

Report considered by Cabinet on 16 April 2015 - Alcester Library and Globe House, Alcester

Recommendations

That Cabinet:

- 1) Subject to Council approving recommendation 2, approves that the property known as Alcester Library, Priory Road, Alcester shown outlined in bold and comprising Area C in **Appendix A** be declared surplus to requirements and disposed of on the open market on terms and conditions acceptable to the Strategic Director of Resources.
- 2) Recommends that Council approve the allocation of the capital receipt from the disposal in recommendation 1 to fund the consolidation of Alcester Library and Warwickshire Direct into Globe House, Alcester as outlined in **Appendices C and D**.
- 3) Subject to Council approving the use of the receipt, adds the remodelling of Globe House to the Physical Assets capital programme at a cost of £240,000.
- 4) Agrees that should the capital receipt be insufficient to fund the scheme the shortfall is funded by a virement from the existing Customer Services programme allocation for improving the Customer Experience.
- 5) Gives its approval for the County Council to enter into a 99 year lease for the occupation of Globe House on terms and conditions acceptable to the Strategic Director of Resources.

1.0 Background

- 1.1 Since 1965 the town of Alcester has benefited from a concentration of public buildings clustered on the same block of land; in its time, a typical model of design for Warwickshire. The land, buildings and their uses are shown on the plan at **Appendix A**.
- 1.2 However, since 2012 there have been a number of significant changes to service delivery made by the various public service occupiers. The result is that some buildings have become vacant, creating a need to consolidate those services that remain into the best and most financially viable use of the properties remaining available. This provides an opportunity for outside investors to acquire surplus assets and turn them into new facilities for the town.

- 1.3 Alcester Clinic, an NHS building, (Area B on the plan at Appendix A) has been vacated and sold. Alcester Police Station (Area D on the plan at Appendix A) has been vacated and is on the market for disposal. Globe House (Area E on the plan attached at Appendix A) has been vacated by its owners Stratford on Avon District Council (SDC), resulting in some uncertainty as to the future of the property and its remaining occupants, Alcester Town Council and Alcester Roman Heritage Trust. The Fire Station (Area A on the plan attached at Appendix A) has undergone recent investment to become a 'whole time' station.
- 1.4 Alcester Town Council has approached the County Council as it believes this presents an opportunity to bring library services and Warwickshire Direct together with the museum and town council services all under the one roof. This approach could enable the County Council to make operational savings through economies of scale, and to provide the customer with a better joined up experience.
- 1.5 The purpose of this report is to present a project which proposes to consolidate Alcester Library and Warwickshire Direct into Globe House, and for the County Council to be the major occupier sharing the property with minor occupiers Alcester Town Council and Alcester Roman Heritage Trust. The current library building would be declared surplus to the County Council's needs, and the proceeds be used to deliver the project. The objective is for the project to be delivered on a cost neutral basis.

2.0 The Properties

Alcester Library

- 2.1 Alcester Library (Area C on the plan at **Appendix A**) occupies a site area of 0.109 hectares (0.27 acres). The building has a total of 398 square metres (4,282 square feet) on two floors and has 11 car parking spaces which are accessed from Priory Road. The ground floor comprises 287 square metres (3,088 square feet) and the first floor is 111 square metres (1,194 square feet). The mobile library vehicle is garaged in a separate block which currently forms part of the Fire Station.
- 2.2 The Library occupies a prominent town centre site on Priory Road, Alcester and was built in 1965 of traditional brick construction with a flat roof and roof lights.
- 2.3 The land was acquired in 1960 for the purposes of constructing the County Buildings Project which included the Library, Fire Station, Police Station and NHS Clinic.

NHS Clinic

- 2.4 The Alcester Clinic building was previously in the County Council's ownership, having been transferred by virtue of the National Health Reorganisation Act 1973. It comprises a site area of 0.0784 hectares and was recently sold by

the NHS at auction for £180,000. The price achieved sets a good comparable value for the Library premises as the plot size and building type are similar. The buyer is unknown and the property remains vacant.

Police Station

- 2.5 The Police Station site comprises 0.1142 hectares (0.29 acres). The Police Station is no longer in use as a public facing service, however, the Safer Neighbourhood Office Team and local policing unit is still deployed from there in 1200 sq. ft. of office accommodation. The Police Station property was put on the market in October 2011 but was not sold. They propose to sell the freehold subject to a sale and leaseback for their Safer Neighbourhood Office Team unless suitable alternative accommodation can be identified elsewhere.

3.0 The Proposal

- 3.1 Alcester Town Council have approached the County Council to consider whether it would be prepared to relocate Alcester Library to Globe House and share the accommodation with Alcester Town Council and Alcester's Roman Museum. The Head of Customer Service was invited to consider how this could be done, and has produced a Globe House Service Offer, attached as **Appendix B**.
- 3.2 In consenting to consider these proposals, officers have pursued an option which must be cost neutral to the County Council. This means that the running costs needed to operate from Globe House must not exceed the running costs from the existing library. Also, any funding required to invest in remodelling Globe House must be derived from the capital receipt from the sale of the current library.
- 3.3 It is recognised that the funding proposal in paragraph 3.2 is not consistent with the current County Council policy that all capital receipts are to be used to repay debt unless the investment of the receipt will result in bigger reductions in debt outstanding or greater revenue savings than would be achieved by simply repaying debt. However, in light of the benefits outlined in section 5 this proposal seeks approval to use the capital receipt to fund the remodelling works to enable the scheme to progress and those benefits to be achieved.
- 3.4 This proposal requires an internal remodelling of Globe House, and a scheme has been produced acceptable to all parties, attached as **Appendices C and D**. Based on outline designs a project budget would need to be fixed at £240,000. The remodelling works will need to be completed first so that Globe House is ready for occupation. Then the library service can then vacate their current building so that it can be put on the market to secure a capital receipt.

