

# Public Document Pack



## Northumberland County Council

**Your ref:**

**Our ref:**

**Enquiries to:** Karon Hadfield

**Email:**

Democraticservices@northumberland.gov.uk

**Tel direct:** 0345 600 6400

**Date:** Thursday, 10 November 2022

Dear Sir or Madam,

Your attendance is requested at a meeting of the **CABINET** to be held in **COUNCIL CHAMBER - COUNTY HALL** on **THURSDAY, 17 NOVEMBER 2022** at **2.00 PM**.

Yours faithfully

Rick O'Farrell  
Interim Chief Executive

**To Cabinet members as follows:-**

**G Renner-Thompson, J Riddle, G Sanderson (Chair), J Watson, R Wearmouth (Vice-Chair), C Horncastle, W Pattison and W Ploszaj**



**Rick O'Farrell, Interim Chief Executive**  
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## AGENDA

### PART I

It is expected that the matters included in this part of the agenda will be dealt with in public.

#### 1. APOLOGIES FOR ABSENCE

#### 2. MINUTES

(Pages 1  
- 12)

Minutes of the meeting of Cabinet held on 11 October 2022, as circulated, to be confirmed as a true record and signed by the Chair.

#### 3. DISCLOSURE OF MEMBERS' INTERESTS

Unless already entered in the Council's Register of Members' interests, members are required where a matter arises at a meeting;

a. Which directly relates to Disclosable Pecuniary Interest ('DPI') as set out in Appendix B, Table 1 of the Code of Conduct, to disclose the interest, not participate in any discussion or vote and not to remain in room. Where members have a DPI or if the matter concerns an executive function and is being considered by a Cabinet Member with a DPI they must notify the Monitoring Officer and arrange for somebody else to deal with the matter.

b. Which directly relates to the financial interest or well being of a Other Registrable Interest as set out in Appendix B, Table 2 of the Code of Conduct to disclose the interest and only speak on the matter if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain the room.

c. Which directly relates to their financial interest or well-being (and is not DPI) or the financial well being of a relative or close associate, to declare the interest and members may only speak on the matter if members of the public are also allowed to speak. Otherwise, the member must not take part in discussion or vote on the matter and must leave the room.

d. Which affects the financial well-being of the member, a relative or close associate or a body included under the Other Registrable Interests column in Table 2, to disclose the interest and apply the test set out at paragraph 9 of Appendix B before deciding whether they may remain in the meeting.

e. Where Members have or a Cabinet Member has an Other Registerable Interest or Non Registerable Interest in a matter being considered in exercise of their executive function, they must notify the Monitoring Officer and arrange for somebody else to deal with it.

NB Any member needing clarification must contact monitoringofficer@northumberland.gov.uk. Members are referred to the Code of Conduct which contains the matters above in full. Please refer to the guidance on disclosures at the rear of this agenda letter.

**4. REPORT OF THE JOINT INTERIM DIRECTOR OF CHILDREN'S SERVICES**

(Pages  
13 - 216)

**Outcomes of Statutory Consultation on Proposals for the Coquet Partnership**

This report sets out an analysis of the representations and responses received from interested parties and stakeholders during the four-week statutory consultation, which commenced on 22 September and closed on 20 October 2022, in relation to proposals for the Coquet Partnership. The report also sets out an analysis of the responses received to the four-week statutory consultation in relation to proposals for Barndale House Special School, which was also published 22 September 2022 and closed on 20 October 2022. The two published statutory proposals set out the following proposed prescribed changes to the schools within the Coquet partnership and to Barndale House Special School:

- Extend the age range, from 9 years to 11 years, for Amble First School, Amble Links First School, Broomhill First School, Red Row First School and Grange View First School from 1st September 2024.
- Reducing the age range, from 9 to 18 years to 11 to 18 years, for James Calvert Spence College commencing on 1st September 2024.
- To create a satellite provision of Barndale House School on the South Avenue, Amble site from 1st September 2024.
- Increase the planned pupil numbers at Barndale House School from 60 to 110 from 1st September 2024.

Cabinet is asked to make a final decision on whether or not to approve the prescribed changes for schools in the Coquet Partnership and for Barndale House Special School, as set out in the Statutory Proposals, for implementation with effect from 1st September 2024. At the same time, Cabinet is requested to consider and approve the non-statutory proposal to extend the age range of Grange View Church of England First Schools with effect from 1st September 2024 as it is linked to the other proposals outlined above (Appendix A).

**5. REPORT OF THE JOINT INTERIM DIRECTOR OF CHILDREN'S SERVICES**

(Pages  
217 -  
274)

**SEND Capacity and Place Planning Strategy**

To advise Cabinet of the development of a 5 year SEND Capacity and Place Planning Strategy (Appendix B).

**6. REPORT OF THE INTERIM EXECUTIVE DIRECTOR OF FINANCE AND SECTION 151 OFFICER**

(Pages  
275 -

## **Budget 2023-24 and Medium-Term Financial Plan 2023-2027 05**

This report provides an update on the development of the 2023-24 Budget and the Medium-Term Financial Plan (MTFP) covering the period 2023 to 2027 (Appendix C).

- 7. REPORT OF THE INTERIM CHIEF EXECUTIVE** (Pages 289 - 304)
- Beaside to Town Centre Cycling and Walking Corridor: Outline Business Case**

In accordance with the Energising Blyth Programme - Local Assurance Framework, the report seeks the approval of the Town Deal Outline Business Case (OBC) for the Beaside to Town Centre Cycling & Walking Corridor project which is pending approval by the Department of Levelling Up, Housing and Communities (DLUHC). The OBC has been externally appraised with a recommendation to proceed to Full Business Case (FBC). It was approved by Town Deal Board on 28 September 2022 (Appendix D).

- 8. REPORT OF THE INTERIM CHIEF EXECUTIVE** (Pages 305 - 320)
- Northumberland Energy Park (NEP1) – Dock Capping Beam: Updated North East Local Enterprise Partnership (NELEP) Full Business Case 07**

In accordance with the Energising Blyth Programme - Local Assurance Framework, the report seeks the approval of the Town Deal Summary Document which sets out details of an adjusted NEP1 Infrastructure investment which is pending approval by the Department of Levelling Up, Housing and Communities (DLUHC). Members have previously approved an application on 7th December 2021 from Port of Blyth for the original NEP1/Battleship Wharf Project Business Case proposal to build an internal heavy duty access link between NEP1, NEP 2 and Battleship Wharf but this can no longer proceed due to Subsidy Control limitations. An updated NELEP Full Business Case for an alternative scheme and applicant (Advance Northumberland (Commercial) Ltd) towards a new capping beam which will allow the Ash Barge Dock deep water berth (part of NEP1) to become fully operational has been externally appraised with a recommendation to proceed. It was approved by Town Deal Board on 28 September 2022 (Appendix E).

- 9. REPORT OF THE INTERIM CHIEF EXECUTIVE** (Pages 321 - 336)
- Northern Gateway Phase 2: Outline Business Case**

In accordance with the Energising Blyth Programme - Local Assurance Framework, the report seeks the approval of the Town Deal Outline Business Case (OBC) for the Regent Street Improvements (Northern Gateway Phase 2) project which is pending approval by the Department of Levelling Up, Housing and Communities (DLUHC). The OBC has been externally appraised with a recommendation to proceed to Full Business

Case (FBC). It was approved by Town Deal Board on 28 September 2022 .  
(Appendix F).

- 10. REPORT OF THE INTERIM CHIEF EXECUTIVE** (Pages 337 - 344)  
**Northumberland County Council Rationale for the Establishment or Continuation of a Council-owned Company**

The purpose of this report is to propose a statement of principles and criteria which form the Strategic Outline Case (SOC) to determine the rationale for the establishment or continuation of any company established by Northumberland County Council (NCC) under the provisions of the Localism Act 2011 or other appropriate powers (Appendix G).

- 11. REPORT OF THE INTERIM CHIEF EXECUTIVE** (Pages 345 - 380)  
**Applying the Council-Owned Company Rationale to Advance Northumberland Ltd and Update on the Business Strategy Review**

At its meeting of 17 November Cabinet will consider a statement of principles and tests for establishing or continuing Council-owned companies established under the Localism Act or other appropriate power, as proposed by the Independent Governance Review (The 'Caller Review') and under action 22 of the subsequent Plan of Action.

In anticipation of agreement to this statement of principles and tests – the Strategic Outline Case (SOC) criteria - for establishing or continuing Council-owned companies, this report sets out the outcome of applying the agreed criteria to Advance Northumberland Ltd (ANL), as an existing company of Northumberland County Council, and provides an update on the Advance Northumberland Ltd Review of Business Strategy (Appendix H).

- 12. REPORT OF THE INTERIM EXECUTIVE DIRECTOR OF FINANCE AND SECTION 151 OFFICER** (Pages 381 - 428)  
**Future of Northumberland Enterprise Holdings Ltd and Northumbria Integrated Consultancy Ltd**

The purpose of this report is to:

- A. recommend a course of action for approval by Cabinet regarding the future status of the Council's wholly-owned company Northumberland Enterprise Holdings Ltd and its subsidiary company Northumbria Integrated Consultancy Ltd, in light of current trading activity or prospects;
- B. propose the Role Profile for the Northumberland Enterprise Holdings Ltd Controlling Shareholder's Representative ("CSR");
- C. propose the appointment of the Executive Director of Finance as CSR of Northumberland Enterprise Holdings Ltd to provide alignment and uniformity with the Council's other wholly-owned company, Advance Northumberland Ltd (Appendix I)

- 13. REPORT OF THE DIRECTOR OF SOCIAL SERVICES** (Pages 429 -

**Adult Social Care Market Position Statement 2022** 482)

To present the updated Adult Social Care Market Position Statement (Appendix J).

**14. REPORT OF THE JOINT INTERIM DIRECTOR OF CHILDREN'S SERVICES** (Pages 483 - 490)

**Family Hubs Development Update**

To provide an update in relation to the development of the Family Hubs offer in Northumberland (Appendix K).

**15. REPORT OF THE INTERIM EXECUTIVE DIRECTOR OF FINANCE AND SECTION 151 OFFICER** (Pages 491 - 500)

**Summary of New Capital Proposals considered by Officer Capital Strategy Group**

The report summarises proposed amendments to the Capital Programme considered by the officer Capital Strategy Group (CSG) via email on 6 October 2022 (Appendix L).

**16. URGENT BUSINESS**

To consider such other business as, in the opinion of the Chair, should, by reason of special circumstances, be considered as a matter of urgency.

**PART II**

It is expected that matters included in this part of the Agenda will be dealt with in private. Reports referred to are enclosed for members and officers only, coloured pink and marked "Not for Publication".

**17. EXCLUSION OF PRESS AND PUBLIC**

The Committee is invited to consider passing the following resolution:

- (a) That under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item on the Agenda as it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A of the 1972 Act, and
- (b) That the public interest in maintaining the exemption outweighs the public interest in disclosure for the following reasons:-

<b>Agenda Items</b>	<b>Paragraph of Part I of Schedule 12A</b>
18	3 - Information relating to the financial or business affairs of any particular person (including the authority holding the information).

19 1 - Information relating to an individual

AND The public interest in maintaining the exemption outweighs the interest in disclosure because disclosure could adversely affect the business reputation or confidence in the person / organisation; and could adversely affect commercial revenue (item 18) and because disclosure could identify the individual (item 19).

**18. REPORT OF THE INTERIM EXECUTIVE DIRECTOR COMMUNITIES AND BUSINESS DEVELOPMENT** (Pages 501 - 738)

**Leisure Review - Findings of the Review of NCC Supported Leisure Provision and Consideration of Future Management and Procurement Arrangements**

Following completion of an extensive review of Council funded leisure provision this Report provides an overview of key findings and outlines a proposed course of action to maximise both the health and wellbeing potential, and value, of future investment (Appendix M).

**19. REPORT OF THE INTERIM EXECUTIVE DIRECTOR OF FINANCE AND SECTION 151 OFFICER** (Pages 739 - 744)

**Summary of New Capital Proposals considered by Officer Capital Strategy Group**

The report summarises proposed amendments to the Capital Programme considered by the officer Capital Strategy Group (CSG) via email on 6 October 2022 (Appendix N).

**IF YOU HAVE AN INTEREST AT THIS MEETING, PLEASE:**

- Declare it and give details of its nature before the matter is discussed or as soon as it becomes apparent to you.
- Complete this sheet and pass it to the Democratic Services Officer.

<b>Name:</b>		<b>Date of meeting:</b>	
<b>Meeting:</b>			
<b>Item to which your interest relates:</b>			
<b>Nature of Interest i.e. either disclosable pecuniary interest (as defined by Table 1 of Appendix B to the Code of Conduct, Other Registerable Interest or Non-Registerable Interest (as defined by Appendix B to Code of Conduct) (please give details):</b>			
<b>Are you intending to withdraw from the meeting?</b>		Yes - <input type="checkbox"/>	No - <input type="checkbox"/>



## Registering Interests

Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in **Table 1 (Disclosable Pecuniary Interests)** which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in **Table 2 (Other Registerable Interests)**.

**"Disclosable Pecuniary Interest"** means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

**"Partner"** means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

### Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in **Table 1**, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest.

Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.

5. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

### Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in **Table 2**), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

### Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in **Table 1**) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.
8. Where a matter arises at a meeting which **affects** –
- a. your own financial interest or well-being;
  - b. a financial interest or well-being of a relative or close associate; or
  - c. a financial interest or wellbeing of a body included under Other Registrable Interests as set out in **Table 2** you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied
9. Where a matter (referred to in paragraph 8 above) **affects** the financial interest or well- being:
- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
  - b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise, you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Where you have an Other Registerable Interest or Non-Registerable Interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

## Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#).

Subject	Description
<b>Employment, office, trade, profession or vocation</b>	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
<b>Sponsorship</b>	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
<b>Contracts</b>	Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council — (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
<b>Land and Property</b>	Any beneficial interest in land which is within the area of the council. ‘Land’ excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.
<b>Licenses</b>	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer
<b>Corporate tenancies</b>	Any tenancy where (to the councillor’s knowledge)— (a) the landlord is the council; and (b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
<b>Securities</b>	Any beneficial interest in securities* of a body

	<p>where—</p> <p>(a) that body (to the councillor’s knowledge) has a place of business or land in the area of the council; and</p> <p>(b) either—</p> <ul style="list-style-type: none"> <li>i. the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or</li> <li>ii. if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</li> </ul>
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\* ‘director’ includes a member of the committee of management of an industrial and provident society.

\* ‘securities’ means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

## Table 2: Other Registrable Interests

You have a personal interest in any business of your authority where it relates to or is likely to affect:

- a) any body of which you are in general control or management and to which you are nominated or appointed by your authority
- b) any body
  - i. exercising functions of a public nature
  - ii. any body directed to charitable purposes or
  - iii. one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

# Agenda Item 2

## NORTHUMBERLAND COUNTY COUNCIL

### CABINET

At a meeting of the **Cabinet** held at County Hall, Morpeth on Tuesday 11 October 2022 at 10.00 am.

### PRESENT

Councillor G. Sanderson  
(Leader of the Council, in the Chair)

### CABINET MEMBERS

Horncastle, C.  
Pattison, W.  
Ploszaj, W.

Riddle, J.R.  
Watson, J.G.  
Wearmouth, R.

### OTHER MEMBERS

Ferguson, D.  
Flux, B.

Seymour, C.  
Stewart, G

### OFFICERS IN ATTENDANCE

Aviston, S.

Head of School Organisation and  
Resources

Binjal, S.  
Bradley, N.  
Carney, N.  
Hadfield, K.

Monitoring Officer  
Director of Adult Social Services  
Strategic Tourism Project Manager  
Democratic and Electoral Services  
Manager

Hunter, P.  
Murfin, R.

Interim Senior Service Director  
Interim Executive Director of  
Planning & Local Services  
Regeneration, Commercial &  
Economy

Reiter, G.

Interim Joint Director of Children's  
Services

Roll, J.

Head of Democratic and Electoral  
Services

Taylor, M.

Interim Executive Director for  
Communities and Business

Ch.'s Initials.....

Walsh, N.  
Willis, J.

Development  
Head of Cultural Services  
Interim Executive Director of  
Finance and S151 Officer

Five members of the public were present

#### **40. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Renner Thompson.

#### **41. MINUTES**

**RESOLVED** that the minutes of the meeting of Cabinet held on 21 September 2022, as circulated, be confirmed as a true record and signed by the Chair.

#### **42. REPORT OF THE JOINT INTERIM DIRECTOR OF CHILDREN'S SERVICES**

##### **The Outcomes of Consultation on Berwick Partnership Organisation**

This report set out the feedback received from stakeholders arising from Phase 1 of informal consultation with stakeholders in the Berwick Partnership area and other relevant parties on whether any models of organisation that may be brought forward with specific proposals for schools (Phase 2) should consist of only 3-tier models of organisation or include 3-tier and 2-tier (primary/secondary) models of organisation.

This report set out the findings of Phase 1 consultation and as a result of feedback received, Cabinet was recommended to approve Phase 2 consultation with stakeholders in the area served by Berwick Partnership and other interested parties on specific proposals for individual schools in the partnership within both a 3-tier and a 2-tier (primary/secondary) structure, including some school closures. This would consist of a 15-week (school weeks) consultation beginning on 31 October 2022.

The outcomes of Phase 2 consultation would be brought back to Cabinet at a later date, at which point Cabinet could be requested to approve the publication of statutory proposals (copy attached to the signed minutes as Appendix A, along with the report of the FACS OSC circulated at the meeting).

A detailed presentation was made by Sue Aviston and the Leader highlighted the report from FACS OSC and the report's recommendations.

Councillor Watson asked whether, for those making the choice to send their children outside the Partnership to Scottish schools, this was to two or three tier arrangements. Members were advised that both Scotland and the Alnwick Partnership had 2 tier arrangements though she could not comment on individual parental choice.

**RESOLVED** that:-

- (a) the feedback from the Phase 1 pre-Consultation set at paras. 21-54 when coming to the next stage decision be noted;
- (b) Cabinet note that Phase 1 consultation began on 23 May and was extended to 12 August to allow sufficient time for interested parties to respond;
- (c) Cabinet approve the Phase 1 consultation which identified significant support for both the current 3-tier and the 2-tier (primary/secondary) systems of school organisation;
- (d) Cabinet approve the initiation of Phase 2 pre-consultation for 15 school weeks setting out specific proposals for individual schools in the Berwick Partnership within both the 3-tier and 2-tier structure of organisation as set out at paras. 56 and 57, in the light of the significant support expressed for both models of organisation by consultees and taking into account the wider issues of viability and sustainability of schools, post-16 and post-18 provision, improved educational outcomes and capital investment in school buildings;
- (e) As part of Phase 2 pre-consultation, Cabinet approve consultation on the proposals set out at para. 59 to establish additional SEND provision within the Berwick area specifically to address the growing number of children and young people being diagnosed with a primary special educational need in Social, Emotional and Mental Health (SEMH) and Autism (ASD);
- (f) Cabinet approve the draft proposed models of school organisation within both the 3-tier and 2-tier structures suggested as the basis for consultation, including proposals for school closures;
- (g) Cabinet note the £39.896 million already identified in the Council's medium-term financial plan for investment in schools in the Berwick Partnership, including for the replacement and remodelling of Berwick Academy;
- (h) Cabinet approve expenditure of up to £250k for the development of the outline business case in relation to recommendation 7;
- (i) the decision to undertake further consultation on the proposal, if necessary, be delegated to the Joint Interim Director of Children's

Services in consultation with the Cabinet Member for Children and Young People;

- (k) Cabinet note that local authorities do not have powers to propose or change the organisation of academies; therefore, any proposed changes to the organisation of Berwick Academy and St. Cuthbert's Catholic First School as part of a wider partnership reorganisation would need to be consulted on by the Trustees of those academies and taken to the Regional Schools Director for a decision;
- (l) should Cabinet approve a second stage of consultation, it be noted that the outcomes presented to Cabinet may include a recommendation to permit the publication of statutory proposals in relation to relevant maintained schools, including closure proposals;
- (m) the report of the FACS OSC be noted.

#### **43. REPORT OF THE INTERIM EXECUTIVE DIRECTOR OF FINANCE AND SECTION 151 OFFICER**

##### **Council Tax Support Scheme for 2023-24**

The report sought approval for the local Council Tax Support Scheme for 2023-24 to continue to provide support at a maximum level of 92% of council tax liability (copy attached to the signed minutes as Appendix B, along with the report of the CSEG OSC circulated at the meeting).

The report was presented by Councillor Wearmouth who detailed the key points. The same level of support was planned again this year, which cost the Authority £25.7m. In previous years the remaining 8% had been provided by other means and this would be explored again this year.

Jan Willis advised members that the Authority was waiting to hear from the Government about Council Tax hardship funding again for 2023/24. However, it could be Christmas before the shape of the Local Government Finance settlement was known. In the meantime, other options to provide that additional support would be explored.

The Leader advised members that CSEG OSC had had a briefing note on the different support packages which were available. In their report, they had supported the recommendation.

**RESOLVED** that:-

- (a) County Council be recommended to approve the Council Tax Support Scheme attached to the report as Appendix 1 to be adopted as the Council's local scheme for 2023-24; and
- (b) the report of the CSEG OSC be noted.



#### 44. REPORT OF THE DIRECTOR OF ADULT SOCIAL SERVICES

##### **The Market Sustainability and Fair Cost of Care Fund 2022 to 2023**

The report updated Cabinet about the "fair cost of care" surveys required as a condition for receipt of this Government grant, and made recommendations about how the £1.027m grant allocated to the Council in the current financial year should be used to prepare for the impact of the planned national charging reforms on commissioned care services, including increases to the fees paid to the providers of key commissioned services (copy attached to the signed minutes as Appendix C).

Councillor Pattinson introduced the report and commented that the Council's home carers were very much appreciated. Neil Bradley took members through the detailed points of the report.

Councillor Riddle welcomed the report. It was a very important issue in rural parts of the County particularly given the current high cost of fuel.

##### **RESOLVED** that:-

- (a) Cabinet confirm that £310K from the Market Sustainability and Fair Cost of Care Fund grant should be used in the current year to fund an increase in fees paid to homecare providers in return for a commitment to pay a mileage rate of 45p per mile. This is confirmation of the funding arrangements for the scheme which were agreed at the Cabinet meeting on 21 September;
- (b) Cabinet note that the full year cost of the mileage rates scheme is estimated at £620K, and that it may be possible to fund this wholly or in part from sums allocated to the Council from this Fund in future years, but that while the Government has announced that the national total of the Fund will be larger than this year's total by a factor of 3.7, it is not yet known how this funding will be allocated after the current year or what grant conditions will be attached to these allocations;
- (c) Cabinet note that the grant conditions permit the Council to allocate an element of the grant not exceeding 25% (£257K) to offset costs incurred by the Council connected with the carrying out of "fair cost" surveys and other activity to prepare for the impact of the planned reforms to adult social care funding on commissioned care services, and that work is under way to estimate relevant costs in the current financial year;
- (d) Cabinet note that the grant conditions require that at least 75% of the grant (£770k) is used to increase fees paid to either home care providers or operators of care homes for older people, and confirm that the remainder of the grant, after deducting the costs described in

the recommendations above, will be used to fund a temporary increase to the fees paid to contracted homecare providers and care homes for older people in Northumberland for the remainder of the current financial year, the increase to be calculated as a standard percentage uplift based on the grant sum available;

- (e) Cabinet note that the Director of Social Services will be submitting to the Department of Health and Social Care (DHSC) on 14 October a completed template summarising the outcomes of the "fair cost of care" surveys which have been carried out; a report explaining how these figures have been calculated, and describing the areas of significant uncertainty in the figures; and a first draft of a "market sustainability plan" describing how the Council expects to approach the setting of fees for care services over the period of implementation of the planned reforms;
- (f) Cabinet note that these submissions to DHSC will not include any firm commitments about fee increases beyond the current financial year above the levels already provided for in the Council's existing contracts with care homes for older people and home care providers, and the mileage costs support scheme for home care, and that decisions about future fees will be made following further discussions with providers, including further exploration of issues arising from the survey returns, and the receipt of full information about the local government financial settlement for 2023/4, which the Government has indicated will include details of the allocation of the Fund in 2023/4; and
- (g) Cabinet note that DHSC intends to review the "fair cost of care" submissions received from local authorities, and that it appears likely that they may ask local authorities to revise their calculations if they believe that these are not in line with the Department's intentions, or if there appear to be significant differences between local authorities in the way in which they have interpreted DHSC guidance. Local authorities will be required to publish their "fair cost of care" figures and their explanations of how these have been calculated following this national review.

#### **45. REPORT OF THE INTERIM CHIEF EXECUTIVE**

##### **Revised Joint Charter with Town, Parish and Community Councils**

The report updated Cabinet and sought approval for the publication of the revised joint Charter between the County Council and the Town, Parish and Community Councils (TPCCs) in Northumberland (copy attached to the signed minutes as Appendix D).

The Leader felt that great progress had been made in the last couple of years, including Cabinet Member visits to town and parish council meetings.

There were also plans for three conferences to be held in Hexham, Alnwick and Morpeth which would allow interaction with key services, senior directors and Cabinet Members.

Mr Murfin advised of the following provisional dates: Alnwick 16 January 2023, County Hall 23 January 2023 and Hexham 24 January 2023. The report included the revised version of the Charter which was the first substantive revision since 2019 and work had been done in consultation with NALC. The revised Charter provided greater clarity on election charges and that no changes would be made to assets and services run by town and parish councils without their agreement.

**RESOLVED** that the revised joint Charter attached as Appendix A to the report be approved.

#### **46. REPORT OF THE HEAD OF CULTURAL SERVICES**

##### **Endorsement of the Northumberland Destination Management Plan 2022-2032**

The report requested that the County Council endorse the Vision, Partnership Principles, Strategic Aims, and Priorities of the 10 year Destination Management Plan for Northumberland (copy attached to the signed minutes as Appendix E, along with the report of the Communities and Place OSC circulated at the meeting).

