

Written statement of a key decision
Cabinet member contracts and assets

Title	Lease of premises at Harold Street and Franklin Barnes, Hereford
Decision maker	Cabinet member contracts and assets Information about cabinet, including the names and contact details of the cabinet members, can be found here: http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251
Date of decision	11 December 2017
Report exemption class	Open
Reason for being a key decision	This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.
A notice was served in accordance with Part 3 (Key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.	
General exception or special urgency (as defined in the constitution)	No
Purpose	Herefordshire Council owns the freehold of the former Record Store, Harold Street and the Franklin Barnes Building, Blueschool Street, Hereford. Both properties are presently vacant and there is no current requirement for their use by the council Further to negotiations with Wye Valley NHS Trust (WVT) terms have been provisionally agreed for a lease of five years in respect of the store and ground floor offices at the former Record Store, at a rent of £40,000 per annum, and a lease of two years in respect of the vacant Franklin Barnes building at a rent of £79,000 per annum. This report seeks approval to lease both premises to the WVT on the provisionally agreed terms. The proposed leases will provide an income stream for the Council and address the cost liability of holding the properties which are presently vacant.
Decision	That: (a) the council enters into a lease with the Wye Valley NHS

	<p>Trust in respect of the store and ground floor offices of the former record store, Harold Street, Hereford for a period of five years (commencing as early in 2018 as is practicable) at an annual rent of £40,000 and thereby reduce the current annual holding cost of £43,944;</p> <p>(b) the council enters into a lease with the Wye Valley NHS Trust of the vacant offices at the Franklin Barnes building, Hereford for a term of two years (commencing as early in 2018 as is practicable) at an annual rent of £79,000 and thereby reduce the current annual holding cost of £151,964;</p> <p>(c) approval be given to any rental payment falling due between commencement of the leases and 1 April 2018 being scheduled for payment across the remainder of the lease term; and</p> <p>(d)</p> <p>the council makes £40,000 of capital funding available to the Wye Valley NHS Trust to support refurbishment of both premises to be recovered as additional rent from the Wye Valley NHS Trust.</p>
Reason for the decision	<p>As set out in the report. Documents relating to this decision are available at</p> <p>http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?IId=50023577</p>
Options considered	<ol style="list-style-type: none"> 1. The alternative options are to either retain both premises for council use, or dispose of the freeholds. 2. There is no current requirement for either premises by the council and the annual cost liability of holding the former record store and the offices at The Franklin Barnes building based upon the most recent information is £43,944 and £151,964 respectively. 3. There is no requirement for either property by the council for its own use. The option to sell the freeholds has been considered and in each case the proposed lease periods enable an interim position to be established whilst the longer term strategic potential of both properties can be investigated and considered.
Declarations of interest (see below)	
Call-in expiry date (decisions are not subject to call-in where special urgency provisions apply)	15 December 2017

Councillor:

Date 11 December 2017

Cabinet member contracts and assets (Councillor
H Bramer)

- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;

and

- in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service.