

Cabinet

17 April 2024

Updated Response to Councillor Vasmer's Question

5) What is the total investment made by the Council in the University Centre Shrewsbury since it was set up in the autumn of 2014? The figure should include any penalties or losses identified in Question 2 above, the running costs of Mardol House not covered by income from students, the loss of rental income as a result of the University Centre's free use of the Guildhall and Rowley's House.

On 18 December 2014 Shropshire Council approved the acquisition of Mardol House and fit out for the purposes of student living accommodation by the most economical route within an estimated budget of £7.5m. The report stated that the purchase of the complex in which the student living accommodation will be sited will be self-financing. The development of student living accommodation was calculated to cover its cost at 96% occupancy.

The total spend expenditure on the Tannery development was £9.773m however this also includes the medical practice block as it was all part of the same contract. It has not been possible to disaggregate the costs between the respective blocks.

Our accounts show that student accommodation income over the period 2019/20 to 2022/2023 amounted to £1.4m. Officers have not been identify student accommodation income separately prior to this period.

In March 2023 the council received an independent valuation report which provided the opinion that the market rental value for the Guildhall assuming a five year lease on tenants full repairing and insuring terms to be £389,400 per annum. Please note that this was a private rental valuation provided for the council. The University used Rowley's House for a limited time period. There has been no valuation report commissioned or supplied for this property.