

Cabinet



St Edmundsbury
BOROUGH COUNCIL

| | | |
|-----------------------------|---|---------------|
| Title of Report: | Transfer of Land to Suffolk County Council for New School at Moreton Hall, Bury St Edmunds | |
| Report No: | CAB/SE/15/022 | |
| Report to and dates: | Cabinet | 24 March 2015 |
| | Special Council | 25 March 2015 |
| Portfolio holder: | Peter Stevens Portfolio Holder for Waste and Property Tel: 01787 280284 Email: peter.stevens@stedsbc.gov.uk ; | |
| Portfolio holder: | Sarah Stamp Portfolio Holder for Leisure, Culture and Heritage Tel: 01284 769360 Email: sarah.stamp@stedsbc.gov.uk | |
| Lead officer: | Richard Combes Valuation and Estates Manager Tel: 01284 757361 Email: richard.combes@westsuffolk.gov.uk | |
| Purpose of report: | <p>(1) To seek Cabinet and Council approval to transfer 11.38 acres of land to Suffolk County Council for the construction of a new upper school at Moreton Hall, which will serve all of Bury St Edmunds, for the sum of £193,460.</p> <p>(2) To seek Cabinet and Council approval to make a capital contribution of £1,366,460 towards shared sports facilities within the site to be leased back to the Council and operated by Abbeycroft Leisure under a sub-lease with an operator's agreement.</p> | |
| Recommendations: | <p>It is <u>RECOMMENDED</u> that, subject to the approval of full Council:</p> <p>(1) 11.38 acres of land be transferred to Suffolk County Council for the construction of a new upper school at Moreton Hall, Bury St Edmunds, as detailed in Section 1 of Report No: CAB/SE/15/022, for the sum of £193,460 subject to a 125 year lease back of the land</p> | |

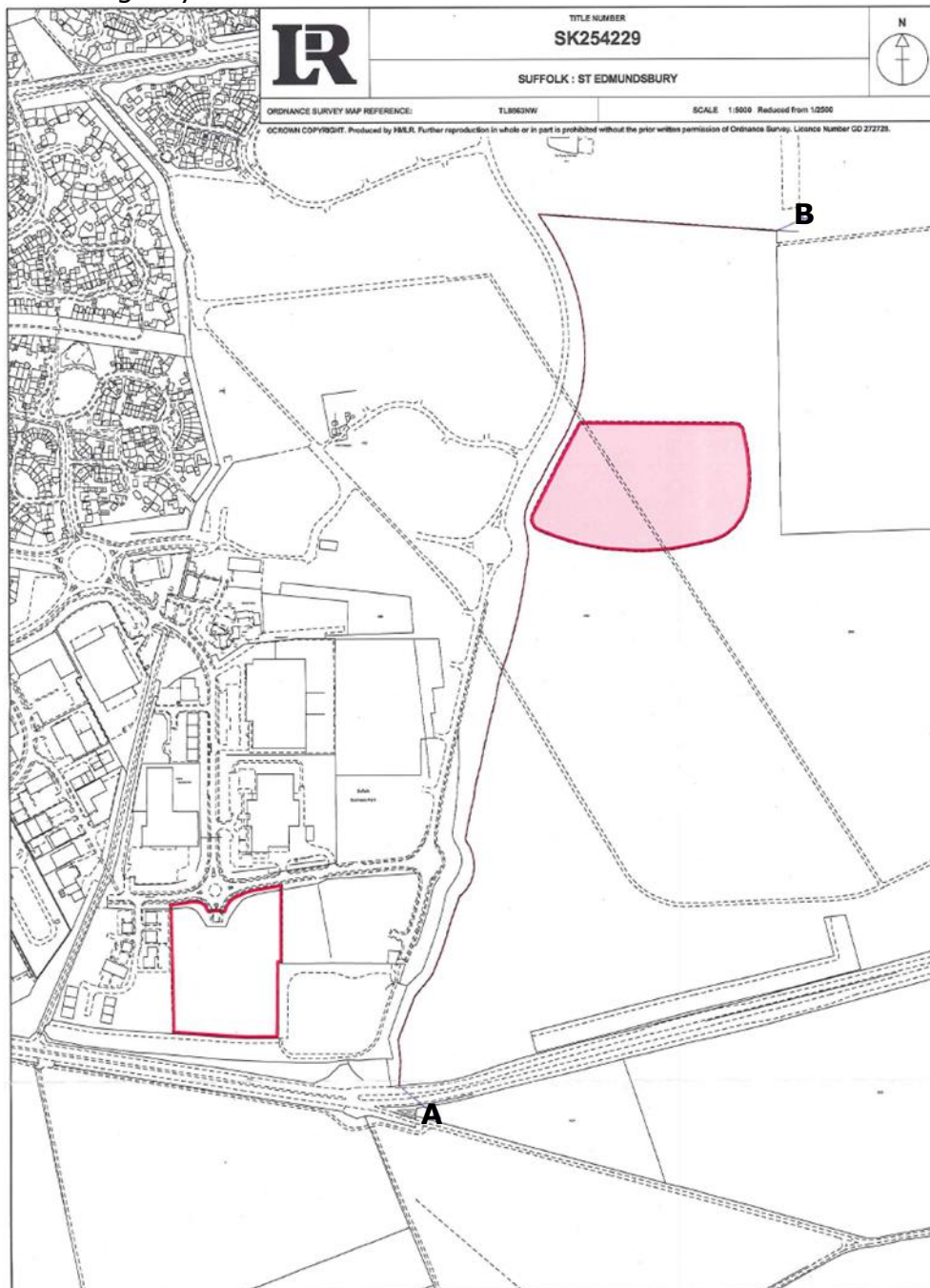
| | |
|--|---|
| | <p>forming part of the shared community sports provision and an accompanying dual use agreement, whilst ensuring the commercial advantage of the Council's ransom strip is maintained;</p> <p>(2) a capital contribution of £1,366,460 be made to Suffolk County Council towards a shared community sports provision within the site made up of the balance of:</p> <p>(a) £813,000 capital allocation for Bury Town FC relocation;</p> <p>(b) £360,000 anticipated future s106 contributions for sporting facilities at Moreton Hall;</p> <p>(b) the capital receipt of £193,460 detailed in (1) above; and</p> <p>(3) delegated authority be given to the Head of Operations, in consultation with the Portfolio Holders for Waste and Property, and Leisure, Culture and Heritage, Chief Executive, s151 Officer and Monitoring Officer, to agree the terms of all legal agreements necessary to give effect to the above.</p> |
| <p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p> | <p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> <p>(as it is a decision of full Council)</p> |
| <p>Consultation:</p> | <p>Extensive discussions have taken place with Suffolk County Council (SCC) and the School Organisation Review (SOR) team within Children and Young People's Services for the previous 18 months involving a shared site in this location at Moreton Hall. These discussions were initially with Community and FA Football provision and now with community leisure use. SCC has consulted the public on these proposals and will submit a planning application on 16 March 2015.</p> |
| <p>Alternative option(s):</p> | <p>To deliver the school within a constrained site further north, the terms for which could not originally be agreed with developers; or risk not delivering the new school in time for September 2016 and instead rely upon renovating an existing school site in the town centre.</p> |
| <p>Implications:</p> | |

