

Cabinet 27 October 2021	 TOWER HAMLETS
Joint Report of: Ann Sutcliffe – Corporate Director for Place James Thomas – Corporate Director of Children & Culture	Classification: Partially Exempt
Vacant Schools Sites Proposal	

Lead Member	Councillor Mufeedah Bustin - Cabinet Member for Social Inclusion – (Job Share post as part of Social Inclusion and Public Realm portfolio) Councillor Asma Begum – (Deputy Mayor and Cabinet Member for Children, Youth Services, Education and Equalities (Statutory Deputy Mayor))
Originating Officer(s)	Vicky Clark - Director, Inclusive Growth & Development
Wards affected	All wards
Key Decision?	Yes
Reason for Key Decision	Financial threshold and Significant impact on wards
Forward Plan Notice Published	13 September 2021
Strategic Plan Priority / Outcome	All

Executive Summary

Due to the changes in demand for school places various school sites have closed as follows:

- Cherry Trees School – this school closed at the end of August 2021
- Shapla School – this school closed at the end of August 2021
- Guardian Angels VA School– closed in August 2020. The Council owns a building forming part of the school site. Now the school is closed, the Council will resume responsibility for the building under its ownership.

These sites need to be declared surplus to requirements, prior to seeking approval from DfE for disposal under Section 77 of the SSFA98, 'disposal/change of use of playing field land'.

Delegated authority is also sought for meanwhile occupation and potential disposal on the open market.

Meanwhile letting will help mitigate the costs of security and maintenance for the sites pending disposal.

In parallel sites are being considered for their suitability to house other Council services, where this can support the rationalisation of other parts of the corporate estate.

Recommendations:

The Cabinet is recommended to:

1. Formally declare Shapla School, Cherry Trees School and the building on Guardian Angels School site surplus to requirements.
2. Delegate authority to the Corporate Director of Place to enter into Meanwhile Use agreements pending disposal
3. Agree that future reports will be presented to Cabinet regarding the terms of disposal where appropriate.
4. To note that disposal of schools would be subject to DfE approval under Section 77 of the SSFA98, 'disposal/change of use of playing field land'.

1 REASONS FOR THE DECISIONS

- 1.1 Under the Council constitution, we are required to;
 - declare sites surplus to requirement prior to disposal
 - achieve best consideration in disposing of sites. Delegated authority will support expeditious action in this regard.
- 1.2 Receipts from the disposals will support the improvement of other parts of the Council's education estate
- 1.3 Meanwhile occupancy will protect the sites from dereliction and offset maintenance and security costs pending approval from the DfE for disposal.

2 ALTERNATIVE OPTIONS

- 2.1 Use by another school - One of the reasons for the closure of these school sites has been the lack of demand in the particular locations. With the change in the Borough profile, the demand for school places has changed meaning there was surplus spaces in some area while demand predicted to increase in others. The likelihood of requiring these sites in these exact locations is slim.
- 2.2 **Other Council Uses** - The three sites have been reviewed for suitability for

other council uses via the Council's Asset Management and Capital Delivery Board. This has identified a possible alternative use for one site (Cherry Trees) which is being explored.

- 2.3 **Meanwhile Use** – Meanwhile Use activity can take place on these sites. Under the Meanwhile Use initiative, beneficial use may be made by small enterprises whilst arrangements are putting in place for disposal or some other long- term use. Meanwhile Use is flexible, and agreements may be terminated quickly.
- 2.4 **Do nothing** – This is not really a true option but one that needs to be mentioned for presenting a full picture. We can leave these school sites as is hoping that Children's Services will reopen the school sites. With this option, substantial resources will be needed to protect the sites from squatters and other unauthorised activities. This option will not allow the Council to secure the capital receipts envisaged or use the sites for Meanwhile Use.

3 DETAILS OF THE REPORT

3.1 Cherry Trees School

The former Cherry Trees special School is located at 68 Campbell Road, Bow E3 4EA and provided places for 26 primary school aged boys with special needs. The school was deemed inadequate in its OFSTED assessment and experienced financial difficulties. The building was formerly a residential care home and located in a largely residential area.

