



Report of: Executive Member for Children and Families

Meeting of	Date	Ward(s)
Executive	19 January 2016	Bunhill

Delete as appropriate	Exempt	Non-Exempt
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NOT FOR PUBLICATION

The appendices 1A and 1B are not for publication as they contain the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)."

SUBJECT: Provision of Additional Primary School Places and Social Housing at the Former Richard Cloudesley School Site, Golden Lane, London, EC1 and adjoining City of London site

1 Synopsis

- 1.1 This report provides an up-date on the proposed partnership development with the City of London Corporation (CoLC) to provide additional primary school places to meet the respective local authorities' statutory duties and to build social rented homes as part of the development.
- 1.2 The council owns the site of the former Richard Cloudesley School (RCS) and CoLC owns the adjacent garages and adult education centre (AEC) that forms part of the Golden Lane Estate.
- 1.3 Due to the Dowrey Street re-build of the Primary Pupil Referral Unit (PRU) and The Bridge Integrated Learning Space; the Primary PRU has been temporarily located to the Richard Cloudesley site. The PRU is expected to move out of the school in May 2017.

- 1.4 The CoLC project takes into account the anticipated time-lines required in respect of the Dowrey Street project and the re-location of the City of London Adult Education Centre

2 Recommendations

- 2.1 To approve the proposed development following the conditions imposed by the Education Funding Agency (EFA) of the RCS site and AEC site (as shown on the Site Location Plan (Appendix 2) by CoLC to provide a mixed development of an estimated 70 but not less than 40 new social housing units, a 2FE primary school with places for 420 pupils, a 30 place nursery class and 8 two year old places.
- 2.2 To note that the new school will operate in temporary accommodation at the recently completed Moreland Primary School and Children's Centre from 1st September 2017 to 31st July 2019.
- 2.3 To approve the target to develop the maximum possible social housing units subject to planning with a mix of 1, 2 and 3 beds with 50% nominations rights for Islington will nominate to a maximum of 30% of the one bedroom properties with the balance being made up of two and three bedroom properties as stipulated in the Heads of Terms (See Appendix 1) [Exempt].
- 2.4 To delegate to the Corporate Director of Finance and Resources, in consultation with the Executive Members for Children and Families and Finance and Resources, the Corporate Directors' of Children's Services and Housing and Adult Social Services and the Interim Director of Law and Governance, authority to conclude the negotiation and final terms of disposal and development of the RCS site in accordance with the principles set out in the updated Heads of Terms and School Heads of Terms set out in Appendix 1 (Exempt).
- 2.5 To affirm the Executive decision of 27 November 2014 to authorise the Corporate Director of Finance and Resources to dispose of the freehold of the RCS site to CoLC on the terms agreed and to instruct the Interim Director of Law and Governance to enter into all necessary legal documents to give effect thereto.
- 2.6 To authorise the Interim Director of Law and Governance to apply to the Secretary of State for consent to dispose of the RCS site (and in relation to the Temporary Accommodation) under Para.4 of Schedule 1 of the Academies Act 2010 and any consent necessary under S123 of the Local Government Act 1972.

3 Background

- 3.1 The amalgamation of the RCS and AEC sites is critical to allow for a new and enhanced educational facility together with maximising the amount of new social housing.
- 3.2 The proposed partnership with the CoLC has enabled the council to consider a wider scale development incorporating the AEC site.
- 3.2 The CoLC is keen to extend support for educational provision and standards and is proposing to provide the additional school and nursery places required subject to agreement with the Secretary of State.

- 3.3 CoLC, as the proposed sponsor, made an application to the EFA for the capital funding required for the development of the new primary and nursery education provision.
- 3.5 In November 2013, the Executive agreed the principle of a joint development of the RCS site and AEC with CoLC to provide additional nursery and 1 FE primary school places and social housing.
- 3.6 Since this announcement, through the Joint Project Board (established in November 2013) comprising officers from both authorities and following detailed negotiations, updated Heads of Terms for the development and School Heads of Terms for the lease to the academy body (both set out in Appendix 1) have been produced to reflect the outcome of those negotiations and to include the requirements imposed by the EFA as a condition of providing funding to meet the cost of construction of the 2 FE primary school and nursery..
- 3.7 In March 2015 the EFA approved CoLC's application on condition that the size of the school is increased to 2 forms of entry. Subsequently, in June 2016 the EFA confirmed that the Regional Schools Commissioner, has approved the City's multi academy trust's application which will provide 8 FTE places for disadvantaged two year olds and 30 FTE places for three and four year olds from September 2019 – i.e. when the school's permanent site is anticipated to be ready for occupation.
- 3.8 The development process will be managed by CoLC. The social housing element will be funded entirely by CoLC from available S106 and CIL funds The EFA has confirmed funding for the new primary school places element of the development and funding for temporary accommodation.
- 3.9 The social housing will be owned and managed by CoLC and the units will be let on new secure tenancies at social rent. The Council has negotiated nomination rights to 50% of the units. The entire development will be social housing for rent, whereas residential developments are more usually a mix of private, shared ownership and social rent, with the council nominating to social rent units from the housing register. Planning policy would require a residential developer to provide 50% affordable housing of which 70% would be for social rent. Through this agreement with the CoLC, the council will secure a greater number of homes for social rent. The CoLC has also agreed that a minimum of 70% of the council's nomination rights will be to family sized accommodation.
- 3.10 The Council has worked with the COLC to advise its design team to engage in pre – planning application discussions with the local planning authority and to prepare an initial design for the development of the site that would be acceptable in planning terms
- 3.11 On 18 November 2016, the COLC's Community and Children's Services Committee approved a detailed options appraisal for the redevelopment of the RCS and the CoL Community Education Centre sites for a 2FE primary school, 30 place nursery together with a separate 14 storey residence block comprising of 72 units. The approval allows the progression of the design to planning application stage, where a joint application will be made to the Council and the City of London, as the site(s) straddles the borough boundary. The Council will act as lead planning authority as the majority of the site sits within Islington.

