

AGENDA ITEM: 6a Page nos. 1 - 6

Meeting	Resources Cabinet Committee
Date	16 June 2005
Subject	Acquisition of a leasehold interest in land at Spur Road, Edgware
Report of	Cabinet Members for: <ul style="list-style-type: none">• Resources• Policy and Performance
Summary	To report the variations to the previously agreed terms for the acquisition of a land at Spur Road, Edgware from All Souls College to facilitate both the development of the Barnet City Academy and the Stonegrove and Spur Road housing estates regeneration scheme.

Officer Contributors	David Stephens, Chief Valuer Siobhan O'Donoghue, Principal Valuer,
Status (public or exempt)	Public (with separate exempt section)
Wards affected	Edgware
Enclosures	N/A
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	<i>Pursuant to an Agreement between the Barnet City Academy and the Council, the Barnet City Academy requires the lease of the All Souls land to be completed by 21 June. The proposals set out in this report do not alter the objectives originally approved by the Cabinet and the Cabinet Resources Committee, just the method and process for delivery.</i>

1. RECOMMENDATIONS

- 1.1 That the securing of a grant of a long lease of the All Soul's College land in Spur Road, Edgware (Sites A and B shown on the attached Plan No.1) in favour of the Barnet City Academy upon the basis as set out in the report be approved and the appropriate Chief Officers be instructed to complete the transaction.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet 29 March 2005 agreed that subject to the outcome of Section 10a consultation, consent from ODPM and achieving best consideration for the site, the Council agreed to the disposal of part of the island site on the Stonegrove/Spur Road estate to Family Housing Association to provide affordable housing with the remainder of the island site being offered to the open market for a scheme of housing for private sale.
- 2.2 Cabinet Resources 23 September 2004 agenda item 7 agreed for officers to acquire a 99 year lease of the All Souls land at Spur Road, Edgware subject to the college confirming they were willing to proceed, and agreement being reached with DfES and Family/Unitary regarding the Council's retained land, plots E, F and G and the external auditors being consulted on the financial arrangements.
- 2.2 Cabinet 22 March 2004 noted that the use of Edgwarebury Park land as alternative playing fields was no longer an option.
- 2.3 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.
- 2.4 Cabinet 10 December 2001. The Cabinet agreed the appointment of Family Housing Association and Unitary as the preferred partner consortium for the development of the Spur Road/Stonegrove 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 proposal 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 Decent Homes Standard and regenerating priority estates.

4. RISK MANAGEMENT ISSUES

- 4.1 The existing agreement between the Council and the Barnet City Academy Trust and the Department for Education and Skills (DfES) provides that if the Council cannot secure alternative playing fields for the Academy by 31 December 2005, then the remaining school lands (marked E, F and G on the attached Plan No.1) will be transferred to the

Trust. If this happens then the intended regeneration scheme for Stonegrove/Spur Road as currently planned will be undeliverable.

4.2 The Council are now out of time in terms of acquiring the All Souls land through a Compulsory Purchase Order (CPO). If they were to pursue acquisition under this process it is unlikely that they would meet the deadline of 31 December 2005.

4.2 It is intended that the Council's retained land, plots E, F and G will be used to assist in securing the regeneration of the Spur Road and Stonegrove housing estates.

4.3 There is currently no marketing strategy for Site E, F and G although it is unlikely that the sites will be available until September 2006, when the new Academy buildings will be completed.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

5.1 All Souls have agreed for the Council to acquire Sites A and B for the sum set out in the exempt report. The Council have also agreed to meet the associated fees and costs in relation to this transaction.

5.2 It was originally proposed that the cost of the lease would be met from a capital sum received from the 'partner' organisation carrying out the regeneration of the adjacent housing estates. Whilst the arrangements for the regeneration scheme are under review the cost of securing the grant of the lease will be met by prudential borrowing. However, it is still anticipated that the regeneration proposals will still generate capital receipts from developing part of the lands for private sale housing and part of these receipts will be used to re-pay the prudential borrowing. There is a provision in the budget for the revenue costs of the prudential borrowing needed to fund the acquisition for 2004/05 only. This will increase pressure to the budget for this financial year, 2005/06.

