

**Disposal of Land at Grange Avenue, Normanton , Derby -  
former sites of the Normanton Junior and Sunnyhill Infant Schools**

**SUMMARY**

- 1.1 To recommend the disposal of these former schools sites following the building of the new Village Primary School, which replaced them in the summer of 2008.
- 1.2 This report provides information relating to the disposals and the potential development together with a brief summary of the expected benefits. An outline of the bids and anticipated financial receipts are set out in the confidential report.

**RECOMMENDATION**

- 2.1 To authorise the proposed disposal of the former schools sites as set out in the report, subject to approval of terms detailed in the confidential part of the Agenda and to the approval of Department for Education.
- 2.2 To authorise the Director of Asset Management to complete the lease for Site B following consultation with Cabinet Member for Asset Management on the detailed terms.
- 2.3 To approve an allocation of £50 000 from the sale proceeds to assist the funding the proposed open space works at Kitchener Avenue (referred to as site C and D).
- 2.4 To authorise the Director of Asset Management to submit an application to the Department of Education for consent to dispose of the former playing fields within the site.

**REASONS FOR RECOMMENDATION**

- 3.1 The former school sites are surplus and should be disposed of now market conditions are improving in order to achieve best consideration reasonably obtained.
- 3.2 The outcome from these disposals should enable developments which maximise potential capital receipts for the Council and satisfy both extra care housing (ECH) affordable homes and other planning policy requirements.
- 3.3 An application to obtain consent for disposal of the playing field areas will justify the

reasons after their replacement at the new Village School and confirm there is no lack at other nearby schools. If the Department for Education gives its consent it is then planned to add additional accessible public open space in the neighbourhood. The funding for those works will be met in part from sale proceeds but mainly through section 106 developer's payments

## SUPPORTING INFORMATION

- 4.1 The former school sites total 8.86 acres. The two disposal sites are shown in Appendix 1 plan and will be developed separately, subject to planning approval as:
- Site A** (includes the former playfields) and extends to 7.11 acres on which 5.5 acres is proposed for new market homes and 1.6 acres retained as public open space.
- Site B** extends to 1.75 acres and will be suitable for extra care homes (ECH) or affordable homes.
- 4.2 A separate planning application for each disposal site will be submitted by the selected developers who will be responsible for securing consents. Each site is capable of supporting independent development. The provision of the minimum 30% affordable homes is a planning obligation delivered as Extra Care Homes (ECH) on site B for our older people in the community whilst maximum receipts secured from market homes on site A.
- 4.3 Site B is confirmed to be one of two priority sites for new ECH facilities approved by Cabinet in a report in March 2010. Clearly, in the light of UK spending cuts and the recent budget review there is now a period of uncertainty over the future levels of public funding via HCA. The Council is awaiting more guidance from Government before it can realign any forward planning and aspirations.
- 4.4 A formal funding bid to HCA will be prepared by the selected RSL working in conjunction with the Council's Housing strategy and development team. This is a high priority in the formulation of the City wide 'local investment plan' within the single conversation engagement framework that is under assessment by the Council and its bids for future HCA funding to support housing or regeneration schemes in the City. If HCA funding were not forthcoming for this scheme the RSL is also considering alternative options.
- 4.5 In supporting this ECH scheme with funding HCA expect the Council to contribute by forgoing unrestricted market value receipts for its land. Therefore, although there will be no initial receipts, the Council is supporting growth of ECH in this community which in turn helps to achieve its overall targets for the City. However, notwithstanding that commitment, in the event of any future sales of ECH units it will receive a share of sale proceeds to reflect its land value as such units will not be available for social rented use. The Council will receive nomination rights throughout the lease period.
- 4.6 The ECH scheme will be accessed from Blackmore Street and will be three storey construction. The scheme may provide 73 flats, all two bedroomed, together with high standard communal facilities designed to serve both the residents and be

accessible to the local community.

