

**DERBYSHIRE COUNTY COUNCIL
CABINET**

16 October 2012

**Joint Report of Chief Executive, Strategic Director for Children and
Younger Adults and Director of Property**

DARLEY DALE PRIMARY SCHOOL

1. Purpose of Report

To seek approval to the terms for transferring ownership of Darley Dale Primary School Infants' building and land to Dales Housing Association and the associated construction of an extension to the main school building which currently houses the Junior aged pupils, hall, kitchen, staffroom and administrative accommodation.

2. Information and Analysis

- 2.1 A report to Cabinet in July 2008 approved the transfer, in principle, of the Infants' building and an area (1.37 acres) of land around the building to the Home Group Housing Association and their partner Wm Davis Homes. It was proposed to demolish the existing building to make way for 18 new build houses, 11 of which would be affordable dwellings meeting local needs. The remaining 7 houses would be for private sale to cross subsidise the affordable housing.
- 2.2 As part of the scheme, the Housing Association would construct a new three classroom extension linked to the existing Junior School building in accordance with specification and plans prepared by the Director of Property.
- 2.3 The anticipated cost to the Council was estimated to be £230,000 together with the transfer of land which had been initially valued at approximately £400,000. The District Valuer, in fact, subsequently valued the land in November 2008 at £350,000. This proposed scheme was considered to offer best value in terms of delivering a new purpose-built classroom block that would otherwise cost the County Council over £875,000 to build. The scheme also enabled the creation of affordable housing.
- 2.4 An initial planning application was made in 2008 but, following the listing of the Widdows building, was subsequently withdrawn. A

Village Green application was also submitted in 2009, which affected part of the site.

- 2.5 The Housing Association pursuing the original scheme then withdrew from negotiations. Discussions, however, continued with a different housing association – Dales Housing - and with English Heritage to develop a scheme which allowed for the retention and conversion of the original school building into apartments together with new build social housing on the remainder of the site as in the original scheme. Dales Housing replaced the Home Group as the District Council Strategic Housing Department's recommended Registered Social Housing provider.
- 2.6 A revised scheme was submitted to DDDC for planning approval which was granted in July 2011. Listed building consent for the change of use, alteration and conversion of the Grade II listed building to form seven apartments together with associated external works was granted by the Secretary of State for Communities and Local Government in August 2011.
- 2.7 The Village Green application was determined in July 2012 following the appointment of an independent inspector who held a public inquiry in April 2012. The Regulatory-Licensing and Appeals Committee at their meeting on 23 July 2012 accepted the independent inspector's recommendation in relation to the Village Green application and refused the application.
- 2.8 It is, therefore, proposed to proceed with the revised scheme for which planning approval has been granted. This provides for the redevelopment of the site to include a three classroom extension to the main school building, the erection of 15 affordable dwellings, the change of use, conversion and alteration of the existing Infants' School into seven apartments for private sale and provision of associated car parking and infrastructure.
- 2.9 The scheme needs to be approved by the school's governors who will be meeting to consider the final proposal in mid-October 2012.
- 2.10 The District Valuer has confirmed, in writing, that his revised valuation of the land, which now includes a listed building is £181,234.
- 2.11 However, the listing of the Infants' School building has added significantly to the overall cost of the scheme. The original

proposal was to demolish and replace with new build. The revised scheme has had to make provision for substantial restoration and renovation costs and the conversion of the interior into seven apartments. These proposals have met with the full approval of English Heritage. Further, the cost to build the school extension has increased due to changes in Building Regulation legislation that requires improved energy conservation design. Dales Housing and their partner Wm. Davis estimate that the market value of seven apartments, as opposed to the seven two-bedroomed houses envisaged in the original scheme, will also be lower. This has, of course, been exacerbated by the general decline in the housing market nationally since 2008. The Council's contribution for the revised scheme is now, therefore, estimated to be approximately £400 - £450,000. In anticipation of this requirement, £350,000 has already been approved by Cabinet in the CAYA Capital Programme 2011/12, thus leaving a balance of approximately £100,000 to fund. This can be funded as indicated in Section 3.2 below.

- 2.12 It is, therefore, considered that the project still offers the Council value for money.

3. Financial Considerations

- 3.1 The contribution on the initial scheme was to have been funded through three elements:

1. Darley Dale Primary School devolved formula capital	£ 90,000
2. School Access Initiative (SAI) funds	£100,000
3. Savings from CAYA Modernisation 2006/08 fund	£ 40,000

- 3.2 The revised contribution estimated at approximately £450,000 can be funded as follows:

1. CAYA Capital Programme 2011/12 (approved by Cabinet 29.03.11)	£350,000
2. CAYA Capital Programme 2011/12 (from savings currently totalling £180,000)	£100,000

- 3.3 Cabinet will note that under this revised funding arrangement, the school is no longer making a contribution towards the project. The £90,000 put forward towards the initial proposal has since been committed to meeting essential maintenance expenditure on the existing buildings.

4. Legal Considerations

Dales Housing is the Homes and Communities Agency (HCA)'s Social Housing Provider for the area. As the HCA does not permit competition between Registered Social Housing Providers the Council can enter into a contract with Dales Housing without undertaking a procurement process to invite competitive bids provided it is satisfied that the project offers value for money for the Council.

Section 123 of the Local Government Act 1972 requires the Council to dispose of land at the best price that can reasonably be obtained. The District Valuer's report demonstrates that the Council is complying with this obligation by entering into this contract with Dales Housing.

5. Property Considerations

Construction of the school extension is planned to start immediately after Easter 2013 with its completion scheduled for September 2013. The housing development would then be completed by August 2014.

6. Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality of opportunity, human rights, personnel, environmental health, property and transport considerations.

7. Key Decisions

NO

8. Call – In

Is it required that call-in be waived in respect of the decisions proposed in the report? NO

9. Background Papers

Files held by Property Services and Legal Services Divisions, Corporate Resources and by the Development Team in Children and Younger Adults Department.

10. Officers' Recommendation

That Cabinet:

- 9.1 Notes and approves the scheme for the provision of a three classroom extension for Darley Dale Junior School and the transfer of the Infants' School building and associated land to Dales Housing Association in accordance with the terms to be finalised by the Director of Property and Director of Legal Services.
- 9.2 Approves the financing of £450,000 from the CAYA Capital Programme 2011/12 as identified in the report to meet the Council's anticipated contribution for funding which has arisen as a result of the changes to the original scheme.

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