

Notice of Non-key Executive Decision

Subject Heading:	Under-lease of part by reference to superior lease relating to accommodation forming part of Bower Park Academy
Decision Maker:	Tara Geere, Director of Starting Well
Cabinet Member:	Cllr Oscar Ford, Cabinet Member for Children and Young People
ELT Lead:	Barbara Nicholls, Strategic Director for People
Report Author and contact details:	Bradley Burton – Acting Quality & Curriculum Manager 01708 432768
Policy context:	Property 10 years lease from 1 February 2023 to 31 January 2033
Financial summary:	<p>Under the new lease, the annual rent for accommodation at Bower Park School is £25,291.70 in 2023/24, which is unchanged from 22/23. From 24/25, annual inflationary increases will apply based on the Retail Price Index for the preceding 12 months.</p> <p>Additional charges are to be determined for business rates and 1% of utility costs.</p> <p>The increased cost will need to be met from within the existing budget for the Adult College (which is mainly funded by external grant, along with additional income from course fees). If this is not possible, it will be contained within the</p>

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	<p>overall budget for the Starting Well Directorate.</p> <p>In 2022/23 the Adult College was overspent by £24,000.</p> <p>Any budget overspend would be a pressure on Havering's General Fund resources.</p> <p>Either party can end the lease by giving 3 months notice of termination. This allows for the value for money aspect of this arrangement to be revisited.</p>
Relevant Overview & Scrutiny Sub Committee:	People OSSC
Is this decision exempt from being called-in?	Yes, it is a non-key decision

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The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents X

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place.

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

BACKGROUND

London Borough of Havering council entered into the underlease agreement originally on 1st February 2013. This underlease expired on 31st January 2023. The council is now proposing to renew that lease on similar terms. The differences are minimal and are set out in the attached confidential appendix 1. There has been significant delay in obtaining legal advice due to capacity issues.

RECOMMENDATIONS

It is recommended to maintain council use of the site. The Quality & Curriculum Manager at Havering Adult College will instruct legal services to adopt the renewal of lease in confidential appendix 1 and legally complete the matter.

DECISION REQUIRED

Formal authority is given for council to enter into renewal of lease.

To agree to award Havering Adult College the authority to pay the annual rent and the aggregate additional costing for the Academic Year 2023-24 and until 31 January 2033.

AUTHORITY UNDER WHICH DECISION IS MADE

3.4 Powers of Second Tier Managers
Contract powers

STATEMENT OF THE REASONS FOR THE DECISION

The Havering Adult College (HAC) is an adult education service delivered by Local Authority staff, managing a range of national and local priorities and implements the statutory powers of the Local Authority to secure full and part time education suitable to the requirements of persons who have reached the age of 19. The Council receives funding from the Greater London Authority (GLA) and Education & Skills Funding Agency (ESFA) to deliver appropriate adult learning courses, some of which are delivered by HAC.

To facilitate the delivery of its courses, HAC has secured a lease for premises within Bower Park Academy, with the contractual term concluding on January 31, 2033. Bower Park Academy is chosen for its suitability and its capacity to effectively serve the neighbouring communities.

OTHER OPTIONS CONSIDERED AND REJECTED

1. Do nothing – not recommended

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The Council is not able to provide other suitable locations for Havering Adult College to deliver adult courses. The College relies on Bower Park premises to utilise the funding received via the GLA and ESFA to deliver adult learning courses.

2. Supply Havering Adult College with an appropriate standalone facility capable of accommodating the college's requirements, as well as facilitating other functions and training activities within the Council – no premises have been identified.

PRE-DECISION CONSULTATION

No formal Consultation has taken place

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Bradley Burton

Designation: Acting Quality & Curriculum Manager

Signature:



Date: 7th March 2024

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The heads of terms for the proposed lease are set out at Appendix 1. The proposed term ensure that the lease is valid for 10 years, unless 3 months period notice has been given.

