

Agenda item:

Title of meeting: Planning, Regeneration & Economic Development Decision Making Meeting

Date of meeting: 18 March 2015

Subject: Preparations for developing a UTC in Portsmouth

Report From: The Chief Executive

Report by: Paddy May, Corporate Strategy Manager

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

- 1.1. To seek approval for the disposal of the land where the Hilsea Youth Club is currently sited, to facilitate the building of the new University Technical College (UTC) for Portsmouth. The land will be disposed of via either a freehold transfer for no consideration or a 125 year lease at a peppercorn rent.

2. Recommendations

- 2.1. That the Planning, Regeneration & Economic Development Portfolio Holder agrees that delegated approval be given to the Director of Property and City Solicitor to conclude either a freehold transfer or the grant of a long lease of the land currently forming Hilsea Youth Club shown cross hatched in black on the plan in Appendix 1 ("the Property") to help facilitate the building of the new UTC for Portsmouth.
- 2.2. That the disposal be to either the Salterns Academy Trust or the UTC Trust as outlined in the report.
- 2.3. That the City Solicitor be given delegated approval to complete the necessary documentation, subject to being satisfied as to terms and any relevant legal requirement.

3. Background

- 3.1. UTCs are schools that provide technical education for young people aged 14-19. UTCs are non-selective and engage employers in developing the curriculum and involve employers in providing technical opportunities for young people as part of their learning. On 12th March, Portsmouth heard that their application for developing a UTC was successful. The UTC should help ensure that young people have the technical skills needed for a thriving and growing economy.

- 3.2. Portsmouth City Council was a key part of a bidding process that proposed the development of a UTC in Portsmouth. The overall bid was led by the University of Portsmouth with significant project support provided by the Royal Navy and with the education advice provided by the Salterns Academy Trust. We have just heard that our proposal to develop a UTC has been approved nationally.
- 3.3. As part of the development of a UTC, a separate trust, UTC Portsmouth, has been set up and Portsmouth City Council, along with the Salterns Academy Trust, the Royal Navy and the University of Portsmouth are the founding members of this trust. It is proposed that the UTC will be built alongside the existing City of Portsmouth Boys School site (to be Trafalgar School). Portsmouth City Council owns a small parcel of land (currently the site of the Hilsea Youth Club shown crossed in black on the plan in Appendix 1) and this land will be needed for the development of the UTC.

4. Proposed transfer of land

- 4.1 The Education Funding Agency (EFA) will be responsible for securing the land to enable the UTC to be built and will also be funding the build. The EFA have a responsibility to ensure that value for money is maximised. As part of this it is a requirement, and normal practice, that any land provided by either a local authority or a school is provided at no cost. It is therefore proposed that the Council transfers the land currently occupied by the Hilsea Youth Club at no cost to help facilitate the development of the UTC. Discussions have started with the existing users of the Hilsea Youth Club to help ensure that they can access alternative provision.
- 4.2 Because it has only just been announced that our bid to develop a UTC has been successful, it has not been possible to enter into any discussions with the EFA about this transfer. This means that it is not yet clear whether we will be required to transfer the freehold or grant a 125 year lease at a peppercorn rent. It is also not clear whether the transfer / lease will be direct to UTC Portsmouth or to the Salterns Academy Trust who will be taking over ownership of the school site from the 1st of April as part of the academy transfer. We expect the Salterns Academy Trust will transfer their land for the UTC to the UTC Trust.
- 4.3 There is a possibility that the EFA may decide that the proposed site for the UTC does not provide maximum value for money and may look to build the UTC at a different location. As part of the bidding process there was a requirement to look at alternative sites and this process showed that the proposed site was the best option with good sub-regional transport links and an appropriate amount of space for a UTC. However if the EFA does decide that the site is not the best option it will be important that we enable the land to transfer back to the Council. This will be negotiated as part of the land transfer process and provision made in the documentation.

5. Reasons for recommendations

- 5.1 Portsmouth City Council is fully supportive of the proposed UTC for Portsmouth and is one of the founding members of the UTC Trust. The UTC will enhance the educational opportunities available to young people within Portsmouth and the wider sub-region. It will also help ensure that our businesses are able to recruit work ready young people with the appropriate technical skills. This in turn will

help ensure that our economy is able to grow and thrive. To help facilitate this new opportunity for Portsmouth, it is important that the City Council allows the transfer of the current Hilsea Youth Club site at below market value. With discussions still to happen with the EFA it is proposed that the Director of Property be given delegated authority to finalise the details.

6. Equality impact assessment (EIA)

6.1 A preliminary EIA has been completed, indicating that there is no requirement for a full EIA at this stage.

7. City Solicitor comments

7.1 Under s123 of the Local Government Act 1972 the Council may dispose of any land in any manner they wish provided that it must be for the best consideration that can reasonably be obtained. If the disposal is not for the best consideration obtainable then the consent of the Secretary of State will be required.

7.2 However, Secretary of State consent to the disposal would not be required where the Local Authority considered that the purpose for which the land is to be disposed of is likely to contribute to the achievement of any one or more of the following objects in respect of the whole of any part of its area or of all or any person resident or present in its area:

- (i) the promotion or improvement of economic well being;
- (ii) the promotion or improvement of social well being;
- (iii) the promotion or improvement of environmental well being.

