

Cabinet – 24 April 2013

Schools Capital Investment Programme

Portfolio: Councillor Adrian Andrew, Deputy Leader, Regeneration
Councillor Rachel Andrew, Children's Services

Service: Property Services

Wards: Willenhall South and Rushall

Key decision: Yes

Forward plan: Yes

1. Summary

- 1.1 Little London Junior School, Lakeside Junior School and Clothier Street Junior School were closed in 2007 and the sites are surplus to the Council's requirements. In line with the principles of good estate management practice, these assets will be advertised for sale on the open market.
- 1.2 Consent is required from the Secretary of State for Education for the disposal of Little London School under Schedule 1 to the Academies Act 2010 (the 2010 Act), and for Lakeside School and Clothier Street under section 77 of the School Standards and Framework Act 1998 (as amended) (the 1998 Act).
- 1.3 In accordance with the Council's Financial and Contract Rules, a Cabinet resolution is required to dispose of the Council's freehold interests as it is envisaged that each asset may be sold for £500,000 or more.
- 1.4 Under section 77 of the 1998 Act, the Secretary of State requires that a proportion of proceeds are reinvested for education capital purposes, and in this instance it is recommended that the full proceeds are ring fenced to invest in the improvement of the Primary School Estate. One significant named project is the re-modelling of the Rushall Primary School which will be required in the context of the review of the wider EDC site.
- 1.5 Work is progressing with the Rushall Primary children, staff and governors on assessing future options for the school, the intention being to produce a detailed proposal and business case for the re-modelling of the school and the wider site by the end of the summer school term, at which point a report will be submitted to Cabinet.

2. Recommendations

2.1 That Cabinet is recommended to approve the disposal of the freehold interest in:

- i) the land shown edged in red on plan number EPMS 2807/2 **Appendix A** extending to 8,679 square metres (or thereabouts);
- ii) the land shown edged in red on plan number EPMS 2808/1 **Appendix B**, extending to 17,341 square metres (or thereabouts);
- iii) the land shown edged in red on plan number EPMS 2809/1 **Appendix C**, extending to 7,935 square metres (or thereabouts);

provided:

- i) Secretary of State consent is forthcoming under section 77 of the 1998 Act for Lakeside and Clothier Street, and under Schedule 1 of the 2010 Act for Little London;
- ii) the terms agreed include the price satisfying the best consideration principles of Section 123 Local Government Act 1972;
- iii) the purchaser bearing the Council's surveyor's fees and legal costs; and
- iv) the transaction not reaching legal completion until the purchaser has obtained detailed planning permission from the Local Planning Authority for the agreed proposed use .

2.2 That Cabinet is recommended to delegate authority to the Executive Director for Regeneration in consultation with the Cabinet Portfolio Holder for Regeneration to approve the terms for the disposal of the freehold interests in the sites.

2.3 That Cabinet is recommended to allocate the full proceeds of these sales to be invested in the Primary School Estate, with the investment of the proportion of the proceeds as required by section 77 of the 1998 Act in the named project for Rushall Primary School, the business case for which is currently being developed.

3. Report detail

3.1 Little London Junior School, Lakeside Junior School and Clothier Street Junior School were closed in July 2007 and were re-established as the combined Fibbersley School on a single site.

3.2 Little London School is located within a conservation area, and the main school building and clock tower are locally listed. Subject to receipt of Conservation Area consent, demolition of the remaining buildings on site is proposed prior to disposal due to the risk of anti-social behaviour. The site, extending to 8,679 square metres (or thereabouts), is shown edged in black on plan number EPMS 2807/2.

3.3 Lakeside School was demolished in October 2011. The site, extending to 17,341 square metres (or thereabouts) is shown edged in black on plan number EPMS 2808/1.