FINANCIAL IMPLICATIONS AND RISKS

Under the new lease, the annual rent for accommodation at Bower Park School is £25,291.70 in 2023/24, which is unchanged from 22/23. From 24/25, annual inflationary increases will apply based on the Retail Price Index for the preceding 12 months.

Additional charges are to be determined for business rates and 1% of utility costs.

The increased cost will need to be met from within the existing budget for the Adult College (which is mainly funded by external grant, along with additional income from course fees). If this is not possible it will be contained within the overall budget for the Starting Well Directorate.

In 2022/23 the Adult College was overspent by £24,000.

Any budget overspend would be a pressure on Havering's General Fund resources.

Either party can end the lease by giving 3 months notice of termination, which allows for the value for money aspect of this arrangement to be re visited.

Charges for additional room hire are as follows:

- £18.45 per session for use of an Additional Room;
- £21.26 per session for use of an ICT Suite;

These costs would be met from course fees paid by the attendees.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no HR implications and risks

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

There are no Equalities and Social Inclusion Implication and Risks

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

There are no environmental and climate change implications and risks

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BACKGROUND PAPERS

APPENDICES

Appendix 1	Heads of Terms for the proposed lease
Appendix 2	SPS392A Lease Plan Bower Park Academy
Appendix 3	SPS392B Building M Bower Park Academy
Appendix 4	SPS392C Building A Bower park Academy

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.


Decision

Proposal agreed

Delete as applicable

Details of decision maker

Signed



Name: Tara Geere

Director of Start Well

Date: 10.04.24

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

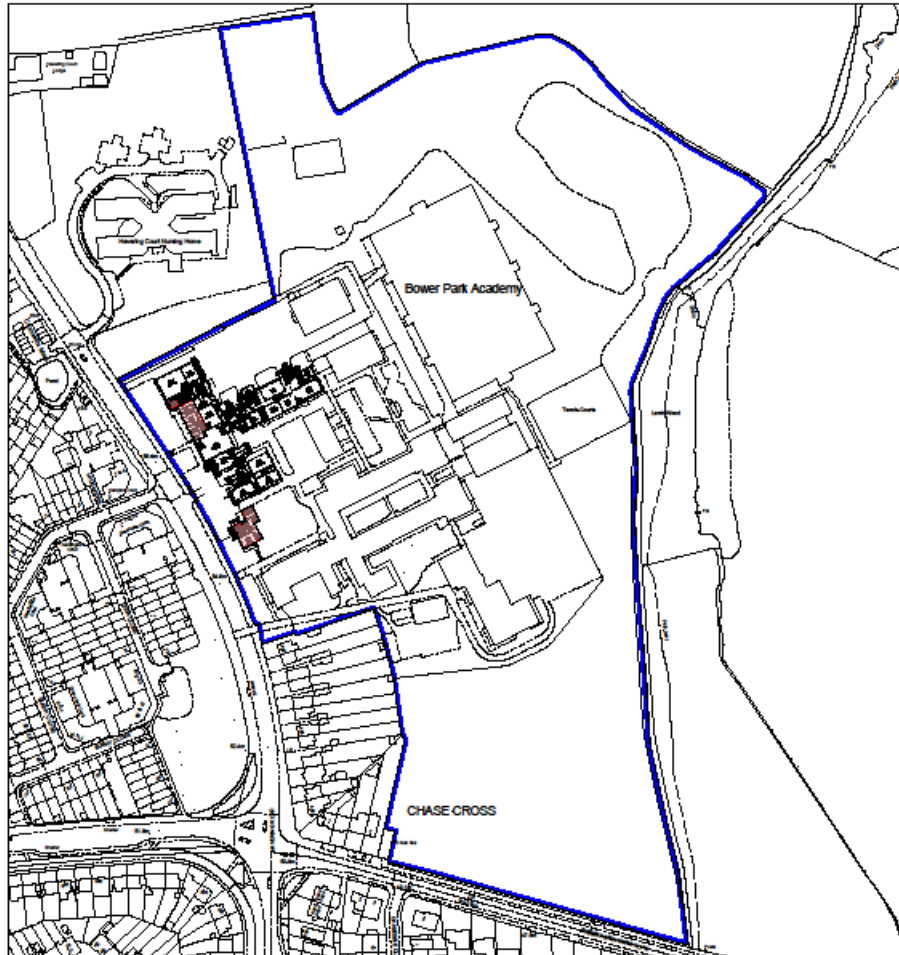
Signed _____

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Draft Renewal Lease
- EM30.10.23.docx

