

26 May 2022**REPORT OF THE CORPORATE DIRECTOR, PLACE****PROPOSED LEASE OF FORMER CARETAKERS BUNGALOW, BROOKSIDE
PRIMARY SCHOOL, EAST LEAKE****Purpose of the Report**

1. To seek approval to a Lease of the former caretaker's bungalow as indicated hatched on the attached plan within the Brookside Primary School site ("Bungalow") to the Equals Trust for them to use for the provision of an additional classroom to meet pupil place requirements (including any other necessary legal documentation to give effect to this proposal), subject to the necessary Department for Education's consent and planning consent for the Bungalow to be used as a classroom by the school.

Background

2. Brookside Primary School is an academy school being operated by Equals Trust who took a 125 year lease of the school effective from 1st March 2020 ("Academy Lease"). The area subject to the Academy Lease is indicated edged black on the attached plan. At the time of academisation, the Bungalow was excluded from the Academy Lease as it did not meet the criteria for including it in the Academy Lease. Since then, the Bungalow has been retained and maintained by the Council while it considered/explored alternative options for the Bungalow and it is surplus to requirements.
3. Due to pupil place demand in East Leake, the Council worked with the Equals Trust to provide 15 additional reception (year R) places at the site for September 2020. To facilitate this increase the Council funded the Trust to reconfigure an existing classroom to make it suitable for teaching year R pupils and repurposed the library to provide further classroom space for the bulge year group as it progressed through the year group at the school. As a result, there is a need for an additional classroom.
4. Brookside Primary School's site includes a former ICT suite which is detached from the rest of the academy's buildings. The ICT suite has been leased to the academy under a separate 10 year lease ("ICT Lease") with the expectation that it would be used as a classroom. The ICT suite cannot be used as a classroom by Brookside Primary School due to its limited size and separation from the main school building so alternative teaching space will be required in order for the school to educate the pupils in coming years. As part of the school's most recent OFSTED visit, the ICT suite was pointed out as an area of concern for safeguarding due to its location outside of the school boundary.
5. The Council has investigated a number of options to provide additional classroom space including extensions to the existing school and/or temporary accommodation. Not only would they be costly interventions but they would also require upgrading of existing utilities and would put pressure on outdoor space which is already below the Department for Education's area guidelines for mainstream schools (Building Bulletin 103).

6. The Bungalow would make use of its existing utilities and would not impact on space requirements as it is already located on the site of the academy.

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7. The Bungalow is not suitable for repurposing due to location within the school site. As with some of the Council's other bungalows, the Bungalow is unique in that it is located within the grounds of the current car park and school playground of the academy. Any opportunity to sell or lease the asset for any other purpose than that associated with delivery of education for the school, would require significant upgrades to the site such as re-fencing of a significant section of the perimeter for safeguarding purposes and new access to be developed as well as the Department for Education's consent. Furthermore, these interventions would require additional land for the academy which is already below Building Bulletin 103 which states the standard size for a primary school.
8. The Council is currently constructing a new school in East Leake to take increasing pupil place demand in the village with space being available from September 2022. The new school though does not provide a solution for the increased numbers of pupils that have been accepted at Brookside Primary in September 2020 as this bulge runs through the school.
9. Terms have therefore been provisionally agreed with the Trust for them to take a Lease of the Bungalow for the same term remaining on their Academy Lease subject to the Department for Education's consent. The Lease will be on the same terms as the Academy Lease at peppercorn rental. The Trust will then undertake to refurbish the Bungalow to provide classroom space to provide the required pupil place capacity subject to the Council's consent and obtaining planning permission for change of use.
10. The proposed terms give the Trust responsibility to undertake the agreed works with subsequent benefit of occupation for the duration of the Lease. The Bungalow has been effectively vacant for some years and for any repurposing would require significant investment. Furthermore, such sums would need to be offset from any capital receipt obtained. Through its location within the school grounds, any alternative use by the Council would be very difficult to achieve due to safeguarding reasons and use by the school to meet pupil place demand is a positive use of the Bungalow. There is though a potential opportunity for the Council to achieve a rental income or capital receipt from the site which the proposed Lease would negate. The lease of the Bungalow would not have any impact on the use or value of retained Council land.
11. The Council has an obligation under s.123 of the Local Government Act 1972 to obtain the best price reasonably obtainable for the disposal of assets. In some circumstances the Council is able to dispose of land at less than best consideration, provided certain requirements are met.
12. Due to its location within the school grounds, the asset would be difficult to sell but has a current valuation in the region of £200,000 when taking into account its condition. Any disposal by the Council will require the Department for Education's consent which may require reinvesting the capital receipt within an educational setting in the locality.
13. Under the General Disposal Consent 2003, Councils may dispose of land for less than the best consideration when the Council considers that such a disposal will help it to secure the

