

Property Sub-Committee – 2nd February 2022**Recommendations by Cllr Mark Deaville - Cabinet Member for
Commercial Matters****Item Title**

North End Community Association CIO Holmcroft Road Stafford
Renewal of ground lease
Property PID 3416

Electoral Division

Holmcroft

Local Member

Jonathan Price

Recommendations

To renew the ground lease for the community building to enable existing local services to continue

Transaction Summary**1. Current Arrangements**

The land was leased to The Stafford North End Community Association(Charity Number 522723) for a term of 60 years from 29th September 1960 at a peppercorn rent. Total area is now 0.72 acres and the Association subsequently erected the building on the site. Part of the original site was separated in 1994 in order to construct a Doctors' Surgery. SCC are trustees of this Charity but have had no active involvement in the running and operation of the Charity

2. Proposals

To grant Stafford North End Community Association CIO (Charity No 1992497) a new ground lease for a term of 25 years from 29th September 2020 at a peppercorn rent. The new lease will have similar provisions to the existing agreement, restricting use to community purposes and allowing SCC to repossess the site in the event the building is destroyed. The tenant is responsible for all repairs, insurance etc. A deed of indemnity is to be issued in order to remove SCC as Trustees to the Charity Number 522723 prior to the new lease being completed to the new Charity

3. Undervalue Transaction

The transaction is not for value it is estimated that the building could be offered in the open market at a commercial level of rent, which is estimated at £6000pa. However, the building history and community use and charity status means a commercial rent is not easily achievable.

Supporting Details

4. Background Information

The building erected by the community is a permanent building of brick under a part tiled part flat roof and is widely used by local groups/societies and clubs and, in the past year, as a Covid Vaccination Centre.

The new agreement allows the existing arrangements to continue, and the length of the lease allows the CIO to plan longer term. Any alternative uses would remove an important and well used local facility

SCC are current trustees of this Charity but have had no active involvement in the running and operation of the Charity in recent years, this has been undertaken by the managing trustees.

As SCC have no active involvement the managing trustees decided to form a new CIO, Stafford North End Community Association CIO (charity number 1992497), to further the charitable objectives.

SCC, the managing trustees and the CIO are going to be entering into a Deed of Indemnity so that the managing trustees and the CIO are to remove SCC as a trustee, arrange for the closure of Charity Number 5222723 and indemnify SCC for any liability arising from their acts prior to closure of the Charity. The Council's Charities and Trusts Committee approved this transfer of trustee responsibilities on 16th November 2021.

It is for this reason that the new lease is required to be granted to the CIO and will only be completed once SCC have been removed as trustees of the former charity and provided with the Deed of Indemnity.

5. Alternative Options

To offer the premises in the open market at a commercial rent

6. Implications of transaction for County Council (Risks)

The transaction allows the facility to remain

7. Community Impact *

The new lease allows the community to be healthier, more independent and to feel safer, happier and more supported

8. Comment by Local Member

Cllr Price has confirmed that the community group perform an excellent function and supports the proposal

9. Proposal supported by Head of Corporate Assets



Signed:

Name: Lee Wells

Date: 06/01/2022

10. Valuer/Officer advising on this transaction



Signed:

Name: Peter Townley

Date: 5th January 2022

11. Background Documents

Existing lease and site plan

Agenda and minutes for the Charities and Trust Committee meeting of 16th November 2021.

*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.

