

Managing trusteeship of former mph office/warehouse at 4 John Wesley Road, Peterborough

Basic Information

Contact Name and Details	Nick Moore, Head of Support Services x5159
Status of Paper	Final
Action Required	Ratification of SRC decision
Draft Resolution	That Council ratifies the delegation of managing trusteeship to the Strategy & Resources Committee (SRC) of the office warehouse building located at 4 John Wesley Road, Peterborough.
Alternative Options to Consider, if Any	None.

Summary of Content

Subject and Aims	The building at 4JWR is one of the assets that has passed to the Methodist Council from the mph Board. It is proposed that the managing trusteeship of the building be delegated to SRC and that it be leased to Ecolutia Services Ltd for a period of 5 years, with the option to purchase at a pre-agreed price of £1.85million at the end of the lease.
Main Points	<ul style="list-style-type: none"> • 4JWR is empty with no prospect of sale • It can be leased out for £114,000 per annum, net of maintenance, insurance and dilapidations • The tenant is ready to occupy the building and anxious to proceed • It is not felt appropriate for a body as large as Council to act as managing trustees, so it is proposed that the managing trusteeship be delegated to SRC • SRC has already accepted this subject to Council ratification
Background Context and Relevant Documents	
Consultations	David Walton – Chair of Council/Law & Polity Joanne Broadbridge – TMCP Senior Legal Officer Neil Joubert – Interim mph CEO SRC

Summary of Impact

Standing Orders	
Faith and Order	
Financial	Loss of rental income and potential of vandalism if building remains empty
Personnel	
Legal	SRC will assume managing responsibility for 4JWR

Managing Trusteeship of former mph office/warehouse, 4 John Wesley Road, Peterborough (4JWR)

1 The situation with the former mph office/warehouse facility at 4JWR is as follows:-

- The building is totally empty. Neil Joubert, interim mph CEO, continued to visit daily to keep an eye on it until his contract ended on 31 August.
- In the current property market there was no progress made with selling the building, but our agents unexpectedly received an offer to lease it out.
- The lease will generate approx. £114,000 per annum income, with an option for the tenant to purchase the building after 5 years at a pre-agreed price of £1.85m. The book value is £1.75m, but it's estimated that we would have to reduce the price to around £1.0m to £1.2m to have any prospect at all of selling it today.
- The above amount is net of maintenance, insurance and other dilapidations for which the tenant would be legally responsible.
- Assuming the lease goes ahead, the Connexional Team will manage the building via the Building and Facilities Officer, Reg Everest. We will appoint the letting agents as managing agents in Peterborough to ensure that the lease is properly managed day-to-day.
- The tenant is ready to go ahead and Joanne Broadbridge, Senior Legal Officer at TMCP is advising mph's former solicitors who are now acting on behalf of the Council.
- The main obstacle is the requirement for Methodist Council to delegate the managing trusteeship to a smaller body who will then execute the lease on behalf of Council.
- At its meeting on Tuesday 24 August the SRC agreed in principle to accept the delegated managing trusteeship of the building, subject to ratification by Council.
- Subject to that ratification, the SRC also agreed for the building to be leased to Ecolutia Services Ltd.
- It is highly likely that the SRC will only become managing trustees temporarily, but if we do not act now then the lease will be delayed. The main risks of this are the loss of the tenant, the lack of income from the building and more particularly the ongoing problem of the building sitting empty. Neil feels that there is a real risk of vandalism and the building being misused as an illegal party venue. 4JWR and the adjacent building are now both empty and are isolated on the estate. Groups of young people in cars regularly congregate outside the gates at night – they create a lot of litter, but have not entered the site as far as we can tell.

2 The SRC considered the position at their meeting on 25 August and agreed to take on the responsibility for being Managing Trustees, subject to Council ratification.

Resolution: That Council ratifies the delegation of managing trusteeship to the Strategy & Resources Committee (SRC) of the office warehouse building located at 4 John Wesley Road, Peterborough.

