



Northumberland County Council

CABINET

Date: 17 September 2019

Outcome of the Outline Business Case for the Haltwhistle Primary School Provision for Wise Academy Trust

Report of the Executive Director of Adult and Children's Services: Cath McEvoy-Carr
Deputy Leader and Cabinet Member for Children's Services: Councillor Wayne Daley
Report Author: Sue Aviston, Head of School Organisation and Resources

Purpose of Report

To inform Cabinet of the outcomes of the Outline Business Case for Haltwhistle Primary School provision.

An outline capital allocation of £1.6m for investment to support the reorganisation of the education system in Haltwhistle has already been made within the Council's medium term capital programme. The Outline Business Case seeks to confirm the capital required for the construction of the proposed scheme, being £2.65m, with the council's contribution being upto £2.5m

Recommendations

Cabinet is recommended to:

1. Request that Full Council approves an increase to the budget to £2.65m, including a further £860k of council resources to deliver the scheme to refurbish Haltwhistle Middle School building for Wise Academy Trust. This will support the development of the primary school following the Secretary of State's decision to close Haltwhistle Middle school and expand the age range of Haltwhistle First School to become a primary school. The balance of £153k will be funded by The Wise Academy Trust.
2. Subject to Full Council approval of the project, approve the commencement of procurement through a traditional strategy utilising a RIBA Stage 4 detailed design prior to tender issue in order to deliver the project.

3. Note the content of the attached Outline Business Case and the recommended preferred option to convert Haltwhistle Middle School into the primary school. The project will also include the relocation of the Children's Centre into the building. The procurement process is set out in the Outline Business Case within Appendix 1 of this report.
4. Instruct Officers to procure the works through a traditional strategy utilising a RIBA Stage 4 detailed design approach prior to tender issue.

Link to Corporate Plan

This report entirely supports the Council's vision 'One Council that works for everyone' and the Council's values 'Residents first, excellence and quality, respect and keeping our communities safe and well.'

Key Issues

1. The initial proposal was for the first school buildings in Haltwhistle to be extended to provide the additional accommodation required for the academy to become a primary school. However, since the setting of the budget, Wise Academy Trust's view was that the conversion of the middle academy building would best suit their needs; as a result, this option requires an increased budget of £860k. In the main, this is attributable to the increased costs associated with the development of the Haltwhistle Middle Academy site, as well as addressing the large amount of backlog maintenance, which wasn't previously included in the budget figures.
2. In recognition of the increased costs, Wise Academy Trust has confirmed that it will make a contribution of £153,557 to the project from the Trust's reserves (additional contributions over and above the £153,557 will be provided to purchase new FFE and ICT equipment). The additional funding would be used to offset the maintenance costs and, as a result, the Council's overall contribution to the project will be £2.5m - an increase of £860k.

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Background Information

3. During the first half of 2018, the Local Authority undertook informal consultation on the organisation of schools within the Haydon Bridge Partnership. As a result of this consultation, it was clear that there was support from the vast majority of schools in the partnership to change the school structures. In July 2018, the Council's Cabinet approved the decision to reorganise the remaining first schools in the Haydon Bridge Partnership (outwith West Woodburn First) to become primary schools with effect from September 2019 and approved funding to support the changes, including funding for works at Haydon Bridge High School. Bellingham Middle School had initially been approved for closure in August 2019 as part of the reorganisation, but this decision was subsequently overturned by the School's Adjudicator. In June 2018, the Wise Academy Trust were appointed by the DfE to take the two academies in the Haltwhistle Community Campus (Haltwhistle First and Haltwhistle Middle) into their trust.
4. Wise Academy Trust was aware of the consultation that the Council had undertaken in the West and the decisions made by Cabinet in July 2018. The Trust was, therefore, fully aware that the organisation of school provision on the Haltwhistle site within the 3-tier system was an issue that would need to be addressed within the context of the LA's strategic plan to consolidate the primary/secondary system in the area (taking into account pupil numbers, surplus places and the falling birth rate data). With the rationale of bringing the organisation of the academies in Haltwhistle into line with the Council's decision to implement the primary/secondary system across the Haydon Bridge Partnership, Wise Academy Trust undertook a consultation from October to December 2018 on a proposal to close Haltwhistle Middle Academy and to extend the age range of Haltwhistle First Academy by two years to become a primary school. It was considered that extending the upper age range of Haltwhistle First Academy from age 9 to 11 would secure future educational provision in Haltwhistle. Within their consultation document, Wise Academies noted that although the number of pupils attending Haltwhistle First Academy had been relatively stable, the number of pupils attending Haltwhistle Middle Academy had been declining for a number of years and was at that point operating on around 41% capacity.
5. After consideration of the feedback from their consultation, the Trustees of Wise Academies decided in January 2019 to move forward with their proposals to reorganise the Halwhistle academies and submitted an application to the DfE to close Haltwhistle Middle Academy with effect from August 2019 and extend the age range of Haltwhistle First Academy from September 2019. In March 2019, the Secretary of State gave his consent to the proposed changes to the academies in Haltwhistle, but made this decision subject to an eight week 'listening period' from March to May 2019 to allow parents, staff and other interested parties to raise comments and questions on how the changes would be implemented. On 4 July 2019, Wise Academies were informed that the Secretary of State had given final approval for their proposals for the two academies to go ahead on the proposed timeline in order to fit with the prevailing primary/secondary system in the Haydon Bridge Partnership.

