

Property Sub-Committee

Wednesday 6th October 2021

Recommendations by Mark Deaville- Cabinet Member for Commercial Matters

Site Stonnall Youth and Community Centre/Stonnall Community Centre/The Hut PID 1216
Location/Electoral Division Lichfield Rural South – David Smith
Proposed Transaction Early Surrender of Lease

Recommendations

That the lease to Shenstone Parish Council be terminated early by agreement, subject to the county council receiving £18,324 in lieu of the demolition of the buildings on the site. The Parish Council meet the county council's legal costs in arranging the early termination.

That the Assistant Director for Commercial and Assets be delegated approval to enter into a Tenancy at Will for the temporary occupation and management of the property for a maximum of 6 months.

Any future long term arrangements be reported to committee in due course.

Decision Level/Authority/Officer Delegation Scheme number

Sub-committee

Details

1.Current Use and Lessee : Lease to Shenstone Parish Council for provision of community activities.
2.Proposed Use To be decided but likely to be continued use under different tenancy arrangements with a short term tenancy in the interim.
3.Proposed Lessee: None at present
4.Estimated Rental Income: current rent is £1.
5.Proposed transaction outline terms: N/A
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:

Demolition costs will be held by the county council and if another occupier is not forthcoming then the buildings will be demolished resulting in minimal holding costs.

(c) Operational:

There will be small implications for property services if the council does need to arrange for demolition.

(d) Legal:

None

7. Background Information:

Shenstone Parish Council have a lease of the community building in Stonnall and its associated car park as indicated on the attached plan.

The lease commenced in September 2003 for 28 years and is due to terminate in September 2031. The lease contains a condition that the site is to be returned to the county council at the end of the lease with the current buildings demolished. The current buildings are old and essentially at the end of their economic life, they were originally only of a temporary nature.

A request to transfer the freehold to the parish council was agreed by property committee in July 2019.

The parish council have reviewed their community property needs and decided that they do not wish to take the freehold. They are in favour of the current management committee becoming a formal community body and taking over the responsibility of the community centre.

The Parish request for early surrender is attached.

The parish council have provided three demolition costs estimates which are £17,495 + VAT, £15,300 + VAT and £14,270 + VAT. None of these estimates include for disconnection of services. A nominal figure of £1000 + VAT is considered suitable for this site.

The Parish Council has requested a reduction in the financial contribution on the basis that the building won't be demolished and stating that they would pass the money to the current management committee for ongoing maintenance costs.

Currently it is proposed to provide a tenancy at will to a lead member of the management committee for a maximum of 6 months whilst that group creates a corporate body, either charitable trust or community interest company. There is no

certainty that this will happen, and the county council may need to demolish the buildings and hence incur the full demolition costs.

The committee may choose to continue the demolition obligation to a new long-term occupier in due course and could pass the funds to the new occupier with the obligation to demolish hence putting any future occupier and the county council in the same position as currently stands.

Alternative options for site:

Refuse the request the early surrender request or defer a decision until the management committee form an appropriate corporate body.

Accept the surrender request but take a reduced amount in lieu of demolition, allowing the parish council to decide any contributions to the management committee or subsequent body and accept the risk that a long term solution falls through leaving the county council to remove the buildings.

Accept the surrender and demolish the buildings leaving the car parking for local use.

(a) **Reasons for recommended option:** There appears to have been a significant amount of local consideration of the use and management of the building and the relevant parties appear to be in agreement on a way forward that allows continued local use with aspirations for a replacement building on the site.

(b) **Rationale for acceptance of lower offer (where applicable)**

N/A

(c) **Relevance of Section 123 of the Local Government Act 1972/General Disposal consent Order 2003**

N/A

(d) **Resource/VFM Analysis**

Minor

8.Community Impact It is intended that the current uses of the building continue and that this is the first step in a process of a transfer of responsibility from the parish council to a new community body. It should be acknowledged that there are potential risks with this and there can be no certainty that the management committee will form a corporate body suitable for the long term responsibility of the property.

However, that risk is considered low as they have been managing the property for many years and this is offset by the desire to fund a replacement for the existing poor quality building construction thereby securing better facilities for a longer term.

9.Comment by Local Member

To be reported to committee

10. Comments by SLT Members None

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

Signed



Date 23/9/21

12. Valuer/Officer advising on this transaction:

Signed N/A

Date

Background Documents:

Informal briefing note April 2021.

Formal request by Parish Council for early surrender of the lease.

*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.