

Report for: Cabinet 20th June 2017

Item number: 17

Title: Disposal of the Professional Development Centre, Downhills Park Road, N17 6AR

Report authorised by : Strategic Director for Regeneration Planning and Development

Lead Officer: Assistant Director Economic Development and Growth

Ward(s) affected: West Green

Report for Key/

Non Key Decision: Key

1. Describe the issue under consideration

- 1.1 The Professional Development Centre (PDC) (shown edged red on the plan attached to the Heads of Terms (Appendix A)) is held for education purposes and is a former school which has been used predominantly for training since 1993 (covering approximately half of the building). Parts of the building have been used for other purposes including temporarily as a school up to 2013. Currently the building also includes the Young Adults Service (YAS) and Children's services staff as well as training provided by Traded Services.
- 1.2 The report sets out terms of the disposal of the site to the Heartlands Trust on a 125 long lease for the purpose of refurbishing the building and site to provide 'The Grove' a special school for children with autism spectrum disorders.

2. Cabinet Member Introduction

- 2.1 The PDC building has been used for education and training since it was built in Victorian times. The proposal to lease the building to Heartlands Trust and refurbish the building for 'The Grove' a special school for children with autism spectrum disorders continues this critical use in the Borough. It will also bring children currently travelling out of Borough back to a purpose built modern educational and purpose built facility. I recommend that the proposal is supported by Cabinet.

3. Recommendations

- 3.1 Cabinet is asked to approve that:
 - a) The PDC is declared surplus to requirement and vacated ; and.
 - b) for the PDC to be disposed of to the Heartlands Community Trust for the purpose of setting up special school for children with autism spectrum

disorder. That the disposal be by way of a long leasehold interest for a term of 125 years at a premium set out in Part B of this report and based on the the Heads of Terms set out in Part B of this report.

4. Reasons for decision

- 4.1 Currently the Professional Development Centre building is part vacant and not fully utilised and does not offer appropriate accommodation in line with the council's future accommodation strategy.
- 4.2 The disposal will provide a new school, 'The Grove' by the Heartlands Community Trust which will provide up to 104 spaces for children with autism spectrum disorders in the Borough. The current occupiers will be relocated within existing Council buildings or alternative accommodation.

5. Alternative options considered

- 5.1 The alternative is to not dispose of the site. However this will mean that the Borough will continue to send children with autism spectrum disorders out of Borough or to a more expensive provider, with a resulting continued unsustainable pressure on the council's high needs block budget, which funds education services for children with special educational needs and disabilities.
- 5.2 Another alternative is to lease part of the site to the EFA. This has been explored by the EFA on the basis of refurbishment or a wholesale redevelopment. The refurbishment of part would not provide sufficient space for the school and although the building is not listed demolishing the building would mean the loss of a building with significant architectural merit.

6. Background information

- 6.1 The PDC is located in Downhills Park Road close to Turnpike Underground Station and currently houses the Professional Development Centre (PDC). It is used as a professional development centre (providing traded services and other training to, among others, teaching staff, Council officers, school governors and health professionals) and also currently houses YAS and Children's Services although there are plans in place to relocate these services. The site comprises a Victorian building and caretaker's house with playground to the rear covering approximately 0.6 hectares. The site is not located in a conservation area and the building is not listed.

The Grove

- 6.2 Heartlands High Secondary School currently runs a special school unit that will move into the new special school at the PDC and to be known as 'The Grove' once completed. The school will be for 104 students aged 4-19 with autism spectrum disorders, particularly those with more mental health needs. Haringey is fully supportive of the school and has committed to commissioning the full 61 places in the first year building up to full capacity with 104 places. Local

parents are also supportive of the school. The opening of the school will provide much needed additional special school places over the capacity of the existing specialist unit of 32 children, currently at heartlands.

- 6.3 This will meet local demand, and also provide places in Haringey for children who are currently attending independently run special schools outside of the borough. Local and maintained school provision is more attractive to families, as it means their children stay in touch with local services, but is also a more cost effective option both in terms of school costs and transport.
- 6.4 Opening the school means that Haringey will be able to bring back into the borough at least 18 children from these schools over the first three years at a saving of 38K per place totalling 684K. The new school capacity will also meet the local need for school places, preventing increasing spend over time, as the children move into the new school spaces. There are currently over 75 children with Autism in independent schools in a variety of age ranges, costing at least 2.5 million pounds to Haringey's high needs block.
- 6.5 Costs for independent schools vary from 60K minimum up to 100k for day places, at a minimum 12K more than local school places. Transport costs are a minimum of £6,700 per child, rising to 23K if an individual taxi with escort is provided. This is often required as children are travelling to a range of school sites, or may have challenging behaviour exacerbated by the lengthy school journeys.
- 6.6 The SEND service would save a minimum of £684k over a three year period by opening the 104 place ASD provision. This is based on absorbing current demand to prevent out of borough places, and by bringing children currently educated out of borough into this provision, assuming a difference of £38K saving per child brought from a more expensive, independent provision, to a less expensive maintained or free school provision.
- 6.7 EFA have looked at the viability of LocatED (a new Government owned property company set up to secure sites for development and refurbishment) delivering the new school within the existing building at the Professional Development Centre (PDC) site . LocatED has commissioned a high level feasibility study which has concluded that the site is viable for this purpose but that if the existing buildings are to be retained the whole site is required in order to deliver appropriate provision.
- 6.8 The EFA have requested a 125 year lease at a peppercorn rent subject to planning. A premium is also proposed, providing a capital receipt to the Council. This is based on the market value of half the site (coloured in red in the plan in Appendix A) as the other site is currently designated as Education and therefore not subject to a capital receipt. Heads of terms have been agreed and are set out in Part B to of this report based on this proposal.
- 6.9 The agreed disposal figure set out in Part B of this report is subject to a valuation undertaken by the District Valuer and confirms best consideration .
- 6.10 The building currently houses three services. These are YAS, Childrens services and Traded services who provide training. YAS are due to move to

