

RECORD OF EXECUTIVE DECISION TAKEN BY AN EXECUTIVE MEMBER

This form **MUST** be used to record any decision taken by the Elected Mayor or an individual Executive Member (Portfolio Holder).

The form must be completed and passed to the Chief Officer responsible for Legal and Democratic Services no later than NOON on the second working day after the day on which the decision is taken. No action may be taken to implement the decision(s) recorded on this form until 7 working days have passed and the Chief Officer responsible for Legal and Democratic Services has confirmed the decision has not been called in.

1. Description of decision

That the grant of a 20-year lease of the former Conduit Road Day Centre to the proposed education provider on the principal terms set out in the Heads of Terms, as outlined in Confidential Appendix A to the attached report prepared to accompany this decision, be approved with delegated authority given to the Head of Property and Regeneration to finalise the detailed lease terms and complete all necessary legal documentation, including authority to agree minor amendments to the Heads of Terms which do not materially alter the approved commercial principles.

2. Date of decision

28 September 2026

3. Reasons for decision

The decision will enable the Council to return a long-term vacant asset to productive use whilst securing a market rent and the best consideration reasonably obtainable.

The proposed tenant intends to invest approximately £150,000 of private capital in adapting the property for specialist educational use, at no cost to the Council. The proposal is expected to increase local educational provision and could reduce Council expenditure on out-of-borough educational placements by approximately £200,000 per annum, based on ten guaranteed student placements.

The Full Repairing and Insuring lease will transfer repairing obligations to the tenant and the tenant will also assume responsibility for additional maintenance associated with adjoining retained Council property, reducing future revenue and capital expenditure. The Council will retain freehold ownership of the property.

The property has been mostly vacant since 2022 and currently generates ongoing holding, maintenance and other liabilities. The proposed letting therefore provides an opportunity to secure commercial rental income whilst delivering wider financial, operational and social benefits to the Council.

4. Alternatives considered and rejected

Do Nothing: Retaining the building in its current vacant condition was rejected as this would continue to expose the Council to ongoing maintenance liabilities, holding costs and deterioration of the asset, whilst delivering no meaningful public benefit.

Open Market Letting: An open market letting was considered. Whilst this may have secured a market rent, it would not necessarily have delivered the wider strategic benefits associated with the proposed letting, including additional local educational provision, estimated reductions in out-of-borough placement costs, significant private investment into the building and reduced maintenance liabilities. The proposed rent reflects market value and the best consideration reasonably obtainable.

Council Investment: The Council could have retained the building and undertaken refurbishment works. This was rejected due to the significant capital investment required, estimated at £150,000, for which no capital funding exists unless borrowed, which would not meet the Council's hurdle rate.

5. How decision is to be funded

The decision does not require Council capital investment. The proposed tenant will invest approximately £150,000 of private capital in adapting the property for educational use.

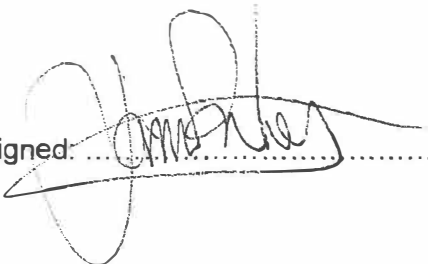
6. Conflicts of interest

Name of all Executive members who were consulted AND declared a conflict of interest.	Nature of interest	Did Standards Committee give a dispensation for that conflict of interest? (If yes, give details and date of dispensation)	Did the Chief Executive give a dispensation for that conflict of interest? (If yes, give details and the date of the dispensation).

The Mayor has been consulted on this decision

28 September 2026



Signed: 

Date: 28 September 2026

Name of Decision Taker: **Cllr. Jim Weir**
Portfolio Holder for Corporate Services
& External Relations

This is a public document. A copy of it must be given to the Chief Officer responsible for Legal and Democratic Services as soon as it is completed.

Date decision published: 28 September 2026.....

Date decision can be implemented if not called in: 7 October 2026.....

(Decision to be made exempt from call in.....NO.....)

