

Cabinet (Resources) Panel

14 December 2022

Report title	School Caretaker Houses – Disposal and Investment Strategy	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Bhupinder Gakhal City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Julia Nock, Deputy Director of Assets	
Originating service	City Assets	
Accountable employee	Luke Dove	Head of Assets
	Tel	01902 557121
	Email	Luke.Dove@wolverhampton.gov.uk
Report to be/has been considered by	City Assets Leadership Team	23 March 2022
	Children and Education Leadership Team	17 November 2022

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Declare the following former school caretaker houses surplus to Council requirements:
 - Claregate Primary, Fallings Park Primary, Perry Hall Primary *(Pending surrender of lease)
2. Approve disposal of the assets listed above via open market disposal method, of either auction or informal tender upon terms and conditions to be agreed.
3. Delegate authority to the Cabinet Member for City Assets and Housing in consultation with the Deputy Director of Assets to approve the terms of the disposal through an Individual Executive Decision Notice.

Recommendation for noting:

The Cabinet (Resources) Panel is asked to note:

1. The investment strategy as outlined in section 3 of the report

1.0 Purpose

- 1.1 To provide a background regarding the vacant school's caretaker houses within the City and to declare them surplus prior to disposal where viable.

2.0 Background

- 2.1 There were 38 caretaker houses across the City serving the school estate for Local Authority (LA) controlled Schools and Voluntary Aided (VA) Schools. The properties are a mixture of bungalows, semi-detached and detached houses, with the majority either within the school boundary or adjacent to them.
- 2.2 Over the years, some of these houses have been leased to the schools when they have converted to Academies, others have been declared surplus as they are no longer required by the school due to not requiring the caretaking staff / Site Managers to be on site, or simply do not wish to have the overheads that come with them.
- 2.3 There are currently three caretaker houses across the city that are vacant and suitable for disposal having been identified as surplus to Council requirements. Please see a summary of the current situation regarding these below.
- 2.4 **Claregate Primary** – A semi-detached property outside the school boundary, but adjacent to the school entrance at the head of a cul-de-sac. The house was vacated in August 2021 when the site manager retired, the Governing Body agreed the new site manager would not require the house as part of the post. The school would have liked to retain the property for conversion and reuse for educational purposes, but following a feasibility study and discussion with Planning this is not viable. As such the school and Education Team have now declared this property surplus to requirements. City Assets are currently managing the property as a void asset and will look to market for sale pending consultation.
- 2.5 **Fallings Park Primary** – A semi-detached house located adjacent to the school entrance, but outside the school boundary. The house has been vacant since the site manager retired and the school have declared it surplus to requirements. The house is in the process of being transferred to City Assets, with a view to it being marketed for sale, pending consultation.
- 2.6 **Perry Hall Primary** – A detached house located adjacent to the school entrance, but outside the school boundary. The house was transferred to the Perry Hall Multi Academy Trust upon conversion to an Academy as part of the lease, it has been vacant for a while and has now been declared surplus to requirement by the Trust and they wish to surrender the lease. The house is in the process of being transferred back to the Council and is going through the legal process to accomplish this with the necessary approvals having been obtained. Upon completion of the transfer, City Assets would look to market the house for sale, pending consultation.

3.0 Investment Strategy

- 3.1 In addition to the caretaker properties declared surplus in this report which are recommended for disposal, there are several caretaker properties located around the City that are also surplus to educational requirements, but due to their position within the school site boundary render themselves unviable for disposal.
- 3.2 Where former caretaker properties are not viable for disposal, the buildings would remain vacant and unused, which could encourage vandalism and anti-social behaviour. The building condition deteriorates rapidly being unoccupied and if left vacant for an extensive period, the only alternative for these buildings would inevitably be demolition.
- 3.3 In addition to the comments at 3.2, the School are also liable for ongoing holding costs which include security visits, maintenance, rectifying vandalism, council tax etc.
- 3.4 To ensure the Council's portfolio is effectively managed, a number of investment schemes have been identified for the properties that are not suitable for disposal. The schemes would be of benefit to the pupils and communities for these schools and help staff deliver the curriculum, achieve better standards and enhance the learning environment.
- 3.5 As the cost of the work is in excess of Schools delegated budgets, they would require support from the Local Authority to achieve their goal of bringing the assets back into use for the benefit of the school and local community. The capital funding received for the maintenance and expansion of Schools by the Local Authority in the form of Basic Need and School Condition Allocation Grants from the Department for Education (DfE) do not cover such works as they do not provide extra pupil places and are not priority condition items.
- 3.6 Further to section 3.5, the properties that have been identified as not being suitable for disposal and would benefit from investment to bring them back into use, will be subject to future separate reports requesting allocation of Corporate Provision for Future Programmes to individual projects in order that these priorities may be addressed to be confirmed through an Individual Executive Decision Notice.

