

HERTFORDSHIRE COUNTY COUNCIL

CABINET

MONDAY 10 MAY 2004 AT 2.00 PM

Agenda Item No.

7

THE HAVERS INFANT AND THE FIRS JUNIOR SCHOOLS, BISHOPS STORTFORD – PROPERTY ASPECTS

Joint Report of the Corporate Director, People and Property and Director of Children, Schools and Families

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Executive Members: David Beatty , Robert Gordon

Local Members: Duncan Peek

1. Purpose of report

To consider the future of the sites of The Havers Infant and The Firs Junior Schools and a related proposed replacement asset scheme.

2. Summary

The Schools Organisation Committee, on 1 April, approved the proposal to amalgamate these two schools on the Firs site. This report deals with property and funding aspects that would support a decision to proceed with schools amalgamation.

New development at The Firs Junior School site is at an advanced feasibility stage. An outline design, which has the approval of CSF and both schools, is available although further design work is in hand in order to finalise the scheme before appointing a building contractor.

A replacement asset scheme could be fully funded from the proceeds of sale of land at The Havers Infants School site. The balance of receipts falls to the capital receipt pool.

3. Conclusion

The Cabinet is invited to consider:

- The amalgamated schools occupying the site of The Firs School with expanded buildings
- The previously developed land area at The Havers School site being made available for disposal for housing development, and the playing fields area being retained against the potential needs of other schools in the area. It is anticipated that General Consent under the

School Standards and Framework Act 1998 to sell the previously developed land area at The Havers School site will be available

- A proposed self financing replacement asset scheme, together with appropriate management arrangements for the commitment of funds for the provision of additional buildings and facilities at The Firs Junior School site and for the programme of disposal of land at The Havers Infants School site
- That, to assist with management of the scheme, the approval to the details of the budgets for capital expenditure, the timing of the investment in the new accommodation and of land sale 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. Background

Following meetings between the Head teachers and Chairs of Governors at both schools, a joint letter from the Governing bodies to Children Schools and Families was received requesting preliminary discussion with officers with regard to the possible amalgamation of the two schools.

Their reasons for requesting amalgamation are threefold:

- Concern about falling roll and competition from local primary schools
- Financial implications of falling rolls
- To build on successful Ofsted inspections by taking positive steps to ensure future viability.

Both schools have a current admission limit of 60. The Havers also has a 60 place nursery. Based on forecast figures, the two schools have a combined long term average of 374 pupils (excluding nursery), peaking at almost 400 in 2006/7. Therefore, if amalgamated, the capacity of the new school should remain at 2FE.

The Firs site is large enough to accommodate an amalgamated primary school. The Havers site is not. The Firs site is therefore the preferred site for the new school.

Initial town planning advice suggests that the built area of The Havers Infants site would have potential for residential development. Subject to further discussion with East Hertfordshire District Council and with the DfES, it is anticipated that this will provide a developable area of approximately 0.640 ha (1.58 acres) as shown edged red on the attached drawing. EM 10405 D. The remaining land, shown coloured green on the drawing and comprises the playing fields and some hard play area.

The nearest school to The Havers Infants is The Richard Whittington Primary. This school has insufficient site and playing field areas for the current size of the school. The land coloured green could be allocated to The Richard Whittington Primary as a detached playing field, which will allow the school to comply with the relevant regulations.

The Firs School would need to be expanded to accommodate the Havers School pupils and initial feasibility has taken place to show how this might be achieved. Both schools and CSF Service have been fully involved in planning the additional accommodation required at the Firs School site to accommodate Key Stage 1 children coming from the Havers site. This new accommodation shown on the drawing attached and is likely to comprise the following:

- 1 Nursery classroom
- 6 Key Stage 1 classrooms (2 each for Reception and Years 1 and 2)

- Accommodation for a KS1 Nurture Group
- Additional accommodation for music/drama activities, which is flexible and can be used as additional dining space if necessary
- Ancillary accommodation, including appropriate WC provision, classroom storage, circulation areas, office space for deputy head and plant room/cleaners storage

This accommodation will be provided as a standalone block, connected to the existing Firs building by means of a covered link.

