

HERTFORDSHIRE COUNTY COUNCIL

**CABINET
MONDAY 17 SEPTEMBER 2001 AT 10.00 AM**

**EXECUTIVE COMMITTEE
MONDAY 17 SEPTEMBER AT 2.15 PM**

Agenda Item

No.

3

PROPERTY DISPOSAL - STEVENAGE, ROUND DIAMOND PRIMARY SCHOOL

Report of the Corporate Director (People and Property)

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Executive Members: David Beatty, Robert Gordon

Local Members: Reg Smith, Ian Simpson

1. Purpose of Report

To seek agreement to

- A part self-financing replacement asset scheme for the approved relocation of Round Diamond School, Stevenage to the new development at Great Ashby.
- The sale of the existing school site.

2. Summary

- 2.1 The former Education Committee, at their meeting on 12 April 2000, approved the relocation of Round Diamond Primary school from its current location in Mildmay Road in the Pin Green district of Stevenage to a new site at Great Ashby in the north west of the town. This was as part of an overall package of measures relating to the provision of Primary school places in Stevenage.
- 2.2 Following the publishing of statutory notices the School Organisation Committee confirmed the proposals.
- 2.3 To achieve the relocation total expenditure of c £4.0m is required. This is a pre-tender cost estimate. Capital funding of c £2.5m is estimated to be available from a sale of the existing school site for which Stevenage Borough Council has resolved to grant outline planning permission for 3.52 acres of housing development.

- 2.4 The capital and revenue position advised in the report to the former Education Committee indicated that the overall package of measures implementing the review of primary education in Stevenage showed a balance of income from disposal of surplus land in excess of the estimated capital spend. However, the balance would not be achieved until the disposal of surplus lands at Featherstone Wood and Roebuck Schools is completed, which will not happen until 2005/6 at the earliest.
- 2.5 The additional funding beyond the residential land receipt for the Round Diamond replacement, of £ 1.5m, would need to be met as a first call on the 2002/2003 Children's Schools and Families capital programme.
- 2.6 For the cash flow impact of the whole of the £4.0m expenditure not to fall on the Children's Schools and Families capital programme, it is necessary to achieve contemporaneous contracts for construction of new school building and for sale of the old school site. This is a more complex and longer funding mechanism, but it has benefits in terms of reducing the funding risk and improving cash flow.

3. Conclusions

- 3.1 Cabinet and Executive Committee are asked to consider the self-financing aspects for the proposed school relocation. The scheme requires approval for the sale of the existing site of Round Diamond Primary school.
- 3.2 To assist with management of the scheme, approval to the details of the budgets for capital expenditure, to the timing of the investment in the new accommodation and land sale decisions could be delegated to the Corporate Director (People & Property).

Background

4. The Education Scheme

- 4.1 A shortage of primary school places is projected in the northern part of Stevenage as a consequence of the development of the Great Ashby residential estate.
- 4.2 To implement the proposals set out in the statutory notice and confirmed by the School Organisation Committee, Round Diamond Primary school, which currently has surplus places, will be moved from its current site in Mildmay Road in the Pin Green neighbourhood of Stevenage to a site within the Great Ashby development in the extreme northern part of the town. It will there expand its capacity from 1.5 forms of entry to 2 forms of entry. The move is planned for January 2003 subject to the completion of a satisfactory arrangement for contemporaneous contracts for the sale of the current site and construction of the new building at the new site.
- 4.3 To achieve this the following actions are planned:-
- Transfer to the County Council of the new site as an obligation under the terms of an existing planning agreement
 - Gain planning permission for the new school as a 2 FE primary school with nursery and special needs unit
 - Construction and equipping of the new school on its new site with a total cost estimate of £4.0m
 - Obtain planning permission for residential development on the existing site
 - Sell the existing school site at an estimated price of £2.5m
 - Reduce financial risk and improve cash flow by making contemporaneous contracts for the procurement of the new building and sale of the existing site.
- 4.4 The resolutions of the former Education Committee on 12 April 2000 are set out in the Appendix to this Report.
- 4.5 The new school site is allocated for a primary school in the Local Plan and a planning application for the new school has been submitted.
- 4.6 The required formalities are in hand to have the new site transferred to the County Council in accordance with the legal agreement.
- 4.7 An outline planning application for residential redevelopment and associated open space has been submitted in respect of the existing school site and Stevenage Borough Council resolved on 28 August to grant planning permission subject to the County Council entering into a legal agreement in relation to planning obligations which are fairly and reasonably related in scale and kind to the proposed development.

