

<b>Committee(s)</b>	<b>Dated:</b>
<b>Community and Children's Services Committee Policy and Resources Committee Education Board</b>	08/06/2018 11/06/2018 (07/06/2018) 19/07/2018
<b>Subject:</b> Land Transactions - Former Richard Cloudesley School Site	<b>Public</b>
<b>Report of:</b> Andrew Carter, Director of Community and Children's Services	<b>For Decision</b>
<b>Report author:</b> Gerald Mehrtens, Director of Academy Development	

### **Summary**

This report is to be read by Members with the Non-public Progress report on this Agenda regarding the development of the former Richard Cloudesley School Site and adjoining land ("the Site") for the purpose of a new primary school, 66 affordable housing units, and related development ("the Development"). This report seeks authority for land owned by the London Borough of Islington ("LBI Land") to be acquired by the City of London Corporation ("the City") and for related land transactions required for the City to implement the Development on the Site.

### **Recommendations**

1. That **Policy and Resources Committee** authorise the acquisition of the freehold title in the LBI Land for the purpose of a new primary Academy and social housing, and with workshops to be located beneath part of the social housing.
2. That **Community and Children's Services Committee** resolve that the adjoining City's Land (other than the Housing Airspace) is no longer required for the purpose for which it was acquired and held
3. That **Policy and Resources Committee** authorise the appropriation of the City's Land from housing purposes to the City in its general corporate capacity for education purposes [other than the Housing Airspace which will remain held for housing purposes]
4. That **Policy and Resources Committee** and **Education Board** authorise the grant of a leasehold interest of the all the LBI Land and City Land on which the school is to be constructed to the City of London Academies Trust
5. That, in relation to functions within their respective Terms of Reference, **Policy and Resources Committee**, **Community and Children's Services Committee** and **Education Board** authorise the Director of Children's and Community Services to conclude negotiations and final terms of the acquisitions and disposal in accordance with the principles set out in this report, to take any other steps as required in connection with any related documentation and associated transactions as may be necessary to complete the steps at recommendations 1 to 4 and to implement the Development in accordance with the principles in this report, and to instruct the City Solicitor to enter into all necessary legal documents.

## **Main Report**

### **Background**

1. As reported to Community and Children's Services Committee in April 2018, planning applications for the provision of a new primary school and 66 social housing units on the Site were approved by LBI's Planning Committee on 1 March 2018 and by the City's Planning and Transportation Committee on 26 March 2018, subject to Section 106 obligations, planning conditions, and GLA approval.
2. This report is to be read by Members with the Non-public Progress report on this Agenda which provides an update on the Development. This report sets out the property transactions required in connection with implementation of the Development and seeks authority for their completion, if the recommendations in the progress report are agreed.

### **The Site**

3. The Site is made up of the former Richard Cloudesley School (RCS) which is in LBI's freehold ownership ("the LBI Land"), and adjacent garages, adult education centre, and adjoining land that forms part of the Golden Lane Estate (GLE) and which are in the City's ownership ("the City's Land"). The LBI Land and the City's Land are shown on the first plan annexed to this report (marked the "Existing Site Breakdown" plan").
4. The amalgamation of the LBI Land with the City's Land and the "swaps" between housing and education purposes allows for the layout of the Site to be rationalised so that it can accommodate a new education facility and new social housing, and increases the amount of social housing which can be delivered.
5. The consent of the SoS for Education was required for LBI to dispose of its part of the Site to the City. The SoS gave consent on 30 October 2017 for the land to be transferred to the City for the school.

