of the reuse shop.
- A report was considered by Prosperous Overview and Scrutiny Committee on 16 September 2021 in which it was reported that 'In terms of next steps, subject to agreement with Katharine House Hospice, it is not envisaged that there will be any changes to the current management of re-use items until April 2023'.

Alternative options for the site

- The long-term use of the building is under review. It is proposed to undertake Soft Market Testing, and a considered debate on how re-use can best be used for the benefit of the Staffordshire community. Overview Scrutiny has made initial comments of potential future proposals which will be taken forward by the Sustainability and Waste Team.

Resource/VFM Analysis

- For the Council to recover the £4k per annum rent, the re-use operation run by KHH would need to divert approximately 40 tonnes of waste from the waste stream.

Reasons for recommended option

- To enable the re-use operation to continue until a considered debate has been progressed on how re-use can best be used for the benefit of the Staffordshire community.
- Due to Covid and restrictions imposed on businesses by Government, KHH has had difficulty in financially supporting the re-use shop (due to shop closures, quarantine of donated items, etc.) and undertook an exercise to reduce costs which included a reduction in shop opening and employee / volunteer hours to make the operation financially viable. If the proposed rent of £4k per annum was applied to the lease of the building, this could potentially result in a decision by KHH to close the re-use operation. KHH has experience a significant reduction in the net profit arising from the HWRC re-use scheme. As an example of this, in 2019 / 2020, total re-use tonnage was 962. Due to the impact of Covid, in 2020 / 21 this has dropped significantly to 42 tonnes.
- To continue the re-use arrangements between the former HWRC contractor and KHH.
- Exclude security of tenure protection under the Landlord and Tenant Act 1954.

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

This is not a disposal in terms of the legislation. However, it is an undervalue transaction. This undervalue is a continuation of current arrangements and only for a short period of time whilst the review is undertaken, and the financial benefit is to a locally based charity.

8.Community Impact (e.g. reference to particular communities or service users affected by the proposal)

- Support to a Staffordshire charity in providing care, support, and facilities to Staffordshire residents with life limiting conditions and their families.
- Less household waste entering the waste stream.
- Recycling opportunities for householders.
- Re-use volunteering opportunities for the Staffordshire community.
- Support to low income families.

9.Comment by Local Member (Councillor Samantha Thompson)

As the Council has not previously received rent for the re-use shop, Councillor Thompson is happy for this arrangement to remain unchanged until the remainder of the lease.

10. Comments by SLT Members

11. Proposal supported by Ian Turner, Assistant Director for Commercial and Assets

Signed

Date

12. Valuer/Officer advising on this transaction

Signed: Peter Townley

Date: Email of 21.6.21 (attached)

Background Documents:

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

Prosperous Overview and Scrutiny Committee - Thursday 16 September 2021

*3 priority Outcomes for the people of Staffordshire are:

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- To be healthier and more independent
- To feel safer, happier and more supported in their community.

RE-USE SHOP CANNOCK – TINTED BLUE



From: Townley, Peter (Place)
Sent: 21 June 2021 16:57
To: Bentley, Nick (E,I&S) <nick.bentley@staffordshire.gov.uk>
Cc: Cooper, Tim (E,I&S) <tim.cooper@staffordshire.gov.uk>
Subject: RE: Lichfield Rd Cannock

Hi Nick

Thanks, on this basis, my thoughts are that the rent should be £4750pa, but anything above £4 000pa for a Charitable purpose would be in order

Regards

Peter



Peter Townley

Interim Estates and Valuation Surveyor

3rd Floor, Staffordshire Place 1

Tipping Street, Stafford, ST16 2DH

☎: 01785 895043 | 07813 539253

✉: peter.townley@staffordshire.gov.uk

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