- 3.5 Officers have carried out an exercise to assess the market value of the current library site. This is included as **Appendix E**. This has concluded that the “best” receipt is likely from a disposal on the open market for extra care housing and could achieve a value of between £175,000 and £264,000. There is a risk that the capital receipt achieved will not be sufficient to meet the remodelling costs budget of £240,000. In this situation, any shortfall in funding would be met from the existing “Improving the Customer Experience” capital programme.
- 3.6 The design proposals appended to this report do enable cost neutrality with regard to running costs. Total running costs for Globe House have been apportioned between the County Council and Alcester Town Council. Alcester Roman Heritage Trust will pay their proportion of business rates. On this basis the County Council is able to meet its running costs for Globe House from the current budget for the current library building.
- 3.7 With regard to building maintenance, Globe House is in a better state of repair as a significant investment of £1 million was made in the property in 2002. The current library building’s condition data states that it has a backlog of maintenance of £104,000. The completion of the lease on Globe House will be subject to satisfactory condition and structural surveys.
- 3.8 This proposal is strongly supported by the local member, Councillor Gittus, who has been extensively involved in its development.

4.0 Terms of Occupation

- 4.1 Negotiations have been held with the owners of Globe House, SDC, with regard to the County Council’s proposed terms of occupation. The proposed terms are attached as **Appendix F**.
- 4.2 SDC has stated that whilst they will not be providing any funding towards the operation, running and upkeep of Globe House, they are prepared to provide the council with a long lease of 99 years at a peppercorn rent, providing the County Council continues to use Globe House for library and community based services. Otherwise, following 12 months’ notice, the lease would be terminated.
- 4.3 The user clause in **Appendix F** defining the use to which the County Council can occupy Globe House, enables library and community based services to evolve and change in the future, should the need arise.
- 4.4 It should be noted that because of the terms of the user clause, approval of the proposal to sell the existing library and to re-furbish Globe House to accommodate a replacement library is a significant investment in the future provision of library and community based services in Alcester and use for other purposes will be in breach of the user clause entitling SDC to terminate the lease.

5.0 Benefits to the County Council

- 5.1 From the point of view of the customer, this project provides the ability to enhance the service offer so that the customer experience is better than that currently provided from the current library building. **Appendix B** describes the full service offer, and within that the benefits are:
- More opening hours
 - Joint initiatives with Alcester Town Council
 - A mix of library and museum displays and materials
 - Heritage education and learning opportunities with the museum
 - Opportunities for multi-agency funding bids
 - Use of more modern facilities and new spaces such as the courtyard
 - Multi-agency and volunteering enables annual savings in staffing of £11,000
- 5.2 With regard to property assets, Globe House presents a more modern solution to the current library. The current library was built in 1962, and the backlog maintenance of £104,500 reflects the fact that the building is of an age that it requires regular repair in order to prevent building failure and closedown. The main liability is the heating at £57,500 to replace. A move to Globe House should remove these ongoing liabilities.
- 5.3 From a town development point of view, the whole site on Priory Road is changing and if the library were to move to Globe House, this would enable a site to be assembled comprising the Library site and the Police Station which would be attractive to the developer market. This approach should realise a capital sum for the County Council sufficient to meet the redevelopment costs of Globe House.

6.0 Financial Implications

- 6.1 As referred to in section 3, the proposal is seeking to be delivered on a cost neutral basis. In other words, the cost of running Alcester Library should not increase whether delivered from the existing library building or from Globe House.
- 6.2 Officers have analysed the current running costs from the existing library compared to the running costs from Globe House. The latter takes into account the proportionate contributions to running costs from Alcester Town Council and a contribution to non-domestic rates from Alcester Roman Heritage Trust. The analysis shows that the County Council's running costs are increased by £2,000 p.a. as a result of the move to Globe House and this modest increase can be met from existing centralised property budgets.
- 6.3 The capital cost of the plans to relocate the library into Globe House is proposed to be met from the capital receipt. The works are as those included at **Appendices C and D**. In September 2014, an estimated value of the proposed works was obtained from the Council's framework contractor Ashe

Construction in the sum of £250,000. The scheme will therefore be modified to ensure that the cost of the works does not exceed the proposed budget and expected funding available of £240,000.

- 6.4 Ahead of accruing the capital receipt from the sale of the current library building and as a means of cash-flowing the project, it is proposed to provide funding from the existing “Improving the Customer Experience” capital programme. This will negate the need for additional borrowing and its associated costs. Once the capital receipt has been achieved, it is proposed that the proceeds of sale will be allocated to replenish the existing “Improving the Customer Experience” capital programme.
- 6.5 As explained in paragraph 3.5, any shortfall in the expected capital receipt will be met from the existing “Improving the Customer Experience” capital programme.
- 6.6 If the proposals are to be delivered on as near as possible cost neutral basis, it then follows that the capital value in the existing library building would need to be realised from a disposal in order to invest and make suitable Globe House, without the need for additional borrowing or the use of another capital budget. The table on page 1 of **Appendix E** is a result of valuation work carried out by the Estates team in Physical Assets and shows that a disposal option could realise a capital receipt of between £175,000 and £264,000.
- 6.7 Cabinet should recognise that within the table referred to in paragraph 6.6 the option to retain the property and lease the first floor as offices provides the best residual value of £250,000. Retaining the property does not deliver the proposals, and its associated benefits, as described in this report.
- 6.8 For the avoidance of doubt, if Cabinet were not to support the proposals in this report, the current library building will not be sold.

