

AGENDA ITEM: 7

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Meeting	Cabinet Resources Committee
Date	23 September 2004
Subject	Acquisition of land at Spur Road, Edgware
Report of	Cabinet Member for Resources Cabinet Member for Performance, Partnerships & Best Value
Summary	To consider a proposal to acquire a sufficient interest in land at Spur Road, Edgware from All Souls College to facilitate the development of the Barnet City Academy and the Stonegrove and Spur Road housing estates regeneration scheme.

Officer Contributors	Dave Stephens, Chief Valuer & Development Manager, Siobhan O'Donoghue, Principal Valuer
Status (public or exempt)	Public – with a separate exempt report.
Wards affected	Edgware
Enclosures	Plan
For decision by	Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information:
David Stephens, Chief Valuer and Development Manager – 020 8359 7353.

1 RECOMMENDATIONS

1.1 That, subject to

- i. All Souls College confirming that it wishes to proceed upon the basis recommended by its agents;**
- ii. To agreement being reached with DfES and Family/Unitary regarding payment for plots E, F and G on the Plan; and**
- iii. To the external Auditors being consulted on the financial arrangements and being informed of developments,**

a 99 years lease of plots A and B on attached plan No.1 be acquired upon the basis set out in the report;

1.2 Subject to the successful outcome of 1.1 above, the leasehold interest acquired be transferred to the Barnet City Academy Trust; and

1.3 The Borough Solicitor be instructed to complete the transactions in a form to his approval.

2. RELEVANT PREVIOUS DECISIONS

2.1 Cabinet – 22 March 2004 – noted that the use of Edgwarebury Park land as alternative playing fields was no longer an option.

2.2 Cabinet 10 February 2004, agenda item 4. The Council authorised the transfer of the freehold interest of Edgware School to the Academy Trust, the grant of a temporary licence to occupy adjoining land which is retained by the Council, an in principle agreement to grant a long lease to the Academy Trust of alternative playing fields and the transfer of the remainder of the existing Edgware School to the Trust in the event of the Council being unable to secure alternative playing fields.

2.3 Cabinet 10 December 2001 - agreed the appointment of Family Housing Association and Unitary as the preferred partner consortium for the development of the Spur Road/Stonegrove Housing Estates regeneration scheme.

3 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

3.1 The Corporate Plan 2004/5 – 2007/8 priorities include a commitment to improving the suitability of the learning environment for all children

3.2 The Corporate Plan commits the Council to ‘plan and manage land use and development in Barnet enhance quality of life and provide tangible benefits for the community.’ The proposals in this report will achieve this by assisting with the implementation of the Spur Road/Stonegrove Housing Estates regeneration scheme.

3.3 Providing good homes in balanced communities by reducing the number of properties not meeting the Decent Homes Standard and regenerating priority estates.

4 RISK MANAGEMENT ISSUES

- 4.1 The existing agreement between the Council, the Academy Trust and the Department for Education and Skills (DfES) provides that if the Council cannot secure alternative playing fields for the Academy, then the remaining school lands (marked E, F and G on attached Plan No.1) will be transferred freehold to the Trust. If this happens the regeneration of the Stonegrove/Spur Road housing estate cannot proceed as currently planned.
- 4.2 If the Council acquires the All Souls College land before the legal agreements to secure the current housing estate regeneration proposals are signed by the Council and the Greengrove Partnership (Family Housing Association and Unitary) there is a risk that the capital sum to be paid by the Greengrove Partnership for sites E, F and G on Plan No:1, will not be received.
- 4.3 The offer which has been put to the Council by the agents on behalf of All Souls College is subject to authority being sought from the College Committee. If the Council wish to proceed on the basis outlined in the report, there is a risk that the College may not agree its agent's recommendation.
- 4.4 Further risk issues are set out in the exempt report.

5 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 The agents acting for All Souls College have put forward a proposal to the Council for the Council to acquire a 99 year lease of the land shown as Site A and B on Plan No.1 for the sum set out in the exempt report for the purpose of providing playing fields for the Barnet City Academy.
- 5.2 Under the current arrangement, Family Housing Association has provisionally agreed to pay the sum set out in the exempt report for sites E, F and G, and these lands will form part of the adjacent housing estates regeneration area. It was intended that this money would be used in part to compensate the Council for the costs of acquiring the leasehold interest in the All Souls land with the balance going to the Department for Education and Skills. This arrangement has yet to be formalised. The timing sequence of the income from Ealing Family has not yet been agreed and is subject to them receiving the transfer of the freehold interest of the E, F and G lands with vacant possession.
- 5.3 It is proposed that until such time as the Council receives the capital receipt for E, F and G, the purchase of All Souls will be met by prudential borrowing. There is provision in the budget for the revenue costs of the prudential borrowing needed to fund the acquisition for 2004-05 only. If Greengrove Partnership does not proceed with the purchase of sites E, F and G within 2004-05, then there will be an ongoing budget pressure into the next financial year.
- 5.4 There are no staffing or ICT implications.

