

Report of:	Executive Member for Environment, Finance and Governance – Councillor Barrie Cooper Director of Finance – Ian Wright
Submitted to:	Executive
Date:	19 April 2022
Title:	Star Academies – Option for Land Disposal
Report for:	Decision
Status:	Public
Strategic priority:	Physical environment
Key decision:	Yes
Why:	Decision(s) will incur expenditure or savings above £150,000
Urgent:	No
Why:	

Executive summary

This report outlines the case to provide Star Academies in partnership with Eton College with a first option to purchase the designated land at Middlehaven under agreed commercial terms, subject to the outlined conditions.

The conditions require that DFE support and funding is approved for the project and the land is disposed of at market value.

This decision is recommended for the following reasons:

- The previous three educational developments have all been progressed on commercial terms, namely discovery school at Natures world, Northern School of Art and more recently Outwood Academy Riverside at Middlehaven.
- The proposal fits with the Council's vision for the regeneration of Middlehaven
- This will generate a capital receipt
- Ensuring the parcel of land is ringfenced for this development signals a clear commitment to all parties that the local authority is supportive of this proposal.
- The future potential disposal may be at a value in excess of the £150k threshold

A future report detailing the disposal will be brought to Executive for consideration in accordance with the Asset disposal Policy.

Purpose

1. The purpose of this report is to outline the case to provide Star Academies in partnership with Eton College with a first option to purchase the designated land at Middlehaven under agreed commercial terms, subject to the outlined conditions.

Background and relevant information

2. Star Academies and Eton College have announced their intention to open three academic sixth form colleges in Dudley, Middlesbrough and Oldham.
3. In Middlesbrough the new post-16 college is being designed to give young people who have done well in their GCSEs the opportunity to achieve the A-levels they need to go to Oxbridge and other elite universities.
4. The partners intend to bid in the next wave of the Department for Education's Free Schools Programme, a process expected to get underway in the next few months, with a view to colleges welcoming their students as soon as September 2025.
5. If the bids are successful the colleges will be part of Star Academies, which runs both primary and secondary schools in communities which face significant challenges. The colleges will be overseen by a joint partnership board of representatives of both Eton and Star Academies, chaired by Peter McKee a Star Trustee and Eton's Vice-Provost.
6. Middlesbrough has been selected as around a third of young people achieve five good passes at GCSE, but few then progress through A-level to achieve grades needed to win places in the top third of UK Universities. It is expected admission policies will be centred on those whom have faced a range of challenges, often with limited opportunity, and for whom the college could make a transformational difference.
7. The college will be co-educational, free to attend and blend Eton's educational philosophy, including a rigorous and academic curriculum with Star's ethos, approach and extensive ethos in this field. All students will start by taking four A-level courses, with a proportion dropping down to three once established at the school.
8. Star Academies are recognised for their extensive experience of establishing, developing and continually improving outstanding schools that deliver outstanding results including in terms of the progress made by pupils from disadvantaged backgrounds and for progress made by their most able learners.
9. The college will admit 240 students per year and will offer many educational and co-curriculum opportunities that already exist at Eton, including knowledge rich teaching from subject specialists, access to talks, academic essay prizes and debate clubs, Oxbridge style tutorial sessions and the chance to learn Latin. Some of the teaching will be delivered virtually from Eton and students will be given the opportunity to attend Eton annually for Summer school.
10. The potential site identified for the development is within the centre of town, at Middlehaven. The Council originally purchased the subject parcel from the HCA (Homes & Communities Agency) following the grant of approval by Executive on 25 January 2017, with a view to its onward sale for the purposes of the regeneration of the local area. It has excellent transport links with the train station and improved highway access,

which makes the site attractive in terms of its location as central for the wider geography to other areas across Teesside and beyond.

11. The site, identified as site No 19, highlighted in the attached plan in Appendix A is 1.45 acres, and has been declared surplus to the operational requirements of the Council and is currently being held as available for sale.
12. The Council's vision for the regeneration of Middlehaven includes the development of educational provision in the area including development at Middlesbrough College and Outwood Academy Riverside. The development of educational provision in the area brings animation to Middlehaven and increases footfall in both the immediate area and the town centre.
13. Within the wider Middlehaven development, work is also currently progressing to build a new secondary school. This DFE funded development with Outwood Academy Riverside was progressed following the disposal of the land on commercial terms. This commercial principle for Heads of Terms was also followed for the disposal of land for the Northern School of Arts development and the Discovery School at Natures World.
14. The commercial principles would involve the following:
 - Star Academies to be given the ringfenced option to acquire the land – subject to achieving DFE support and funding for the sixth form college development
 - Land to be disposed of at market value
 - The land will be subject to revaluation

What decision(s) are being recommended?

15. That the Executive:
 - Approve to provide Star Academies with a first option to purchase the designated land at Middlehaven under agreed commercial terms, subject to:
 - DFE funding for the project being approved
 - The land being disposed under commercial terms at market value
 - A further report be brought to Executive on the detail of the disposal in accordance with the Councils Asset disposal policy

Rationale for the recommended decision(s)

16. This decision is recommended for the following reasons:
 - The previous three educational developments have all been progressed on commercial terms, namely Discovery School at Natures World, Northern School of Art and more recently Outwood Academy Riverside at Middlehaven
 - The proposal fits with the Council's vision for the regeneration of Middlehaven
 - This will generate a capital receipt
 - Ensuring the parcel of land is ringfenced for this development signals a clear commitment to all parties that the local authority is supportive of this proposal.
 - The future potential disposal may be at a value in excess of the £150k threshold.

Other potential decision(s) and why these have not been recommended

17. The Council could choose not to support the disposal of a site. This however would lead to the potential of this project being delivered elsewhere. Middlesbrough Council recognises both the educational benefits this project will deliver, along with the wider economic and regeneration impacts that such an opportunity presents. Therefore the Council is committed to ensuring that it facilitates a site that meets the key objectives of this project.
18. The Council could facilitate the site on non-commercial terms. The application of the asset disposal policy has been applied to the last three educational developments in which all three have included land disposals. For three transactions commercial terms have been agreed. As such it is imperative that the Council maintains its position that the asset disposal policy is followed and equity in its application towards the principles of commerciality in the transaction is maintained.

Impact(s) of the recommended decision(s)

Legal

19. The land would be disposed of freehold with vacant possession, subject to a future Executive report.

Strategic priorities and risks

20. This links to the key strategic priorities for both educational attainments, children and young people and regeneration:
- We will transform our town centre improving accessibility, revitalising unused assets, developing iconic new spaces and building more town centre homes.
 - We will show Middlesbrough's children that they matter and work to make our town safe and welcoming and to improve outcomes for all children and young people

Human Rights, Equality and Data Protection

21. A level 1 impact assessment accompanies the report and identifies that this recommendation provides no adverse impacts.

Financial

22. The local authority secured c.18 acres of land in Middlehaven in 2018 at £157k per acre. Significant developments have progressed at Middlehaven since the original purchase and land valuations have been progressed on the basis of 175k per acre. However a revaluation of land is required following the changes that have been progressed to infrastructure and the increase that that wider development potential now offers. Valuations are expected to be in the range of £220k per acre.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Officers will progress revaluation of the land and develop initial Heads of Terms	Louise Grabham	July 2022

Appendices

1	Site Plan
2	Impact Assessment
3	

Background papers

Body	Report title	Date
None		

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