7.0 Background Papers

None

List of Appendices:

Appendix A – Site Plan

Appendix B – Globe House Service Offer

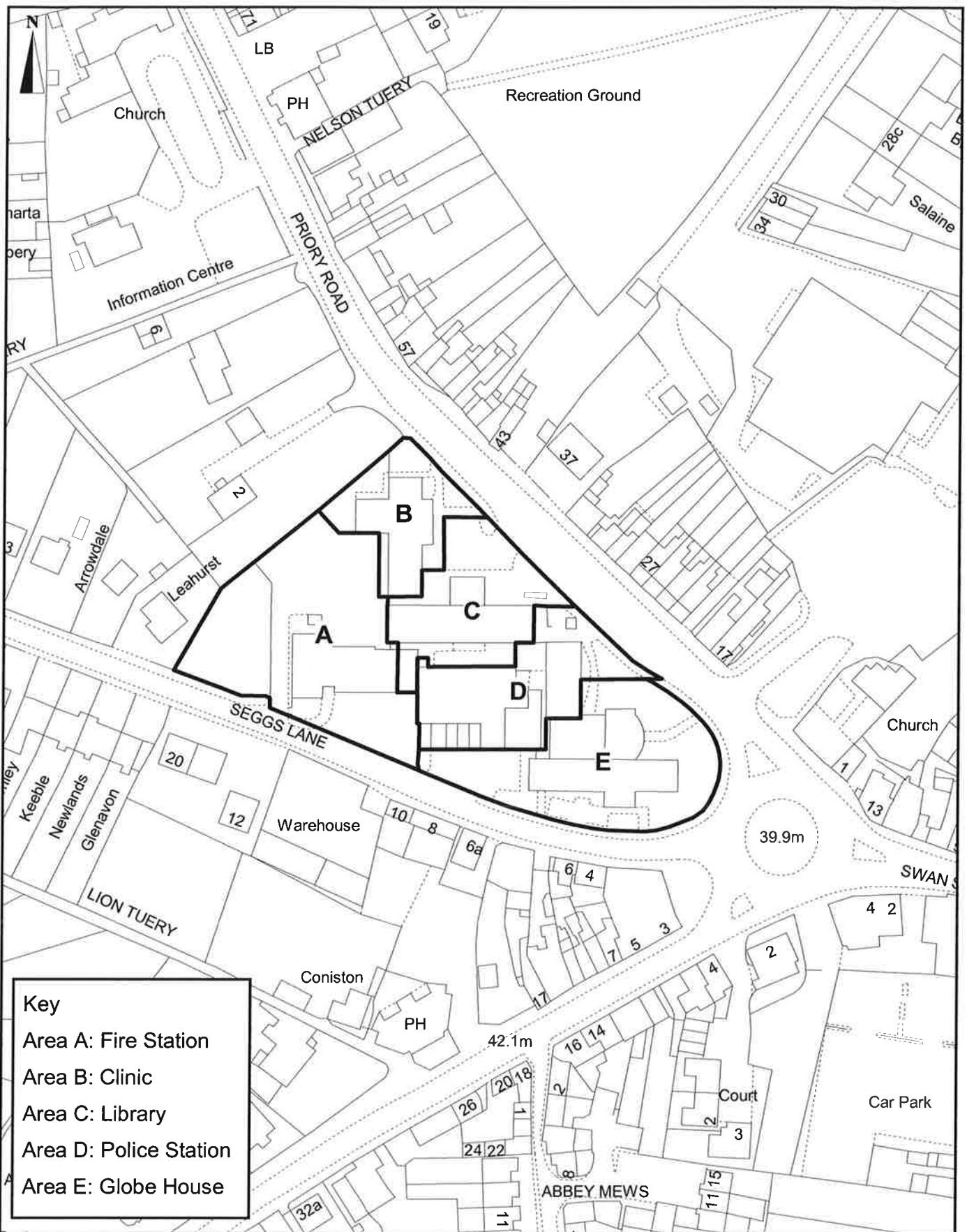
Appendix C – Proposed Ground Floor Plan

Appendix D – Proposed First Floor Plan

Appendix E – Capital Valuation of the existing Alcester Library

Appendix F – Heads of Terms

	Name	Contact Information
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Key
 Area A: Fire Station
 Area B: Clinic
 Area C: Library
 Area D: Police Station
 Area E: Globe House

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Title:
 Appendix A

Scale: 1:1250
 Grid Ref: 408746,257353
 Operator: GSEV
 Date: 06/08/2014

Warwickshire
 County Council

RESOURCES GROUP
 SHIRE HALL WARWICK CV34 4RP

Globe House Service Offer

Background:

1. It is proposed to relocate Alcester Library into Globe House, which currently houses the Roman Museum and Alcester Town Council. This is an opportunity to reshape the service offer to the benefit of the local community.
2. The existing Library was built around 1962 and due to its age some significant maintenance issues will need to be addressed in the next few years. A Total of £104.5K of work has been identified including £57.5K to repair the heating distribution system which is original and is at the end of its life.
3. Globe House was originally owned and built by WCC as a magistrates court in the mid-1960s.
4. It was purchased from Warwickshire County council (WCC) by Stratford-on-Avon District council (SDC) in April 2000 for use as a 'one-stop shop' to provide local services and a heritage museum to display/preserve local Roman history and artefacts.
5. An intrusive asbestos survey of the whole building and subsequent removal was carried out.
6. In 2002, refurbishment & improvement works were carried out at a cost of circa £1 million.
7. Works comprised, internal layout revisions; addition of glazed entrance; new lift; creation of museum space and office/sales area; new wall & floor finishes; new doors; windows; ceilings; sanitary ware; kitchen; lighting; pitched roofs in lieu of flat roofs; redecoration throughout; upgraded insulation & energy efficiency to the regulations current at the time.
8. There are no significant outstanding maintenance issues but it is recognised that the boilers will be approaching the end of their working life and will need to be replaced in the next few years.
9. The locality of Alcester and Bidford generally suffers less than average deprivation than Warwickshire as a whole. Despite that, when actual numbers of households are considered there are still significant numbers of households that are suffering in one way or another. In 2012 there were 373 unemployed, 785 working age benefit claimants and 830 people claiming pension credits. 106 were on Job Seekers Allowance. There were 2,455 families claiming child tax credits and 515 children were living in poverty, which is just above the County average.
10. Educationally, 3,796 adults had no qualifications and 412 students had special educational needs. 214 pupils received free school meals and 19 were classed as NEET (Not in Education Employment or Training).
11. In Health terms, 3,921 people were not in good health and 820 received Disability Living Allowance.

12. 1,031 households were without a car, so access to services locally is needed.
13. According to the Index of Multiple Deprivation, three out of the seven wards in the locality are in the worst 10% nationally in the category "Barriers to Housing and Services". This reflects the rural nature of the area, however one ward Alcester North & Conway appears in the worst 10% nationally in relation to "Education Skills and Training". This is cause for concern and should be a focus for targeted services from the Library and its partners.
14. All would benefit from improved access to services and the opportunity to improve their health, education and income.

Vision:

15. Globe House will offer a community hub where a variety of services are available or accessed in one place., Where partners work together to provide services for the local and wider community and where space is available for community organisations to meet or engage with members of the public. The building will be accessible 6 days a week, using the building more flexibly to extend the opening hours as necessary. Staff and volunteers will deliver services and provide information or support to building users. Technology will be used to enhance the services available and widen access to the building. It will also be used to provide a virtual route to services provided by Warwickshire Direct and other partner services.

Service offer:

- Roman museum with 78 trained volunteers
- School visits to museum (approx. 17 per year)
- Alcester Town Council face to face service (approximately 500 visitors per annum)
- Range of local history material
- WCC staff to assist with enquiries and deliver library services & events eg weekly Rhymetime, monthly Chatterbooks Children's Reading Group, author events
- Volunteers to provide a range of other activities such as Meet & Greet, Board Games sessions, Silver Surfers (computer support for over 50s) and to support library events eg Reading Groups, Summer Reading Challenge
- Free public computers for browsing the web, emailing or word processing, with printing facilities (chargeable)
- Self-service machines to borrow/return library items and manage their library account
- All services accessible to children, older people, vulnerable or disadvantaged individuals. Links with VASA will provide opportunities for library visits from client groups and upskilling of volunteers on ICT to support their client groups
- Income generation opportunities from shop sales
- Development of community hub access to WCC, (SDC) and other key organisations through the use of video links and scanning technology
- Use of the building (especially first floor) by other agencies in support of community hub activities (by arrangement)
- Access to front desk police services through trained WCC staff
- Access to WCC services e.g. concessionary travel through trained staff
- Income generation through hireable meetings rooms

- Display space for local organisations to promote services, events and activities
- Disabled access throughout
- WIFI

Future Potential:

- Programme of events and activities with building partners
- Joint displays with building partners
- Explore new partnership arrangements e.g. Public Health
- Potential to explore future use of courtyard area
- 3D printing to enhance heritage partnership with the Museum as well as wider benefit to local community
- Explore joint bids for funding future developments
- Wider volunteering opportunities for local community
- Explore the use of integrated technology to extend opening hours of the building

Access to offer:

- The building will be open 5 days a week enabling access to Warwickshire Direct & Library services, museum and meeting rooms.
- The building will be available one additional day for pre-booked parties
- The proposed opening hours will be:

	Current hours	Proposed hours
Monday	9:30-5:30	9:30-5:00
Tuesday	CLOSED	9:30-5:00 pre-booked groups/activities
Wednesday	9:30-5:30	9:30-5:00
Thursday	9:30-5:30	9:30-5:00
Friday	9:30-5:30	9:30-5:00
Saturday	9:30-12:30	10:00-4:00
Total	35	43.5

16. Staff would be available 5 days a week to run events, support customer access to self-service and to respond to customer enquiries. Pre-booked access would be available on Tuesdays and potentially evenings and Sundays. During these periods the building would be self-service supported by technology and the building would be available for use by volunteers or community organisations to deliver surgery sessions. Access to meeting rooms would be available throughout. Initially a member of library staff would be available on Tues to facilitate and support access for such groups and to undertake development work and set up a programme of visits to promote the service and availability of the building and to develop the role of volunteers to support this offer. This would be for a period of 18 months whilst funding for this post is available.