- 3.4 Clothier Street School was demolished in February 2008. The site, extending to 7,935 square metres (or thereabouts) is shown edged in black on plan number EPMS 2809/1.
- 3.5 The Council has no alternative use for any of the buildings or their sites and, as such, the sites have been declared surplus to the Council's requirements.
- 3.6 Under Schedule 1 of 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 has already been granted for the disposal of Lakeside and Clothier Street Schools. An application for Schedule 1 consent has been submitted for Little London School, and a determination is expected shortly.
- 3.7 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 Lakeside School and Clothier Street School. The 1998 Act does not apply to Little London School, as it is covered by a General Consent awarded in July 2011 due to the absence of defined playing fields within the school. The procedure for making an application for consent under section 77 requires the Council to undertake public consultation for a period of 10 weeks before the submission of the application. The consultation exercises for Lakeside School and Clothier Street School were completed in October 2012. Applications to the Secretary of State are expected to be determined within a period of 16 weeks from receipt of the application.
- 3.8 Section 77 requires the Council to re-invest the proceeds from the sale of the playing fields element of school sites in sports facilities, where these are needed by the school, or specific capital projects to improve, or enhance, facilities at or for schools in the Borough. Applications should provide an assurance that proceeds will be ring fenced for specific purposes.
- 3.9 The application process requires the submission of significant financial details about the proposed works to be funded through the re-investment of the sale proceeds. The proposed works will need to be specified and costed in order to satisfy the Secretary of State's strict criteria for determination of section 77 applications. The application also requires confirmation of how the proposed use of the proceeds will improve the physical activity and / or education standards achieved by pupils.
- 3.10 Section 77 of the 1998 Act would require that 50% of the total receipt from the sale of Lakeside School and 69% of the total receipt from the sale of Clothier Street School should be reinvested in a schools' capital project.
- 3.11 Cabinet should be aware that officers are working with the Rushall Primary children, staff and governors to assess future options for the school. The intention is to produce a detailed proposal and business case for the re-modelling of the school and the wider site by the end of the summer term, at which point a report will be submitted to Cabinet.

- 3.12 It is proposed, however, that the proportion of receipts from the sale of Lakeside School and Clothier Street School specified by the consent under section 77 of the 1998 Act be formally allocated to be invested in the scheme to develop and improve facilities at Rushall Primary School as part of the planned remodelling of the overall site and addressing issues for the continued operation of this outstanding school.
- 3.13 It is envisaged that, due to their respective locations, the three sites will be promoted for residential development. It is estimated that the total realisation from the sale of the three sites will be in the order of £3,000,000. Any balance between the required section 77 investment in a named scheme and the overall capital receipt will be considered against the overall priorities for the Primary School Estate and will be the subject of a future Cabinet report.
- 3.14 Cabinet is advised, however, that the requirement to obtain the various consents referred to in this report means that sales are unlikely to be completed until the 2014/15 financial year.
- 3.15 It is intended to proceed with a sale of each asset by informal tender to the highest bidder, subject to that bid satisfying the best consideration principles of Section 123 Local Government Act 1972 and subject to planning permission being obtained from the Local Planning Authority and consent under Schedule 1 of the 2010 Act and section 77 of the 1998 Act being forthcoming.
- 3.16 Cabinet is being asked to delegate authority for the approval of terms in order to minimise the period between the closing date for bids and the date that the successful bidder is notified that their bid is successful.

4. Council priorities

- 4.1 Allocating financial resources to the Primary School Estate aligns fully with the Council Priority of *Making our schools great*, which was a key message from respondents to the Budget Consultation process, whilst targeting capital receipts at the "Outstanding" Rushall Primary provides a clear statement that the Council will continue to invest in success to maintain high educational standards.
- 4.2 The Asset Management Plan requires the Council to make the most effective and efficient use of its land and property resources. The sites are surplus to requirements and so in accordance with the Asset Management Plan, will be offered for sale by informal tender.
- 4.3 In accordance with the principles of the Strategic Property Review, the proposals for the improvements to Rushall Primary will be developed in the context of a review of the wider Pelsall EDC site. This review will, therefore, also need to consider the future of the EDC and the various other existing site users.

