

Appendix A NOT FOR PUBLICATION
By virtue of paragraph 3 of Part I of Schedule 12A
of the Local Government Act 1972

Key decision: Yes
Unrestricted Report and Appendix B/Restricted Appendix A
Ref: FP06 22/23

Report to Councillor Jeremy Hunt, Cabinet Member for Finance and Property

August 2022

Property Holdings: Chichester High School Sub-Lease Arrangement

Report by Andrew Edwards, Director of Property and Assets

Electoral division: Chichester South

Summary

West Sussex County Council (WSSC) provides school accommodation for maintained schools across the county.

The Fordwater School in Chichester ("the school") caters for pupils aged 2 to 19 years with severe and complex learning difficulties. The school is in urgent need of additional accommodation in Chichester.

The opportunity to lease a building in Chichester has arisen which can provide a temporary solution. The former sixth form centre at Chichester High School, Kingsham Rd, Chichester, West Sussex PO19 8EB, is owned by WSSC but subject to a 125 year Academy Lease to The Kenmal Academies Trust and available for a sub-lease back to the County Council for a term of 10 years with a break clause after 7 years. This sub-lease will require Department for Education consent.

Recommendations

It is recommended that the Cabinet Member for Finance and Property, in consultation with the Cabinet Member for Education and Skills -

- (1) Approves that the County Council enters into a conditional agreement for sub-lease and sub-lease arrangements for the former sixth form centre at Chichester High School, Kingsham Rd, Chichester, West Sussex PO19 8EB as set out in Appendix B Site Plan and subject to agreement and final terms, as set out in the report (Appendix A restricted for members only); and that
 - (2) Authority is delegated to the Director of Property and Assets in conjunction with the Director of Law and Assurance to negotiate and conclude the terms of both agreements.
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1 Background and context

- 1.1 There is a need to reduce the number of children and young people with Special Educational Needs and Disabilities (SEND) moving from maintained schools and academies into costly independent and non-maintained sector provision. Increasing provision for children and young people with SEND through the creation of additional places in West Sussex Special Schools and Specialist Support Centres (SSCs) will assist with the aim of enabling children to attend school locally.
- 1.2 [Our Council Plan](#), which sets out the Council's corporate priorities, includes a commitment to help people and communities to fulfil their potential.
- 1.3 In West Sussex there are around 20,000 children and young people with Special Educational Needs and Disability (SEND) receiving support in an early year's setting, school or college, with over 6400 of these having an Education, Health and Care Plan (EHCP).
- 1.4 Depending on the requirements of the EHCP, children will require a place in a mainstream school, Special Support Centre (SSC) or maintained Special School. In recent years, the requirement for Special School placements has increased significantly and projections indicate that this trend will continue.
- 1.5 There is the need to provide additional capacity for Special School places in Chichester as the existing Special Schools serving the area have insufficient places to meet the need. The schools serving the area are St Anthony's and Fordwater. Fordwater currently has 144 planned places agreed for September 2022.
- 1.6 The former 6th form building on the Chichester High School (CHS) site is owned by the County Council but leased to The Kemnal Academy Trust (TKAT) on a 125 year Academy lease as set out in Appendix B – Site Plan.
- 1.7 The proposal is for WSCC to lease the former 6th form building on the Chichester High School site to enable 14-19 year old pupil (with complex needs) provision for Fordwater, starting an ongoing partnership with Chichester High School and TKAT and ensuring sufficient SEND places in Chichester.
- 1.8 The proposal would enable the following growth:
 - September 2022 – 10 places offered on the CHS site freeing up 10 places on the Fordwater site – an increase from 144 to 154 in Key Stage 3 and Key Stage 4
 - September 2022 – Jul 2023 – a further 10 offered on the CHS site throughout the year as the arrangements allow.
 - From September 2023 – a potential further 20 places available on the CHS site giving an overall 40 additional places by September 2023.
- 1.9 The 6th form building is a single floor building. The area was recently used to deliver Adult Education Services. The property is centrally located in Chichester approximately two miles from the main Fordwater School. It would require initial fit out works which the WSCC Capital Programme will fund.

- 1.10 This meets the Services statement of requirement for the additional accommodation required for the school. The space is available now and subject to a period of fit out works could be ready for pupils to occupy by the autumn of 2022.