Councillor Watson introduced the report. The Destination Management Plan would coordinate activities in this very important area of tourism. The report had been considered by Communities and Place OSC who had fully supported the recommendations.

Nigel Walsh reported to members that Northumberland was now recognised as a leading destination in the UK, following recent unrivalled growth in both visitor numbers and the value of tourism. Tourism was now recognised as a key industrial growth opportunity. The challenge was to continue to attract that public and private sector investment whilst achieving the right balance of being an attractive destination for visitors and being mindful of the needs of residents, communities and the environment. This was key to the Destination Management Plan, which was a Plan for the County, not just the County Council.

He reported that there would be a Tourism Conference on 1 November where the Management Plan would be launched, and all partners and sector groups at the conference would be asked to advocate and distribute it. Neil Carney then provided members with some information regarding the Action Plan Forum which would address the four key priorities in the Plan.

The Leader suggested that a bite size briefing on this be incorporated into the town and parish council conferences in January. It was noted that Communities and Place OSC had supported the report.

**RESOLVED** that:-

- (a) the Vision, Partnership Principles, Strategic Aims, and Priorities of the Destination Management Plan for Northumberland 2022-2032 be approved; and
- (b) the report of the Communities and Place OSC be noted.

**47. REPORT OF THE INTERIM EXECUTIVE DIRECTOR COMMUNITIES AND BUSINESS DEVELOPMENT**

**Working together with Voluntary Community and Social Enterprise**

This report sought approval to expand the current Northumberland Communities Together (NCT) and Voluntary Community and Social Enterprise (VCSE) Infrastructure contract to include management of additional funding transferred to NCC from NHS Northumberland CCG, now the Integrated Care Board (ICB), under a section 256 agreement, to support the Thriving Together work between Northumberland Communities Together and the VCSE (copy attached to the signed minutes as Appendix F).

Councillor Pattison introduced the report and Maureen Taylor detailed the key points for members. The initiative fitted well with the tackling inequalities programme.

The Leader welcomed this and asked that members' thanks be passed on to the team.

**RESOLVED** that Cabinet approve a contract variation (of the existing contract which commenced on 1<sup>st</sup> September 2021 due to end 30<sup>th</sup> September 2023) to the value of £0.03m to the current Voluntary Community and Social Enterprise (VCSE) / Northumberland County Council contract.

**48. REPORT OF THE SERVICE DIRECTOR OF CHILDREN'S SOCIAL CARE & JOINT INTERIM DIRECTOR OF CHILDREN'S SERVICES**

**Supported Accommodation and Lodgings for Care Leavers and Young Homeless – Permission to Tender**

The report sought permission from Cabinet to go to the market to commission a range of services to provide supported accommodation and lodgings for Northumberland care leavers and young homeless to assist the Council in meeting its statutory duties (copy attached to the signed minutes

as Appendix G, along with the report of the FACS OSC circulated at the meeting).

Graeme Reiter presented the report for members and it was noted that FACS OSC had supported the report.

**RESOLVED** that:-

- (a) Cabinet note the information presented in the report regarding the creation of a Dynamic Purchasing System to support access to a range of services to provide supported accommodation and lodgings for Northumberland care leavers and young homeless;
- (b) Cabinet note that the value of the contract is approximately £1.25M per annum which over a 10-year period suggests a total value of £12.50M;
- (c) the Service Director of Children's Social Care & Joint Interim Director of Children's Services be authorised to undertake a procurement exercise and award of the contracts; and
- (d) the report of the FACS OSC be noted.

**49. REPORT OF THE INTERIM EXECUTIVE DIRECTOR OF FINANCE AND SECTION 151 OFFICER**

**Summary of New Capital Proposals considered by Officer Capital Strategy Group**

The report summarised proposed amendments to the Capital Programme considered by the officer Capital Strategy Group (CSG) via email on 2 September 2022 (copy attached to the signed minutes as Appendix H).

**49.1 Ashington High Street Innovation Programme**

The Leader thanked the North of Tyne Combined Authority for its assistance with this scheme. Hopefully the town deal bid would be successful and that would enable a major transformation of Ashington.

**RESOLVED** that

- the Ashington High Street Innovation Programme (HSIP) be established in the Capital Programme with a capital budget of £1,263,766 and funding profile as set out in the table in para 5.9 and an NTCA grant of £828,766 be accepted towards the capital element of the project to be added into the Council's budget and £1,068,842 to cover the full revenue costs associated with the project; and
- Cabinet approve the allocation of a sum of £435,000 as per the profile in para 5.9 from the Council's Strategic Regeneration Project to acquire 2-4

Woodhorn Road and contribute to the public realm capital works associated with establishing the Grand Corner Gateway.

#### **49.2 Berwick Culture and Creative Zone**

Members welcomed the funding which had been made available.

**RESOLVED** that approval be given to the establishment the Berwick Culture and Creative Zone Project (CCZ) in the Capital Programme at a cost of £100,000 and to accept a grant from NTCA of £100,000 into the Council's budget to fully cover this project cost which is to be invested during 2022/23.

#### **49.3 Local Cycling and Walking Infrastructure (LCWIP)**

Members welcomed this much needed investment, much of it external. There were other projects in the pipeline which hopefully would also be successful in attracting funding.

Jan Willis drew members attention to the table in para 7.4 advising that as usual, the external funding had been applied first. Of the Council contribution of £3m towards this scheme, there was currently £2.3m which had not been allocated, but £2m of that would be used as match funding for the levelling up bids if they were successful. If not, the whole of the £2.364m would be available for Cabinet to reallocate to other projects within the overall Strategy.

**RESOLVED** that

- Cabinet approve the inclusion of the Ponteland to Callerton Cycle Route into the Capital Programme as per the profile detailed in para 7.4, accept the Transforming Cities Fund grant for the sum of £816,000 to be added into the Council's budget and approve an allocation of £50,000 from the LCWIP budget to the project.
- Cabinet approve the inclusion of the Blyth Town Centre to South Beach Route into the Capital Programme as per the profile detailed in para 7.4 and accept the Active Travel Fund Tranche 3 grant for the sum of £1,965,744 to be added to the Council's budget.
- Cabinet approve the inclusion of the Ashington Town Centre to North Seaton Route into the Capital Programme as per the profile detailed in para 7.4, accept the Active Travel Fund Tranche 3 grant for the sum of £1,496,500 to be added to the Council's budget and approve an allocation of £500,000 from the LCWIP budget to the project.

#### **49.4 The Reivers Trails**

Councillor Riddle supported this. It would provide a safe link for all types of users between the Sill and the Kielder Landscape Discovery Centre.

Rob Murfin reported to members that the branding of the project would be primarily a County Council scheme and would include the logos of other partner organisations. The Leader felt it was important for the Council's contribution to be acknowledged and asked that the branding come to members in draft form for endorsement before it was finalised.

**RESOLVED** that:-

(a) Cabinet approve an allocation of £150,000 in 2022/23 from the Strategic Regeneration Projects budget to be awarded as a grant to the Kielder Water and Forest Park Trust to deliver the first phase of The Reivers Trail initiative; and

(b) members receive the draft communications and branding for endorsement prior to finalisation in order to recognise the Council's role as a key partner in this project.

#### **49.5 Wooler Visitor Infrastructure**

Councillor Ploszaj reported that NEAS would be relocating to the fire station which would be welcomed by residents.

Councillor Watson welcomed the fact that many of the items in the report were about improving the Council's appeal to visitors and most had been externally funded. The Council was contributing to this project and Wooler would benefit a great deal from this. The Ad Gefrin project was a fantastic investment and would contribute to the DMP previously discussed because it was important to recognise that there were other great places to visit as well as the Coast.

**RESOLVED** that Cabinet approve a request to allocate £220,000 from earmarked funds in the Strategic Regeneration Projects Budget to cover the cost of a number of visitor infrastructure improvement projects in Wooler as detailed in para 9.4 of the report.

#### **49.6 Blyth Relief Road**

Councillor Ploszaj advised that this was a critical project to future proof and fix existing transport problems in Blyth. Design works were a very important step in this process to make sure the project was feasible and that it served its purpose as a relief road without causing additional traffic problems elsewhere. It would have a significant impact for the community as well as the environment.

Jan Willis advised members that until the outcome of the application for Department of Transport funding was known, then the design works were being undertaken at risk but the works did need to proceed given the importance of finding a solution to the traffic problems. Councillor Wearmouth added that there had been a lot of discussion with DfT and Transport for the North over the years about this to allocate this as a priority 4 and this was

being done as a calculated risk to achieve what was needed for Blyth. He was confident that funding would be forthcoming.

**RESOLVED** that Cabinet approve an allocation of £640,000 of NCC Funds from the existing Blyth Relief Road budget to enable design work to progress in 2022/23.

**49.7 Sealodge Wet-room, Cresswell**

**RESOLVED** that Cabinet approve capital expenditure of £30,870 to create a new wet-room within the Sealodge Care Facility at Cresswell to be funded through the Adult Care Community Capacity Grant in 2022/23.

**CHAIR**.....

**DATE**.....





## Northumberland County Council

### **CABINET**

**DATE: 17<sup>th</sup> November 2022**

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### **Outcomes of Statutory Consultation on Proposals for the Coquet Partnership**

Report of Joint Interim Director of Children's Services: Audrey Kingham

Cabinet Member: Guy Renner Thompson

Report Prepared By: Sue Aviston

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### **Purpose of Report**

This report sets out an analysis of the representations and responses received from interested parties and stakeholders during the four-week statutory consultation, which commenced on 22 September and closed on 20 October 2022, in relation to proposals for the Coquet Partnership. The report also sets out an analysis of the responses received to the four-week statutory consultation in relation to proposals for Barndale House Special School, which was also published 22 September 2022 and closed on 20 October 2022. The two published statutory proposals set out the following proposed prescribed changes to the schools within the Coquet partnership and to Barndale House Special School:

- Extend the age range, from 9 years to 11 years, for Amble First School, Amble Links First School, Broomhill First School, Red Row First School and Grange View First School from 1<sup>st</sup> September 2024.
- Reducing the age range, from 9 to 18 years to 11 to 18 years, for James Calvert Spence College commencing on 1<sup>st</sup> September 2024.
- To create a satellite provision of Barndale House School on the South Avenue, Amble site from 1<sup>st</sup> September 2024.
- Increase the planned pupil numbers at Barndale House School from 60 to 110 from 1<sup>st</sup> September 2024.

Cabinet is asked to make a final decision on whether or not to approve the prescribed changes for schools in the Coquet Partnership and for Barndale House Special School, as set out in the Statutory Proposals, for implementation with effect from 1<sup>st</sup> September 2024. At the same time, Cabinet is requested to consider and approve the non-statutory proposal to extend the age range of Grange View Church of England First Schools with effect from 1<sup>st</sup> September 2024 as it is linked to the other proposals outlined above.

### **Recommendations**

The Committee is recommended:

1) In the light of the prescribed changes and the non-statutory changes set out in the statutory proposal published on 22 September 2022 for schools in the Coquet Partnership and all the information provided in this report (taking into account the Statutory Guidance from the Department for Education's (DfE) *'Statutory Guidance for proposers and decision-makers: Making significant changes (prescribed alterations)'* to maintained schools attached at Appendix 4, agree to:

- Approve the Council's statutory proposal to extend the age range of Amble First School from an age 4-9 first school to an age 4-11 primary school and the non-statutory proposal to relocate the school to the part of the current site of James Calvert Spence College, South Avenue, Amble with effect from 1 September 2024;
- Approve the Council's statutory proposals to extend the age range of Amble Links First School from an age 2-9 first school to an age 2-11 primary school and expand the school building with effect from 1 September 2024;
- Approve the Council's statutory proposals to extend the age range of Broomhill First School from an age 3-9 first school to an age 3-11 primary school and expand the school building with effect from 1 September 2024;
- Approve the Council's statutory proposals to extend the age range of Red Row First School from an age 3-9 first school to an age 3-11 primary school and expand the school building with effect from 1 September 2024;
- Approve the Council's proposals to reduce the age range of James Calvert Spence College from an age 9-18 school to an age 11-18 secondary school with effect from 1 September 2025;

All of the above conditional upon

- the granting of planning permission by 31 August 2024 in relation to the proposed building works at Amble Links, Broomhill and Red Row First Schools, proposed buildings works for Amble First School at the current site of James Calvert Spence College, South Avenue site and in relation to the construction and refurbishment of the new school buildings for James Calvert Spence College.

2) In the light of the non-statutory changes included in the above statutory proposal for information in relation to Grange View Church of England Voluntary Controlled First School, agree to

- Approve the Council's non-statutory proposals to extend the age range of Grange View Church of England Voluntary Controlled First School from an age 3-9 first school to an age 3-11 primary school and extend the school building with effect from 1 September 2024;

3) In the light of all the information provided in this report and taking into account the Statutory Guidance from the Department for Education's (DfE) *'Statutory Guidance for proposers and decision-makers: Making significant changes (prescribed alterations)'* to maintained schools attached at Appendix 4, approve for implementation the following prescribed changes as set out in the statutory proposal for Barndale House Special School published on 22 September 2022;

- Increase the number of pupil places at Barndale House Special School by 50 places from 60 to 110 places for children and young people diagnosed with

special educational needs, primarily those with Autistic Spectrum Disorder (ASD), Social, Emotional and Mental Health (SEMH), Speech Language and Communication (SLCN) and Moderate Learning Difficulties (MLD)

- To facilitate the above increase in planned places, create a satellite site of Barndale Special School to be located within part of the current James Calvert Spence College, South Avenue site in Amble.

The above conditional upon the granting of planning permission in relation to the proposed buildings works for Barndale House Special School at the current site of James Calvert Spence College by 31 August 2024.

- 4) Approve the allocation of £39.06m from the funding sources set out at para. 38, Table 6 towards the capital costs required to support the implementation of the prescribed changes set out in Recommendation 5 and 7 above. Full details of the capital costs required for implementation are set out at paras. 38. to 40.
- 5) Approve the Outline Business Case contained as Appendix 3 to allow the project to progress with option 5 as the preferred option to detailed design, procurement and submission of a planning application for the project. Note the outcomes of the procurement exercise will be reported back to Cabinet in the form of a Final Business Case (FBC) in order to seek final approval for the award of contract programmed for October 2023.
- 6) When formulating its decision, Cabinet is recommended to take into account:
  - The responses received to the Statutory Proposals and the commentary contained within this report at paras. 18-19.
  - The implications of the proposals on schools and the local community as set out in the Statutory Proposals attached at Appendix 1 and 2.
  - The implications for Home to School Transport of the statutory proposals as set out in this report.
  - The Outline Business case for James Calvert Spence College attached at Appendix 3.
  - The need to review Cabinet's capital investment in schools in the Coquet Partnership and the potential impact on the building solution for the satellite site of Barndale House Special School should it decide not to approve the proposal to reorganise the schools to a 2-tier(primary/secondary) structure.

### **Link to Corporate Plan**

These proposals are most closely linked to the Council's priority for Learning (achieving and realising potential), but it is also strongly linked with the priority for Connecting (having access to the things you need).

### **Key Issues**

1. At its 21<sup>st</sup> September 2022 meeting, Cabinet approved the publication of statutory proposals on 22<sup>nd</sup> September 2022 setting out prescribed changes to re-organise the Coquet Partnership to a 2-tier (primary/secondary) system of education as well as the proposal to provide additional specialist SEND places within the Coquet Partnership to take effect from 1<sup>st</sup> September 2024. This decision was made following a six-week

informal consultation which took place between 11<sup>th</sup> May and 29<sup>th</sup> June 2022 (all during school term-time).

2. The rationale for the proposals and the outcomes of the informal consultation are set out in the report of the Joint Interim Director of Children's Services dated 21<sup>st</sup> September 2022 and included in the Background Papers to this report. A summary of the informal consultation is provided in paras. 9-13 of this report.
3. The statutory proposal was published on the Council's website and a brief notice placed in the Northumberland Gazette on 22 September 2022 in line with the statutory guidance set out in the DfE's '*Statutory Guidance for Proposers and Decision-Makers: Making significant changes (prescribed alterations) to maintained schools*' which is attached as Appendix 4. Copies of the statutory proposals were sent to the required interested parties set out in the guidance within one week of the publication. The publication of the statutory proposal opened a four-week period of formal statutory consultation that closed at midnight on 20 October 2022. During that time all interested parties were invited to submit comments, in the form of written representations, including support for or objections to the proposals by the required deadline of midnight on 20 October 2022 in line with the statutory requirements. No meetings on formally published proposals take place during the statutory period.
4. Nine representations were received, in response to the Statutory Proposal by the deadline, and fell into the following groups:
  - 7 Governing Bodies of schools within the Coquet Partnership
  - Governing Body of Barndale House School
  - Newcastle Diocesan Education Board
5. The representations received have been taken into account by officers when forming the recommendations set out in this report. The main comments and themes submitted in the representations during the statutory period are set out paras. 18-19 of this report with commentary, while the full representations are included in the background papers to this report.
6. In making their decision, Cabinet are able to:
  - Reject the proposals;
  - Approve the proposal without modification;
  - Approve the proposal with modifications, having consulted the local authority and/or governing bodies (as appropriate); or
  - Approve the proposal (with or without modification) conditional upon the granting of planning permission by 31 August 2024 in relation to the proposed building works.
7. Cabinet should note that within the statutory guidance, the decision-maker is recommended to "*not simply take account of the numbers of people expressing a particular view. Instead, they should give the greatest weight to responses from those stakeholders likely to be most affected by the proposal – especially parents of children at the affected school(s).*" Cabinet should also note that the purpose of the statutory consultation was to seek the views of interested parties on a qualitative basis in relation to the robustness of the proposals educationally in order to inform the decision-making process of the Council's Cabinet. Therefore, it is not the intention that these results are

used as a referendum on the proposal. In the light of the rationale for the proposal and in consideration of feedback received during the informal consultation and the statutory period, Cabinet are recommended to approve the proposals.

8. Cabinet should note that the decision on the statutory proposals set out in this report must be made by no later than 20 December 2022 or else must be referred to the Schools Adjudicator for a decision. Furthermore, whether or not Cabinet approves the proposals set out in this report, the following bodies have the right to appeal the decision to the Schools Adjudicator within 4 weeks of the decision being made:

- The Church of England Diocese of Newcastle
- The Roman Catholic Diocese of Hexham and Newcastle
- The Governors of Grange View Church of England First School.

Should an appeal be submitted, the Schools Adjudicator would make a decision in relation to the relevant school(s) for which the appeal is submitted.

The other schools named in the statutory proposals for Coquet Partnership are community schools, as is Barndale House Special School, and as such have no rights of appeal to the Schools Adjudicator.

## **Background**

### **Summary of Rationale and Informal Consultation in relation to schools in the Coquet Partnership and Barndale House Special School**

9. On 10 May 2022, Cabinet approved the commencement of informal consultation on proposals to:
- change the organisation of schools in the Amble Partnership from the current first, middle and high structure to a 2-tier (primary/secondary) structure.
  - increase pupil places at Barndale House Special School, through the creation of a satellite school, in Amble.
10. The rationale for the proposals are detailed in the reports of the Executive Director of Adult Social Care and Children's Services, 10 May 2022 and the Joint Interim Director of Children's Services, 21 September 2022.

In summary, the rationale for the proposals was:

- a) The need to provide assurance to Cabinet that the allocation of funding towards the replacement/refurbishment of buildings for James Calvert Spence College approved in 2016 would be invested within a school structure that supported viable and sustainable schools at all phases of the educational journey if children and young people living in the Coquet area.
- b) To take the opportunity to include discussions of how to address the predicted growing demand for specialist provision within the Coquet area (which is symptomatic of demand across the county), especially in relation to additional provision for young people with primary needs in Social, Emotional and Mental Health and Autism. This discussion was particularly relevant in light of the Council's

objective to have appropriate educational provision for all children and young people as close to their home communities as possible.

11. Informal consultation on proposals for reorganisation of schools in the Coquet Partnership (outwith NCEA Warkworth Primary School which is already a primary) to a 2-tier, primary/secondary structure commenced and discussions on SEND provision in the Coquet Partnership area began on 11 May for six school week, concluding on 29 June 2022 in line with DfE guidance. The intention of this informal consultation was to gauge the views of all stakeholders, but especially those most affected by the proposals e.g. educational professionals and parents of pupils within the Coquet partnership of schools. Informal consultation in relation to schools is not a referendum but an opportunity to consider all views and on balance consider what is in the best educational interest of the students most impacted whilst being mindful of the impact on other stakeholders and parties.
12. Full details of the informal consultation, data analysis and commentary on feedback received from consultees are provided in the Joint Interim Director of Children's Services report dated 21<sup>st</sup> September 2022 are provided in the Background Papers to this report. In summary, feedback from consultees was as follows:
  - a) The Governing Bodies of all first and primary schools in the Coquet Partnership supported the proposal for the reorganisation of the whole partnership to a 2-tier (primary/secondary) structure;
  - b) The Governing Body of James Calvert Spence College welcomed the capital investment in schools in the partnership and committed to making whatever system of organisation was approved work for the benefit of children and young people in the Coquet area;
  - c) The Governing Body of Barndale Special School supported the opportunities for improving specialist provision across the partnership that the expansion of the school onto a satellite site in Amble would bring.
  - d) 92% of other consultees who responded supported the proposed reorganisation to a 2-tier (primary/secondary) structure across the Coquet Partnership.
13. Considering the educational rationale for the proposals, Cabinet approved the publication of the statutory proposals on 21<sup>st</sup> September 2022 as set out in the Key Issues of this report.

### **Representations submitted during the statutory period and commentary**

14. Statutory Proposals in relation to proposals for reorganisation of schools in the Coquet Partnership and for the increased in planned pupil numbers at Barndale House Special School were drafted in accordance with The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 and published on the Council's website on 22 September 2022. It should also be noted that a link to a copy of the proposals for Barndale House Special School was sent directly to parents of all pupils on roll at the school as required in the relevant DfE guidance.
15. The publication of the two Statutory Proposals opened a four-week statutory period during which time interested parties were invited to submit written comments in the form of representations, either in support of or objecting to the proposals by midnight on 20 October 2022.

16. Following the publication of the statutory proposal for the schools in the Coquet Partnership, 7 representations were received each of the Governing Bodies in the partnership. In relation to the statutory proposal for Barndale House Special School, 1 representation was received, which was from the Governing Body. The Newcastle Diocesan Education Board submitted a joint representation with respect to both statutory proposals. Summaries of the representations received for each statutory proposal are set out in paras. 18 and 19.
17. As highlighted at para. 15, Cabinet should note that the purpose of the statutory consultation was to seek the views of interested parties on a qualitative basis in relation to the robustness of the proposals educationally in order to inform the decision-making process of the Council's Cabinet. Therefore, it is not the intention that these results are used as a referendum on the proposals.

### **Summary of representations, themes arising and commentary**

#### **18. Proposal for reorganisation of the Coquet Partnership to a 2-tier (primary/secondary) structure**

##### Summary of Response from Amble First School's Governing Body

The Governing Body's view is that the children in the community have to be at the heart of the decision and believe that a move to two-tier is by far the most preferable for the following reasons:

- First schools have desired these changes for a number of years.
- It would allow Amble First to move to the middle school site and enable expansion.
- The change to a two-tier system fits in well with key stages.
- If approved, primary and secondary schools would continue to develop good working relationships to ensure a smooth transmission from primary to secondary.
- Disruption from Covid, and the significant impact this has had on SEMH needs, could be met in smaller more inclusive settings.
- It would address the problem of splitting a key stage, enabling all children to study the same curriculum topic within a setting which addresses repetition issues.

##### *Commentary*

The Governing Body's support of the statutory proposal for schools in the Coquet Partnership and rationale is noted.

##### Summary of Response from Amble Links First School's Governing Body

The Governing Body of Amble Links First School expressed unanimous support in favour of the proposals for the reorganisation of maintained schools in the Coquet partnership for the reasons summarised below:

- The completion of key stage 2 on one site which fits in with the national curriculum and other areas in the county/country.
- It would enable children to move at a point when they are more emotionally resilient.
- It would contribute to keeping children in the Coquet partnership.

- It would enable SEND children to be educated locally.
- It would provide confidence in the leadership, governance and staffs' ability to ensure high quality provision.
- It would enable the capital investment to be used for the good of all children in the partnership.
- The plans to relocate Amble First and provide separate additional SEND facilities are welcome.
- All first schools in the partnership are in favour of the changes and opportunities it brings to improve outcomes.

There were a number of points that the Governing Body wanted to have noted:

- They are keen to work with the County Council to ensure that Amble Links has excellent facilities that will support young people within the partnership for years to come.
- Should changes be agreed, the Governors hoped that proposed plans of work to school buildings are shared at the earliest opportunity.
- Points which Governors would like to be considered as part of the decision-making process eg.:
  - Current buildings to be upgraded appropriately to ensure that the infrastructure is modified to cope with the additional pupils and staff. All facilities need to be fit for purpose and work done to the highest standard.
  - Better value would be achieved by making any necessary modifications, upgrades and improvements to the school building at the same time as the addition of classrooms.
  - No one school in the partnership to appear to be better equipped or resourced than others.
  - The opportunity to have significant input into the final design of any additional buildings as the school is in the best position to understand the movement/flow of pupils and parents around the school.
  - Desire that funding will be available to schools to support initial set up costs that are unlikely to be sustainable within normal budgets. Appreciate that some resources from JCSC may follow pupils but these may not be suitable to the new Primary Schools' curriculums or buildings. It would be inappropriate and not long-term cost effective if they were furnished with unsuitable furniture and resources rather than those which will ensure excellence into the future.

