

Cabinet – 16 March 2016

Sale of Site of Former Daw End Special School

Portfolio: Councillor A Andrew – Deputy Leader and Economy Infrastructure and Development

Service: Asset Management

Wards: Rushall-Shelfield

Key decision: No

Forward plan: Yes

1. Summary

- 1.1 Daw End Special School has been closed, declared surplus to the Council's requirements and the buildings demolished.
- 1.2 Under section 77 of the Schools Standards and Framework Act 1998 (the 1998 Act), the Secretary of State requires that a proportion of proceeds from the sale of certain school sites are reinvested for education capital purposes.
- 1.3 On 11 December 2013, Cabinet approved the allocation of funds from the anticipated capital receipts identified from the sale of the Daw End Special School and four other school sites to be expended on the works identified for the re-modelling of the Rushall Primary School and associated additional accommodation which will be required in the context of the review of the wider Education Development Centre site.
- 1.4 Following an open marketing campaign and informal tender, terms have been agreed in principle with a purchaser for the sale of the site at a price which Asset Management officers are satisfied represents best consideration in accordance with section 123 of the Local Government Act 1972.

2. Recommendations

Subject to consideration of the confidential information in the Private session of the agenda, the Cabinet will be recommended to:

- 2.1 approve the disposal to a the proposed purchaser of the freehold interest in the land at the former Daw End Special School shown edged in black on plan number EPMS 3188/7 **Appendix A**, extending to 2.84 acres (or thereabouts);

provided:

- i) the sale price satisfies the requirement to achieve best consideration;
 - ii) the site investigations are satisfactory;
 - iii) the purchaser enters into a contract conditional on planning permission with the chosen Housing Association;
 - iv) the purchaser bears the Council's surveyor's fees and legal costs; and
 - v) the transaction does not reach legal completion until the purchaser has obtained detailed planning permission from the Local Planning Authority for the proposed development.
- 2.2 delegate authority to the Executive Director for Economy and Environment in consultation with the Cabinet Portfolio Holder for Economy Regeneration and Development to approve the final terms for the disposal of the freehold interest in the site.
- 2.3 note that under section 77 of the 1998 Act a proportion of the proceeds of the sale is required to be reinvested and that Cabinet previously resolved that these funds should be allocated to the named project for Rushall Primary School.
- 2.4 further note that the first call on receipts not covered by Section 77 will be to complete work on the Education Development Centre as agreed by Cabinet in December 2013.

3. Report detail

- 3.1 Daw End Special School (the site) was closed and was re-established as Elmwood School within the adjacent former Manor Farm Comprehensive School.
- 3.2 The school buildings have been demolished. The site, extending to 2.84 acres (or thereabouts) is shown edged in black on plan number EPMS 3188.
- 3.3 The Council has no alternative use for the site and, as such, the site has been declared surplus to the Council's requirements.
- 3.4 Under Schedule 1 of the Academies Act 2010 (the 2010 Act), consent is required from the Secretary of State for Education for the disposal of properties that have been used as a school in the last 8 years. Schedule 1 consent was granted in February 2013 for the disposal of the site.
- 3.5 In cases of the disposal of land previously used as playing fields, consent for the disposal is also required from the Secretary of State for Education under section 77 of the Schools Standards and Framework Act 1998 (as amended) (the 1998 Act). Section 77 of the 1998 Act applies to the disposal of the site and was granted in October 2015. The consent granted under Section 77 of the 1998 Act requires the reinvestment of the proceeds from the sale of the

playing field element of the site in an approved school capital investment project.

- 3.6 On 11 December 2013, Cabinet approved the allocation of funds from the anticipated capital receipts identified from the sale of the Daw End Special School and four other school sites to be expended on the works identified for the re-modelling of the Rushall Primary School and associated additional accommodation which will be required in the context of the review of the wider Education Development Centre site.
- 3.7 Following receipt of the required consents, the site was marketed during November and December, utilising for sale boards, local and regional advertising, direct mailing and exposure on the Council website. The marketing culminated in an informal tender with a deadline for bids of 18th December 2015.
- 3.8 Bids were received from eight parties and Cabinet is recommended to accept the highest offer.
- 3.9 Under section 123 Local Government Act 1972, a Local Authority can dispose of assets in any way it chooses, as long as it is able to demonstrate that the disposal represents best consideration. Following the exposure of the site to the open market, Asset Management officers are satisfied that the offer submitted by the proposed purchaser represents best consideration in accordance with section 123 Local Government Act 1972.
- 3.10 Cabinet is being asked to approve the proposed sale and to delegate authority for the approval of the final terms to the Executive Director for Economy and Environment in consultation with the Portfolio Holder for Economy Infrastructure and Development.

4. Council priorities

- 4.1 Creating safe, sustainable and inclusive communities – the sale of the former school site will bring the site back into beneficial use and bring forward the development of the site.

5. Risk management

- 5.1 Planning permission for the proposed development on the site will need to be obtained from the Local Planning Authority prior to the transaction reaching completion.
- 5.2 The offer is conditional on site investigations. There is a risk that the results of the site investigations will lead to a reduction in the purchase price; however, Asset Management officers are satisfied that the recommended offer presents no additional risk of deductions of abnormal costs arising from ground conditions than the other offers received.

6. Financial implications

- 6.1 The capital receipt will be received following the grant of detailed planning permission by the Local Planning Authority.
- 6.2 The sale will be in accordance with the best consideration principles of section 123 Local Government Act 1972.
- 6.3 As required by Section 77 of the 1998 Act, a proportion of the value of the Daw End School site will be reinvested in the named Rushall Primary School project. The first call on receipts not covered by Section 77 will be to complete work on the Education Development Centre as agreed by cabinet in December 2013. Any balance of the receipt will go to support the capital programme.
- 6.4 The proposed sale will facilitate the redevelopment of the land, bringing the site back into beneficial use.

7. Legal implications

- 7.1 Legal Services will prepare the required legal documentation for the sale.
- 7.2 Secretary of State for Education consent under section 77 of the 1998 Act has been granted for the disposal of the site.
- 7.3 The future redevelopment of the site will be required to be in accordance with the development plans for the borough (The Black Country Core Strategy and Walsall's Unitary Development Plan).
- 7.4 Following the exposure of the site to the open market, Asset Management officers are satisfied that a sale at the price agreed does represent best consideration.

8. Property implications

- 8.1 The sale of the site will enable the regeneration of a derelict site which will deter antisocial behaviour and will release the Council from maintenance obligations.
- 8.2 The proposed redevelopment of the site will meet identified housing needs for affordable housing in the borough.

9. Staffing implications

- 9.1 The sale will be carried out by Surveyors within Asset Management. Legal Services will deal with the appropriate legal documentation.

10. Equality implications

- 10.1 The policies of the borough's development plans support future developments in ways that will encourage beneficial impacts. The development of the site for affordable housing will provide much needed residential accommodation within the borough.

11. Consultation

- 11.1 Consultation has been undertaken with ward councillors, legal services, finance, HRD, planning and building control, housing, strategic regeneration and development and delivery.
- 11.2 Legal Services have provided information on the Council's freehold title.

Background papers

Plan No EPMS 3188/7

Author

Nick Ford

Development Surveyor

☎ 652659

✉ fordn@walsall.gov.uk



Simon Neilson
Executive Director
Economy and Environment

29 February 2016



Councillor A Andrew
Portfolio Holder – Economy
Regeneration and Development

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