

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 15 March 2023
Subject:	Star Leadership Academy Radcliffe – Financial arrangements/ site requirements – Part A	
Report of	Cabinet Member for Children and Young People	

1.0 Summary

- 1.1 Cabinet has received several reports in recent years in respect of the process and arrangements that will lead to the establishment of the new secondary school in Radcliffe.
- 1.2 On 7th September 2022 (CA.52) Cabinet approved funding in respect of the indicative capital cost of the Council’s financial obligations in relation to the delivery of the new school.
- 1.3 On the 17th November 2021 (CA.172) Cabinet approved the lease arrangements between the Council and Star Academy, to transfer land as defined in a plan appended to the report, in order for the new school to be established.
- 1.4 This report sets out additional capital costs that will fall to the Council, and seeks approval to those costs, and the manner in which they will be funded, and a modification to the area of land to be made available for the school.
- 1.5 This includes additional costs to enable the Council to contribute to the provision of temporary modular accommodation to enable the school to open to its first cohort of pupils in September 2024, prior to the new school building being completed in early 2025.
- 1.6 To ensure timely progress with the delivery of the new school, the DfE require formal confirmation from the Council’s s.151 officer that it will meet its financial commitments.
- 1.7 The indicative capital costs are set out in Part B of this report. The costs remain indicative until DfE has received tender submissions and made a contract award. However, any delay on the part of the Council in confirming its commitment could impact on the timescale for delivery of the new school, and hence being presented to Cabinet at this time.
- 1.8 In agreeing to the school opening in September 2024, the Department for Education has also sought a commitment from the Council to underwrite the pupil led revenue funding allocated to the school in the event that the school does not recruit up to its Published Admission Number of 150 pupils in each of the first two years of operation. This is to ensure that the school is financially

viable in the initial years of operation. Further details on this are set out later in the report.

- 1.9 This report seeks cabinet approval to the capital and revenue financial commitments.
- 1.10 Additionally, in the process of design development for the new school, a requirement has emerged for additional off-road parking and drop-off to serve the school. It is proposed that this additional requirement will be met through an extension to the land that is to be leased to Star Academy.
- 1.11 The report seeks approval to a revised plan showing an extended area of land that will be subject to those lease arrangements. All of this land is in the Council's ownership. A copy of the revised plan is attached at Appendix 1, showing the original area of land, edged red, and the additional land, edged blue.

2.0 Recommendation(s)

That Cabinet:

- Approve the funding of indicative costs as set out in Part B of this report, to meet the Council's financial obligations, to be met from the Children's Services schools capital programme; capital receipts/borrowing; and the Greater Manchester City Region Sustainable Transport Settlement.
- Delegate approval of the finalised costs to the Executive Director of Finance.
- Further to the decision of Cabinet (CA.172) in respect of the lease of land, to agree the revised plan at Appendix 1, showing the land to be subject to the lease agreement.

Reasons for recommendation(s)

- To unlock the delivery of a new secondary school for Radcliffe.
- Utilise a Council owned Brownfield site for development.

Alternative options considered and rejected

In order to deliver the new school in Radcliffe, the Council is required to confirm that it will commit to meet certain financial obligations. Failure to provide such a commitment will prevent the scheme from being progressed.

The alternative option to not proceed with the school was rejected owing to the demonstrative need for new secondary school provision in Radcliffe and the importance of that provision in supporting the economic growth and sustainability of Radcliffe and its alignment with the wider objectives of the Radcliffe Strategic Regeneration Framework (SRF).

