

Property Sub-Committee – 6th October 2021

Recommendations by Mark Deaville - Cabinet Member for Commercial

Site: Community Hub, Northfield Village, Stone Road, Stafford as shown edged in red on the enclosed plan
Location/Electoral Division Stafford – Stafford North; Jonathan Price
Proposed Transaction Grant of a Lease of the Community Hub on the Stone Road Site for 20 years at peppercorn rent from 2021

Recommendations

The grant of a Lease of the Community Hub to The Wrekin Housing Group Limited, the final details of the lease to be delegated to the Assistant Director for Commercial and Assets

Decision Level/Authority/Officer Delegation Scheme number

Property Sub Committee. Cabinet approval was granted for the Stone Road project on the 26 th November 2012 which gave authority to the Director of Law and Democracy and the Cabinet Member for Environmental & Assets to agree any necessary legal documents. Property Sub Committee approval is sought in view of the changes in delegations since the original authority was obtained.

Details

1. Current Use and Owner/Occupier/Lessee etc Staffordshire County Council own the freehold of the Stone Road Site and have granted Leases of the different elements. The lease of the Community Hub has not yet been formally completed but the Tenant is in occupation.

2. Proposed Use

The permitted use is the provision of services for members for the general public who are vulnerable disabled elderly or otherwise in need of care or special consideration including but not limited to:

- specialist housing and care and support related services
- healthy food café
- engagement with agencies and community groups
- the development of employment skills including the provision of care and support related training

Or such other uses as shall be agreed in writing with the Landlord for the benefit of the residents of Staffordshire.

3. Proposed Purchaser/Lessee/Lessor/tenant etc...

The Wrekin Housing Group Limited

4. Estimated Value/Cost/Rental Income

The annual rent under the lease is a peppercorn if demanded.

5. Proposed transaction sale price/outline terms

Term – 20 years from the grant of the Lease

Repair – the tenant is obliged to keep the Community Hub in good and tenantable repair.

Break Option – Either party may terminate the Lease by serving 3 months' notice on the other party at any time within the period of 12 months following the 5th anniversary of the date of the Lease.

Public Realm – During the term of the Lease, the Tenant agrees to undertaken soft landscaping to the public realm on the estate for a fee of £2,138.62 exclusive of VAT per annum (subject to review) unless the Northfield Village Strategic Group (which is made up of representative from Staffordshire County Council, Stafford Borough Council, the Tenant and other tenants on the estate) agree to appoint a third party to undertake the soft landscaping at the public realm.

6. Implications of transaction for County Council (Risks)

(a) Strategic: To include contribution transaction makes to outcomes listed in the Strategic Plan *

None

**(b) Financial:
Capital costs/income**

Revenue costs/income
Change in Property running costs

Transaction at undervalue.

(c) Operational:

Enable the Lease arrangement to be formalised.

(d) Legal:

As stated above, this is a transaction at undervalue. It is considered that the general consent will apply because the permitted use under the lease is intended to help promote the improvement of economic and social well-being for residents of Staffordshire.

7. Background Information:

NB Please ensure that reference is made to any issues which may affect any transaction e.g. restrictive covenants

- (a) site history/details of negotiations etc**
- (b) Consultations carried out/required**
- (c) Alternative options for site**
- (d) Reasons for recommended option**
- (e) Rationale for acceptance of lower offer (where applicable)**
- (f) Relevance of Section 123 of the Local Government Act 1972/General Disposal consent Order 2003**
- (g) Resource/VFM Analysis**

On the 26th November 2012, Cabinet approved the comprehensive redevelopment of Northfield Village

Part of this redevelopment included the construction of the Community Hub. The Tenant's took occupation of the Community Hub however the agreed form of Lease has to date not been completed.

8. Community Impact (e.g., reference to particular communities or service users affected by the proposal)

None. Site will remain open for use.

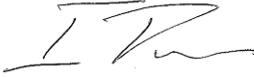
9. Comment by Local Member

None

10. Comments by SLT Members

None

11. Proposal supported by the Assistant Director for Commercial and Assets

Signed 

Date 7/9/21

12. Valuer/Officer advising on this transaction

Signed

Date

*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.