### *Commentary*

The Governing Body's support of the statutory proposal for schools in the Coquet Partnership and rationale are noted. In relation to building works required to make first school buildings suitable for the teaching and learning of Years 5 and 6, work has already been undertaken to identify the appropriate works that would be required to be undertaken at each school, with indicative costs (refer to paras. 38-40) in order to support reorganisation to a 2-tier (primary/secondary) structure. Should the proposal to reorganise schools in the Coquet Partnership be approved, Council Officers and contractors would work closely with each school to ensure that their views are reflected within the parameters of the works required to support reorganisation.



In relation to resources, it should be noted that there would be no specific revenue funding associated with the reorganisation to a 2-tier(primary/secondary structure) of schools. However, the revenue budgets of first schools becoming primary would increase as a result of having additional year groups, while the physical resources (including furniture) currently used by JCSC for Years 5 and 6 would be shared appropriate among the new primary schools. The new primary schools would also be able to allocate part of their own revenue budget towards new resources should they wish.

### Summary of Response from Broomhill First School's Governing Body

It is the desire of Broomhill First School's Governing Body to offer the best possible education for pupils in the Coquet partnership, whilst reducing the number of pupils travelling into neighbouring partnership as well as ensuring the long-term viability of the schools in the partnership. The reasons are summarised as follows:

- Consistency of learning and teaching – Key Stage 2 begins in the first schools with the final two years completed in the middle school. The partnership has aimed, over the years, to work together to ensure the split learning is well-matched between first schools, so that the children are equally prepared for the transition. This has become increasingly challenging, particularly following the publication of the Ofsted Inspection Framework in 2019. Each school has work exceptionally hard to ensure their curriculum is ambitious, vertically integrated and rigorously planned. However, the context of each school within the partnership is different and despite the relatively close geographical proximity, each school has now developed a curriculum that appropriately meets the individual needs of their unique school population. A result is that pupils complete Year 4 with a well-rounded, but nuanced, education which then presents added complexity for the middle school who must plan a curriculum that builds on this diverse range of starting points and prepare the pupils to meet the expected standard for the end of this key stage. Governors believe that each first school is best placed to continue the educational journey of pupils in their school to the end of key stage 2. In addition, the accountability for the academic and pastoral progress of each pupil lies with one establishment.
- Pupil Progress – Whilst all pupils make progress at different rates it is recognised that nationally there is an attainment gap between disadvantage and non-disadvantaged pupils. Whilst schools across the country have worked to diminish this gap, attainment and progress data across the Coquet partnership shows that the current system is negatively impacting most on pupils from socio-economically disadvantaged backgrounds. Governors believe that first/primary schools are better able to support these pupils, as pastoral intervention is more successful when deep routed well-established relationships are already developed.
- Transition Issues – Practicalities of arranging a smooth transition, in the middle of a key stage, has historically proven difficult and continues to do so. The additional time and resources could be better used to secure positive academic and personal outcomes for pupils their current setting.
- Earmarked Funding – Governors are grateful for the investment to improve outcomes for pupils across the partnership and to bring our educational settings up to a standard that would allow them to best prepare pupils for life in the modern world. Before this funding is formally allocated the Governors feel it is essential to consider the long-term structure of the partnership in order to meet the needs of all

pupils, including those with increasingly complex additional needs, many of whom are currently educated in settings across the county. The funding would allow all schools within the partnership to make significant improvements to their premises which would provide richer educational experiences in building that are not only fit for purpose but are also set up to extend what can be offered to our communities.

- Safety – The Governors continue to be concerned with the proximity of the school access to the busy B1330 and lack of car parking facilities. The possibility of car parking and new access point has been discussed and the Governors are more than happy to work with the Local Authority to talk about how this may be achieved in the future in order to protect the safety of children, staff and the wider community.

In summary the Governors' stated that the implementation of the primary/secondary system would:

- provide stability, consistency and continuity for pupils throughout their primary and secondary years, which is in line with the National Curriculum and end of key stage assessments;
- would remove the phase transfer in the middle of key stage 2, enabling schools to take full accountability for whole key stages;
- bring school estates up to the standard of other schools across Northumberland who have buildings fit for the 21<sup>st</sup> Century.

The Governing Body gave assurances that they had the commitment, drive and determination to make this proposal work with the support of Northumberland County Council and capital investment.

### *Commentary*

The Governing Body's support of the statutory proposal for schools in the Coquet Partnership and its rationale are noted.

The indicative capital costs to enable the first schools in the Coquet Partnership to become primary schools have been established and are set out at para. 38, and it is these costs that Cabinet is asked to approve to support the reorganisation. Council Officers recognise the concerns of the Governing Body in relation to the school's proximity to the B1330 and should Cabinet approve the implementation of the proposal, it is confirmed that they will work with the Governing Body towards identifying a solution to improve the safety of pupils, their families and the wider community.

### Summary of Response from Grange View C of E First School's Governing Body

The Governing Body want to offer the best possible education for all pupils whilst ensuring the long-term viability of schools within the partnership. In support of moving to a two-tier approach the governors provided the following rationale:

- Consistency of learning and teaching – the current key stages of the national curriculum means there is a natural break at the end of key stage two. Accountability lies with one establishment, and it avoids repetition that often happens at middle school with non-core subjects.

- Pupil Progress – partnership data shows that the current system is negatively impacting most on disadvantage pupils. Governors believe that if pupils remain in the same setting for the remainder of time in key stage 2 they are already confident and familiar with the school’s procedures and teacher which would help build on prior learning.
- Parental Pressure – governors are aware of escalating parental dissatisfaction with the current system and the increasing move to a two-tier system in neighbouring partnerships. The move to a two-tier system would bring the partnership in line with the rest of the country.
- Transition Issues – historically arranging a smooth transition, whilst in the middle of a key stage, has proven difficult. The time and effort could be spent accelerating the progress of pupils in their current settings.
- Earmarked Funding – prior to investment the governors felt it was essential to consider the long-term structure of the partnership to ensure the money is spent effectively to meet the educational needs and wellbeing of the children. By becoming primary, Amble First, would require a new building and there is an opportunity to do this within the re-development of James Calvert Spence College. The Governors also welcomed, and were supportive of, the proposals for SEND provision within the partnership.

The Governing Body believed that implementation of primary/secondary would provide stability, consistency, remove phase transfer in the middle of a key stage and enable the remaining schools to take full accountability for whole key stages. Successful implementation of this system will highly likely begin to stem the flow of pupils to other schools outside the partnership.

The Governors of Grange View First School gave assurance that they have the commitment, drive and determination to make this proposal work.

### *Commentary*

The Governing Body’s support of the statutory proposal for schools in the Coquet Partnership and rationale is noted.

### Summary of Response from Red Row First School’s Governing Body

The Governing Body of Red Row First School confirmed that it's response to the informal consultation still stands, and that response is summarised below.

- Governors are keen for all children within Red Row, and the partnership, to receive the best education possible.
- The transition at key stage 2 has a huge impact on children and is often unsettling. At Red Row are keen to maintain and progress our children to achieve the best they can.

The Governing Body confirmed it is fully supportive of two tier.

### *Commentary*

The Governing Body’s support of the statutory proposal for schools in the Coquet Partnership and rationale is noted.

### Summary of Response from NCEA Warkworth C of E Primary School's Governing Body

The Governing Body wished to add their support for the proposals for the Coquet Partnership. They believe it will bring consistency across the partnership, providing good primary education for children.

Governors are also pleased to note the inclusion of local special education provision.

#### *Commentary*

The Governing Body's support of the statutory proposal for schools in the Coquet Partnership and rationale is noted.

### Summary of Response from James Calvert Spence College's Governing Body

The James Calvert Spence College's Board of Governors share a commitment to the community and their children and view the consultation on the structure of schools in the partnership as an opportunity to provide our community with the education structure that is most suited to the children now and in the future.

While the Governors are committed to the current structure of James Calvert Spence College, they understand that they must now consider other options for how education in the partnership is structured. Whatever the outcome, the Governors and James Calvert Spence College will work tirelessly to make either system a success. Their focus is to provide the best possible education for the children in our community, work for them and unite our partnership education system.

The Governors did have some operational concerns which they would like to better understand, e.g. financial implications and staffing protocol, during any transition period.

The Board of Governors have a shared commitment with our colleagues across the Coquet Partnership to the best outcome for our children and young people and to the communities we all serve.

#### *Commentary*

The Governing Body of JCSC's support of the current structure is noted, as is their commitment to working with other schools across the partnership to support whatever structure is approved to be in place in order to provide the best educational pathway for the children and young people of the Coquet area.

### Summary of Response from Newcastle Diocesan Board of Education

The Board wished their previous submission to the informal stage of the consultation to be accepted as their formal response to this statutory consultation. Their response is summarised below:

- The Newcastle Diocesan Education Board (NDEB) wishes to ensure that the best local solutions are carefully looked at for the entire local community, not just the church schools and that all schools work effectively together for the benefit of all children within that community.
- The Board is supportive of the proposal to develop local specialist provision within the partnership and for it to be located within the current James Calvert Spence College building.
- The Board hoped that the outcomes will provide a clear direction for the future of the schools going forwards, ensuring the best educational interests of all of the children across the Coquet partnership can be met.

The Board fully support the move to two tier and the investment in our Church of England family of schools as well as the provision for SEND being improved in the local area based at James Calvert Spence College.

### *Commentary*

NCEB's shared support of the Council's desire that schools work effectively together for the benefit of all children and young people in the Coquet area is welcomed, as is their support of the development of specialist provision through the creation of a satellite site of Barndale House Special School in Amble.

### 19. Proposal for the increase in pupil numbers at Barndale House Special School through the creation of a satellite site in Amble

The Governing Body of Barndale House School wished to reiterate the response they submitted during the period of informal consultation which is summarised as follows:

- Welcomes the local authority's enthusiasm, support and confidence in the school. It is incredibly humbling that the Coquet partnership would want to work collaboratively with our provision.
- Recognise what our role would be and the opportunities it would provide:
  - SEND hub that mainstream schools can use for CPD, intervention and outreach.
  - Bringing professional services together on a single site.
  - Children receiving support in their locality
  - Securing outcomes for SEND pupils through all Schools in Coquet partnership, and improved SEND provision in the north of Northumberland.
  - Specialist support base for those pupils needing early intervention.
- Acknowledge that whilst the proposal brings opportunities it also brings some challenges and as a Governing Body they would want to ensure that:
  - Barndale can provide an excellent quality of education over both sites in fit for purpose environments.
  - The transitional phase is transparent and allows growth at an appropriate rate.
  - Capacity is built to ensure effective strategic and operational leadership over both sites.
  - Barndale can continue to make decisions regarding the admissions of places to ensure pupils needs can be met appropriately.
  - Our pupils and parents are clear that the extended provision would not result in a move of pupils from their current peer group.

- There is sufficient capacity to build a specialist hub of services in both provisions to ensure that the locality can be supported.
- Governors are a strong body of people who have a genuine interest and personal investment in young people with SEND and as such feel their viewpoints represent the wider school community and an advocate for children and young people with SEND.

However, the governors and headteacher would have to feel confident the building could be designed/upgraded to be fit for purpose, there was adequate furniture and resources to meet the needs of pupils and the site was appropriately developed for outdoor play. The governors do have further concerns regarding recruitment, due to the current shortages regionally, but think this is something that many schools are facing.

### *Commentary*

The Governing Body's support of the Council's statutory proposal to increase the number of pupils of Barndale House Special School through the creation of a satellite site in Amble is noted and welcomed. Their desire to grow the provision in an organised and transitional way is noted and supported by the Council. Should the proposal to create a satellite site of Barndale be approved, Council Officers and contractors would work closely with the school to ensure that the identified building is refurbished appropriate to meet the needs of this vulnerable group of children and young people.

## **Conclusion and Recommendation**

### **20. Proposal for reorganisation of the Coquet Partnership to a 2-tier (primary/secondary) structure**

While only representations from the schools in the Coquet Partnership and from NDEB have been received during the statutory period, all first and primary schools are supportive of the proposal to move to a 2-tier(primary/secondary) structure, while the Governing Body of JCSC has given its commitment to working closely with the other schools for the benefit of the children and young people in the Coquet area. In the absence of contrary information, it is to be assumed that parents and the wider community of the Coquet area are content for the reorganisation of their local schools to proceed.

Cabinet is therefore recommended to approve the implementation of the statutory proposal to reorganise the Coquet Partnership to a 2-tier (primary/secondary) structure with effect from 1 September 2024 (refer to Appendix 1 for the full proposal).

### **21. Proposal for the increase in pupil numbers at Barndale House Special School through the creation of a satellite site in Amble**

Again, only the Governing Body of Barndale House Special School and NDEB have responded to the statutory proposal to create a satellite site in Amble. However, both the Governing Body and NDEB are very supportive of the proposal to create local specialist provision for children and young people with primary needs in SEMH, ASD, MLD and SLCN in the Coquet area.

Cabinet is therefore recommended to approve the implementation of the statutory proposal to increase in pupil numbers at Barndale House Special School through the creation of a satellite site in the current JCSC building at South Avenue with effect from 1 September 2024 (refer to Appendix 2 for the full proposal).

## Proposed Model for school reorganisation in the Coquet Partnership

### 22. Current structure of school organisation in the Coquet Partnership

**Table 1 - Current Structure of schools in Coquet Partnership**

School	Number on Roll in Jan 2022	Capacity (net number of children able to be educated in the school building)	Forms of Entry (size of classes in each year group)	Planned Admission Number (PAN)
Amble First	108	150	1FE	30
Amble Links First	129	138	1FE	30
Broomhill First	66	75	0.5FE	15
Grange View CE First	83	150	1FE	30
Red Row First	83	120	1FE	29
*NCEA Warkworth CE Primary School	139	159	0.83FE	25
JCSC	735 inc sixth form	1058	4FE	120

\*NCEA Warkworth CE Primary already has provision for pupils to the end of Year 6 but is shown in this model for completeness.

### 23. Proposed Model of school organisation for implementation in the Coquet Partnership

**Table 2 – Proposed 2-tier (primary/secondary structure of schools in Coquet Partnership)**

School	Number on Roll in Jan 2022	Planned Capacity (net number of children able to be educated in the school building in Reception to Year 6)	Planned Forms of Entry (number of classes in each year group)	Planned Admission Number (PAN - number of children in each class)
Amble First	108 (150)	210	1FE	30
Amble Links First	129 (138)	210	1FE	30
Broomhill First	66 (75)	105	0.5FE	15
Grange View CE First	83 (150)	210	1FE	30
Red Row First	83 (120)	210	1FE	30
NCEA Warkworth CE Primary School	139	159	0.83FE	25
JCSC	735 inc sixth form	810	4FE	120

\*NCEA Warkworth CE Primary already has provision for pupils to the end of Year 6 but is shown in this model for completeness.

## **Proposed Model for increase in Planned Pupil numbers for Barndale House Special School**

24. In light of the lack of specialist provision currently within the Coquet Partnership area and the growing number of children and young people being diagnosed with a primary need in ASD and SEMH across the county, including in this area, it is proposed that Barndale House Special School would increase its planned pupil numbers from 60 to 110 in order to operate a satellite site in Amble. Over time, this would enable pupils with SEND who live in the Coquet area to attend provision close to their home communities in line with the Council's objectives.

25. It is proposed that the satellite site would be designated for pupils aged 4 to 16 with primary needs in ASD, SEMH, SLCN and MLD and would have capacity for 50 pupils. It is also proposed that this provision would grow in a phased and managed way and that no pupils living in the Coquet area who already attend specialist provision would be compelled to transfer to this provision.

26. In addition to the main objective of creating local specialist provision within the Coquet area, the Council also supports the objectives of the Governing Body of Barndale House Special School, as set out in their response to this consultation. As being:

- Creation of a SEND hub within the Coquet Partnership that mainstream schools can use for Continuous Professional Development, intervention and outreach.
- Bringing professional services together on a single site.
- Securing outcomes for SEND pupils through all schools in Coquet partnership, and improved SEND provision in the north of Northumberland.
- Specialist support base for those pupils needing early intervention.

## **Education Standards and Diversity of Provision**

### 27. Current Ofsted outcomes of schools in the Coquet Partnership

- Amble First – Good (November 2019)
- Amble Links First – Good (September 2021)
- Broomhill First – Good (March 2017)
- Red Row First – Good (December 2017)
- Grange View CE First – Good (March 2019)
- JCSC – Good (September 2022)

### 22. Education Outcomes of mainstream schools in Coquet Partnership

**Key Stage 1 (First School Phase):** Key Stage 1 (KS1) assessments, which are taken by children at the end of Year 2, are not published.

**Key Stage 2 (James Calvert Spence):** Key Stage 2 (KS2) assessments did not take place in 2020 and 2021 and the outcomes of individual school KS2 assessments in 2022 are not yet available. The last available data for the Coquet Partnership is from 2019 set out in Table 4.



**Table 3**

% Pupils meeting the expected standard in reading, writing and maths	
James Calvert Spence College	27%
Northumberland Average	66%
England Average	65%

The KS2 results achieved by JCSC in 2019 were the lowest in Northumberland, with the next lowest score achieved by a school in the county being 53%. Headline national data from the DfE indicates that for the academic year 2021/22, KS2 attainment in reading, writing and maths combined has fallen to 59%, down from 65% in 2019.

#### **Key Stage 4 (James Calvert Spence):**

The last verified outcomes at GCSE (Key Stage 4) for JCSC were in summer 2019 as set out in Table 1. The DfE has stated that due to the unprecedented change in the way GCSE results (KS4) were awarded in the summer terms of 2020 and 2021 and the resulting significant changes to the distribution of the grades received (in comparison to exam results), pupil level attainment in 2020/21 and 2019/20 is not comparable to that of the previous exam years for the purposes of measuring changes in pupil performance.

**Table 4 – GCSE results, JCSC**

		<b>GCSE 2019</b>
Progress 8 (0 = Expected Progress)	<b>JCSC</b>	<b>-0.02</b>
	Northumberland average	-0.12
	England average	-0.03
%Achieving Grade 5+ inc Eng and Maths	<b>JCSC</b>	<b>38%</b>
	Northumberland average	43%
	England average	43%
Attainment 8 (higher figure is best)	<b>JCSC</b>	<b>45.5</b>
	Northumberland average	46.5
	England average	46.7

JCSC's results in 2019 at GCSE are stronger in comparison at both county and national (England) level, being positioned 11<sup>th</sup> out of 16 high/secondary schools in Northumberland at that point.

#### **28. Diversity of Provision**

In relation to the statutory proposal to reorganise all mainstream schools in the Coquet Partnership to a 2-tier (primary/secondary, the current diversity of provision would remain in place as there are no proposals to close any schools or any proposals to change the character of any schools. The overall premise of the proposal to increase standards across the partnership and provide viable and sustainable schools through the retention of increasing numbers of local students within the Coquet educational pathway.

The proposal to increase the number of planned places of Barndale House Special School through the creation of a satellite site at Amble would increase diversity of provision in the partnership as there is currently no specialist provision located within the Coquet area.

### **Equal Opportunities Issues**

29. The Equalities Impact Assessment which considers the impact of the statutory proposals to reorganise schools in the Coquet Partnership and to increase planned pupil numbers at Barndale House Special School is included at Appendix 5 of this report.

Overall, the equality analysis for both statutory proposals did not identify any potential for discrimination or adverse impact and all opportunities to promote equality have been taken. Furthermore, the equality analysis did identify a number of positive impacts of the proposals.

### **Community Cohesion**

30. It is envisaged that children and young people living in the Coquet area would continue to learn about other cultures, faiths and communities through implementation of a broad and balanced curriculum in their schools.

The implementation of specialist provision within the Coquet Partnership would provide an opportunity for children and young people in mainstream schools in the area to gain a broader understanding of students who have additional needs which would benefit them all.

### **Transport, Travel and Accessibility**

31. Eligibility for Home to School Transport in Northumberland is arranged in accordance with the Council's Home to School Transport Policy.

The statutory proposal to reorganise the schools in the Coquet Partnership to a 2-tier (primary/secondary) structure would enable pupils in the primary years to stay longer within their local village schools and communities as they would be retained into Years 5 and 6. These pupils would therefore have shorter journey times to school during those years which would be beneficial, as well as there being a small saving to the Council's home to school potentially.

In relation to the increase of planned pupil numbers of Barndale House Special School, the primary reason for the statutory proposal is to create specialist provision within the Coquet Partnership area in order to provide an appropriate education to this group of vulnerable students as close as possible to their home communities. However, an additional benefit of this proposal is that it would reduce the costs of the Council's Home to School Transport budget simply by enabling students to access their education more locally.

### **Implementation Plan and Timeline**

32. Reorganisation of schools in the Coquet Partnership and timeline

Amble First, Amble Links First, Broomhill First, and Red Row First Schools and Grange View Church of England Voluntary Controlled School would extend their age ranges and reorganise to become primary schools with effect from 1 September 2024 in a phased way. The schools would retain Year 5 in September 2024 and would then retain Year 6 in September 2025.

JCSC would reduce its age range in a phased way with effect from September 2024. The school would not receive a Year 5 intake in September 2024 at which point it would have an interim age range of 10-18 years, and then from September 2025 and subsequent years the school would have a final age range of 11 to 18 years, with transition into Year 7 only from that point. However, parents would be able to apply for a place at any other appropriate school according to parental preference, subject to a place being available.

If this statutory proposal is approved, the further detailed work on building costs outlined previously would begin immediately in order to work towards proposed works to first schools being completed in time for the first phase of reorganisation in September 2024. Capital funding for the replacement/ refurbishment of the JCSC buildings is neither dependent on nor would it preclude the implementation of this statutory proposal. As stated previously, the Outline Business Case for the proposed building solution for JCSC approval by Cabinet is included in the Background Papers to this report.

The following timeline relates to the implementation of the above implementation plan:

#### *Amble, Amble Links, Broomhill, Red Row and Grange View CE First Schools*

##### **1 September 2024**

- Pupils in Year 4 on 31 August 2024 in all the above first schools would be retained by their new primary schools as the new Year 5.

##### **1 September 2025**

- Pupils in Year 5 on 31 August 2025 in all the above first schools would be retained by their new primary schools as the new Year 6.

##### **1 September 2026**

- Pupils in Year 6 in these primary schools on 31 August 2026 would transfer as the new Year 7 to JCSC, or to another school providing education in those year groups according to parental preference.

#### *JCSC*

##### **5 June 2023**

- From 5 June 2023 (or as near as reasonably practicable), students in Years 5 and 6 located at the South Avenue site of JCSC (and students in Years 7 and 8 if located at South Avenue at that time) would relocate to the Acklington Road site into suitable accommodation.

##### **1 September 2023**

- Students on roll at first schools on 31 August 2023 would transfer as usual into Year 5 at JCSC but would be located at the Acklington Road site.

- Students on roll in Years 5, 6 and 7 at JCSC on 31 August 2023 would transfer into Years 6,7 and 8 at the school and would remain located at the Acklington Road site.

#### **1 September 2024**

- The school would not receive a Year 5 intake and would operate with Year 6 to Year 13 only.

#### **1 September 2025**

- Students in Year 6 on 31 August 2025 in JCSC would transfer into Year 7.
- JCSC would have intakes into Year 7 only from this date onwards.

### **33. Barndale House Special School – increase in planned pupil numbers through creation of satellite site in Amble**

Barndale House School would increase its pupil numbers through expansion onto the satellite site within the current JCSC building at South Avenue, Amble with effect from 1 September 2024. Under this proposal, the school would admit up to 50 additional pupils onto the school roll to be based at the satellite school at South Avenue in Amble in a phased way from 1 September 2024.

#### **Implications for Staff**

### **34. Proposal for reorganisation of the Coquet Partnership to a 2-tier (primary/secondary) structure**

Should Cabinet approve the reorganisation of the Coquet Partnership to 2-tier structure the first schools would need to redesign their staffing structures to reflect the requirements of a primary school and there may be a need to employ additional staff for the Year 5 and 6 classes. JCSC would also need to redesign its staffing structure, if it is approved that the school becomes an 11 to 19 aged secondary school.

Council officers have worked with all schools in the Coquet Partnership to secure their agreement to a staffing protocol. The purpose of the protocol is to retain as many of the existing staff within schools as possible through transition to the 2-tier(primary/secondary) structure should Cabinet approve its implementation. An HR officer would be allocated to work with the schools in the partnership to co-ordinate the recruitment and selection process over the 3 year transition period, including management of Contact Officers appointed to assist any staff identified at risk of redundancy to secure appropriate alternative employment.

### **35. Proposal for the increase in pupil numbers at Barndale House Special School through the creation of a satellite site in Amble**

If the creation of a satellite site for Barndale House in Amble is approved additional staff would be required to meet the needs of the additional students at the satellite site.

#### **Catchment areas**

36. In relation to the mainstream schools in the Coquet Partnership, there are no proposals to adjust the existing school catchment areas geographically. However, should Cabinet approve the implementation of the statutory proposal, as the first schools became primaries their catchment areas would extend to include Year 5 students living in the area in the first year of transition and then extend to include Year 6 students living in the area in the second year of transition.
37. Similarly, in the first year of transition to a 2-tier (primary/secondary) structure, JCSC would be the catchment school for students in Year 6 onwards and then in the second year of transition and thereafter, it would become the catchment school for students in Year 7 onwards living in the area.

## Buildings

38. Building costs set out in Table 5 below are indicative and allow for construction inflation being set at the mid point of construction, however given the current market these costs are subject to change following the procurement process. Also, to note replacement mobile classroom works were already schedule at Amble First and Red Row. The estimated costs below include the replacement works in order to achieve better value through a larger tendering exercise should the reorganisation of schools goes ahead.