How will we do this?

17. Technology will be used to extend access to the services by designated users and their customers when it is unstaffed.
18. When WCC staff are on site they will deal with customer enquiries and support customers using ICT restock shelves. They would also deal with daily administration tasks, support customers with self-service queries, deal with police enquiries and deliver WCC services such as concessionary travel. They will also deliver Rhymetime

and other core library activities. Museum volunteers will be available to guide people around the museum. Staff and volunteers would work together to promote services and activities available across the building, signposting and directing customers to people with more specialist knowledge as necessary.

19. When WCC staff are not present, the building can still be accessed and a range of services will still be available. Self-service kiosks will enable customers to borrow and return library items and the museum will be accessible for pre-booked class visits. WCC partners and other organisations can run Adult Community Learning classes using public computers.
20. Partners and other organisations can book meeting rooms or building space throughout the open hours or outside of this by arrangement. Community or information organisations e.g. CAB, health workers can run sessions and outreach workers can meet clients on site.
21. The building will be a base for the Mobile Library Service which runs a vehicle from nearby, enabling rural customers in the south of the county to continue to receive a regular library service.
22. Staff costs will be reduced by at least £11,000 by more efficient use of staff and the relocation of the Homes Delivery Service to Kenilworth Community Services.

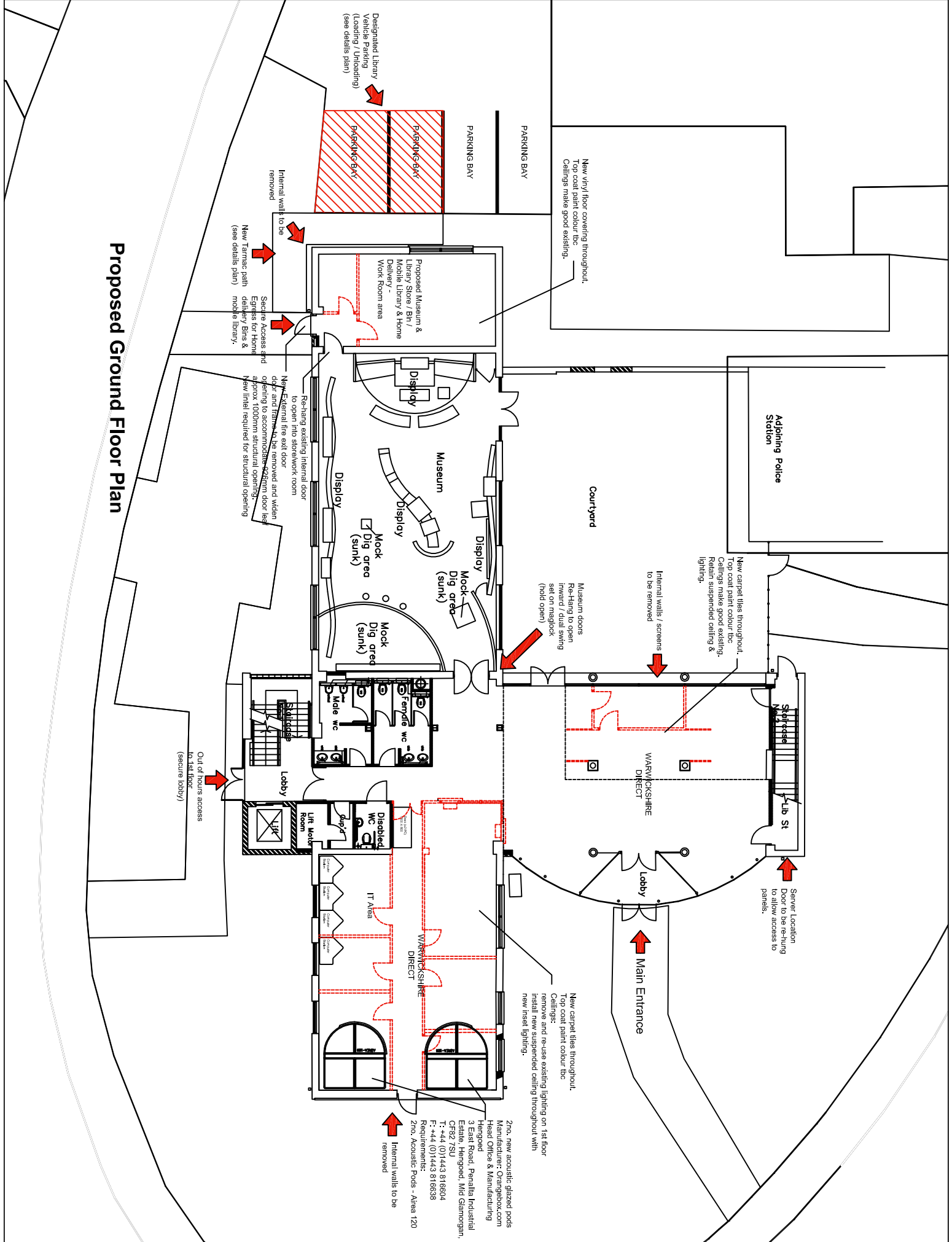
Management

23. Globe House is to have a long term lease to WCC from SDC. For the duration of the lease the management of the building will be conducted by Customer Services on behalf of WCC.

