

Meeting:	Executive
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Council Priority:	Child-Friendly Islington, Community Wealth Building, A Safe Place to Call Home
Wards:	All
Report of:	Executive Member for Finance & Performance
Report No.	I029170

Subject: Vacant Premises Managers' Houses Policy

1. Recommendations

- 1.1. To approve the policy for vacant school premises manager's and other caretaker's houses, attached as Appendix 1 to this report.
- 1.2. To delegate authority to the Corporate Director of Community Wealth Building, following consultation with the Executive Member for Finance and Performance, for key decisions made in line with the policy.
- 1.3. To note that any decisions and proposals relating to vacant houses taken in line with this policy will be subject to the approval of separate business case proposals, detailed implementation plans, and communication and engagement with impacted schools.

2. Report summary

- 2.1. The purpose of this report is to set out clear and consistent principles to be applied in agreeing the future use of vacant schoolhouses and other vacant council caretaker houses.
- 2.2. The policy seeks to ensure that all schools with such vacant houses are treated consistently and fairly.

- 2.3. The policy has been framed to ensure that all land and buildings within the education estate is used to provide benefit to Children's Services and to schools directly.

3. Details of the proposal

- 3.1. There are currently 11 premises manager's houses at schools with no premises manager in residence. Some of these houses are vacant or used solely for storage, others are in use by the schools for educational purposes. Two of these houses are integrated within the wider school grounds. Up to 6 of these houses could be available in the short-term for alternative use. It is estimated that a further circa 10 community schoolhouses could become vacant over the next decade.
- 3.2. The properties vary in age and construction. Many of the school houses were built at the same date as the school and some are now over 100 years old. Some are, by modern standards, small with limited living accommodation and are not compliant with all modern statutory design standards. Some however are larger 3-to-4-bedroom, street fronting properties. Capital works will be required to houses designated for alternative use in order to ensure they are compliant with standards and adapted to suit their new occupants.
- 3.3. The policy confirms that the Council no longer supports on-site residential accommodation for premises managers.
- 3.4. The factors that will be considered in determining the future use of a vacant house are set out in the appendix.
- 3.5. When a vacant house is declared surplus to a school's educational requirements and is or can be separated from the school grounds then the Council will consider and determine the future usage of the house that delivers best value for the Council.
- 3.6. Each vacant house will be considered strictly in line with the principles set out in the policy and decisions on how to proceed with repurposing houses will be subject to the preparation of a business case. This business case process will engage with schools in finalising recommendations.
- 3.7. The principles which will be considered in the identified priority order range from; firstly repurposing or re-using the house for alternative council services in order to address strategic and statutory priorities to the sale of the house if none of the other options are feasible or are prohibitively high cost.

3.8. The disposal of school land held by a local authority requires the Secretary of States (SoS) prior consent. The SoS has issued a General Consent that permits the disposal of a freehold or leasehold interest in a caretaker's house subject to notification of the disposal and adherence to certain conditions. These conditions include that the school supports the proposal and that any revenue income is reinvested in the school's revenue budget. Any capital receipt is required to be reinvested in school capital projects.

3.9. If it is determined that a house is sold, which would only be after all other options have been fully considered and discounted, the net receipts will be split with 30% available for capital works at the school in question, such works to be agreed with the council, and the remaining 70% would be available to the council to be invested in capital projects across the school estate.

The 30% of capital works would be targeted at school priority projects including high priority works identified in the school's stock condition survey. The investment of the 70% across schools and premises manager's houses will be determined based on priority works identified in school stock condition surveys and also as match funding for priority decarbonisation projects at school sites.

3.10. In seeking to repurpose premises managers houses it is important to note that this policy only relates to vacant houses. The future use of currently occupied housing would only be determined when a premises manager is leaving his / her employment with the Council.

3.11. There is no timeline to the repurpose of currently occupied houses given that retirement date or the decision to end employment lies with the individual and/or the school. Staff currently residing in these properties will not be affected by this proposal unless they leave the Council's employment, at which time they would be obliged to vacate the property regardless of future use of the property.

3.12. Dependent on the reason for leaving employment a premises manager may become eligible for rehousing in line with the Council's Housing Allocation Scheme 2024 and the council policy on Housing/Rehousing Islington Council Caretakers in Tied Accommodation 2019.

4. Other options considered and the reasons for recommending this proposal

4.1. The other options considered were:

<p>Leave vacant school houses under the stewardship of the school Governors.</p>	<p>This was discounted as the houses are valuable council assets. Given the difficulties in obtaining suitable housing in central London these houses present an opportunity for an innovative approach to service delivery as well as financial savings due to, for example, reduced out of borough placements.</p> <p>Under this option the school would be required to continue to maintain and look after the vacant property putting further pressures on school budgets.</p>
<p>Negotiate on an individual basis with each school when a house becomes vacant</p>	<p>This was discounted as it would not represent a fair and transparent manner for disposal of the houses. Without a set policy additional council and school resources would be required in determining and negotiating each individual approach and settlement agreement.</p>
<p>Leave houses as part of the school estate and upgrade them for alternative school use.</p>	<p>This was discounted as many of the houses require capital investment and this would divert limited school condition related funding from priority capital works needed in school buildings.</p> <p>Many schools, due to falling pupil numbers, have surplus space in their main buildings and would not require the additional adapted space in the houses.</p>
<p>Continue to use as premises manager's houses</p>	<p>Traditionally, on-site accommodation was provided to allow the caretaker easy access to the school and to provide a full-time site presence. These on-site requirements have diminished with improvements in hard security measures such as CCTV, monitored alarm systems and secured access controls. This option was therefore discounted.</p>