The height of the proposed 14 storey residential block is contrary to the Planning Policy BC9 (Tall Buildings and contextual considerations for building heights) of the Bunhill and Clerkenwell Area Action Plan. The planning will be referred to the GLA for determination as the proposed residential block is over 30 metres in height.

4 Implications

Financial Implications

- 4.1 The EFA have agreed to meet the capital cost of providing the additional primary places and nursery provision under these proposals.
- 4.2 The overall project including the provision of social housing units is expected to be fully funded by the EFA and CoLC. Under these proposals, the council would benefit from the new homes. Admission to the school places would be in accordance with the School Admissions Code.
- 4.3 The council will need to ensure that it achieves best consideration for the site under this proposal and the scheme offers the council value for money. This will be determined with reference to the value of the site, the cost of providing additional school places with nursery provision by the CoLC, the value of social housing units and any future impact on the council's Basic Need allocations from the EFA for the provision of new school places.
- 4.4 On school revenue funding, CoLC would have a funding agreement with the Secretary of State and funding for the school places would be through the Islington Schools Forum and in accordance with the council's funding formula in line with other Islington schools. Clarification of the revenue funding for the temporary site is to be agreed with the EFA.
- 4.5 The council would have a separate agreement with the new school for the provision of nursery places and for the provision for two year olds. This will be funded in line with the formula for Early Years provision as used in other Islington schools from the Dedicated Schools Grant.
- 4.6 The rules on stamp duty land tax liabilities have changed since advice was last sought in relation to this scheme. Updated advice is being sought from the Council's tax advisors.

Legal Implications

- 4.7 The council owns the freehold of the RCS site which it holds for education purposes. The school site is registered apart from that part of the site that formed the former highways known as Basterfield Street, Hatfield Street and part of Little Baltic Street. These streets were stopped up as part of a Highways Stopping Up Order in 1969. The council is not aware of any restrictions on title that would inhibit the development of the site.
- 4.8 The disposal of the freehold of RCS site to CoLC to provide the envisaged mixed housing and education development will require the consent of the Secretary of State for Education under Schedule 1 to the Academies Act 2010. The Council must generally dispose of its land for the best consideration that can reasonably be obtained (s123 Local Government Act 1972). It may only dispose of the freehold in the RCS site at less than best consideration with the consent of the Secretary of State.
- 4.9 The Secretary of State in 2003 issued a general consent specifying the circumstances in which the Council may dispose of land at less than the best consideration that can reasonably be obtained. The function of the general consent is partly to assist or enable authorities to meet the objectives which they may consider are necessary or desirable, in the interests of the local electorate and

Council tax payer.

- 4.10 The general consent permits a local authority to dispose of land freehold or by way of a lease exceeding 7 years at less than best consideration if the authority considers the disposal will help it secure the promotion or improvement of the economic, social or environmental wellbeing of its area provided that any undervalue does not exceed £2,000,000
- 4.11 If the terms finally agreed for the disposal of the RCS site mean that the disposal is not covered by the general consent, then application would need to be made to the Secretary of State for specific disposal consent to dispose of the RCS site to the CoLC at less than best consideration.
- 4.12 Although the Council may have the necessary power (Section 123 or a general or specific ministerial consent) to dispose of the RCS site at less than best consideration, any decision to do so must be taken
- (i) reasonably
 - (ii) in the light of the market value of the land\building and the amount of the proposed undervalue
 - (iii) with due regard to the Council's fiduciary duty.
- 4.13 Accordingly in deciding whether or not to dispose of the RCS site to CoLC at less than best consideration the Council must consider properly the benefits of doing so as set out in this report and weigh up and balance those benefits against the foregoing of a capital receipt. The Executive should also have regard to the fact that the Secretary of State is very unlikely to give consent to a disposal solely for residential development at the present time and the risk that if the development with the CoLC is not agreed that the Secretary of State could acquire the site from the Council for nil consideration for the purposes of an academy / free school pursuant to his powers in the Academies Act 2010 when the PRU relocates to its new school building at Dowrey Street.

Environmental Implications

- 4.14 There are no environmental implications arising from the recommendations in this report. Any subsequent capital development would need to be in accordance with the council's relevant environmental policies.

Resident Impact Assessment

- 4.15 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.
- 4.16 A Resident Impact Assessment has been carried out and indicates no potential differential impact through the implementation of this proposal. New social housing and admission to school places would be in accordance with relevant council policies. There will be a series of public consultation meetings to be held throughout the development period.

5 Conclusion and reasons for recommendations

- 5.1 This proposal provides a unique opportunity for the council to address two of its key priorities namely: additional social housing units and the provision of good quality school places to meet basic need. The partnership with the CoLC provides a bigger site for a larger mixed use development and the necessary finance to deliver the project for the benefit of local residents.

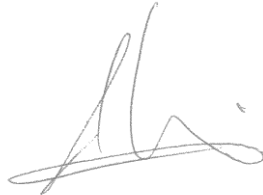
Appendices:

Appendix 1(Exempt)
Heads of Terms and School Heads of Terms

Appendix 2 (Exempt)
Richard Cloudesley School –Site Location Plan (produced by CoLC Surveyor)

Final report clearance:

Signed by:



19 December 2016

Executive Member for Children and Families

Date

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