

Report to: Cllr Alex Sanderson - Cabinet Member for Children and Education

Date: 01/09/2022

Subject: Authorise agreement of a lease of surplus space at Melcombe Primary School to Kensington Wade School and approve a licence for alterations waiver

Report of: Peter Haylock, Operational Director of Education and SEND

Report author: Christine Edwards, Principal School Place Planning Officer

Responsible Director: Jacqui McShannon, Strategic Director of CHS

SUMMARY

Approve a tenancy allowing a maximum three-year lease rental with a one-year break clause for six unused classrooms at Melcombe Primary School and associated non-teaching space to Kensington Wade School at a rental of £64,376 per annum.

Approve a waiver for a licence for alterations so Kensington Wade School can instruct contractors to undertake room redecoration, Early Years playground enhancement, and installation of additional toilet facility works.

RECOMMENDATIONS

1. To agree that Appendices 1 and 2 are not for publication on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. To approve Option one. Agree to the lease and grant a waiver for KWS to undertake works under a licence for alterations.
3. To note that the Option one provides additional income to benefit pupils at Melcombe through utilising unused space in line with the School Organisation and SEN Sufficiency Strategy. The proposal creates opportunities for curriculum enrichment for pupils at both Melcombe and Kensington Wade.
4. To note that the additional building work conducted at the expense of KWS will enhance the school for the benefit of pupils and staff.
5. To note that the external funding of works will relieve pressure on the CHS schools' maintenance budget.

Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	<i>Provides additional resources and curriculum enrichment opportunities for the pupils at Melcombe Primary school.</i>
Creating a compassionate council	<i>Curriculum enrichment opportunities for the benefit of pupils from different communities supports social cohesion.</i>
Doing things with local residents, not to them	<i>The school led on this project and engaged parents in the process.</i>
Being ruthlessly financially efficient	<i>The project generates income and provides financial benefit for Melcombe Primary school.</i>
Taking pride in H&F	<i>The project includes investment by Kensington Wade in refurbishment on part of Melcombe school which will be of long-term benefit to pupils at the school.</i>
Rising to the challenge of the climate and ecological emergency	<i>Not directly applicable to this project.</i>

Financial Impact

- There are no adverse financial implications from this proposal as there is no cost to the Local Authority.
- Hammersmith & Fulham will receive a share of the income circa £64,000 p/a, for the length of the tenancy only (maximum 3 years with a 12-month break clause).
- The estimated £139,620 investment in sole use and shared areas ensures that the council will not have to commit funding for this site's maintenance in the short term.
- The active refurbishment will contribute to reducing future maintenance costs, irrespective of the length of lease. The proposal also avoids incurring maintenance works for the classrooms if they remained empty.

Implications completed by: Gayan Arachchi, Principal Accountant, SEN Modelling and Assets and Operations.

Implications reviewed by: Tony Burton, Head of Finance, Children's Services and Education

Legal Implications

Section 1(1) the Localism Act 2011 (The General Power of Competence) allows the Council to do anything which individuals generally do even if:

- It is unlike anything else the authority may do
- It is unlike anything that other public bodies may do
- It is carried out in any way whatever, including:
 - anywhere in the UK or elsewhere;
 - for a commercial purpose or otherwise for a charge, or without charge; and
 - for, or otherwise that for, the benefit of the Authority, its area, or persons resident or present in its area

The Council is required under the Academies Act 2010, schedule one to obtain the Secretary of State for Education prior consent to any disposal which is in excess of 250m².

Implications completed by: Rachel Silverstone, Senior property solicitor, Tel: 0208 753 2210, email: rachel.silverstone@lbhf.gov.uk

Background Papers Used in Preparing This Report

None.

