	<p style="text-align: center;">Executive 27th May 2008</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Resources and Director of Policy and Regeneration</p>
<p style="text-align: right;">Wards Affected: Stonebridge</p>	
<p>Potential Development on an area of the Stonebridge Estate</p>	

Forward Plan Ref: F&CR-07/08-35

1.0 Summary

- 1.1 This report provides an update on proposals for the development of a section of the former Stonebridge Housing Action Trust (HAT) site following the transfer of around 13 hectares of public open space to the Council.
- 1.2 This involves the construction of approximately 245 residential units and the use of resources gained by the Council from this proposed residential development to help support the demolition new build and expansion of Our Lady of Lourdes and Stonebridge Primary Schools. This is subject to further consideration by the Council's Executive and a full financial feasibility study.
- 1.3 This report seeks agreement in principle to the proposals prior to outline planning permission being considered. It also seeks a number of initial decisions to pave the way for more detailed proposals to be brought back to the Executive.

2.0 Recommendations

- 2.1 To approve in principle the proposed scheme of regeneration of land forming part of the Stonebridge Estate (shown on the plan attached as Appendix 1) to provide approximately 245 residential units and the demolition and new build of the two existing primary schools.
- 2.2 To instruct officers to pursue negotiation of a development agreement with the Archdiocesan Board of Westminster and to enter such agreement subject to the Directors of Finance and Corporate Resources and Policy and Regeneration being satisfied as to the final terms.
- 2.3 To approve in principle the disposal of the area of land identified on the plan for residential development but instruct officers to report back to the Executive with detailed proposals in due course.

- 2.4 To approve in principle the disposal of such area of school playing fields within the overall site area as is required to implement the scheme, but instruct officers to report back to the Executive with detailed proposals in due course.
- 2.5 To instruct officers to prepare detailed proposals for the scheme to be reported back to the Executive in due course.

3.0 Detail

Wind-Up of the HAT

- 3.1 On 13 February 2006 the Council's Executive approved the transfer of a number of public open spaces from the Stonebridge HAT to Brent Council. These spaces comprised a total of around 13 hectares and were created as a consequence of the comprehensive redevelopment of the Stonebridge Estate and as a specific Section 106 requirement of the overall Master Plan. One of the open spaces (Site 7) is adjacent to the Stonebridge and Our Lady of Lourdes Schools.
- 3.2 The HAT ceased to exist as a legal independent entity as from the 28th September 2007, after which any residual responsibilities passed to English Partnerships.
- 3.3 In property terms the winding up of the HAT has resulted in the following:
- (i) 325 residential units and 47 flat tenants have returned to the Council's ownership following a ballot of residents. The remainder of the residential units transferred to Hillside Housing Trust. A report setting out the position and the consequences of this went to the Executive on 12th November 2007.
 - (ii) The recently constructed Fawood Children Centre which was held by Brent Council on a 25 year lease, was transferred freehold for nil consideration to Brent.
 - (iii) The phased transfer of the public open spaces referred to in Paragraph 3.1. Phase 1 of the public open spaces transferred to Brent on 28th September 2007. The transfer to Brent of the Recreation Ground (which comprises a football pitch) will take place when the adjacent Sports Pavilion is transferred by English Partnerships to Hillside Housing Trust. The public open spaces will be maintained by Brent Council. The Council's Parks Service received a one-off payment of £75k from the HAT as a form of dowry to undertake snagging works. In addition to the freehold transfer, Brent also accepted assignment of a long lease from the British Waterways Board for the canal feeder which runs through the estate. This lease has still to be completed.
 - (iv) As a consequence of the public open space transfer the Council became responsible for the management of a football pitch and this is to be subject of a booking arrangement with Hillside who will take over responsibility for the pavilion and astro-pitch. An agreement is in the process of being drafted that gives both schools school-hours access to the pitch at a concessionary, if not nil rate.