promotion or improvement of the economic, social or environmental well-being of its area. When the difference between the unrestricted value of the interest to be disposed of and the consideration accepted is over £2 million, the specific consent of the Secretary of State for Housing, Communities and Local Government is required which is not the case in this case.

14. The issues promoting the social well-being of the area are summarised as follows:

- Expanding education provision at the school;
- Meeting the needs of local children;
- Greater use of the Bungalow; and
- Reducing the building expenditure.

15. The proposed disposal of this Bungalow by leasing to Equals Trust means that this transaction has been subject to a negotiation with a single party rather than through full marketing and there is no consideration proposed.

16. Legal Services and the Section 151 officer have been consulted in respect of this proposed transaction and whether it is appropriate for it to proceed. They are satisfied that the decision is one which the Cabinet Member may determine provided careful consideration is given to all the issues, including the financial impacts as well as the anticipated benefits to the social and environmental wellbeing of the Council's area.

Other Options Considered

17. As outlined in paragraph 5 above.

Reasons for Recommendations

18. The recommendations proposed will ensure that accommodation is available to meet pupil needs at the school from September 2022 onwards.

Statutory and Policy Implications

19. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial implications

20. The proposed lease will pass an asset to the Trust who will use their own funds to refurbish to classroom use and will not therefore impact on the Councils basic need or capital programmes. Cost of works likely to be in excess of £100,000. The lease of the bungalow will mean that the Council is not able to realise any capital receipt from the asset in the future although its location would make this difficult to achieve.

RECOMMENDATIONS

It is recommended that approval be given to:

- 1) The grant of a Lease to the Equals Trust of the Bungalow on the same terms as the Academy Lease to provide an additional classroom to meet pupil place requirements (including any other necessary legal documentation to give effect to this proposal) subject to the necessary Department for Education's consent and planning consent for the Bungalow to be used as a classroom by the school.

Adrian Smith
Corporate Director, Place

For any enquiries about this report please contact: Matthew Neal, Service Director, Investment & Growth, Tel: 0115 977 3822

Constitutional Comments (SSR 20/05/2022)

21. The recommendation falls within the remit of Cabinet Member for Economic Development & Asset Management under its terms of reference. The Council is under statutory obligation under S123 of the Local Government Act 1972 when disposing of land or buildings to obtain the best price reasonably obtainable on the open market failing which it must obtain the Secretary of State's consent unless it complies with the General Disposal Consent Order. These are matters which the decision maker must be satisfied with before approving the recommendation set out in this report. If the Council has any retained land the effect on the value and use of it must be considered.

Financial Comments (GB 19/05/2022)

22. The lease of the property will mean that the Council will not be able to realise any future capital receipt from the asset. The Section 151 Officer and the Group Manager for Legal Services have however been consulted in respect of this transaction and, given the anticipated benefits from the lease are satisfied that Members can make this decision in line with the Council's financial regulations.

Background Papers and Published Documents

- None.

Electoral Division(s) and Member(s) Affected

- Electoral Division: Leake and Ruddington
- Members: Councillor Reg Adair and Councillor Matt Barney