
A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it refers to the identity, financial and business affairs of an organisation and the amount of expenditure proposed to be incurred by the Council under a particular contract for the supply of goods or services.

Cabinet Member for Business, Enterprise and Employment

1December 2014

Name of Cabinet Member:

Cabinet Member for Business, Enterprise and Employment – Councillor Maton

Director Approving Submission of the report:

Executive Director of Place

Ward(s) affected:

St Michaels

Title:

Leasehold Disposal: Land off Primrose Hill Street / Bath Street

Is this a key decision?

No

Executive Summary:

Sidney Stringer Education Trust (SSET) following the success achieved at their secondary school academy in Hillfields have in conjunction with the Education Funding Agency (EFA), approached the Council with the proposal to deliver a new primary school on land between Primrose Hill Street and Bath Street ("the site").

The Site extends to circa 1.7 acres and has been identified as the preferred location. It already has other education uses located adjacent to it with the further education college City College, the Council run Extended Learning Centre as well as part of the Sidney Stringer Academy. The provision of a three form entry Primary school in this location would create an 'education quarter' providing a wide range of co-located education opportunities for the residents of this part of the city.

A premium has been agreed and is contained in the private part of your report for the 150 year leasehold interest in the Site and this report is seeking authority to dispose of the land by a long leasehold interest for the development of a new primary school.

Recommendations:

The Cabinet Member is recommended to:

1. Authorise the leasehold disposal of the subject land to Sidney Stringer Education Trust subject to planning consent being granted.
2. Delegate authority to the Assistant Director for City Centre and Development Services following consultation with Cabinet Member for Business, Enterprise & Employment, for any subsequent variation in terms.
3. Delegate authority to the Executive Director of Resources and in particular officers within Legal Services to complete the necessary legal documentation in this matter and to agree an apportionment of the capital receipt between the Council and the Homes and Community Agency in accordance with funding agreements between the Council and the Homes and Community Agency.

List of Appendices included:

Appendix 1-Site Plan

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

1. Context (or background)

- 1.1 The site is situated between Primrose Hill Street & Bath Street in a mixed commercial education and residential area of Hillfields. The site is approximately 1.70 acres and is shown edged red on the attached plan ("the Site").
- 1.2 For the last few years the Site has been used as a contractors compound for the development of the new education facilities in the area, the latest having been the extension to Sidney Stringer Academy.
- 1.3 This Council owned land was acquired, along with other parcels of land for educational purposes with financial assistance from the regional development agency Advantage West Midlands. Any land transaction will be subject to approval by AWM's successor body the Homes and Community Agency (HCA). Approval for the transaction has been sought and in principle is acceptable. Formal approval in writing from the HCA will be issued following the Councils approval to proceed and the detailed documentation
- 1.4 A maximum gross value has been agreed with SSET for the 150 year leasehold interest in the site.
- 1.5 The levels of the site fall several meters across from east to west and has substantial 'made up' ground across it. Foundations from the former demolished residential tower blocks remain and an electrical substation with high voltage cables running around the site. As such it is anticipated there will be abnormal development costs incurred when developing the site.
- 1.6 Site investigations have been undertaken by EFA and SSET with costed results due to be available to be reported at your meeting. The anticipated level of these costs are outlined in your private report.
- 1.7 It is therefore recommended that the Site should be transferred for a minimum net premium which is contained in your private report.
- 1.8 If the abnormal development costs are confirmed at less than the anticipated level then the capital receipt for the Site would increase.
- 1.9 If the abnormal development costs come in higher than anticipated then the EFA and SSET would need to consider investing more into the scheme or not taking the lease of the Site.

2. Options considered and recommended proposal

- 2.1 **Transfer the leasehold interest in the Site.** This will see a brownfield 'backland' site being remediated and redeveloped for the use as a primary school providing an additional educational opportunity for this area of the city.

