

# WYEBRIDGE ACADEMY – OUTLINE BUSINESS CASE

## PORTFOLIO RESPONSIBILITY: CHILDREN'S SERVICES

CABINET

27<sup>TH</sup> MARCH 2008

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### Wards Affected

St Martins & Hinton  
Belmont  
Hollington

### Purpose

To approve, for submission to the Secretary of State, the Outline Business Case for Wyebridge Sports College to become an Academy; and to authorise other necessary steps including the appointment of consultants to implement the project.

### Key Decision

This is a Key Decision because it is likely to be significant in terms of its effect on communities living or working in Herefordshire in an area comprising of one or more wards.

It was included in the Forward Plan.

### Recommendations

- THAT (a) the draft Outline Business Case for the creation of an Academy at Wyebridge Sports College be approved for submission to the Secretary of State, on the strict understanding that all capital costs associated with the project are met from within DCSF grant (£21,939,195) and that the Academy will be funded after the initial start up period on the same basis of other schools in the county;**
- (b) the relocation of a temporary unit on the Wyebridge site as an alternative provision for Redhill Residents Association be approved in principle, subject to a successful bid being made to the capital programme to secure the necessary funding, estimated at £80,000;**
- (c) the signing of the Memorandum of Understanding between the Council & Partnership for Schools be authorised, thereby agreeing the use of the National Academy Framework for the procurement of the construction of the buildings be approved; and**
- (d) the engagement of Navigant Consultants to implement the next stage of the project at the cost of £107,000 be approved.**

## Reasons

- (a) To make progress with the academy project, the Local Authority has to submit the Outline Business Case to the Secretary of State for his approval;
- (b) Sole use space has not been offered to any third party user within the new academy building. Alternative solutions are therefore proposed.
- (c) The Memorandum of Understanding commits the authority to use the National Consultants and Contractors Framework for the procurement of the new building. The Head of Asset Management and Property Services and the Strategic Procurement & Efficiency Review Manager judge this to be the most sensible way forward. The alternative requires dispensation from Partnerships for Schools, and the Council publishing OJEU notices in a separate procurement process which would incur additional cost and add to the timeframe;
- (d) As part of the National Framework there is an approved list of consultants, as well as contractors, with agreed rates of engagement. Navigant Consultants is on this list, and was selected in the light of their experience locally.

## Considerations

1. The complete, albeit final draft, version of the Outline Business Case is attached as Appendix 1. The completion of the Outline Business Case is dependant on the Cabinet's decisions of today e.g. third party use and procurement process. There is also a Funding Agreement which is a contract between the Sponsors (Hereford Diocese) and the DCSF setting out what the Sponsors will do in return for ongoing revenue funding, which will be received direct from DCSF. The DCSF ensures that the arrangements, including governance, admissions and Special Education Need (SEN) provision comply with statutory requirements. The sections relating to Governance, Admissions, SEN Provision and Exclusions are attached in Appendices 3, 4, 5 and 6 respectively. The Governors will have to comply with the statutory requirement in these areas, and manage within the budget allocated to them.
2. The Director of Children's Services is satisfied that the outline business case does achieve service aspirations, and the Council's financial and property interests are protected by using the DCSF and Partnership for Schools framework agreements.

### **New Buildings**

3. Initial design work has produced an option favoured by the Sponsors, Wyebriidge Sports College, and council officers, including Planning and Highway staff. This involves the construction of the new accommodation on the existing playing field, and the subsequent demolition of existing buildings and the creation of new outside sports pitches (Appendix 7). As well as producing a better scheme in the longer run (improved access, entrance, more integrated design with buildings located away from the housing directly on the boundary) it does also have the advantage of allowing the school and third parties to operate in existing buildings until 2011.
4. This development plan is different from the initial assessment undertaken by Partnerships for Schools, which concluded that one of the existing buildings on site could remain. Partnerships for Schools have accepted the benefits of total new build and have confirmed that the capital sum has been increased to £21,939,195 to achieve the preferred option.