6. A full appraisal of the procurement options is contained within the OBC in Section 2 and the associated Appendix 2. Following a review of the procurement options available for construction projects, Wise Academies have recommended that the development is procured through a traditional strategy utilising a RIBA Stage 4 detailed design prior to tender issue. It is further recommended that contractors are engaged through an OJEU compliant Framework as this offers a more expedient route to market to enable WISE Academies to achieve a challenging, but achievable programme. It will also ensure that a contractor with the relevant experience is appointed.

7. Wise Academies have proposed to act as the ‘procuring body’ for the project. Their proposal is to then act as the client and self-deliver the project to completion. After seeking legal advice, it is the recommendation of NCC officers that the Council should act as the ‘procuring body’ for the project as the major funder and set up a project team to manage the procurement process and carry out evaluation of bids. Representatives from the Trust shall be co-opted onto both the project team and evaluation panel and shall be entitled to participate fully and to the same extent as the other members in the procurement process. In terms of the evaluation of bids, representatives of the Trust shall have the same status as the other Council members of the evaluation panel. The parties should agree that a collaborative approach will be adopted in relation to the evaluation of bids generally.

8. A full commercial appraisal of all of the five options has been undertaken by Wise Academies in order to establish the costs for each. The detail for each of these options is contained in Section 5 of the OBC. The summary detail for the five options is set out in the table below:

Overall Scheme Options Cost		
Ref	Option	Total
1	Refurbishment of the existing First School building including a new extension to assist with the increased pupil numbers	£3,394,280
2	Refurbishment of the existing Middle School building – Option A	£3,579,525
3	Refurbishment of the existing Middle School building – Option B	£2,653,557
4	New build 1 ½ form entry Primary School	£5,777,280
5	Do nothing (backlog maintenance – long term works required outside 5 year planning period)	£1,711,899

The Wise Academies’ recommended option is the ‘Refurbishment of the Existing Middle School building - Option B’ at a budgeted cost of £2,653,557. However, as part of this option, they would prefer that the children’s centre relocate to some existing mobile units on the middle school site.

9. The recommendation of NCC officers is that the preferred option should include a more permanent solution to the reprovision of the Children’s Centre. The OBC indicates that refurbishment costs for converting the Middle School gymnasium into the Children’s Centre would be £197,700; this sum has been included in the overall costs of Option B for completeness. It is the view of officers that the relocation of the Children’s Centre to temporary accommodation would not provide a long term solution for the Council’s investment in the site.
10. The Council’s medium term financial plan 2019-2022 approved the delivery of the scheme to provide refurbished school buildings for Haltwhistle Primary Academy to establish a proposal for redevelopment of the existing academy buildings. The table below shows Option A and Option B models, demonstrating the total costs broken down to refurbishment and maintenance costs:

It should be noted that under previous school reorganisation projects, the local authority has not carried out a whole scale refurbishment of buildings that includes backlog maintenance issues, as has been requested here. The Council has only ever provided the element identified below as the refurbishment costs. However, it should also be noted that the Wise Academy Trust would contribute £153k to the overall proposed project cost of £2.65m.