| Are there any financial implications? If yes, please give details | | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • As detailed in the report | |
|--|---|--|---------------------------------------|
| Are there any staffing implications? If yes, please give details | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> • | |
| Are there any ICT implications? If yes, please give details | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> • | |
| Are there any legal and/or policy implications? If yes, please give details | | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • As detailed in the report | |
| Are there any equality implications? If yes, please give details | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> • As detailed in the report | |
| Risk/opportunity assessment: | | <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i> | |
| Risk area | Inherent level of risk (before controls) | Controls | Residual risk (after controls) |
| School does not receive planning permission | low | Public consultation for planning process as part of SOR | low |
| Indicative build costs for community elements are higher than anticipated | medium | Competitive tendering of contract | low |
| s106 funding remains undelivered in the absence of a residential planning consent | high | Delivery of Eastern Relief Road and associated infrastructure removes uncertainty | medium |
| Ward(s) affected: | | All Wards | |
| Background papers: <i>(all background papers are to be published on the website and a link included)</i> | | None. | |
| Documents attached: | | None. | |

1. Key issues and reasons for recommendation(s)

Brief History

Land Registry Plan



- 1.1 The Council acquired the 11 acre "lozenge site", denoted by the pink shaded area in the plan above, as one element of the negotiation of access rights to Taylor Wimpey (TW). These negotiations were concluded in 2003, which provided for monetary payments and freehold property in kind, including:
- (a) a new one metre cordon or 'ransom strip' around the remaining TW land ownership east of Lady Miriam Way (points A –B on the above plan);

- (b) site E2, Suffolk Park – approximately seven acres of development land, based on its market value, subsequently sold by St Edmundsbury Borough Council (SEBC) to Sealeys; and
- (c) 11 acre recreation site.

1.2 The recreation site

- 1.2.1 The negotiations centred on the Council's proposed relocation of Bury Town Football Club (BTFC). The value attributed to the 11 acre site was based on what it would otherwise cost the Council to create additional car parking at current site at Ram Meadow.
- 1.2.2 The actual siting of the 11 acres (the estimated land area needed for the relocation of BTFC and community football facilities) was agreed in relation to the flight path for the Rougham airfield and where it could best continue the open space corridor at the Moreton Hall extension to the residential areas.
- 1.2.3 The freehold transfer states the uses to which the land can be put – recreation, community and educational. The Council does not, as landowner, have to consult with TW if the use is any of these.
- 1.2.4 The Council is free to develop the land for alternative residential and commercial uses. If it does so, there is an overage and pre-emption agreement (28 November 2003) which sets down the exact proportions which are payable to TW as clawback. In the case of residential development, the amount paid is prohibitive and it would not be worthwhile the Council pursuing this whilst development for industrial purposes would attract a lesser clawback sum.

