

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
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Location/Electoral Division Brereton and Ravenhill - Peter Kruskonjic
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Proposed Transaction Early Surrender of Lease
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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
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The surrender of the lease forms part of the wider strategy for education places in Rugeley.
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(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.