Bedford Borough Council – Report to Portfolio Holder for Corporate Services & External Relations

Date of Report: 28 September 2026

Report by: Head of Regeneration & Property

Subject: NEW LETTING – FORMER CONDUIT ROAD DAY CENTRE

1. EXECUTIVE SUMMARY

- 1.1 This report seeks Executive approval to grant a 20-year lease of the former Conduit Road Day Centre to an education provider on the principal terms set out within the Heads of Terms attached at **Confidential Appendix A**. The lease has been negotiated at an independently assessed market rent following valuation by an RICS Registered Valuer and is intended to bring a long-term vacant Council asset back into productive use.
- 1.2 The proposed tenant intends to invest approximately £150,000 of private capital into adapting the property to provide specialist educational accommodation, creating additional educational provision within Bedford Borough. The proposal is supported by the Chief Officer for Education & SEND.
- 1.3 In addition to securing a commercial rental income, the proposal is expected to generate significant wider benefits to the Council, including estimated annual revenue savings of approximately £200,000 through reducing the need for out-of-borough educational placements for up to ten pupils. The tenant will also assume repairing obligations under a Full Repairing and Insuring lease as well as take on responsibility for additional maintenance to adjoining retained Council property, reducing future revenue and capital expenditure.
- 1.4 The proposal represents an opportunity to secure financial, operational and social benefits whilst retaining the Council's freehold ownership of the asset.

2. RECOMMENDATIONS

The Portfolio Holder for Corporate Services & External Relations (including Property/Asset Management) is invited to consider the report and, if satisfied, to:

- 2.1 Approve the grant of a 20-year lease of the Conduit Road Day Centre to the proposed education provider on the principal Heads of Terms at Confidential Appendix A.**
- 2.2 Delegate authority to the Head of Property and Regeneration to finalise the detailed terms of the lease and complete all necessary legal documentation and authorise officers to agree any minor amendments to the Heads of Terms which do not materially alter the commercial principles.**

3. REASONS FOR RECOMMENDATIONS

- 3.1 The proposed lease will secure a market rent and the best consideration reasonably obtainable whilst delivering substantial wider strategic benefits to the Council.**
- 3.2 This will enable a Council-owned asset, which has remained mostly vacant since 2022, to be returned to use without requiring Council capital investment. The education provider proposes to invest approximately £150,000 into the building, improving its condition and suitability for educational use.**
- 3.3 The proposal could reduce Council expenditure on out-of-borough educational placements by approximately £200,000 per annum, based on ten student placements that have been guaranteed to the local authority, whilst increasing local educational provision and supporting better outcomes for children and young people.**
- 3.4 Although the lease is being granted by way of a direct letting, the rent reflects market value and the best consideration reasonably obtainable. The direct letting is justified by the significant strategic, financial and community benefits that would not necessarily be realised through an open market disposal.**

4. THE CURRENT POSITION

- 4.1 The Conduit Road Day Centre has been mostly vacant since 2022, with only a short-term interim occupation following its closure.
- 4.2 The building currently acts as a liability for the Council whilst continuing to create maintenance responsibilities, reputational risk from neighbouring tenants and ongoing holding costs.
- 4.3 Children's Services have identified an increasing demand for specialist educational provision within Bedford Borough and have supported proposals to utilise the building for educational purposes. The proposed education provider already operates within Bedfordshire and has demonstrated the operational capability and financial commitment necessary to establish a new facility within the Borough.
- 4.4 Heads of Terms have been negotiated for a 20-year lease at a market rent. The proposed lease requires the tenant to undertake significant investment in the property together with ongoing repairing obligations under a Full Repairing and Insuring lease.

5. DETAILS

- 5.1 The principal lease terms are summarised below:
- 20-year lease commencing 1 September 2026.
 - Initial rent as set out in the confidential Heads of Terms at **Appendix A**.
 - Five yearly upwards only rent reviews.
 - Six-month rent-free period.
 - Full Repairing and Insuring lease subject to a Schedule of Condition.
 - Tenant responsible for business rates, service charge and insurance reimbursement.
 - Tenant permitted use restricted to educational purposes.
 - Tenant break option at five-year intervals upon six months' notice.
 - Lease protected by the Landlord and Tenant Act 1954.
- 5.2 The proposed tenant intends to invest approximately £150,000 to adapt the premises for educational use at no cost to the Council. The Council will retain ownership of the freehold whilst receiving an ongoing commercial rental income and benefiting from reduced future maintenance liabilities. This will present an opportunity for redevelopment in the future, once the lease comes to an end.