DETAILED ANALYSIS

Proposals and Analysis of Options

1. Kensington Wade School approached Children's Services regarding the possibility of renting accommodation whilst the school finalises planning permission and fitout of its new permanent site at Olympia. Melcombe Primary School expressed interest in this possibility and has surplus classroom space which satisfies KWS short-term requirement for rented accommodation suitable for education purposes. KWS rental arrangement with Melcombe will last for a minimum of one year whilst the school finalises planning permission and fitout of its permanent site in H&F at Olympia.
2. CHS School Organisation & SEN Sufficiency Plan recommends that schools look to utilise temporarily surplus capacity constructively, including through opportunities to lease space to suitable tenants. The proposal will provide rental income of £64,376 per annum for the benefit of pupils at Melcombe Primary School together with improvements to the building valued at £139,620 (see appendix 1) and a contribution to running costs and maintenance estimated at £107,000. The rental value was arrived at with the support of officers from Property Services who provided a valuation report.
3. The Secretary of State for Education has provided consent. Secretary of State approval was required due to the aggregate area of the classrooms to be let at 295m² exceeds the 250m² maximum size set out in the DfE General Consent Order (GCO) (appendix 2).

4. It is unlikely that the areas of the school proposed to be leased to Kensington Wade would otherwise be commercially lettable or used by the school. Independent development of the unused space for other purposes by Melcombe School or Children's Services will incur refurbishment expenses. Other types of lessees may give rise to pupil safeguarding issues.
5. The senior leadership teams and governing bodies of Melcombe Primary School and Kensington Wade School in consultation with H&F Children's Services have ensured all safeguarding requirements have been adhered to.

Options

6. Option 1: Approve the lease – Recommended.

This option provides additional income to benefit pupils at Melcombe through utilising unused space in line with the School Organisation and SEN Sufficiency Strategy. The proposal creates opportunities for curriculum enrichment for pupils at both Melcombe and Kensington Wade.

7. Option 2: Do not approve the lease – Not recommended

This option would prevent Melcombe from securing significant additional income and curriculum enrichment. It would mean that Kensington Wade would need to close for a period whilst other accommodation was secured.

Reasons for Decision

8. Melcombe Primary School is an LA maintained community school that has moved from two form to one form entry in recent years. The proposal offers a significant opportunity to maximise the use of available space at Melcombe, providing additional income for the benefit of pupils at the school. The proposal creates opportunities for curriculum enrichment and shared professional development for both schools.
9. This proposal is to lease six classrooms to Kensington Wade School, an independent Chinese language school, for their sole use during normal school opening hours, term time only and the use of other shared areas.
10. Kensington Wade School will enhance the school building with works valued at approximately £139,620 (appendix 1) at no expense to Melcombe or CHS as follows:
 - redecorate classrooms and shared areas under the lease
 - create additional toilet facilities to meet H&S requirements
 - refurbish Early Years centre and outdoor area
11. The two schools plan to collaborate on curricular enrichment activities which will provide a significant benefit to both schools.
12. The impact of this decision will therefore be to generate income and benefit in kind by utilising surplus classroom space and is therefore closely aligned to

Hammersmith and Fulham's School Organisation and SEN Sufficiency Strategy recommendations.

13. The arrangement would last for one year from 1st September 2022 until 31 August 2023 at minimum, whilst KWS finalises planning permission and fitout of a permanent site in H&F at Olympia. The proposed lease is for up to three years, which allows for the space to become available for Melcombe in the future, with KWS giving vacant possession, full use of the classrooms will revert to Melcombe.
14. The income generated from the proposal will be invested to support the educational and well-being needs of children and young people within Melcombe School.
15. Secretary of State approval has been granted for the temporary disposal of 298m² area of Education land (appendix 2).

Equality Implications

16. The approval of the lease and waiver for KWS to carry out works under a licence at Melcombe Primary School has no direct negative equality implications for groups with protected characteristics, under the Equality Act 2010.

Risk Management Implications

17. *There are no apparent risk management or insurance implications.*

David Hughes, Director of Audit, Fraud, Risk, and Insurance 24/04/2022
Beverley Mills, Assistant Head of Insurance Service 24/04/2022

Climate and Ecological Emergency Implications

18. *There are minor Climate and Ecological Emergency implications applicable to this project. The 6 rooms are currently unused, therefore not emitting. When in use the rooms will require heating and lighting which will impact CEE. However, the rooms would normally be in use if the setting were operating at full capacity.*

Hinesh Mehta, Head of Climate Change, 17/08/2022

LIST OF APPENDICES

Exempt Appendix 1: KWS Schedule of Works: Melcombe Primary School

Exempt Appendix 2: 30_06_22_Melcombe_Primary_School_DfE_decision_letter