**Table 5 – Estimate of Building costs to first schools implement reorganisation**

School	Description	Indicative cost
Amble First School	Relocation to current JCSC South Avenue Site	£3.1m
Amble Links First School	Two classrooms, one group room and additional WC provision	£825k
Broomhill First School	One classroom, one group room, a Medical Inspection room and additional WC provision	£1.038m
Red Row First School	Three classrooms (includes replacement of some existing accommodation), two group rooms and additional WC provision	£1.746m
Grange View CE First School	One classroom, one group room, staff room and additional WC provision	£1.025m
James Calvert Spence	New build/refurbishment of secondary school.	£25.726m
Barndale Off Site provision	Refurbished JCSC South Avenue site.	£5.6m
Total		£39.06m

Due to the level of investment proposed for the James Calvert Spence College buildings /site, officers together with specialist technical advisers have developed an Outline Business Case that sets out the options to achieve best value for the council's investment. The Outline Business Case (OBC) attached as Appendix 3 of this report sets out the option appraisal of the 5 options considered together with a full commercial appraisal of each option which is contained in section 5 of the OBC.

The recommendation is to proceed with option 5, which is to provide a new building for James Calvert Spence College on land to the east of the recreation ground and part of the existing site as detailed within the OBC. This is denoted within the OBC as the preferred option with a recommendation to proceed through to procurement with an outturn budget as set out in the table above £25.7m.

The OBC in section 2 also sets out a full appraisal of the procurement options together with the recommended route to market which is procured through a Design and Build strategy utilising a single stage tendering procurement that is offered at the end of RIBA stage 4. The key objective for the delivery of the project is to open the new secondary school for operation from September 2025 of the preferred option identified as option 5 in the OBC.

As set out in recommendation 9 The Council's Cabinet is now recommended to approve the Outline Business Case to allow the project to progress with option 5 as the preferred option to detailed design, procurement and submission of a planning application for the project. The outcomes of the procurement exercise will be reported back to Cabinet in the form of a Final Business Case (FBC) in order to seek final approval for the award of contract programmed for October 2023.

Table 6 below sets out how the overall reorganisation would be funded if approval is given to implement the changes following the statutory process and Cabinets' final decision later in the year. The Funding below also includes increasing the value of contribution from MTFP by £2m which will be achieved by reducing the budget allocation for Astley and Whytrig new build project. This has been possible as the scope of the project was reduced when Cabinet decided not to support the closure of Seaton Sluice Middle and therefore the size of the building reduced to reflect the reduction in pupil numbers.

**Table 6 – Funding breakdown to deliver Capital improvements above.**

<b>Funding Source</b>	<b>Value</b>
NCC Capital (MTFP)	£27.5m (inclusive of £2m Astley savings against budget)
SEND Capital Grant	£1.5m
Capital Maintenance Grant (SCIP)	£8.46m
Basic Need	£1.6m

Total	£39.06m
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39. As noted at Recommendation 10 and 11, Cabinet are requested to approve the Outline Business Case for implementation of the proposed building replacement solution for James Calvert Spence College and the indicative construction costs included in the Appendix 3 to this report.
40. Cabinet is also requested to delegate the responsibility for approving the award of contract to the preferred contractor following the procurement process as laid down in the Outline Business Case to the Cabinet Member for Children and Young People and the Joint Interim Director of Children’s Services, noting that a further report detailing the outcomes of the Outline Business Case would be brought to Cabinet at a later date for final approval.

### **Sport and Recreation**

41. There would be no negative impact on the current sport and recreation facilities at the first schools proposed to become primaries under the proposed reorganisation to the 2-tier structure. However there would be a positive impact for Amble First school as they don’t currently have any on site grass playfields, but when the school relocates to become a primary school to the South Avenue site the school will have access to playing grass pitches for sport.

There would be a positive impact on sport and recreation, on the James Calvert Spence College site with the proposed improvements to sports facilities for the school and the wider community including the provision of a full sized 3G pitch, new running track and enhanced access arrangements to the sports hall and changing facilities.

### **Implications**

<b>Policy</b>	This report directly links to the Council’s Corporate aim ‘Living, Learning – We will ensure the best education standards for our children and young people.
<b>Finance and value for money</b>	Capital investment of £25.5m had already been allocated by the Council in the Medium-Term Plan. An updated estimate of £39.06m building costs for reorganisation of the schools in the Coquet Partnership is included at para. 38. Part of the rationale for informal consultation is to provide assurance to Cabinet that investment would be made within a sustainable and viable school structure for the medium to long-term. Due to the level of investment in JSCS buildings and site an Outline Business Case for investment is included at Appendix 3 and recommended for approval as set out in recommendation 9, which aims to have new buildings complete for September 2025.
<b>Legal</b>	Consultation carried out on proposals has complied with School Organisation guidance and regulations.
<b>Procurement</b>	An outline business case (OBC) has been developed and is included in the Background Papers to this report for Cabinet approval - the OBC also sets out the procurement options and recommendations to deliver best value for the Council’s investment.

<b>Human Resources</b>	There may be some implications for staff in schools in the wider Coquet Partnership should re-organisation to a Primary/Secondary structure be approved for implementation by Cabinet at a later date. If the status quo remains in place, there may be some implications for JCSCS staff should the school move onto one site. A Staffing Protocol has been agreed by the schools in the Coquet Partnership - refer to paras. 34 and 35
<b>Property</b>	Refer to 'Finance and Value for Money' above.
<b>Equalities</b> (Impact Assessment attached) Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	An EIA has been completed for both the statutory proposal for schools in the Coquet Partnership and the statutory proposal to increase the planned places of Barndale House Special School and are attached as Appendix 5 of this report.
<b>Risk Assessment</b>	An initial Risk Assessment and risk register has been carried out on the construction works in order to develop the budget and programme of the project.  A full project risk assessment is included in the OBC I the Background Papers to this report.
<b>Crime &amp; Disorder</b>	This report has considered Section 17 (CDA) and the duty it imposes and there are no implications arising from it.
<b>Customer Consideration</b>	The proposal set out in this report is based upon a desire to improve outcomes for children, young people and their families in Northumberland.
<b>Carbon reduction</b>	It is expected that the investment in new buildings will have a positive impact on carbon reduction.
<b>Health and Wellbeing</b>	It is envisaged that a sustainable and resilient school system in the Coquet partnership would have a positive impact on pupils, their families and the wider community.
<b>Wards</b>	Amble, Druridge Bay, Amble West and Warkworth.

### **Background Papers**

- Report of the Joint Interim Director of Children's Services – Outcomes Consultation on Proposals for the Coquet Partnership (21<sup>st</sup> September 2022).
- Report of the Executive Director of Adult Social Care and Children's Services – Proposals for the Coquet Partnership (10<sup>th</sup> May 2022).

### **Report Sign Off**

	Full Name of Officer
Monitoring Officer/Legal	Suki Binjal
Executive Director of Finance & S151 Officer	Jan Willis
Relevant Executive Director	Audrey Kingham
Interim Chief Executive	Rob Murfin
Portfolio Holder(s)	Guy Renner-Thompson

### **Appendices**



Appendix 1 - Statutory Proposal for the Reorganisation of schools in the Coquet Partnership

Appendix 2 - Statutory Proposal for Barndale House Special School

Appendix 3 - Outline Business Case for Capital Investment in James Calvert Spence College buildings.

Appendix 4 – DfE Statutory guidance for proposers and decision makers ‘Making significant changes (‘prescribed alterations’) to maintained schools

Appendix 5 - Equality Impact Assessment of statutory proposals for Reorganisation of schools in the Coquet Partnership and Barndale House Special School

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**NORTHUMBERLAND COUNTY COUNCIL**

**STATUTORY PROPOSALS FOR THE REORGANISATION OF LOCAL AUTHORITY  
MAINTAINED SCHOOLS IN THE COQUET PARTNERSHIP**

**1. CHANGE OF AGE RANGE**

Notice is hereby given in accordance with Section 19(1) of the Education and Inspections Act 2006, that Northumberland County Council, County Hall, Morpeth, Northumberland NE61 2EF, intends to make the following prescribed alterations to the schools below:

- a) **Amble First School**, Edwin Street, Amble, Morpeth, Northumberland, NE65 0EF by changing the age range of the school.
- The current age range of Amble First School is 4 years to 9 years. The proposed age range for the school is 4 years to 11 years to take effect from 1 September 2024.
- b) **Amble Links First School**, Links Avenue, Links Estate, Amble, Morpeth, Northumberland, NE65 0SA by changing the age range of the school.
- The current age range of Amble Links First School is 2 years to 9 years. The proposed age range for the school is 2 years to 11 years to take effect from 1 September 2024.
- c) **Broomhill First School**, Station Road, Morpeth, Northumberland, NE65 9UT by changing the age range of the school.
- The current age range of Broomhill First School is 3 years to 9 years. The proposed age range for the school is 3 years to 11 years to take effect from 1 September 2024.
- d) **Red Row First School**, Red Row, Morpeth, Northumberland, NE61 5AS by changing the age range of the school.
- The current age range of Red Row First School is 3 years to 9 years. The proposed age range for the school is 3 years to 11 years to take effect from 1 September 2024.
- e) **James Calvert Spence College**, Acklington Road, Amble, Morpeth, Northumberland, NE65 0NG by changing the age range of the school.
- The current age range of James Calvert Spence College is 9 years to 18 years.
  - The proposed interim age range for the school from 1 September 2024 until 31 August 2025 is 10 years to 18 years as it transitions to become a secondary school.
  - The proposed final age range for the school from 1 September 2025 and subsequent years is 11 years to 18 years.

For the purposes of providing further information, should Northumberland County Council decide to implement the above proposals, this decision would be made in conjunction with a decision by the Council to change the current age range of **Grange View Church of England Voluntary Controlled First School, Grange Road, Widdrington, Morpeth, Northumberland, NE61 5LZ**

from an age 3 to 9 school to an age 3 to 11 school with effect from 1 September 2024, which is not required to be part of this statutory proposal.

Further in the interest of providing further information relevant to this statutory proposal, the Council intends to replace/refurbish the current James Calvert Spence building. As set out at 1.e) above, it is the intention that James Calvert Spence College will reduce its age range over time.

## **2. ENLARGEMENT OF PREMISES**

In order to facilitate the above proposals, notice is hereby given in accordance with Section 19(1) of the Education and Inspections Act 2006, that Northumberland County Council, County Hall, Morpeth, Northumberland, NE61 2EF, intends to make the following prescribed alterations to the schools below:

- f) Amble Links First School**, Links Avenue, Links Estate, Amble, Morpeth, Northumberland, NE65 0SA by permanent enlargement of the premises with effect from 1 September 2024 or as soon as practicably possible thereafter.
- The number of pupils on roll at the school in Reception to Year 4 at January 2022 was 129. The current published capacity of the school for pupils aged 4 to 9 is 138. The proposed capacity of the school is to be 210 for pupils aged 4 to 11. The current maximum number of pupils admitted at age 4 is 30. The maximum number of pupils to be admitted to the school at age 4 from 1 September 2024 and subsequent years would be 30. Nursery admission numbers would remain unchanged.
- g) Red Row First School**, Red Row, Morpeth, Northumberland, NE61 5AS by permanent enlargement of the premises with effect from 1 September 2024 or as soon as practicably possible thereafter.
- The number of pupils on roll at the school in Reception to Year 4 at January 2022 was 83. The current published capacity of the school for pupils aged 4 to 9 is 120. The proposed capacity of the school is to be 210 for pupils aged 4 to 11. The current maximum number of pupils admitted at age 4 is 29. The maximum number of pupils to be admitted to the school at age 4 from 1 September 2024 and subsequent years would be 30. Nursery admission numbers would remain unchanged.
- h) Broomhill First School**, Station Road, Morpeth, Northumberland, NE65 9UT by permanent enlargement of the premises with effect from 1 September 2024 or as soon as practicably possible thereafter.
- The number of pupils on roll at the school in Reception to Year 4 at January 2022 was 66. The current published capacity of the school for pupils aged 4 to 9 is 75. The proposed capacity of the school is to be 105 for pupils aged 4 to 11. The current maximum number of pupils admitted at age 4 is 15. The maximum number of pupils to be admitted to the school at age 4 from 1 September 2024 and subsequent years would be 15. Nursery admission numbers would remain unchanged.

## **3. FURTHER INFORMATION PERTINENT TO THE STATUTORY PROPOSAL**

- i)** In the interests of providing further information relevant to this statutory proposal, it is intended that the physical capacity of Grange View Church of England Voluntary Controlled School would be expanded by the addition of one classroom to accommodate

no more than 30 pupils. in order to enable the intended change of age range (see part 1.) in line with the following changes:

- **Grange View Church of England Voluntary Controlled First School**, Grange Road, Widdrington, Morpeth, Northumberland, NE61 5LZ. The number of pupils on roll at the school in January 2022 was 83. The current published capacity of the school is 150. The proposed capacity of the school is to be 210. The current maximum number of pupils admitted at age 4 is 30. The maximum number of pupils to be admitted to the school at age 4 from 1 September 2024 and subsequent years would be 30.

- j) **It is not required** under regulations to carry out statutory consultation where the proposed new site for a school would be less than 2 miles from the main entrance of the current site. Amble First School is located less than 2 miles from the James Calvert Spence College building at South Avenue, Amble. However, in the interests of providing further information linked to this proposal, it is intended that Amble First School would transfer to the building of James Calvert Spence College located at South Avenue, Amble, Morpeth, NE65 0ND with effect from 1 September 2024 or as near to that date as practicably possible. Should this transfer be approved in conjunction with the other proposals set out in this statutory proposal, Amble First School would share its site at South Avenue with the proposed satellite site of Barndale House School. The proposal to create a satellite school for Barndale House School in Amble is set out in a separate but concurrent statutory proposal as it does not rely upon the transfer of Amble First School to the South Avenue site.

The above proposed changes to school age ranges, enlargement of school premises and transfer of site proposals (which are not required to form statutory proposals) will be considered by the decision-maker (Northumberland County Council) concurrently with this statutory proposal, as they are inextricably linked.

**Copies of the full Statutory Proposal may be obtained from:**

The School Organisation and Resources Team  
Education and Skills  
Wellbeing and Community Health Services  
Northumberland County Council  
County Hall  
Morpeth  
Northumberland  
NE61 2EF

or from the Council's website at [www.northumberland.gov.uk/schoolconsultations](http://www.northumberland.gov.uk/schoolconsultations)

All schools named above form part of the Coquet Partnership of schools. Amble First, Amble Links First, Broomhill First and Red Row First Schools and James Calvert Spence College are local-authority maintained community schools, and Grange View Church of England Voluntary Controlled School is a local-authority maintained voluntary-controlled school.

**Objectives and reasons for proposal**

The objectives of this proposal are to:

- **Change of the age ranges of:-**
  1. Amble First School, Edwin Street, Amble, Morpeth, Northumberland, NE65 0EF by changing the age range of the school. The current age range of Amble First School is 4 years to 9 years. The proposed age range for the school is 4 years to 11 years to take effect from 1 September 2024.

2. Amble Links First School, Links Avenue, Links Estate, Amble, Morpeth, Northumberland, NE65 0SA by changing the age range of the school. The current age range of Amble Links First School is 2 years to 9 years. The proposed age range for the school is 2 years to 11 years to take effect from 1 September 2024.
3. Broomhill First School, Station Road, Morpeth, Northumberland, NE65 9UT by changing the age range of the school. The current age range of Broomhill First School is 3 years to 9 years. The proposed age range for the school is 3 years to 11 years to take effect from 1 September 2024.
4. Red Row First School, Red Row, Morpeth, Northumberland, NE61 5AS by changing the age range of the school. The current age range of Red Row First School is 3 years to 9 years. The proposed age range for the school is 3 years to 11 years to take effect from 1 September 2024.
5. James Calvert Spence College, Acklington Road, Amble, Morpeth, Northumberland, NE65 0NG by changing the age range of the school. The current age range of James Calvert Spence College is 9 years to 18 years. The proposed age range for the school from 1 September 2024 until 31 August 2025 is 10 years to 18 years as it transitions to become a secondary school. The final proposed age range for the school is 11 years to 18 years to take effect from 1 September 2025.
6. For the purposes of providing further information, should Northumberland County Council decide to implement the above proposals, this decision would be made in conjunction with a decision by the Council to change the current age range of Grange View Church of England Voluntary Controlled First School, Grange Road, Widdrington, Morpeth, Northumberland, NE61 5LZ from an age 3 to 9 school to an age 3 to 11 school with effect from 1 September 2024, which is not required to be a formal part of this statutory proposal.

To facilitate the change of age ranges at the schools named above, the buildings of the following schools would be enlarged:

7. **Amble Links First School**, Links Avenue, Links Estate, Amble, Morpeth, Northumberland, NE65 0SA by permanent enlargement of the premises with effect from 1 September 2024 or as soon as practicably possible thereafter.
  - The number of pupils on roll at the school in Reception to Year 4 at January 2022 was 129. The current published capacity of the school for pupils aged 4 to 9 is 138. The proposed capacity of the school is to be 210 for pupils aged 4 to 11. The current maximum number of pupils admitted at age 4 is 30. The maximum number of pupils to be admitted to the school at age 4 from 1 September 2024 and subsequent years would be 30. Nursery admission numbers would remain unchanged.
8. **Red Row First School**, Red Row, Morpeth, Northumberland, NE61 5AS by permanent enlargement of the premises with effect from 1 September 2024 or as soon as possible thereafter.
  - The number of pupils on roll at the school in Reception to Year 4 at January 2022 was 83. The current published capacity of the school for pupils aged 4 to 9 is 120. The proposed capacity of the school is to be 210 for pupils aged 4 to 11. The current maximum number of pupils admitted at age 4 is 29. The maximum number of pupils to be admitted to the school at age 4 from 1 September 2024 and subsequent years would be 30. Nursery admission numbers would remain unchanged.
9. **Broomhill First School**, Station Road, Morpeth, Northumberland, NE65 9UT by permanent enlargement of the premises with effect from 1 September 2024 or as soon as practicably possible thereafter.
  - The number of pupils on roll at the school in Reception to Year 4 at January 2022 was 66. The current published capacity of the school for pupils aged 4

to 9 is 75. The proposed capacity of the school is to be 105 for pupils aged 4 to 11. The current maximum number of pupils admitted at age 4 is 15. The maximum number of pupils to be admitted to the school at age 4 from 1 September 2024 and subsequent years would be 15. Nursery admission numbers would remain unchanged.

The following proposed changes to school age ranges, enlargement of school premises and transfer of site (which are not required to form statutory proposals) will be considered by the decision-maker (Northumberland County Council) concurrently with this statutory proposal, as they are inextricably linked.

10. It is intended that the physical capacity of Grange View Church of England Voluntary Controlled School would be expanded by the addition of one classroom to accommodate no more than 30 pupils in order to enable the intended change of age range (see part 1.) in line with the following changes:

- Grange View Church of England Voluntary Controlled First School, Grange Road, Widdrington, Morpeth, Northumberland, NE61 5LZ. The number of pupils on roll at the school in January 2022 was 83. The current published capacity of the school is 150. The proposed capacity of the school is to be 210. The current maximum number of pupils admitted at age 4 is 30. The maximum number of pupils to be admitted to the school at age 4 from 1 September 2024 and subsequent years would be 30.

11. It is not required under regulations to carry out statutory consultation where the proposed new site for a school would be less than 2 miles from the main entrance of the current site. However, in the interests of providing further information linked to this proposal, it is intended that Amble First School would transfer to the building of James Calvert Spence College located at South Avenue, Amble, Morpeth, NE65 0ND with effect from 1 September 2024 or as near to that date as practicably possible. Amble First School is located less than 2 miles from the James Calvert Spence College building at South Avenue, Amble.

#### **Reasons for proposal:**

Pre-Consultation on proposals for reorganisation of the schools that form the Coquet Partnership in Northumberland has taken place between 11 May and 29 June 2022 (six school weeks). This consultation was promulgated for the following reasons:

- In 2016, Cabinet approved the allocation of funding towards replacement or refurbishment of JCSC buildings, while in 2022 the capital allocation in the Medium-Term Plan was increased to £25.5m towards the improvement of school buildings in the Coquet partnership as a whole. Before such capital investment is made in school buildings in the Coquet Partnership, officers recommended that Cabinet receive assurance that it would be spent on an organisational school structure that supports viable and sustainable schools at all phases of education in the area, with a view to encouraging increased numbers of parents to enrol their children in schools at all phases of the education system in the area. This is in line with the Council's objectives to provide good local education for all children and young people in the county.
- The first schools and James Calvert Spence College had written to the Council in 2019 outlining their views on the organisation of schools in the Coquet Partnership.
- On 10 May 2022, the Council therefore approved pre-consultation on a proposal for the reorganisation of schools in the Coquet Partnership to a 2-tier (primary/secondary) system.

Evidence from pre-consultation indicates that 92% of consultees (including parents, pupils and the local community) who responded were supportive of reorganisation to a 2-tier(primary/secondary) system on the basis that educational standards would improve and schools in the partnership would be more sustainable through the retention of more pupils in the partnership, and therefore viability would be improved. Furthermore, all first schools and the local Roman Catholic and Church of England Diocese supported the move to 2-tier on educational grounds, while James Calvert Spence College Governing Body said it would support whatever model was approved of implementation

Having considered feedback from consultation and the educational case for change in relation to the Coquet Partnership, the Council approved publication of this statutory proposal to extend the age ranges of Amble First, Amble Links First, Broomhill First and Red Row First Schools to take effect from 1 September 2024 and concluding on September 2025, and to reduce the age range of James Calvert Spence College in a phased way to take effect from 1 September 2024 and concluding on 1 September 2025. The Council is not required to publish a statutory proposal in relation to the extension of the age range of Grange View Church of England Voluntary Controlled First School and any decision in this regard would be made in conjunction with the outcomes of the proposals set out in this statutory proposal.

Based on the educational rationale received from Governing Bodies of schools in the Coquet Partnership and feedback received from consultees, the publication of the statutory proposals has been approved on the basis that the establishment of a primary-secondary model across the whole of the Coquet Partnership would be in the best educational interests of the current and future pupils in that area. All first schools in the partnership are currently judged to be 'Good' by Ofsted and therefore the creation of additional places in these schools through extending their age ranges is in line with DfE guidance.

#### **Effect on other schools, academies and educational institutions in the area**

NCEA Warkworth Church of England Primary School also forms part of the Coquet Partnership and reorganised to a primary structure in 2016. The reorganisation of the other schools in the partnership to a primary/secondary structure would bring conformity across the partnership and would assist parents in making preferences for schools.

It is not envisaged that the reorganisation of the Coquet Partnership wholly to a primary/secondary structure would impact on any neighbouring schools, academies or educational institutions.

#### **Project Costs and Proposed Stages for Implementation**

Should this Statutory Proposal be approved for implementation, there would be a need to carry out building works to facilitate the changes. Building costs set out in Table 1 below are indicative and would be subject to further detailed work should the proposal to reorganise schools to a 2-tier structure be approved. Also, to note replacement mobile classroom works were already scheduled at Amble First and Red Row First Schools, while the replacement of the James Calvert Spence College building was already approved in 2016 and included in the Council's Medium-Term Plan. The estimated costs below include the replacement works in order to achieve better value through a larger tendering exercise should the reorganisation of schools go ahead.

**Table 1**

<b>School</b>	<b>Description</b>	<b>Indicative cost</b>
Amble First School	Relocation to current JCSC South Avenue Site	£3.1m

Amble Links First School	Two classrooms, one group room and additional WC provision	£825k
Broomhill First School	One classroom, one group room, a Medical Inspection room and additional WC provision	£1.038m
Red Row First School	Three classrooms (includes replaces of some existing accommodation), two group rooms and additional WC provision	£1.746m
Grange View CE First School	One classroom, one group room, staff room and additional WC provision	£1.025m
James Calvert Spence	New build Secondary school.	£22.8m
<b>Total</b>		<b>£30.534m</b>

<b>Funding Source</b>	<b>Value</b>
NCC Capital (MTFP)	£27.5m
Capital Maintenance Grant (SCIP)	£1.4m
Basic Need	£1.6m
<b>Total</b>	<b>£30.5m</b>

It is envisaged that long-term value for money would be achieved by the above investment in school buildings across the Coquet Partnership as part of school reorganisation through the improvement of educational standards and the retention of increased numbers of students living in the partnership area in local schools over time, thus increasing the sustainability and viability of all schools.

### **Pupil Numbers and Admissions**

#### Amble First School

As at January 2022, there were 108 pupils on roll at the school in Reception to Year 4. The current age range of Amble First School is 4 years to 9 years and the school provides education to both boys and girls.

As at January 2022, there were no pupils on roll at the school with an Education and Healthcare plan.

#### Amble Links First School

As at January 2022, there were 129 pupils on roll at the school in Reception to Year 4. The current age range of Amble Links First School is 2 years to 9 years and the school provides education to both boys and girls.

As at January 2022, the school had 1 pupil on roll with an Education and Healthcare plan.

#### Broomhill First School

As at January 2022, there were 66 pupils on roll at the school in Reception to Year 4. The current age range of Broomhill First School is 3 years to 9 years and the school provides education to both boys and girls.

As at January 2022, the school had 7 pupils on roll with an Education and Healthcare plan.



### Red Row First School

As at January 2022, there were 83 pupils on roll at the school in Reception to Year 4. The current age range of Red Row First School is 3 years to 9 years and the school provides education to both boys and girls.

As at January 2022, the school had 2 pupils on roll with an Education and Healthcare plan.

### James Calvert Spence College

As at January 2022, there were 735 pupils on roll at the school in Year 5 to Year 13.

The current age range of James Calvert Spence College is 9 years to 18 years and the school provides education to both boys and girls.

As at January 2022, the school had 10 pupils on roll with an Education and Healthcare plan.

### Grange View Church of England Voluntary Controlled First School

In the interests of providing further information, the following pupil information is provided in relation to Grange View Church of England Voluntary Controlled First School:

As at January 2022, there were 83 pupils on roll at the school in Reception to Year 4.

The current age range is 3 to 9 years and provides education to both boys and girls.

As at January 2022, the school had 1 pupil on roll with an Educational and Healthcare Plan.