### **The Transactions & Terms**

#### **The Transfer of the LBI Land to the City**

6. It is proposed that the freehold interest in the LBI Land be acquired by the City (in its general corporate capacity) for the purposes of the new school, and with social housing (and workshops beneath) to be provided on part of the Site. Social housing will also be constructed above the school access and will occupy the "Housing Airspace" (see the second plan annexed to this report marked "Proposed Site Breakdown").
7. The key terms on which the LBI Land is to be transferred to the City, and the covenants to which the City will be bound, are broadly as follows:
  - Nil consideration to be paid by the City to LBI for the LBI Land.
  - Amalgamation of the City's Land and the LBI Land is required, to allow for optimum use of the Site

- The City to pay for development of the social housing using S.106 affordable housing contributions and Right to Buy receipts and to be responsible for construction of the social housing (with a contribution being made by LBI)
- The City to be responsible for construction of the school, with a specified and capped construction cost to be funded by the Education and Skills Funding Agency (but the City to be responsible for funding any additional cost). LBI to have nomination rights to 50% of the new social housing units

### Appropriation

8. The City's Land is part of the GLE and was acquired and is held for housing purposes, with part being paved, part containing garages, and part occupied by the former Adult Education Centre building (see Plan) (See two areas shown shaded grey on "Existing Site Breakdown" plan).
9. The City's Land is part of the GLE and was acquired and is held for housing purposes, with part being paved, part containing garages, and part occupied by the former Adult Education Centre building (see Plan) (See two areas shown shaded grey on "Existing Site Breakdown" plan).
10. The paved area does not serve any specific purpose other than for pedestrian passage and there is adequate land available to provide access to all adjoining areas of the GLE. Only two of the garages are occupied. These are used by drivers resident on GLE who require parking in the vicinity of the estate due to mobility issues. Consultation has taken place and alternative parking provision is being made for these two residents. The Adult Education Centre has been re-located to the Community Centre and the City Business Library.
11. Having regard to the above arrangements it is considered that the City's Land is not required for the purpose for which it was acquired and held. Therefore, it is proposed that the City's Land (excluding the Housing Airspace) be appropriated to the City in its general corporate capacity for education purposes. The appropriation is to be subject to the "replacement" housing land (on which the new social housing is to be constructed) being provided to the City through the acquisition of the LBI Land. It is proposed that the appropriation take place contemporaneously with the transfer of the LBI Land to the City. Given the provision of replacement housing land the Chamberlain is satisfied no payments are required to account for the appropriation.

### Grant of Lease to the City of London Primary Academy Trust

12. It is proposed that following its acquisition of the LBI Land and the appropriation of the City's Land for education purposes, the City will grant a leasehold interest in all that land on which the school is to be constructed (excluding the airspace to be occupied by the new social housing) to the City of London Academies Trust.
13. The key terms on which the City will assign the lease are as follows:
  - The lease is for a term of 125 years
  - Nominal annual rent
  - Tenant's right to break every 25 years with SoS approval
  - Premises to be used for education and ancillary uses
  - Tenant to insure

## **Implications**

14. Legal Implications – Section 12 of the City of London (Various Powers) Act 1949 provides that where land is no longer required for the purpose for which it was originally acquired it may be appropriated for any other purpose for which the Corporation is authorised to acquire land, and the accounts of the Corporation shall be adjusted as may be necessary. The Corporation is authorised to acquire land for education purposes (under Section 531 Education Act 1996). Paragraph 11 of this report addresses the relevant criteria for appropriation. All other legal implications are dealt with in the body of the report.
15. Financial Implications – the appropriate accounting adjustments will be required to reflect the fair value of any donated assets within the transactions.

## **Conclusion and Reasons for Recommendations**

16. The transactions the subject of this report are an integral element of the arrangements which need to be put in place to allow the Development to proceed and the social benefits of the Development to be realised.

## **Appendices**

- Existing Site Breakdown Plan and Proposed Site Breakdown Plan

## **Background Papers**

*Provision of affordable homes and additional nursery and primary school places, Community and Children's Service Committee, 13 December 2013*

*Provision of additional primary school places and social housing on the former Richard Cloudesley school site, Community and Children's Service Committee, 18 November 2016*

*Former Richard Cloudesley School Site, Community and Children's Service Committee, 11 May 2018*

*Gateway 4C Report, Provision of Additional Primary School Places and Social Housing on the Former Richard Cloudesley School Site, Golden Lane, EC1, Community and Children's Service Committee, 11 May 2018*

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