Risks:

Staffing	Proposed staffing resources will enable staff to deliver the core offer, supported by volunteers as required. Additional service enhancements may require additional input for which there is no budget.
New Technology	Modern technology, untried within WCC, will be needed to develop building access, robustly supported by Facilities Management. If the technology fails to live up to expectations access to and services available in the building will be reduced. if the technology is not in place, access to the building will be restricted out of hours. The building may be underutilised and access to partner services e.g. Museum and Town Council be restricted. Access to community hub services and SDC services will be limited to staffed sessions only.
Cost savings	Proposed savings not met. No budget will be available to employ additional staff. The funding of staff on Tues will cease as part of the Library Savings Plan after 18 months.

Investment in building not value for money	Investment in the building may not be repaid in terms of usage and partnership arrangements. Extending opening hours may increase costs but running costs will not necessarily be reduced if opening hours are restricted. Risk to reputation of WCC
Timescale- not deliverable before Globe House reopens	This model may not be deliverable from day one of opening the service in Globe House due to limited timescales and complexity of installing supporting technology.
Use of volunteer take up may be low	Unable to enhance or extend services available. WCC commitment to volunteers not fulfilled.

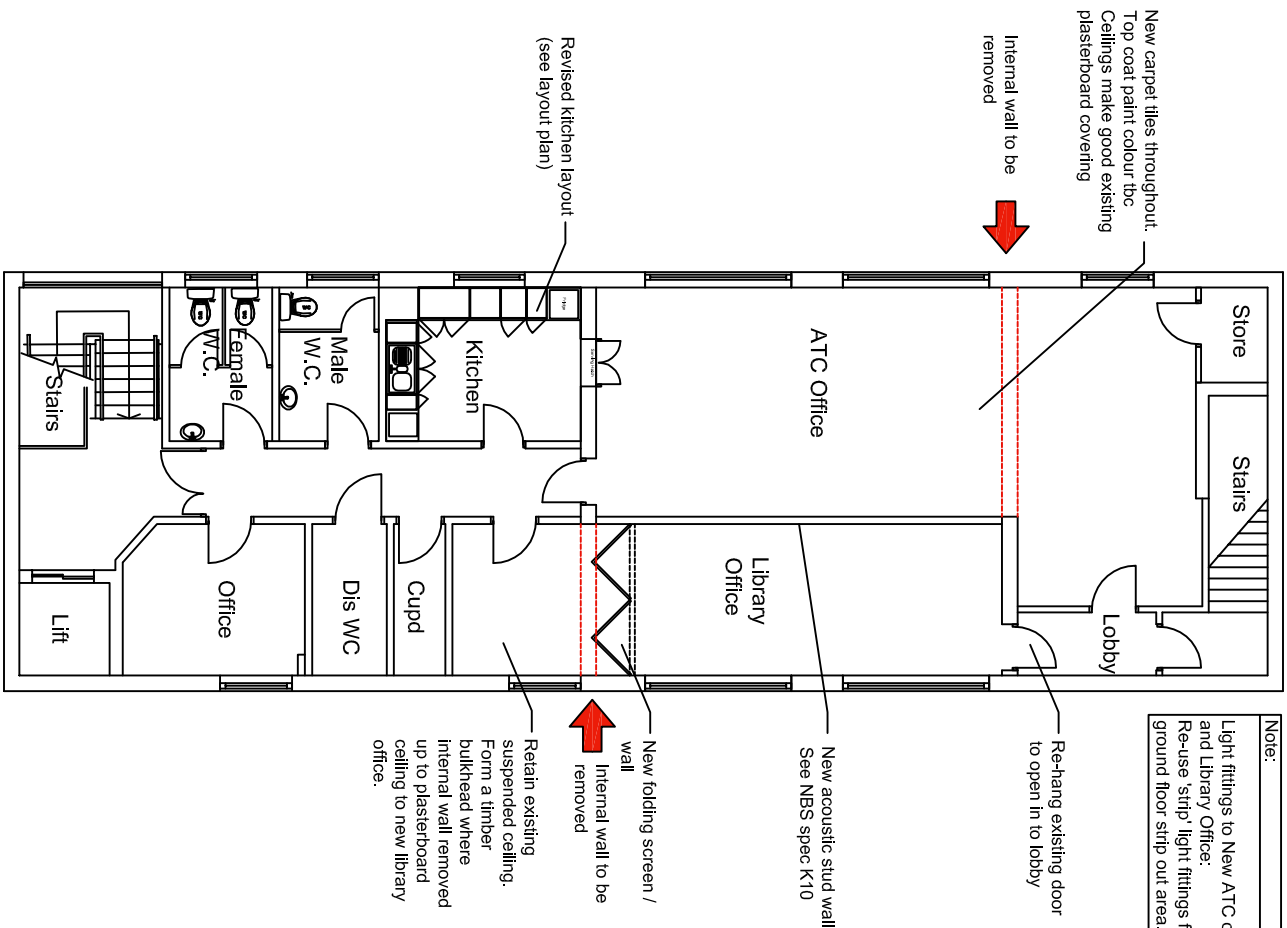


Proposed Ground Floor Plan


<p>Warwickshire County Council RESOURCES GROUP - PHYSICAL ASSETS</p>		<p>PROJECT: SHIRE HALL, WARWICK, CV34 4BP</p> <p>CLIENT: Warwickshire Resources Group</p>							
<p>DRAWING TITLE: Proposed & Existing Ground Floor - Ground Floor</p> <p>Drawn by: LHM</p> <p>Checked by: NTS</p> <p>Scale: 1:500</p> <p>Revision: 1</p>		<p>DATE: 21/07/24</p> <p>REVISIONS:</p> <table border="1"> <thead> <tr> <th>NO.</th> <th>DATE</th> <th>DESCRIPTION</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> <td>Revision</td> </tr> </tbody> </table>		NO.	DATE	DESCRIPTION	1		Revision
NO.	DATE	DESCRIPTION							
1		Revision							

Note:

Light fittings to New ATC office and Library Office:
 Re-use 'strip' light fittings from ground floor strip out area.