- 4.2. Having reviewed the options the proposed policy has been drafted to establish a strategic approach to the future of vacant houses that will lead to a more formal consideration of options available. The new house residents, the council, and school will all benefit from the proposals.

Where a house is repurposed for council services, then the new residents will benefit through rehousing, potentially alleviating overcrowding, in an affordable central London house.

The council will benefit through maximising use of vacant properties in the borough. As well as addressing important priorities for children in care, potential savings can be realised by bringing children back into borough and reducing reliance on independent sector provision.

Schools will benefit with either a long-term revenue stream through rental income or a one-off capital receipt. In addition, the responsibility for maintenance and repair of the vacant house may be removed from the school.

5. Key impacts and risks of the proposal

- 5.1. The approval of the policy will impact on the schools who will lose the associated premises manager's house. While this may be seen as a loss by some schools it will remove the obligation for the Governors to continue to maintain and look after the house and funds used for this purpose can be redirected towards the educational buildings. Repurposing of the vacant building would also bring a revenue stream for the school. Schools can also, should they choose, retain the vacant house for educational purposes.
- 5.2. The policy will also impact positively on the occupants of repurposed houses whether this is targeted towards foster families, care leavers, keyworkers or other council identified priorities, providing an affordable home in central London.
- 5.3. The approval sought is to the policy attached and any further decisions taken in relation to specific house(s) will be subject to business case approval with full risk analysis and mitigation planning. The table below sets out key risks in relation to potential decisions made under the policy.

Risk	Mitigations
Secretary of State approval is not received	This is considered a low risk as the DfE guidance provides now for a general consent for the disposal of caretakers houses subject to certain conditions.

	<p>In taking any decisions relating to a house a robust notification to the DfE will be submitted in line with the consent conditions.</p>
<p>School does not Support Proposals</p>	<p>The school will be consulted in advance of any decisions relating to their schoolhouse to ensure their preferences for the house are fully considered.</p> <p>Concerns raised by the school in relation to proposals will need to be addressed as part of future business cases for that house.</p> <p>Where a school does not support the Council's proposals then it will not be possible to obtain consent to dispose of or change use of the house. The school would continue to be responsible for adapting the house for school use and would continue to maintain and look after the house.</p>
<p>Funding to repurpose and adapt houses is not available</p>	<p>The business case for repurposing houses will need to identify the budget for any works relating to the house and the development of the associated legal and financial documentation suites that will underpin this.</p> <p>Houses that are unsuitable for use and in poor condition could be considered for sale, with the council's proceeds from the sale targeted to adapting other more suitable vacant houses.</p>

6. Contribution to the Islington Together 2030 Plan

- 6.1. The policy will contribute to the achievement of a number of the key ambitions set out in the Islington Together 2030 Plan.
- 6.2. Repurposing of the houses for council services such as foster families or care leavers will help provide decent, affordable housing for the new occupants; including potentially some of the more vulnerable residents in the borough.

- 6.3. Removing the responsibility to maintain and look after vacant houses from schools and potentially providing an ongoing revenue stream will contribute towards our child friendly Islington ambition. Also, council services that may avail of vacant houses will provide a safe Islington based home for children and families from the borough.
- 6.4. Maximising the potential of the vacant council assets to deliver housing and potentially economic benefits to residents contributes to the community wealth building objectives of the plan.

7. Consultation and community engagement

- 7.1. The vacant houses at community schools and at some other council locations are council owned assets.
- 7.2. The proposal is to issue the policy for review by schools, in advance of it being published.
- 7.3. School engagement will form part of the business case development for the repurposing of a premises manager's house or a group of premises manager's houses. It will be important to ensure that the business case recommendations are supported by schools.

8. Implications

8.1. Financial Implications

- 8.1.1. This report proposes a policy for the use of vacant schoolhouses and other vacant council caretaker houses. Establishing a strategic approach and policy to the future disposal of such vacant houses will lead to a more formal consideration of options available in the long-term and ensure these properties are not left vacant and unused.
- 8.1.2. The day-to-day revenue running costs and repairs and maintenance costs are met from delegated school budgets. Standards of maintenance, decoration and repair varies across the estate due to local decisions and budget pressures. The Council is responsible for capital investment in the houses.
- 8.1.3. Repurposing vacant buildings has the potential to bring a revenue stream and a sale would bring a capital funds injection to the school. Schools can also, should they choose, retain a vacant house for educational purposes. Repurposed houses can also be targeted towards other key areas of need such as towards foster families, care leavers, keyworkers or other council identified priorities, providing an affordable home in central London.
- 8.1.4. When a vacant house is declared surplus to education requirements by a school and can be or is separated from the school site, the council will consider and

determine the usage of the house that delivers best value for the council. This will require a business case that considers all available options.