Evolution of the Development Proposal

- 3.4 Most of the regeneration of Stonebridge has been completed by the Stonebridge Housing Action Trust. In the context of a forecast shortfall of school places and, given the poor condition and suitability of the buildings at both Our Lady of Lourdes and Stonebridge Schools, within the final years of the HAT's life, discussions began as to what could be achieved on the schools sites, which had been left out of the original Stonebridge Master Plan. The discussions later extended to include the Stonebridge Adventure Playground. This included consultation with the Schools' Governors, Archdiocesan Board of Westminster, management at the Adventure Playground and Ward Councillors. To this end the HAT was granted £50,000 of Neighbourhood Renewal Fund from the Council to masterplan the school's area shown on the attached Plan (Appendix 1). The HAT regarded the appropriate development of this area as the final part of its legacy for Stonebridge.
- 3.5 The primary regeneration objectives for the proposals are seen as follows:
- (i) To provide new build fit for purpose and expanded primary school buildings (including modest accommodation for the Pupil Referral Unit and the existing Welsh School);
 - (ii) To maintain open space within the area;
 - (iii) To ensure high design quality within the community facilities, in keeping with other new community buildings in Stonebridge including access for the schools to the football pitch, as outlined in 3.3 and the sports pavilion.
- 3.6 Furthermore, there are a number of desirable outcomes that would also contribute to overall regeneration objectives (the driver for the change was the need to provide newly redeveloped schools using housing as enabling development):
- (i) To deliver mixed tenure housing on the site which were likely to be a requirement of the GLA with whom discussions on the scheme have begun.
 - (ii) To consider co-locating the two primary schools, so as to provide a single educational campus capable of sharing facilities - including the refurbished astro-pitch and sports pavilion and a newly created '*campus square*' in place of the existing Stonebridge School site.
 - (iii) Retention of the adventure playground in some form (there is local support for this).
- 3.7 Prior to its closure, the HAT appointed a technical team of consultants to move the project to outline planning application stage. A number of discussions took place with relevant Council departments and interest groups and individuals and a preferred scheme was developed. As part of this process a number of alternative options were considered and rejected, including a re-evaluation of the site's capabilities to host a further City Academy. There were a number of reasons for rejecting the City Academy option. The first was the limited size of the site: 0.86 ha of land was left for an

Academy to occupy (assuming Stonebridge School and Our Lady of Lourdes school were rebuilt on the site occupied currently by Our Lady of Lourdes), allowing a 2720m² floorspace six-storey school to be built on the site. This compares with a 10-15,000m² sized school (floorspace of school only) of no more than 4 storeys on the Wembley Park site. Clearly the site could only accommodate a very much smaller Academy. The second main reason for rejecting the site as a potential Academy was that there was no support from either school for such a proposal. Our Lady of Lourdes school is important in this respect because, as a Voluntary Aided School they provide the land that Stonebridge School will partially move on to. They will only do this if the enabling development funds the re-building of their school and a new Academy will not achieve this. Consultation meetings with the Governing Bodies also confirmed that not only would the schools not support the Academy on site but that there would be strong local opposition to such proposal. The Director of Children and Families, in consultation with the Lead Member, wrote to the schools advising of this decision and that therefore the Council would no longer pursue the development of an Academy on that site.

