

Item No. 13.	Classification: Open	Date: 9 December 2014	Meeting Name: Cabinet
Report title:		Albion Street Regeneration	
Ward(s) or groups affected:		Rotherhithe	
Cabinet Member:		Councillor Mark Williams, Regeneration, Transport and Planning	

FOREWORD – COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION, TRANSPORT AND PLANNING

The regeneration of Albion Street is a priority for this council and we recognise the concern of local residents about the future of this street as a commercial and retail centre. It is key that neighbouring regeneration schemes, in particular at Canada Water and Surrey Quays, complement and enhance our plans for Albion Street. We will re-invigorate Albion Street by looking at several connected areas, including Albion Primary School; the former Library and improving the public realm.

This report sets out our proposals for rebuilding and expanding Albion Primary School and releasing some land from its existing site to provide much needed housing and council housing. This report also recommends extending the scope for the Albion Street regeneration framework to include 71-75 Albion Street which the council recently purchased.

We will continue to work with members of the local community, local residents and businesses as we now move forward to drawing up detailed plans and designs for each of these schemes. This is an exciting time for this part of Rotherhithe and the schemes set out in this report will better connect Albion Street with both the River Thames and Canada Water.

RECOMMENDATIONS

That cabinet:

1. Agree that a section of 2,260sqm of the site of the Albion Primary School, shown outlined on the plan at Appendix 1, shall be released from education use subject to consent of the Secretary of State and that a budget of £12m (including fees and contingency) shall be made available to replace the School on the rest of the site.
2. Note that as part of the Secretary of State consent process for change of use of education land, the value of the released land must be used for education purposes, which in this case, for consent purposes, shall be to part fund the provision of a new two form entry Albion Primary School.
3. Delegate to the strategic director of finance and corporate services the sourcing of appropriate funding to deliver the new Albion School and to update cabinet through the quarterly monitor reports.
4. Subject to the outcome of an application for the consent of the Secretary of State

for Education to change the use of the released land, agree that the land shall be used for the delivery of new council homes and to that end authorises the appropriation of the land from Education to Housing.

5. Note the outcome of the recent public consultation exercise into the principle of releasing the School land and the response to issues raised, which are set out in appendix 2, which shall become part of the application for Secretary of State consent.
6. Agree that the scope for the Albion Street Regeneration Framework is extended to include land around 71-75 Albion Street, shown on the plan at appendix 3, with a view to delivering a mix use development including new council homes.
7. Note progress with delivery of the regeneration of Albion Street as set out in the body of the report.

BACKGROUND INFORMATION

8. The decline of Albion Street as a commercial centre is a matter of concern to people in the area. For several years the council has been working with the local community to address this. The policy background for this work is contained in the adopted Canada Water Area Action Plan, the emerging revised Canada Water Area Action Plan and a report to Cabinet dated December 2012 that agreed the mandate for a project, the Albion Street Regeneration Framework, to revitalise this part of Rotherhithe.
9. The Albion Street Regeneration Framework is structured around four themes:
 - Albion Primary School – to explore expanding the school to two forms of entry.
 - Albion Estate – to respond to comments from residents and local people about the condition of the estate and whether it can be better integrated into the regeneration of the area.
 - The former Library on Albion Street – to ensure, so far as is possible, that the site is redeveloped in a way that supports the regeneration aspirations of local people.
 - Public realm – looking at a number of initiatives to improve the general appearance of the neighbourhood, way finding and links with the wider Rotherhithe area.
10. This report asks cabinet to note progress under a number of these themes and recommends the project mandate be extended to include land around 71-75 Albion Street.

KEY ISSUES FOR CONSIDERATION

Albion Primary School

11. As part of the rebuilding of the Albion Primary School the opportunity has been identified to release part of the school site which could then be developed for housing. Cabinet is being asked to agree the general principle of this approach, which will be taken forward by officers in conjunction with the school governors and head teacher. It is also recommended to cabinet that the released land be appropriated from Education to the Housing Revenue Account (HRA) so that it

can be developed to provide new council homes.

