

Birmingham City Council

Report to Cabinet

Date: 21st April 2020



Subject: SALE OF 46-48 STOUR STREET, LADYWOOD
BIRMINGHAM B18 7AJ

Joint Report of: Director for Education and Skills - Dr Tim O'Neill
Acting Director, Inclusive Growth – Ian Macleod

Relevant Cabinet Member: Cllr Jayne Francis - Education, Skills and Culture
Cllr Ian Ward - Leader of the Council

Relevant O &S Chair(s): Cllr Kath Scott - Education and Children's Social Care
Cllr Lou Robson - Economy and Skills
Cllr Sir Albert Bore - Resources

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Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Ladywood		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 007525/2020		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1 To seek approval to sell 46-48 Stour Street, Ladywood, Birmingham, B18 7AJ to the Secretary of State for Housing, Communities and Local Government (HC&LG) attached at **Appendix 1** for the provision of a free school.
- 1.2 In line with the Schools Capital Programme, approved by Cabinet on 26th March 2019, the building is required to enable sufficient school places within the City.

2 Decision Recommended

- 2.1 Declare that 46-48 Stour Street, Ladywood, Birmingham, B18 7AJ is surplus to the Council's requirements and authorise its subsequent sale as detailed.
- 2.2 Authorise the freehold sale of 46-48 Stour Street, Ladywood, Birmingham, B18 7AJ to the Secretary of State for Housing, Communities and Local Government on the terms set out in **Appendix 2** for the sum of £2.700m (Two Million and Seven Hundred Thousand Pounds).
- 2.3 Authorise the City Solicitor to negotiate, execute and complete all necessary documentation to give effect to the above recommendations.

3 Background

- 3.1 The Local Authority has a statutory duty to ensure that there are sufficient pupil places, secure diversity in the provision of schools and increase parental choice through planning and securing additional provision (Section 14, Education Act 1996 and Education and Inspections Act 2006).
- 3.2 The Council started to grow its primary estate in 2010 as a result of increased birth rates and these higher primary numbers are now moving through to secondary age. The latest forecasts, which also take into account estimates for number of pupils moving into the city or to housing developments, indicates the need to provide an additional 67FE in Year 7 by 2024/25. This is the equivalent to over 2000 additional Year 7 places and over 10,000 secondary (Year 7-11) places.
- 3.3 The Council are exploring options for expansion across our current secondary school supply. However, with significantly fewer secondary schools (87 schools) than primary schools (302 schools) it is evident that the Council will not be able to meet all of our need within our existing estate. An additional 7FE is needed in the Ladywood planning area alone, and this is without the introduction of major housing at both Greater Icknield site and Smithfield site. The Council are therefore looking to the government's Free School programme to support us to deliver additional secondary schools and school places.
- 3.4 The Council granted a 125-year lease to South Birmingham College (Now SCCB) for the buildings and land at 46 – 48 Stour Street, Ladywood, B19 in 2006 to deliver a vocational training skills centre. As part of the merger between City and South Birmingham colleges, the newly formed South and City College

rationalised their estate declaring the Stour Street site surplus to their requirements in 2016.

- 3.5 Cabinet approved a surrender of the lease back to the Council on 25 June 2019 for £1.85m on the basis that an early feasibility study has indicated that the building is suitable for both post 16 and special school places. The cost of developing a provision of this size and quality would be in excess of circa £15m.
- 3.6 The Council has since been approached by the Secretary of State for Housing, Communities and Local Government who are keen to work with the Council to ensure that the property can continue to be used for education purposes and have secured Board approval to purchase the property for the purpose of a free school on the recommended terms.
- 3.7 46-48 Stour Street is in central Birmingham, as part of Ladywood planning area, and is a well-placed site to accommodate a new Free School, given local travel networks.
- 3.8 The Secretary of State has approved Birmingham Ormiston Academy which is a single Academy Trust to open a new Free School to provide specialist vocational and high-level technical qualifications for students wishing to enter TV, Film or Theatre professions. It is proposed that 46-48 Stour Street is used for the delivery of this Post 16 400 pupil capacity school. The Trust currently has a successful Performing Arts Academy in the centre of Birmingham and has approval for the opening of a Digital School in September 2022. The Council are proposing to declare this site surplus and sell it to the Secretary of State for Housing and Local government for the redevelopment of a Free School.
- 3.9 Ladywood schools admit from a wide number of planning areas, due to the location of the area (city centre), good network routes and specialist provisions. Therefore, the Council want to continue to increase places in order to meet need from other areas. Stour Street provides a suitable location for a site.
- 3.10 The Secretary of State for Housing, Communities and Local Government has confirmed that it has board approval for the purchase of the freehold interest only and the transaction may not proceed if the Council is not willing to complete on this basis. The site whilst on the edge of the Ladywood regeneration area is not of strategic importance and does not form part of a wider landholding on the block bounded by Stour Street, Spring Hill, Steward Street and Cope Street. This is a stand-alone property with no other Council ownership on either side on Stour Street. The Property is not within the red line boundary of the Ladywood estate and therefore not captured within the procurement the Council are undertaking for the selection of a development partner for this area.

