

9 November 2015

Agenda Item: 10c

REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY & ENVIRONMENT

UNIT 1, HERMITAGE WAY, MANSFIELD – LEASE TO REAL EDUCATION

Purpose of the Report

1. To seek approval to the granting of a lease to REAL Education for use of Unit 1, Hermitage Way, Mansfield.

Information and Advice

2. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt appendix.
3. Unit 1, Hermitage Way, Mansfield, is held by the County Council under a 99 year lease with effect from 1972 from Mansfield District Council and comprises a two storey industrial unit built in 1993, providing 7,059 sq ft of factory floor space and 2,788 of office space (11,395 sq ft). Unit 1 was previously occupied along with Unit 2 as part of a larger factory by a manufacturing company of electrical components between June 2000 and November 2014. The unit has been vacant since their departure.
4. The County Council has now been approached by REAL Education, who are a not for profit charity, founded in 2008 with the primary aim of providing services for children and young people who have been identified as either excluded or at risk of exclusion from mainstream education. As demonstrated by their acronym REAL "Rethinking Engagement and Approaches to Learning", they work with Schools, Colleges, Academies and Local Authorities to identify and engage with children and young people to provide individually tailored solutions, ensuring they receive their educational entitlement, with the intention of avoiding costly "out of County" educational or social care placements.
5. REAL Education are now developing a number of dedicated vocational learning centres and in this regard have chosen to utilise the factory space within Unit 1 Hermitage Way, as a Motor Mechanics Centre, to supplement their only other dedicated Motor Mechanics centre situated on the Nottinghamshire/Derbyshire border at Awsworth, which is already oversubscribed for the 2015/16 academic year. Unit 1, Hermitage Way, will consequently not only address this shortage of places, but also expand the offer into the centre of Nottinghamshire, opening up the provision to those

who previously would have been unable to attend due to the distance required to transport the young people.

6. Meanwhile, REAL Education intend to use the significant amount of office space within the unit to develop a Community Learning Hub, which will provide opportunities to engage in learning, achieving, developing life skills and grant access to a diverse range of interests and leisure opportunities after school, at weekends and during holiday periods.
7. Subject to the receipt of appropriate financial references, the following terms have been provisionally agreed:

Tenant:	REAL Education Limited, Castledine House, Ilkeston, Derbyshire, DE7 8DY.
Premises:	Unit 1, Hermitage Way, Mansfield
Rent:	See Exempt Appendix.
Security Bond:	See Exempt Appendix.
Duration:	Five years
Terms:	The Lease will require that the Tenant is responsible for putting and keeping both the interior and the exterior of the Premises in repair.
Insurance:	The County Council will make the necessary arrangements to insure the Premises but the premium will be recharged to the Tenant. The Tenant shall be responsible for public liability, contents and any other insurance required.
Use:	Motor Mechanics Centre and Community Learning Hub. The Tenant will be responsible for making enquiries with the Development Control section of Mansfield District Council to ensure that the proposed use is acceptable in planning terms (use classes order).
Alienation:	Assignment and subletting of part or whole to be strictly prohibited.
Alterations:	All alterations to be submitted to the County Council for prior approval (not to be reasonably withheld), provided that all such alterations shall be removed and the unit reinstated back to the original factory layout at lease expiry (however so determined).
Costs:	Each party will be responsible for their own costs in respect of this matter.
Pre-Conditions:	The County Council shall undertake gas and electric inspections and provide certificates to the Tenant.

Other Options Considered

8. This unit has been vacant since November 2014 and due to its size and in particular, high office element, is not an attractive proposition to the market generally. The County Council could decide to withdraw from lease negotiations and continue to market but in the meantime, the unit continues to cost the County Council approximately £17,600 pa in empty business rates liability.

Reason/s for Recommendation/s

9. The granting of a lease on the terms proposed provides the County Council with an income stream and absolves any financial liabilities associated with a vacant unit, such as empty business rates and utility standing charges.
10. The proposal offers scope for social benefit in terms of education and training and social inclusion.

Statutory and Policy Implications

11. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

- 1) That approval is given to the granting of a lease to REAL Education for use Unit 1, Hermitage Way, Mansfield, on the basis as outlined in this report and exempt appendix.

Jas Hundal

Service Director – Transport, Property & Environment

For any enquiries about this report please contact:

Constitutional Comments (SOM 13.10.3015)

12. The recommendation falls within the remit of the Finance and Property Committee under its terms of reference.

Financial Comments (TR 9.10.15)

13. The financial implications are set out in the exempt appendix to the report.

Background Papers and Published Documents

14. None.

Electoral Division(s) and Member(s) Affected

15. Ward(s): Mansfield South

Member(s): Councillor Andy Sissons, Councillor Stephen Garner

File ref.: /BH/SB/

SP: 2948

Properties affected: 07614 - Units 1 & 2 Mansfield Advance Factory 2