7.3 In addition, in all cases, disposal at less than best consideration is subject to the condition that the undervalue does not exceed £2,000,000. We are advised by Corporate Assets that the property is worth approximately £72,000 based on its existing community use (or £82,000 based on a commercial site value) and so is well below this threshold.

7.4 All disposals must comply with the European Commission's State Aid rules. When disposing of land at less than best consideration the Council is providing a subsidy to the occupier of the land. In such cases the Council must ensure that the nature and the amount of the subsidy complies with the State Aid rules. .

8. Head of finance's comments

8.1 The recommendations within this report propose that the Hilsea Youth Club building be disposed of to the Salterns Academy Trust or the UTC Trust, on either a long lease of 125 years on a peppercorn rent, or through a freehold disposal at nil value.

8.2 The value of the site to be disposed of has been valued at approximately £72,000, based on its existing community use, however as a development site the value would be greater (approximately £82,000). As a result it should be acknowledged that the recommendations within this report do not deliver the best financial consideration for the site.

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Signed by: David Williams, Chief Executive

Appendices:

Appendix 1 - Map showing proposed site to transfer

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

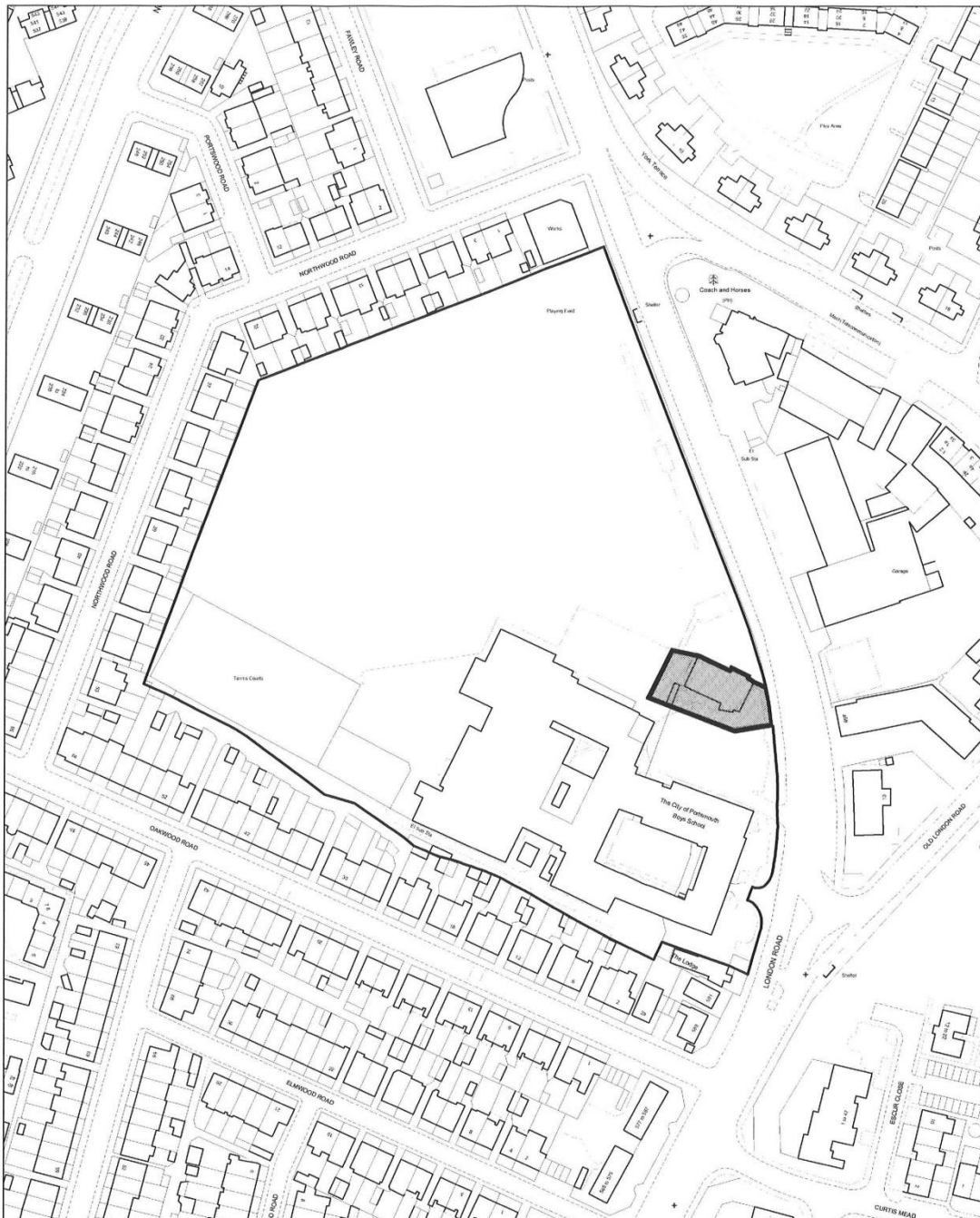
The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by: Name and Title



Appendix 1

Site of City of Portsmouth Boys School Site with PCC land shown as hatched



Title: **Hilsea Youth Club**
London Road, Portsmouth
Hampshire PO2 9RJ
Prepared for: HR Legal & Performance Improvement
Prepared by: Geographic Information Service

Dig File:
Scale: 1:1250
Date: 12/03/2015