Appendix 2

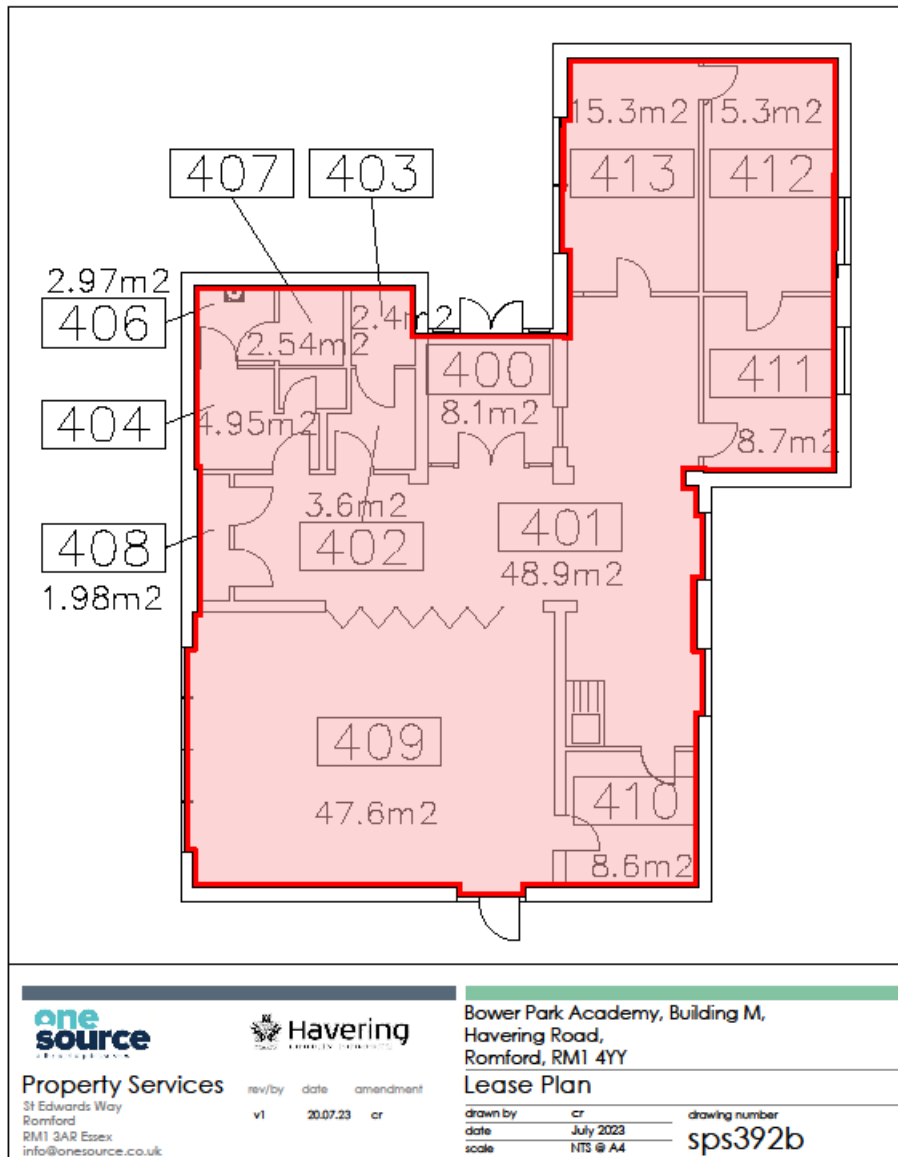


		Bower Park Academy Havering Road, Romford, RM1 4YY	
Property Services 31 Edwards Way Romford RM1 3AR Essex info@onesource.co.uk	rev/by date amendment v1 20.07.23 cr	Lease Plan A drawn by cr date July 2023 scale 1:2500 @ A4	drawing number sps392a

