

Report of : DIRECTOR OF CITY DEVELOPMENT

Report to : EXECUTIVE BOARD

Date: 12 OCTOBER 2011

Subject: WOODKIRK ACADEMY

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Morley South
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4(3) Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. The purpose of this report is to notify Executive Board of the proposed grant of a lease of the former Woodkirk High Specialist Science School to the Woodkirk Academy Trust, for use as an Academy, in accordance with the Council's policy on disposals at less than best consideration and to inform Executive Board of the proposed Heads of Terms for that lease.

2. Woodkirk High Specialist Science School has applied to the Department of Education (DFE) for the School to be granted Academy status. The Department for Education has approved the conversion to Academy status and granted an Academy Order. The Council is therefore now required to grant the Woodkirk Academy Trust a lease of the former school site. The key elements of the Heads of Terms for the lease are as follows:-
 1. 125 year lease at a peppercorn rental.
 2. The lease to be limited to use as a non profit making academy.

3. If during the duration of the lease the premises cease to be used as an Academy, the premises will revert to the Council.

Recommendations

3. Executive Board is requested to approve the disposal of Woodkirk High Specialist Science School for the proposed Academy on a 125 year lease at nil consideration and authorise the Director of City Development to agree the final terms of the lease highlighted in paragraph 3 above.

1 Purpose of this report

- 1.1 The purpose of this report is to notify Executive Board of the proposed Heads of Terms for the leasehold disposal at nil consideration of Woodkirk High Specialist Science School to Woodkirk Academy Trust.

2 Background information

- 2.1 The governing body of a maintained school may make an application to the Secretary of State for Education for an academy order to be made for the school. An academy order is an order enabling the school to be converted into an academy. The Secretary of State sends a copy of the order to the school and local authority.
- 2.2 Woodkirk High Specialist Science School has applied to the Department for Education to be granted Academy status. The DfE has made an Academy Order enabling the school to convert to an Academy under section 4 of the Academies Act 2010.
- 2.3 An effect of an Academy order is that the local authority must cease to maintain the school on the date (“the conversion date”) on which the school, or a school that replaces it, opens as an Academy.

3 Main issues

- 3.1 In order for the School to become an Academy, the DfE requires confirmation that the Council has agreed to lease the buildings and the site of the school to the Academy. The proposed Heads of Terms for the lease are summarised below:-

Draft Heads of Terms

- | | |
|-------------------|--|
| 1. Lease: | The tenant will be the Woodkirk Academy Trust. |
| 2. Demise: | All the land and buildings within the area edged black on the attached plan. |
| 3. Term: | 125 year lease to commence on a date to be agreed. |
| 4. Consideration: | The consideration payable for the grant of the lease will be nil. The annual rental during the duration of the lease will be a peppercorn (if demanded). |
| 5. Use: | The premises will be limited for use for the provision of educational services by the Academy. |
| 6. Termination: | If during the period of the lease the subject site ceases to be used by the Academy for educational purposes the premises will revert to the Council. |
| 7. Repair | The tenant will be responsible for the repair and maintenance of the premises. |
| 9. Alienation: | The tenant will not assign the lease (other than to a successor Academy) and will not sub let nor part with possession of the whole or any part of the property without the Council’s consent. |

10. Legal Costs: Each party will be responsible for their own legal costs arising from the transaction.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.2 In addition to consultation undertaken by the school, Ward Members have been consulted and two Members have replied confirming their agreement to the proposal, to date no response has been received from the third Ward Member.

4.3 Equality and Diversity / Cohesion and Integration

- 4.3.1 From an asset management perspective the proposal has no specific implications for equality, diversity, cohesion and integration.
- 4.3.2 As the academy programme progresses any equality issues which may arise will be addressed by Children's Services or the individual academy concerned.

4.4 Council Policies and City Priorities

- 4.4.1 The proposals outlined in this report will impact on the "Narrowing the Gap" and "Going up a League" agendas. Academies in Leeds have the potential to contribute to the targets to meet key priorities within the Children and Young People's Plan and the work on the Local Area Agreement.

4.5 Resources and Value for Money

- 4.5.1 The proposed disposal at nil consideration is the Council's contribution to the delivery of the Academy scheme which is consistent with the educational policies and objectives of the Council.
- 4.5.2 The premises are currently valued at £10.25 million in the asset register which covers the reinstatement value on its use as a school (last valued 2009/10). Whilst the building will be leased by the Academy ownership will remain with the Council and the building will be required to operate as a school serving the South Leeds area. The Academy will be dependent on funding from the DfE, and should that funding be withdrawn or the Academy cease to operate, the buildings and land will revert to the Council. The use of the land and premises by the Academy would represent a statutory obligation for the Council and as such would not have less than best implications, as it is a statutory function of the Council to provide education for children in Leeds. There is no alternative value for the site as there is a requirement to continue to provide education to 1,800 children in the catchment area.
- 4.5.3 The report of the Chief Executive of Education Leeds to the Executive Board on 14 July 2010 detailed the financial implications for the Council of the proposed Academy.

4.6 Legal Implications, Access to Information and Call In

- 4.6.1 Although the Council has a duty under section 123 of the Local Government Act 1972 to secure the best consideration that it reasonably can on any disposal of land, that obligation is overridden by the requirements of the Academies Act 2010 to enter into lease arrangements for an Academy site at no cost to the Academy.

4.7 Risk Management

- 4.8 There is a risk that the Academy may not proceed. This is considered unlikely as the proposed Academy is supported by the Department for Education (DFE) and an Academy Order has already been made.

5 Conclusions

- 5.1 The proposal should be supported in line with the Department for Education's making of an Academy Order enabling the school to convert to an Academy under section 4 of the Academies Act 2010.

6 Recommendations

- 6.1 Executive Board are requested to agree the disposal of Woodkirk High Specialist Science School for the proposed Academy on a 125 year lease at nil consideration and authorise the Director of City Development to agree the final terms.

7 Background documents

- 7.1 Executive Board 4 March 2009, Executive Board 3 December 2008.