

RECORD OF DECISION

TITLE: PROPOSED DISPOSAL OF FORMER POLICE STATION:
Ref PCC/D/2017/01

EXECUTIVE SUMMARY

To approve the lease of a former Police Station at Shifnal, Shropshire to Shifnal Town Council for 10 years with the right to buy the property within 5 years.

RECOMMENDATION

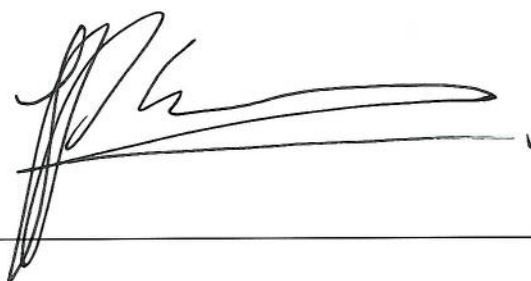
That subject to contract, the former Police Station at Shifnal, Shropshire be let to Shifnal Town Council for the creation of a Community Hub, with the right to buy the building within five years at £150,000.

APPROVAL OF

West Mercia Commissioner

I hereby approve the above recommendation.

Signed



PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND ADVICE

SUPPORTING REPORT

1. Introduction

1.1 The ethos behind the rationalisation of the estate announced by the Police and Crime Commissioner in July 2013 was to dispose of surplus properties that will not be required to deliver the new policing model. Shifnal Police Station was identified as surplus within that announcement.

2. Background

2.1 Shifnal Police Station featured as one of the properties subject to closure in the Estate Rationalisation Program as announced by the West Mercia Police and Crime Commissioner in July 2013.

2.2 The Police station has been void since a Community Police Post was established at Shifnal Library, and has been on the open market since July 2015.

2.3 Shifnal Town Council approached the Police and Crime Commissioner's office expressing a desire to purchase the building. The Town Council wish to open this building as a multi-agency hub.

3. Proposal

3.1 The terms set out at section 4 have been agreed with the Town Council. The terms agreed allow the Town Council to acquire immediate responsibility for the building whilst giving them time to collate sufficient funds to purchase the property.

3.2 The agreed purchase price does not reflect full market value for the property, but it is submitted that the Social Value of enabling the Town Council to create a multi-agency hub in the expanding town of Shifnal must be taken into account and justifies the acceptance of the offer and wider arrangements agreed.

3.3 The Police will move back into the old Police Station from the Library as part of the arrangement and contributing to the creation of the new multi-agency hub at neutral cost to the Police and Crime Commissioner.

4. LEGAL CONSIDERATIONS

4.1 The following terms have been agreed. A full contract will be agreed prior to formal handover of the property.

4.2 The Town Council have the right to purchase the building for the sum of £150,000 excluding any rent paid to date (exclusive of VAT) up to the fifth anniversary of the lease commencement date. After this date the purchase sum will be revised in line with the market value index or the existing figure, whichever is the greater.

- 4.3 The Police and Crime Commissioner's position is protected should the Town Council subsequently dispose of the building for a profit. If the Town Council sell the property on the open market then the Police and Crime Commissioner will be entitled to a 50% share of any uplift from £150,000. If the Town Council sell the property for redevelopment then the Police and Crime Commissioner will be entitled to a 50% of share of value from the Town Council or its successor.
- 4.4 The Police and Crime Commissioner reduces his costs for retaining the building. The Town Council will be responsible for repair and insurance of the property and its contents. The Town Council will be responsible for any rates payable, all utilities and their costs (including telecommunication and broadband).
- 4.5 Whilst the arrangement does not achieve the best financial value for the property, taking into account the social value of providing a multi-agency hub in the expanding town of Shifnal it is submitted this arrangement does achieve best consideration as required under Section 123 of the Local Government Act 1972.

5. FINANCIAL CONSIDERATIONS

- 5.1 The disposal of the now vacated police station will reduce the annual running cost to the Police and Crime Commissioner by approximately £36,864.
- 5.2 The police will pay the sum of £1500 per annum for shared use of the building as per existing use of the library.
- 5.3 Upon sale, the Police and Crime Commissioner will receive £150,000 capital receipt. The established market value of the property in November 2015 was in the region of £300,000.

PUBLIC ACCESS TO INFORMATION

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the West Mercia Commissioner's website. Any facts and advice that should not be made automatically available on request are not included in Part 1 but instead in a separate Part 2 report.

OFFICER APPROVAL

Chief Executive Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the West Mercia Commissioner.

Signature



Date: 12th January 2017