Proposed First Floor Plan

 <p>Warwickshire County Council RESOURCES GROUP - PHYSICAL ASSETS</p>		<p>PROJECT Shire Hall Warwick CV34 4BP</p>	
<p>DRAWING TITLE Proposed & Existing Physical Assets - First Floor Revision 01</p>		<p>DATE</p>	
<p>Author MTS/BA</p>	<p>Check by MTS/BA</p>	<p>Scale As shown</p>	<p>Revision</p>

Capital Valuation of the Existing Alcester Library

Options Appraisal for Library building

1. A number of options for an alternative use of the existing building have been explored in outline and the findings are set out in the table below. The cost estimates were provided by an independent Quantity Surveyor, Ridge & Partners and the valuation input was provided by WCC's Estates Officers. All figures are estimates only.

Use	Rent £p.a.	Capital value	Costs of fitting out	Residual value
Retail: Ground - retail 1st floor - Offices	£58,260	£782,000	£667,000	£115,000
Retail: Ground - Multi let in 3 units 1st floor - offices	£53,640	£720,000	£813,000	£-93,000
Offices	£42,820	£460,000	£732,000	£-272,000
Restaurant	£67,730	£707,000	£1,354,000	£-647,000
Nursery	£25,692	£345,000	£481,000	£-136,000
Residential conversion: 7 one bed flats	-	£560,000	£1,296,000	£-736,000
Library: Ground - Library 1st floor - Offices	£34,250	£250,000	£0	£250,000
ALTERNATIVE OPTIONS - DISPOSAL				
Sale for residential redevelopment	-	-	-	£167,000 - £196,000
Sale to Extra Care provider	-	-	-	£175,000 - £264,000

2. The purpose of exploring the alternative uses for the existing building was to establish whether a higher value could be achieved for the property if it was converted and let for another purpose. The rationale was to create an income generating investment which could then be sold in the open market.
3. The alternative use options explored included retail, offices, restaurant, nursery and residential apartments. The appraisal demonstrates that there are very few uses of the existing building that offer a viable solution. It can be seen from the findings shown in the Options table above that if the building is to be retained and leased to create an income generating investment there are costs involved in preparing the shell and core, fitting out and letting the accommodation. The costs, floor areas, rental and capital values for each scheme option are estimates only. There are inherent risks in pursuing this route, namely; rent free periods, rental voids, management issues and cost increases. The only option that shows a residual land value/profit is the single retail unit with offices above with a residual land value of £115,000.

4. However, the most valuable option for the existing building is the retention of the existing Library at ground floor with the first floor offices leased to an external party, perhaps the Police. That option offers a residual value of £250,000 with minimal capital expenditure.
5. The other schemes are either not viable or deliver a poor return on capital expenditure. The Council could avoid capital outlay if tenants were granted a rent free period in return for carrying out the fitting out works themselves but this could result in lengthy terms when the property would be non-income generating.
6. The site has potential for sale for redevelopment purposes for a variety of uses including residential and/or extra care supported living. The Estates Department has extrapolated data from other sites on which the County has received offers from Extra Care Supported Living providers and the analysis indicates that a site value in the region of £175,000 - £264,000 may be achievable if between 8 and 12 dwelling units can be created on site for either Enduring Mental Health or Physical and Learning Disabilities occupants. If this option is likely to be of interest to the Council the best way to establish whether there is a demand for this redevelopment use is to place the site on the market. This could be carried out jointly with the Police, subject to being able to agree the division of costs and capital receipt.
7. In 2013 WCC opened a dialogue with the Police to explore two options; firstly to sell the Police and Library sites together as a joint disposal if the Library is relocated and secondly to lease the first floor of the Library building to the Police for their Safer Neighbourhood Office Team if the Library is retained. The Police have expressed a firm interest in leasing the first floor of the Library and would agree to a market rent (circa £8-10 per sq. ft.) and would pay a fair service charge. In looking at the joint disposal option the District Valuer was asked to comment and he confirmed that there is marriage value in combining the two sites for disposal for residential redevelopment. In his opinion the combined site is worth approximately £400,000 and as the Library and Police sites are proportionately 49%:51% respectively the Library site would be worth £196,000, some £29,000 more than if the site was sold on a sole basis.

Recommendation

8. Due to the poor viability of the options for the re-use of the existing building the most valuable use of the property appears to be its retention as a Library with the first floor let independently. A lease of the first floor to the Police is recommended, provided acceptable terms and conditions can be agreed.
9. Alternatively if a capital receipt is required from disposing of the site the demand for an Extra Care with Supported Living development could be assessed to establish the potential site value on that basis. The results would be reported in due course.