5.3 It was originally intended that the sum received from the regeneration 'partner' for Sites E, F and G would meet the cost of the All Souls purchase with the balancing sum being paid to DfES. No formal arrangement was ever made between the Council and DfES on this matter. It is still the intention of the Council to make this payment, although detailed discussions will need to be held with DfES to formalise the matter. This will be reported to the Committee at later date once discussions have been concluded.

5.4 There are no staffing or ICT implications.

6. LEGAL ISSUES

6.1 None

7. CONSTITUTIONAL POWERS

7.1 Constitution – Part3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

7.2 Section 16(1) of the Overview and Scrutiny Rules in the Council's Constitution provides that the call-in procedure is not to apply where a decision being taken by the Executive is urgent, that is if any delay caused by the process would seriously prejudice the Council's or the public interest. The Chairman of the Cabinet and Overview and Scrutiny

Committee must agree both that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency.

8. BACKGROUND INFORMATION

- 8.1 At its meeting on 23 September 2004, the Council considered the acquisition of land at Spur Road, Edgware, to facilitate the development of the Barnet City Academy and the Stonegrove and Spur Road housing regeneration. It was agreed that subject to All Souls College confirming that they were willing to proceed and the Council reaching an agreement with DfES and Family/Unitary regarding payment for plots E, F and G the acquisition of Sites A and B (as shown on the attached plan) could proceed.
- 8.2 Since then, there have been a number of changes in the proposals for the Stonegrove/Spur Road regeneration and the Council agreed at its Cabinet meeting on 29 March 2005, that there would now be a staged approach to the regeneration of the estate through the initial disposal of discrete sites for new affordable and private housing. The recommendation retains the Council's future control of the project and further disposals.
- 8.3 Although the Council is still committed to the overall regeneration of the estate, this Cabinet decision changes the implementation of the original proposal.
- 8.4 It was previously intended that Sites E, F and G, the former Edgware school, would be transferred to the Greengrove Partnership once the new City Academy was completed and a lease of Sites A and B had been acquired from All Souls College, Oxford for the purpose of providing playing fields. Greengrove would make a sum payment for the E, F and G sites and the land would form part of the housing regeneration scheme.
- 8.5 The sum payment would have been used to fund the acquisition of a lease of the All Souls land with the remaining money being paid to DfES to defray the Academy costs. This however is no longer the case as there is currently only authority for the Council to proceed with Phase 1 of the Stonegrove/Spur Road regeneration, which does not include Sites E, F and G.
- 8.6 It is essential that the Council proceed with the acquisition of the All Souls land, as the release of Sites E, F and G for development is conditional on this land being purchased for playing fields. All Souls have agreed to proceed with the grant of a long lease of Sites A & B in favour of the Barnet City Academy. The Council will finance the capital premium payment through prudential borrowing – these figures are set out in the exempt report.
- 8.7 As part of the acquisition of All Souls the Council have agreed to pay all associated fees and costs, which are set out in the exempt report. The costs do not include stamp duty as it is intended that the lease will go direct to the Academy Trust. As a charitable organisation they are probably exempt from this tax, therefore relieving the Council from this liability. Acting cautiously until the Stamp Duty Land Tax position is certain, the Academy Trust have requested that the Council provide an indemnity in respect of any stamp duty which may become payable. This is not considered to be a real risk and by providing this comfort the Council is not in any worse position than if it were to take the lease from All Souls in the first instance.
- 8.8 It is intended that Sites E, F and G will still be used for the housing estates regeneration proposals and will generate some capital receipts. This will be the subject of further reports to future meetings of the committee.

- 8.9 Because of the need to first lay out the All Souls land as playing fields, the Council is unlikely to secure possession of any of sites E, F and G until the latter part of the year when it is intended that the new Academy buildings will be complete. The Academy does however hold a lease for these sites until December 2007. Once the lease of the playing fields has been granted it is thought that it will take approximately 1 year for them to be laid out, to ensure they are available for use simultaneously to when the new Academy buildings are open.
- 8.10 The estimated value undertaken by Donaldson's of sites E, F and G for the housing estates regeneration project (i.e. what they will contribute in cross-subsidy benefit to the scheme) is set out in the exempt report.
- 8.11 Under the negotiated terms of the proposed lease of the playing fields land the Academy is required to seek consent from All Souls College should they wish to assign the lease. The Council have requested that a pre-emption be put in place in its favour to ensure that should the Academy Trust decide that it no longer requires the land the lease should be assigned to the Council or the appropriate Local Education Authority for the time being. This is the subject of on-going negotiations and there are to be discussions with the Department for Education and Skills. The final arrangement will be a variation on what has been proposed but still providing the general assurance to the Council that the Academy cannot 'profit' from the Council's expenditure.

