

Property Sub-Committee - Wednesday 01 May 2024

Granting new lease on Eccleshall Library

Granting a new lease on Eccleshall Library, 20 High Street, Eccleshall, Staffordshire ST21 6BZ to Eccleshall Parish Council to enable them to run a community managed library facility there.

Property PID 934

Local Member:

Cllr Jeremy Pert – Eccleshall

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

- a. To approve the granting of a new five year lease from 5th August 2024 of the premises known as Eccleshall Library, 20 High Street, Eccleshall, Staffordshire ST21 6BZ to Eccleshall Parish Council at a rent of £1 per annum if demanded to run a community managed library, with an option to renew for a further term of five years on similar terms.
 - b. The terms of the lease will be very similar to the format of leases agreed for other community managed libraries in the County with approval of the precise terms of the agreement being delegated to the Assistant Director for Commercial and Assets.
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Transaction Summary

To lease the property known as Eccleshall Library, 20 High Street, Eccleshall, ST21 6BZ to Eccleshall Parish Council for a term of five years from 5th August 2024 at a rent of £1 per annum if demanded for them to run a community managed library from the premises.

1. Current Arrangements

Currently the library is operated by Eccleshall Mercia Community Library Community Interest Company (A community interest company formed by the local Eccleshall Mercia Rotary Club) on a five year lease which is due to expire on 4th August 2024.

2. Proposals

It is proposed to grant a new 5 year lease from 5th August 2024 at a rent of £1 per annum if demanded to Eccleshall Parish Council to run a community managed library from the premises. The lease will be in a similar format to those granted on the other community managed libraries throughout the County and will be subject to very similar standard conditions and obligations that have been inserted into other community managed library leases to ensure the smooth running of the premises as a community managed library. The tenant will pay contributions set out in the lease towards utility and cleaning costs, and there will also be an option in the agreement for the tenant to renew for a further five year term at the end of the initial lease.

3. Undervalue Transaction

The letting at a rent of £1 per annum if demanded would be at an undervalue but the proposed tenant is undertaking the task of running the local library on behalf of the County Council along the lines of a model which the County Council set up some 6 plus years ago and which has seen many local libraries across the County being run by local groups and associations for the benefit of their communities. It would be difficult to assess an undervalue here if we were to assume that we were granting a lease to a party with an obligation to run the property as a public library only, as there would be very little desire from anyone in the market to pay rent with these obligations to perform.

Supporting Details

4. Background Information

- 4.1. This property is currently being run as a community managed library by Eccleshall Mercia Community Library CIC which we believe is effectively largely managed by the local Rotary Club. This original lease was drawn up on the same basis as the significant number of other leases on County Council library premises that were set up around 5 to 7 years ago, a scheme which has seen the establishing of a number of very successful local community managed libraries.
- 4.2. The current lease runs for a term of 5 years from 5th August 2019 and therefore expires on 4th August 2024. The current tenants have not exercised their right to renew the agreement for a further period of five years, and hence negotiations began with other parties who may have a potential interest in running this important local facility in the future.

4.3. These discussions have led to agreement being reached with Eccleshall Parish Council to take a new five-year lease at a nominal £1 per annum rent on the expiry of the current agreement. The proposed lease will follow the same format as the leases on the other community managed libraries throughout the County with the tenant paying a contribution to the County Council of the utility, cleaning and maintenance costs of the building. The tenant would also be given an option to renew for a further term of 5 years to bring it into line with other community managed library leases which began five years or so ago, and which contained two options to renew for five year terms. As the lease would be at a very nominal rent, and therefore in theory an undervalue, we are seeking this Sub-Committee's approval for the proposal which would enable this important local facility to continue to operate into the future.

5. Alternative Options

There are no viable alternative options other than taking back the library function in-house or closing the library, neither of which would be desirable either for the County Council or the local community.

6. Implications of Transaction for County Council (Risks)

Strategic – No strategic risks have been identified with this proposal.

Financial – The financial risks to the County Council have been mitigated under this proposal with the tenant contributing to the County Council's costs in running the building but otherwise covering the remaining operating costs themselves.

Operational – The proposed new agreement will be drawn up regulating the operation of the facility in line with other community managed libraries to minimise any operational risks to the County Council.

Legal – No specific legal risks have been identified in proceeding with this proposal.

7. Community Impact*

The proposed new lease will enable the library facility to remain open and available for the benefit of the local residents to help facilitate achieving all three priority outcomes for the people in the area.

8. Comments from Local Member

To be reported to the Committee if comments are received.

9. Support/Approval of the Proposal

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

Signed: 

Name: Ian Turner

Date: 18th April 2024

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

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List of Background Documents/Appendices:

Appendix 1 showing site plan of the property.

*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.
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