Heads of Terms
Lease of Globe House, Priory Road, Alcester

13th March 2015

Subject to Contract, Survey and Cost of Initial Works

Property	Globe House, Priory Road, Alcester, Warwickshire, B49 5DZ
Demised Premises	All of the Property and land surrounding the Property as shown in the site plan (to be provided by the Landlord). Extent of site area to be confirmed
Landlord	Stratford on Avon District Council (SDC)
Tenant	Warwickshire County Council (WCC)
Rent	Peppercorn (if demanded) per annum
Rent Review	None
Landlord Initial Works	None
Tenant Initial Works	The Tenant is to undertake alterations in accordance with a scheme to be agreed in advance with the Landlord. The Tenant's Initial Works to be a condition of the Lease, providing that they are approved in advance by the Landlord the Tenant will not be required to return the Demised Premises to the current layout.
Term	99 years
Break Provisions	The Tenant's break provision is exercisable only upon giving vacant possession on the date of termination subject to giving no less than 12 months advance written notice. The Landlord's break provision is conditional only upon a material breach in the Permitted Use subject to giving no less than 12 months advance written notice.

1954 Act Protection	<p>The Lease is to be outside the provisions of the Landlord & Tenant Act 1954.</p> <p>Any sub-lease granted by WCC is to be outside the provisions of the Landlord & Tenant Act 1954.</p>
Alienation	<p>The Tenant is permitted to share possession, grant sub-leases, licences and hiring agreements of part only of the Demised Premises in accordance with the Permitted User and Additional Users set out below and subject to the grant of Landlord consent, not to be unreasonably withheld or delayed.</p>
Repairing Obligations	<p>The Lease is to be on full repairing and insuring terms.</p> <p>During the course of the Lease the Demised Premises is to be maintained and renovated as necessary and to ensure that it complies with statutory requirements.</p> <p>The Tenant may recover a fair and reasonable proportion of the costs of maintenance and renovation from any sub-tenants and/or licensees etc. This can form part of the under-leases.</p> <p>The Tenant to be responsible for maintaining boundaries to the Demised Premises together with trees within the Demised Premises.</p>
Alterations	<p>The Tenant is permitted to carry out internal non-structural alterations.</p> <p>The Tenant is permitted to carry out internal structural and external structural and non-structural alterations subject to the Landlord's consent, not to be unreasonably withheld or delayed.</p> <p>Reinstatement to be determined on a case by case basis.</p> <p>Providing that they are approved in advance by the Landlord, the Tenant's initial works are to be exempt from reinstatement as outlined above.</p>
Permitted User	<p>Primary use as a public library and One Stop Shop and associated uses including Museum use and uses by the voluntary sector and other public sector agencies and organisations.</p> <p>The definition of a public library shall include making facilities available for the borrowing of books or other</p>

	<p>materials (*) and providing community facilities for the core purposes of education, learning, culture and the provision of information. Associated uses including social, recreational and training shall also be permitted.</p> <p>(*) Public Libraries and Museums Act 1964.</p>
Additional Users	<p>If WCC sublet part of the building or use part of the building for commercial purposes SDC must approve the under lease and rent review provision. The Landlord will receive 50% (as additional rent) of any net income received after deduction of legitimate costs (these costs to be itemised and agreed following agreement of these Heads of Terms).</p> <p>All necessary statutory consents including Planning Permission should be in place prior to the agreement of any sublets.</p>
Insurance	<p>The Tenant to be responsible for obtaining satisfactory buildings insurance, contents insurance and public liability insurance.</p> <p>Third party occupiers will be responsible for their own contents and public liability insurance. This obligation to form part of the under-leases.</p>
Schedule of Condition	<p>A Schedule of Condition to be prepared by the Landlord and annexed to the Lease.</p> <p>The Tenant is to return the Demised Premises in no worse condition than is evidenced by the Schedule of Condition which should be produced before the Tenant's Initial Works are undertaken having regard to the 'Repairing Obligations' set out above.</p>
Rates and Utilities	<p>The Tenant is to be responsible for all rates payable, utility costs and outgoings in respect of the Demised Premises.</p> <p>Separate rating assessments to be obtained by the Tenant for individual occupiers where possible with the occupier paying rates direct, or third party occupiers to contribute a fair and reasonable proportion towards rates payable by the Tenant.</p> <p>The Tenant to recover a fair and reasonable proportion of utility costs and outgoings from third party occupiers.</p>
Legal Costs	Each party to pay their own legal costs

Surveyor's Costs	Each party to pay their own surveyor's costs
General Issues	<p>The Landlord to provide the Tenant with an EPC. If the EPC rating will be affected by the Tenant's Initial Works this should be done after works have been completed.</p> <p>Where Available:-</p> <ul style="list-style-type: none"> • The Landlord to provide any plans and drawings in respect of the Demised Premises which it already has in its possession. • The Landlord to provide the Tenant with the current Asbestos Management Plan. • The Landlord to provide the Tenant with the latest water hygiene testing reports. • The Landlord to provide the Tenant with the latest electrical testing report. • The Landlord to provide the Tenant will service reports for the boiler and heating system. • The Landlord to provide the Tenant with any current guarantees and warranties for works undertaken to the Demised Premises.
Landlord's Solicitors	Stratford Upon Avon District Council Legal Services – Helen Lolas
Tenant's Solicitors	Barry Jukes Solicitor & Team Leader Property Team Corporate Legal Services Law and Governance Resources Group Shire Hall Warwick CV34 4RL
Timing and Other Matters	To be confirmed