### **Lease**

5. The freehold of the site will remain in the ownership of the council. The terms on which the Trustees, who are appointed by the Sponsors to manage the Academy, occupy the site needs to cover four distinct phases.
  - The period between the creation of the Academy as a legal entity and the construction phase.
  - The construction period; this allows the academy to operate in existing buildings with the third party users, and also allows contractors working for the Local Authority to construct a new school.
  - When building works are completed, the Academy moves into new accommodation, allowing the Local Authority to demolish the permanent buildings and to remove the temporary accommodation. At that point the future arrangements for third party use come into force.
  - Finally, on completion of all external works the whole site is included in a 125 year lease to the Trustees, with a caveat that the asset returns to the Local Authority if no longer used as a school.
6. The lease will follow the model created by the DCSF for Academies, and essentially safeguards the public interest in the site and buildings. The format and detail of the lease is prescribed by Partnership for Schools. The tenants under this lease are responsible for all outgoings.

### **Third Party Users**

7. The needs of existing third party users have been discussed with the Sponsors, architects, school, and users themselves. The following is proposed:

#### *The 2XL Youth Project/Infozone*

8. This is currently accommodated in a large temporary unit funded in part (£20,000) from the Single Regeneration Budget (SRB), the internal layout designed by Wyebridge students themselves. It has proved to be a very valuable asset, offering a range of services, which students can discretely access. In the vision for the new accommodation, there is an area which will provide a range of offices and withdrawal rooms with facilities for outreach work from a GP's Surgery, which are seen as replacing and enhancing existing provision. Students, 2XL Youth Workers, School Nurse, and CLD Youth Counselling Staff will be involved in shaping these spaces.

#### *South Wye Learning Centre*

9. This was created in 2002 using Council funding supplemented by SRB grant (£75,500) and a private contribution (£23,200). Two ICT training rooms and a third general training room were created through the conversion of part of the former Marlbrook Primary School. Staff managing the centre are on the Wyebridge Sports College establishment. It has been very successful in terms of the numbers of students on roll, and in terms of attracting grants to run courses. It has been self supporting to date.
10. The proposal discussed with the Sponsors and Principal Designate, is that staff working in the centre will transfer to the new Academy and be funded from the Academy budget. Community learning programmes will be integrated to the day to day working of the Academy and be part of the Academy establishment. During the school day access will be given to facilities for adult learners, at times working alongside students of the Academy. Outside school time all the facilities, rather than just three rooms, will be available for community learning. The Sponsors are in the process of recruiting a Deputy Headteacher for all community use, who would be part of the Academy's Senior Management Team and funded from the Academy's budget.

11. Community learning is seen as part of the extended school services which the Academy would offer and is central to their vision. The funding of all these services would reflect what the Academy could afford from their budget and additional income from various organisations. It is clearly understood that there is no commitment from the Local Authority for ongoing revenue funding for adult learning on this site.

