

Property Sub-Committee - Wednesday 04 January 2023

Re-use Operation, Cannock Household Waste Recycling Centre – Grant of a Lease

Recommendation(s) by Councillor Mark Deaville – Cabinet Member for Commercial Matters

- a. To approve the grant of a lease to enable the continuation of the re-use operation at Cannock Household Waste Recycling Centre, Lichfield Road, Cannock, WS11 8QN to Katharine House Hospice for a term commencing on 1 April 2023 and ending 31 March 2024 at £1 per annum.
- b. Agreement of the final terms of the lease to be delegated to the Assistant Director for Commercial and Assets.

Local Member Interest:

Cannock Household Waste Recycling Centre (HWRC)
Lichfield Road, Cannock, WS11 8NQ

Samantha Thompson – Cannock Villages

Transaction Summary

1. Current Arrangements

- Lease to Katharine House Hospice (KHH) for £1 per annum plus service charge for the last two years following on from 5 years on informal tenancy.

2. Proposals

- The grant of a new lease to enable the continuation of a re-use shop operated by KHH for £1 per annum plus service charge from 1 April 2023 to 31 March 2024.

3. Undervalue Transaction

- A market rent would be in the region of £4,750pa, although there is little comparative evidence on which to base figures.

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, with an April 2024 onwards solution considering the views of Staffordshire residents.

Supporting Details

4. Background Information

- 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.
- The Council has agreed a lease and contract with KHH until 31 March 2023 with an exception to be submitted to extend the current arrangements for a further year to 31 March 2024.
- It is not envisaged that there will be any changes to the current management of re-use items until April 2024.

5. Alternative Options

- 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. Prosperous Overview and Scrutiny Committee has made initial comments of potential future proposals which will be taken forward by the Sustainability and Waste Team when it undertakes soft market testing and public consultation in 2023.

6. Implications of Transaction for County Council (Risks)

Strategic:

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.

Financial

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

Operational:

- Ongoing operation and service since 2014.

Legal:

- No comments from Legal.

7. Community Impact*

- 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.

8. Comments from Local Member

- I believe that Katharine House Hospice should be allowed to continue its tenancy for a peppercorn rent.
- Katharine House Hospice do an amazing job for so many people and if we as a County Council can continue to support them in this shop,

I believe it will be greatly appreciated by Katharine House Hospice and the residents of Cannock who use it.

9. Support/Approval of the Proposal

Proposal supported by Assistant Director for Commercial and Assets

Signed: 

Name: Ian Turner

Date: 12/2/22

10. Valuer/Officer Advising on this Transaction

Signed: 

Name: Peter Townley

Date: 2nd December 2022

List of Background Documents/Appendices:

Property Sub Committee report – November 2021

Rental Valuation from Strategic Property Unit – November 2022

Contact Details

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*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.