4 Options Considered and Recommended Proposal

- 4.1 Do Nothing – The site is not required, and the City Council does not have the capital to invest in the site to bring it forward for providing secondary places.

- 4.2 Preferred option is to sell the site to the Secretary of State for Housing, Communities and Local Government to use for a Free School. Options are being explored for expansion across our current secondary school supply. However, with significantly fewer secondary schools (87 schools) than primary schools (302 schools) it is evident that the Council will not be able to meet all of our needs within our existing estate. An additional 7FE is needed in the Ladywood planning area alone, and this is without the introduction of major housing at both Greater Icknield site and Smithfield site. The Council are therefore looking to the government's Free School programme to support us to deliver additional secondary schools and school places.

5 Consultation

- 5.1 The Ward Members for Ladywood were consulted in March 2020 in relation to the proposals, for which no adverse comments have been received. The Secretary of State for Housing, Communities and Local Government have been consulted on the recommendations contained in this report.

6 Risk Management

- 6.1 If the proposal doesn't go ahead then the City Council would fail to meet its statutory obligation to ensure that there are sufficient school places, secure diversity in the provision of schools and increase opportunities for parental choice through planning and securing additional provision.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 7.1.1 The Property Strategy which was approved by Cabinet on 13th November 2018, is aligned with the strategic outcomes outlined in the Council Plan 2018-2022 (as updated in 2019) to create a city of growth where every child, citizen and place matters; an entrepreneurial city to learn, work and invest in; an aspirational city to grow up in; a fulfilling city to age well in; a great city to live in; a city where residents to gain maximum benefit from hosting the Commonwealth Games and a city that takes a leading role in tackling climate change.
- 7.1.2 The Property Strategy takes a medium to long term strategic approach to how the Council utilise our unique asset base and will ensure a balanced delivery of maximised commercial and social returns. Re-aligning the Council's property portfolio will provide a catalyst for development and underpin the social fabric of communities across the city.
- 7.1.3 Selling 46-48 Stour Street will enable the Local Authority to meet its statutory duty to provide sufficient secondary and special school places in safe and compliant school buildings. This will support the Council priorities:

- A great city to grow up in and make the best use of our unique demography
- Create a safe and secure city for our children to learn and grow in', by ensuring the provision of school places in safe, suitable school buildings,
- Enable children to benefit from a great education offer.

7.2 Legal Implications

- 7.2.1 This report facilitates the discharge of the Authority's duty contained within Section 14 of the Education Act 1996, by which the Authority has a responsibility to secure that sufficient schools are available.
- 7.2.2 The power to acquire, dispose and manage assets in land and property is contained in Section 120 and 123 of the Local Government Act 1972.

7.3 Financial Implications

- 7.3.1 The asset is part of the Non-Investment Portfolio, as per the Council's Property Strategy. The sale of the asset will generate a capital receipt of £2.700m. The capital receipt will be available to support the Council's priorities, subject to Capital Board approval and the Council's governance process.
- 7.3.2 The Assistant Director of Property has confirmed that the transaction is at a level that satisfies s123 of the local Government act 1972 and represents best value.
- 7.3.3 The City Council's legal and surveyor costs to a total of £0.015m are to be paid by the Secretary of State for Housing, Communities and Local Government.
- 7.3.4 The sale of this asset has no rental loss implications, and there no holding cost liabilities associated with the asset as the lease surrender from SCCB was at a peppercorn rental and no security costs are being incurred as the building is self-contained behind security fencing and monitored as part of the wider education estate. On sale the Council will save on none domestic rate's payments.

7.4 Procurement Implications (if required)

- 7.4.1 Not applicable

7.5 Human Resources Implications (if required)

- 7.5.1 Not applicable

7.6 Public Sector Equality Duty

- 7.6.1 A Full Equality Analysis (EA0001202) was carried out in May 2016 for the Schools' Capital Programme 2016–2017. The outcomes from the consultation demonstrate that proposed capital developments support positive outcomes for children, young people, their families and carers. No negative impact on people with Protected Characteristics was identified. It was concluded that

sufficiency of educational places and opportunities for all children and young people contributes to providing positive life chances and supports a positive approach to Safeguarding in Birmingham actively reducing the number of children and young people out of school helps to mitigate risk to their safety and wellbeing. This remains the same. EA attached as **Appendix 3**.

8 List of Appendices accompanying this Report (if any):

Appendix 1 - Outline of the land and buildings at 46 – 48 Stour Street

Appendix 2 – BOA Stage & Screen Heads of Terms – Stour St

Appendix 3 – EA0001202 – Schools Capital Programme

9 Background Documents

9.1 Schools Capital Programme 2019-20 - Cabinet 26th March 2019

9.2 School Place Planning Requirements - 2018/19 to 2024/25

9.3 Cabinet Report dated 25 June 2019 Surrender of Lease from South and City College Birmingham (SCCB)

9.4 Officers files save as to confidential information