

# CHESHIRE EAST COUNCIL

## Cabinet Member for Procurement, Assets and Shared Services

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<b>Date of Meeting:</b>	14 <sup>th</sup> March 2011
<b>Report of:</b>	Assets Manager
<b>Subject/Title:</b>	The 1 <sup>st</sup> Alsager Scout Group - Surrender and Renewal of Existing Lease Agreement.

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### 1.0 Report Summary

To consider a request from the 1<sup>st</sup> Alsager Scout Group to surrender their existing lease agreement of 7 years unexpired and to enter into a new 50 year lease agreement. This will allow the group to apply for grant funding and provide the security to continue to improve the existing facilities.

### 2.0 Recommendation

- 2.1 That the Cabinet Member for Procurement, Assets and Shared Services approve the surrender of the existing lease and granting of a new 50 year lease to 1<sup>st</sup> Alsager Scout Group on terms and conditions to be determined by the Assets Manager and Borough Solicitor.
- 2.2 The first 5 years will be at the existing rent with a rent review to market value thereafter on a 5 yearly review pattern.

### 3.0 Reasons for Recommendations

The 1<sup>st</sup> Alsager Scout Group have been in occupation of the current site since approximately 1968 with their current lease agreement due to expire in 2017.

The current lease held by the Scouts is contracted within the security of tenure provisions of the Landlord and Tenant Act 1954 and as such upon expiry they have rights of renewal.

The club have extended and improved the existing accommodation over the years including:-

- Additional storage space
- Double glazing and roof insulation
- Additional meeting room
- Change the heating system to give greater efficiency (condensing boiler)
- Upgrade of toilets.

- Enclose the rear grassed area to provide a secure area for activities by the boys and Girls

The group currently has a waiting list with a membership of approximately 160 scouts. Due to the current level of membership and looking ahead to the potential redevelopment of the University site as residential the club would like to extend their current premises. Although this would take place within the existing boundaries of the current site however in order to attract the required funding the club require a longer term lease agreement.

Planning have confirmed that:-

*“the site is within the Settlement Zone Line of Alsager, where the presumption is in favour of development and residential may be acceptable, however Policy RC12 states that: “Planning permission will not be granted for any proposed development which would result in the loss of any community facility which makes a positive contribution to the social or cultural life of a community, unless suitable alternative provision is made”. The officer opinion was that the building clearly provides a valuable community facility, I could not offer encouragement for other development on the site unless an acceptable alternative was provided.”*

Following the above advice the author is of the opinion that the land has no real alternative use and in this respect a red book valuation has been carried out in accordance with RICS Valuation Standards 6<sup>th</sup> Edition (the “RICS Red Book”) April 2010 confirming a nominal site value.

#### **4.0 Wards Affected**

4.1 Alsager

#### **5.0 Local Ward Members**

5.1 Cllr Rod Fletcher  
Cllr Derek Hough  
Cllr Shirley Jones

#### **6.0 Policy Implications**

6.1 N/A

#### **7.0 Legal Implications (Authorised by the Borough Solicitor)**

7.1 Local Authorities are given powers under S123 of the Local Government Act 1972 to dispose of land in any manner they wish subject to the constraint that the disposal must be for the best consideration obtainable unless the Secretary of State consents to the disposal.

- 7.2 By virtue of the General Consent Order 2003, the Secretary of State has given consent to disposals where, in the local authority's view, such disposal would help it secure the promotion or improvement of the economic, social or environmental well being of the area and such matters set out in its community strategy. In those circumstances an interest in land may be disposed of at less than best consideration providing that the undervalue does not exceed £2,000,000. The rent recommended to be reserved by the 50 year lease may be less than the best consideration obtainable but this disposal satisfies the Secretary of State's criteria.

## **8.0 Risk Management**

- 8.1 The Scout Group have been in occupation of the site since approximately 1968. Planning have confirmed in principle that any alternative use for the site would require the relocation of the existing Scout Hall. Based on a like for like replacement a commercially viable alternative use for the site is unlikely.

## **9.0 Background and Options**

As detailed in 3.0 above.

## **10.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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