5. Risk management

- 5.1 Planning permission for the proposed development on each site will be required to be obtained from the Local Planning Authority prior to the transaction reaching completion.
- 5.2 Schedule 1 consent will be required for the disposal of Little London School and Secretary of State for Education consent under section 77 of the 1998 Act will be required for the disposal of Lakeside School and Clothier Street School.
- 5.3 The Education Funding Agency has confirmed to officers that following the grant of consent under Schedule 1 of the 2010 Act for the disposal of a school, the Council is under no obligation to treat with a Free School if an enquiry from a Free School organisation is received

6. Financial implications

- 6.1 The capital receipts will be received in each case following the grant of detailed planning permission by the Local Planning Authority.
- 6.2 Each sale will be in accordance with the best consideration principles of Section 123 Local Government Act 1972 in that the land will be sold at Market Value following a period when it has been advertised for sale on the open market.
- 6.3 It is estimated that the total realisation from the sale of the three sites will be in the order of £3,000,000.
- 6.4 It is recommended that the full proceeds of these sales be invested in the Primary School Estate, with the investment of the proportion of the proceeds as required by section 77 of the 1998 Act in the named project for Rushall Primary School.

7. Legal implications

- 7.1 Legal Services will prepare the required legal documentation for the sales.
- 7.2 Schedule 1 consent will be required for the disposal of Little London School and Secretary of State for Education consent under section 77 of the 1998 Act will be required for the disposal of Lakeside School and Clothier Street School.
- 7.3 The future redevelopment of the sites 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). It is possible to anticipate that the sites will be suitable in principle for residential development but this view is without prejudice to any future planning permissions.

8. Property implications

- 8.1 The sale of the sites will enable the regeneration of three derelict sites which will deter antisocial behaviour and will release the Council from maintenance obligations.
- 8.2 The principles of good estate management practice dictate that such surplus assets are disposed of. Following receipt of the consent under Schedule 1 of the 2010 Act and section 77 of the 1998 Act from the Secretary of State for Education, the Council's freehold interests will be advertised for sale in the open market by informal tender with closing dates to be confirmed.

9. Staffing implications

Each sale will be carried out by Surveyors within Property Services. Legal Services will deal with the appropriate legal documentation.

10. Equality implications

The policies of the borough's development plans support future developments in ways that will encourage beneficial impacts. If the sites are developed for housing then the developments 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 in each site.

Background papers

Plan No EPMS 2807/2
Plan No EPMS 2808/1
Plan No EPMS 2809/1

Author

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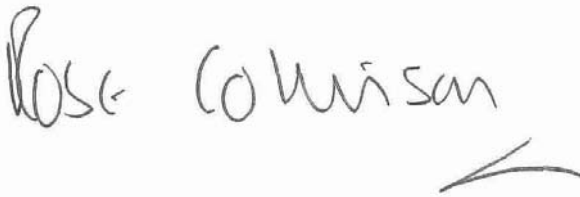
Tim Johnson
Executive Director
Regeneration

16 April 2013



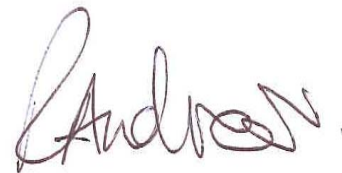
Councillor Adrian Andrew
Deputy Leader
Portfolio holder – Regeneration