- 3.8 As explained above, Site 7 is adjacent to Our Lady of Lourdes and Stonebridge Primary schools. The HAT has put forward proposals to re-design this public open space to provide a cross-subsidy opportunity to redevelop both schools. The proposal is that approximately 245 mixed tenure residential units be created on this space. The capital generated from this commercial development would be ring-fenced (possibly via a S106 agreement) for the re-build of the two primary schools. Under the terms of the transfer of Site 7, the Council is required to utilise any proceeds from sale of the land towards re-provision of, or improvements to, the two schools or in other educational or community facilities in the Stonebridge area. If however, this is not possible within 3 years of receipt of the sale proceeds, then the proceeds must be utilised within the following 3 years towards educational or community provision within the Borough as a whole.
- 3.9 As a major land provider, it is imperative that dialogue between the Council and the Archdiocese with regard to land values is opened. An agreement will be needed with the Archdiocese to allow part of their land to be utilised for provision of a new Stonebridge school. Without this, the scheme would not be feasible. An initial meeting with senior officers within the Archdiocese has resulted in confirmation of support for the proposal. Subject to approval of the Diocesan Trustees it is confirmed the Archdiocese would be willing to enter into a legally binding development agreement and also participate in an OJEU procurement of design and contractor/developer. The Diocese is currently seeking demographic information from Children & Families to establish the need or otherwise for an expansion to 2FE VA school. Initial indications are that there is a demand for a two form entry school at the outset of the project. If proven this will be built into revised design and cost studies. They are also aware that the scheme is unlikely to fully fund the cost of the two new build schools but consider that the inclusion of the land is the equivalent of the usual 10% VA school contribution required for capital schemes and therefore a condition of participation is that the scheme will be at no cost to the Diocese. In the circumstances this condition appears reasonable. Other primary conditions from the Diocese are:

- (i) a fully fitted school replacement which is the norm for inclusion within development costs for a new build school;
- (ii) support for the use of alternative funding streams to bridge the gap such as PcP, LcVAp or the schools Devolved Formula Capital;
- (iii) to lease any surplus land required for Stonebridge School to the Council by way of long lease.

It is proposed subject to the outcome of:

- (a) Executive members views on this report
- (b) a GLA decision expected during May
- (c) the outcome of the outline planning application due to be submitted on 3rd June;

that a formal invitation to participate will be issued to the Archdiocese when more precise details of the scheme will be formally agreed

3.10 The Scheme has a number of interdependent elements which are set out below:

(i) Primary Schools

The objectives of the re-build of the primary schools are noted in 3.5. The outline planning application proposes to incorporate a 2FE for Stonebridge and a 1FE for Our Lady of Lourdes, with the capacity to expand if required. The schools will share the '*education campus*', a meeting place, a place to drop of/pick up of children and a point that identifies the schools' space as separate to the surrounding residential units.

There may also be potential to provide a Children's Centre on the site.

(ii) Welsh School and Pupil Referral Unit

The Welsh School and PRU are elements that are also incorporated in the outline planning application for re-provision. The Welsh school is an independent School, with currently 32 pupils based at Stonebridge School. Rent is currently paid to the school, but it is anticipated that rent would be paid to the Council following any development.

(iii) Residential Units

There is the potential to build approximately 245 homes. According to the London Plan and Brent planning policies, we would expect 50% of these homes to be affordable and of those 70% for social rent and 30% as intermediate products (low cost home ownership, more commonly known as shared ownership). However, given the existing tenure mix in Stonebridge which is predominantly social rent, Housing would be willing to see a much larger proportion of the affordable homes being available as low cost home ownership units. Given the relative values of properties in Stonebridge in relation to other parts of the borough where intermediate housing is being built, it is envisaged that homes

for sale in Stonebridge would be more affordable to people seeking low cost home ownership schemes.

The outline planning application proposes that 70% of all homes are private and 30% intermediate shared ownership in order to better fund the school proposals. The application is referable to the Mayor of London and he is currently considering Brent's argument for a lower proportion of affordable housing. We expect the Mayor to produce a stage 1 comment on the application to inform the report to Brent's Planning Committee on 3rd June 2008.

(iv) Adventure Playground

The proposed plan is the eventual relocation of the Adventure Playground to the south-east corner of the existing Stonebridge School site. However, in the interim the Playground will be upgraded with new equipment funded from a successful Big Lottery Fund bid. This will be completed in Summer 2008. It would also benefit from some of the £1m granted to Brent as part of the DCSF's Play Path Builder Initiative.

