

**TITLE OF REPORT: Grant of a Lease – Former Thomas Hepburn School Site,
Swards Road, Felling****REPORT OF: Colin Huntington, Strategic Director Housing Environment and
Healthy Communities and Helen Ferguson, Strategic Director
Childrens Social Care and Lifelong Learning**

Purpose of the Report

1. To update Cabinet regarding the former Thomas Hepburn School site and seek its approval to the grant of 125 year leases in relation to the property.

Background

2. An Academy Order was made in respect of Thomas Hepburn Community School in 2013 and a 125 year lease was granted to Northern Education Trust. However, the school was closed in August 2019, and the Council became responsible for the site and its running costs.
3. A number of options were considered for its reuse, including the consolidation of a primary and secondary special school on the site and the potential of collocating a primary school alongside another use, but no financially viable option was identified.
4. In 2021, to accommodate increasing pupil numbers a 3 year lease was agreed with XP School Trust Ltd (XP), and the Council recovered that proportion of the running costs attributable to the school occupation from XP. The Council remained liable for the running costs of the remaining areas of the building.
5. Over the last 2 years, discussions have been ongoing regarding anticipated future pupil numbers in the borough and a more detailed analysis has been completed, and further options have been considered.

Current Position

6. XP has recently expanded into additional space at the former Thomas Hepburn School site and as part of the negotiations it was agreed that they would pay for all the running costs of the site with effect from 1 September 2023.
7. It is anticipated that XP will need to expand again in the future, based on anticipated future housing developments.
8. Using the former Thomas Hepburn School site for alternative education provision is considered unsuitable and a large private school looking for alternative accommodation are now exploring another site.
9. In the circumstances XP remaining at the Thomas Hepburn School site and becoming fully responsible for it is considered the best course of action.

Proposal

10. It is proposed that XP School Trust Ltd be granted a 125 year lease of both the former Thomas Hepburn School site shown edged black on the attached plan.

Recommendation

11. It is recommended that Cabinet:

- (i) Approve the grant of a 125 year lease of the former Thomas Hepburn School site to XP School Trust Ltd.

For the following reasons:-

- (i) To manage the asset in line with the Councils Corporate Asset Strategy and Management Plan.
- (ii) To make savings for the Council

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APPENDIX 1

Policy Context

1. The proposal is in line with the Council's Thrive Agenda by giving children the best start in life and reducing levels of inequality.
2. The proposal will also accord with the provisions of the Corporate Asset Strategy and Management Plan. In particular, making the best use of the Council's assets. In this case to meet its statutory duty to make arrangements for the provision of suitable education at school.

Background

3. An Academy Order was made in respect of Thomas Hepburn Community School in 2013 and a 125 year lease was granted to Northern Education Trust.
4. However, due to a combination of falling pupil numbers and its proximity to a more popular school, Northern Education Trust decided to break its lease and the school was closed by the Department of Education (DfE) in August 2019. As a result, the Council became responsible for the site and its running costs of £167,642.
5. Over the following 12 months, a number of options were considered for its reuse – in particular the consolidation of a primary and secondary special school on the site was explored, together with the potential of collocating a nearby primary school alongside another use such as alternative education provision. However none of the options were considered to be financially viable.
6. In 2021, a 3 year lease was agreed with XP School Trust Ltd (XP), a free school based in Middlesbrough, to occupy part of the site, which the DfE provided funding to convert/ refurbish for their needs. As this School only occupied part of the site, the Council continued to maintain the whole site but were only able to recover that proportion of the running costs attributable to the school occupation from XP. The net cost to the Council was £133,295.
7. Over the last 2 years, discussions have been ongoing with DfE regarding anticipated future pupil numbers in the borough and a more detailed analysis has been completed. In addition, consideration has been taken of other demands on the Council for accommodation for both alternative education provision and from a large private school which needs to move from existing accommodation, as it only has temporary planning consent.
8. Given the size of the former Thomas Hepburn School site, consideration has been given to whether:
 - (i) XP would need to expand to accommodate demand in the area, as this would make better use of the site.
 - (ii) the site would be better occupied by the large private school
 - (iii) if XP would not need to expand further and the site would be better occupied by the large private school, there were any suitable alternative sites which could developed to accommodate XP school using DfE funding.
 - (iv) the Council had any alternative buildings that either XP or the private school could occupy.

Current Position

9. DfE has recently funded further works at the former Thomas Hepburn School site as XP needed to expand into space within the property and as part of the negotiations for the additional space, DfE agreed that it would also pay for all the running costs of the site with effect from 1 September 2023.
10. It is anticipated there will be increased demand for pupil places and that XP will need to expand again.
11. While the Council is aware of the need for alternative education provision, no decision has been made yet as to what will be provided or where. It is however known that pupils in need of alternative education are more likely to thrive in a setting that is in appearance less like a mainstream secondary school than the former Thomas Hepburn School.
12. In the circumstances XP remaining at the Thomas Hepburn School site and becoming fully responsible for it is considered the best course of action. The DfE will fund any further conversion/ refurbishment works needed by the school.

Proposal

13. It is proposed that XP School Trust Ltd be granted a 125 year lease of the former Thomas Hepburn School site.

Consultation

22. In preparing this report consultation has taken place with the Leader, Deputy Leader, Portfolio Holder for Children and Young People, and Ward Councillors. No objections to the proposals have been received.

Alternative Options

23. There is no other option that enables the Council to make better use of the site for educational use.

Implications of Recommended Option

24. Resources:

- a. **Financial Implications** – The Strategic Director, Resources and Digital confirms that 125 year lease to be granted will need to be at nil consideration similarly to Academy Conversions but as the Council will no longer be responsible for any of the running costs a saving will be made.
- b. **Human Resources Implications** – There are no implications arising directly from this report.
- c. **Property Implications** - releasing the site to fulfil its statutory obligations in terms of education provision accords with the provisions of the Corporate Asset Strategy and Management Plan as the Council is using its assets to support service delivery.

28. **Risk Management Implication** – Ensuring suitable accommodation is available for the education of pupils reduces the risk of educational underperformance.
29. **Equality and Diversity Implications** - The proposals set out in this report best ensures that the Council fulfils its statutory duty and ensures the education of pupils.
30. **Crime and Disorder Implications** – There are no crime and disorder implications arising directly from this report
31. **Health Implications** - There are no health implications arising directly from this report
32. **Sustainability Implications** - There are no sustainability implications arising directly from this report
33. **Human Rights Implications** - There are no human right implications arising directly from this report
34. **Ward Implications** - Felling