

Cabinet – 3 February 2016

Children's Centre Leases

Portfolio: Councillor A Andrew –
Deputy Leader and Economy Infrastructure and Development

Service: Asset Management

Wards: Bloxwich West and Blakenall

Key decision: No

Forward plan: No

1. Summary

- 1.1 At its meeting on 4 February 2015, Cabinet approved the proposed Children's Centre Redesign. As part of the redesign, Cabinet approved the closure of a number of Children's Centres including Bloxwich and Edgar Stammers Children's Centres and the leasing of the buildings to Jubilee Academy and Edgar Stammers Primary Academy respectively for the provision of childcare (including sessional places for 2 year olds eligible for free entitlement to learning). The closed centres are located immediately adjacent to the named schools. The report erroneously referred to the leases being at market rent. This was not intended to be the case. Rents were to be determined on the facts of each case. This report therefore seeks to address this matter.
- 1.2 The grant of leases of the closed centre buildings to the named schools will enable continuity for children from early years to school to be maximised.
- 1.3 There are not currently any discussions with Edgar Stammers Primary Academy.
- 1.4 In relation to the former Bloxwich Children's Centre building, following protracted negotiations, Jubilee Academy has confirmed that it can only deliver childcare from the property on a financially sustainable basis if it is leased at nil rent. On this basis Jubilee Academy is ready to complete the lease. This report has therefore been presented as a late report to enable the early completion of the lease of the former Bloxwich Children's Centre building to Jubilee Academy.

2. Recommendations

- 2.1 Cabinet is recommended to accept the proposal by Jubilee Academy to take a lease of the former Bloxwich Children's Centre building at nil rent and to delegate the agreement of the terms of the lease of former Bloxwich Children's Centre to the Executive Director for Economy and Environment in consultation with the Portfolio Holder for Economy, Infrastructure and Development.

- 2.2 In order to avoid the need to return to Cabinet in the future, Cabinet is recommended to delegate the agreement of all terms of any future lease of the former Edgar Stammers Children's Centre building to the Executive Director for Economy and Environment in consultation with the Portfolio Holder for Economy, Infrastructure and Development.

3. Report detail

- 3.1 At its meeting on 4 February 2015, Cabinet approved the proposed Children's Centre Redesign. As part of the redesign, Cabinet approved the closure of a number of Children's Centres including Bloxwich and Edgar Stammers Children's Centres and the leasing of the buildings to Jubilee Academy and Edgar Stammers Primary Academy respectively for the provision of childcare (including sessional places for 2 year olds eligible for free entitlement to learning). The closed centres are located immediately adjacent to the named schools. . The report erroneously referred to the leases being granted at market rent. This was not intended to be the case. Rents were to be determined on the facts of each case. This report therefore seeks to address this matter.
- 3.2 The grant of leases of the closed centre buildings to the named schools will enable continuity for children from early years to school to be maximised.
- 3.3 There are not currently any discussions with Edgar Stammers Primary Academy.
- 3.4 Protracted negotiations have taken place between officers and Jubilee Academy in relation to the terms of any lease relating to the former Bloxwich Children's Centre building. The Academy has confirmed that it can only deliver childcare from the property on a financially sustainable basis if it is leased at nil rent.
- 3.5 The term of the lease is proposed at 6 years. The tenant will not gain security of tenure. The position can therefore be re-considered at the end of the 6 year term. There is not proposed to be any rent review provision within the 6 year period. As the term falls short of 7 years, there is no requirement on the Council to achieve Best Consideration pursuant to section 123 of the Local Government Miscellaneous Provisions Act 1972. Nonetheless, officers are satisfied that in the circumstances of this case, a nil rental for a period of 6 years are the best terms that can reasonably be agreed with the Academy for the former Bloxwich Children's Centre building.

4. Council priorities

- 4.1 Improving Safeguarding, Learning and the Life Chances for Children and Young People, raising aspirations.

5. Risk management

- 5.1 There are no new risks associated with this report. The savings identified in the February 2015 report have been achieved.

6. Financial implications

- 6.1 The grant of the leases will transfer ongoing liabilities for building maintenance and utilities to the tenants. There are no other financial implications arising from this report.

7. Legal implications

- 7.1 Under section 123 Local Government Miscellaneous Provisions Act 1972 (section 123), a Local Authority can dispose of assets in any way it chooses, including to a named purchaser, as long as it is able to demonstrate that the disposal represents best consideration. In the case of the grant of leases, the provisions of section 123 only apply to leases for a term in excess of 7 years.

8. Property implications

- 8.1 The leasing of the closed Children's Centres will ensure the transfer of property liabilities to the respective tenants and will secure the ongoing beneficial use of the buildings.

9. Staffing implications

- 9.1 None arising from this report.

10. Equality implications

- 10.1 None arising from this report.

11. Consultation

- 11.1 Consultation has been undertaken with ward councillors, legal services, finance, HRD, planning and building control, housing, strategic regeneration and development and delivery.

Background papers

Cabinet Report – Children's Centre Redesign – 4 February 2015

Author

Nick Ford

Development Surveyor

☎ 652659

✉ fordn@walsall.gov.uk

A handwritten signature in dark ink, appearing to be 'SN', with a stylized, flowing script.

Simon Neilson
Executive Director Economy and
Environment
1 February 2015

A handwritten signature in blue ink, appearing to be 'A Andrew', with a stylized, flowing script.

Councillor A Andrew
Portfolio Holder – Economy Infrastructure
and Development
1 February 2015