16 April 2013



Rose Collinson
Interim Director of Children's Services

16 April 2013



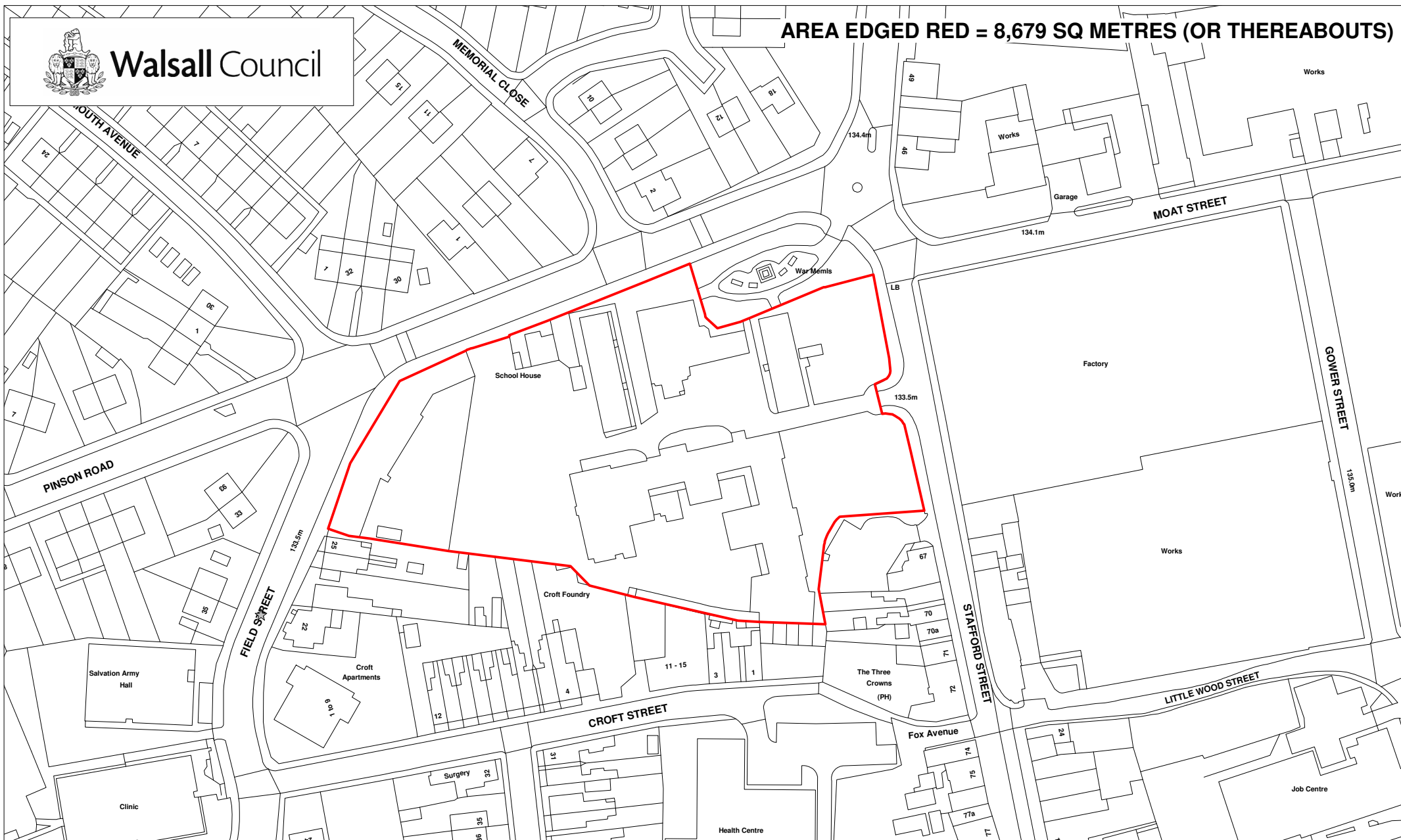
Councillor Rachel Andrew
Portfolio holder – Children's Services

16 April 2013



Walsall Council

AREA EDGED RED = 8,679 SQ METRES (OR THEREABOUTS)



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SITE ADDRESS:
 STAFFORD STREET
 WILLENHALL

