

Cabinet (Resources) Panel

22 February 2023

Report title	Adult Services Equipment and Stores Renewal	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Bhupinder Gakhal City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Julia Nock, Deputy Director of Assets	
Originating service	City Assets	
Accountable employee	Vince Sibley	Interim Head of Assets
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Report to be/has been considered by	City Assets Leadership Team	11 January 2023

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the Council entering into a lease renewal on Units 4-6 Racecourse Road upon expiry of the existing lease for a term of five years commencing 27 January 2023 with the lease to contain a tenant break option exercisable at the end of year three (on service of 6 months formal notice).
2. Delegate authority to the Cabinet Member for City Assets and Housing in consultation with the Deputy Director of Assets to approve the rental value and terms of the proposed lease renewal through an Individual Executive Decision Notice.

1.0 Purpose

- 1.1 To seek approval to enter into a new five-year lease with commencing 27 January 2023 to continue current occupation by the Council's Adult Social Care Team of Units 4-6 Racecourse Road.

2.0 Background – Community Equipment Service – CES

- 2.1 Adult Social Care currently occupy Units 4-6 Racecourse Road (EP0297) as tenants. The units are used for the storage of Adult Services equipment and vehicles.
- 2.2 Adult Social Care provide an invaluable service to the city, in this case community equipment service (CES) has continued to operate throughout the Covid pandemic, supplying equipment to people in their homes, mostly after hospital discharge to protect the NHS.
- 2.3 During the Covid pandemic staff have been redeployed from other areas of Adult Provision to backfill people unable to attend work and also to help with the increased workload due to increased demand. There is a requirement for this service to continue.
- 2.4 The current lease for the CES warehouse at Racecourse Road commenced on 27 January 2018 and will expire on 26 January 2023 . Estates have been instructed to complete a lease renewal to allow the service to continue.
- 2.5 The following terms have been agreed with the landlord agent.
- New five-year term commencing 27/01/2023
 - Tenant break option in year three (subject to six months' notice)
 - £115,000 per annum
 - Landlord to waive rent arrears from earlier rent review/mid-term dilapidation costs

3.0 Supporting Delivery of the Strategic Asset Plan

- 3.1 Corporate Landlord have developed a Strategic Asset Plan that was completed and approved by Cabinet on 17 October 2018. This provides the structure and management of the Council's land and property portfolio over following five years, to 2023, and incorporates the Our Assets principle. The plan is structured into three parts:
- Asset Management Policy
 - Asset Management Strategy
 - Asset Management Action Plan
- 3.2 The Asset Management Policy establishes a clear mission with supporting principles for the management of land and buildings, ensuring it is fit for purpose and benefits the people of the City of Wolverhampton and to use land and buildings following rationalisation and disposal of land and buildings, that will enable a financial return to

stimulate development and growth, support and encourage local businesses and promote joint working.

- 3.3 The lease renewal of units 4-6 Racecourse Road support the policy as outlined and in particular delivery of items A1 and B9 of the Action Plan.

4.0 Evaluation of alternative options

- 4.1 The current lease could be terminated and alternative premises utilised.

5.0 Reasons for decision

- 5.1 No viable alternative premises for the storage of Adult Services vehicles and equipment have been identified either within the Council's portfolio or private market.
- 5.2 The approval of the new lease will ensure the continued successful delivery of the Adult Services outcomes in supporting the needs of the residents of Wolverhampton.

6.0 Financial implications

- 6.1 The leasing of Units 4-6 Racecourse Road is to be funded by existing established budgets within Adult Services.
- 6.2 The stated rental has been subject to an agreed valuation exercise and includes the waiver of rent arrears and mid-term dilapidations costs ensuring best value is secured by the Council.
- 6.3 Final terms agreed will be subject to a future Individual Executive Decision Notice to seek approval.
[AI/20012023/K]

7.0 Legal implications

- 7.1 There are no direct legal implications from this report. Full legal advice and representation will be given throughout the conveyancing process.
[NB/17012023/A]

8.0 Equalities implications

- 8.1 All development plans will consider and meet the needs of all people within the local community and an all-inclusive approach will be taken by Wolverhampton City Council.

9.0 All other implications

- 9.1 There are no other implications arising from this report.

10.0 Schedule of background papers

10.1 [Strategic Asset Plan 2018-2023](#) – Report to Cabinet on 17 October 2018 including:

- Asset Management Policy 2018-2023
- Asset Management Strategy 2018-2023
- Asset Management Action Plan