### **Implementation.**

- Amble First, Amble Links First, Broomhill First, and Red Row First Schools and Grange View Church of England Voluntary Controlled School are proposed to extend their age ranges and to reorganise to become primary schools with effect from 1 September 2024 in a phased way. The schools would retain Year 5 in September 2024 and would then retain Year 6 in September 2025.
- James Calvert Spence College is proposed to reduce its age range in a phased way with effect from September 2024. The school would not receive a Year 5 intake in September 2024 at which point it would have an interim age range of 10-18 years, and then from September 2025 and subsequent years the school would have a final age range of 11 to 18 years, with transition into Year 7 only from that point.
- However, parents would be able to apply for a place at any other appropriate school according to parental preference, subject to a place being available.
- If this statutory proposal is approved, the further detailed work on building costs outlined previously would begin immediately in order to work towards proposed works to first schools being completed in time for the first phase of reorganisation in September 2024. Capital funding for the replacement/ refurbishment of the JCSC buildings is neither dependent on nor would it preclude the implementation of this statutory proposal and would be the subject of a separate business case for approval by Cabinet. Should this statutory proposal be approved, reorganisation to a 2-tier (primary/secondary) system would be implemented as set out in the following below and the replacement of the buildings of JCSC would be as set out in the business case previously noted.

### **Timeline for implementation**

It is proposed that the following model be implemented in accordance with the following arrangements and timeline subject to finalisation of the associated buildings programme:

*Amble, Amble Links, Broomhill, Red Row First Schools\**

#### **1 September 2024**

- Pupils in Year 4 on 31 August 2024 in all the above first schools would be retained by their new primary schools as the new Year 5.

**1 September 2025**

- Pupils in Year 5 on 31 August 2025 in all the above first schools would be retained by their new primary schools as the new Year 6.

**1 September 2026**

- Pupils in Year 6 in these primary schools on 31 August 2026 would transfer as the new Year 7 to JCSC, or to another school providing education in those year groups according to parental preference.

*\*Note for further information - should the Council approve the statutory proposal for the above schools and at the same time approve the non-statutory proposal to change the age range of Grange View Church of England Voluntary Controlled First School, the implementation of the change for the latter school would follow the same timeline as set out above.*

*James Calvert Spence College*

**5 June 2023**

- From 5 June 2023 (or as near as reasonably practicable), students in Years 5 and 6 located at the South Avenue site of JCSC (and students in Years 7 and 8 if located at South Avenue at that time) would relocate to the Acklington Road site into suitable accommodation.

**1 September 2023**

- Students on roll at first schools on 31 August 2023 would transfer as usual into Year 5 at JCSC but would be located at the Acklington Road site.
- Students on roll in Years 5, 6 and 7 at JCSC on 31 August 2023 would transfer into Years 6,7 and 8 at the school and would remain located at the Acklington Road site.

**1 September 2024**

- The school would not receive a Year 5 intake and would operate with Year 6 to Year 13 only.

**1 September 2025**

- Students in Year 6 on 31 August 2025 in JCSC would transfer into Year 7.
- JCSC would have intakes into Year 7 only from this date onwards.

**Impact on the Community**

As well as the envisaged improvement on educational outcomes as a result of this proposal, it is also envisaged that there would be a positive impact on the communities served by the schools in the Coquet Partnership as Amble, Red Row, Widdrington and Broomhill villages would retain their primary age children for an additional two years in Years 5 and 6.

As a result of the rebuilding and refurbishment of James Calvert Spence College, it is envisaged that there would be opportunities for increased community use of the enhanced facilities at the site.

**Balance of denominational provision**

There would be no impact on the balance of denominational provision as a result of this statutory proposal as none of the schools that are the subject of this statutory proposal have a religious character or are proposed to take a religious character and in any event, no schools are proposed to close.

**Rural Primary Schools**

Amble, Amble Links, Red Row and Broomhill First Schools are listed on the DfE's List of Designated Rural Primary Schools 2021. However, as the proposal is for these schools to extend their age range, this policy area would not be impacted.

### **Maintained nursery schools**

The nursery provision currently provided at the first schools proposed to extend their age ranges as a result of this statutory proposal would not be affected by its implementation.

### **Provision for 16-19 year olds**

The proposal to reduce the age range of James Calvert Spence College would not impact on the school's current provision for 16-18 year olds at the school, as the reduction of the age range would occur at the lower end of the school.

### **Special educational provision**

Provision for pupils with SEN is already provided at the schools that are the subject of this Statutory Proposal.

- As at January 2022, there were no pupils with an Educational Health Care Plan enrolled at Amble First School.
- As at January 2022, there was 1 pupil with an Educational Health Care Plan enrolled at Amble Links First School.
- As at January 2022, there were 7 pupils with an Educational Health Care Plan enrolled at Broomhill First School.
- As at January 2022, there were 2 pupils with an Educational Health Care Plan enrolled at Red Row First School.
- As at January 2022, there were 10 pupils with an Educational Health Care Plan enrolled at James Calvert Spence College.
- In the interests of providing further information, as at January 2022, there was 1 pupil with an Educational Health Care Plan enrolled at Grange View Church of England Voluntary Controlled First School.

Continuity for current and future pupils with SEN at the above first schools would be achieved as a result of the implementation of this proposal, as pupils would stay longer in their primary schools and would transfer to the next school phase at the end of Year 6.

Also for further information, there is a separate but concurrent statutory proposal published in relation to a proposal to create a satellite provision for Barndale House School at the current South Avenue site of James Calvert Spence College in Amble. The statutory proposal for Barndale House School is not dependent on the outcome of this statutory proposal and is therefore not linked.

### **Travel**

- Transport for all pupils affected by the proposed reorganisation should it be approved would be arranged in accordance with the Council's Home to School Transport Policy.
- Pupils transferring from Year 4 to Year 5 in September 2024 would remain in their first schools as the schools reorganise to primary status. It is envisaged that many pupils in Years 5 and 6 in the new primary schools would have shorter journeys to schools as they would be educated for an additional two years in the primary schools within their local communities.
- There would be no anticipated significant increase in car use as a result of these proposals, indeed there may be a reduction in car use as the Year 5 and 6 pupils would remain in their

village schools.

## Consultation

All of the applicable statutory requirements to consult on this proposal in accordance with Section 19 (1)) of the Education and Inspections Act 2006 were complied with during the pre-publication consultation period that took place during the following dates:

- 11 May to 29 June 2022

Consultees recommended in the relevant statutory guidance were consulted via a Consultation Document that was made widely available on the Council's website. Consultees included parents, staff, pupils, Governors of the impacted schools in the Coquet Partnership, local parish councils, the Church of England and Roman Catholic dioceses, early-years providers, the local MP, staff representatives (unions), and relevant neighbouring schools in other Northumberland Partnerships. A public consultation event was also held in Amble Masonic Hall on 11 June 2022. Individual meetings with staff and the Governing Bodies of schools that were proposed for change also took place during the consultation period, and a meeting was also held with the Governing Body of NCEA Warkworth Primary Academy, which forms part of the Coquet Partnership.

The meetings organised during the consultation event allowed consultees attending the opportunity to make known their views on the proposals and to suggest alternatives, which were noted and considered within the analysis of feedback. During the consultation exercise, it was made clear that the outcome of the process would not be determined by the equivalent to a simple referendum but would involve a detailed analysis of evidence put forward. A total of 125 responses were received from consultees during the informal consultation process, including alternative proposals.

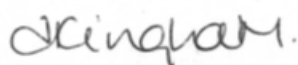
Details of the persons and parties consulted, the notes of the Governing Body and staff consultation meetings, and all views and responses received are summarised in the Joint Interim Director of Children's Services Report: Outcomes of Consultation on Proposals for the Coquet Partnership, which is available on the Council's website at [Report to Cabinet 13 September 2022](#)

## Submission of Objections and Comments on Proposals

Within four weeks after the date of publication of the above proposals (**i.e. by midnight on Thursday 20 October 2022**), any person may submit comments, including support or objections to the proposals by sending their written representations to: The **Joint Interim Director of Children's Services, County Hall, Morpeth, Northumberland NE61 2EF**, or by email to [educationconsultation@northumberland.gov.uk](mailto:educationconsultation@northumberland.gov.uk)

Signature

Publication Date: 22 September 2022



Audrey Kingham  
Joint Interim Director of Children's Services  
Northumberland County Council  
County Hall  
Morpeth  
Northumberland  
NE61 2EF

**NORTHUMBERLAND COUNTY COUNCIL**

**STATUTORY PROPOSAL FOR BARNDALE HOUSE SCHOOL**

Notice is hereby given in accordance with Section 19(1) of the Education and Inspections Act 2006 that Northumberland County Council, County Hall, Morpeth, Northumberland NE61 2EF intends to make the following prescribed alterations to the following school:

**Barndale House School**

Howling Lane  
Alnwick  
NORTHUMBERLAND  
NE66 1DQ

Barndale House School is a local authority-maintained Community Special School for boys and girls aged 2 - 19.

**CHANGE IN NUMBER OF PUPILS IN A SPECIAL SCHOOL AND TO EXPAND ONTO A SATELLITE SITE**

- The current number of planned pupil places at Barndale House School is 60. The proposed number of pupil places is planned to increase to 110. This increase would be achieved through the expansion of the school by 50 places onto a satellite site at the following location with effect from 1 September 2024:

Current James Calvert Spence College building  
South Avenue  
Amble  
Morpeth  
Northumberland  
NE65 0ND

- In the interests of providing further information, Barndale House School would be located within part of the current James Calvert Spence College building as part of a shared site with either James Calvert Spence College (JCSC) or Amble First School. Both JCSC and Amble First School form part of a separate but concurrent statutory proposal relating to the reorganisation of the Coquet Partnership. However, this proposal is not dependent or affected by the outcome of the mainstream school organisation proposal in any way other than the Barndale satellite school may share the proposed building with one or other of these two schools.
- In the interests of providing further information, the planned type of SEN provision at the Barndale satellite school in Amble would be for students with a primary need in Autistic Spectrum Disorder (ASD), SEMH (social, emotional and mental health), speech language and communication (SLCN) and moderate learning difficulties (MLD) in response to the growing need for provision for children and young people with these needs in the area served by the Coquet Partnership of schools. Barndale House School is already designated as a provider in these areas of SEN.

**Copies of the full Statutory Proposal may be obtained from:**

The School Organisation and Resources Team  
Education and Skills  
Wellbeing and Community Health Services

Northumberland County Council  
County Hall  
Morpeth  
Northumberland  
NE61 2EF

or from the Council's website at

<https://www.northumberland.gov.uk/Education/Schools/Consultations.aspx#schoolconsultations>

### **Submission of Objections and Comments on Proposals**

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Signature

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Audrey Kingham  
Joint Interim Director of Children's Services  
Northumberland County Council  
County Hall  
Morpeth  
Northumberland  
NE61 2EF



Department  
for Education

# **Making significant changes (‘prescribed alterations’) to maintained schools**

**Statutory guidance for proposers and  
decision-makers**

**October 2018**

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# 1: Summary

## About this guidance

This is statutory guidance from the Department for Education. This means that recipients must have regard to it when making 'prescribed alterations' to maintained schools.

The purpose of this guidance is to ensure that good quality school places can be provided quickly where they are needed; that local authorities (LAs) and governing bodies (GBs) do not take decisions that will have a negative impact on other schools in the area; and that changes can be implemented quickly and effectively where there is a strong case for doing so. In line with these aims it is expected that, where possible, additional new places will only be provided at schools that have an overall Ofsted rating of 'good' or 'outstanding'. Schools which do not fall within the above categories should only be expanded where there are no other viable options.

A GB, LA or the [Schools Adjudicator](#) must have regard to this guidance when exercising functions under [The School Organisation \(Prescribed Alterations to Maintained Schools\) \(England\) Regulations 2013](#) ('the Prescribed Alterations Regulations'). It should be read in conjunction with Parts 2 and 3 and Schedule 3 of the [Education and Inspections Act \(EIA\) 2006](#) and the Prescribed Alterations Regulations. It also relates to the [Establishment and Discontinuance Regulations](#) and [The School Organisation \(Removal of Foundation, Reduction in the Number of Foundation Governors and Ability of Foundation to Pay Debts\) \(England\) Regulations \(2007\)](#) ('the Removal Regulations').

It is the responsibility of LAs and GBs to ensure that they act in accordance with the relevant legislation when making changes to a maintained school and they are advised to seek independent legal advice where appropriate.

## Review date

This guidance will be reviewed in October 2019.

## Who is this guidance for?

Those proposing to make changes and making decisions on changes to maintained schools (e.g. GBs, LAs and the Schools Adjudicator), and for information purposes for those affected by a proposal (trustees of the school, diocese or relevant diocesan board, any other relevant faith body, parents etc.).

This guidance is relevant to all categories of maintained schools (as defined in section 20 of the [School Standards and Framework Act \(SSFA\) 1998](#)), unless explicitly stated. It is not relevant to [Pupil Referral Units](#). Separate advice [on making significant changes to an academy](#) and [opening and closing a maintained school](#) is available.

Please refer to the '[Further Information](#)' section for the full website address should you be unable to access documents via the hyperlinks provided.

## Terminology

Definitions of common terms used in this guidance:

**Schools with a religious character** - All schools designated as having a religious character in accordance with the [SSFA](#).

**Foundation Trust** - For the purpose of this guidance the term 'foundation trust' refers to a foundation complying with the requirements set out in section 23A of the SSFA.

**Parent(s)** - The Education Act 1996 defines 'parent' as including someone who has care of, or legal responsibility for, the child. Therefore, a parent can include, for example, a grandparent, other family member or foster carer if they have care of or responsibility for the child.

## Main points

- All proposals for prescribed alterations must follow the processes set out in this guidance.
- Where a LA proposes to expand a school that is eligible for intervention as set out in Section 59 of the [Education and Inspections Act 2006](#), they should copy the proposal to the relevant [Regional Schools Commissioner \(RSC\)](#) at the point of publication.
- To enable the department to monitor potentially contentious proposals, the proposer should copy any proposal, which falls within the definitions set out in [part 3](#), to the School Organisation mailbox as soon as it is published [schoolorganisation.notifications@education.gov.uk](mailto:schoolorganisation.notifications@education.gov.uk).
- LAs and GBs proposing to make a significant change to a school which has been designated as having a religious character should engage the trustees of the school, and in the case of Church schools the diocese or relevant

diocesan board, or any other relevant faith body, where appropriate at the earliest opportunity.

- Where a LA is the decision maker, it must make a decision within a period of two months of the end of the representation period. Where a decision is not made within this time frame, the LA must refer the proposal to the Schools Adjudicator for a decision.
- It is not possible for any school to gain, lose or change religious character through a change of category. Information on the process to be followed is available in the [opening and closing maintained schools guidance](#).
- Once a decision has been made the proposer (GB or LA) must make the necessary changes to the school's record in the department's system [Get Information About Schools](#) (GIAS) by the date the change is implemented.
- Where a school wishes to change their name, the GB will need to amend the Instrument of Government in line with regulation 30 of [The School Governance \(Constitution\) \(England\) Regulations 2012](#). Once that is done, either the school or the LA will need to update the school record in the department's GIAS system.

## 2: Prescribed alteration changes

### Enlargement of premises (expansion)

Under section 14 of the [Education Act 1996](#), LAs have a statutory duty to ensure that there are sufficient schools for primary and secondary education in their areas. The department expects LAs to manage the school estate efficiently and to reduce or find alternative uses for surplus capacity (for example, increasing the provision of early education and childcare) to avoid detriment to schools' educational offer or financial position. LAs are encouraged to consider the use of modular construction solutions for any physical building expansion and to consider all options for the reutilisation of space including via remodelling, amalgamations, or closure where this would be the best course of action.

Where additional places are needed, including where there is a local demand for a particular category of places (for example in schools designated as having a religious character), the LA can propose an enlargement of the capacity<sup>1</sup> of premises.

The statutory process should be followed to enlarge premises as set out in the [Prescribed Alterations Regulations](#) (see [part 5](#)) if:

- the proposed enlargement is permanent (longer than three years) and **would increase the capacity of the school** by:
  - more than 30 pupils; **and**
  - 25% or 200 pupils (whichever is the lesser).
- the proposal involves making permanent any temporary enlargement (which was intended to be in place for no more than three years) that meets the above threshold.

GBs of all categories of mainstream schools and LAs can propose small scale expansions that do not meet the thresholds above without the need to follow the formal statutory process in [part 4](#). In many cases this can be achieved solely by increasing the school's published admissions number<sup>2</sup> (PAN); please see the [School Admissions Code](#). The thresholds do not, however, apply to special schools. Details of how special schools can increase their intake<sup>3</sup> are covered below.

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<sup>1</sup> Net capacity as calculated using the DfE Guidance Assessing the Net Capacity of Schools (2002).

<sup>2</sup> All admission authorities must set a published admission number (PAN) for each 'relevant age group' when they determine their admission arrangements. So, if a school has an admissions number of 120 pupils for Year 7, that is its PAN.

<sup>3</sup> The number of pupils admitted into the school at a particular time

## Examples of when mainstream schools would/would not need to publish 'enlargement' proposals

A secondary school with a capacity of 750 (5 form of entry - 30 pupils per class, 5 year groups) **could** enlarge its premises to add 1 form of entry (30 extra pupils x 5 year groups = increase of 150 pupils) bringing the capacity to 900 pupils, **without** having to publish statutory proposals. Although the increase would be by 'more than 30' pupils, it is less than '200', and also less than '25%' of the current capacity (i.e. by less than 187).

A small primary school with a capacity of 50 **could** enlarge its premises to increase its capacity by up to 29 pupils **without** having to publish statutory proposals, because although it would be more than '25%', it is less than 30.

A school of any size enlarging its premises to enable it to add 300 places **would** need to follow the statutory process as the increase would be **both** 'more than 30' **and** '200' (it may or may not be more than '25%' but that is irrelevant if the 200 threshold would be met).

A primary school with a capacity of 210 enlarging its premises to enable it to add 105 places (1.5 forms of entry 45 x 7 = 315), **would** need to follow the statutory process as the increase would be 'more than 30' and **more than** '25%' (it would be less than 200 but this is irrelevant as the 25% threshold would be met).

## The quality of new places created through expansion

We expect LAs to consider a range of performance indicators and financial data, before deciding whether a school should be expanded. Where schools are underperforming, we would not expect them to expand, unless there is a strong case that this would help to raise standards. We expect LAs to create new places in schools that have an overall Ofsted rating of 'good' or 'outstanding'. If, however, there are no other feasible ways to create new places in the area, the LA should notify their Pupil Places Planning adviser<sup>4</sup>. In cases where there is a proposal to expand a school that is rated inadequate, the LA should also send a copy of the proposal to the [relevant RSC](#) so that they can ensure appropriate intervention strategies are in place.

The table below sets out who can propose an enlargement of premises and what process must be followed:

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<sup>4</sup> [Advisers.PPP@education.gov.uk](mailto:Advisers.PPP@education.gov.uk)

Proposer	Type of proposal	Process	Decision-maker	Right of appeal to the adjudicator
LA for community	Enlargement of premises that meets the threshold	Statutory process	LA	CofE Diocese RC Diocese
LA for voluntary or foundation	Enlargement of premises that meets the threshold	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees
LA for voluntary and foundation	Enlargement of premises (below the threshold)	Non statutory process	LA	N/A
GB of all categories mainstream	Enlargement of premises (below the threshold)	Non statutory process	GB	N/A

## Expansion onto an additional site (or 'satellite sites')

Where proposers seek to expand onto an additional site they will need to ensure that the new provision is genuinely a change to an existing school and not in reality the establishment of a new school. Where a LA decides that a new school is needed to meet basic need, they should refer to the [guidance for opening new schools](#).

Decisions about whether a proposal represents a genuine expansion will need to be taken on a case-by-case basis, but proposers and decision makers will need to consider this non-exhaustive list of factors which are intended to expose the extent to which the new site is integrated with the existing site, and the extent to which it will serve the same community as the existing site:

### The reasons for the expansion

- What is the rationale for this approach and this particular site?

### Admission and curriculum arrangements

- How will the new site be used (e.g. which age groups/pupils will it serve)?
- What will the admission arrangements be?
- Will there be movement of pupils between sites?

## Governance and administration

- How will whole school activities be managed?
- Will staff be employed on contracts to work on both sites? How frequently will they do so?
- What governance, leadership and management arrangements will be put in place to oversee the new site (e.g. will the new site be governed by the same GB and the same school leadership team)?

## Physical characteristics of the school

- How will facilities across the two sites be used (e.g. sharing of the facilities and resources available at the two sites, such as playing fields)?
- Is the new site in an area that is easily accessible to the community that the current school serves?

The purpose of considering these factors is to determine the level of integration between the two sites; the more integration, the more likely the change will be considered as an expansion.

LAs should copy any proposal to expand a school onto a satellite site to [schoolorganisation.notifications@education.gov.uk](mailto:schoolorganisation.notifications@education.gov.uk) for monitoring purposes.

## Expansion of existing grammar schools

Legislation prohibits the establishment of new grammar schools<sup>5</sup>. Expansion of any existing grammar school onto a satellite site can only happen if the new site is genuinely part of the existing school. Decision-makers must consider the factors listed above when deciding if an expansion is a legitimate enlargement of an existing school.

## Changes to the published admissions number (PAN) where an enlargement of premises has not taken place

Admission authorities<sup>6</sup> must set a PAN for each 'relevant age group' when determining their admission arrangements. If an admission authority of a mainstream school wishes to increase or decrease PAN, without increasing the overall physical

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<sup>5</sup> Except where a grammar school is replacing one or more existing grammar schools

<sup>6</sup> The LA in the case of community and voluntary controlled (VC) schools or the GB in the case of voluntary aided (VA) and foundation schools



capacity of the buildings, this would be classed as an admissions change, not a prescribed alteration. The statutory process described in this guidance would not need to be followed (please see the [School Admissions Code](#) for further details of the processes admission authorities must follow).

## Change in number of pupils in a special school

The School Admissions Code does not apply to special schools. GBs of all categories of special school, and LAs for community special schools, may seek to increase the number of places by following the statutory process in [part 5](#), if the increase is by:

- 10%; or
- 20 pupils (or 5 pupils if the school is a boarding-only school),

(whichever is the smaller number).

The exception to this is where a special school is established in a hospital.

GBs of all categories of special school, and LAs for community special schools, may seek to decrease the number of pupils, by following the statutory process in [part 5](#).

The table below sets out who can propose a change in the number of pupils in a special school and what process must be followed:

Proposer	Type of proposal	Process	Decision-maker	Right of appeal to the adjudicator
GB foundation special	Increase by 10% or 20 pupils (5 for boarding special) or decrease numbers	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees
GB community special	Increase by 10% or 20 pupils (5 for boarding special) or decrease numbers	Statutory process	LA	CofE Diocese RC Diocese
LA for community special and foundation special	Increase by 10% or 20 pupils (5 for boarding special)	Statutory process	LA	CofE Diocese RC Diocese

Proposer	Type of proposal	Process	Decision-maker	Right of appeal to the adjudicator
LA for foundation special	Increase by 10% or 20 pupils (5 for boarding special)	Statutory process	LA	GB/Trustees
LA for community special	Decrease of numbers	Statutory process	LA	CofE Diocese RC Diocese

## Change of age range

For changes that are expected to be in place for more than 2 years (as these are considered permanent increases):

**LAs** can propose:

- a change of age range of up to 2 years (except for adding or removing a sixth form) for voluntary and foundation schools by following the non-statutory process, see [part 4](#).
- a change of age range of 1 year or more for community schools (including the adding or removal of sixth form or nursery provision) and community special schools or alter the upper age limit of a foundation or voluntary school to add sixth form provision by following the statutory process, see [part 5](#).

**GBs** of foundation and voluntary schools can propose:

- an age range change of up to 2 years (except for adding or removing a sixth form) by following the non-statutory process, see [part 4](#).
- an age range change of 3 years or more (including adding or removing a sixth form) by following the statutory process, see [part 5](#).

Before making such a proposal, the GB should consult with LAs, and where the school is designated as having a religious character the trustees of the school, dioceses or relevant diocesan boards, or any other relevant faith body, to understand the place management needs of the area.

**GBs** of community schools can propose the alteration of their upper age limit to add sixth form provision following the statutory process, see [part 5](#).

**GBs** of community special and foundation special schools can propose a change of age range of 1 year or more following the statutory process, see [part 5](#).

Where a proposed age range change would also require an expansion of the school's premises, the LA or GB must also ensure that they act in accordance with the requirements for proposals for the [enlargement of premises](#).

In cases where the age-range of the school has changed, this should be altered on GIAS. For example if the age-range is changed so that the school no longer caters for pupils below compulsory school age, the lower age range of the school would need to be increased so as not to include that age group.

The table below sets out who can propose a change of age range and what process must be followed:

Proposer	Type of proposal	Process	Decision-maker	Right of appeal to the adjudicator
LA for voluntary and foundation	Alteration of upper or lower age range of up to 2 years (excluding adding or removing a sixth form)	Non statutory process	LA	NA
GB of voluntary and foundation	Alteration of upper or lower age range by up to 2 years (excluding adding or removing a sixth form)	Non statutory process	GB	N/A
GB of voluntary and foundation	Alteration of upper or lower age range by 3 years or more	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees
LA for community and community special	Alteration of upper or lower age range by 1 year or more (for community schools including the adding or removal of sixth form or nurse provision)	Statutory process	LA	CofE Diocese RC Diocese
GB foundation special	Alteration of upper or lower age range by one year or more	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees
GB community special	Alteration of upper or lower age range by one year or more	Statutory process	LA	CofE Diocese RC Diocese
LA for community	Alteration of upper age range so as to add or	Statutory process	LA	CofE Diocese RC Diocese

Proposer	Type of proposal	Process	Decision-maker	Right of appeal to the adjudicator
	remove sixth form provision			
LA for voluntary and foundation	Alteration of upper age range so as to add sixth form provision	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees
GB of voluntary and foundation	Alteration of upper age range so as to add sixth form provision	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees
GB of community	Alteration of upper age range so as to add sixth form provision	Statutory process	LA	CofE Diocese RC Diocese
GB of voluntary and foundation	Alteration of upper age range so as to remove sixth form provision	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees

## Adding a sixth form

The department wants to ensure that all temporary (which is anticipated will be in place for no more than 2 years) and permanent provision is of the highest quality and provides genuine value for money. There is a departmental expectation that proposals for the addition of sixth form provision will only be put forward for secondary schools that are rated as 'good' or 'outstanding' by Ofsted. Proposers should also consider the supply of other local post-16 provision in the area and assess if there is a genuine need for the additional provision.

