

Ernest Stevens Trusts Management Committee – 28th April 2014

Report of the Director of Corporate Resources

Ernest Stevens Trust – Mary Stevens Centre – Leasing Arrangements

Purpose of Report

1. To advise on the current leasing terms and to consider new arrangements for future lettings to show more clearly support given to the occupiers.

Background

2. Mary Stevens Centre is part of the Ernest Stevens Trust and Dudley Borough Council are the Trustees. The function of Trustee has been delegated to the Ernest Stevens Trusts Management Committee in the Council's constitution.
3. Age UK, Thomas Pocklington Trust Ltd and Dudley MIND have been in occupation of the Mary Stevens Centre for several years. Terms have been agreed with Age UK and a draft lease was issued to them some time ago and this has not yet been signed. The rent agreed was a peppercorn.
Thomas Pocklington have a 5 year lease which expires on 20 July 2015. It was let at a peppercorn.
Draft terms have been prepared for a lease to Dudley MIND.
4. The council bears the cost of repairing and maintaining the building, undertakes capital works from time to time and covers the costs of some of the utilities.

Finance

5. Letting on a peppercorn basis does not show the value of the asset or the level of aid given to the organisation by the Trust. It is therefore proposed in future to grant all leases at a market rent and to grant aid the rent back to the organisation. This is in line with the council's "Community Asset Transfer" policy.
6. The consent of the Management Committee is therefore sought to these arrangements.

Law

7. The Council is the registered Trustee of the charity and in accordance with the Councils Constitution has delegated the administration of the charity to this Management Committee.

8. Section 139 of the Local Government Act 1972 empowers the Council to accept, hold and administer gifts of property, where it enables them to discharge any of their functions and where the gifts are for the purposes of benefiting the inhabitants of their area.
9. The Law relating to Trusts which are charitable is contained in various legislations. The key legislation being the Charities Acts 1960, 1992, 1993 and the Trustees Investment Act 1961.

Equality Impact

10. The proposal takes into account the Council's equal opportunities policies.

Recommendation

11. It is recommended that the Management Committee approve the new arrangements to grant future leases on market rental terms including a contribution for repairs and maintenance. Grant-aid would be subject to the tenant delivering agreed outcomes. This mirrors the council's "Community Asset Transfer" policy. All other terms and conditions to be negotiated by the Director of Corporate Resources.



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