

Report of: Finance and Asset Management Business Manager

To: Executive Board

Date: 18th June 2007

Item No:

Title of Report : Grandpont Nursery School – Easement



Summary and Recommendations

Purpose of report: To advise the Board of negotiations with the Grandpont Nursery School over the granting of an easement to allow a surface water pipe to cross Council land and agree a way forward.

Key decision: No

Portfolio Holder: Councillor Jim Campbell

Scrutiny Responsibility: Finance



Ward(s) affected: Grandpont

Report Approved by:

Councillor Jim Campbell – Portfolio Holder

Jeremy Thomas – Legal

Paul Fogden – Finance

Policy Framework: To improve the environment in which we live and work, provide more affordable housing, creating local prosperity and sustaining full employment, improving transport and mobility, and maintaining financial stability.

Recommendation: That the request for an easement at less than market value be declined and that the Finance and Asset Business Manager be authorised to grant an easement on the terms originally proposed.



1. Asset Management have been in negotiations with the Grandpont Nursery School over the granting of an easement to allow a surface water pipe to cross Council land. The nursery could construct a surface water drain to connect either to the public drainage system or across the Council's land into a nearby brook. The former route will cost around £17,000 to build the latter around £5,000.
2. The Asset Manager has valued the one off premium payment appropriate for an easement expiring in 2094 at £6,000 plus fees thereby to allow the less expensive route to be taken.
3. The Grandpont nursery was granted last year a variation of their lease (which expires in 2094) an increase in the area leased to them to enable them to construct additional classrooms. This was granted at a peppercorn rent. The rent for the extra land was estimated by the Asset Manager as having a value of £750 per annum.
4. The nursery do not wish to pay the market rent for the easement and have set out their reasons in an e-mail from the Chair of Governors which I attached as Appendix 1
5. Supporting organisations through land deals is a haphazard, and possibly unfair way of allocating the Council's limited resources. Any organisation, which provides services allied to the Council's objectives, but requires cash support has to go through the rigid annual grant application process. The Neighbourhood Renewal Business Manager has indicated that the nursery (as part of a public body the County Council) would not be eligible for such a grant.

Recommendations

That the request for an easement at less than market value be declined and that the Finance and Asset Business Manager be authorised to grant an easement on the terms originally proposed

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Background papers: Letter from Chair of Governors



APPENDIX A

From: Bourne, Jacqueline - Corporate Core - Legal Services
[mailto:Jacqueline.Bourne@Oxfordshire.gov.uk] **On Behalf Of** Graham, Nick
- Corporate Core - Legal Services
Sent: Monday, May 14, 2007 11:24 AM
To: FOGDEN Sarah
Subject: Children Centre - Grandpont Nursery

Dear Ms Fogden

I am writing as the Chair of Governors at Grandpont Nursery School & Children Centre and I am aware that you and your officers have been in discussion with the Children Centre's architects in relation to the construction of a surface water drain. I am also aware that the local Councillor, Bob Price, has discussed the matter with you and he has kindly forwarded to me a copy of your letter of the 14 May explaining the City Council's position in relation to the £6,000 one-off payment for allowing the drain to cross the City Council's land.

I am aware of the constraints under section 123 Local Government Act 1972 and the obligation for you to obtain best consideration. However, as I am sure you are also aware the General Disposal Consent (England) 2003 grants local authorities the power to dispose of land (which includes easements) at an under value where the authority considers that this will help it contribute to the promotion or improvement of the economic, social or environmental wellbeing of its area.

When the Centre was originally discussing the need to encroach on the City Council's land to construct the extension, I had a discussion with Mr Karlake in relation to the extra rent for the land. At the time he agreed that the public benefit and wellbeing achieved by the Centre was such that it would not be charged the commercial rent for the land upon which the extension would be constructed. My understanding that Mr Karlake was relying on General Disposal Consent (England) 2003 when making that decision.

Whilst it is the case that funding for the extension is provided for by Central Government that money is extremely tight and in Oxfordshire the money has been divided up and we are to find both the construction costs and all of the other associated costs from a relatively small amount of money.

Your decision to charge the Centre in relation to the surface water drain easement is inconsistent with that earlier decision.

In the circumstances I would be grateful if you could give some reconsideration to your decision. As I say the funding for the construction for the Centre is extremely tight and it will be self evident that the Centre will achieve considerable public benefit. I am happy to give you more details of the services that the Centre will provide when fully operational, if that helps. I wasn't clear from your letter whether the policy you have in applying a commercial rate only applied to easements. If that is the case I wonder, as an

alternative, consideration could be given to granting an additional lease to the Centre for the land over which the land will cross, with the understanding that the rent for that further piece of land would be as previously agreed.

Your earliest consideration of these points would be most appreciated.

Regards

Nick Graham

Chair of Governors

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