The school site is 0.34 acres and comprises of low-rise buildings approximately 9,432 sq ft in floor area.

Proposed uses:

Short term

- a. It is agreed that the site is leased by Ian Mikardo school whilst works are going on at their school site until November 2021.
- b. It is proposed that after November 2021, the site is used for 'Meanwhile' use whilst the long-term vision for the site is developed.

Long term

- a. There are various schemes planned in the borough which would involve the relocation of adult commissioned services. Cherry Trees may be used for the relocation of these services, freeing another site for disposal.
- b. In event that the Cherry Trees is not used to relocate services, it is recommended that the site is disposed of on the open market. The Director of Place will provide a future report updating Cabinet on the outcome of this consideration.

Risk/Issues

- a. With the gap in time between the short-term use by Ian Mikardo and potential relocation of another service, the period may be too short to

secure a meanwhile user who would ideally look for a 1year contract. There could therefore be security costs to meet.

- b. The relative financial impact of disposal versus re use for commissioned services and disposal of the alternate site needs to be clarified. A market analysis and valuation will be carried out by Asset Management to support the delegated decision on disposal versus retention.

3.2 **Shapla School**

The former Shapla Primary School is located at Well Close Square, Wapping E1 8HY and as a one form entry school provided accommodation for up to 210 pupils with additional nursery provision. The area surrounding the school is very mixed with commercial and residential uses and within walking distance of the underground stations at Tower Hill and Aldgate and mainline rail services at Fenchurch Street. The school site is 1.136 acres and comprises of 18,488 sq ft of low-rise buildings.

Proposed uses:

Short term -This site is ideal for inclusion in the Meanwhile Use initiative

Long term - The site would generate a good receipt if disposed of on the market due to its location. The most valuable use of the site is residential.

Risks/Issues

- a. The property is in archaeological priority area.
- b. Part of the site is within a conservation area which will have an impact on any redevelopment plans for the site.
- c. Obtaining vacant possession from the meanwhile provider in a timely manner is crucial to avoid the costs of security and risk of squatters.

3.3 **Part of Guardian Angels School**

The former Guardian Angels VA School is located at Whitman Road, London, E3 4RB and within easy access of Mile End underground station. The School is not a community School but under the Diocese of Southwark (The Diocese) and became surplus to requirement following a merger with St Anne's School. The Council owns a small part of the site which was used to erect a small building. The site within LBTH ownership is 0.12 acres and the comprises a building 7,214 sq ft in size.

The Diocese are hoping to find a long-term tenant for Guardian Angels School.

Proposed uses:

Short term

- a. Part of the Meanwhile Use project

Long term

- b. Disposal - Ideally it would make sense to dispose of the site to the adjoining owners as a special purchaser.

- c. Place on open market - If disposal for the owners of the main school site was not possible the site would still generate a capital receipt if sold to a third party.

Risks/Issues

- a. The parcel within LBTH ownership is on several different titles. The titles have various covenants that will need to be removed. Cleaning up the titles may cause delays in any disposal
- b. The Diocese have asserted a claim to part of the school site. This issue may take a while to unpick and could impede any disposal.

3.4 Meanwhile Use

Meanwhile Use encourages the temporary use of empty space. It is an initiative promoted in the Council's Strategic plan and is seen as a way of generating economic, social and environmental benefits to local communities.

With the growing costs of securing our sites, high risks of squatters and anti – social behaviour, Meanwhile Use has been identified as an option which will allow the meaningful use of vacant sites pending decisions on long terms use while saving Council funds otherwise spent on security.

Under the Meanwhile Use initiative, the responsibility for the site is transferred to the Meanwhile organisation. The Meanwhile Use provider will then take up occupation for a minimum of 3 months. The arrangement is governed by a legal agreement. The Meanwhile Use agreement would also allow for licences for sub users.

Risks

There are some risks with the Meanwhile Use initiative:

- a. The selection of Meanwhile Organisation needs to be carefully managed to ensure the organisation is experienced and has financial capacity to cashflow the overheads whilst the space is getting established
- b. Legal documentation needs to be well drafted to protect the Council's assets and allow the Council to have the site back with vacant possession when needed. Any agreement issued by the Meanwhile space provider to a third party needs to be fit for purpose.
- c. The period of contract needs to be long enough to allow the Meanwhile organisation time to get established but not impede future plans for the sites.