The minimum receipt outlined in your private report should be accepted as it will contribute towards corporate resources and has been approved by the Councils Valuation Panel as representing best value under Section 123 of the Local Government Act 1972, based on the sites abnormal development costs.

- 2.2 **No land Transfer** - The opportunity to transfer the Site could be declined however this would prejudice investment, development and additional education facilities in the short term for the area.

The Council would also forgo a capital receipt which would have been allocated for corporate resources.

- 2.3 **Recommendation** - It is recommended that the Council agree to the long leasehold disposal of the Site and accept the minimum premium outlined in your private report for the 150 year lease to Sidney Stringer Educational Trust. However this disposal is conditional upon the grant of an acceptable planning approval.

3. Results of consultation undertaken

- 3.1 As part of the planning process SSET will be required to submit a planning application for the proposed school. As part of the planning process, adjoining occupiers/neighbours will be consulted by the planning department and invited to submit comments on the application and SSET will also undertake a public consultation with the local community.

4. Timetable for implementing this decision

- 4.1 Providing Cabinet Member approval is secured, it is expected that the capital receipt will be received within this financial year.

5. Comments from Executive Director of Resources

- 5.1 Financial implications
The minimum premium for the leasehold disposal is subject to terms and conditions in a funding agreement with AWM's successors body the HCA.
- 5.2 Legal implications
The consideration for the leasehold interest land to Sidney Stringer Education Trust represents the best value reasonably obtainable by the Council as verified by the Council's Valuation Panel. This satisfies the Councils' requirements to obtain best value under Section 123 of the Local Government Act 1972.

The funding agreement dated 31st March 2005 between the Council and AWM, who provided financial resources to assemble the site for delivery of new education facilities, requires a proportion of the receipt to be repaid to their successor body the HCA.

The Executive Director of Resources (officers within Legal Services) will complete the legal documentation in connection with the leasehold transfer in accordance with appropriate procedures and will collect the agreed consideration upon completion of the documentation.

6. Other implications

- 6.1 **How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?**

The capital receipt will contribute towards corporate resources and will realise the remediation of a brownfield site for the development of a primary school.

6.2 How is risk being managed?

The risks identified in the report around planning, ground conditions, approvals from the HCA to the land transfer will be managed and monitored by the property development team.

6.3 What is the impact on the organisation?

The impact to the organisation will be minimal however it will generate additional work for officers within the Resources Directorate (Legal Services) in processing the leasehold disposal of the land to Sidney Stringer Educational Trust

6.4 Equalities / EIA

An equality impact assessment is a process designed to ensure that a policy project or service does not discriminate against any disadvantaged or vulnerable people. Section 149 of the Equality Act 2010 imposes an obligation on Local Authorities to carry out an equality impact assessment when the local authority is exercising a public function.

An equality impact assessment has not been undertaken by officers as the proposal set out in this report related to the granting of or the creation of a legal interest in the land and does not constitute a change in service delivery policy or the exercise of a public function.

6.5 Implications for (or impact on) the environment

The site will be remediated from any contamination and provide educational facilities built to current building environmental regulations.

6.6 Implications for partner organisations?

There are no partner implications

Report author(s):