*Redhill Residents Association*

12. A room with small kitchen facilities was created for Redhill Residents Association from the kitchen of the former Marlbrook Primary School following extensive community consultation and needs assessment. Funding for the initial work and for a subsequent extension was provided by SRB. There has also been voluntary fund raising activity. In this space a variety of community activities including fortnightly lunch clubs, bingo, bridge and whist evenings, annual open days and jumble sales and community meetings are undertaken under the umbrella of the Redhill Residents Association Management Committee.
13. The new accommodation in the Academy could accommodate many if not all those activities, but this would be under a hiring agreement with rooms being available for hire when the timetable allowed; however this is not acceptable to the Redhill Residents Association.
14. It is incumbent on the Local Authority, if it wishes to proceed with the Academy, to pass the site over to the Trustees free of other interests; in this situation the Local Authority can:
  - Make no further provision for Redhill Residents Association. However, officers from the South Wye Regeneration Partnership, the successor body to the South Wye SRB Programme, have advised that if alternative provision is not made repayment of the grant would maybe required; this grant was paid in 2 phases and amounts to £60,024. There would also be a loss of service to the community.
  - Offer to the Redhill Residents Association the temporary accommodation currently used by the Infozone and 2XL. Planning permission would be required and a capital budget of approximately £80,000 would be needed, assuming that significant external works are not required. This would provide 136m<sup>2</sup> of accommodation compared to 96 m<sup>2</sup> which they currently occupy; Provision would need to be secured for this additional cost through the Capital Programme.
  - Offer permanent accommodation. To achieve this in a free-standing building would require a budget of at least £250,000. The council would be unlikely to fully fund this option given the capital investment needs of all other schools in the county. However, an offer could be made to Redhill Residents Association for the council to make available a site and a specified amount of funding (equivalent to that which would be incurred if the temporary accommodation option was pursued) to contribute towards a new build project to be undertaken by the Association, which would need to raise the balance of funding themselves.
15. Advantage West Midlands, from whom the original grants came, have been informed of the Council's proposals for alternative provision and have indicated that no grant will be reclaimed if the alternative proposals are carried through.
16. It is recommended that the option involving the relocation of temporary buildings is pursued as this does ensure the maintenance of service to a community.

## **Post –16 provision**

17. The DCSF are insistent that 220 post-16 places are provided at the Academy. This is in excess of the 120 in the original Local Authority vision, this smaller provision catering for students who would not otherwise be attracted to the colleges on Aylestone Hill. There is no doubt that if the DCSF aspiration of a 75% staying-on rate is to be achieved, more students will need to be catered for. There have been discussions with the Principals of the Sixth Form College, and College of Technology, Learning Skills Council and Sponsors. The Sponsors are aware that they do run risks in proposing courses when there maybe limited uptake. It is envisaged that the Sixth Form College would remain the major provider of traditional “A Level” subjects, with them being able to offer from a range of 35-40 subjects.
18. The vision for the Academy is to build on the 14-19 Diplomas particularly in the areas of sport, health and science, offering courses which complement rather than compete with existing providers. The diploma provision will develop over the next 2-3 years and this time will be used to shape post-16 provision, which will be available for the first time on any significant scale in September 2011. DCSF has made capital funding available within the £21,939,000, for accommodation to house 220 students. The post-16 provision is specifically referred to in the statutory consultation process, and Cabinet will have the opportunity to judge the comments on this provision prior to determining the notice authorised by Cabinet on 28th February later this summer.

## **Procurement Process**

19. The Local Authority is responsible for letting a contract for the new school within the capital allocation offered by DCSF, which currently stands at £21,939,195. To help local authorities in this, Partnership for Schools have devised a national procurement framework which has already completed the early stages of the procurement process. It does however limit the Local Authority in its choice of contractors to those within the national framework. However, those within the framework have already been vetted in terms of the legal and financial standing of their company, and also on the ability to provide a high quality cost effective school building.
20. The DCSF require the Memorandum of Understanding attached to the Business Case to be signed, if only to ensure that notes and responsibilities using this framework are clearly understood.

## **Governance**

21. The Academy will be managed independently as a charitable body subject to the same inspection, admissions, financial, and employment frameworks as other maintained schools. This follows DCSF guidelines and requirements. The Trustees of the umbrella charitable body will appoint a governing body consisting of eight people nominated by the sponsors, one person nominated by the Local Authority, one person nominated by the staff and one person nominated by the parents.
22. In addition there will be a number of subgroups on which wider membership will be sought, one focusing on ‘stakeholders’ and the needs of parents and the wider community.
23. Governance issues are dealt with in the funding agreement; the relevant section is laid out in Appendix 3.
24. A Principal Designate was appointed in December 2007 to lead the development of the new governance and school organisation arrangements. Further supporting appointments will be progressed in the coming months.