- 5.3 In addition to the direct financial return, the proposal is expected to deliver estimated annual savings of approximately £200,000 through reducing the requirement for out-of-borough educational placements. This estimate has been prepared conservatively using ten student placements and may increase as the facility becomes established.
- 5.4 The tenant has also agreed to assume responsibility for additional maintenance associated with adjoining retained Council property, which will reduce future demand on the Council's revenue and capital budgets.

6. **ALTERNATIVES CONSIDERED AND REJECTED**

- 6.1 **Do Nothing:** Retaining the building in its current vacant condition was rejected as this would continue to expose the Council to ongoing maintenance liabilities, holding costs and deterioration of the asset whilst delivering no meaningful public benefit.
- 6.2 **Open Market Letting:** Marketing the property on the open market was considered. However, whilst this may have secured a market rent, it would not necessarily have delivered the wider strategic benefits associated with the proposed letting, including additional local educational provision, estimated reductions in out-of-borough placement costs, significant private investment into the building and reduced maintenance liabilities. The rent represents a market rent and the best consideration reasonably obtainable.
- 6.3 **Council Investment:** The Council could have retained the building and undertaken refurbishment works itself. This option was rejected due to the significant capital investment required, estimated at approximately £150,000, for which no capital funding exists unless borrowed, which will not meet the Council's hurdle rate.

7. **KEY IMPLICATIONS**

7.1 Legal Issues	The lease will be completed by the Council's appointed solicitors following Executive approval. The transaction will be subject to the agreed Heads of Terms and all necessary legal documentation. Completion remains conditional upon any required planning and statutory consents being obtained by the tenant.
7.2 Policy Issues	This will help to reduce pressures on one of the Council's biggest areas of overspend.

7.3 Resource Issues	The proposal generates a commercial rental income whilst reducing future maintenance liabilities associated with a long-term vacant asset. The Council avoids the need to invest approximately £150,000 of capital into refurbishing the property. The proposal could reduce Council revenue expenditure by approximately £200,000 per annum through reducing out-of-borough educational placements, which have been guaranteed to the LA through a separate SLA agreement.
7.4 Risks	Main risks include: • Failure to obtain planning permission for the proposed use. • Delay in completion of the tenant's fit-out works. • Tenant default during the lease term. These risks are mitigated through the lease conditions, rent deposit, guarantor requirements, repair obligations and the tenant's commitment to invest in the property.
7.5 Environmental Implications	N/A
7.6 Equalities Impact	The proposal is expected to have a positive impact by increasing specialist educational provision available within Bedford Borough, improving accessibility to local education for children and young people with additional educational needs.
7.7 Impact on Families	The proposal is expected to provide positive benefits to families by increasing local educational opportunities and reducing the need for pupils to travel outside the Borough for appropriate educational provision.
7.8 Community Safety and Resilience	Occupation of a long-term vacant building will reduce opportunities for vandalism, anti-social behaviour and unauthorised access whilst contributing positively to the local area. Tenants in neighbouring properties frequently complain about the anti-social behaviour that this vacant property attracts.
7.9 Impact on Health and Wellbeing	The proposal supports improved educational outcomes for children and young people by increasing access to specialist educational provision closer to home.

8. **SUMMARY OF CONSULTATIONS AND OUTCOME**

8.1 The following Council Units or Officers and/or other organisations have been consulted in preparing this report:

- Head of Property and Regeneration
- Chief Officer for Education & SEND
- Manager for Assets & Estates
- Manager (Business Partner) for Childrens, Schools and Public Health

No adverse comments have been received.

9. **WARD COUNCILLOR VIEWS**

9.1 This report has been shared with the Ward Councillor to request any comments in advance of the letting and chased over a three-week period for any further feedback. No response was received.

10. **CONTACTS AND REFERENCES**

Report Author and Contact Officer	<i>Dan Moone, Team Leader for Asset Management</i>
File Reference	<i>None</i>
Previous Relevant Minutes	<i>None</i>
Background Papers	<i>None</i>
Appendices	<i>Appendix A – Terms of Letting [Confidential]</i> <i>[Not for publication (Paragraph 3 of Schedule 12a to the Local Government Act 1972). Information relating to the financial or business affairs of any particular person including the authority holding that information].</i>