DRAWING NO: EPMS 2807/2
 DATE : 07/02/2012
 DRAWN BY : SSP



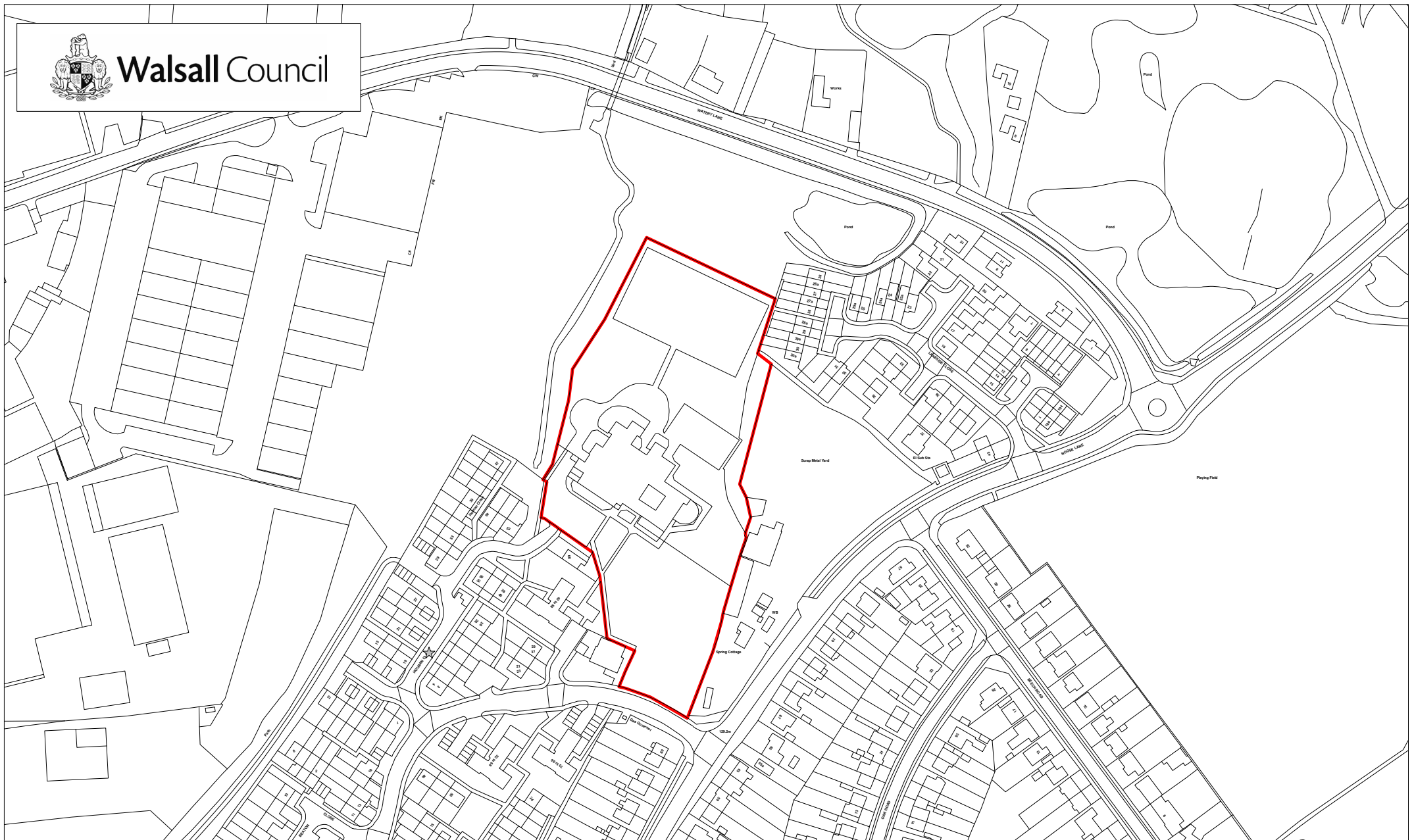
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Walsall Council