### **Admissions**

25. From the outset, all parties agreed that the academy will continue to serve the existing catchment area, and its admission policy will remain the same as at present. No church places will be offered. The Governors will become the Admissions Authority for the Academy, but they do have to work within the framework established by The Local Admissions Forum and be part of the coordinated admissions scheme managed by the Local Authority. These arrangements are also part of the Funding Agreement, which will not be approved by the DCSF unless the admission arrangements comply with statutory requirements;

### **Special Education Need**

26. The Academy will be responsible for meeting the needs of all children on roll. Again the funding agreement sets out the obligations on the governing body with regard to children with special education need. The relevant section is attached as Appendix 5.

## **Financial Implications**

27. The Local Authority is responsible for building the new Academy within the funding offered by DCSF. This currently stands at £21,939,195 and the advice is that this is sufficient to fund the proposed floor area. There is a cost in fees in implementing the project. Those relating to the detailed design and implementation stage of the project will be met from the capital allocation. Prior to that stage being reached, fees can be charged to a separate sum of £250,000 granted to the council from the DCSF to develop the scheme. The £107,000 to pay for consultants to undertake detailed design work and prepare tender documentation would be funded from this sum.
28. Alternative accommodation for the Redhill Residents Association will require capital expenditure, varying between an estimated £80,000 to relocate temporary buildings to £250,000 for a permanent structure. This cost would have to be met by the Council. At present no capital funding has been identified, and it would have to at the expense of other projects. Although £80,000 exceeds the grant that may be repayable, the Association does offer services to the community. Consultations, including those with local members, have shown that these are valued and although the recommended alternative provision is more costly than the repayment of grant, the community benefits would suggest the additional cost is justified.
29. After the initial start up period in revenue terms, the Academy will be funded on the same basis as other schools in the County, using the same LMS formula to allocate the budgets. All costs in running the Academy are the responsibility of the Trustees. The delegated budget of the Academy comes out of the Dedicated School Grant from the DCSF. There will be no call on Council resources to support the Academy budget. However, it is to be noted that the Council will continue to be responsible for the school transport according to its policies operating at the time. At present there are only 6 students who benefit from free transport from their home to Wyebriidge Sports College. In future, unless the Local Authority determines otherwise, the same entitlement rules will apply, there will be no call on funding for denominational transport as no denominational places at the Academy will be offered.
30. Cabinet should also be aware that the Academy does benefit from additional start up grants for the first 3 years, the funding for this is derived from a national budget and not from the Dedicated Schools Grant available to Herefordshire Schools.
31. The Redhill Residents Association undertakes fundraising to meet the running costs of their accommodation.

## **Risk Management**

32. Robust project management will be put in place to deliver the new building within the allocated sum to the agreed timescale.
33. There have been discussions with a successor body for the South Wye SRB and Advantage West Midlands. If alternative provision as proposed is made for three external users whose existing accommodation was created by using SRB funding, no repayment of SRB grant is anticipated. The total value of grant is £155,524 (i.e. Infozone £20,000, South Wye Learning Centre £75,500 and Redhill Residents Association £60,024).
34. If Secretary of State approval is not secured the council will not be financially disadvantaged as preliminary external costs have been met from Partnership for Schools funding.

## **Alternative Options**

The Local Authority could withdraw its support for the Academy proposal as a whole. This would jeopardise the very real achievement that Wyebridge Sports College has made in recent years and leave the future of high school provision in the South Wye area uncertain.

## **Consultees**

Sponsors

Headteacher and Chair of Governors of Wyebridge Sports College  
South Wye Learning Centre  
2XL Youth Project  
Redhill Residents Association  
South Wye Regeneration Partnership

## **Appendices**

Appendix 1 - Outline Business Case Executive Summary

Appendix 2 – Memorandum of Understanding

Appendix 3 – Governance

Appendix 4 – The Admission of Pupils to the Hereford Academy

Appendix 5 – Arrangements for Pupils with SEN and Disabilities at the Hereford Academy

Appendix 6 – Exclusions

Appendix 7 – New Build Plan Option

## **Background Papers**

Outline Business Case

Draft Funding Agreement - Confidential

Email from Partnerships for Schools on 13 February 2008