12. The School Places Strategy, most recently reported in March 2014 and 22 July 2014, includes the expansion of Albion Primary from one to two forms of entry. The current report deals with some of the finer grain issues that have arisen from implementing the School Places Strategy.
13. Initial investigation work identified that the current Albion Primary site is poorly laid out, inefficient and wasteful of land. The site is also much larger than necessary for a two form entry school. This means the school is funding the management and maintenance of a large site that is poorly used for play areas and school activities.
14. The new build is a once in a lifetime opportunity to reorganise the entire site to better support education activities and to reduce running costs. Early design work has shown that a better layout can increase the useable external space from a reduced gross site area. This being achieved whilst delivering a new school that exceeds Department for Education design guidelines.
15. On the back of the design work officers have reached provisional agreement with the school governors, for the release of 2,260sqm of the site, which will then be used to build new council homes. As part of the agreement a budget of £12m has been identified to build the new school and a scheme is currently under development. The proposal to release land for housing is part of a package that will release resources for the construction of an exemplary new school. This is a key benefit arising from the approach set out in this report.
16. Releasing education land for another, non-education use requires the formal consent of the Secretary of State (SoS) for Education under Section 77 of the Schools Standards and Framework Act 1998 and Schedule 1 of the Academies Act 2010. The purpose of the legislation being to protect school playing fields (which in the legislation have a wide definition) and to help identify education land that could be used for new Academies.
17. In recent years the regulations around the sale or change of use of education land and playing fields have been tightened. The Secretary of State has however considered similar cases on their merits, taking into account the overall scheme and the way it contributes to regeneration. In this case, Albion School will be rebuilt with enhanced provision both internally and externally. It is recommended the procedural formalities be completed as soon as practically possible: this relates to the making of the application and the subsequent appropriation of the land from education to the HRA.
18. The DfE gives no guidance on how long it might take to process an application and there is no guarantee of the outcome.
19. As part of the consent application the council must report the outcome of a six week consultation exercise. Public consultation was triggered on 25 September 2014 with publication of a notice in the local press, the six week period ending on 6 November 2014. The main consultation event was an exhibition held over three days at the school when parents and staff were shown the emerging design and invited to comment. The response to all consultation has been overwhelmingly positive and is summarised at appendix 2. Cabinet is asked to note the response to the consultation which will be included in the application for

Secretary of State consent.

20. The agreed build programme anticipates final commitment to procurement of the constructor to be achieved by May 2015, with the new school delivered by the 2016/17 academic year. The school governors, head teacher and the wider school community will continue to be fully involved in the design process and at the appropriate time there will be further public consultation prior to making a planning application.

Former library on Albion Street (see plan at appendix 4)

21. In October 2013, Cabinet agreed the inclusion of the former library in Albion Street in the programme for the Directly Funded Housing Delivery: Phase 2; the initiative for building new council homes. Since then preparatory work on the site has continued and the building will be demolished in the New Year. For the purpose of this report two issues are highlighted: a proposal to include a replacement for the Albion Street Health Centre in the redevelopment; and, a request from the Finnish Church that they be involved in the design and future management of the public space between the library and the Church.
22. For a number of reasons there are considered to be regeneration benefits from including a mix of uses in the redevelopment of the library site. Different uses have been considered but most recently officers have been in discussion with the Albion Street Health Centre about relocating their service into the new building. The Health Centre currently operates out of a building along the road at 87 Albion Street.
23. Such an arrangement would give the Health Centre a new and improved facility purpose designed to allow them to deliver an enhanced service. From a regeneration perspective including the Health Centre in the development would secure the future of an important local service, help animate the building and generate footfall, which would benefit the shop tenants in the parade opposite.
24. Design feasibility work on fitting the Health Centre into the ground floor of the new building is currently being carried out, and initial findings are positive. If all goes well with the test fit officers will negotiate commercial terms for the Health Centre to take on the space, the outcome of which will be reported through normal channels.
25. The Council has also been contacted by the Finnish Church about a joint approach to the design and future management of the public space that sits between the Church and library. The Church is keen to see improvements to the access and setting of their building, which is grade II listed.
26. These discussions are at an early stage but the principle is in line with local aspirations for the Street and the council's history of partner working with local stakeholders as we regenerate Albion Street and is supported. The design of the new building and of the public realm around it will, at the appropriate time be the subject of public consultation and a planning application.

Land around 71-75 Albion Street (see plan at appendix 3)

27. It is recommended to cabinet that this site should be included in the Albion Street Regeneration Framework.

28. Cabinet is asked to agree the amended version of the Albion Street Regeneration Framework as set out at appendix 5. In particular cabinet is asked to note the information on the land around 71-75 Albion Street; where it is proposed to undertake feasibility work to create an enlarged site capable of delivering new council homes and a mix of other uses. Delivery of any scheme may ultimately require the purchase of additional properties.
29. In October 2014, Cabinet agreed to the purchase of the freeholds of three dilapidated houses, number 71 to 75 Albion Street, occupied by the council under the rump of three long leases. After completion of the purchase the properties are to be used to support regeneration objectives.
30. It is recommended the best way to ensure an appropriate future for the site is to look at it in the context of the regeneration of the wider area and to include the land in the Regeneration Framework. It has been a working assumption for this task that the Albion Street Health Centre will relocate into the redeveloped former library, at which time their existing site will become vacant. Officers think there is benefit in considering the future of the site of the existing health centre and the leasehold houses together, potentially along with other land in the immediate vicinity.
31. In urban design terms the location around the junction of Swan Road and Brunel Road has some unique characteristics. The junction is the intersection of important communication routes and is in close proximity to the Rotherhithe Station and a number of local bus stops. This combination of features has the potential to form the centre of gravity for the immediate area and as such could justify some intensification of use.
32. If this opportunity is to be fully exploited it may be necessary to buy in adjoining sites, which if necessary will be the subject of a separate report.
33. Cabinet is asked to note the scope for this exercise which will be reported as part of the Southwark homes in partnership initiative. As feasibility and design work progresses and specific proposals emerge they will be the subject of public consultation.

St Olav's Square (see plan at appendix 6)

34. The council is working in partnership with the Norwegian Church to create a new public space on St Olav's Square. In summary, the idea is that the council assembles the site; the Church will fund the setting out of the new public space and when complete will take over management of the facility.
35. In April 2013 cabinet resolved to pursue a compulsory purchase order (CPO) in respect of the dilapidated former public toilets at the western end of the site (title of cabinet report: St Olav's Public Convenience Site, Albion Street, resolution to make a compulsory purchase order for site assembly purposes). The council took possession of the building in July 2014 and demolition and back filling of the deep foundations is currently underway.
36. Officers are in discussion with the Church about the design of the new public space and in December there will be public consultation leading to a planning application in the spring of 2015. Building work should be completed by the

autumn of 2015 at which time the management of the space will pass to the Church.

37. It is intended to grant the Church a 125 year lease of the land that will make them responsible for management and maintenance. The space will be open to the public on the same basis as the council's other public parks.
38. This project is considered to be a good example of the council's partnership approach to delivering the regeneration of Albion Street. It will resolve local concerns about the dilapidated and potentially dangerous former public toilets; it will improve the setting for the listed Norwegian Church; and, create a new public space for the enjoyment of all the local community.

Policy implications

39. The course of action described in this report supports specifically a number of policy objectives as explained above within the 'key issues for consideration' section of the report.
40. The action will also deliver on a number of the council's fairer future promises:
 - Value for money – by the rationalisation and creative use of council property assets to support service delivery.
 - Quality affordable homes – the revitalisation of Albion Street has identified a number of sites that have potential to deliver new council homes: the released land at Albion Primary; the former library; and, the land around 71-75 Albion Street.
 - More and better schools – one of the key objectives for the regeneration of Albion Street is to extend the Albion Primary School from one to two forms of entry in an entirely new building.
 - A greener borough – we are working with local partners to deliver a number of significant public realm improvements.
 - Revitalised neighbourhoods – the package of work described in this report has the potential to transform the area in line with the wishes of the local community.

