

APPENDIX M

Monksmoor Park Primary School, Daventry

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5. Report Background

- 5.1 Daventry District Council (DDC, now West Northamptonshire Council) is party to a Section 106 agreement dated 3 September 2012 which provided for the provision of a new primary school at Monksmoor. The DDC took responsibility for delivery of the school site and buildings at Monksmoor, to ensure this occurred. Despite some challenges with securing the site this was achieved.
- 5.2 The scheme was also designed and constructed within the sum available from the planning obligation. The school opened on 4th September 2018.
- 5.3 During construction the proposed tenant, the Diocese of Peterborough (the 'Diocese') made a proposal to operating the school as a voluntary aided (VA) establishment. Northamptonshire County Council (NCC) agreed to the proposal. Whilst different from the now-standard academy/free school model, there was no free school round in progress so a VA approval made it possible for the school to be established.
- 5.4 The approved DDC business plan outlined that the primary school site would be transferred to the operator on a 125 year lease at a peppercorn rent. This is the standard model for an academy school and had the significance that the site could not be closed, sold and the income used elsewhere or the site used for a different purpose without the Council's agreement.
- 5.5 It was proposed that the lease would have a commencement date of 1st September 2018.
- 5.6 This report therefore seeks authority to enter a 125-year lease from 1st September 2018 of the school site (including outdoor play areas and sports pitches) at a peppercorn rent with no premium charged.

6. Issues and Choices

- 6.1 The Diocese originally expected to receive a freehold transfer of the site, but accepted that the leasehold once it was clear that this was DDC's choice. The lease is now in an agreed form and final legal steps are being taken prior to completion.
- 6.2 It is therefore suggested the most appropriate course of action is to complete the lease. The alternatives would be (a) not to do so, or (b) to grant a freehold interest. Not completing the lease would leave the school without secure tenure and responsibility for the site unclear. This is not recommended. A freehold transfer would, at this stage, involve further cost and delay. It would also not have the benefits sought from the leasehold model, namely ensuring that the site was only used for school and allied purposes.

7. Implications (including financial implications)

7.1 Resources and Financial

- 7.1.1 There are no significant financial and/or resource implications as a result of making this decision. WNC would be responsible for paying its own legal fees in relation to agreeing and implementing the new 125-year lease. As landlord, the Council, may have some occasional management costs. Such involvement is likely to be infrequent. Were enforcement of lease covenants required this could be an ongoing cost; these may be recoverable from the tenant.
- 7.1.2 Not granting the lease would be likely to incur greater costs, through management complexities.

7.2 Legal

- 7.2.1 When the Business Plan was written the Council anticipated the school would be run as an academy. Whilst the Monksmoor School would be operated as a VA basis, a term of a 125 year lease gives an organisation a great deal of autonomy, certainly sufficiently long and robust basis to run a school, although it also gives a layer of requirement as the operator will be beholden to the landlord, who wishes to protect the asset.
- 7.2.2 The disposal at a value less than the best reasonably obtainable this would be justified at present by the proposed school contributing to the social wellbeing of the area for the purposes of the General Disposal Consent (England) 2003. However, the under-value may exceed the £2m permitted by the Consent; if so, specific approval would need to be sought.

7.3 Risk

- 7.3.1 There are no material risks in proceeding to grant the lease. Not granting the lease would impose risks on the Council as detailed above.

7.4 Consultation

- 7.4.1 No specific consultation is considered necessary.

7.5 **Consideration by Overview and Scrutiny**

7.5.1 None.

7.6 **Climate Impact**

7.6.1 No material impact on climate is anticipated as a result of this decision.

7.7 **Community Impact**

7.7.1 By agreeing to this recommendation WNC would be able to regularise the occupation of the academy trust and meet its obligations under the S106 agreement. By doing so, it would enhance the education provision in the local community.

8. **Background Papers**

8.1 None.