The staff room and administration areas of the existing Firs building will be extended to accommodate increased staff numbers.

In addition, further hard play areas and appropriate parking will be constructed to deal with the increase of both staff and pupil numbers.

5. Proposed actions

- Complete feasibility studies and gain outline planning permission for residential development on the land proposed to be sold
- Obtain DfES confirmation that General Consent for the proposed land sale is available.
- Gain detailed planning permission for the new development at The Firs site
- Disposal of the land edged red on drawing EM 10405 D by way of a sale and leaseback or other arrangement that will enable the Havers to remain operational until the new accommodation is ready.
- Construction, fitting out and furnishing of the new development at The Firs.
- Put in place the future use/management arrangements for the retained playing fields land at the Havers site

6. Service Property Strategy

The County Council's corporate property strategy is to only use property which enhances service delivery, which, for CSF means ensuring that school property used by the service helps all children to reach their full potential.

7. Town Planning Considerations

In order to minimise the amount of green field land being taken for development the government's planning policy aims to encourage the re use of previously developed land (" brownfield land"). The area of land currently occupied by the school buildings and immediately associated hard surfaced area, shown edged red on Drawing EM 10405 D, would normally be regarded as such land and, therefore, any proposal for

redevelopment would accord with national planning policies. The local planning authority (East Hertfordshire District Council) has confirmed this view informally at officer level. Policy objections to the proposed redevelopment for housing purposes have not been raised.

It is anticipated that any planning permission for housing, in respect of the land edged red, will be subject to the completion of a S106 planning obligation relating to the payment of a financial contribution towards secondary school provision and other community services (youth, libraries and childcare) in Bishops Stortford, and possibly, off site highway works. The site is below the threshold to require the provision of affordable housing in terms of site area and the number of housing units that the town planning feasibility work is proposing.

8. Self Financing Aspects

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 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.

Properly monitored this fully self financing scheme would meet these criteria. Unusually with this proposal to amalgamate, building costs are considerable (currently estimated at £2,320,000). This is because of the need for a substantial extension to the existing Firs building in order to have the appropriate set of buildings to turn a junior school into a primary. CSF is unable, due to other forward funding commitments, to forward fund this building programme.

9. Financial Implications

- The current estimated capital receipt for the sale of the surplus land, based on the town planning considerations outlined in paragraph 7 of this report, is £2,780,000 (Type B estimate)
- The estimate of the cost of providing the proposed new accommodation at The Firs site, (inclusive of furnishing and fitting) is £2,320,000 exclusive of VAT. (Type B estimate).
- Subject to the necessary planning permission and DfES general consent, it is anticipated that a disposal could be achieved to allow

phased capital receipts to be made in order to fund the building construction towards the end of the 2004 / 2005 Financial year.

- It is expected that the sale of the site will be subject, on completion, to a leaseback to the Council at a peppercorn rent. The lease will be of sufficient period to allow for construction and an orderly handover and will be determinable by the Council upon a suitable notice period. The balance of the sale price would then be paid when the school moves to its new accommodation.
- The building contract will not be let until the buyer of the surplus land is contractually bound, reducing the risk to the County Council by providing certainty on the income and expenditure of this project.
- The freehold disposal of the site will be exempt from VAT. 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 S33 Refund Calculation.
- VAT incurred by HCC on the construction and fitting out of the new accommodation at Firs Junior School will be attributable to HCC's non-business statutory provision of education and nursery education for no charge, as such the VAT incurred by HCC will be fully recoverable.
- It should be possible to organise the project to avoid any significant cash flow implications for the Council. However, if this does not come to fruition, any cash flow impact will need to be contained within the Children Schools and Families capital programme.
- Any surplus from the capital receipt for the land to be sold, currently estimated at £460,000, will be returned to the capital receipt pool.