4 EQUALITIES IMPLICATIONS

- 4.1 There are no specific equality implications arising because of this report. As part of the planned closures of the school sites, the impact on equalities was assessed by Children's Services. For both community schools a detailed equality impact assessment was undertaken. Children's Services concluded, for both schools, that based on the findings of the EIA, there were no significant issues to prevent moving to the next stage of formal consultation,

which is to proceed to the issuing of the statutory notice. Under the EQIA tool coding, the green light was given for the closures of these schools to proceed as there was not seen to be significant adverse impact on equalities.

- 4.2 In terms of future uses, the Meanwhile Uses will allow under-represented groups to use space on more economic and flexible terms. This in turn will allow them to grow and get established.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

5.2 Best Value

The Disposal of the vacant sites and Meanwhile Use proposals need to be carried out in accordance with best value considerations.

5.3 Best Consideration

All these school sites have been independently valued by external valuers. These values will need to be borne in mind in any site disposals. Site disposals need to satisfy Sec 123 of the Local Government Act.

5.4 Consultations

There has been consultation and market testing in respect of the Meanwhile Uses to understand the demand for this short-term arrangement. As part of the planning for closing the various school sites, there was substantial statutory consultation. See the links below to the various reports.

5.5 Risk Management

- a. There have been various risks mentioned for all the various school sites. The risks vary from title deed issues to the documentation linked to the Meanwhile usage.
- b. An important risk that would apply to all school sites would be securing DfE approval under Section 77 of the SSFA98, which covers the disposal/change of use of playing field land. Obtaining Sec 77 consent could substantially delay any plans for disposal.
- c. There is substantial risks surrounding the funding of the vacant sites pending disposal etc. There are not only security costs, but also the costs of insurance, utilities, compliance etc. Whilst the schools were operational, funding for schools delegated to Local Authorities was

available to Children's Services, with School Closure this budget no longer exist.

- d. These risks can be mitigated through careful planning and close working with colleagues in Legal Services, finance and children's services.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 In line with the Council's constitution, Cherry Trees, Shapla and Guardian Angels school sites are being declared surplus to education requirement prior to disposal.
- 6.2 These assets have been transferred to the Place Directorate to obtain the best consideration for each site. The Council will receive a capital receipt on completion of sale.
- 6.3 These assets have transferred to Place without any budget. These costs will need to be contained within existing budgets in Place directorate. Whilst in Children's service they were funded from the ringfenced DSG schools block which is linked to pupil numbers and not the general fund.
- 6.4 Any void costs incurred will result in a budget pressure on the Place Directorate and will need to be contained within existing Place budgets.

7 COMMENTS OF LEGAL SERVICES

- 7.1 It is government policy that local authorities should dispose of surplus and under-used land and property wherever possible. The Council has fairly wide discretion to dispose of its assets (such as land or buildings) in any manner it wishes, subject to the provisions under sections 123 and 127 of the Local Government Act 1972 and section 87-89 of the Localism Act 2011.
- 7.2 In addition under Section 77 of the School Standards and Framework Act 1998 (SSFA 1998) as amended consent will be required for the disposal of any playing field land falling within the specification therein.

Linked Reports, Appendices and Background Documents

Linked Report

- Shapla - [Decision - Report on the outcome of public representations received in response to the statutory proposal to close Shapla Primary School: Decision on Closure of Shapla Primary School. \(towerhamlets.gov.uk\)](#)
- Cherry Trees - [Decision - Report on the outcome of public representations received in response to the statutory proposal to close Cherry Trees Special School: Decision on Closure of Cherry Trees Special School. \(towerhamlets.gov.uk\)](#)

- Guardian Angels - See Cabinet Report 25th March 2020 on the Amalgamation of t Guardian Angels and St Ann's Schools and subsequent Mayor Individual decision
- St Matthias Sports Hall Letting– To be covered by a separate report going to Cabinet meeting on 27th October 2021

Appendices

- Appendix 1 Exempt – Indicative values of the school sites

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE

Officer contact details for documents:

N/A