

<b>Cabinet</b>	 <b>TOWER HAMLETS</b>
21 June 2023	
<b>Report of:</b> James Thomas, Director of Children & Culture	<b>Classification:</b> Part exempt
<b>South Quay College Site Lease</b>	

<b>Lead Member</b>	Councillor Cllr Maium Talukdar, Deputy Mayor and Cabinet Member for Education, Youth and Lifelong Learning (Statutory Deputy Mayor))
<b>Originating Officer(s)</b>	Terry Bryan, Service Head (Pupil Access and School Sufficiency)  Tracy Routledge, Head of School Buildings and Development
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Reason for Key Decision</b>	Financial threshold  This item is being proposed in the light of its value and that the lease will be a legal agreement between the developer and the Council.
<b>Forward Plan Notice Published</b>	21/04/23
<b>Strategic Plan Priority / Outcome</b>	Strategic Plan Priority/ Outcome: Accelerate Education  Tower Hamlets Place Priority/ Outcome: A better deal for children and young people: aspiration, education, and skills

### **Reasons justifying urgent consideration**

It was necessary for Asset Management and Legal Colleagues to prepare and agree the 'Head of Terms' for the South Quay site lease, following the Mayor's request to have sight of these before a decision could be made at cabinet. It was not possible for Asset Management and Legal to complete this before the publication deadline. Following the closure of South Quay College at the end of the current school year, the council must enter into the lease with the developer for the South Quay site by early July. This will enable the site to be prepared and ready for occupation by the Council's maintained provision (LEAP) on the 1<sup>st</sup> September. The Council's failure to meet this timeline could result in children and young people, being without suitable education provision.

## **Executive Summary**

Following the decision by the Department for Education (DfE) to close the current South Quay College Alternative Provision Free School in July 2023, there is need to immediately provide for the shortfall of specialist pupil places that will arise in the East of the borough. Given the DfE's relatively short notice of the school's closure, the Council has not had sufficient time to properly consider this in its wider accommodation strategy.

### Reasons for the Decision

1. To ensure a continuity of Alternative Education Provision for children who would otherwise not have access to education.
2. Ensure sufficiency of specialist places within the East of the Borough.
3. Enable this provision to be in place from September 2023.

## **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Authorise the Director of Integrated Growth and Development to enter into a lease with the developer of South Quays to the value set out within the 'Heads of Terms' presented in Confidential Appendix 1, to ensure sufficient places for pupils with additional needs from September 2023.
2. Agree the 'Heads of Terms', in Confidential Appendix 1, to enable the lease to be signed.

### **1 REASONS FOR THE DECISIONS**

- 1.1 To enable the Council to have adequate accommodation for the continuation of Alternative Education Provision (AP) in this area of the borough.

### **2 ALTERNATIVE OPTIONS**

- 2.1 If the Council did not take this decision it could result in a failure to meet its statutory duty to provide suitable education provision for Tower Hamlets children and young people.

### **3 DETAILS OF THE REPORT**

- 3.1 The Council is required ensure there is sufficient alternative education provision for pupils who are not able to receive suitable education in mainstream schools, because of exclusion, illness or other reasons. This will normally be for a limited period, based on the pupil's particular circumstances.
- 3.2 The majority of the Borough's alternative education provision is provided by the Council maintained London East Alternative Provision (LEAP), formerly known as Tower Hamlets PRU, and South Quay College a 'Free' School that was established by the DfE in 2012.
- 3.3 The DfE has now made the decision to close South Quay College from the end of the August 2023. The closure of South Quay will result in a shortfall of alternative education provision in this area of the borough. In order to address this shortfall the Council has agreed for LEAP, to expand its provision from September 2023.
- 3.4 In order to expand, LEAP will require additional accommodation for approximately 40 students for a period beginning September 2023. The space assessment to meet this requirement is estimated at between 1100 and 1400m<sup>2</sup> (14000sft).
- 3.5 It is also necessary for the accommodation to be situated within the Isle of Dogs, given the need to maintain geographical separation where there are gang and criminal exploitation concerns that could threaten the physical safety of pupils. A provision on the Isle of Dogs will also ensure that pupils living in East of the borough have equal access to an education setting that does not require them to travel long distances, jeopardising their attendance and punctuality.

3.6 LEAP currently operates out of sites in Harpley, E1, Tredegar, E3. Both of these sites already operate at full capacity and cannot be extended further in the timescale required for a September 23. Equally, neither of these sites is in the right location.