This equipment will be transferable to a new relocated site at the appropriate point in the future.

(v) Community Use/Open Space

There will be a small net loss of 800m² of open space. Most of the development will take place on largely unused school land. Given the small loss of open space and the fact that what is proposed is much more usable and of substantial better quality, the application will be supported on that basis. The planning application will also clearly provide two modern fit-for-purpose schools which will be of significant community benefit and take forward an aim of the extended school programme. The council will seek greater community use of any new building outside of school hours

3.11 This potential redevelopment of the school land and limited amount of open space, based on a high level initial feasibility studies, should generate at least 60% of the anticipated build cost of two new 2FE primary schools (estimated capital cost £15m excluding furniture and fittings). Any remaining shortfall would need to be funded via external sources or from within the Children and Families Schools' Capital Programme. It is also likely that further analysis of costs and capital generation may, by 'value engineering' the scheme help to reduce this gap funding.

3.12 Outline planning permission for the scheme is to be considered by Planning Committee in 3rd June 2008.

3.13 The working up of a detailed scheme will obviously require expenditure of considerable time and money both by the Council and the other parties involved in the scheme. Before embarking on this therefore, officers are seeking the Executive's approval in principle to the proposed scheme and the land disposals that will be required. A report seeking approval to the actual proposed disposals will need to be brought to the Executive at a later stage.

3.14 Playing Fields – Disposal

Any land which has been used as school playing fields in the last 10 years cannot be disposed of by a local authority or school without the consent of the Secretary of State.

Guidance relating to the protection of school playing fields and land for academies has been updated to reflect changes introduced with effect from 25th May 2007 by the Education and Inspections Act 2006.

Unless a General Consent applies the Council would need to make an application for Special Consent to the Secretary of State which will be assessed by the national School Playing Fields Panel.

.A General Consent applies where an equivalent (or better) area of playing fields is offered to replace those which are lost. If this General Consent did apply it should be noted that a change has also been made to the effect that the relevant body will decide for themselves whether a general consent applies and then notify the Department.

4.0 Planning Issues

4.1 Housing would not normally be encouraged on school sites nor on open space but the enabling housing development has particular merit in providing two new schools while significantly reducing the financial burden on the council and the council tax payer. The new schools and affordable housing content (albeit less than normal) are significant regenerative community benefits. The regeneration of the Stonebridge estate should encompass all of the social facilities and not just the housing stock. The proposals are in 'outline' with some illustrative housing layouts. The homes are arranged in a number of lower rise flatted blocks, rising to 9 storeys, but being predominantly 4-5 storeys. The new flats will be arranged around a new square incorporating a new park. The proposed new development will incorporate a high level of sustainability-both the homes and the schools will have 20% of all their energy requirements derived from renewable energy. It is proposed to achieve Code Level 4 on all of the homes (the new code for Sustainable Homes has recently been introduced and housing associations have to achieve Code Level 3 to get Housing Corporation funding-Code Level 4 is a substantial leap in energy efficiency).

4.2 The council are seeking a relatively low level of affordable housing and are not proposing any social rented housing because this is already provided in large measure over the rest of Stonebridge. This will also help fund the schools. The final proportion of affordable housing will depend on on-going discussions with the Mayor's office. However, initial indications are that the GLA will recommend approval of the proposed tenure mix and the sizes and numbers proposed in the outline planning permission.

5.0 Delivery Method for the Project

5.1 There are a number of possible options. However, neither the traditional housing (RSL) led or the school led route seem to be particularly appropriate. One possibility would be to establish some kind of joint venture partnership

with a developer partner, who the Council could then work with to share the risk (and possible reward) in progressing towards a viable scheme. What is clear is that internally the Council currently neither have the resources or the expertise to seriously contemplate a more innovative delivery route. Given the cross-cutting nature of the scheme officers believe that this should not be a departmental led project but needs to be directed by a centrally led team from across the Council.

