

Report of : Land and Property Services

Report to : DIRECTOR OF CITY DEVELOPMENT

Date:

Subject: LEASE IN OF PREMISES AT 2 TOWN STREET STANNINGLEY, LS28

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Bramley and Stanningley		
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

Summary of main issues

1. It is proposed that Leeds City Council will lease in the subject premises for use as a Specialist Inclusive Learning Centre (SILC).

Recommendations

4. That the lease is approved on the proposed agreed terms.

1 Purpose of this report

- 1.1 To gain approval to the Council taking a lease in of the subject premises for use as a Specialist Inclusive Learning Centre.

2 Background information

- 2.1 A requirement has been identified for a SILC facility in West Leeds, this facility is in practice a school for children who have been excluded from other schools.
- 2.2 This facility is required due to the obligations arising from the Education Act and the 2007 and 2012 regulations for school discipline and provision of full time education of excluded pupils. The Department for Education has already worked with Leeds

school to reduce exclusion of Key Stage 4 pupils, the new centre will address the same problem for Key Stage 3.

- 2.3 The subject property has been identified as being in a suitable location and terms have been negotiated with the landlord to take a lease to convert it from its previous use, which was as a car showroom and repair garage. The cost of conversion has been assessed and the necessary funds are available from the funding provided by the Department of Education.
- 2.4 The property briefly comprises a large open plan space at ground level, which it is proposed will be converted to form classrooms, common areas and dining room; and a smaller basement level (with access to a secure open yard) with rooms for additional facilities to provide craft and practical training spaces. Additionally the property includes a parking area on the roof which is shared with the adjoining supermarket.
- 2.5 The landlord has obtained planning permission on the Council's behalf for a change of use to D1, education use.

3 Main issues

- 3.1 The detailed terms for the proposed lease are given in the confidential appendix of this report, funding for the lease and the works to the property will come from various sources but has been guaranteed until the break date in the lease.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The proposed lease will be taken by the Council on behalf of the SILC and the local Area Inclusion Partnership neither of which are legal entities and are therefore unable to take a lease on their own. Funding for the provision of the SILC and the costs associated with the building will come from the local feeder schools and the Department of Education via the Area Inclusion Partnership, as this lease is being taken on the SILCs behalf rather than for the Council no Asset Management Board report has been submitted.
- 4.1.2 The Area Inclusion Partnership and the SILC have conducted an extensive search for suitable premises but have been unable to identify anything within the Council's estate in the locality which is suitable for the proposed use.
- 4.1.3 Councillor Blake, Chief Executive for Childrens Services and Councillor Caroline Gruen, Support Executive Member for Children and Families and Community Committee Chair for West Inner and Ward Member for Bramley and Stanningley has been involved in the work of the SILC and the search for suitable premises in West Leeds.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The proposed lease will provide a facility to ensure access to education for children who might otherwise be excluded and consequential disadvantaged.

4.3 Council Policies and City Priorities

4.3.1 In addition to ensure the inclusion of otherwise excluded and potentially vulnerable children the proposed lease will ensure that the Council meets its legal obligations to provide education to those children.

4.4 Resources and Value for Money

4.4.1 The provision of this service is externally funded by central government both directly and via local schools.

4.5 Legal Implications, Access to Information and Call In

4.5.1 Under Part 3 Section 3E Paragraph 2(a) of the Council's Constitution (Officer Delegation Scheme (Executive Functions)) the Director of City Development has authority to discharge any function of Executive Board in relation to the management of land (including valuation, acquisition, appropriation, disposal and any other dealings with land or any interest in land) and Asset Management.

4.5.2 The **Head of Land and Property** has authority to take the decisions requested in this report under Executive functions 1 and 10 (specific to the Director of City Development) of the Director of City Development's sub delegation scheme.

4.5.3 The proposal constitutes a **significant operational decision** and is therefore not subject to call in.

4.5.4 The Head of Land and Property confirms that in his opinion the terms offered to the Council represent a fair market rent for the property.

4.5.5 The information contained in the Appendix attached to this report relates to the financial or business affairs of a particular person, and of the Council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information was obtained through one to one negotiations for the lease in of the property/land then it is not in the public interest to disclose this information at this point in time. Also it is considered that the release of such information would or would be likely to prejudice the Council's commercial interests in relation to other similar transactions in that prospective purchasers of other similar properties would have access to information about the nature and level of consideration which may prove acceptable to the Council. It is considered that whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this transaction and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time. It is therefore considered that this element of the report should be treated as exempt under Rule 10.4.3 of the Access to Information Procedure Rules.

4.5.6 Risk Management

4.5.7 In the event of this lease not preceding the Council may find itself unable to provide this necessary facility to excluded young people.

4.5.8 If the break clause in the lease is not exercised then funding would be required for the remainder of the lease, this is mitigate by the rolling annual break provision.

4.5.9 At the end of the proposed lease the Council will be required to leave the property in a clean, tidy and lettable condition, the risk therefore of a costly dilapidation claim by the landlord is minimal.

5 Conclusions

- 5.1 The proposed lease in will provide a necessary facility in a suitable location and is already funded by existing budgetary provisions.

6 Recommendations

- 6.1 That the proposed lease-in is agreed on the terms provided in this report and its confidential appendix.

7 Background documents¹

- 7.1

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.