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Agenda Item No.6 (f)

DERBYSHIRE COUNTY COUNCIL

CABINET

9 July 2020

Report of the Executive Director for Children's Services

**NEW SECONDARY SCHOOL IN SOUTH DERBYSHIRE
(YOUNG PEOPLE)**

1. Purpose of Report

To update Cabinet on the progress with the new secondary school for South Derbyshire and seek agreement to progress aspects of the planning should the Wave 14 Free School application be unsuccessful.

2. Information and Analysis

On 20 September 2016, Cabinet (minute number 272/16) received a report detailing the outcome of the consultation on the potential sites for a new secondary school in South Derbyshire and agreed to notify sites at Boulton Moor (Thurlston Fields) and Lowes Farm in the South Derbyshire District Council (SDDC) Local Plan Part 2. At the subsequent examination of the SDDC Local Plan however, the Thurlston Fields site was considered to be unacceptable as it lay within the greenbelt and could only be considered in exceptional circumstances. As a result, the remaining Lowes Farm site formed part of the approved Local Plan. The map of the Lowes Farm site is attached at Appendix A.

The Authority has commenced discussion with the developer and land owners of the site however those discussions were placed on hold on the advice of the Department for Education (DfE) when the Wave 13 application (the Waves are explained later in this document) was submitted. In the early discussions with the DfE over the Wave 14 application, there was concern about the fact that the site had not been

secured and therefore, there would be merit in re-commencing the negotiations with the developer to agree heads of terms regardless of who develops the school in the future.

The consultation had taken place in response to the level of housing growth in the south of the County. The Derby Housing Market Area which comprises of Derby City, South Derbyshire District Council and Amber Valley Borough Council is set to deliver 33,338 dwellings between 2011 and 2028. Joint planning is in place between the 3 planning authorities with South Derbyshire and Amber Valley meeting a significant amount of unmet housing need from Derby.

South Derbyshire Adopted Local Plan Parts 1 and 2, South Derbyshire Core Strategy (March 2016) identifies 12,618 dwellings between 2011 and 2028. There are a total of 9,378 dwellings proposed on Local Plan sites in the South Derbyshire district which are in close proximity to Derby City and would be expected to yield a total of 1,407 secondary and 563 post-16 aged children. The majority of these developments already have planning approval. The latest anticipated trajectories model a total of 3,766 dwellings being completed within the 5 year period up to 2024, with a total of 7,480 dwellings remaining to be delivered within the plan period up to 2028.

The Amber Valley Local Plan is currently under review but identifies 9,770 dwellings between 2011 and 2028 whilst Derby City Core Strategy (January 2017) lists 11,000 dwellings between 2011 and 2028. The tables at Appendix B shows the anticipated pupil yields from development across the three districts. The calculation of pupil yields is tested regularly during the early stages of developments and to date, are in line with the calculations used. Intake at the new primary schools has also been analysed. The fact that around 50% of the September 2019 intake to Chellaston Fields Spencer Primary Academy is currently resident in Derby City strongly supports the belief that a new secondary school will fill from demand both within Derbyshire and Derby City.

Sufficiency of education infrastructure has been a key consideration within the development of Local Plans and Derbyshire County Council has been successful in securing five additional primary schools (two that opened in 2019, one opening in 2020, one due to open in 2021 and one in the Wave 13 pre-opening stage, all funded principally through Section 106 agreements).

Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as S106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable.

They are focussed on site specific mitigation of the impact of development. S106 agreements are often referred to as 'developer contributions' along with highway contributions and the Community Infrastructure Levy.

The provision of a new secondary school is a fundamental element of the master-planning for the largest strategic development, Infinity Park (1,950 dwellings) but joins up with the wider demand in the area.

To date the following funding has been secured

Development	Funding Agreed	Funding Held
Highfield Farm (either expansion or new school)	£1,539,778	£0
Boulton Moor Phase 2	£3,009,273	£0
New House Farm (either John Port or new school)	£4,063,510	£0
Wragley Way (pending application)	£10,092,160	£0
Mercia Marina	£37,416	£0
Hackwood Farm (either John Port or new school)	£1,072,426	£68,129
Total agreed/pending	£19,814,563	£68,129

The cost of a new secondary school is likely to be in the region of £27M so at present there is a shortfall and, as the Section 106 developer funds are tied to triggers through the duration of the developments, the funds are unlikely to be received in the timescale needed to deliver the school. A summary of the likely receipt of funding is provided at Appendix C. The assessment however excludes Wragley Way as the application is still pending. In the light of Covid 19, developments may be delayed and as a result, funding could also be paid later than anticipated.

On 25 February 2018, Cabinet (minute number 30/18) approved the use of £16.5M in Section 106 funding for the new secondary school however the approval of borrowings to meet the shortfall was postponed as the date of opening was not clear at that stage.

