

HERTFORDSHIRE COUNTY COUNCIL

CABINET

MONDAY 16 DECEMBER 2002 AT 2.00 PM

Agenda Item No.

3

PROPERTY DISPOSAL – BRAUGHING, JENYNS SCHOOL

Report of the Corporate Director (People and Property)

Author:- Margaret Peck (01992 588137)

Executive Member:- David Beatty

Local Member:- Jane Pitman

1. Purpose of report

To seek agreement to:

- A part self - financing replacement asset scheme for the replacement of Jenyns First School buildings, Braughing by a new development at the eastern end of the school playing fields.
- The sale of the existing school buildings and immediate land for residential purposes.

2. Summary

- 2.1 The existing Victorian age school buildings are inadequate and unsuitable for their purpose.
- 2.2 There is a resolution to grant planning permission for a replacement school at the eastern end of the school site.
- 2.3 Detailed planning consent has been granted for the conversion and extension of the existing school buildings to provide four residential units.
- 2.4 The existing school buildings will be taken out of use and can be sold. The sale proceeds could be used to part fund the replacement school.

3. Conclusion

- 3.1 Cabinet is asked to consider the part self- financing aspects for the school relocation. The scheme requires approval for the sale of the existing site of Jenyns First 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 (Freehold and leasehold) decisions could be delegated to the Corporate Director (People and Property) in consultation with the Executive Members for Resources and Children Schools and Families.

4.0 Background

The existing Jenyns First school buildings and immediate land, which form the proposed disposal site, are shown edged black on the attached drawing no. EM 10294. The site has an area of 0.259 Ha (0.641 ac) It lies partly within a Conservation Area but the buildings are not listed.

A new access will be created from Uplands to serve three of the units. The fourth will be accessed from The Street all as shown on attached drawing no. 9912/02 Rev H.

The proposed new school is shown on Drawing no. 123/OS/1.

The school will continue to occupy the old school buildings until the new school is ready for occupation.

Part of the sale site is technically school playing field according to the relevant regulations and the processes are in hand in order to obtain the Department for Education and Skills consent to the sale.

5.0 Planning Aspects

Planning permission for change of use and conversion of the existing school buildings with access from Uplands was won on appeal on 23rd August 2002.

The County Council has entered into a S.106 planning obligation, which states that the existing buildings will not be disposed of until the school has occupied its new premises.

There is a resolution to grant planning permission for the new school.

6.0 Self Financing Aspects

- 6.1 The criteria for self-financing schemes are that they may be funded from disposal receipts 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 cash flow 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.

6.2 Properly monitored, this partly self - financing scheme would meet these criteria.

7.0 Financial Implications

7.1 The Cabinet is invited to consider the principle of a part self-financing scheme, together with appropriate management arrangements for the commitment of funds and the programme of disposal.

7.2 The current (Gateway 3) estimate for the new school is £1,365,000.

7.3 The category B estimated capital receipt for the disposal site is £400,000 anticipated in the 1st Quarter 2004.

7.4 There will be a fixed sum contribution of £400,000 from the receipt.

7.5 The remaining expenditure is identified in the capital programme £965,000 (£1,365,000 - £400,000) as follows:-

Basic Need 1998/99	£38,000
Outside Toilets Grant 1998	£50,000
NDS3 Standards Fund Grant	£517,000
Minor Works	£140,000
Modernisation Funding	£220,000
	£965,000

7.6 The profile of expenditure on the project is :

Up to 31.03.02	£98,038
2002/2003	£21,912
2003/2004	£1,214,337
2004/2005	£30,713

7.8 Any excess over the estimated £400,000 capital receipt will contribute to the general capital receipts targets.

8.0 VAT Implications

The freehold disposal of the existing school buildings and immediate land at Jenyns School by Hertfordshire County Council will be an exempt supply. The VAT incurred by Hertfordshire County Council on expenditure attributable to disposing of the site will need to be included in the County Council’s S.33 Refund Calculation.

With regard to the construction of the new school, VAT incurred by the County Council on the construction will be recoverable to the extent that the school is used by the Council for its non-business activities i.e. providing education under a statutory obligation or for no charge. If there is any exempt use of the new school, then VAT attributable to this exempt use will need to be included in the County Council's S.33 Refund Calculation.