

Cabinet – 4 April 2012

Grant of Lease - Land at Middlemore Lane, Aldridge

Portfolio:	Councillor A Andrew - Regeneration
Service:	Property Services – Asset Management
Wards:	Aldridge Central and South
Key decision:	Yes
Forward plan:	Yes

1. Summary

- 1.1 1st Aldridge/36th Walsall Scout Group has leased Council owned land in Middlemore Lane, Aldridge since 1960. It is proposed to grant a new 50 year lease. A Cabinet decision is required because the lease will run for more than twenty one years.
- 1.2 The grant of a new lease will enable the group to apply for external funding to make improvements to the property.
- 1.3 The group has the support of the Integrated Young People's Support Service and officers are satisfied that the benefits to the community arising from the group's activities (it has 150 members) are sufficient to justify granting the new lease at a peppercorn rent. The group will continue to meet all building maintenance and running costs.
- 1.4 The case for granting the new lease has been assessed using the draft criteria for community asset transfer agreed by Corporate Management Team in April 2011.

2. Recommendations

- 2.1 That the grant of a fifty year lease of the land edged red on the attached plan (EPMS 3600 **Appendix A**) to the Scout Association Trust Corporation as holding trustees for the 1st Aldridge/36th Walsall Scout Group be approved.
- 2.2 That the rent payable be fixed at a peppercorn per annum if demanded.
- 2.3 That the other terms of the lease are as set out in the body of the report.

3. Report detail

- 3.1 1st Aldridge/36th Walsall Scout Group has occupied land in Middlemore Lane, Aldridge since 1960. The group erected a headquarters building on the site at its expense and has met all of the property maintenance and running costs since.
- 3.2 The agreement made with the group was that it would occupy the land for 51 years from completion of the building. This term is now up for renewal. It is proposed to grant a new 50 year lease on the same terms as the existing. The grant of a new lease will enable the group to apply for external funding to make improvements to the property to increase its energy efficiency and extend its useful life.
- 3.3 The group are entitled to a lease renewal on the same terms as the existing agreement. The current ground rent payable is £4 per annum. This was set in 1960 there being no provision in the lease for rent reviews. An equivalent figure today, allowing for inflation, would be £72 per annum. Administrative costs associated with collecting such a sum are such that it is proposed that the new lease is granted at a peppercorn rent. The building has an estimated rental value of £2,700 per annum but this has not been taken into account as it is considered a tenant's improvement.
- 3.4 The group has completed an application for community asset transfer (CAT) and this has been assessed against the draft criteria for CAT agreed by CMT in April 2011. They are one of a number of community organisations assisting with the testing of a new process that will help to ensure that the rationale for the allocation of assets to community organisations is explicit and that decisions are clearly linked to the service objectives of the Council. As a result of the application process the group have made contact with the Senior Area Youth Worker for Aldridge and have become engaged with Integrated Young People's Support Service' Positive Activities Programme. The group currently meets four nights a week and has 150 members age range 6 to 18 years drawn from Aldridge and the surrounding areas.
- 3.5 Through its application the group has demonstrated that its legal structure and governance arrangements are sound, that it is financially sustainable and that it has the resources to run its activities and manage the property for the benefit of the community. In the last five years £25,000 has been invested in maintaining and improving the building.

4. Council priorities

Within the Children and Young People's Plan, 1st Aldridge/36th Walsall Scouts can contribute towards the achievement of the Council's priorities by:

1. Engaging young people in positive activities
2. Encouraging participation in the normal scouting physical and outdoor activities reducing childhood obesity leading to healthier adult lifestyles

3. Through scouting activities young people will be assisted to improve their ability to attain higher levels in key stages 4 & 5, which can lead to more children achieving 5 GCSEs and more young people achieving A levels.
4. The experience of scouting will encourage more people to engage in education, employment or training. Also, more young people are engaged in positive activities throughout each section of the group, which, with training prepares them to become leaders in junior sections.

5. Risk management

- 5.1 All community organisations rely on fund raising and the efforts of their volunteers. The grant of this lease will provide sufficient security of tenure to enable the group to apply for capital funding. This reduces the risk of the building deteriorating and enhances the groups overall sustainability.
- 5.2 The proposal has no impact on the Council's risk exposure.

6. Financial implications

The current agreement provides for payment of a ground rent of £4 per annum. By agreeing to a peppercorn rent the Cabinet is waiving the right to a modern ground rent of £72 per annum.

7. Legal implications

There are no specific legal implications arising from this report.

8. Property implications

The grant of a new lease will have no strategic property implications. It will not impact on the future use of any other Council land and the site is not required for an alternative service purpose.

9. Staffing implications

The lease negotiations have been undertaken by the Council's Asset Management service using existing staff resources as will completion of the appropriate legal documentation by Legal Services.

10. Equality implications

The group is governed by the Scout Association's Policy, Organisation and Rules. The Association is committed to equality of opportunity for all young people.

The decision to grant a new lease will enable the continuation of an existing service provided by a third party. There will be no change to its delivery and so an equalities impact assessment has not been carried out.

11. Consultation

Integrated Young People's Support Services and the Ward Councillors for Aldridge Central and South have been consulted and are in full support of the grant of the proposed lease.

Background papers

None

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4 April 2012



Councillor A Andrew
Deputy Leader
Regeneration: Portfolio holder

4 April 2012



Walsall Council

AREA EDGED RED = 870 SQ METRES (OR THEREABOUTS)



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ALDRIDGE**

**DRAWING NO: EPMS 3600
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