

<b>DECISION-MAKER:</b>	CABINET
<b>SUBJECT:</b>	LAND AT THE CORNER OF LIME STREET /EVANS STREET – PROPOSED DISPOSAL OF SITE FOR SCHOOL USE
<b>DATE OF DECISION:</b>	13 SEPTEMBER 2021
<b>REPORT OF:</b>	<b>CABINET MEMBER FOR FINANCE AND CAPITAL ASSETS, IN CONSULTATION WITH CABINET MEMBER FOR EDUCATION</b>

<b><u>CONTACT DETAILS</u></b>			
<b>Executive Director</b>	<b>Title</b>	Executive Director Wellbeing (Children and Learning)	
	<b>Name:</b>	Robert Henderson	Tel: 023 8083 4899
	<b>E-mail</b>	Rob.henderson@southampton.gov.uk	
<b>Author:</b>	<b>Title</b>	<b>Executive Director Children and Learning</b>	
	<b>Name:</b>	Robert Henderson	Tel: 023 8083 4899
	<b>E-mail</b>	Robert.henderson@southampton.gov.uk	

<b>STATEMENT OF CONFIDENTIALITY</b>		
Appendix 1 is not for publication by virtue of category 3 paragraph 10.4 of the Access to Information Procedure Rules as set out in the Council's Constitution. The information is exempt from publication because it relates to the financial and business affairs of both the Council and specified third parties and is commercially sensitive. It is not in the public interest to disclose this financial information as it directly relates to the value of property interests in the site which may be adversely affected resulting in a barrier to the construction of a new school site or the disposal of those interests to enable the land assembly to be completed.		
<b>BRIEF SUMMARY</b>		
This report outlines the context and business case to establish a free school at Lime Street Retail site, offering an externally fully funded, 2 form of entry state of the art school in the city centre. The School is supported by the Department for Education and will be delivered by the Hope Community School who are currently operating a 1 form of entry free school in a nearby, albeit, inappropriate facility.		
<b>RECOMMENDATIONS:</b>		
	(i)	To approve the principle of a two form of entry Free School at Lime Street Retail site and agree in principle, subject to reaching satisfactory terms, to sell the site to The Secretary of State for Housing, Communities and Local Government for this educational purpose at less than best consideration as set out in confidential appendix 1.
	(ii)	To delegate to Executive Director for Place, to finalise details of the freehold sale, following consultation with the Cabinet Member for Finance and Capital Assets.

## **REASONS FOR REPORT RECOMMENDATIONS**

1.	To facilitate the expansion of Hope Free School to become a two-form entry school, securing substantial investment to the city's school infrastructure and to move the school out of inappropriate accommodation into a state of the art educational facility. This supports the Council's commitment to improving educational choice for our children and their parents, as well as being a child friendly city, offering high quality education.
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## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3.	Not to approve the sale, frustrating the expansion of the school, and continuing the occupation by the school of poor and unsatisfactory premises.
4.	Not to approve the change of the current lease required from retail/supermarket to allow for the use of the site for educational purposes frustrating the expansion of the school, and continuing the occupation by the school of poor and unsatisfactory premises

## **DETAIL (Including consultation carried out)**

5.	Hope School is currently an undersubscribed one form entry Free School situated in the centre of Southampton and is in temporary accommodation at Central Hall, St Marys Street. For the academic year 2021-22, the school will accommodate year groups R through to 4.
6.	It is proposed that the Cabinet approve the principle of a two form of entry Free School at Lime Street Retail site and agree, subject to reaching satisfactory terms, to sell the site to The Secretary of State for Housing, Communities and Local Government for this educational purpose.
7.	The Department for Education (DfE) are keen to build a new Free School in the city. LocatED were commissioned by the DfE to identify and acquire a site have expressed interest in the former East Street site and expanding Hope School into a two-form entry. This gives Southampton the opportunity to have a £15 million investment, from the DfE, into an inner-city school, which will be have first class educational facilities
8.	LocatED have agreed in principle terms with the long-term lease holder of the site to purchase the lease, once the sale of the freehold is secured
9.	The Council and Hope Community Schools are liaising on incorporating an Special Educational Needs (SEND) facility within the School, meeting the needs of some of our most vulnerable pupils and creating much needed additional much SEND places. This offers significant potential for the City and will be a real investment in providing local, cost effective, options for our children.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

10.	The sale of the freehold would result in a capital receipt and a loss of the rental income stream derived from the lease (details in the confidential appendix).
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### **Property/Other**

11.	The council owns the freehold to the site and currently receives rental income from the leaseholder. The lease permits supermarket use, which would be a
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	positive development of the location, but development has not come forward since the lease was acquired in 2017, and the site has remained vacant.
12.	LocatED have made an offer to the city council to purchase the freehold (value identified in confidential appendix 1), with this value determined by Department of Education thresholds. The valuation of the site, as assessed by the property team is also set out in appendix 1
13.	The sale of the freehold to The Secretary of State for Housing, Communities and Local Government would be a disposal at an undervalue.
14.	The Local Government Act 1972: General Disposal Consent (England) 2003 permits local authorities to dispose of land at an undervalue if: (a) the purpose of doing so is to promote the economic, social and/or environmental well-being of their areas; and (b) the difference between the consideration obtained and the unrestricted value of the land does not exceed £2 million.
15.	Disposal to The Secretary of State for Housing, Communities and Local Government for educational purposes meets the requirements of the general consent order by promoting the social well being of the area and improving the educational facilities available to city residents.

#### **LEGAL IMPLICATIONS**

##### **Statutory power to undertake proposals in the report:**

16.	The Council has the necessary statutory powers to dispose of land pursuant to section 123 of the Local Government Act 1972. The Council is required by Section 123 to dispose of land only for the best consideration reasonably obtainable. The Council's powers to dispose of the site at less than the best consideration reasonably obtainable have been set out in the previous section.
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##### **Other Legal Implications:**

17.	Disposal of the freehold of the site does not guarantee the construction of a school as additional conditions relating to securing planning permission and other regulatory consents will be required to be met.
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#### **RISK MANAGEMENT IMPLICATIONS**

18.	There is currently no approved planning application for a school on the site, and this decision only provides the potential for this to happen from a property perspective. Some pre application discussion have taken place, indicating that some highway and transport challenges would need to be addressed.
19.	Southampton currently has a surplus of primary school places, that is envisaged to continue for the foreseeable future and there is a minimal risk surrounding schools may need to make redundancies. In mitigation, pupil numbers will rise in the longer term with the ambitious building plans set out a Council priority. The immediate area round the new School is set to have 5000 new homes, with an overall increase in the City of 27,000 homes by 2040.

#### **POLICY FRAMEWORK IMPLICATIONS**

20.	There are no clear implications for the policy framework in terms of admissions or the governance of Schools.
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<b>KEY DECISION?</b>	Yes	
<b>WARDS/COMMUNITIES AFFECTED:</b>		
<u>SUPPORTING DOCUMENTATION</u>		
<b>Appendices</b>		
1.	Commercial terms for the disposal of land	
<b>Documents In Members' Rooms</b>		
1.	ESIA	
<b>Equality Impact Assessment</b>		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		
Yes		
<b>Data Protection Impact Assessment</b>		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		
No		
<b>Other Background Documents</b>		
<b>Other Background documents available for inspection at:</b>		
<b>Title of Background Paper(s)</b>		<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>
1.		
2.		