

Property Sub-Committee - Wednesday 01 May 2024

Leasing of Part of The Grange Centre, Burton-on-Trent to Burton Albion Community Trust

Leasing of part of The Grange Centre, Grange Street, Burton-on-Trent DE14 2ER to Burton Albion Community Trust.

Property ID: 3036

Local Member:

Arshad Afsar – Burton Town

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

To grant a lease of part of the Grange Centre Grange Street, Burton-on-Trent to Burton Albion Community Trust (BACT) for a period of 5 years from 24th June 2024 at a peppercorn rent with apportionment of service charges and maintenance as agreed per occupied areas.

Final terms and conditions to be delegated to the Assistant Director for Commercial and Assets.

Transaction Summary

To grant a lease to Burton Albion Community Trust for a period of 5 years from 24th June 2024 at a peppercorn rent and apportionment of all other services costs provided by the County.

1. Current Arrangements

BACT currently occupy the accommodation edged blue on the attached plan at The Grange Centre under a Tenancy at Will, paying a fixed monthly service charge of £685.18 and peppercorn rent. In addition, BACT take responsibility for internal repairs and maintenance and they contribute a proportion of gas, electricity, and water charges, as these are shared facilities, at 37% of overall building costs.

2. Proposals

To grant a lease outside the security of tenure provisions of the Landlord and Tenant Act 1954 for 5 years from 24th June 2024 to BACT, at the nominal rent of £1 per annum (if demanded), subject to them paying 37%

of the services provided by the County, with BACT responsible for all the cost of internal repairs and maintenance of the area the wholly occupy. There will be an opportunity for SCC to break the lease at the end of the third year, subject to 6 months' prior written notice. BACT are also to be solely responsible for windows/doors/glazing and all internal fixtures and fittings which exclusively serve their demised areas together with a proportion of any works required to shared external areas. BACT will have the continued use of 17 car spaces, as per the tenancy at will, and will contribute £1000+VAT and disbursements towards our legal costs.

3. Undervalue Transaction

The letting is at an undervalue to reflect their services to the local community. The amount of undervalue is estimated to be circa £13,000 to £15,000 pa.

Supporting Details

4. Background Information

BACT have occupied the accommodation at The Grange Centre since 2015. The original intention was to replace the Tenancy with a formal lease, but due to strategic discussions about the future of the building, the item was not concluded.

Due to recent decisions in respect of the wider Burton accommodation strategy, it is now felt that the County is able to agree to a 5-year lease to regularise occupation. Meetings held with BACT representatives, earlier in the year, similarly agreed that providing assurance of occupation for them would be beneficial, even if only for 5 years.

BACT have been a long-term provider of community activities and support several Charities in the area. These are set out in Appendix 1. The list shows a comprehensive list of local groups using the building and to support BACT in providing these services to the local community.

5. Alternative Options

Not discussed, BACT already occupy under a Tenancy at Will and currently the accommodation areas they occupy are not required for County requirements.

6. Implications of Transaction for County Council (Risks)

Operational: This enables SCC to support a local group in the delivery of community services.

7. Community Impact*

This proposal would assist the Council in satisfying all three of its priority outcomes in view of the use of the premises for the activities listed in Appendix 1.

8. Comments from Local Member

CLLr Afsar has been asked for his comments/views on this transaction.

9. Support/Approval of the Proposal

Proposal supported by / approved by Assistant Director for Commercial and Assets

Signed: 

Name: Ian Turner

Date: 17th April 2024

10. Author/Valuer/Officer(s) Advising on this Transaction

Report Author: Peter Townley
Job Title: Principal assistant estates and valuation surveyor
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List of Background Documents/Appendices:

Appendix 1: showing group activities in the building.
Appendix 2: Site Plan
Appendix 3: Floor Plan

*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.