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SITE ADDRESS:
LAKESIDE SCHOOL
HOLMAN CLOSE, WILLENHALL

DRAWING NO: EPMS 2808/1
DATE : 19/07/2012
DRAWN BY : KCL



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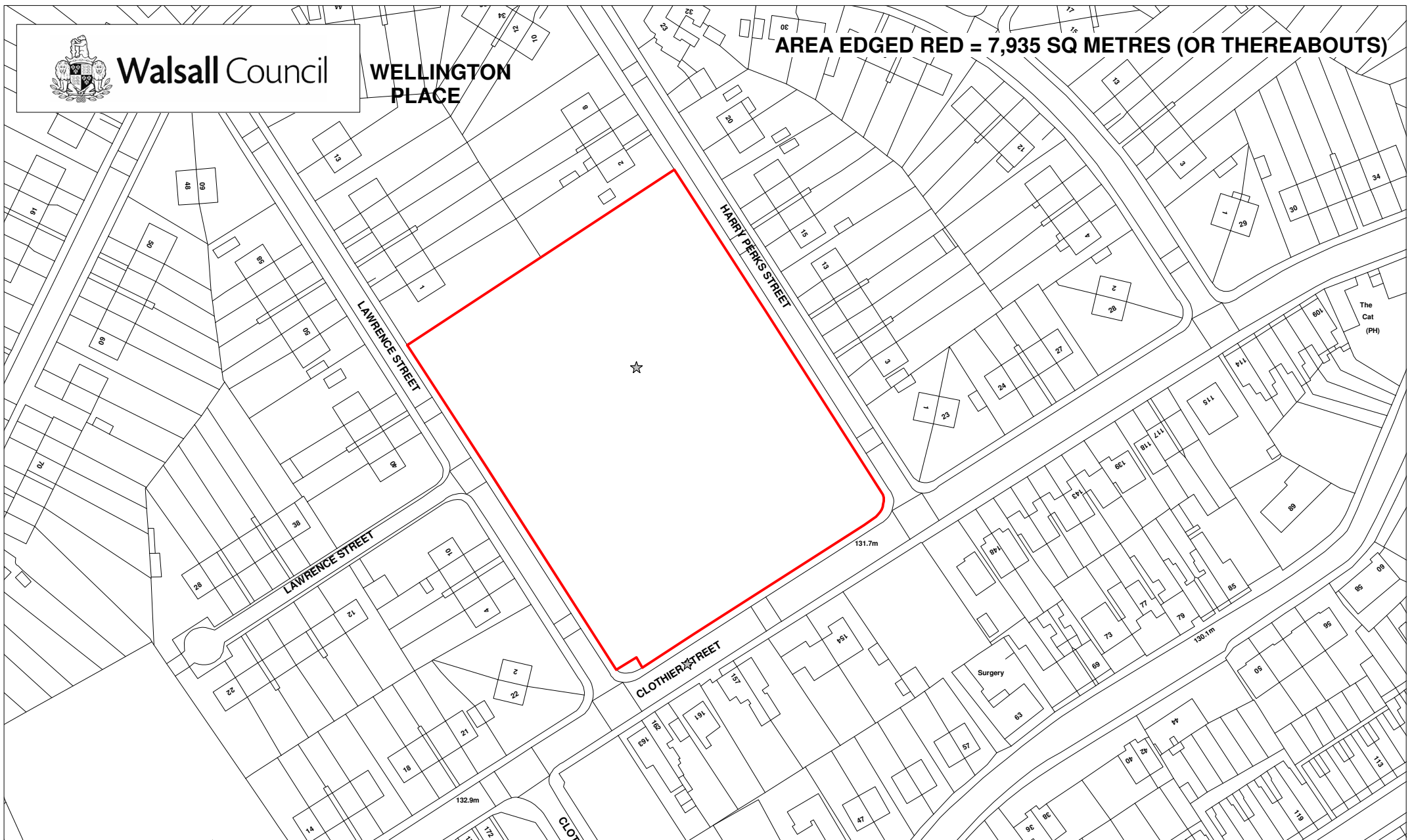
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Walsall Council

WELLINGTON PLACE

AREA EDGED RED = 7,935 SQ METRES (OR THEREABOUTS)



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SITE ADDRESS:
 CLOTHIER SCHOOL
 CLOTHIER STREET, WILLENHALL

DRAWING NO: EPMS 2809/1
DATE : 17/07/2012
DRAWN BY : SSP



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