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3.0 Background

- 3.1 Previous reports to Cabinet have set out the details of the financial obligations that will fall to the Council in respect of the establishment of the new secondary school in Radcliffe. These costs were set out in a report dated 13th July 2022 (CA.32), as subsequently amended in a report dated 7th September 2022 (CA.52).
- 3.2 Reports have also confirmed the requirement on the Council to provide the land on which the new school will be built, and for this land to be subject of a long lease between the Council and Star Academy on a peppercorn basis. This was initially agreed in principle in a report to Cabinet dated 26th February 2020 (CA.306). The extent of the land to be transferred was then defined by a red edge on a plan appended to the Cabinet report dated 17th November 2021 (CA.172).
- 3.3 These reports have consistently referenced the target opening date for the new school of September 2024, and the Council, DfE and Star Academy have been committed to meeting this date. However, delays in the procurement process have put this opening date in doubt. Negotiations between the three parties have looked at measures to mitigate the impact of the delay, and enable the school to open in 2024.
- 3.4 It is proposed that a purpose-built modular building will be constructed on the South of the Spring Lane site, currently occupied by Spring Lane School and the leisure centre, and to be available from September 2024, to enable the first cohort of up to 150 pupils to be admitted to the new school. Construction of the permanent school building on the North of the site is expected to commence in January 2024.
- 3.5 It is expected that the permanent school building will be completed in early 2025, at which point the pupils will transfer to the new building. The schools all-weather pitch will then be constructed on the site of the modular accommodation, to be available for the start of the 2025/26 academic year.
- 3.6 DfE has sought a commitment from the Council to contribute to the additional capital costs in providing the modular accommodation. The level of the contribution is set out in Part B and will be capped at this sum.
- 3.7 To enable construction of the modular building, to be available from September 2024, requires the existing structures on site to be demolished. The Council is therefore required to commit to providing vacant possession of the southern

part of the Spring Lane site by 1st March 2024. The Pupil Referral Unit and Radcliffe Leisure Centre are located on this part of the site and plans to decommission those buildings by the agreed date are in place.

- 3.8 The lease agreement between the Council and DfE makes provision for the Council becoming liable for costs in relation to demolition of those existing structures and site remediation, and the cost of construction of the all-weather pitch, in the event of that vacant possession date is not met.
- 3.9 The apportionment of costs falling to the Council, both in the event of the vacant possession date being met, and in the event that it is not met, are set out in Part B of the report.
- 3.10 The indicative costs shown at part B are apportioned differently to those previously approved (CA.52). This reflects that the cost of demolition of existing structures and site remediation will now only fall to the Council if it fails to meet the vacant possession date. The earlier report apportioned these entirely to the Council. Part B also sets out the cost of construction of the all-weather pitch, which will also fall to the Council in the event that the vacant possession date is not met.
- 3.11 In addition, the DfE has sought a commitment from the Council to underwrite the revenue costs to the new school in the event that the school does not recruit up to its Published Admission Number in each of the first two academic years. This is to ensure that both DfE and Star Academy can be confident of the financial viability of the school in its initial years as the pupil numbers grow.
- 3.12 The Council will be responsible for providing pupil led funding for any shortfall of pupil numbers below 150 in each of the first two years, to be met from the Dedicated School Grant (DSG). This is a challenge given the existing pressure on the DSG.
- 3.13 Whilst the Council is confident that the demand for secondary school places is such that the new school will recruit to its capacity, there is always a risk that this will not be the case. Whilst the overall number of young people requiring a school place is high, the actual demand for individual schools is a matter for individual families when setting out their preferences for school places.
- 3.14 Star Academy is committed to engaging with the community to ensure that the new school is promoted, to ensure that it recruits strongly. However, in the event that the school does not recruit to its full admission capacity the Council would be required to fund each unfilled place at a value of approximately £5,700.
- 3.15 Therefore, as an example, if the school only recruited 120 pupils in year one (2024/25), and 140 in the second year (2025/26), this would require the Council to underwrite the initial year one shortfall of 30 places for a two-year period, and then fund the year two shortfall of 10 places for one year. This would equate to the following costs in each of the two academic years:

2024/25 - £171,000

2025/26 - £228,000

- 3.16 As part of the design development for the new school, a proposed junction layout design has been developed where the access road to the new school meets Spring Lane. The design is intended to support more sustainable forms of transport, in the form of Cycle Optimised Protected Signals (CYCLOPS). The cost of the road and the junction will be funded using monies already allocated, alongside capital grant allocated through the Greater Manchester City Region Sustainable Transport Settlement. The cost of these works is yet to be confirmed.
- 3.17 In addition, again as part of the design development for the new school a requirement has emerged for the provision of additional car parking and collection/drop-off area for parents in order to reduce the impact of traffic on the highway. It is proposed to locate this on land off Spring Lane immediately to the South of the new schools all-weather pitch. The additional benefit is that the facility will also support public parking relating to the out of hours community use of the all-weather pitch.
- 3.18 To enable the construction of this collection/drop-off area requires additional land to be included in the lease agreement with Star Academy, beyond the red edge site previously approved by Cabinet. A plan showing the previously approved red edge of land to be leased, together with the additional land shown edged blue, is attached at appendix one.