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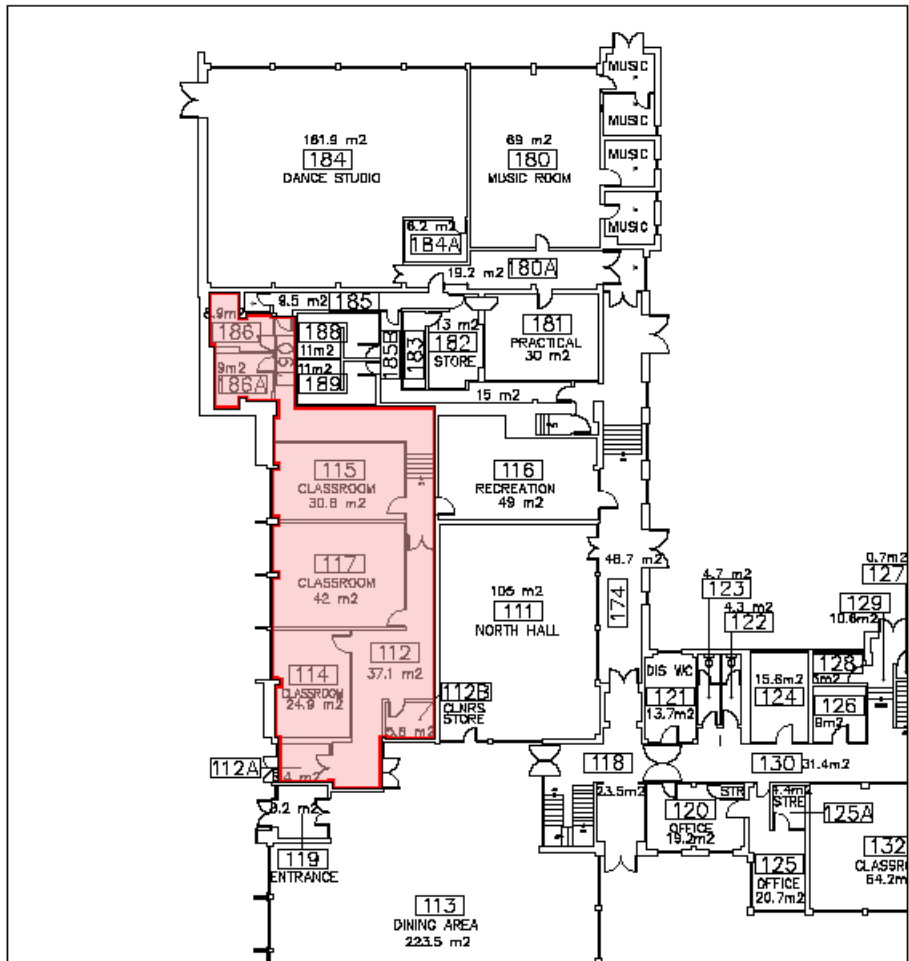
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Appendix 3



Appendix 4

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 <p>Property Services 31 Edwards Way Romford RM1 3AR Essex info@onesource.co.uk</p>	 <p>Lease Plan</p>	<p>Bower Park Academy, Building A Havering Road, Romford, RM1 4YY</p>															
<table border="0"> <tr> <td>rev/by</td> <td>date</td> <td>amendment</td> </tr> <tr> <td>v1</td> <td>20.07.23</td> <td>cr</td> </tr> </table>	rev/by	date	amendment	v1	20.07.23	cr	<table border="0"> <tr> <td>drawn by</td> <td>cr</td> <td>drawing number</td> </tr> <tr> <td>date</td> <td>July 2023</td> <td>sps392c</td> </tr> <tr> <td>scale</td> <td>NTS @ A4</td> <td></td> </tr> </table>	drawn by	cr	drawing number	date	July 2023	sps392c	scale	NTS @ A4		
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