The new secondary school will be an academy and the process for establishing and funding the school will take place through one of two routes. The first is through the Department for Education (DfE) direct free school route. In this instance, the DfE advertises through a wave for multi academy trusts (MATs) to apply to operate a new school. In that instance, the DfE funds and manages the capital project (with the transfer

of approved Section 106 funding) and agrees a funding agreement with the MAT which includes a decision on the date and method of opening. Any shortfall in capital funding and the revenue funding are managed by the DfE. In 2018, a MAT applied to open the new secondary school under Wave 13. Unfortunately that application was unsuccessful as the DfE did not consider that the demand for places was adequately demonstrated. In 2019, the MAT re-applied under Wave 14 and that application is currently being considered with a decision likely in the Summer of 2020. Wave 14 appears to be considering schools opening around 2024.

The second route is through the Free School Presumption process which involves the Authority managing and funding the capital scheme using available Section 106 funding. The Authority would advertise for a MAT to apply to sponsor the school. Whilst the Authority would interview applicants and provide recommendations, the decision on the choice of sponsor rests with the DfE. In that instance, the Authority is responsible for the revenue support funding as well as any shortfall in capital funding. The proposed opening date is likely to be in line with that of the Wave 14 but would be determined by the demand for places. In preparation for a Presumption process, it would be necessary to undertake consultation with interested parties and it is proposed that that consultation is initiated once it is considered appropriate given the Covid 19 emergency.

In addition to the capital expenditure on a new school, it is necessary to provide revenue support, which comes in three forms.

Under the LA presumption process the successful Multi Academy Trust would receive support equivalent to the Project Development Grant (PDG) and Post Opening Grant (POG) paid under the government's central programme.

The PDG supports the costs of planning and developing the school in advance of its opening e.g. employing key personnel. The maximum amount payable for a secondary school is currently £0.300m.

Second, the POG provides additional resources over and above the school's budget determined by the LA's funding formula. POG funding is in two parts. A per pupil resources element is paid each year that the school builds up to capacity for each new pupil expected to be on roll. The current secondary school rate is £500 per pupil which equates to £0.625m for an 11-18 school with 1,250 children.

In addition the POG has an annual leadership element based on the number of year groups that the school will ultimately have that do not yet have pupils. The amount paid to mainstream schools with pupils aged 5

to 15 each year depends on how many year groups (cohorts) are empty. The amount payable will depend on the profile of admissions, however, the maximum secondary school sum payable is £0.312m.

The maximum PDG and POG for a secondary school is therefore £1.237m. The aggregate cost would be spread over 7 years i.e. an average of £0.177m per year and would be met from the Schools Block of the Dedicated Schools Grant.

The third element is in-year formula support. The school will be funded by the local authority's approved mainstream funding formula, in Derbyshire this is effectively the National Funding Formula. Due to timing issues, children starting in each September will not trigger DSG funding until the following April.

The estimated average pupil led funding of a child at Key Stage 3, including an element for deprivation and additional educational needs in 2020-21, for a seven month period, is £2,800. Thus the formula cost of 210 children being admitted for the first time each September would be £0.588m which would also be met from the Schools Block.

The combined annual cost of the above support would be circa £0.765m. Some additional funding should be available via the Pupil Growth fund element of the Schools Block which looks at year on year increases in pupil populations as measured for each Middle Super Output Area. However, it is not possible at this stage to calculate what the impact of the new school would have on this calculation and thus the grant for Derbyshire.

3. Financial Considerations

The financial considerations are outlined in Section 2 of this report. No financial approvals are sought as part of this report and subsequent decisions will be the subject of further Cabinet reports.

4. Property Considerations

The site will be transferred from the developer to Derbyshire County Council and then leased to the MAT regardless of the route taken to establish the school. The procurement of the project however will depend whether the scheme is managed by the DfE or the Authority.

5. Social Value

The Authority has a statutory duty to provide sufficient places for the pupils in the County and the new school will address the increase in pupil numbers brought about by housing growth.

6. Other Considerations

In preparing this report the relevance of the following factors has been considered: Legal, Prevention of Crime & Disorder, Equality of Opportunity and Environmental, Health, Human Resources and Transport Considerations.

7. Background Papers

These are held on file in the Children's Services Development Section and County Property.

8. Key Decision

No.

9. Call-in. Is it necessary for the call-in period to be waived in respect of the decisions being proposed in this report?