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Place Directorate

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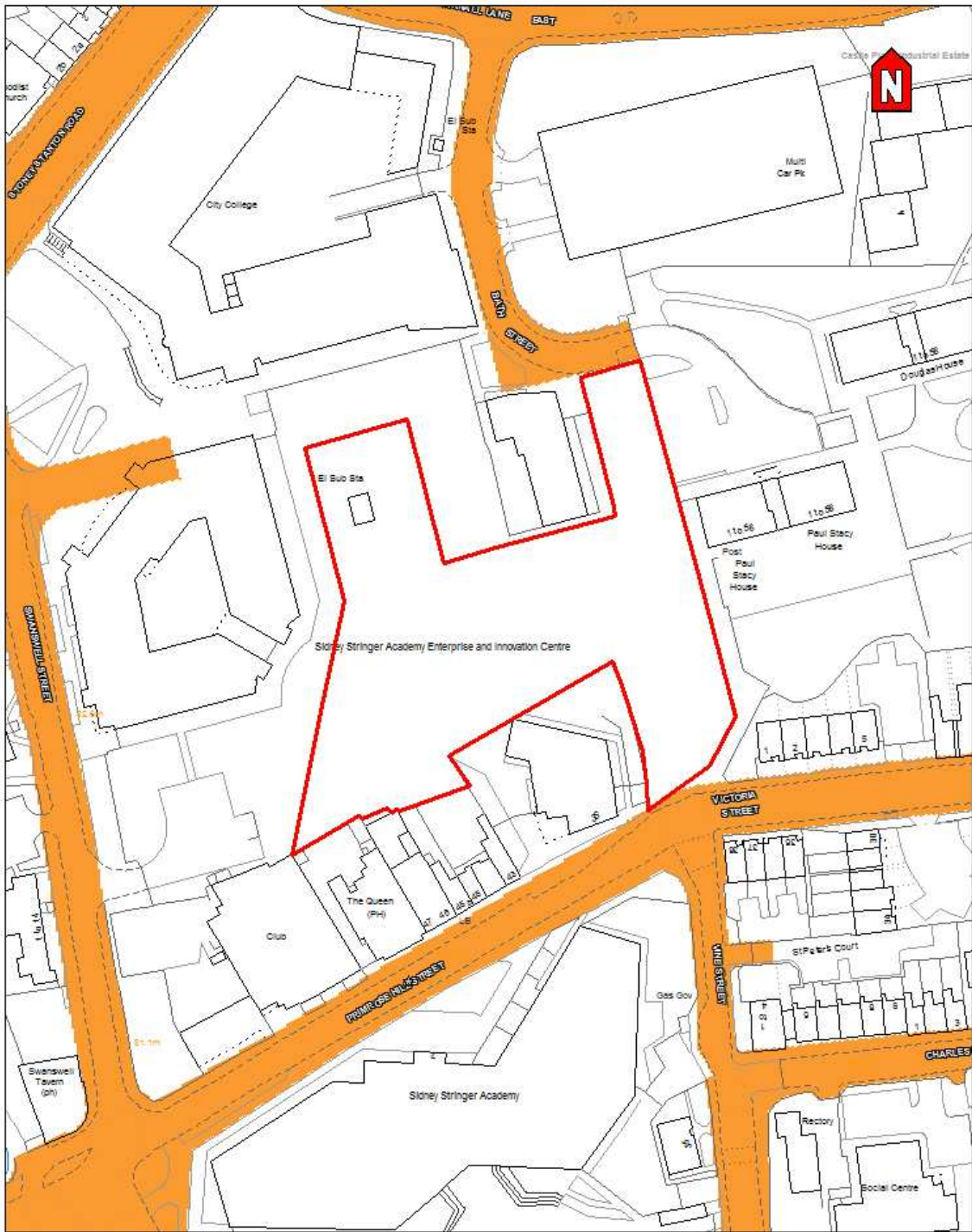
Enquiries should be directed to the above person.

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Director: Martin Yardley	Director	Place	14.10.2014	14.10.14
Members: Councillor Maton	Cabinet Member for Business Enterprise Employment		18.11.14	18.11.14

This report is published on the council's website:

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Appendices



PLACES DIRECTORATE
 CORPORATE PROPERTY SERVICES
 9TH FLOOR, CIVIC CENTRE 4
 MUCH PARK STREET
 COVENTRY CV1 2PY
 02476 833384



Coventry City Council

1.703 Acres
Primrose Hill Street - Education Quarter

Scale NTS Drawn by AW Date 15.10.2014

Martin Yardley - Director of Place Directorate
 Nigel Clews - Property Asset Management

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