- 4.7 The market homes proposal (Site A) will offer a mix of 89 traditional homes to meet local needs ranging from first time buyer two bedroomed houses through to three and four bedroomed family homes. These will be built to meet the emerging changes in building regulations code level 3 sustainable standards. Within the scheme is an area of public open space extending to 1.6 acres which will be a key part of its landscaping and environmental framework. The building period is influenced by the rate of sales activity but demand conditions are beginning to improve so a 3 year period is likely from commencement on site. Access for vehicles would be from Grange Avenue only with pedestrian linkages to Blackmore Street and Gaskell Avenue.
- 4.8 A further benefit of these disposals is that they can enable the Council to improve the local recreation facilities to meet the wider community needs. This opportunity has emerged from preliminary consultations held with the Parks team, Children and Young People officers, Village School Headmistress and representatives of the local Community. This will lead to opening up an area 2.74 acres of new public open space designed for under used land in Kitchener Ave which at present forms part of the Village School site. The next stage in the process will involve further engagement with both the School and Community to work up ideas which are reflective of local need and support. The option will feature both children's` play facilities and `kick about` informal team games space. A small area of parking may also be required as flagged up by the community and the School requires some controlled access for their occasional use of site D for team games. After implementation site C will be reclassified on the Council's asset register so it can be held for public open space whilst the site D remains held for Education purposes but becomes under the management of the Neighbourhood's Parks team. This supplementary proposal will be explained within the application to Department for Education for consent to sell the entire ex school site at Grange Avenue and can only be implemented if such is forthcoming.
- 4.9 It is recommended that a proportion of the sale receipt and section 106 contributions be used to fund the investment work in sites C and D. The future maintenance obligations of sites C and D will transfer from the Village School to the Neighbourhood's Parks team. An additional allocation from the section 106 contributions will be needed to fund these maintenance obligations. This is entirely justified as the sale of the former school sites will see open space (former play fields) reduce from 2.78 acres to 1.6 acres.

#### **OTHER OPTIONS CONSIDERED**

- 5.1 The Council has no operational needs for the sites. Having previously been granted consent for residential use in 2006 that use is most acceptable to fit planning policy and community expectations.

- 5.2 If ECH scheme is undeliverable due to funding restrictions then the Council will consider other options for site B. It may then facilitate other forms of affordable social housing development either by utilising its own capital/grants/loans or it could select delivery by another RSL provider, in which case the site would need to be provided at nil value. Alternatively, site B could be sold for market homes and the proceeds ring fenced to provide a commuted capital sum for other affordable homes in the City. These options would be consistent with planning policy on provision of affordable homes and such a commitment as a fall back option therefore also supported by the planning team.

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<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 1 – Implications Appendix 2 – Site plan

<b>IMPLICATIONS</b>
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**Financial**

- 1.1 The sales proceeds will be split in accordance with Corporate Policy which in this case is affected by its holding as an Education asset. Therefore, 50% of net proceeds will be allocated to Education and 50 % to Corporate.
- 1.2 If consent from the Department for Education is not approved it will reduce the overall area of land which can be sold. The purchasers in these circumstances would be obliged to reduce the number of market homes and the sales proceeds the Council could receive for its land will be adjusted to reflect this variation.
- 1.3 As a potential financial contribution to the capital works on the new play spaces on the Kitchener Ave land £ 50,000 will be earmarked from the sales receipt. The majority of funding will be designated from the proposed Section 106 contributions which are to be invested in bringing this forward and then provide the revenue to maintain the open space. If that £ 50,000 is not required for works it will be released again to the Corporate fund for other regeneration uses.
- 1.4 Section 106 financial contribution paid by the developers to the Council in respect of both sites are estimated at approx £1.2million subject to finalisation.

**Legal**

- 2.1 The disposal of the former playing fields area of the site is subject to consent of the Department For Education
- 2.2 Under General Disposal Consent ( England ) 2003 the Council may choose to dispose of assets for less than best consideration that can reasonably be obtained Therefore, in connection with site B it will waive receiving full market value .

**Personnel**

- 3.1 None

**Equalities Impact**

- 4.1 None

**Corporate objectives and priorities for change**

- 5.1 The proposals promote the Council's objectives of being a Healthy City where people enjoy long, healthy and independent lives.