Links with the Corporate Priorities:

The provision of the new school will support key ambitions of the Let's do it strategy:

- A better future for the children of the borough
- A better quality of life The community of Radcliffe faces key challenges:
- The percentage of Radcliffe young people achieving five good GCSE's is 55.8%, for Bury as a whole it is 62.1%.
- A greater proportion of Radcliffe residents are in poor health or with limiting long term illness than for the population of Bury as a whole, and more Radcliffe children at age 4 and 10 have excess weight compared to the same borough-wide cohort, a trend that continues on into adulthood.
- Deaths from heart disease are significantly greater for Radcliffe residents than for Bury.
- Unemployment, including long term unemployment is greater for Radcliffe residents than for Bury residents as a whole.
- A greater proportion of Radcliffe residents live within one of the most 20% deprived areas nationally, when compared with all Bury residents.
- From a total secondary age cohort of 11,203 students in all Bury schools, 1,733 (15.5%) are resident in Radcliffe. 82% of the Radcliffe resident cohort attend a Bury school, with the balance travelling outside the borough.

- 36% of the Radcliffe resident secondary age cohort travel over 2½ miles to access a secondary school place. This compares with 18% of the total Bury resident secondary age cohort travelling over the same distance.
- A high number of extra district pupils, resident in neighbouring local authority areas, have historically applied for and secured places in a Bury school. For the Radcliffe resident secondary age cohort this trend is reversed with 18% travelling outside the borough.

Given this education, health and employment profile, there is a clear need for a fresh and different approach to supporting Radcliffe people, and building community resilience. Strong leadership from schools and in particular the new secondary school is fundamental to this.

Equality Impact and Considerations:

Section 9 of the Academies Act 2010, and section 149 of the Equality Act 2010 require the local authority to assess the potential impact of any new school on existing educational provision and also assess the impact on any groups with protected characteristics.

The business case that supported the application for the new school documented the significant inequalities in the education, health and economic profile of the residents of Radcliffe.

The provision of a high quality secondary school will contribute to measures designed to address these inequalities.

The new school will help to minimize travel distances to school, improve accessibility to local school provision, and increase parental choice.

The new school is not expected to have an adverse impact on any group with protected characteristics

Environmental Impact and Considerations:

The Department for Education is responsible for the design and delivery of the project and is committed to lowering the carbon footprint of new schools, both during construction and during the lifetime of the building

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
The Council is required to confirm that it will meet certain financial obligations in respect of the establishment of a new Free school	This report sets out the indicative financial obligations on the Council, the proposed funding arrangements, and seeks delegated approval to agree these.
The Council is required to identify the land on which a new Free School will be built, and to make this available under a	Cabinet has previously agreed the draft terms of a lease on land off Spring Lane, Radcliffe. This report seeks approval to

long lease at a peppercorn rent, with the DfE and the sponsor Trust.	a revised plan showing the extent of that land
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Legal Implications:

This report provides Cabinet provides Members with an update following earlier reports received in November 2021 and September 2022 and provides Members with detailed funding information. The additional modular costs are set out in part B of this report. Legal Services will advise on any revised lease arrangements. Arrangements in relation to underwriting a shortfall in pupil numbers will be legally formalised.

Financial Implications:

Members have previously been informed of the costs that the Council would be liable for. The contribution to the costs of the modular temporary accommodation were approved as part of the capital programme at Budget Council on the 22nd February.

Costs which have not previously been reported and which are unknown at this time are those in relation to underwriting any shortfall in pupil numbers below the anticipated 150 for the first two years, referenced at 3.15. This is still an unknown and could increase significantly from the estimated £171k and £228k included above or they could reduce. These costs would be charged to the DSG which is already under severe financial pressure due to the historic deficit. Colleagues in Education need to work with STAR academy to promote the new school in advance of its opening to ensure pupil numbers are in accordance with the 150 intake numbers and thereby minimise and eradicate this financial risk.

Appendices:

Please list any appended documents.

Background papers:

Please list any background documents to this report and include a hyperlink where possible.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning