

Property Sub-Committee – 5th June 2019

Recommendations by Cllr Mark Deaville - Cabinet Member for Commercial

Site:

Two Rivers High School, Torc Campus, Silver Link Road, Tamworth, B77 2HJ ('the School') as shown edged red on the enclosed Plan.

Location/Electoral Division

Tamworth, Staffordshire

Proposed Transaction

The completion of a 125 year Academy Lease of part of the Site, together with the associated Commercial Transfer Agreement.

The Lease will be granted at a peppercorn rent and is therefore not for value.

The Lease and Commercial Transfer Agreement are standard form documents in accordance with the requirements of the Department of Education.

There is no statutory obligation to enter into the Lease and the Commercial Transfer Agreement but it is the Department of Education's expectation that these documents will be granted to the Academy when the school converts to an Academy.

The consent of the Secretary of State is deemed to be given once the Academy order is granted (the Academy Order was granted on the 26th April 2018).

Recommendations

The completion of the Lease and the Commercial Transfer Agreement to enable the School to convert to an Academy.

Decision Level/Authority/Officer Delegation Scheme number

Property Sub-Committee decision as undervalue transaction.

Details

1.Current Use and Owner/Occupier/Lessee etc

The Site is owned by Staffordshire County Council.

Part of the Site is occupied by the School. The School share occupation of part of their demise with the NHS and receive the rental income from this.

Staffordshire County Council lease the remainder of the Site (shown coloured blue on the Lease Plan) to South Staffs College and receive the rental income from this lease.

2.Proposed Use

The governing body of School have voted to change their legal school category to an Academy. The part of the Site to be leased to the Academy will therefore continue to be used as a School subject to the continued shared occupancy with the NHS.

The remainder of the Site will continue to be let to South Staffs College.

3. Proposed Purchaser/Lessee/Lessor/tenant etc...

The School are converting into the Endeavour Multi Academy Trust

4. Estimated Value/Cost/Rental Income

No valuation has been undertaken

5. Proposed transaction sale price/outline terms

Not for value as referred to above.

6. Implications of transaction for County Council (Risks)

(a) Strategic: To include contribution transaction makes to outcomes listed in the Strategic Plan *

None

(b) Financial:

Capital costs/income

Revenue costs/income

Change in Property running costs

From completion of the Academy Lease, the area shown edged in red on the Plan, save for the area coloured blue, will be the responsibility of the Academy who will be responsible for maintenance of this part of the Site during the term of the Lease subject to shared contributions in respect of the common parts of the Site.

The remainder of the Site will be leased to South Staffs College who will be responsible for repairing this part of the Site in accordance with the terms of their lease during the remainder of the term of their lease.

At the end of the term of the lease to South Staffs College, if they do not require a new lease then maintenance of this area will revert to Staffordshire County Council until a new lease or other arrangement is put in place.

(c) Operational:

None

(d) Legal:

A Lease of Part is to be granted so that South Staffs College can remain in occupation of part of the Site. The Lease will reserve rights of way over the common parts of the Site and other rights in accordance with the rights granted to South Staffs College.

7. Background Information:

- (a) site history/details of negotiations etc**
- (b) Consultations carried out/required**
- (c) Alternative options for site**
- (d) Reasons for recommended option**
- (e) Rationale for acceptance of lower offer (where applicable)**
- (f) Relevance of Section 123 of the Local Government Act 1972/General Disposal consent Order 2003**
- (g) Resource/VFM Analysis**

The Site is occupied by the School, the NHS and South Staffs College.

South Staffs College were granted a lease of the area shown coloured blue on the Plan for a term of 10 years on the 1st September 2014. Their lease is excluded so they will not be entitled to a statutory continuation of their lease at the end of the term. Staffordshire County Council receive an annual rental income of £108,100 (exclusive of VAT) from this lease. South Staffs College have a break option on the 1st September 2019. To exercise this break they should have provided 12 months' notice which has not been served so it is understood that South Staffs College intend to remain in occupation for the remainder of the term.

The remainder of the Site is occupied by the School. They have shared occupation with the NHS for a number of years but to date no formal lease arrangements have been put in place. It is intended that the School will finalise their lease arrangements with the NHS either before or after conversion, with the prior approval of Staffordshire County Council.

9. Community Impact (eg, reference to particular communities or service users affected by the proposal)

It is anticipated that there will be continuity of school and other arrangements on Site so the community should not be impacted

10. Comment by Local Member

Not consulted

11. Comments by SLT Members

None

12. Proposal supported by the Head of Commercial and Property

Signed



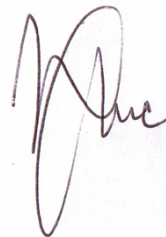
Date

17/5/19

13. Officer advising on this transaction

Signed

Stuart Lane



Date

13 May 2019