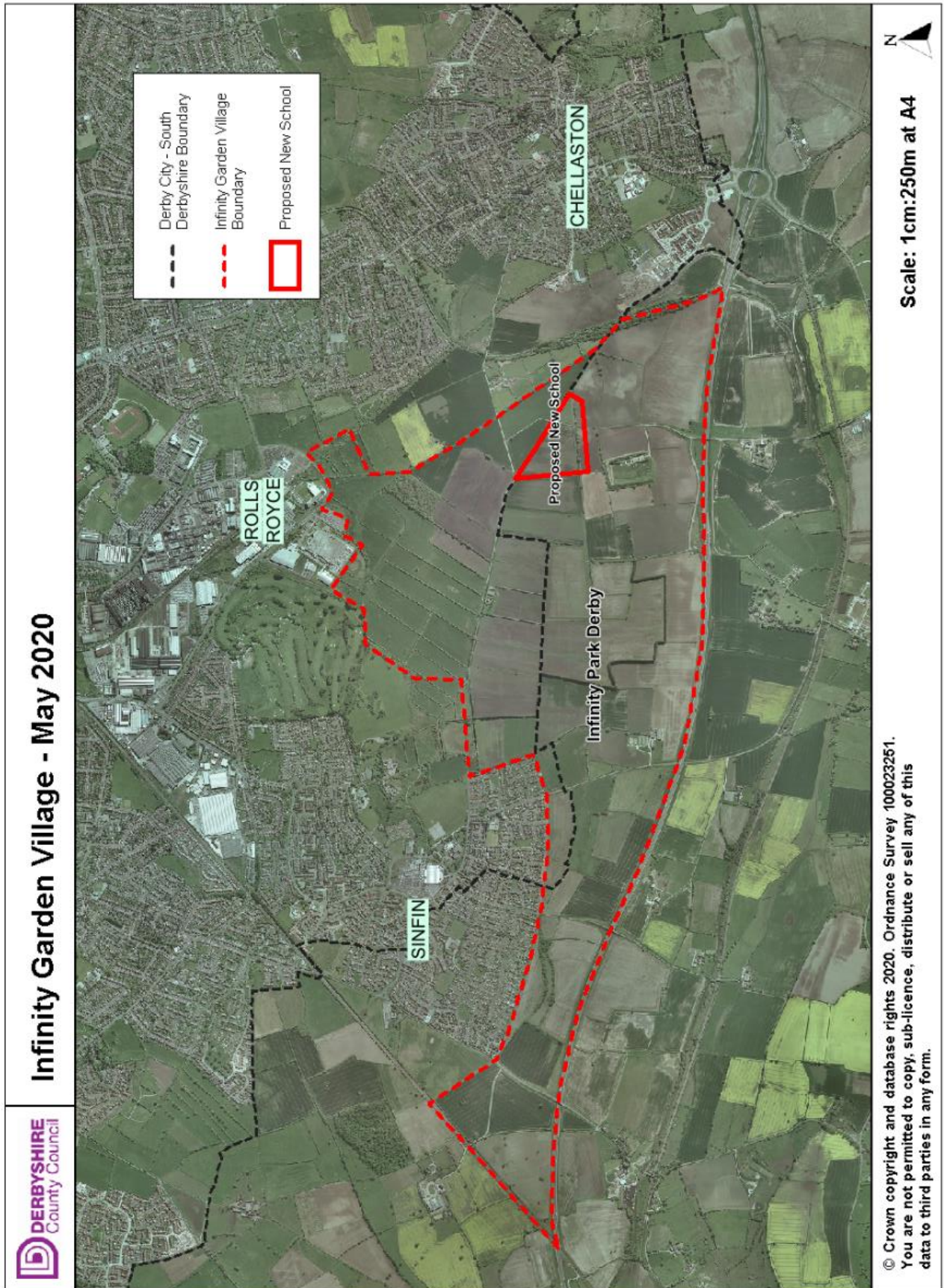
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10. Executive Director's Recommendations

- 10.1 To note the progress on the provision of a new secondary school in South Derbyshire
- 10.2 To continue to support the Wave 14 application through lobbying the DfE
- 10.3 To approve the resumption of negotiations over the site for the new school.
- 10.4 To initiate further consultation on the provision of a new secondary school in South Derbyshire.
- 10.5 To identify the revenue funding resource that will be required should a new school be established through the Presumption route.

Jane Parfremment, Executive Director for Children's Services

Appendix A – Map of Secondary School Site



Appendix B – Table of Pupil Yields

Year to September	Annual build rate	Cumulative build	Cumulative pupil yield by age						
			11 (Y7)	12 (Y8)	13 (Y9)	14 (Y10)	15 (Y11)	16 (Y12)	17 (Y13)
2019	1,304	1,304	45	39	43	33	35	39	39
2020	1,390	2,694	93	81	89	69	73	81	81
2021	1,735	4,429	153	133	146	113	120	133	133
2022	1,548	5,977	206	179	197	152	161	180	179
2023	1,188	7,165	247	215	237	183	194	215	215
2024	1,026	8,191	283	246	270	209	221	246	246
2025	1,039	9,230	319	277	305	235	249	277	277

Appendix C – Profile of Section 106 Funding

Financial Year	Anticipated Funding
20/21	£1,539,777
21/22	£459,972
22/23	£809,783
23/24	£815,246
24/25	£708,004
25/26	£1,547,140
26/27	£547,140
27/28	£2,047,140
28/29	£0
29/30	£0
30/31	£1,157,159

The profile excludes funds held to date, Wragley Way and those funds relating to developments that are not included in the District Council housing trajectory therefore it is an overall guide only.