In deciding whether new sixth form provision would be appropriate, proposers and decision makers should consider the following guidelines:

- **Quality:** The quality of pre-16 education must be good or outstanding (as rated by Ofsted) and the school must have a history of positive Progress 8 scores (above 0);
- **Size:** The proposed sixth form will provide at least 200 places and there should be sufficient demand for those places;
- **Subject Breadth:** The proposed sixth form should - either directly or through partnership - offer a minimum of 15 A level subjects. LAs may wish to consider the benefits of delivering a broader A level curriculum through

partnership arrangements with other school sixth forms. Working with others can offer opportunities to:

- Improve choice and attainment for pupils
- Deliver new, improved or more integrated services
- Make efficiency savings through sharing costs
- Develop a stronger, more united voice
- Share knowledge and information.

Schools proposing a partnership arrangement must include evidence of how this will operate on a day-to-day basis, including timetabling and the deployment of staff;

- **Demand:** There should be a clear demand for additional post-16 places in the local area (including evidence of a shortage of post-16 places and a consideration of the quality of Level 3 provision in the area). The proposed sixth form should not create excessive surplus places or have a detrimental effect on other high quality post-16 provision in the local area;
- **Financial viability:** The proposed sixth form should be financially viable (there must be evidence of financial resilience should student numbers fall). The average class size should be at least 15, unless there is a clear educational argument to run smaller classes – for example to build the initial credibility of courses with a view to increasing class size in future.

Not all changes in age range to add a sixth form will necessitate a change to the school's admissions arrangements, for example a school may set up sixth form provision solely for its own pupils. However, if the intention is to also admit external applicants to the sixth form the school will need to adopt a sixth form PAN and may also wish to add academic entry requirements on changing its age-range.

The addition of post-16 provision requires a change of age-range, therefore, where a decision-maker is considering a proposal to add post-16 provision, they should refer to the section on changing an age range.

## Closing an additional site

For foundation and voluntary schools that are already operating on a satellite site(s), GBs must follow the statutory process in [part 5](#) if they are proposing the closure of one or more sites, where the main entrance at any of the school's remaining sites is one mile or more from the main entrance of the site which is to be closed. The LA may make such a proposal for a community school following the statutory process in [part 5](#).

The table below sets out who can propose the closure of an additional site and what process must be followed:

Proposer	Type of proposal	Process	Decision-maker	Right of appeal to the adjudicator
LA for community	Closure of one or multiple sites	Statutory process	LA	CofE Diocese RC Diocese
GB voluntary or foundation	Closure of one or multiple sites	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees

## Transfer to a new site

Where the main entrance of the proposed new site for a school would be more than two miles from the main entrance of the current school site, or if the proposed new site is within the area of another LA:

- **LAs** can propose the transfer to an entirely new site for community schools, community special schools and maintained nursery schools following the statutory process in [part 5](#).
- **GBs of voluntary, foundation, foundation special and community special** schools can also propose a transfer to a new site following the statutory process in [part 5](#).

The table below sets out who can propose a transfer to a new site and what process must be followed:

Proposer	Type of proposal	Process	Decision-maker	Right of appeal to the adjudicator
LA for community, community special and maintained nursery	Transfer to new site	Statutory process	LA	CofE Diocese RC Diocese
GB voluntary foundation or foundation special	Transfer to new site	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees
GB community special	Transfer to new site	Statutory process	LA	CofE Diocese RC Diocese

## Changes of category

**GBs** of all categories of maintained schools, apart from GBs of foundation special schools, may propose to change category by following the statutory process. The [addition or removal of a foundation](#) is described in [part 6](#). Where GBs are proposing a change of category covering a change in provision (e.g. from mainstream to special school) they are encouraged to seek advice by emailing [schoolorganisation.notifications@education.gov.uk](mailto:schoolorganisation.notifications@education.gov.uk).

For a proposal to change the category of a school to voluntary-aided, the decision-maker should be satisfied that the GB and/or the foundation are able and willing to meet their financial responsibilities for building work. The decision-maker may wish to consider whether the GB has access to sufficient funds to enable it to meet 10% of its capital expenditure for at least five years from the date of implementation, taking into account anticipated building projects.

Guidance on adding or changing a designated religious character can be found in the [Opening and closing maintained schools](#) guidance.

The table below sets out who can propose a change of category and what process must be followed:

Proposer	Type of proposal	Process	Decision-maker	Right of appeal to the adjudicator
GB of voluntary	VC to VA VA to VC	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees
GB of voluntary	VC or VA to foundation school VC or VA to foundation school and acquire a foundation VC or VA to foundation school, acquire a foundation and majority foundation governors on GB	Statutory process	GB	For proposals at a VA school when decided by the GB: LA CofE Diocese RC Diocese
GB of foundation	Foundation school to VC or VA	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees

Proposer	Type of proposal	Process	Decision-maker	Right of appeal to the adjudicator
GB of foundation	Acquire foundation Acquire a majority of foundation governors on the GB Removal of foundation and/or reduction in majority of foundation governors on GB	Statutory process	GB	N/A
GB of community	Community to VC or VA	Statutory process	LA	CofE Diocese RC Diocese
GB of community	Community to foundation school Community to foundation school and acquire foundation Community to foundation school and acquire majority of foundation governors on GB	Statutory process	GB	N/A
GB of foundation special	Remove foundation and/or reduce majority of foundation governors on GB	Statutory process	GB	N/A

### Single sex school becoming co-educational (or vice versa)

Proposers can seek to change their school from single sex to co-educational (or vice versa) when they can show that this would better serve their local community. A co-educational school cannot change its nursery or post-16 provision to single sex.

When making a decision, LAs will need to consider the demand for and balance of school places for boys and girls in line with the [Equality Act 2010](#).



The table below sets out who can change a school from single sex to co-educational (or vice versa) and what process must be followed:

Proposer	Type of proposal	Process	Decision-maker	Right of appeal to the adjudicator
LA for community or community special	To co-ed or single sex provision	Statutory process	LA	CofE Diocese RC Diocese
GB of foundation. foundation special or voluntary	To co-ed or single sex provision	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees
GB of community special	To co-ed or single sex provision	Statutory process	LA	CofE Diocese RC Diocese

### Mainstream school: establish/remove/alter special educational needs (SEN) provision

When considering any reorganisation of provision that the LA recognises as reserved for pupils with special educational needs, including that which might lead to children being displaced, proposers will need to demonstrate how the proposed alternative arrangements are likely to lead to improvements in the standard, quality and/or range of educational provision for those children.

The table below sets out who can propose to establish, remove or alter SEN provision and what process must be followed:

Proposer	Type of proposal	Process	Decision-maker	Right of appeal to the adjudicator
LA for community	Establish, remove or alter SEN provision	Statutory process	LA	CofE Diocese RC Diocese
LA for voluntary and foundation	Establish or remove SEN provision	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees
GB of foundation	Establish, remove or alter SEN provision	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees

Proposer	Type of proposal	Process	Decision-maker	Right of appeal to the adjudicator
and voluntary				

## Change the types of need catered for by a special school

The table below sets out who can propose a change to the type of need catered for by a special school and what process must be followed:

Proposer	Type of proposal	Process	Decision-maker	Right of appeal to the adjudicator
LA for community special	Change designation and categories of SEN provision	Statutory process	LA	CofE Diocese RC Diocese
LA for foundation special	Change designation and categories of SEN provision	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees
GB of community special	Change designation and categories of SEN provision	Statutory process	LA	CofE Diocese RC Diocese
GB of foundation special	Change designation and categories of SEN provision	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees

## Boarding provision

The introduction of boarding provision can require the statutory process to be followed (depending on the type of school in question – see table below). LAs and GBs will need to consider how the Prescribed Alterations Regulations apply in conjunction with this guidance and, where there is any doubt, seek independent legal advice, as the department cannot advise on individual cases.

**LAs** can propose for:

- community schools; the establishment, removal or alteration (decrease by 50 pupils or 50% whichever is the greater) of boarding provision by following the statutory process in [part 5](#).

- community special schools; the establishment, removal or alteration (increase or decrease by 5 places or more where there are both day and boarding places) of boarding provision following the statutory process in [part 5](#).

**GBs** of voluntary and foundation schools can propose the establishment or increase of boarding provision following the non-statutory process in [part 4](#) and the removal or alteration (decrease by 50 pupils or 50% whichever is the greater) of boarding provision by following the statutory process in [part 5](#).

**GBs** of special schools can add or remove boarding provision or, where the school makes provision for day and boarding pupils, can increase or decrease boarding provision by five pupils or more following the statutory process in [part 5](#).

The table below sets out who can propose to establish, change or remove boarding provision and what process must be followed:

Proposer	Type of proposal	Process	Decision-maker	Right of appeal to the adjudicator
LA for community	Add, remove or change (decrease by 50 pupils or 50% whichever is greater) boarding provision	Statutory process	LA	CofE Diocese RC Diocese
LA for community special	Add, remove or change (increase or decrease by 5 pupils or more) boarding provision	Statutory process	LA	CofE Diocese RC Diocese
GB of foundation or voluntary	Add boarding provision	Non-statutory process	GB	N/A
GB of foundation or voluntary	Remove or change (decrease by 50 pupils or 50% whichever is greater) boarding provision	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees
GB of foundation special	Add, remove or change (increase or decrease by 5 pupils or more) boarding provision	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees
GB of community special	Add, remove or change (increase or decrease by 5 pupils or more) boarding provision	Statutory process	LA	CofE Diocese RC Diocese

In making a decision on a proposal to remove boarding provision from a school, the decision-maker should consider whether there is a state funded boarding school within reasonable distance from the school and whether there are satisfactory alternative boarding arrangements for those currently in the school and those who may need boarding places in the foreseeable future, including the children of service families.

## Remove selective admission arrangements at a grammar school

The table below sets out who can propose the removal of selective admission arrangements<sup>7</sup> and what process must be followed:

Proposer	Type of proposal	Process	Decision-maker	Right of appeal to the adjudicator
GB of voluntary or foundation	Remove selective admission arrangements	Statutory process	LA	CofE Diocese RC Diocese GB/Trustees
GB of community	Remove selective admission arrangements	Statutory process	LA	CofE Diocese RC Diocese

## Amalgamations

The LA and/or GB (depending on school category) can publish a proposal to close one school (or more) and enlarge/change the age range/transfer site (following the statutory process as/when necessary) of an existing school, to accommodate the displaced pupils. The remaining school would retain its original school number, as it is not a new school, even if its phase has changed.

Alternatively, LAs may propose to close all the schools involved and replace them with a new school. For more information, please consult the separate guidance on [opening and closing a maintained school](#).

<sup>7</sup> In accordance with s.109 (1) of the School Standards and Frameworks Act 1998

### 3: Contentious proposals

When proposing changes, LA's and GBs should act reasonably, and in line with the principles of public law, to ensure that the changes do not have a negative impact on the education of pupils in the area.

To enable the department to monitor potentially controversial proposals, LAs and GBs should notify [schoolorganisation.notifications@education.gov.uk](mailto:schoolorganisation.notifications@education.gov.uk) of the publication of any proposals which would:

- involve [expansion onto a separate 'satellite' site](#); or
- where objections have been raised that the proposed change could potentially undermine the quality of education in the local area by creating additional places where there is surplus capacity.

## 4: Changes that can be made outside of the statutory process

LAs and GBs of mainstream maintained schools can make limited changes (see [part 2](#) for the exact detail) to their schools without following a statutory process, including some temporary changes; they are nevertheless required to adhere to the usual principles of public law. They MUST:

- act rationally;
- take into account all relevant and no irrelevant considerations; and
- follow a fair procedure.

The department expects that in making these changes, LAs and GBs will work together and will:

- liaise with the trustees of the school, and in the case of schools designated as having a religious character the diocese or relevant diocesan board, or any other relevant faith body, to ensure that a proposal is aligned with wider place planning/organisational arrangements, and that any necessary consents have been gained;
- not undermine the quality of education provided or the financial viability of other 'good' and 'outstanding' schools in the local area;
- not create additional places in a local planning area where there is already surplus capacity in schools, taking the quality and diversity of the provision into account as well as cross boundary impacts; and
- ensure open and fair consultation with parents, any affected educational institutions in the area (e.g. primary, secondary, special schools, sixth form and FE colleges as required) and other interested parties. The [consultation principles guidance](#) can be referenced for examples of good practice.

Before making any changes GBs should ensure that:

- they have consulted with the LA to ensure the proposal is aligned with local place planning arrangements
- they have secured any necessary funding;
- they have identified suitable accommodation and sites;

- they have secured planning permission and/or agreement on the transfer of land where necessary<sup>8</sup>. The proposal can be approved subject to planning permission being granted;
- they have the consent of the site trustees or other land owner where the land is not owned by the GB;
- where a school is designated as having a religious character, they have the consent of the trustees of the school, the diocese or relevant diocesan board, or any other relevant faith body, where appropriate; and
- the admissions authority is content for the published admissions number (PAN) to be changed where this forms part of expansion plans, in accordance with the School Admissions Code.

Once a decision on the change has been made, the proposer (i.e. LA or GB) is responsible for making arrangements for the necessary changes to be made to the school's record in the department's [GIAS](#) system. These changes must be made no later than the date of implementation for the change and can be input in advance, once a decision is made.

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<sup>8</sup> Including, where necessary, approval from the Secretary of State for change to the use of playing field land under Section 77(1) of the SSFA 1998.

## 5: Statutory process: prescribed alterations

The statutory process for making prescribed alterations to schools has four stages:

Stage	Description	Timescale	Comments
Stage 1	Publication (statutory proposal/notice)		
Stage 2	Representation (formal consultation)	Must be 4 weeks	As set out in the 'Prescribed Alterations' regulations
Stage 3	Decision	LA should decide a proposal within 2 months otherwise it will fall to the Schools Adjudicator	Any appeal to the adjudicator must be made within 4 weeks of the decision
Stage 4	Implementation	No prescribed timescale	It must be as specified in the published statutory notice, subject to any modifications agreed by the decision-maker

Although there is no longer a statutory 'pre-publication' consultation period for prescribed alteration changes, there is a strong expectation that schools and LAs will consult interested parties in developing their proposal prior to publication, to take into account all relevant considerations. Schools should have the consent of the site trustees and where a school is designated as having a religious character the trustees of the school, the diocese or relevant diocesan board, or any other relevant faith body.

When considering making a prescribed alteration change, it is best practice to take timing into account, for example:

- by holding consultations and public meetings (either formal or informal) during term time, rather than school holidays and, where appropriate, extend the consultation period if it overlaps school holidays etc;
- plan where any public and stakeholder meetings are held to maximise response;
- take into account the admissions cycle for changes that will impact on the school's admission arrangements.



A number of changes can impact admissions necessitating reductions in PAN, new relevant age groups for admission or the adoption of revised admission criteria. Changes to admission arrangements can be made by the admission authority in one of two ways:

- the consultation on changing the admission arrangements (as set out in the [School Admissions Code](#)) takes place sufficiently in advance of a decision on the prescribed alteration so that the change to admissions can be implemented at the same time as the proposals; or
- a variation is sought, where necessary, in view of a major change in circumstances, from the [Schools Adjudicator](#) so that the changes to the admission policy can be implemented at the same time as the prescribed alteration is implemented.

Decision-makers should, so far as is possible, co-ordinate with the admission authority, if different, to ensure they avoid taking decisions that will reduce a PAN or remove a relevant age group for admission after parents have submitted an application for the following September (e.g. 31 October for secondary admissions or 15 January for primary admissions).

## Publication

A statutory proposal must contain sufficient information for interested parties to make a decision on whether to support or challenge the proposed change. [Annex A](#) sets out the minimum that this should include. The proposal should be accessible to all interested parties and should therefore use 'plain English'.

Where the proposal for one change is linked to another, this should be made clear in any notices published. Where a proposal by a LA is 'related' to a proposal by other proposers (e.g. where one school is to be enlarged because another is being closed) a single notice could be published.

The full proposal must be published on a website (e.g. the school or LA's website) along with a statement setting out:

- how copies of the proposal may be obtained;
- that anybody can object to, or comment on, the proposal;
- the date that the representation period ends; and
- the address to which objections or comments should be submitted.

A brief notice (including details on how the full proposal can be accessed e.g. the website address) must be published in a local newspaper. If the proposal is published by a GB then notification must also be posted in a conspicuous place on the school premises and at all of the entrances to the school.

Within one week of the date of publication on the website, the proposer must send a copy of the proposal and the information set out in the paragraph above to:

- the GB/LA (as appropriate);
- the parents of every registered pupil at the school - where the school is a special school;
- if it involves or is likely to affect a school which has been designated as having a religious character:
  - the local Church of England diocese;
  - the local Roman Catholic diocese; or
  - the relevant faith group in relation to the school;
- proposals affecting a special school should go to any LA that has commissioned a place at the school (i.e. all relevant authorities who have made an out of county/borough placement there); and
- any other body or person that the proposer thinks is appropriate e.g. any affected educational institutions in the area.

Within one week of receiving a request for a copy of the proposal, the proposer must send a copy to the person requesting it.

There is no maximum limit on the time between the publication of a proposal and its proposed date of implementation. However, proposers will be expected to show good reason (for example an authority-wide reorganisation) if they propose a timescale longer than three years.

## **Representation (formal consultation)**

The representation period must last for four weeks from the date of the publication. During this period, any person or organisation can submit comments on the proposal to the LA to be taken into account by the decision-maker. It is also good practice for representations to be forwarded to the proposer to ensure that they are aware of local opinion.

## Decision

The LA will be the decision-maker in all cases except where a proposal is 'related' to another proposal that must be decided by the [Schools Adjudicator](#)<sup>9</sup>.

Decision-makers will need to be satisfied that the appropriate fair and open local consultation and/or representation period has been carried out and that the proposer has given full consideration to all the responses received. Decision-makers should not simply take account of the numbers of people expressing a particular view. Instead, they should give the greatest weight to responses from those stakeholders likely to be most affected by a proposal – especially parents of children at the affected school(s).

Decisions must be made within a period of two months of the end of the representation period or they must be referred to the Schools Adjudicator.

When issuing a decision, the decision-maker can:

- reject the proposal;
- approve the proposal without modification;
- approve the proposal with modifications, having consulted the LA and/or GB (as appropriate); or
- approve the proposal, with or without modification – subject to certain conditions<sup>10</sup> (such as the granting of planning permission) being met.

A proposal can be withdrawn by the proposer at any point before a decision is taken. When doing so, the proposer must send written notice to the LA or the GB (as appropriate); or the Schools Adjudicator (if the proposal has been sent to them). A notice must also be placed on the website where the original proposal was published.

Within one week of making a decision the LA must publish their decision and the reasons for it, on the website where the original proposal was published and send copies to:

- the LA (where the Schools Adjudicator is the decision-maker);
- the Schools Adjudicator (where the LA is the decision-maker);

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<sup>9</sup> For example where a change is conditional on the establishment of a new school under section 10 or 11 of EIA 2006 (where the Schools Adjudicator may be the default decision maker).

<sup>10</sup> The prescribed events are those listed in paragraph 8 of Schedule 3 to the Prescribed Alterations Regulations.

- the GB/proposers (as appropriate);
- the trustees of the school (if any);
- the local Church of England diocese;
- the local Roman Catholic diocese;
- the parents of every registered pupil at the school – where the school is a special school; and
- any other body that they think is appropriate (e.g. other relevant diocese or diocesan board, faith organisation and any affected educational institutions in the area).

If the [Schools Adjudicator](#) is the decision-maker they must notify the persons above of their decision, together with the reasons, within one week of making the decision. Within one week of receiving this notification the LA must publish the decision, with reasons, on the website where the original proposal was published.

## Related proposals

Where proposals appear to be related to other proposals, the decision-maker must consider the related proposals together. A proposal should be regarded as related if its implementation (or non-implementation) would prevent or undermine the effective implementation of another proposal.

## Conditional approval

For many types of proposal, decision-makers may make their approval conditional on certain prescribed kinds of events<sup>11</sup>. The decision-maker must set a date by which the condition should be met but can modify the date if the proposer confirms, before the date expires, that the condition will be met later than originally thought.

The proposer should inform the decision-maker when a condition is met. If a condition is not met by the date specified, the proposal should be referred back to the decision-maker for fresh consideration.

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<sup>11</sup> Under paragraph 8 of Schedule 3 to the Prescribed Alterations Regulations

## Education standards and diversity of provision

Decision-makers should consider the quality and diversity of schools in the relevant area and whether the proposal will meet or affect the needs of parents, raise local standards and narrow attainment gaps.

## Equal opportunities issues

The decision-maker must comply with the Public Sector Equality Duty (PSED), which requires them to have 'due regard' to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it; and
- foster good relations between people who share a relevant protected characteristic and people who do not share it.

Further information on the considerations can be found on the [Equality and Human Rights Commission](#) website.

## Community cohesion

Schools have a key part to play in providing opportunities for young people from different backgrounds to learn with, from, and about each other; by encouraging through their teaching, an understanding of, and respect for, other cultures, faiths and communities. When considering a proposal, the decision-maker should consider its impact on community cohesion. This will need to be considered on a case-by-case basis, taking account of the community served by the school and the views of different groups within the community.

## Travel and accessibility

Decision-makers should satisfy themselves that accessibility planning has been properly taken into account and the proposed changes should not adversely impact on disadvantaged groups.

The decision-maker should bear in mind that a proposal should not unreasonably extend journey times or increase transport costs, or result in too many children being prevented from travelling sustainably due to unsuitable walking or cycling routes. A proposal should also be considered on the basis of how it will support and contribute to the LA's duty to promote the use of sustainable travel and transport to school.

Further information is available in the statutory [Home to school travel and transport guidance](#) for LAs.

## Funding

The decision-maker should be satisfied that any necessary funding required to implement the proposal will be available and that all relevant local parties (e.g. trustees of the school, diocese or relevant diocesan board) have given their agreement. A proposal **cannot** be approved conditionally upon funding being made available.

Where proposers are relying on the department as the source of capital funding, there can be no assumption that the approval of a proposal will trigger the release of capital funds from the department, unless the department has previously confirmed in writing that such resources will be available; nor can any allocation 'in principle' be increased. In such circumstances the proposal should be rejected, or consideration deferred until it is clear that the capital necessary to implement the proposal will be provided.

## Rights of appeal against a decision

The following bodies may appeal to the Schools Adjudicator against a decision made by a LA decision-maker, within four weeks of the decision being made:

- the local Church of England diocese;
- the local Roman Catholic diocese; and
- the governors and trustees of a foundation, foundation special or voluntary school that is subject to the proposal.

On receipt of an appeal, a LA decision-maker must then send the proposal, representations received and the reasons for their decision to the Schools Adjudicator within one week of receipt. There is no right of appeal on determinations made by the Schools Adjudicator.

## Implementation

The proposer must implement a proposal in the form that it was approved, taking into account any modifications made by the decision-maker.

## **Modification post determination**

Proposers can seek modifications from the decision-maker before the approved implementation date. However, proposals cannot be modified to the extent that new proposals are substituted for those that have been published.

Details of the modification must be published on the website where the original proposals were published.

## **Revocation of proposals**

If the proposer no longer wants to implement an approved proposal, they must publish a revocation proposal to be relieved of the duty to implement, as set out in the Prescribed Alterations Regulations.

## **Land and buildings**

### **Foundation, foundation special or voluntary controlled schools**

Where a LA is required to provide a site for a foundation, foundation special or voluntary controlled school, the LA must<sup>12</sup>:

- transfer their interest in the site and in any buildings on the site which are to form part of the school's premises to the trustees of the school, to be held by them on trust for the purposes of the school; or
- if the school has no trustees, to the GB, to be held by that body for the purposes of the school.

In the case of a dispute as to the persons to whom the LA is required to make the transfer, the adjudicator will make a decision.

### **Voluntary aided schools**

Where a LA is required to provide a site for a voluntary aided school, they must transfer their interest in the land to the trustees of the school, and must pay the reasonable costs to the GB in connection with the transfer.

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<sup>12</sup> Under paragraph 17 of schedule 3 of the Prescribed Alterations Regulations

## School premises and playing fields

Under the School Premises (England) Regulations 2012, all schools maintained by local authorities are required to provide suitable outdoor space in order to enable physical education to be provided to pupils in accordance with the school curriculum; and for pupils to play outside safely.

[Guidelines](#) setting out suggested areas for pitches and games courts are in place although the department has been clear that these are non-statutory.



## 6: Statutory process: foundation proposals

### Changing category to foundation, acquiring a foundation trust and/or acquiring a foundation majority

A 'foundation trust school' is a foundation school with a charitable foundation complying with the requirements set out in SSFA 1998<sup>13</sup>. These include that the foundation trust must have a charitable purpose of advancing education and must promote community cohesion.

The term 'acquire a foundation majority' means acquiring an instrument of government whereby the school's foundation trust has the power to appoint a majority of governors on the GB.

Where a school's GB considers changing category to foundation or acquiring a foundation trust and/or acquiring a foundation majority on the school's GB, the following five-stage statutory process must be followed:

Stage	Description	Timescale	Comments
Stage 1	Initiation		The GB considers a change of category to foundation/acquisition of a foundation trust/acquisition of a foundation majority
Stage 2	Publication		Having gained consent where appropriate
Stage 3	Representation (formal consultation)	Must be 4 weeks	As set out in the prescribed alteration regulations. The LA may refer a foundation trust proposal to the Schools Adjudicator during this period if it considers the proposal to have a negative effect on standards at the school
Stage 4	Decision	The GB must decide within 12 months of the date of publication	Unless the LA has referred the proposal to Schools Adjudicator at Stage 3
Stage 5	Implementation	No prescribed timescale	Must be as specified in the statutory notice, subject to any modifications agreed by the decision-maker

<sup>13</sup> Section 23A

## Initiation

For a proposal to change the category of a school to a foundation school, the GB should inform the LA in writing, at least seven days in advance of a meeting, if a motion to consult on a change of category proposal is to be discussed.