Cumberland House by the end of the year. Alternative accommodation has been identified for SEN Children's services at level 2 Alexandra House from September 2017, and this building is also being assessed for and Traded Services in order to ensure that these services continue uninterrupted. Timescales for vacant possession are being discussed with the EFA in order to dovetail emptying the building with the refurbishment programme. There is also a caretaker on site who occupies the caretakers house. This is subject to a service tenancy (details to be confirmed) which will need to be terminated or negotiated with the school.

- 6.11 The building currently has premises costs to the Council of approximately £260,000 per annum and once alternative venues are found for these services, the net saving will be circa £58k.

7. Contribution to strategic outcomes

- 7.1 The recommendations in this report are related to a number of Council wide corporate policies and priorities and will help deliver the following Council outcomes and priorities as set out in the Corporate Plan 2015-2018: Building a stronger Haringey together. These include:-

- Priority 1- Enable every child and young person to have the best start in life, with high quality education. 'The Grove' will enable the Council to school pupils in Borough rather than to send them out of Borough, and the school will offer a better value approach to providing places for children with autism spectrum disorders, with links to local schools
- The Council also sets out in the Corporate Plan an overarching principle to 'work in partnership – leading local partnerships so that we achieve more, together'. The proposed collaboration and partnership working with 'The Grove' to provide a special school for children with autism spectrum disorders supports this principle.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

8.1 Chief Finance Officer

This report request that Cabinet agree to that the PDC building is vacated in order for a new refurbished building to provide 'The Grove' a school for children with autism spectrum disorders.

Property

The report also requests that Cabinet agree that the PDC is leased to the Heartlands Trust on a 125 year lease at a peppercorn for a premium of £2,150,000. This is based on full repairing and insuring terms for the provision of 'The Grove' School.

The agreed disposal figure of £2,150,000 is subject to a valuation undertaken by the District Valuer and confirms best consideration, this will provide the Council with a capital receipt.

There are additional costs of moving existing Council services to a new location, there are no identified budgets available to cover these costs, which are unknown at this stage.

In addition to the capital receipt Property Services will save approximately £260,000 on running costs when the the PDC is leased to the school. This saving will be mitigated by the cost of reproviding the services as per 6.11, the net saving therefore will be in the region of £58,300.

Traded Services

Traded Services should provide services to schools at least break even or even provide a surplus contribution.

As part of the model that considers moving to new premises a full business case should show that the service is financially viable.

SEND

SEND Placement Funding is provided through the Dedicated Schools Grant (DSG-High Needs Block), Health or LA Social Care dependant on the needs of each child.

The main funding source for this provision is largely through DSG High Needs Place Funding and Top Up Funding dependant on whether the child is a Haringey resident.

Currently the demand for placements is met through settings in both Haringey and other authority schools. Out of borough placements are usually more expensive than those provided internally.

Additionally, external placements tend incur high transport costs.

If The Grove is made available as a site to deliver SEND education services, the need for most costly out of borough placements will be reduced. Full modelling of these benefits is currently in progress.

Assistant Director of Corporate Governance,

- 8.12 The Council must obtain vacant possession of the PDC prior to disposing of the land. The PDC is held for education purposes and the Council must obtain best consideration when disposing of the site. To dispose the PDC the consent of the Secretary of State is required under the Education Act 2011 because there has been a school on the site in the past 8 years and also if any part of it is a playing field (under Section 77 of the Schools Standards and Framework Act 1998),
- 8.13 Members should note that the Academies Act 2010 gives the Secretary of State the discretion to make a transfer scheme in relation to land. So where the local authority holds a freehold or leasehold interest in land that has been used

mainly as a school in the past 8 years, the Secretary of State may on request make a scheme in relation to land that essentially necessitates the transfer of such land.

Equalities

8.14 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not

8.15 This decision will secure more sustainable long-term provision for children with autism spectrum disorders within Haringey, delivering additional capacity within the borough. It will enable more children with these additional needs, resident in Haringey, to access a specialist educational setting in their home borough. This will support the wellbeing of the young person, who can attend a school with closer links to other Haringey support services, and will not be required to travel as far or for as long to access a suitable education. This also significantly reduces the time and cost of school transportation for both their families and the Council.

8.16 The sale of the site to the Heartlands Trust will involve relocating staff to other facilities either owned by the Council or externally. Plans for the relocation of present services on the Council- owned portion of the site are referenced in the body of this report. The other half of this site is already owned by the EFA for use as an educational facility. In addition the caretaker currently living on site will be affected by the sale, for whom the Council will negotiate alternative arrangements.

9. Use of Appendices

Appendix A – Site Plan

Appendix B – Heads of Terms set out in Part B of this report

10. Local Government (Access to Information) Act 1985

10.1 This report contains exempt and non exempt information. Exempt information is contained within Part B and **is not for publication**. The exempt information is under the following category (identified in amended schedule 12A of the Local Government Act 1972)

10.2 S. (3) Information relating to financial or business affairs of any particular person (including the authority holding that information).

Appendix A- Site Plan



Appendix B – Heads of Terms

See Part B of this report