1.3 The school site

- 1.3.1 Vision 2031 intended that the current upper school proposal, required as part of the School's Organisation Review (SOR) programme, was to sit entirely within TW's ownership to the north of the Council's "lozenge".
- 1.3.2 However, earlier negotiations with TW failed to produce agreement for the terms to transfer the necessary land and site constraints meant the school and associated pitches were a sub optimal fit, giving rise to concerns about the ability to future proof the design.
- 1.3.3 Suffolk County Council's SOR team then approached SEBC in connection with the stalled relocation of BTFC, due principally to cost, promoting an option to provide a shared site for a new school and community football facilities.
- 1.3.4 During the period 2013/2014, extensive design and investigation work was undertaken between SCC and the Football Association (FA) but ultimately the expectations of the FA could not be met, leading to the Suffolk FA withdrawing their funding from the initiative. However, ongoing discussions with the National Football Association and Bury Town FC are providing the necessary reassurance for BTFC's continual occupation at Ram Meadow.

- 1.3.5 The importance of a shared community use of the site was still considered paramount and accordingly discussions began with the Council and Abbeycroft Leisure (AL) around shared community access sports/gym facilities as part of the new school site.

Consultation plan



- 1.3.6 Design work recommenced with Concertus, SCC's in house consultancy, and the consultation plan above was produced with a view to a planning application being submitted in March 2015. The basis of the shared use is that the 'sports centre' shown below will be operated by AL on behalf of SEBC, who will have a lease back of the red shaded area to include the 3G pitch and associated car park. AL will operate it as one facility for the public and pupils alike save for the need to have separate changing facilities and access to accord with safeguarding requirements. This model is designed to benefit from economies of scale of providing dual facilities, which the school will require in any event, augmented by additional community focused requirements including a football pitch (to 3G standards), to be funded by the Council. A lease will be entered into giving long term control of these facilities to the Council with an

associated agreement for them to be run by a leisure provider such as AL.

Sports Centre Plan



2. Finance/Budget/Resource Implications

- 2.1 Costings provided by a Quantity Surveyor at Concertus for the community element has estimated the cost for the additional 'extra over' facilities (shaded red) at **£1,552,392** to include a new full sized 3G football pitch.
- 2.2 Concertus on behalf of SCC have agreed terms in principle for the transfer of the TW land around the perimeter of the 'lozenge' at £17,000 per acre and the same value can be attributed to the Council's land, on the basis of twice its current agricultural value, to give a value of **£193,460**. The question remains however how the Council's 'ransom strip', which runs north-south to the east of Lady Miriam Way (points A and B on Land Registry plan above) and prevents any further development taking place, should be dealt with.
- 2.3 SCC accepts a principle exists in this regard in terms of the Council's s123 (Local Government Act 1972) obligation and its wider negotiations to safeguard the Council's future hope value through the use of its strategic ransom strip with TW and others. Accordingly, SCC has indicated it would be prepared to make a contribution towards the community facilities equal to the shortfall the Council's available budget for the sporting facilities of **£185,932** in recognition of the need for the Council to demonstrate value for money and preserve and preserve the commercial advantage of the 'ransom strip'.

- 2.4 The current TW planning application does provide for a fully funded s106 contribution at present to include approximately **£360,000** of sports facilities, which could be utilised to contribute towards the community facilities. However, this would require front-end funding by SEBC in the first instance until planning consent is granted to TW.

| Budget Summary | | |
|--|-------------|------------|
| Current SEBC share of community element | -£1,552,392 | |
| Land receipt for 11.38 Acres @£17k per acre for recreational land | | £193,460 |
| s106 allocation for sports facilities | | £360,000 |
| SCC community facilities contribution | | £185,932 |
| Remaining SEBC budget allocation for BTFC following possible FA match funding capital contribution to improved Ram Meadow facilities | | £813,000 |
| | -£1,552,392 | £1,552,392 |

3. Legal implications

- 3.1 Suffolk County Council will be entering into a 125 year lease with the Academy provider following completion of the land transfer, together with a separate lease for 125 years to SEBC for the land forming part of the sports facilities and car park which the Council have financially contributed towards, to which a dual use agreement will be annexed. SEBC will then grant a sub-lease to Abbeycroft Leisure with an associated operator's agreement, the terms of which they will covenant to adhere to within their sub-lease.

4. Revenue implications

- 4.1 The Council's leasehold interest will be included as an operation asset as part of its portfolio with provision for repairs accounted for via a percentage of the insurance value into a sinking fund, managed through the Asset Management Plan process.