

**MARCH – MAPLE GROVE COMMUNITY GROUP – LEASE DISPOSAL**

*To:* **General Purposes Committee**

*Meeting Date:* **24th November 2015**

*From:* **Director of Finance**

*Electoral division(s):* **March North**

*Forward Plan ref:* **2015/054** *Key decision:* **Yes**

*Purpose:* **To approve the disposal of a leasehold asset exceeding the Director of Finance's delegated limits.**

*Recommendation:* **General Purposes Committee is recommended to:**

- **Authorise the County Council to enter into a surrender and renewal of a lease of land and buildings to the Maple Grove Community Group at less than best consideration, on terms to be agreed by the Head of Strategic Assets, in consultation with the Chairman of the General Purposes Committee.**

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## **1. PURPOSE**

- 1.1 To obtain General Purposes Committee (“GPC”) authority for the Council entering into a long leasehold disposal at less than best consideration to enable the Council to address the shortage in 2, 3 and 4 year old places in the Maple Grove area of March via the proposed expansion of Maple Grove Community Group (“MGCG”) premises.

## **2. BACKGROUND**

- 2.1 Cambridgeshire County Council has a statutory responsibility in respect of early years and childcare to secure sufficient, accessible, flexible and affordable childcare to enable parents to work or to undertake education or training which could lead to employment. The duty is to provide free early years education provision for all 3 and 4 year olds and those 2 year olds who meet nationally set eligibility criteria, for 15 hours a week, 38 weeks a year.
- 2.2 March is a growing town with further new housing planned. It is forecast that the pre-school population will continue to increase.
- 2.3 MGCG, located on Westwood Primary School (former Maple Grove Infant site), currently provide 72 places for funded 2, 3 and 4 year olds and out of school care for up to 11 year olds. It is a high performing and popular setting and is adjacent to Westwood Primary, which is itself expanding to 4 forms of entry (FE) to meet the local demand for places.
- 2.4 Children, Families and Adult Services considered various means of providing the additional early years spaces required. The preferred option is to extend the current premises of MGCG by two pre-school rooms with associated facilities, including the replacement of an elderly portacabin with potentially serious condition issues. It will enable MGCC to provide an additional 24 sessional places for local funded 2, 3 and 4 year olds from September 2016.
- 2.5 The cost of the extension to the Council is £878k and MGCG is contributing £55k to the project. This was approved in the 2014/15 Capital Programme.

## **3. MAIN ISSUES**

- 3.1 CCC’s Constitution provides that the authority for all property transactions rests with the GPC, but there is an agreed delegation to the Director of Finance to exercise that authority for leases at less than best consideration at a rent of less the £20k p.a. and less than 7 years term.
- 3.2 Under the lease dated 1st May 2001, MGCG leases an area of land on Westwood Primary School, on which the MGCG funded and constructed buildings, in return for a 60 year term at a peppercorn rent for which MGCG paid a premium of £16,800.00. The remaining term of the lease is 46 years. MGCG has total financial and management responsibility for the repair, maintenance and insurance of its buildings. The lease is protected under Part II of the Landlord and Tenant Act 1954 which means that MGCG has the right of renewal at the end of the term for another 15 years and CCC has only limited grounds on which it can oppose the renewal. MGCG is obliged to surrender their lease if the demise ceases to be used for its permitted use which is stipulated as for the provision of a community preschool and

associated uses, including community facilities with CCC's consent, and may not be used for commercial or profit making purposes

- 3.3 The proposed extension to the building will increase the MGCG's demise, and CCC will be required to grant a new lease. As MGCG currently has a protected lease, MGCG's agreement to these redevelopment proposals and any subsequent new lease terms is required. It is highly unlikely that the MGCG will want to relinquish any of the benefits of the existing lease.
- 3.4 It is proposed that CCC funds and builds the extension to the preschool on current CCC school land, accepts surrender of the existing lease, and then leases the whole of the preschool premises (the old and new elements of the building) and dedicated external play area on a full repairing and insuring basis for the remaining residual term of 46 years at a peppercorn rent. MGCG will have financial responsibility for the repair, maintenance and insurance of the building throughout the term of the lease. The permitted use of the demise will be consistent with the previous lease.
- 3.5 As such, the length of the proposed lease exceeds the terms of the delegation to officers and GPC's authority to proceed is required

#### **4. ALIGNMENT WITH CORPORATE PRIORITIES**

##### **4.1 Developing the local economy for the benefit of all**

Expanding the early years' provision at Maple Grove Community Group will create additional job opportunities, give parents the ability to go back to work or provide an opportunity for personal development through the free child care provided. The local economy benefits from a working community and a broad workforce.

##### **4.2 Helping people live healthy and independent lives**

Early education and childcare supports children in their learning to be healthy and independent. The additional accommodation will mean more young children have this benefit.

##### **4.3 Supporting and protecting vulnerable people**

Early identification of vulnerable children in childcare settings helps with earlier intervention and support that improve outcomes for the child and family.

#### **5. SIGNIFICANT IMPLICATIONS**

##### **5.1 Resource Implications**

Investment of £878k has been approved in the Capital Programme.

##### **5.2 Statutory, Risk and Legal Implications**

Local authorities have a statutory duty to secure sufficient childcare places including free early education for all three and four year olds and the most vulnerable two year olds. Without their additional accommodation, and with the condition/planning issues around the existing portacabin, there is a risk

that MGCG will be unable to meet the increasing local demand for early years and childcare places.

Under s.123 of the Local Government Act 1972, the Council shall not, except with the consent of the Secretary of State, dispose of land for a consideration less than the best that can reasonably be obtained, other than for the grant of a short tenancy not exceeding seven years in length.

Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 gives a general consent to authorities for the disposal of land for less than the best consideration that can reasonably be obtained in the following specified circumstances:-

- a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;
  - i) the promotion or improvement of economic well-being;
  - ii) the promotion or improvement of social well-being;
  - iii) the promotion or improvement of environmental well-being; and
- b) the difference between the unrestricted value (i.e. the best price reasonably obtainable for the property on terms that are intended to maximise the consideration) of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

Cambridgeshire County Council's Constitution now provides that the authority for all property transactions rests with the General Purposes Committee, but there is an agreed delegation to the Director of Finance to exercise that authority for transactions where the capital value is less than £500,000, or the revenue value is less than £150,000

Disposals at less than best consideration have not generally been delegated to officers, but the current agreed delegation is in place:-

- Authorisation of disposals of property assets by occupational agreements of less than 7 years to community-based users on School and other County Council sites at less than best consideration shall be delegated to the Director of Finance, where the annual market rental value of the site is less than £20,000.

### **5.3 Equality and Diversity Implications**

Take up of free early education for 2, 3 & 4 year olds supports school readiness on entry to statutory education (Reception) and contributes to improved outcomes for children. Free early education for two year olds is targeted at families on low incomes, Looked After Children and Forces children. MGCG are a successful and well-respected provider and the additional/replacement accommodation will enable them to support more 2, 3 and 4 year olds as they move into mainstream education, giving them the best possible start.

## 5.4 Engagement and Consultation Implications

Detailed engagement and consultation with the local community and local interest groups has been undertaken as part of the planning application for development of the site.