Community impact statement

41. It is considered that the decision in this report that could most directly impact the local community is the proposal to develop part of the site of Albion Primary for new council homes. In particular, that the reduction in the school site area may impact the quality of educational experience for pupils of the school.
42. To address these concerns the design of the new school, including the release of part of the site, has been the subject of consultation with the school community. The response to consultation has been overwhelmingly positive and is summarised at appendix 2.

Resource implications

43. Most of the work described in this report forms part of existing, agreed activity and as such gives rise to no new resource implications and will continue to be managed and monitored via normal processes. This applies to feasibility work looking at land around 71-75 Albion Street, which although a new work stream, is

considered to be part of the normal responsibility of officers from Regeneration and will be carried out from identified resources.

Financial implications

44. The decision in this report that will give rise to new resource implications is the appropriation of part of the Albion Primary School site from education to the HRA.
45. The implications from the regeneration changes will be contained within existing identified resources.
46. The new build two forms of entry Albion Primary School is a re-provision of one form entry and additional one form entry. This is included in the current school places strategy capital programme and is subject to periodic cabinet update reports and quarterly capital reporting.
47. The overall primary expansion programme is under review and facing a potential funding shortfall. Officers will work with members and the strategic director of finance and corporate services to seek alternative sources of funding from the Education Funding Agency grant, community infrastructure levy and s106 agreement, schools and diocesan boards. This report seeks to delegate the sourcing of appropriate funding as a result of this decision to the strategic director of finance and corporate services.
48. The appropriation of part of the Albion School site would require a transfer of historic debt, amounting to the market value of the land (and the value of the site will have to be confirmed at the point of appropriation), from the General Fund to the HRA, which would then be responsible for the relevant debt charges including eventual repayment. There is sufficient leeway for the increase within the HRA debt cap and other planned debt repayment may reduce or eliminate the increase.
49. The houses at 71 to 75 Albion Street are long-term voids owned by the HRA. It is noted that they and neighbouring sites are proposed to be included in the Albion Street Regeneration Framework. Any financial implications would depend on eventual development proposals.

Legal implications

50. Legal implications are dealt with below in the Director of Legal Service's concurrent report.

Consultation

51. Details of public consultation undertaken are included in the body of the report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

52. Section 1 of the Localism Act 2011 grants councils a general power of competence whereby a local authority has power to do anything that individuals generally may do. However, that power does not enable a local authority to do anything which it is

unable to do by virtue of a pre-commencement limitation. Section 122 of the Local Government Act 1972 is a pre-commencement statute which imposes limitations on the council's powers of disposal.

53. Section 122 of the Local Government Act 1972 enables a principal council to appropriate, for any purpose for which the council is authorised by that or any other enactment to acquire land by agreement, any land which belongs to the council and is no longer required for the purpose for which it is held immediately before the appropriation. The appropriation will be subject to the rights of other persons in, over or in respect to the land concerned. Appropriation will be conditional on a declaration of surplus being obtained.
54. As the property is part of the education portfolio, consents of the Secretary for State for Education are required under Section 77 of the School Standards and Framework Act 1998 (SSFA) and Schedule 1 of the Academies Act 2010.
55. Section 77(3) of the SSFA is applicable here and states that except with the consent of the Secretary of State for Education the Council shall not to take any action which is intended or likely to result in a change the use of any playing fields(a) which are, immediately before the date when the action is taken, is used by a maintained school for the purposes of the school, or, (b) which are not then so used but have been so used at any time within the period of 10 years ending with that date, whereby the playing fields will be used for purposes which do not consist of or include their use as playing fields by such a school for the purposes of the school.
56. The definition of "playing fields" is described meaning "land in the open air which is provided for the purposes of physical recreation other than any prescribed description of such land". The Secretary of State issued "Advice on the Protection of School Playing Fields and Public Land" in November 2012. Annex E to that Guidance gives the Secretary of State's view that playing field includes "informal social area, paved areas (including playgrounds), outdoor seating and teaching areas including rest and quiet areas.
57. Although a number of general consents have been issued by the Secretary of State for Education, none is applicable to the present case. An application for specific consent will be submitted to the Secretary of State following a period of prescribed consultation of six weeks, four of which within terms time. On receiving an application for consent the Secretary of State may direct that the playing fields or any part of them, be transferred to a person concerned with the running of any academy school, subject to the payment by that person of the Secretary of State of such sum by way of consideration (if any) as the Secretary of State determines to be appropriate.
58. Schedule 1 of the Academies Act 2010 (as amended by section 63 (Schedule 14) of the Education Act (2012) states in paragraph 6 that where a freehold or leasehold interest in land is held by a local authority, the authority proposes to make an appropriation of land under Section 122 of the Local Government Act 1972 and at any time in the period of eight years ending with the day on which the appropriation is proposed to be made the land was used wholly or mainly for the purposes of a school, that unless the Secretary of State consents, the authority must not make the appropriation. There is also a duty in paragraph 9 to inform the Secretary of State where the authority proposes to change the use of land in such a way (were the change made) the land would cease to be capable

