

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3015

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Department:

Children and Adults

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Subject:

Allocation of funding to support a DfE bid for the proposed expansion of Fernwood Secondary School

Total Value:

£0.999m (Type: Capital)

Decision Being Taken:

1. To allocate a maximum of £0.984m of 'Basic Need' funding to support The Fernwood School's bid to the Department for Education (DfE), for funding to expand their capacity by an extra 3 forms of entry/450 places, noting that the funding is dependent upon the bid being successful.
2. To allocate £0.015m of funding towards fees for Nottingham City Council Major Projects Team to support the school with managing the delivery of the project, ensuring value for money and that the project is delivered to a high standard.

1. The huge growth in Nottingham's primary cohorts are now hitting the secondary sector. A minimum of 15 additional forms of entry will be required by the time demand peaks in 2022. This equates to a minimum of 2,250 secondary places by the time all year groups are full. The pressure on secondary places is already being realised. The current Year 7 capacity for 2018 will be surpassed by demand in many areas of the city, and city wide by 2019, if no further additional places are provided. Many schools are already significantly oversubscribed.
2. There is a clear need for additional secondary capacity in the Wollaton area of the city. The Fernwood School is an Ofsted rated outstanding school and committed to providing places for feeder schools in the catchment area. These include Fernwood Primary School which has very recently expanded to increase intake, Middleton Primary School which is the process of expanding to increase intake, and Southwold Primary School which is located within a disadvantaged area. Due to growing numbers in The Fernwood School's catchment area, they will be taking fewer children from Southwold School (which is furthest distance away), if they are not able to expand their capacity to meet the growth in pupil numbers which continues on an upward trend. With the expansion of Middleton and Fernwood Primary Schools, this number is likely to fall further. The combined Pupil Admission Number (PAN) of the three feeder primaries will be 270, therefore, The Fernwood School's PAN of 210 falls well short of meeting this. It is already full and massively oversubscribed. In September 2017, they increased their PAN by 10 places in order to accommodate pupils from within the catchment area, but with numbers increasing year on year, significant additional capacity is required. If The Fernwood School is able to expand, they will have the ability to significantly increase intake from all 3 schools with additional teaching and support space.
3. In September 2018, a shortfall of places is already projected both at The Fernwood School and in the neighbouring schools in the planning area. The overall capacity constraints will increase year on year from that point. The demand, quality of provision (Ofsted rated 'outstanding') and popularity, presents the case for expanding The Fernwood School, for which 86% of the catchment area make a first preference.
4. Substantial family housing development is underway in Wollaton, which will contribute to the increasing number of families moving into the area, which will in turn add to the school capacity pressures. A further consideration is the likely impact of increased demands on capacity in the secondary schools located in the county but which are close to the city boundary. Despite the growing overall number of school place applications, the percentage we are losing to county schools is actually falling: a 2.75% decrease of city pupils going to county schools since 2013. This amounts to a significant number of pupils and the 'city to county loss' is highly likely to fall further, which will increase the pressure on city school places.
5. Approval is sought to allocate a maximum of £0.984m of 'Basic Need' funding to support The Fernwood School's bid to the DfE for funding to expand their capacity by an extra 3 forms of entry/450 places. This would be funded from the remaining £3.125m of 'Basic Need', which has been allocated to the Council in the 2019/20 funding round. A funding contribution from the Council would significantly strengthen a previously unsuccessful bid in the last round. The assessment of the last bid scored highly for demand for places, but was weakened by the omission of any funding contribution from alternative sources. The Council was unable to invest a funding contribution at that time as it was prior to the most recent 2019/20 Basic Need allocation.

6. The Council will require the retention of a supporting and monitoring role in the bid application and delivery of the project, to ensure the required capacity is delivered, while achieving value for money. Securing an additional 3 forms of entry at a maximum cost of £0.999m overall (including fees), would provide an exceptional value for money solution to support the Council's secondary place planning strategy: providing 3 of the minimum 15 new forms of entry required across the city and in providing additional places for local children, in an outstanding school.

7. In order to ensure that the project meets the requirements for secondary provision and offers value for money, it is requested that £0.015m be allocated towards fees for Nottingham City Council Major Projects Team to provide a support and monitoring function for this project. This will ensure that this investment will deliver the required outputs for the Council.

8. Options to make the best use of existing capacity at The Fernwood School have been explored, but the building utilisation data shows that all classrooms in the school are in use. Attempts to accommodate more pupils in the existing buildings would result in over-crowding. However, initial feasibility has confirmed that expansion can be accommodated on the existing site.

9. The project is scheduled to complete in Autumn 2019. Early discussions have been undertaken with the Council's Planning Officers, who have provided an initial indication that the proposal seems to be generally developing in an appropriate part of the site.

Section 106 funding and housing developments

10. A section 106 agreement linked to the Radford Bridge Allotments, Russell Drive family housing development (planning reference 12/01583/POUT as varied by 15/03129/PVAR3) secures an education contribution calculated to be £0.379m. Under this agreement the Council is obliged to use the education contribution towards additional or improved educational facilities at Fernwood Primary School and Fernwood Academy (now known as The Fernwood School). Payment is due in two instalments, with half due on 50% occupation and the remaining half due on 75% occupation. The element of the section 106 contribution which the Council is obliged to invest in secondary education at The Fernwood School is £0.152m. The additional pupils forecast to be generated by this development forms part of the rationale for expansion.