4.0 Supporting Delivery of the Strategic Asset Plan

- 4.1 Corporate Landlord have developed a Strategic Asset Plan that was completed and approved by Cabinet on 17 October 2018. This provides the structure and management of the Council's land and property portfolio over following five years, to 2023, and incorporates the Our Assets principle. The plan is structured into three parts:
- Asset Management Policy
 - Asset Management Strategy
 - Asset Management Action Plan
- 4.2 The Asset Management Policy establishes a clear mission with supporting principles for the management of land and buildings, ensuring it is fit for purpose and benefits the people of the City of Wolverhampton and to use land and buildings following rationalisation and disposal of land and buildings, that will enable a financial return to

stimulate development and growth, support and encourage local businesses and promote joint-working.

- 4.3 By declaring the assets identified in section 2.4, 2.5 and 2.6 of the report surplus to requirements and approving their disposal along with reinvestment into the education schools portfolio, this supports the policy as outlined and in particular delivery of items A2, A3, A6 and B3 of the Action Plan.

5.0 Evaluation of alternative options

- 5.1 The properties could remain within the Council's portfolio, but with no suitable use identified, they would remain void and unused.
- 5.2 Where the schools are wishing to retain the caretaker houses for alternative use, they are still incurring revenue costs against them for utilities, security and Council Tax etc, which puts a drain on the already challenging schools' budgets. They cannot be incorporated into the overall school site until a scheme can be progressed as they are still classed as a residential property.

6.0 Reasons for decision

- 6.1 If the properties identified in sections 2.4, 2.5 and 2.6 of the report are not progressed for disposal, the buildings would remain vacant and unused, this could encourage vandalism and anti-social behaviour. The building condition deteriorates rapidly being unoccupied and if left vacant for an extensive period, the only alternative for these buildings would inevitably be demolition.
- 6.2 As stated above, if the buildings were left vacant and deteriorated until demolition was the only viable option on safety grounds, this would require funding to carry out the demolition and any associated remedial works to make good the ground afterwards.
- 6.3 Where City Assets are responsible for the vacant assets until their future is determined, there will be ongoing revenue costs for security visits, maintenance, rectifying vandalism, council tax etc.
- 6.4 The disposal of the properties will generate a combined capital receipt based on current valuations of £690,000 to support the Medium Term Financial Strategy as further detailed in section 7 of this report.

7.0 Financial implications

- 7.1 A valuation exercise has been carried out on the three marketable former caretaker houses and based on an open market disposal method, these valuations are:

Former Claregate Primary School caretaker house - £210,000.00

Former Fallings Park Primary School caretaker house - £180,000.00

Former Perry Hall Primary School caretaker house - £300,000.00

7.2 The disposal of the properties is expected to generate a capital receipt of £690,000 to support the General Fund capital programme. The receipts are not currently assumed in the capital programme, which will be adjusted to reflect this in the quarter three review.
[RJ/17112022/W]

8.0 Legal implications

8.1 The terms of the disposals must comply with S.123 Local Government Act 1972 which states that local authorities are obliged to obtain the best consideration reasonably available unless Secretary of State consent has been given. There is a general consent that allows disposals at an undervalue provided that the undervalue is for a sum of less than £2.0 million and promotes that social, economic or environmental wellbeing of the area. Leases for a term of more than seven years are deemed to be a disposal.

8.2 This disposal will therefore need to be at an undervalue of less than £2.0 million and promote the economic, social or environmental wellbeing of the area.
[TC/16112022/E].

9.0 Equalities implications

9.1 All development plans will consider and meet the needs of all people within the local community and an all-inclusive approach will be taken by Wolverhampton City Council.

10.0 All other implications

10.1 The disposal and subsequent investment into the assets identified will reduce the quantity of void stock requiring management by City Assets and the respective schools and will prevent them falling into further disrepair and avoid anti-social behaviour.

10.2 The proposed future investment into the retained estate will provide an inclusive and positive impact within the educational environment and will help promote improved learning standards.

11.0 Schedule of Background Papers

11.1 [Strategic Asset Plan 2018-2023](#) – Report to Cabinet on 17 October 2018 including:

- Asset Management Policy 2018-2023
- Asset Management Strategy 2018-2023
- Asset Management Action Plan