Before the GB can publish a proposal to change category from a voluntary school to a foundation school, the existing trustees and whoever appoints the foundation governors must give their consent.

## Publication

A statutory proposal must contain sufficient information for interested parties to make a decision on whether to support or challenge the proposed change. Part 1 of [Schedule 1 to the Prescribed Alterations Regulations](#) specifies the information that the statutory proposal must contain. Further details on the publication stage can be found in [Part 5](#).

## Representation (formal consultation)

The representation period starts on the date of the publication of the proposal and must last four weeks. During this period, any person or organisation can submit comments on the proposal to the GB, to be taken into account when the decision is made.

During the representation period, the LA has the power to require the referral of a proposal to acquire a foundation trust/foundation majority to the [Schools Adjudicator](#) for decision, if they consider it will have a negative impact on standards at the school.

The LA does not have this power in respect of a proposal solely to change the category to foundation<sup>14</sup>.

Where a proposal is referred to the [Schools Adjudicator](#), the GB must forward any objections or comments it has received to the Schools Adjudicator within one week of the end of the representation period.

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<sup>14</sup> However, where such a proposal is related to a proposal to acquire a trust, then the whole set of proposals will be referred to the Schools Adjudicator

## Decision

Unless a proposal has been referred to the Schools Adjudicator (as set out above), the GB will be the decision-maker and must make a decision on the proposal within 12 months of the date of publication of the proposal.

Where a proposal to acquire a foundation trust or a foundation majority is linked to a proposal to change category to a foundation school, they will be decided together.

When issuing a decision, the decision-maker can:

- reject the proposal;
- approve the proposal without modification;
- approve the proposal with modifications, having consulted the LA;
- approve the proposal with or without modifications but conditional upon:
  - the making of any scheme relating to any charity connected with the school; and
  - the establishment of a foundation<sup>15</sup>.

Where the LA has referred a proposal to acquire a foundation trust/foundation majority to the Schools Adjudicator for decision, any related proposal(s) (including a change of category to foundation) will also fall to be decided by the Schools Adjudicator.

Decision-makers should consider the impact of changing category to foundation school, and acquiring or removing a foundation trust on educational standards at the school. In assessing standards at the school, the decision-maker should take account of recent reports from Ofsted and a range of performance data. Recent trends in applications for places at the school (as a measure of popularity) and the local reputation of the school may also be relevant context for a decision.

If a proposal is not considered strong enough to significantly improve standards at a school that requires it, the decision maker should consider rejecting the proposal. Foundation trusts have a duty<sup>16</sup> to promote community cohesion, and decision-makers should carefully consider the foundation trust's plans for partnership working with other schools, agencies or voluntary bodies.

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<sup>15</sup> As defined in section 23A of the SSFA 1998

<sup>16</sup> Under section 23A(8) of the SSFA 1998

## Foundation schools acquiring a foundation trust

For foundation trust schools the decision-maker should be satisfied that the following criteria are met for the proposal to be approved:

- the proposal is not seeking for a school to alter, acquire, or lose a designated religious character. These alterations cannot be made simply by acquiring a foundation trust;
- the necessary work is underway to establish the foundation trust as a charity and as a corporate body; and
- that none of the foundation trustees are disqualified from exercising the function of foundation trustee, either by virtue of:
  - o disqualifications from working with children or young people;
  - o not having obtained a criminal record check certificate<sup>17</sup>;
  - o [Charities Act 2011](#)<sup>18</sup> which disqualify certain persons from acting as charity trustees.

### Suitability of partners

Decision-makers will need to be satisfied of the suitability of foundation trust partners and members. They should use their own discretion and judgement in determining on a case-by-case basis whether the reputation of a foundation trust partner is in keeping with the charitable objectives of a foundation trust, or could bring the school into disrepute. However, the decision-maker should make a balanced judgement, considering the suitability and reputation of the current/potential foundation trust.

The following sources may provide information on the history of potential foundation trust partners:

- [The Health and Safety Executive Public Register of Convictions](#)<sup>19</sup>
- [The Charity Commission's Register of Charities](#); and
- [The Companies House web check service](#).

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<sup>17</sup> Under section 113A of the Police Act 1997

<sup>18</sup> section 178 onwards

<sup>19</sup> Appearance on this database should not automatically disqualify a potential trust member; decision-makers will wish to consider each case on its merits

Within one week of making a decision the GB must publish a copy of the decision (together with reasons) on the website where the original proposal was published and send copies to:

- the LA;
- the local Church of England diocese; and
- the local Roman Catholic diocese.

Where a proposal has been decided by the GB and is to change the category of a VA school to foundation (with or without the acquisition of a foundation trust/foundation majority), the following bodies have the right of appeal to the [Schools Adjudicator](#)<sup>20</sup>:

- the LA;
- the local Church of England diocese(s); and
- the local Roman Catholic diocese(s).

## Conditional approval

For many types of proposal, decision-makers may make their approval conditional on certain prescribed kinds of events<sup>21</sup>. The decision-maker must set a date by which the condition should be met but can modify the date if the proposer confirms, before the date expires, that the condition will be met later than originally thought.

The proposer should inform the decision-maker when a condition is met. If a condition is not met by the date specified, the proposal should be referred back to the decision-maker for fresh consideration.

## Implementation

The GB must implement any approved proposal by the approved implementation date, taking into account any modifications made by the decision-maker.

Within one week of implementation, the GB must provide information to the Secretary of State<sup>22</sup> about foundation proposals that have been implemented. Copies of the statutory proposals and decision record should be submitted to

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<sup>20</sup> The specific circumstances in which a referral can be made are prescribed under paragraph 15 of Schedule 1 to the Prescribed Alterations Regulations

<sup>21</sup> under paragraph 16 of Schedule 1 to the Prescribed Alterations Regulations

<sup>22</sup> Paragraph 18 of Schedule 1 of the Prescribed Alterations Regulations

[schoolorganisation.notifications@education.gov.uk](mailto:schoolorganisation.notifications@education.gov.uk) in order for the school record to be updated on GIAS.

## **Modification post determination**

Modifications can be made to a proposal by the governing body after determination but before implementation.

## **Revocation**

If the proposer no longer wants to implement an approved proposal they must publish a revocation proposal to be relieved of the duty to implement, as set out in Paragraph 19 of Schedule 1 of the Prescribed Alterations Regulations.

## **Governance and staffing issues**

Schedule 4 of the Prescribed Alterations Regulations provides further information on the requirements about:

- the revision or replacement of the school's instrument of government;
- reconstitution or replacement of the GB;
- current governors continuing in office;
- surplus governors;
- transfer of staff; and
- transitional admission arrangements.

## **Land transfer issues**

Requirements as to land transfers, when a school changes category or acquires a foundation trust, are prescribed in Schedule 5 of the Prescribed Alterations Regulations.

## Removing a foundation trust and/or removing a foundation majority

There are five or six statutory stages (depending on the proposal and circumstances) to remove a foundation trust and/or to reduce a foundation majority. It may be triggered in two different ways – either by a majority or a minority of the GB:

Stage	Description	Timescale	Comments
Stage 1	Initiation		<p><b>Majority</b> A majority of governors considers publishing a proposal to remove a foundation trust/reduce the number of governors appointed by the foundation.</p> <p>or</p> <p><b>Minority</b> A minority (of not less than a third of the governors) notify the clerk of the GB of their wish to publish a proposal to remove a foundation trust/reduce the number of governors appointed by the foundation</p>
Stage 2	Land Issues  (applicable only to removal of trusts)	If not resolved within 3 months, disputes must be referred to the Schools Adjudicator	In cases of removing foundation trusts, the GB, trustees and the LA must resolve issues related to land and assets before a proposal is published
Stage 3	Consultation	<p><b>Majority</b> A minimum of 4 weeks is recommended.</p> <p>or</p> <p><b>Minority</b> No consultation required</p>	<b>Majority</b> It is for the GB to determine the length of consultation
Stage 4	Publication and representation	<p><b>Majority</b> 6 week representation period.</p> <p>or</p> <p><b>Minority</b></p>	

Stage	Description	Timescale	Comments
		Where there are no land or asset issues – publish within 3 months of receipt of notice by GB clerk – followed by a 6-week representation period. Where there are land issues, publish within 1 month of receipt of School Adjudicator’s determination – followed by a 6-week representation period	
Stage 5	Decision	Within 3 months	A proposal initiated by a minority of governors may not be rejected unless at least two-thirds of the GB are in favour of the rejection
Stage 6	Implementation	No prescribed timescale	But must be as specified in the statutory notice, subject to any modifications agreed by the decision-maker

## Initiation

A proposal for removing a foundation trust and/or removing a foundation majority can be triggered by:

- a) a majority<sup>23</sup> of the GB or a committee deciding to publish a proposal. The decision to publish must be confirmed by the whole GB at a meeting held at least 28 days after the meeting at which the initial decision was made; or
- b) at least one-third<sup>24</sup> of the governors requesting in writing to the clerk of the GB, that a proposal be published. No vote of the GB is required as they are obliged to publish a proposal. To prevent on-going challenges

<sup>23</sup> Regulation 4 of the Removal Regulations

<sup>24</sup> Regulation 5 of the Removal Regulations



there are a number of prescribed circumstances<sup>25</sup> in which there is no obligation to follow the wishes of the minority of governors.

### **Land and assets (when removing a foundation trust)**

Before publishing proposals to remove a foundation trust, the GB must reach agreement with the trustees and LA on issues relating to the school's land and assets. Where such issues remain unresolved within three months of the initial decision (majority) or receipt of notice by the clerk (minority), they must be referred to the [Schools Adjudicator](#) for determination.

On the removal of the foundation trust, all publicly provided land held by the foundation trust for the purposes of the school will transfer to the GB<sup>26</sup>. Where the land originated from private sources (for example, where land was gifted on trust), the land will transfer to the GB in accordance with a transfer agreement, providing for consideration to be paid by the GB to the foundation trust where appropriate. However, there may be land which has benefited from investment from public funds which remains with the trustees under the transfer agreement.

Alternatively, there may have been investment by trustees in the publicly provided land or from public funding in the land provided by the trustees. In either of these cases, it may be appropriate for either the trustees or the public purse to be compensated. The possibility of stamp duty land tax may also need to be taken into account.

The Schools Adjudicator will announce its determination in writing to both parties.

### **Consultation**

Where a minority of governors initiated the process, this stage does not apply.

Where a majority of governors initiated the process, before publishing a proposal the GB must consult:

- families of pupils at the school;
- teachers and other staff at the school;
- the trustees and, if different, whoever appoints foundation governors;
- the LA;

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<sup>25</sup> See regulation 5(4) of the Removal Regulations

<sup>26</sup> By virtue of regulation 17(1) of the Removal Regulations

- the GBs of any other foundation or foundation special schools maintained by the same LA for which the foundation acts as a foundation;
- any trade unions who represent school staff;
- if the school has been designated as having a religious character, the appropriate diocesan authority or other relevant faith group in relation to the school;
- any other person the GB consider appropriate.

## Publication

Where the decision to publish a proposal was made by a majority of governors, the GB at this stage must decide whether to go ahead with publishing the proposal.

Where the decision to publish a proposal was made by a minority of governors and there are no land issues to be determined, the GB must publish the proposal within 3 months of the receipt of the notice by the clerk. If land issues were referred to the [Schools Adjudicator](#), the proposal must be published within 1 month of receipt of its determination.

Proposals to remove a foundation trust or to alter the instrument of government so that foundation governors cease to be the majority of governors must contain the information set out in [The School Organisation \(Removal of Foundation, Reduction in Number of Foundation Governors and Ability of Foundation to Pay Debts\) \(England\) Regulations 2007](#). Further details on the publication stage can be found in [Part 5](#).

At the same time as publishing the proposals, the GB must send copies of the proposals to the LA, trustees, and the Secretary of State via [schoolorganisation.notifications@education.gov.uk](mailto:schoolorganisation.notifications@education.gov.uk).

## Representation

The representation period starts on the date of the publication of the proposal and must last six weeks. During this period, any person or organisation can submit comments on the proposal to the GB to be taken into account when the decision is made.

Unlike the foundation trust acquisition process, there is no power for the LA to refer a proposal to the Schools Adjudicator to remove a school's foundation trust or to reduce the number of governors appointed by the foundation trust. However, GBs

must bear in mind that failure to follow the requirements of the statutory process could lead to a complaint to the Secretary of State under Section 496/497 of the Education Act 1996, and/or ultimately be challenged through judicial review.

## Decision

The GB is the decision-maker for a removal proposal and must determine the proposal within 3 months of the date of its publication.

If a proposal was brought forward by a majority of governors, then it may be determined by a majority vote of those governors present<sup>27</sup>.

If a proposal was brought forward by a minority of governors, then the GB may not reject the proposal unless two thirds or more of the governors indicate that they are in favour of its rejection<sup>28</sup>.

When deciding a proposal for the removal of a foundation trust, the GB should consider the proposal in the context of the original proposal to acquire the foundation trust, and consider whether the foundation trust has fulfilled its expectations. Where new information has come to light regarding the suitability of foundation trust partners, this should be considered.

All decisions must be taken in accordance with the processes prescribed in [The School Governance \(Roles, Procedures and Allowances\) \(England\) Regulations 2013](#)<sup>29</sup>.

The GB must notify the relevant LA, trustees and the Secretary of State via [schoolorganisation.notifications@education.gov.uk](mailto:schoolorganisation.notifications@education.gov.uk) of their decision.

## Implementation

The GB is under a statutory duty to implement any approved proposal, as published, by the approved implementation date, taking into account any modifications made. In changing category, an implementation period begins when the proposal is decided and ends on the date the proposal is implemented. During this period the LA and GB are required to make a new instrument of government for the school, so enough time must be built into the timeframe for this to happen. The GB must then be reconstituted in a form appropriate to the school's new category and also in accordance with the appropriate instrument of government taking into account the [School Governance \(Constitution\) \(England\) Regulations 2012](#).

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<sup>27</sup> As per the School Governance (Roles, Procedures and Allowances) (England) Regulations 2013

<sup>28</sup> As per regulation 11(2) of the Removal Regulations

<sup>29</sup> Except as otherwise provided by the Removal Regulations.

When removing a foundation trust or a foundation majority, a governor may continue as a governor in the corresponding category (e.g. staff governor, parent governor) if that category remains under the new instrument of government. A member of a current GB who continues as a governor on these grounds holds office for the remainder of the term for which he or she was originally appointed or elected. Where a school with a religious character has no foundation trust, the GB must appoint partnership governors with a view to ensuring that the religious character of the school is preserved and developed in accordance with the School Governance (Constitution) (England) Regulations 2012. There is nothing to prevent the appointment of a former foundation governor being reappointed by the GB as a partnership governor.

The terms of the trust on which land is held for a voluntary or foundation school often include very specific provisions regarding the conduct of the school and the use of any fund held by the foundation trust for the use of the school and premises. When making a proposal to change category, proposers will need to consider whether the current terms on which the school's land is held on trust allows for the change in category proposed. If in doubt, or if a variation in the foundation trust is clearly necessary, promoters and the relevant site trustees are advised to make early contact with the Charity Commission to apply for the terms of the trust to be varied under the relevant trust law.

### **Modification of proposals**

Modifications can only be made to the implementation date and the proposed constitution of the governing body.

## **Annex A: Information to be included in a prescribed alteration statutory proposal**

A statutory proposal for making a prescribed alteration to a school must contain sufficient information for interested parties to make a decision on whether to support the proposed change. A proposal should be accessible to all interested parties and therefore use 'plain English'.

Proposers will need to be mindful of the factors that will inform the decision-makers assessment when determining the proposal.

As a minimum, the department would expect a proposal to include:

- school and LA details;
- description of alteration and evidence of demand;
- objectives (including how the proposal would increase educational standards and parental choice);
- the effect on other educational institutions within the area;
- project costs and indication of how these will be met, including how long-term value for money will be achieved;
- implementation plan; and
- a statement explaining the procedure for responses: support, objections and comments.

## Annex B: Further Information

This guidance primarily relates to:

- [The School Organisation \(Prescribed Alterations to Maintained Schools\) \(England\) Regulations 2013](http://www.legislation.gov.uk/ukxi/2013/3110/contents/made)  
www.legislation.gov.uk/ukxi/2013/3110/contents/made
- [The School Organisation \(Removal of Foundation, Reduction in Number of Foundation Governors and Ability of Foundation to Pay Debts\) \(England\) Regulations 2007](http://www.legislation.gov.uk/ukxi/2007/3475/contents/made) www.legislation.gov.uk/ukxi/2007/3475/contents/made
- [The School Organisation \(Requirements as to Foundations\) \(England\) Regulations 2007](http://www.legislation.gov.uk/ukxi/2007/1287/contents/made) www.legislation.gov.uk/ukxi/2007/1287/contents/made
- [The Education and Inspections Act 2006](http://www.legislation.gov.uk/ukpga/2006/40)  
www.legislation.gov.uk/ukpga/2006/40
- [The School Standards and Framework Act 1998](http://www.legislation.gov.uk/ukpga/1998/31/contents)  
www.legislation.gov.uk/ukpga/1998/31/contents

It also relates to:

- [The School Organisation \(Establishment and Discontinuance of Schools\) Regulations 2013](http://www.legislation.gov.uk/ukxi/2013/3109/contents/made) www.legislation.gov.uk/ukxi/2013/3109/contents/made
- [The School Governance \(Constitution\) \(England\) Regulations 2012](http://www.legislation.gov.uk/ukxi/2012/1034/contents/made)  
www.legislation.gov.uk/ukxi/2012/1034/contents/made
- [The School Governance \(Constitution and Federations\) \(England\) \(Amendment\) Regulations 2014](http://www.legislation.gov.uk/ukxi/2014/1257/pdfs/ukxi_20141257_en.pdf)  
www.legislation.gov.uk/ukxi/2014/1257/pdfs/ukxi\_20141257\_en.pdf
- [The School Governance \(Miscellaneous Amendments\) \(England\) Regulations 2015](http://www.legislation.gov.uk/ukxi/2015/883/pdfs/ukxi_20150883_en.pdf) www.legislation.gov.uk/ukxi/2015/883/pdfs/ukxi\_20150883\_en.pdf
- [The School Governance \(New Schools\) \(England\) Regulations 2007](http://www.legislation.gov.uk/ukxi/2007/958/pdfs/ukxi_20070958_en.pdf)  
www.legislation.gov.uk/ukxi/2007/958/pdfs/ukxi\_20070958\_en.pdf
- [The School Governance \(Roles, Procedures and Allowances\) \(England\) Regulations 2013](http://www.legislation.gov.uk/ukxi/2013/1624/contents/made) www.legislation.gov.uk/ukxi/2013/1624/contents/made
- [The Childcare Act 2006](http://www.legislation.gov.uk/ukpga/2006/21/contents) www.legislation.gov.uk/ukpga/2006/21/contents
- [The School Premises \(England\) Regulations 2012](http://www.legislation.gov.uk/ukxi/2012/1943/contents/made)  
www.legislation.gov.uk/ukxi/2012/1943/contents/made

- [Making Significant Changes to an Existing Academy](http://www.gov.uk/government/publications/making-significant-changes-to-an-existing-academy)  
www.gov.uk/government/publications/making-significant-changes-to-an-existing-academy
- [Academy/Free School Presumption – departmental advice](http://www.gov.uk/government/publications/establishing-a-new-school-free-school-presumption)  
www.gov.uk/government/publications/establishing-a-new-school-free-school-presumption
- [Establishing New Maintained Schools – departmental advice for local authorities and new school proposers](http://www.gov.uk/government/publications/establishing-new-maintained-schools)  
www.gov.uk/government/publications/establishing-new-maintained-schools
- [The School Admissions Code](http://www.gov.uk/government/publications/school-admissions-code--2) www.gov.uk/government/publications/school-admissions-code--2
- [Education Act 1996](http://www.legislation.gov.uk/ukpga/1996/56/contents) www.legislation.gov.uk/ukpga/1996/56/contents
- [Equality Act 2010](http://www.legislation.gov.uk/ukpga/2010/15/contents) www.legislation.gov.uk/ukpga/2010/15/contents
- [Police Act 1997](http://www.legislation.gov.uk/ukpga/1997/50/contents) www.legislation.gov.uk/ukpga/1997/50/contents
- [Charities Act 2011](http://www.legislation.gov.uk/ukpga/2011/25/contents) www.legislation.gov.uk/ukpga/2011/25/contents
- [Public Sector Equality Duty](http://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty) www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty
- [Home-to-school travel and transport - GOV.UK](http://www.gov.uk/government/publications/home-to-school-travel-and-transport-guidance)  
www.gov.uk/government/publications/home-to-school-travel-and-transport-guidance
- [Get information about schools - GOV.UK](http://www.get-information-schools.service.gov.uk/) www.get-information-schools.service.gov.uk/
- [Consultation principles: guidance - GOV.UK](http://www.gov.uk/government/publications/consultation-principles-guidance)  
www.gov.uk/government/publications/consultation-principles-guidance
- [School land and property: protection, transfer and disposal - GOV.UK](http://www.gov.uk/guidance/school-land-and-property-protection-transfer-and-disposal)  
www.gov.uk/guidance/school-land-and-property-protection-transfer-and-disposal

## Annex C: Contact details for RSC offices

- East and North East London - [RSC.EASTNELONDON@education.gov.uk](mailto:RSC.EASTNELONDON@education.gov.uk)
- North - [RSC.NORTH@education.gov.uk](mailto:RSC.NORTH@education.gov.uk)
- East Midlands and Humber - [EMH.RSC@education.gov.uk](mailto:EMH.RSC@education.gov.uk)
- Lancashire and West Yorkshire - [LWY.RSC@education.gov.uk](mailto:LWY.RSC@education.gov.uk)
- South Central England and North West London - [RSC.SCNWLON@education.gov.uk](mailto:RSC.SCNWLON@education.gov.uk)
- South East and South London - [RSC.SESL@education.gov.uk](mailto:RSC.SESL@education.gov.uk)
- South West - [RSC.SW@education.gov.uk](mailto:RSC.SW@education.gov.uk)
- West Midlands - [RSC.WM@education.gov.uk](mailto:RSC.WM@education.gov.uk)



## Equality Impact Assessment

**To be completed for all key changes, decisions and proposals. Cite specific data and consultation evidence wherever possible. Further guidance is available at: <http://www.northumberland.gov.uk/default.aspx?page=3281>**

### **Duties which need to be considered:**

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not

### **PART 1 – Overview of the change, decision or proposal**

1) Title of the change, decision or proposal:

a) Proposals for the reorganisation of the Coquet Partnership of schools from the current structure to a 2-tier (primary/secondary) structure.

2) Brief description of the change, decision or proposal:

Informal consultation on proposals for schools in the Coquet Partnership (with the exception of NCEA Warkworth CE Primary School which has previously reorganised) to reorganise to a 2-tier (primary/secondary) system of education has taken place with all relevant stakeholders, including parents of pupils on roll at schools in the partnership, staff of those schools, Governors of the schools, relevant parish/town council and pupils/students. Statutory consultation was approved by the Council's Cabinet on 21 September and this took place for 4 weeks from 22 September to 20 October 2022.

The schools that would be reorganised should the statutory proposal be approved to be implemented would be:

- Amble First School
- Amble Links First School
- Broomhill First School
- Grange View CE First School
- Red Row First School
- James Calvert Spence College (JCSC)

Statutory consultation with these stakeholders and the parents and staff of Barndale House Special School has also taken place on a proposal to provide additional specialist SEND places to meet the growing need for places for children and young people diagnosed with a primary need of Autistic Spectrum Disorder (ASD) and Social, Emotional and Mental Health needs (SEMH) within the Coquet Partnership area. This statutory proposal would see Barndale House Special School increase its planned pupil numbers from 60 to 110 through the creation of a satellite site at the South Avenue site of the current JCSC.

Cabinet approved the publication of both statutory proposals in the light of both the feedback received from the Governing Bodies in the Coquet Partnership and the proposed investment in school buildings in the partnership.

If the Statutory Proposals are approved for publication, Cabinet would need to make a final decision on the proposals within two months of the end of the representation period i.e. by 20<sup>th</sup> December 2022.

3) If you judge that this proposal is **not** relevant to some protected characteristics, tick these below (and explain underneath how you have reached this judgement).

Disability   Sex   Age   ~~Race~~   ~~Religion~~   Sexual orientation

~~People who have changed gender~~   Women who are pregnant or have babies

Employees who are married/in civil partnerships

4) The characteristics checked above are not relevant because:

In the medium to long-term and in relation to both the reorganisation of the mainstream schools within the statutory proposal and the expansion of Barndale Special School onto a satellite site, there is no reason to believe that these statutory proposals would affect more positively or negatively than their peers any group of children, parents or staff linked with these schools defined by their religion, race or gender-reassignment status. Should the Council decide to implement the statutory proposals, during the immediate process of transition, families would be invited to inform the Council that they are concerned about the impact that the change may have on the support networks for any individual children who may be at particular risk of harassment or discrimination. Reasonable adjustments would be made to support individual students where appropriate.

As the statutory proposals do not include school closure proposals it is not envisaged that there would be any staff redundancies within the current first schools. Indeed, in relation to the first schools and to Barndale Special School, it is envisaged that additional staff would be needed to implement the proposed changes to these schools.