11. The maximum Basic Need funding figure of £0.999m for which authority is sought in this decision does not take account of any section 106 monies which may be received pursuant to the above agreement.

12. There are further family housing developments planned in the area, e.g. the Siemens site for which we have received a pre-application screening. Although still in the early stages and not guaranteed, it further highlights the upward trend of families moving into the area.

Other Options Considered: Supporting The Fernwood School's funding bid, but without a financial contribution from the Council was rejected as this was the situation with the first bid attempt in December 2016, and the DfE Assessor's feedback on the unsuccessful bid stated that the application would have been improved through the inclusion of an additional funding contribution from an alternative source.

Adding temporary bulge years at The Fernwood School, in excess of the PAN was rejected as it is not cost effective, would not address the sustained pupil growth in the area, and the school have no further capacity to accommodate additional children within the existing space. Sustained growth in pupil numbers requires a permanent solution to meet the needs of the local community by providing a good school, close to home (as per the Council's priorities).

Expanding other schools in the area (Bluecoat Wollaton and NUSA) was rejected, as it is not currently recommended as the preferred option, for the reasons stated in the main body of this report.

Initiating the Local Authority led Free School presumption competition route, seeking proposals from an appropriate DfE approved sponsor. This was rejected as there is no suitable available site identified in the Wollaton area. Building a new school would be a more costly option, for only 3 forms of entry required, which would not be viable. Provision in excess of this would be surplus to requirements and would be likely to destabilise other local schools.

Background Papers: None

Published Works: None

Affected Wards: Wollaton East and Lenton Abbey, Wollaton West

Colleague / Councillor Interests: None

Consultations: Date: 27/11/2017
Ward Councillors: Sally Longford, Steve Battlemuch, Jim Armstrong
Emailed the Ward Councillors to inform them of the proposal

Crime and Disorder Implications: None

Equality: Please login to the system to view the EIA document: EIA_Fernwood Academy.doc

Decision Type: Portfolio Holder

Subject to Call In: No
The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.

Person Consulted: Councillor Brian Parbutt
Consultation Date: 23/11/2017
To meet the short timeframe given to submit the bid

Advice Sought: Legal, Finance, Equality and Diversity

Legal Advice: Please see the attached. Advice provided by Jonathan Ludford-Thomas (Senior Solicitor) on 14/11/2017.
Advice documents: 2017-11-14 legal obs (ed law).pdf

CAPITAL:

The report confirms that the project is to be funded from the Council's 2019/20 Basic Need allocation. However due to timing of this grant and the requirements of the project the 17/18 Basic Need Grant is going to be used to fund this decision.

The 17/18 Basic Need Grant currently has an unallocated balance of £1.230m (excluding Unsecured Capital Receipts). Following the approval of this decision the Capital Programme will be amended accordingly and the Basic Need Grant 17/18 will have a reduced unallocated balance of £0.231m, pending any funding adjustments from appropriate receipts.

Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 17/11/2017.

REVENUE:

If the proposal to allocate £0.999m of the Basic Need Grant to support the expansion of Fernwood Secondary School were approved then the Local Authority would fund the school for the additional three classes each year from the Pupil Growth Contingency Fund (PGCF) for five years. This funding would cover the period September to March of each year. Once the additional pupils were accounted for on the October Autumn Census after the September they were admitted, they would then be funded in the following financial year through the local funding formula in the financial year 2019/20. From the financial year 2020/21 the school would then be funded based on the national funding formula.

The School Organisation Team would allocate funding to the school based on the eligibility criteria approved by Schools Forum. At present the LA does not know how much funding it will be receiving for pupil growth from the financial year 2019/20, therefore, the amount that would be allocated to an expanding school cannot be quantified. This is due to:

1. The current PGCF criteria does not allow for growth in the secondary phase and the local authority is in the process of revising the criteria. A report is tabled at the Schools Forum meeting on 7 December 2017 to ask for Schools Forums approval of a revised PGCF for the financial year 2018/19 only. The criteria will then need to be revised again once the Department of Education confirm how much funding local authorities will receive for pupil growth from the financial year 2019/20.

2. In the financial year 2018/19 local authorities will be funded for pupil growth based on historic spend in 2017/18. At present the Department of Education have not confirmed how local authorities will be funded for growth from the financial year 2019/20 onwards. The Government have announced that they will continue to explore the options of using projections and in-years adjustments or funding growth directly in real time according to a national unit rate prior to finalising the approach for 2019/20 and beyond.

Moving forward, the LA will need to manage the growth funding they receive from year-to-year and review the pupil growth contingency criteria when clear guidance is released from the Department of Education.

If the funding to meet the cost of the expansion of Fernwood Secondary School were to be set aside within the Basic Needs Grant, the on-going maintenance costs of building would have to be met from the academies budget.

Advice provided by Julia Elizabeth Holmes (Finance Analyst) on 15/11/2017.

**Equality and Diversity
Advice:**

The proposal to develop facilities that will broaden opportunities will help support the educational needs of some of the city's most vulnerable/marginalised young people and ensures access is key enabling equality of opportunity and evidence of the city's realisation of its public sector equality duty. Advice provided by Adisa Djan (Equalities and Diversity Consultant) on 16/11/2017.

Signatures

Sam Webster (PH for Business, Education and Skills)
SIGNED and Dated: 28/11/2017
Alison Michalska (Corporate Director for Children and Adults)
SIGNED and Dated: 27/11/2017