

FORMER ADULT EDUCATION CENTRE & LAUREL LANE PRIMARY SCHOOL ACADEMY LEASE, WEST DRAYTON

Cabinet Member(s)	Councillor Jonathan Bianco
Cabinet Portfolio(s)	Cabinet Member for Finance, Property and Business Services
Officer Contact(s)	Mike Paterson, Residents Services
Papers with report	Site plan

HEADLINES

Summary	<p>This report seeks Cabinet approval to agree to grant a supplemental lease, to expire co-terminously with the existing 125 year academy lease of Laurel Lane Primary School dated 28th March 2013, granted to LDBS Frays Academy Trust. The new lease will be in accordance with the Department for Education (DfE) standard academy lease template but will also include Landlord's consent to the proposed refurbishment works. As part of this proposal, the Trust will refurbish the building and the Council will contribute £35,000 towards the costs.</p>
Putting our Residents First	<p>This report supports the following Council objectives of: Our Built Environment and Strong financial management.</p>
Financial Cost	<p>There is no specific budget in the approved capital programme for the contribution of £35k, however the £2,409k Youth Provision capital budget would be an appropriate funding source.</p>
Relevant Policy Overview Committee	<p>Corporate Services, Commerce & Communities</p>
Relevant Ward(s)	<p>West Drayton</p>

RECOMMENDATIONS

That the Cabinet:

- 1. Authorises the grant of a lease of the former Adult Education Centre to LDBS Frays Academy Trust for a term of years to expire co-terminously with the 125 year lease of Laurel Lane Primary School dated 28th March 2013, as set out on the site plan.**
- 2. Authorises giving consent to the Trust to carry out the proposed refurbishment of the former Adult Education Centre building and notes that the Council will contribute £35,000 towards the cost of the refurbishment.**

Reasons for recommendations

Laurel Lane Primary School converted to an academy on 1st April 2013 and a 125 year lease of the school was granted to LDBS Frays Academy Trust. The lease excluded the Adult Education Centre located within the school site as the building was occupied by Adult Education at the time. Adult Education vacated the premises in July 2014 and as no other Council services required the accommodation, the Trust was advised that the building would be leased to them on confirmation that they had funds to implement their proposals to refurbish the building. This confirmation was received in May this year.

Under the Council's Constitution, the grant of a lease and consent to alterations under a lease of over 25 years and of any value must be approved by Cabinet.

Alternative options considered / risk management

The Council could retain the building, however, this has been empty since Adult Education vacated the building in 2014 and no Council service has a requirement to occupy the building. As the building is within the Laurel Lane Primary School site it is not feasible to consider letting to another occupier.

Policy Overview Committee comments

None at this stage.

SUPPORTING INFORMATION

1. Laurel Lane Primary School converted to an academy on 1st April 2013 and a 125 year lease of the school was granted to LDBS Frays Academy Trust. The lease excluded the Adult Education Centre located within the school site as it was occupied by Adult Education at the time. Adult Education vacated the premises at the end of July 2014 and the building was then to be transferred to the Trust, however, the transfer was delayed whilst negotiations took place with the Trust on the proposed St Martin's C of E Primary School which was to be built next to Laurel Lane Primary School.
2. The St Martin's C of E Primary School was built in 2014/15 and the future use of the Adult Education Centre was considered again. As no other Council service had a requirement to occupy the building, the Trust was advised that the premises would be transferred to them on a lease ending co-terminously with the lease of the school site, subject to confirmation from the Trust that they had funds to implement their proposals to refurbish the building.
3. The Trust was also advised that the Council would provide funding of £35,000 towards the cost of refurbishment.
4. In May this year, the Trust confirmed to the Council that the school had secured £123,978 grant funding from the Government's Condition Improvement Fund (CIF) and they requested that the Council lease the former Adult Education Centre premises to them. The Trust confirmed that they propose to refurbish the building and sought consent

to the refurbishment works to include the replacement of windows and associated asbestos removal. The (CIF) grant funding is in addition to the £35,000 to be provided by the Council.

5. The template Academy Lease includes the following main standard terms:
 - a. The annual rent is to be a peppercorn;
 - b. The Academy will take on full repairing and insuring responsibilities;
 - c. There is no ability for the Academy to assign or transfer the premises demised without consent from the Secretary of State for Education in all instances
 - d. There is the ability to underlet the premises but only with the Council's prior written consent for any term which is in excess of 25 years.
 - e. There is no ability to place a financial charge on any part of the premises;
 - f. The permitted use under the lease is "for the purposes of the provision of educational services by the tenant and for community fundraising and recreational purposes which are ancillary to that use".
 - g. The Trust is to be responsible for the Council's reasonable legal costs
6. Formal Cabinet approval is required to grant a lease to the Trust and also to give consent to the Trust's proposed refurbishment works.

Education Services comments

The works proposed to be undertaken by the Trust will improve the early years and educational facilities available to local residents.

Financial Implications

The granting of a lease of the former Adult Education Centre to LDBS Frays Academy Trust will result in a peppercorn rent and the Academy will take on repairing and insurance responsibilities for the building.

It has previously been agreed with the Trust that the Council would contribute £35k towards the cost of refurbishing the building, which involves asbestos removal and associated window replacement works. This was subject to the Trust securing capital grant towards these works and The Trust has recently been awarded £124k Condition Improvement Funding from the Education & Skills Funding Agency.

There is no specific budget in the approved capital programme for the contribution of £35k, however, as it will support providing facilities for early years and education of children, the £2,409k Youth Provision capital budget would be an appropriate funding source. There are currently £2,000k unallocated funds within this budget, which is financed by Council resources. The allocation of £35k from this budget would be via the capital release approval process.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon residents, service users and communities?

This will enhance early years and educational facilities available to local residents.

Consultation carried out or required

As set out in the report.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance has reviewed the report and concurs with the financial implications set out above noting that the council's agreed contribution of £35k, towards replacement of windows and asbestos removal, will be the subject of further capital release report.

Legal

The provisions of section 123 of the Local Government Act 1972 ("the Act"), subject to certain constraints, allow a local authority to dispose of premises held by it in any manner it wishes. The most important control is in relation to the consideration the local authority secures in respect of the disposal.

Except with the consent of the Secretary of State, a local authority shall not dispose of premises otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained. A short tenancy is defined as a lease for a period of seven years or less.

Pursuant, however, to the General Consents provided by the Secretary of State, local authorities are able to dispose of any interest in land held under the Act which they consider will contribute to the promotion or improvement of the economic social or environmental well-being of their area for less than the best consideration reasonably obtainable. This is possible provided the undervalue does not exceed £2 million. Furthermore, the local authority must keep a record of every disposal at an undervalue so that it can show compliance with the General Consents. It would appear in this instance that the consent of the Secretary of State would not be required as the disposal for less than best consideration is covered by the General Consents.

The Academies Act 2010 and Education Act 2011 gives the Secretary of State various powers including the discretion to make a transfer scheme in relation to land. So where the local authority holds a freehold or leasehold interest in land that an academy occupies, the Secretary of State may make a scheme in relation to land that essentially necessitates the transfer of such land to the proprietor of the academy.

Legal relationships granting rights for the benefit of the School, imposing conditions on and reserving obligations to both parties would be created by virtue of the leases when completed.

Accordingly, any future dealings with the School in respect of the land will be regulated by such leases. The necessary legal documentation would need to be considered, negotiated and prepared by officers in Legal Services.

There are no legal impediments in proceeding with the recommendations.

Infrastructure / Asset Management

The Infrastructure / Asset Management comments are included within the body of the report.

BACKGROUND PAPERS

NIL