Option	Total cost	Refurbishment costs	Maintenance costs
Refurbishment of the existing Middle School building – Option A	£3,579,525	£2,044,061.85	£1,535,463.38
Refurbishment of the existing Middle School building – Option B	£2,653,557	£1,793,639.15	£859,918.28

Conclusions and recommendations

11. As a result of the Outline Business Case, the Wise Academy Trust’s preferred option is to undertake the remodelling of the middle school building. This includes addressing the backlog maintenance issues within the building to provide new primary school accommodation. The Council has also required that Trust include the co-location of the Children’s Centre as part of the project.
12. As a result of the closure of the middle school subject to SoS approval, the Wise Academy Trust will relinquish the lease of the first school site back to the local authority for development or sale. If achieved, this could result in a potential capital receipt of £483k to the local authority. Please note that for the

Lower School site the figure could drop as low as £200k if the local authority is left with the reduced site

13. It is recommended that the Council's contribution to this project be capped at £2.5m; this sum would need to include all works for the relocation of the children's centre, with £200k ring-fenced within the budget to protect this element of the project. This would leave £2.3m as a contribution from NCC to the school element of the project. Officers will work with the Wise Academy Trust to develop design at the next stage to ensure that the full scope of the work is kept within the budget.
14. It is also recommended that NCC become the procuring body, as the vast majority of the funding would come from Council resources. However, the governance and management of the contract would be undertaken in a collaborative way in keeping with previous projects where the Council has worked with academies and has been the main funder of a capital scheme.

SPORT AND RECREATION

15. There would be implications for sport and recreation as a result of this proposal as the first school playing fields will no longer be required. The Community Football pitch and changing facilities on the middle academy site are being preserved as part of this proposal, therefore it is not envisaged that this proposal would have a negative effect on the community or the academies in Haltwhistle.

IMPLICATIONS ARISING OUT OF THE REPORT

Policy:	The consultation has been consistent with the Council's policy to review changes to schools in accordance with local wishes and needs.
Finance and value for money	Refer to Section 5 - Commercial Appraisal of the OBC. This report seeks agreement from Cabinet to increase NCC's capital contribution by £860k.
Legal	Legal advice has been obtained from external legal advisers in consultation with NCC's internal legal team.
Procurement	Advice has been obtained from Procurement within Northumberland County Council and external legal advisors to understand its obligations regarding the Public Contracts Regulations 2015
Human Resources:	Staff employed at Haltwhistle First Academy would need to relocate to the current site of the middle academy. It is not envisaged that this would have a detrimental impact on the staff involved in the change.
Property	All the Property implications are contained within the body of the report. Refer to paras. 6-14
Equalities (Impact Assessment Attached) Yes <input type="checkbox"/>	An Equality Impact Assessment would be undertaken should Cabinet approve this project for implementation.
Risk Assessment	A full risk assessment has been carried for the project and is contained in the Appendices 6a of the OBC
Crime & Disorder	This report has considered Section 17 (CDA) and the duty it imposes and there are no implications arising from it.
Customer Considerations:	The proposals set out in this report are based upon a desire to act in the best educational interests of current and future children and young people in Northumberland
Carbon Reduction	NCC's approach to Carbon Reduction is set out in its draft Northumberland Local Plan. The Project considerations of Carbon Reduction are outlined within Section 4.4 of the OBC
Consultation	This report has been considered by the Cabinet Member for Children's Services and the Chief Legal Officer.
Wards	Haltwhistle; South Tynedale; Bellingham; Haydon and Hadrian;

Appendices

Appendix 1 - The Outline Business Case for the New Haltwhistle Primary Academy for WISE.

BACKGROUND PAPERS

The Report of the Executive Director of Adults and Children's Services - The Outcome of the OBC for New Build Schools for Hadrian Learning Trust 12 February 2019

The Report of the Interim DCS/Director of Education and Skills Education In The West - 19 December 2017

The Report of the Executive Director of Children's Services - Outcomes of Statutory Consultation on Proposals for Education in the West of Northumberland - 10 July 2018

The Report of the Executive Director of Children's Services - Proposals for Consultation on Education in the West of Northumberland - 12 May 2018

Report sign off.

Authors must ensure that officers and members have agreed the content of the report:

	Full name of officer
Monitoring Officer/Legal	Liam Henry
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DATA PROTECTION IMPLICATIONS

In carrying out the development of the OBC set out in this report, the Council has acted in compliance with the Data Protection Act 1998 via the Council's Data Protection Policy

Specifically,

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- Data gathered during this consultation process has been dealt with fairly - e.g. the responses from members of the public have been anonymised, whilst those responding within a public role have been identified e.g. Chairs of Governors, Dioceses and so on.
- The data and information gathered during Phase 1 and Phase 2 consultation has been used to assist in informing the recommendations set out in this report and will not be used for any other purpose, i.e. it will not be shared with another service area or any third party.
- The data and information gathered has been limited to that which would assist in informing the recommendations set out that will arise from this consultation.

The Council has set out how it deals with information received as part of consultation in the Council's Privacy Notice, at

<http://www.northumberland.gov.uk/About/Contact/Information.aspx#privacynotices> .