- 8.1.5. Where a vacant property is inside the curtilage of a school site, and it is not possible to segregate the house practically and sensibly from the school land then the house will remain part of the school estate. Under this scenario the school must consult with the council in relation to plans for the house, which should be subjected to a full business case.
- 8.1.6. Permission of the Secretary of State is required to repurpose a vacant schoolhouse for a non-education purpose or dispose of it. The Secretary of State (SoS) has the discretion to direct how any sums from the disposal of land are to be used, including that all proceeds are paid to the SoS, unless pursuant to a General Consent Order or otherwise agreed beforehand. The SoS will expect that the first priority will be reinvestment into educational facilities.
- 8.1.7. Under the General Consent provisions any income is required to be reinvested in the school's revenue budget and any capital receipt is reinvested in school capital projects. The policy proposes that when a schoolhouse is sold the net receipts will be split with 30% available for capital works at the school, such works to be agreed with the Council, and the remaining 70% to be invested across the broader education estate. Capital receipts can only be used for capital investments and cannot fund revenue expenditure.
- 8.1.8. Where consideration is given over whether a house could be returned to the council's housing stock, the business case will need to consider the financial implications of appropriating a house from the General Fund to the Housing Revenue Account (HRA), on both the General Fund and the HRA.

8.2. **Legal Implications**

- 8.2.1. Pursuant to Schedule 1, Part 4, paragraph 22(1) of the Academies Act 2010, schoolhouses are treated as school land: "A dwelling-house used for occupation by a person employed to work at an educational institution is to be treated for the purposes of this Schedule as used for the purposes of the educational institution". Schoolhouses at community schools are owned freehold by the Council and are held for education purposes.
- 8.2.2. Under section 122 of the Local Government Act 1972, the Council has the power to appropriate (repurpose) land where it is no longer required for its existing purpose.
- 8.2.3. The appropriation and any disposal of a freehold or leasehold interest in school land held by a local authority requires the Secretary of State's prior consent under

paragraphs 4 and 6 of Part 1 of Schedule 1 to the Academies Act 2010. This applies to all land which has been used wholly or mainly by a school in the last eight years.

8.2.4. The Secretary of State has issued a General Consent under Schedule 1 of the 2010 Act (The Academies General Disposal and Appropriation Class Consent (No 4) 2023) that permits the transfer of a freehold interest, the grant of a leasehold interest or an assured shorthold tenancy in a caretaker's property, subject to the local authority adhering to any relevant guidance published from time to time by the Secretary of State and the following conditions:

- a. the proposal does not include the disposal of playing fields;
- b. any lease granted must be for a term not exceeding 30 years;
- c. any lease granted must be a lease excluded from the business security provisions of the Landlord and Tenant Act 1954;
- d. any income is reinvested in the school's revenue budget and any capital receipt is reinvested in school capital projects; and
- e. the school supports the proposal.

8.2.5. The Council must notify the Secretary of State if it is relying on a general consent and should not enter into any land transaction until the Secretary of State has issued an acknowledgement letter.

8.2.6. Under section 123(2) of the Local Government Act 1972, a Council shall not dispose of land, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained, except with the consent of the Secretary of State.

8.2.7. Any change of use of a schoolhouse and any associated works will require planning permission.

8.2.8. The decision to adopt this policy and any subsequent decision by the Council in respect of individual schoolhouses can be challenged in the courts through judicial review proceedings. Anyone with a "sufficient interest" may bring a claim.

8.3. **Climate Change and Environmental Implications**

8.3.1. It is not anticipated there would be any significant climate change or environmental implications in approving the policy document. It should be noted that decisions made and actions taken in line with the policy would in most vacant houses lead to capital works to improve the property. This would likely include improved insulation and potentially window double glazing and in some cases where boilers require to be replaced would lead to reduced carbon emissions.

8.4. Equalities Impact Assessment

- 8.4.1. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 8.4.2. An Equalities Impact Assessment Screening was completed and a full Equalities Impact Assessment is not considered required in relation to this report, because the impact of the policy on people with protected characteristics and/or from disadvantages groups has been assessed as positive or neutral. Decisions made in line with the policy will require a business case and a full EQIA and one is already developed in relation to the reuse of some of the vacant houses.

9. Timetable for implementation

- 9.1. The timetable for the approval of the policy is set out below.

Executive	24 October 2024
Implementation Date	30 October 2024

- 9.2. Once approved, a subsequent business case for the repurposing programme of vacant schoolhouses will be presented for consideration.

Appendices:

- Appendix 1 : Policy for the Use of Vacant Premises Manager's & Caretaker Houses

Report approval:

Authorised by:

Corporate Director of Community Wealth Building

Cllr Ward Executive Member for Finance and Performance

Date: 11 October 2024

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