## 5.5 Localism and Local Member Involvement

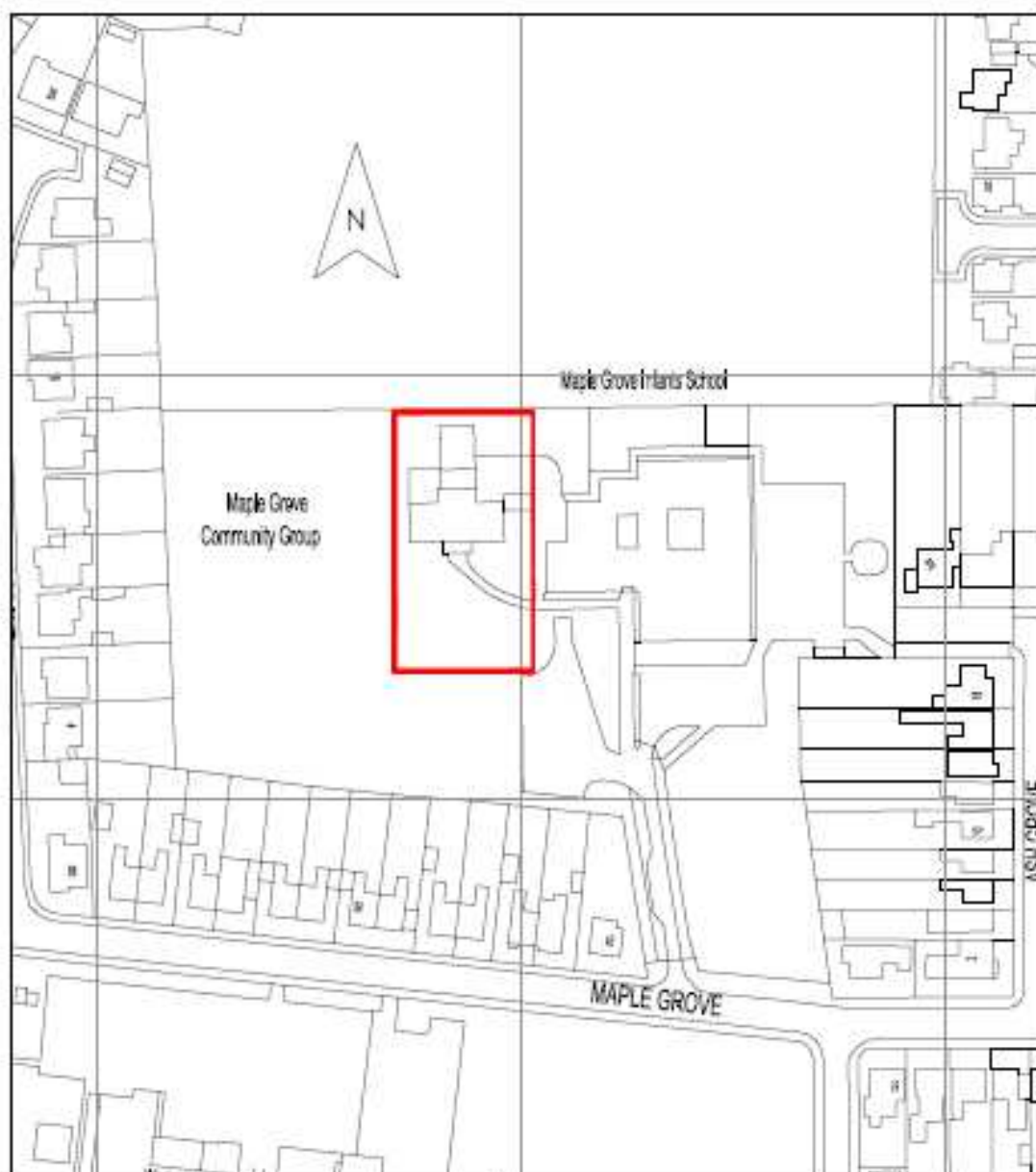
The local County Council Member for March is aware of the proposals for redevelopment of the site, and will be kept informed of progress.

The local community including District and Town Council Members are aware of the proposals and will be consulted in detail as part of the planning process.

## 5.6 Public Health Implications

Early education and childcare provides a good start in the early years and will support future health and wellbeing.

Source Documents	Location
Lease dated 1st May 2001 between Cambridgeshire County Council and Maple Grove Community Group	Strategic Assets ( <a href="mailto:sara.anderson@cambridgeshire.gov.uk">contact sara.anderson@cambridgeshire.gov.uk</a> )
Plans; Milestone Reports and Meeting Minutes	SharePoint (contact <a href="mailto:sara.anderson@cambridgeshire.gov.uk">sara.anderson@cambridgeshire.gov.uk</a> )



Cambridgeshire  
County Council



LGSS Strategic Assets

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Title: Maple Grove Preschool  
Lease Demise

Scale: 1:1250 at A4

Date: 25th AUG 2015

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