**6 COMMENTS, IF ANY, OF THE COUNCIL'S STATUTORY OFFICERS
(Head of Paid Service, Chief Finance Officer, Monitoring Officer)**

6.1 None

7 BACKGROUND INFORMATION

- 7.1 Attached plan No.1 shows marked D the land which has been transferred to Barnet City Academy Trust (the Trust) for the development of the new City Academy, the building of which is being funded by the Department for Education and Skills (DfES). The land previously formed part of Edgware School.
- 7.2 Marked E, F and G on the plan are other parts of the former Edgware School which have been leased to the Trust on a short-term basis (until December 2007 at the latest) pending the completion of the building of the City Academy. The agreement with the Trust provides that if the Council can deliver to it (the Trust) sufficient interest in the lands shown marked A and B on the plan (owned by All Souls College, Oxford) to be used as new playing fields, then sites E, F and G will be vacated and retained freehold by the Council (for it to subsequently transfer to the Greengrove Partnership if the housing estates regeneration scheme is to proceed). If a sufficient legal interest in plots A and B cannot be provided to the Trust by December 2005 then the freehold of plots E, F and G will have to be transferred to the Trust. (There was an alternative whereby the Council could try to acquire plots A and C – C being land to the east of Plot A and being in a different ownership. Negotiations in respect of Plot C have not progressed. However, this has not been closed down as an option and officers will seek to continue the negotiations.)
- 7.3 Plots E, F and G are required for the Stonegrove and Spur Road housing estates regeneration scheme. There is agreement with Family Housing Association and Unitary for that partnership to pay the sum set out in the exempt report for these three plots. It is intended that this money will be used to compensate the Council for the cost of acquiring the All Souls land (plots A and B) with the balance going to the DfES.
- 7.4 The DfES has agreed in principle to plots E, F and G being released from education use subject to the prior transfer to the Trust of plots A and B for playing field uses.
- 7.5 There are two possible ways of acquiring the All Souls land (plots A and B) – with the use of a compulsory purchase order (CPO) or by negotiation.
- 7.6 The CPO route is lengthy (it could take up to 18 months to get a confirmed order) and there is no certainty of success. However, if a CPO was confirmed then the Council would seek to acquire the freehold interest in the All Souls land at its existing use value – redundant playing fields/grazing land designated as green belt. It is probable that All Souls College will oppose and object to the making of a CPO and, if a CPO was approved, would take the question of compensation to the Lands Tribunal.
- 7.7 There have been negotiations with agents acting for All Souls College and they have put forward a proposal which they are prepared to recommend to their clients – the Council to acquire a 99 year lease of plots A and B for playing field/recreation/leisure purposes for the sum set out in the exempt report plus fees and costs. For the area of land involved (approximately 11.5 acres), its green belt status and the fact that only a

leasehold interest is being offered, the suggested purchase price is significantly in excess of market value. However, the offer does have the following advantages:

- i. Subject to All Souls College agreeing to proceed, the transaction can be concluded reasonably quickly.
- ii. Barnet City Academy Trust has agreed that a 99 year lease of the land will be adequate, and therefore plots E, F and G, as shown on the plan, can be made available for the housing estates regeneration scheme in the near future.
- iii. The acquisition will enable latent value in part of the existing school site (plots E, F and G) to be released to assist the cross-subsidy funding of the housing estates regeneration scheme.
- iv. The external auditors have agreed in principle that, although the land is being purchased at a sum greater than its market value, because of the certainty and the benefits that such an acquisition would bring it would be considered as a financially prudent transaction. This matter is the subject of on-going discussions with the auditors.

7.8 There is currently no budgetary provision to cover the cost of acquiring the land. However, if approved, the acquisition costs could be met through prudential borrowing with the expenditure being recovered when plots E, F and G are available for transfer to Family Housing Association and Unitary or when the land is alternatively sold for development. This arrangement will need to be formalised with the DfES and Family Housing Association/Unitary before the Council commits any expenditure to acquiring the All Souls land.

7.9 A paper setting out all the relevant figures will be circulated at the meeting.

8 LIST OF BACKGROUND PAPERS

8.1 None

MO: DP

BT: JO

PLAN NO.1 STONEGROVE / SPUR ROAD HOUSING ESTATE & EDGWARE SCHOOL, SPUR ROAD, EDGWARE



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Key:

- Site A:** *Playing Fields within the Green Belt owned by All Soul's College, Oxford*
- Site B:** *Playing Fields within the Green Belt owned by All Soul's College, Oxford*
- Site D:** *Proposed site for the Academy*
- Site E:** *Existing Edgware School Playing Fields to be retained by the Council*
- Site F:** *Existing Edgware School Playing Fields to be retained by the Council*
- Site G:** *Existing Edgware School buildings to be retained by the Council*