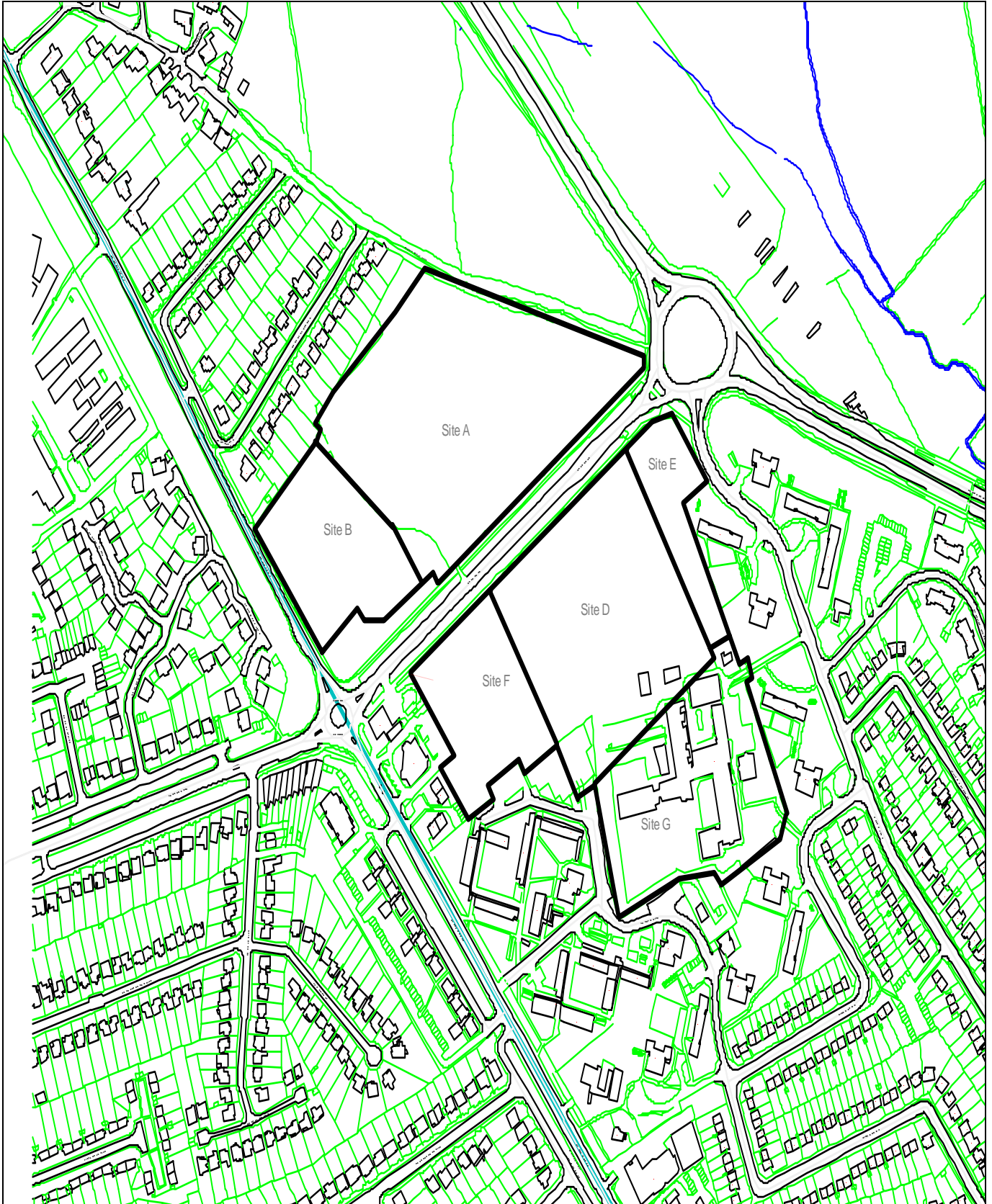
9. LIST OF BACKGROUND PAPERS

- 9.1 None.

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BT:

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



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