5. Self Financing Aspects

- 5.1 The criteria for self financing schemes are that they may be funded from disposal receipts and within the asset replacement capital control regime if: -
- The proposed scheme is estimated to be robustly self financing
 - Change cannot be achieved within the budget guideline
 - There is a real impediment to beneficial release of resources
 - The cashflow effect can be accommodated within the capital controls limits as they affect the whole of the Council, and
 - Disposal receipts revert to the 'Pool' if external funding is achieved later
- 5.2 This scheme would meet these criteria. The most likely market demand for the existing school is for redevelopment for new housing. That is a relatively stable demand and has provided the County Council with a robust basis for self-financing schemes.
- 5.3 Pre funding capital will be avoided if planning permissions for the new school buildings and for housing development on the existing site are obtained in order for the County Council to enter into contemporaneous unconditional contracts for the procurement of the new building and sale of the existing site.

6. Financial Implications

- 6.1 The capital and revenue position was advised in the report to the former Education Committee on 12 April 2000.
- 6.2 The Cabinet is invited to ask the Executive Committee to agree the principle of a self-financing scheme, together with appropriate management arrangements for the commitment of funds and the programme of disposal.
- 6.3 There is shortfall in capital funding between the pre tender budget estimate for the new school and estimated capital receipt of £1.5m, which will be funded out of the Children, Schools and Families 2002/2003 County funded capital programme.
- 6.4 By entering into contracts simultaneously for the construction of the new school and disposal of the existing site the need for pre-funding is avoided and risk reduced as the contract figures for both activities are known.

**Appendix to Report on Disposal of Round Diamond School
Resolutions of the former Education Committee on 12th April 2000**

- (1) That the Director of Education be authorised to publish statutory proposals to:
 - (i) transfer Round Diamond School, Nursery and Special Needs Unit to the site located in Great Ashby development and expand it to 2 FE in September 2002;
 - (ii) reduce the standard number of Broom Barns School to 30 in September 2002;
 - (iii) amalgamate Roebuck Infants and Roebuck Junior Schools in April 2001 and reduce the standard number of the amalgamated schools to 30;
 - (iv) reduce the standard number of Featherstone Wood School to 30 in September 2001.

- (2) That the Director of Education be authorised:
 - (i) if the proposals in resolution (1) above are not the subject of objections and do not otherwise require the approval of the School Organisation Committee, to give final approval to the proposals;
 - (ii) if the proposals are the subject of objection(s) or otherwise require the approval of the School Organisation Committee, to transmit the proposals, with his comments, to the School Organisation Committee for determination.

- (3) That the Director of Education be authorised to proceed with the implementation of the following proposals, for which statutory proposals are not required:
 - (i) temporarily expand The Leys School by 1 FE from 2000/2001, or when necessary;
 - (ii) increase the intake to Graveley School to 15 from September 2001;
 - (iii) reduce the intake to Letchmore Road School to 60 in September 2001;
 - (iv) reduce the intake to Almond Hill School to 60 in September 2004;
 - (v) set the nursery admissions limit for Broom Barns School at 30 for September 2001.

- (4) That free return transport to the new site be provided for children on the roll of Round Diamond JMI School (including those allocated places in the nursery class) at the point of transfer, and the current (but not future) siblings.

- (5)
 - (i) That free return transport be provided for the parents of children born prior to the date of site transfer and who will occupy a future place in the designated nursery class; and
 - (ii) that free return transport be provided, for the first half-term following the site transfer, for parents of all other children on the roll of Round Diamond School at the point of transfer.
- (6) That, subject to formal approval being obtained to the proposals published in the light of the resolution (1) above:
 - (i) the Director of Education should declare the current site of Round Diamond School as surplus to requirements;
 - (ii) the Director of Education should declare land not required for 1 FE schools at Featherstone Wood School and the Roebuck School as surplus to requirements, following review at the appropriate time; and
 - (iii) Policy Committee be asked to apply such proceeds of the land sales in resolution 6 (i) and (ii) as are necessary to implement the programme of capital works required.
- (7) That, in the interim, the Director of Education explores the potential for alternative use of spare accommodation at Featherstone Wood School.