of use wholly or mainly for the purposes of a school or a 16-19 academy. Although general consents have been issued, the proposed appropriation will not fall within any of them. An application for specific consent will need to be submitted. Further, the Secretary of State also has power to make a scheme to transfer land to a person specified in a scheme concerned with running of an academy.

Strategic Director of Finance and Corporate Services (FC14/034)

59. This report is seeking cabinet approval for the release of the site at Albion Primary School (outlined in appendix 1) from education use, subject to the consent of the Secretary of State, and an allocation of £12m budget for the provision of 2 form entry at Albion Primary School to replace the current 1960s 1 form entry school. This will meet the Secretary of State's condition that the value of the released land is used for educational purposes.
60. The strategic director of finance and corporate services notes that the cost of the new 2 form entry at Albion Primary school will be funded from the schools strategy capital budgets within the councils overall capital programme. It is noted that Officers are currently reviewing the cost of the overall primary expansion programme against available funding and will report back through regular capital monitor reports to cabinet.
61. Subject to the consent of the Secretary of State for the release of land from education use, the report is also recommending the appropriation of the land from education to housing for the delivery of the new council homes.
62. It is also noted that if consent is granted for the appropriation of the land from education to housing, the value of the asset is deducted from the total value of General Fund assets and transferred to Housing Revenue Account (HRA) and the proportion of the council's borrowing costs relating to the land will also be transferred to the HRA. The financial implications confirm that there is sufficient leeway within HRA for this proposal.
63. The report is also requesting cabinet to note the outcome of the consultation exercise and agree the scope of the Albion Street Regeneration Framework detailed within the main body of the report.
64. It is noted that staffing and any other costs connected with this recommendation to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Canada Water Area Action Plan		
Link: http://www.southwark.gov.uk/downloads/download/3015/canada_water_aap_adoption		
Revised Canada Water Area Action Plan		
Link: http://www.southwark.gov.uk/downloads/download/3809/revised_canada_water_aap_submission_documents		
Albion Street Regeneration Framework and cabinet report		
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4249&Ver=4		
School Places Strategy Update (March 2014)		
Link: http://moderngov.southwark.gov.uk/documents/s45063/Report%20School%20Places%20Strategy%20Update.pdf		
School Places Strategy Update (July 2014)		
Link: http://moderngov.southwark.gov.uk/documents/s47494/Report%20School%20Places%20Strategy%20Update.pdf		
Directly Funded Housing Delivery: Phase 2		
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4551&Ver=4		
Acquisition of freehold interest in 71, 73 and 75 Albion Street and 18 Brunel Road SE16		
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4863&Ver=4		
St Olav's Public Convenience Site, Albion Street, resolution to make a compulsory purchase order for site assembly purposes		
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4253&Ver=4		

APPENDICES

No.	Title
Appendix 1	Albion Primary School
Appendix 2	Summary of consultation on release of school land
Appendix 3	Plan of land around 71-75 Albion Street
Appendix 4	Plan of former library Albion Street
Appendix 5	Albion Street Regeneration Framework version 2
Appendix 6	Plan of St Olav's Square

AUDIT TRAIL

Cabinet Member	Councillor Mark Williams: Regeneration, Planning and Transport	
Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	James Oates, Principle Surveyor	
Version	Final	
Dated	27 November 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		27 November 2014