


# Key Decision Report

<b>Decision maker</b>	Councillor Rock Feilding-Mellen Deputy Leader and Cabinet Member for Housing, Property and Regeneration	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
<b>Forward Plan details</b>	Date decision entered onto Forward Plan: 15 March 2016  Forward Plan reference: 04770/16/H/AB	
<b>Report title</b>	<b>GROUND FLOOR, GRENFELL TOWER, LANCASTER WEST ESTATE, W11 - GRANT OF NEW LEASE</b>	
<b>Ward</b>	Notting Dale	
<b>Reporting officer</b>	Richard Egan Interim Director of Corporate Property Services	
<b>Key decision</b>	Yes	
<b>Access to information classification</b> <b>Delete as appropriate</b>	Public (Part A) with Confidential/Exempt (Part B) Appendix Information relating to the financial or business affairs of any particular person (including the authority holding that information)	

## 1 EXECUTIVE SUMMARY

- 1.1 This report seeks your approval to the Council granting a new lease of the ground floor of Grenfell Tower on the Lancaster West Estate, W11 in the north of the Borough.
- 1.2 The nursery has been newly created on the ground floor, as part of the works undertaken to Grenfell Tower following the building of the Kensington Academy and Leisure Centre. The new nursery will have easy access to outside space. The previous occupier of the old first floor nursery is the proposed tenant of the new purpose built nursery.
- 1.3 Confidential/exempt information is contained in the exempt part B appendix as it details information relating to the financial or business affairs of any particular person.

## 2 RECOMMENDATIONS

- 2.1 The recommendation is for the Council to approve the grant of a new lease of the ground floor of Grenfell Tower on the Lancaster West Estate, W11 for a term of four years and on the other terms set out in the confidential part B appendix.

## 3 REASONS FOR DECISION

- 3.1 The letting of this property fulfils the objectives of the Council of generating income.

- 3.2 This letting enables the Council to meet Government requirements for the provision of free nursery places for some 2-year-olds and all 3 to 4-year-olds.
- 3.3 This Asset is held in the Housing Revenue Account. This proposal represents a consideration equal to Market Value and the best consideration reasonably obtainable.

## **4 BACKGROUND**

- 4.1 The Lancaster West Children's Community Network (LWCCN) a registered charity has operated a nursery from the Grenfell Tower since 2000. A number of residents on the Lancaster West estate and the surrounding area have made use of the nursery. Children can attend from ages 0-5, during school holidays activities are also provided for ages 6-12.
- 4.2 In spring 2014, LWCCN was required to vacate Grenfell Tower to allow the refurbishment works that have created the new nursery. Since this time, they have operated the nursery from the Resource Centre, a community centre on the Lancaster West Estate.

## **5 PROPOSAL AND ISSUES**

- 5.1 LWCCN has secured a commission from Children's Services for the provision of nursery places for three and four year olds. The proposed letting of this space to LWCCN will allow them to deliver the service.

## **6 OPTIONS AND ANALYSIS**

- 6.1 The letting to LWCCN will allow the Council to meet Government Early Years provision requirements for the provision of free nursery spaces.
- 6.2 The Council can approve the grant of a new lease to LWCCN and benefit from the rental income.
- 6.3 The Council can take the property to the open market and incur letting fees, marketing and vacant property costs while a new occupier is sought. This would also mean that Children's Service would be short on the provision of free nursery spaces in this part of the Borough and thereby falling short of Government policy. The children currently attending the nursery would have to find other places to attend.

## **7 CONSULTATION**

- 7.1 The Deputy Leader and Cabinet Member for Housing, Property and Regeneration has been consulted and concurs with the recommendation of the report.
- 7.2 The Kensington and Chelsea Tenant Management Organisation has been consulted and concurs with the recommendation of the report.
- 7.3 Sarah Bright the Lead Commissioner (Children and Early Years) Tri -Borough Children's Services has been consulted and comments LWCCN have an SLA for the provision of 2, 3 and 4 year old nursery places. LWCCN have been chosen as a preferred provider and have met the set requirements e.g. business plan and sustainability. FCS need childcare providers specifically for the provision of 2, 3 and 4 year olds to ensure that the Council satisfies the duty of ensuring sufficient childcare in the Borough. We are confident that they will continue to remain a quality childcare provider.

## **8 EQUALITY IMPLICATIONS**

- 8.1 There are no equality implications arising from this report.

## **9 PROCUREMENT PROCESS**

- 9.1 There are no procurement implications arising from this report.

## **10 PLANNING IMPLICATIONS**

- 10.1 The Executive Director of Planning and Borough Development has been consulted and concurs with the recommendation of the report.

## **11 LEGAL IMPLICATIONS**

- 11.1 The Director of Law has been consulted and comments that under section 123 of the Local Government Act 1972 the Council has an obligation when disposing of property, to do so for the best consideration reasonably obtainable where leases are granted for a term of seven years or more. Notwithstanding the term to be granted, this report confirms at paragraph 3.3 above that the proposed lease is regarded as being a disposal for the best consideration reasonably obtainable.
- 11.2 The General Housing Consents 2013 (referred to below as "the General Consents") have been issued by the Secretary of State to facilitate the disposal of HRA property by local authorities if those disposals fall within the criteria set out in the General Consents.
- 11.3 The General Consents confirm consent for the disposal of HRA property by local authorities when disposing of such property for a consideration equal to market value without having to first obtain the specific consent of the Secretary of State. This report confirms at paragraph 3.3 above that the proposed disposal is regarded as being a disposal at market value.
- 11.4 Otherwise the legal implications are as set out in this report and in the Confidential Part B Appendix.

*Implications verified/completed by: Peter Ashley, Solicitor. Telephone Number: [REDACTED]*

## **12 FINANCIAL AND RESOURCES IMPLICATIONS**

- 12.1 The Housing Finance Manager, Housing Services, has been consulted and concurs with the recommendation of the report.

Richard Egan  
**Interim Director of Corporate Property Services**

Nicholas Holgate  
**Town Clerk**

Cleared by Finance (officer's initials)	RC
Cleared by Legal (officer's initials)	PA



**Local Government Act 1972 (as amended)**

**Background papers used in the preparation of this report: none**

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