6.0 Financial Implications

- 6.1 The Housing Action Trust passed onto the Council £250k prior to its winding up. £75k was to be utilised for various snagging works. The balance was to be utilised for consultancy support to take the project to the outline planning approval stage. This funding has now been almost all committed.
- 6.2 The Council will now, subject to the decision of the Executive and Planning Committee, consider the most appropriate way of delivering and resourcing the project. It is proposed to utilise up to £100k of the project management budget of £400k agreed in the Capital Programme to take the project to the next stage.
- 6.3 A high level financial appraisal was undertaken for the HAT by Consultants to consider the viability of the proposal. Depending on the assumptions, particularly around the value of the housing development, it showed a gap from around £7m to a modest surplus for a scheme which delivers the two new schools. The divergence in these figures reflects the number of variables in the proposals. Before any scheme could substantially proceed a more detailed study would be required on the structure of the project backed by a full business case.
- 6.4 If the housing development were not to generate sufficient resources to fund the full build costs and fit out of the 2 schools any shortfall would need to be met by the Council. However, the current condition of both schools and the need to provide additional primary school places would mean substantial investment, if not full rebuild would have to be funded by the Council in any event. Another report on tonight's agenda on the Primary Capital Programme offers a possible option for gap funding through the grant payable by the Programme. Other sources will also need to be reviewed.
- 6.5 Overall funding for schools is extremely limited and one of the major attractions of this proposal is that it allows new resources to be levered into the Council to meet the majority of cost.

7.0 Legal Implications

- 7.1 The Council has the power to dispose of land that it owns under Section 123 of the Local Government Act 1972. The consent of the Secretary of State is required (either specific or by way of reliance on a General Consent) if disposal at an undervalue is intended. However, it is proposed that any land disposals by the Council would be at full market value.
- 7.2 The obligations placed on the Council in respect of use of the sale proceeds from Site 7 are explained in paragraph 3.8 above.

8.0 Diversity Implications

- 8.1 A full impact assessment of the project is being undertaken, and will inform the ongoing direction of the project. Stonebridge is one of the most deprived wards in the Borough, scoring poorly on the Index of Multiple Deprivation, and is home to a significant BAME community. Education attainment and employment rates are significantly below the Brent and London averages. The provision of new and improved schools and community facilities, as proposed within this scheme, will contribute to improving the life chances of these communities. The proposals will consider how the new facilities can contribute to wider community and regeneration objectives outside of the traditional school hours.
- 8.2 The design of the current Stonebridge school in particular poses significant challenges in terms of effective access for people with disabilities. The proposals will significantly improve this situation, ensuring a community facility that is accessible for all.

9.0 Staffing Implications

There are no specific implications at this stage on the project.

10.0 Background Information

- 10.1 Executive Meeting 13th February 2006 - Report entitled "Freehold transfer of green open spaces on the Stonebridge Estate from the Housing Action Trust".
- 10.2 Executive Meeting 11th November 2007 – Report entitled "Stonebridge Regeneration update".