3.7 The Council's Asset Management and School Building Developments Team have considered and undertaken a review of the current limited list of suitable sites, and this is summarised as follows:

<b>Property</b>	<b>Advantages</b>	<b>Disadvantages</b>
Jack Dash House, E14 Ground floor	<ul style="list-style-type: none"> <li>3. Flexible Landlord</li> <li>4. Space currently vacant</li> <li>5. Principle of education use established</li> </ul>	<ul style="list-style-type: none"> <li>- Non LBTH Owned Asset</li> <li>- Insufficient internal and external space to meet curriculum need</li> <li>- Challenges likely with shared use and impact on office users (compatibility)</li> <li>- High development costs for short term occupation circa £1m+</li> <li>- Vehicular access limited</li> <li>- High cost rent.</li> </ul>
Shapla/Cherry Trees/Alternative vacant sites	<ul style="list-style-type: none"> <li>- LBTH Owned Assets</li> <li>- Currently Vacant</li> <li>- Principle of education use established</li> <li>- Could create a satellite site</li> <li>- Good outdoor space and parking</li> </ul>	<ul style="list-style-type: none"> <li>- Insufficient internal and external space to meet curriculum need.</li> <li>- Capital Works required to bring up to compliancy requirements due to mothballing- unlikely to be ready for Sept 23.</li> <li>- No suitable given their distance from the Isle of Dogs where the pupil need exists.</li> </ul>
Other Schools in and around the locality - playground spaces	<ul style="list-style-type: none"> <li>- There are several primary schools in the area which may have playground space that could be considered for temporary portacabins.</li> </ul>	<ul style="list-style-type: none"> <li>- Such provision would provide insufficient internal and external space to meet complex curriculum need for 40 secondary age pupils</li> <li>- Would result in a loss of valuable play and recreation space from schools.</li> <li>- Site separation issues and shared facility suitability.</li> </ul>
<b>Recommended Option</b>		
Former South Quays College Site (subject of this report)	<p>Fully set up as a school with room for the vocational learning so no need to for new fixtures and fittings.</p> <p>Ample space to accommodate further referral with minimal capital expenditure for safeguarding.</p>	<p>Non LBTH Owned Asset</p> <p>The landlord plans to redevelop the site and therefore the tenure is limited. However, a permanent AP provision has been worked through with the owner, including the need for a temporary provision whilst works progress .</p>

	<p>Provision can be up and running from September 2023.</p> <p>Right location in terms of demand for school places and school management.</p> <p>Good drop off space for those pupils requiring transport.</p> <p>Rent will be meet by DfE revenue funding.</p>	<p>Market Rent comparable with commercial spaces locally.</p>
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- 3.8 Following a review of these immediately available properties officers recommend that the expanded LEAP provision is provided on the former site of South Quay College. The South Quay site the most suitable based on the full set of requirements
- 3.9 A longer-term assessment of alternative education provision in the borough has resulted in the Council working with two local Multi Academy Trusts in applying through the government’s central free schools route to open a new Alternative Provision Free School. If successful this new school would provide up to 100 new places and would be situated in the east of the Borough.
- 3.10 Although the South Quay lease is initially for up to two years, the developer will shortly be bringing forward a development plan to include a 100+ place Alternative Provision School. The site owner has agreed for LBTH to take a lease until planning is determined and the entire development scheme (including the AP school provision) is passed to a developer. Education and Place colleagues are working together to ensure that the planning and development process considers the phasing and the need for the site to continue to provide education facilities until such time as the new accommodation is available.
- 3.11 The terms have been agreed with the developer and the amount to be paid by the Council is in line with the rental charges for this type of facility. It therefore the best consideration.
- 3.12 The funding for this short-term lease has been identified from the high needs block of the DSG.
- 3.13 Minor, but essential, health and safety works will be required to the South Quay premises. These will be carried out over the summer to enable the LEAP facility to open in September 2023.

**4 EQUALITIES IMPLICATIONS**

- 4.1 The continued provision from this site minimises the impact to a vulnerable group of young people and ensures their needs are suitable safeguarded.

## **5 OTHER STATUTORY IMPLICATIONS**

- 5.1 This provision of this lease directly impacts the Council's ability to meet its statutory provision for education.
- 5.2 The Council's Asset Management Team will agree terms in line with best value implications.

## **6 COMMENTS OF THE CHIEF FINANCE OFFICER**

- 6.1 The former South Quay College site will form part of the accommodation for LEAP, which is the Council's Maintained Pupil Referral Unit, wholly funded by the High Needs Block of the Dedicated Schools Grant.
- 6.2 The previous free school provision whilst in appearance directly funded from the Department for Education, was funded through LBTH's DSG high needs block as a 'top slice'. This was taken out from funding before being allocated, this top slice will no longer take place and should therefore be minimal financial impact on taking this lease whilst an education provision continues on the site.

## **7 COMMENTS OF LEGAL SERVICES**

- 7.1 Section 120 of the Local Government Act 1972 (the Act) authorises a local authority to acquire land for the purposes of any of its functions, therefore what is proposed in the recommendation i.e. a lease would be permitted by the Act.
- 7.2 The council will also have an obligation under section 3 of the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (the best value duty) and will have to take this duty into account.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- NONE.

#### **Appendices**

- Confidential Item 'Lease Head of Terms' for the South Quay Site (exempt)

#### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- NONE.

#### **Officer contact details for documents:**

N/A