2 Proposal details

- 2.1 The proposal is for WSCC to enter into a conditional agreement for sub-lease (Conditional upon securing planning permission (if required) building regulation approval and Department of Education consent and completion of all works) and then take a sub-lease of the building from TKAT on a 10-year sub-lease with a 7-year break clause. The sub-lease would be an internal repairing lease only with a service charge contribution towards the landlord's costs of cleaning repairing and maintaining common areas (excluding roof foundations and exterior walls). Final terms of both the agreement for sub-lease and the sub-lease to be agreed.
- 2.2 The annual rental for the building will be finalised during the negotiations and is detailed in Appendix A (available for Members only). Rental commitments would commence once all works to the property have been completed.
- 2.2 It is proposed that the Cabinet Member for Finance and Property, in consultation with the Cabinet Member for Education and Skills, agrees to this transaction being concluded by delegated authority to the Director Property and Assets in conjunction with the Director of Law and Assurance.
- 2.4 It is also proposed that WSCC enters into an agreement with the Governors of Fordwater School to ensure compliance with the terms of the lease with TKAT.

3 Other options considered (and reasons for not proposing)

- 3.1 Do Nothing - this option has been discounted as it is not considered to meet the business need.
- 3.2 Expand Fordwater School on its current site - this option has been discounted as it is not considered cost effective or feasible at this time.

4 Consultation, engagement and advice

- 4.1 The Cabinet Member for Education and Skills has been consulted. The Local Member for Chichester South has been consulted. The school staff have been consulted on the proposals.

5 Finance

- 5.1 It is proposed that the Education Service revenue budgets (High Needs Block) funds the annual lease rental whilst Fordwater revenue funds will cover the rates; utilities; day to day revenue maintenance; cleaning and other associated costs and acts as the Responsible Body. The annual lease rent for Fordwater will be provided for through the County Council's usual budget management and governance processes and the SEND Budget.

Further details provided in Appendix A for Members only.

- 5.2 Capital consequences

A capital allocation from SEND Capital programme allocation has been approved to fund the necessary adaptations, ICT, fixtures, fittings, furniture, some external works and fees.

5.3 The effect of the proposal:

(a) **How the cost represents good value**

A review of existing WSCC properties considered all potential buildings that are currently vacant or are expected to be emptied and declared surplus shortly, none were suitable. There are no identified alternative properties available to buy or rent in the location demanded by the teams, for the size or timescale that would meet the requirement for special education pupil places.

The rental per square foot is in line with the market expectations in the area.

The proposal is the most cost-effective option identified over three years that continues to fully meet business needs.

(b) **Future savings/efficiencies being delivered**

It is anticipated that this project will create 40 additional KS3 and KS4 places by September 2023 (subject to the initial cohort from September 2022), therefore freeing up space on the existing site. With an average cost avoidance of £25,000 per child per annum cost savings of £0.957m per annum (minus the annual lease cost) once all places are filled.

(c) **Human Resources, IT and Assets Impact**

HR implications – school staff will be required to relocate from the Fordwater school to this new location. This will require a period of consultation. A relocation could cause some disruption to operations.

The site is approximately 2 miles from the current location.

IT implications – the newly rented office will need to be fitted out with appropriate IT to enable the staff to continue to provide the current services with adequate connectivity. Funds for this has been included in the capital allocation.

Asset Implications – The property will add to the WSCC property portfolio.

Net Carbon Zero target. This increase in accommodation will add to the Council's Carbon emissions.

6 Risk implications and mitigations

| Risk | Mitigating Action (in place or planned) |
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| Sub-lease not secured in the form required | Enter into a conditional agreement for lease at an early stage to cover all required conditions to ensure early certainty |

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| Sub-Lease not in place in time | Enter into an agreement for sub-lease under which some of the works could be carried out or at least WSCC could occupy as far as practicable. |
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7 Policy alignment and compliance

- 7.1 In 2019 the SEND and Inclusion Strategy 2019-2025 was published which, along with the accompanying implementation plan sets out how the County Council will support the inclusion of all children and young people, with a particular focus on those with SEND.
- 7.2 There are no direct implications arising from the proposal on climate change, crime and disorder, public health or social value.
- 7.3 Section 149 of the Equality Act 2010 requires that public bodies, in exercising their functions, have due regard to the need to (1) eliminate discrimination, harassment, victimisation and other unlawful conduct under the Act, (2) advance equality of opportunity and (3) foster good relations between persons who share a protected characteristic and persons who do not share it. This proposal will ensure suitable school places for those with protected characteristics and provide SEND places on a mainstream school site.

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Appendix A Details of Lease Arrangements (Restricted - available for Members only)

Appendix B Site Plan

Background Papers

None