11.0 Contact Officer(s)

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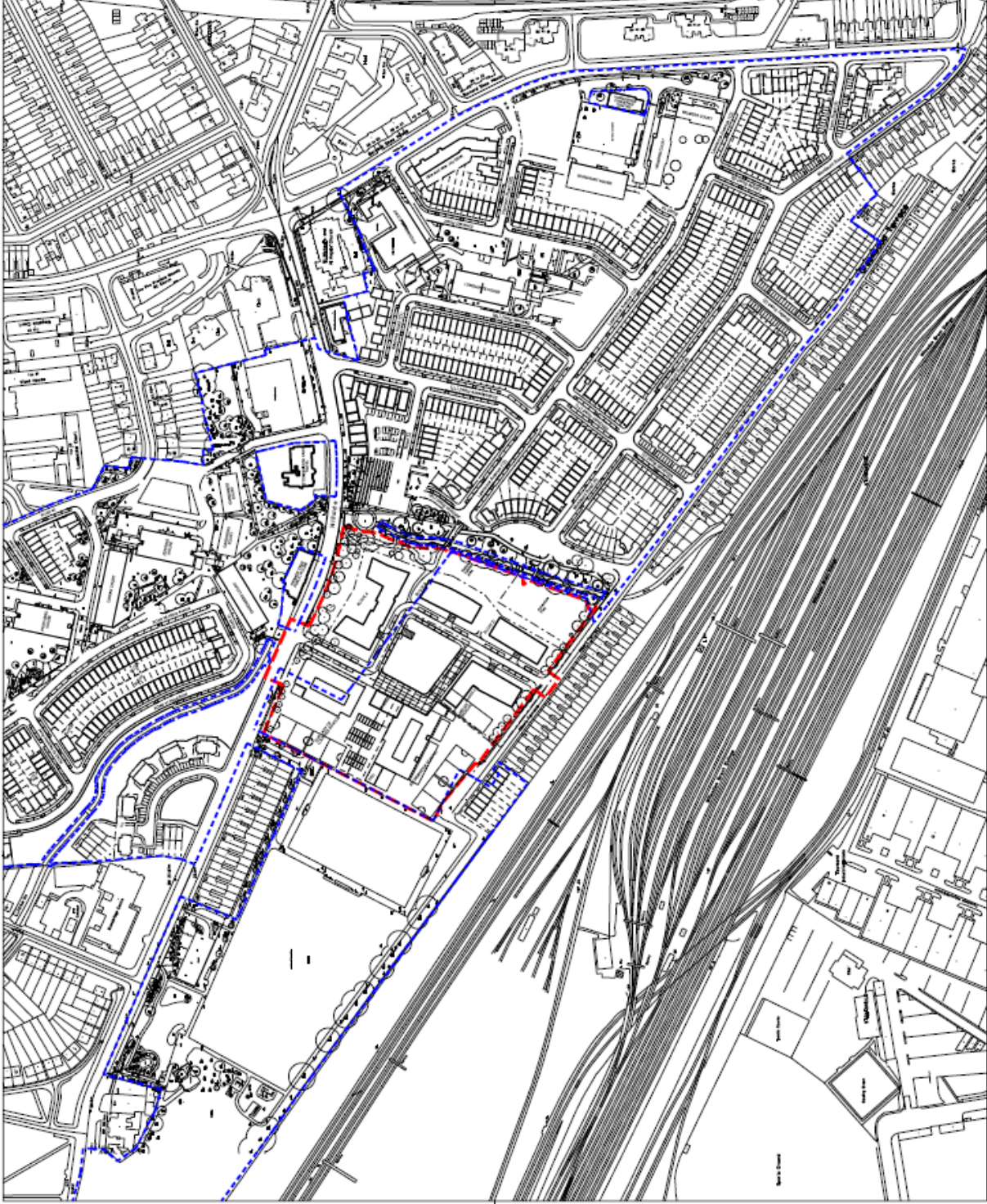
Appendix 1

1. ALL CITY MAPS MUST BE ACCURATE
 2. ALL CITY MAPS MUST BE ACCURATE
 3. ALL CITY MAPS MUST BE ACCURATE
 4. ALL CITY MAPS MUST BE ACCURATE

Site Boundary
 Demographic Boundary

Shephard Epstein Hunter
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Stonebridge School Site
 Stonebridge HNT
 Planning
 1/12/08 (A)
 07/20/08
 Proposed Initiative
 002



1. Do not scale from this drawing.
 2. Where signed dimensions are shown.
 3. Confirm dimensions or data before fabrication or construction—report any discrepancies to CA.

Site Boundary
 Overlaid Boundary

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Stonebridge Sprink Site
 Stonebridge HAT

Planning	1:500	A1
Proposed Block Layout Plan		07/029
		DDA