James Calvert Spence College would no longer need staff for Year 5 and 6 classes as it would become an age 11-18 secondary school and therefore there may be some staff within that school that could become at risk of redundancy. A Staffing Protocol has been agreed with the Governing Bodies of all schools in the Coquet Partnership and with Barndale House Special School to ensure that all staff at risk of redundancy are provided with an opportunity to be considered for posts for which they apply in the first instance. In addition, existing HR policies covering organisational change and redundancy would apply to staff employed at any of the maintained schools affected. These are designed to ensure that the equalities duties of the Council and the schools are fully met.

Reasonable adjustments would be made for disabled members of staff. The Council operates a guaranteed interview scheme for disabled members of staff.

## **PART 2 – Relevance to different Protected Characteristics**

Answer these questions both in relation to people who use services and employees

## Disability

**Note:** “disabled people” includes people with physical, learning and sensory disabilities, people with a long-term illness, and people with mental health problems. You should consider potential impacts on all of these groups.

5) What do you know about usage of the services affected by this change, decision or proposal by disabled people, about disabled people’s experiences of it, and about any current barriers to access?

October Census data is not yet available at the time of writing this EIA. As at January 2022, there were 11 students on roll at the first schools in Coquet Partnership who have been allocated an EHCP, while there were 10 students with an EHCP on roll at JCSC as at January 2022.

It is therefore expected that a number of students on roll at these schools will have EHCPs by the time the proposal is planned to be implemented from September 2024. Should the proposal be approved, individual transition plans would be developed to ensure that the impact of the relocation on this group of students is minimal and planned for effectively.

Any students who were offered a place at the proposed satellite site of Barndale House Special School in Amble would similarly have suitable transition plans in place in accordance with their needs.

Any member of staff, or parent or a carer of a student at one of the schools who has a disability would not be affected disproportionately by the proposal as any reasonable adjustments or arrangements would be put in place at the new buildings as part of the design process.

6) Could disabled people be disproportionately advantaged or disadvantaged by the change, decision or proposal?

Refer to para. 5

7) Could the change, decision or proposal affect the ability of disabled people to participate in public life? (e.g., by affecting their ability to go to meetings, take up public appointments etc.)

No evidence has arisen during the statutory consultation that the implementation of the statutory proposals would affect any current arrangements for disabled people to participate in public life. However, in relation to residents living in the areas around the location of the school sites in particular, should any impact in this regard come to light, ameliorating and proportionate measures would be investigated to address any negative impact.

8) Could the change, decision or proposal affect public attitudes towards disabled people? (e.g., by increasing or reducing their presence in the community).

No evidence has arisen during statutory consultation to suggest that the implementation of the statutory proposals would affect public attitudes to disabled people. However, should any impact in this regard come to light, ameliorating and proportionate measures would be investigated to address any negative impact.

9) Could the change, decision or proposal make it more or less likely that disabled people will be at risk of harassment or victimisation?

No evidence has arisen during statutory consultation to suggest that the implementation of the statutory proposals would affect public attitudes to disabled people. However, should any impact in this regard come to light, ameliorating and proportionate measures would be investigated to address any negative impact.

10) If there are risks that disabled people could be disproportionately disadvantaged by the change, decision or proposal, are there reasonable steps or adjustments that could be taken to reduce these risks?

The premise of the statutory proposal in relation to the reorganisation of the mainstream schools is that educational outcomes for all students in their schools would improve. Therefore, it is envisaged there would be disproportionate advantage of the proposal to all students on roll at the relevant mainstream schools within the partnership.

In relation to the development of a satellite site of Barndale House Special School in Amble, while it is also envisaged that their educational outcomes would improve, a key plank of this proposal is that students would also be able to access appropriate education for their needs as close to their home communities as possible; this would reduce travelling times to school and also enabling them to develop friendships with students in their local area. It is therefore envisaged that these students would be disproportionately advantaged both educationally and socially.

11) Are there opportunities to create *positive* impacts for disabled people linked to this change, decision or proposal?

Should these statutory proposals be implemented, there would potentially be opportunities for positive impacts for disabled people within the design of the new buildings that are not currently in place in existing buildings. See also para. 10.

## **Sex (Gender)**

12) What do you know about usage of the services affected by this change, decision or proposal in relation to people of a certain gender, about their experiences of it, and about any current barriers to access?

Schools in the Coquet Partnership and Barndale House Special School are co-educational.

13) Could people of a certain gender be disproportionately advantaged or disadvantaged by the change, decision or proposal?

No evidence has arisen during statutory consultation to suggest that either boys or girls would be disproportionately advantaged or disadvantaged by the statutory proposals. However, should these statutory proposals be approved for implementation, this EIA would be updated with any evidence where it suggested that there could be any gender based disproportionate advantage or disadvantage.

14) Could the change, decision or proposal affect the ability of people of a certain gender to participate in public life? (e.g., by affecting their ability to go to meetings, take up public appointments etc.)

There is currently no evidence from statutory consultation to suggest that the ability of people of a certain gender to participate in public life would be affected by the implementation of the statutory proposals. However, should any impact in this regard come to light, ameliorating and proportionate measures would be investigated to address any negative impact.

15) Could the change, decision or proposal affect public attitudes towards people of a certain gender (e.g., by increasing or reducing their presence in the community)

There has been no evidence arising from statutory consultation to suggest that public attitudes to people with people of a certain gender would be affected by the proposals. However, ameliorating actions would be implemented in the event that issues were identified.

16) Could the change, decision or proposal make it more or less likely that people of a certain gender will be at risk of harassment or victimisation?

Should the statutory proposals be approved for implementation, the risk of harassment of victimisation of people of a certain gender, such as bullying, would be monitored. Should evidence be identified that risk of harassment had increased, relevant actions stated would be undertaken to address the reasons for harassment or victimisation, including awareness programmes.

17) If there are risks that people of a certain gender could be disproportionately disadvantaged by the change, decision or proposal, are there reasonable steps or adjustments that could be taken to reduce these risks?

No evidence has so far been identified to suggest that people of a certain gender could be disproportionately disadvantaged through the implementation of the statutory proposals. However, ameliorating actions would be implemented in the event that issues were identified.

18) Are there opportunities to create *positive* impacts for people with different sexual orientations linked to this change, decision or proposal?

It is envisaged that the positive impacts of both statutory proposals would affect a people of different sexual orientations equally. However, while none have been so far identified, any opportunities to create positive impacts for people with different genders would be identified.

**Age**

19) What do you know about usage of the services affected by this change, decision or proposal by people of different age groups, about their experiences of it, and about any current barriers to access?

First schools in the Coquet Partnership provide education to young people from the age of 2,3 or 4 to age 9, while JCSC provides education to young people between the ages of 9 and 18. Students on roll at these schools at the proposed date of implementation would be impacted. It is proposed that the new Barndale Special School satellite site would educate children and young people aged 2 to 18.

Staff at the schools all schools identified in the statutory proposals are employed equitably in accordance with the relevant school and council's employment policies. All appropriate HR processes and procedures would be adhered to throughout any staff consultation and redundancy process (if any were necessary) in line with NCC policies.

20) Could people of different age groups be disproportionately advantaged or disadvantaged by the change, decision or proposal?

While the main premise of the statutory proposals is that students would be advantaged educationally and would enjoy an improved educational experience, there would be other positive impacts of the proposals such as shorter journeys to school e.g. for children attending first schools that become primaries, they would receive their Year 5 and 6 education at their local school, while children who may be allocated a place at the new Barndale Special school satellite would be likely to have a shorter journey to school than may have been the case if they attended an alternative specialist provision. Therefore, shorter journeys to school would be seen as advantageous to those students.

21) Could the change, decision or proposal affect the ability of people of different age groups to participate in public life? (e.g., by affecting their ability to go to meetings, take up public appointments etc.)

There is no evidence to suggest from statutory consultation that the statutory proposals would have any effect on the ability of different age groups to participate in public life.

22) Could the change, decision or proposal affect public attitudes towards people of different age groups? (e.g., by increasing or reducing their presence in the community)

There is no evidence to suggest from statutory consultation that the proposed statutory proposals would affect public attitudes to different age groups.

24) If there are risks that people of different age groups could be disproportionately disadvantaged by the change, decision or proposal, are there reasonable steps or adjustments that could be taken to reduce these risks?

Should the statutory proposals be approved for implementation and evidence come to light that there are risks that people of different age groups could be disproportionately disadvantaged by the proposal, this EIA would be updated, and reasonable steps approved to be implemented to address such risk.

25) Are there opportunities to create *positive* impacts for people of different age groups linked to this change, decision or proposal?

The premise of the statutory proposals is to create a positive impact for all students on roll in schools in the Coquet Partnership and for those students who would be allocated a place at the Barndale Special School satellite site in relation to improved educational outcomes.

## **Pregnancy and Maternity**

*Note: the law covers pregnant women or those who have given birth within the last 26 weeks, and those who are breast feeding.*

26) What do you know about usage of the services affected by this change, decision or proposal by pregnant women and those who have children under 26 weeks, about their experiences of it, and about any current barriers to access?

There is no evidence to suggest that the statutory proposals would create any barriers to students accessing at any of the schools included in the statutory proposals as all students eligible for Home to School Transport would receive it.

In relation to the proposed reorganisation of the Coquet Partnership mainstream schools, any parent of a student in a school in the partnership who may be pregnant or who has other children under 26 weeks old would not be disadvantaged as children in the first schools would stay at their school as it became primary up to the end of Year 6. This could therefore be advantageous to this protected group.

Any staff of schools named in the statutory proposals who may be pregnant would have the same rights extended to them under reorganisation, or in the case of Barndale Special School, if such staff took up a post at the proposed satellite site in Amble.

27) Could pregnant women and those with children under 26 weeks be disproportionately advantaged or disadvantaged by the change, decision or proposal?

See para.26.

28) Could the change, decision or proposal affect the ability of pregnant women or those with children under 26 weeks participate in public life? (e.g., by affecting their ability to go to meetings, take up public appointments etc.)

There is no evidence to suggest that the statutory proposals would have any effect on the ability of pregnant women or those with children under 26 weeks participate in public life under the proposals.

29) Could the change, decision or proposal affect public attitudes towards pregnant women or those with children under 26 weeks? (e.g., by increasing or reducing their presence in the community)

There is no evidence to suggest that the statutory proposal would have any effect on public attitudes to this protected group under the proposals.

30) Could the change, decision or proposal make it more or less likely that pregnant women or those with children under 26 weeks will be at risk of harassment or victimisation?

No evidence has arisen during statutory consultation to suggest that the statutory proposals would make it more or less likely that this protected group would be at risk of harassment or victimisation under the proposals.

31) If there are risks that pregnant women or those with children under 26 weeks could be disproportionately disadvantaged by the change, decision or proposal, are there reasonable steps or adjustments that could be taken to reduce these risks?

No, for the reasons set out at para. 26.

32) Are there opportunities to create *positive* impacts for pregnant women or those with children under 26 weeks linked to this change, decision or proposal?

See para. 26.

## **Sexual Orientation**

*Note: The Act protects bisexual, gay, heterosexual and lesbian people.*

33) What do you know about usage of the services affected by this change, decision or proposal by people with different sexual orientations, about their experiences of it, and about any current barriers to access?

There is currently no evidence to suggest that any student on roll in a school named in the statutory proposals or a member of staff who identifies as LGBT employed by these schools would be disproportionately impacted positively or negatively should approval be given to implement the proposal.

However, should any pupil or member of staff who identifies with this group be identified as requiring support, the authority would encourage staff of schools named in the statutory proposals to use the Stonewall Education champion's resources and to increase awareness of any potential issues such as increased risk of bullying.

Should a member of staff identifying as LGBT in a school in the schools named in the statutory proposals feel that their support networks have been disrupted, staff would be made aware of the support available through the Council's LGBT staff group and managers will be made aware of the guide to supporting LGBT staff on the Council Equality and Diversity webpage. HR policies aim to promote equality and inclusion.

34) Could people with different sexual orientations be disproportionately advantaged or disadvantaged by the change, decision or proposal?

There is currently no evidence from statutory consultation to suggest that different sexual orientations would be disproportionately advantaged or disadvantaged by the implementation of the statutory proposals. However, ameliorating actions stated in para. 33 would be implemented in the event that issues were identified.



35) Could the change, decision or proposal affect the ability of people with different sexual orientations to participate in public life? (e.g., by affecting their ability to go to meetings, take up public appointments etc.)

No evidence arose during statutory consultation to suggest that the ability of people with different sexual orientations to participate in public life would be affected by the implementation of the statutory proposals. However, ameliorating actions stated in para. 33 would be implemented in the event that issues were identified.

36) Could the change, decision or proposal affect public attitudes towards people with different sexual orientations? (e.g., by increasing or reducing their presence in the community)

No evidence arose during statutory consultation to suggest that public attitudes to people with different sexual orientations. However, ameliorating actions stated in para. 33 would be implemented in the event that issues were identified.

37) Could the change, decision or proposal make it more or less likely that people with different sexual orientations will be at risk of harassment or victimisation?

Should the statutory proposals be approved for implementation, the risk of harassment of victimisation of people with different sexual orientations would be monitored. Should evidence be identified that risk of harassment had increased, the relevant actions stated in para. 33 would be implemented.

There is currently no evidence to suggest that any member of the public, or pupil in one of the schools named in the statutory proposals, or parent of a pupil on roll in the schools named in the statutory proposals or member of staff employed in one of the schools named in the statutory proposals who identifies as LGBT would be more or less likely to be at risk of harassment or victimisation. However, should any of this group of people who identifies within this protected group be identified as at risk as a result of the implementation of these proposals, the authority would encourage the staff of the relevant schools to use the Stonewall Education champion's resources and to increase awareness of any potential issues such as increased risk of bullying.

38) If there are risks that people with different sexual orientations could be disproportionately disadvantaged by the change, decision or proposal, are there reasonable steps or adjustments that could be taken to reduce these risks?

No evidence has arisen during statutory consultation to suggest that people with different sexual orientations could be disproportionately disadvantaged through the implementation of the statutory proposals. However, ameliorating actions stated in para. 33 would be implemented in the event that issues were identified.

39) Are there opportunities to create *positive* impacts for people with different sexual orientations linked to this change, decision or proposal?

While none have been so far identified, any opportunities to create positive impacts for people with different sexual orientations would be implemented, possibly through the implementation of the actions set out in para. 33.

## Human Rights

40) Could the change, decision or proposal impact on human rights? (e.g., the right to respect for private and family life, the right to a fair hearing and the right to education)

While there is no specific evidence to suggest that the implementation of the proposal would impact positively on human rights, the rationale for this proposal as originally consulted on is to provide improved educational outcomes for all students on roll in schools in the Coquet Partnership and for those students who would be allocated a place at the satellite site of Barndale Special School in Amble, with a view to improving the life chances of those students.

### PART 3 - Course of Action

Based on a consideration of all the potential impacts, indicate one of the following as an overall summary of the outcome of this assessment:

<b>X</b>	The equality analysis has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken.
	The equality analysis has identified risks or opportunities to promote better equality; the change, decision or proposal would be adjusted to avoid risks and ensure that opportunities are taken should they be required.
	The equality analysis has identified risks to equality which will not be eliminated, and/or opportunities to promote better equality which will not be taken. Acceptance of these is reasonable and proportionate, given the objectives of the change, decision or proposal, and its overall financial and policy context.
	The equality analysis shows that the change, decision or proposal would lead to actual or potential unlawful discrimination or would conflict with the Council's positive duties to an extent which is disproportionate to its objectives. It should not be adopted in its current form.

41) Explain how you have reached the judgement ticked above and summarise any steps which will be taken to reduce negative or enhance positive impacts on equality.

From the initial analysis of the possible negative or positive impacts of the statutory proposals on the groups with protected characteristics, the premise of the proposal as originally consulted on suggests that students on roll at schools in the Coquet Partnership and those students who would be allocated a place at the satellite site of

Barndale Special School in Amble would be disproportionately advantaged. Should a decision be made by the Council's Cabinet to approve the implementation of the statutory proposals, any evidence arising during implementation that suggests that there could be possible negative impacts, identified risks would be analysed to establish whether or not there were certain risks to any or all of those groups. Steps to reduce negative impacts or enhance positive impacts would then be defined.

#### **PART 4 - Ongoing Monitoring**

42) What are your plans to monitor the actual impact of the implementation of the change, decision or proposal on equality of opportunity? (include action points and timescales)

This EIA has assessed in the light of feedback from the informal and statutory consultation periods set out earlier in this report. Should the proposals be approved for implementation, the EIA would be further updated during the implementation period. Appropriate action would be identified in the light of the consultation and where necessary, an action plan with timescales developed.

#### **PART 5 - Authorisation**

Name of Head of Service and Date Approved

*Once completed, send your full EIA to: [Irene.Fisher@northumberland.gov.uk](mailto:Irene.Fisher@northumberland.gov.uk). A summary will then be generated corporately and published to the Council's website.*

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Northumberland  
County Council

# The Outline Business Case for the Investment in school buildings for James Calvert Spence College



## Document Control

Document Properties	
Document Owner	Sue Aviston
Organisation	Northumberland County Council
Title	Construction of replacement buildings for James Calvert Spence College Outline Business Case October 2022

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2B	Programme – New Build
2C	Procurement Report
4A	Education Brief
4B	Site Investigation - Desktop Study
4C	Ecology Appraisal and Bat Survey
4D	Arboricultural Survey
4E	Topographical Survey
4F	Utilities Survey
4G	FF&E including technology audit
4H	IT Audit
4I	Schedule of spaces that remain undersized
4J	Letter of comfort from NCC Planners
6A	Project Risk Register

## Glossary of Terms

Term	Definition
BB103	The document which sets out simple, non-statutory area guidelines for school buildings and sites
BCIS	Building Cost Information Service
BS8300	A code of practice that details the required design of buildings for meeting the needs of disabled people
CBR	California Bearing Ratio



CDM	Construction Design and Management
DDA	Disability Discrimination Act
DfE	Department for Education
EA	Environment Agency
EcIA	Ecological Impact Assessment
ERIC NE	Environmental Records Information Centre Northeast
ESFA	Education and Skills Funding Agency
FACS	Family And Children's Services
FBC	Final Business Case
FFE	Furniture, Fixtures and Equipment
FTS	Find a Tender
ICT	Information and Communications Technology
ITT	Invitation to Tender
IRZ	Impact Risk Zone
ITPD	Invitation to Participate in Dialogue
ITT	Invitation to Tender
JCSC	James Calvert Spence College
LA	Local Authority
MUGA	Multi Use Games Area
NCC	Northumberland County Council
NPPF	National Planning Policy Framework
OBC	Outline Business Case
OJEU	Official Journal of the European Union
OS	Ordnance Survey
PCR	Public Contracts Regulations
PCSA	Pre-Construction Services Agreement
PQQ	Pre-Qualification Questionnaire

PROW	Public Right of Way
RIBA	Royal Institute of British Architects
RIBA stage	Denotes the design work stages that address the required phase of a construction project
SEN	Special Educational Needs
SoA	Schedule of Accommodation
SSSI	Site of Special Scientific Interest
SuDS	Sustainable Drainage System

## EXECUTIVE SUMMARY

This document outlines the options appraisal, cost estimates, affordability assessment and procurement strategy carried out in relation to the proposal to provide Capital Investment in the school buildings for James Calvert Spence College with community facilities.

The outline business case explores a number of options for the redevelopment of the school including refurbishment and extension of the existing school buildings, providing new school buildings and doing the minimum to enable the school to become an 11-18 secondary school. Sufficient detail is included in this OBC to allow an informed decision as to how capital funding is to be best used and for approval to be sought from Cabinet for the implementation and delivery of the preferred scheme.

### *1 Overview and commitment*

**Section 1** and **Appendix 1** of this Outline Business Case describe the scheme and confirm the commitment of all parties to the project.

The preferred scheme supports the objectives set out in Northumberland County Council's vision for Northumberland's residents. While strong leadership and good governance are key components of successful schools, the provision of a suitable learning environment can have a positive impact on outcomes for children and young people. This scheme delivers a service that has positive outcomes for the community.

The need to improve the buildings of James Calvert Spence College (JCSC) had already been identified through the ongoing maintenance programme. Additional funding to improve the buildings of the school would be extremely beneficial to improve outcomes for the Northumberland children and young people who attend it. Subsequently, Northumberland County Council approved funding for officers to carry out works to enable the development of this Outline Business Case which sets out the work undertaken to establish the feasibility and affordability of this proposal. The high-level costs for this option are outlined in Section 5.

As well as improving the teaching and learning environment for current and future pupils in the schools, improvements to the on-site sporting and community facilities will benefit the wider Amble community.

Pupil place planning data for Coquet Partnership shows that reprovision of the current capacity for pupils at JCSC will be adequate for current and future needs.

The timeline for the delivery of the school aims for a handover date of 01/09/25.

### *2 Procurement strategy*

**Section 2** and **Appendix 2** of this Outline Business Case describe the Procurement



Strategy for the whole scheme.

Following a review of procurement options available for construction projects, it is recommended that the development is procured through a Design and Build strategy utilising a single stage tendering procedure tendered at the end of RIBA stage 4.

It is recommended that the project proceeds via a Public Contracts Regulations (PCR) compliant, non-Framework 'open' tender process.

The key objective for the delivery of the project is to open the new secondary school for operation from September 2025.

Key dates for the provision of a new build secondary school are as follows:

1. OBC approval 17 November 2022
2. RIBA stage 3 designs instructed 21 November 2022
3. Planning submitted 17 February 2023 and determined on 06 June 2023
4. RIBA stage 4 designs completed 07 July 2023
5. Tenders issued 24 July 2023
6. Tenders returned 29 September 2023 and contract awarded 27 October 2023
7. Construction commences on site 13 November 2023
8. New school opens 01 September 2025

### 3 Land

**Section 3** of this Outline Business Case describes the site options appraisal undertaken that contributes to the design and construction works for the preferred option.

This section outlines the options available for the redevelopment. The Options Appraisal outlines the advantages and disadvantages of each option together with planning commentary. The outcome of the appraisal which has been independently assessed by a special surveyor has resulted in Option 5 being the preferred option. This option would see the development of a new school building for JCSC on the school land to the east of the recreation ground.

### 4 Design and Construction

**Section 4** and **Appendix 4** of this Outline Business Case describe the design options and investigative survey works undertaken to demonstrate feasibility.

The studies that form the Outline Business Case (OBC) have considered the Education Brief, Planning, Highways, and Sport England requirements. In addition, all of the surveys referenced in this OBC have been taken into consideration as have all design guidance and standards that are relevant to this initial stage of design.

The whole sale refurbishment and upgrade of the existing estate is feasible but would be lengthy and disruptive and due to the constraints associated with the existing building would still, when complete have inherent issues in terms of space standards and circulation deficiencies.

The redevelopment of the existing site with new buildings has significant compromise, mostly due to the need to build away from the existing buildings to mitigate disruption and ensure continuity of curriculum delivery. Neither option uses the site to best effect, and will have long disruptive phased programmes. The construction access is complex.

The development of the recreation ground site would be a good option if it were not for the complexities/risks associated with ownership and covenants, which if not easily navigated put undue risk and cost onto the proposal along with the need to replace the recreation facilities

A new build option on the land east of the recreation ground is the most advantageous option. The site can be developed without any disruption to the continuity of education delivery and there are no legal complications in regard to site ownership.

### 5 Commercial appraisal

**Section 5** of this Outline Business Case describes the commercial appraisal for the



options available for the scheme.

The Overall Project Outturn Cost for the recommended option (Option 5 - New Build on Land East of Recreation Ground) is £25,726,000.

This is exclusive of VAT however includes abnormals, professional fees, ICT, FF&E and the additional funding of £2,335,398 to support the further recommendation to achieve Net Zero Carbon in Operation.

## *6 Readiness to Deliver*

**Section 6** and **Appendix 6** of the Outline Business Case sets out NCC's project management structure and identifies the roles and responsibilities of each part of the structure.

Northumberland County Council has put in place resources for the duration of the project, including post contract, to monitor and maintain ongoing relations between Northumberland County Council and JCSC to ensure the effective delivery of the project, throughout its lifetime.

A Bidders' Day will be organised in the spring of 2023.

Several risk workshops have been held and a risk strategy developed. Risk will continue to be monitored and evaluated with any changes being reported to the project board on a monthly basis.

## *7 Moving Forward*

**Section 7** sets out the proposed recommended approach for the procurement should approval for the scheme be given by Northumberland County Council's Cabinet.

A critical path of scheduled delivery activities has been provided based on the proposed route to market, Design and Build Single Stage Procurement, and in line with the Public Contracts Regulations [PCR] 2015.

The RIBA Stage 3 design will need to proceed immediately on approval of the OBC for the key milestones to be achieved. The design process will progress on through to RIBA Stage 4 / tender issue level by July 2023.



## 1 OVERVIEW AND COMMITMENT

**Section 1** and **Appendix 1** of this Outline Business Case describe the scheme and confirms the commitment of all parties to the project.

### *1.1 The Corporate Vision*

Northumberland County Council (NCC) has set out its vision for the County in its Corporate Plan 2021-24. The principles of the vision are focused on ensuring we are: “A council that works for everyone”

#### **Our Values**

##### **Residents first**

- Respond to the needs of all of our residents
- Provide the right information at the right time
- Deliver services that have positive outcomes for the community

##### **Excellence and Quality**

- Respect the diverse communities that we serve
- Act on feedback to ensure the best customer journey
- Look for opportunities to improve customer experience

##### **Respect**

- Build strong and long-lasting relationships based on trust and mutual respect
- Involve communities and staff in decisions which affect them
- Support communities to embrace change and innovation

##### **Keeping our communities safe and well**

- Quality and Safety will be at the heart of everything we do
- Empower our residents to do as much for themselves as possible
- Set clear standards and report against them

## **1.2 Strategic Overview**

### **1.2.1 Countywide Strategy**

Improving the quality of education in Northumberland is a key priority for the local authority's (LA's) elected members. Both the Corporate Plan and the Joint Health and Wellbeing Strategy (JHWS) 2018 - 2028 place education at the heart of the work of the Council and its partners.

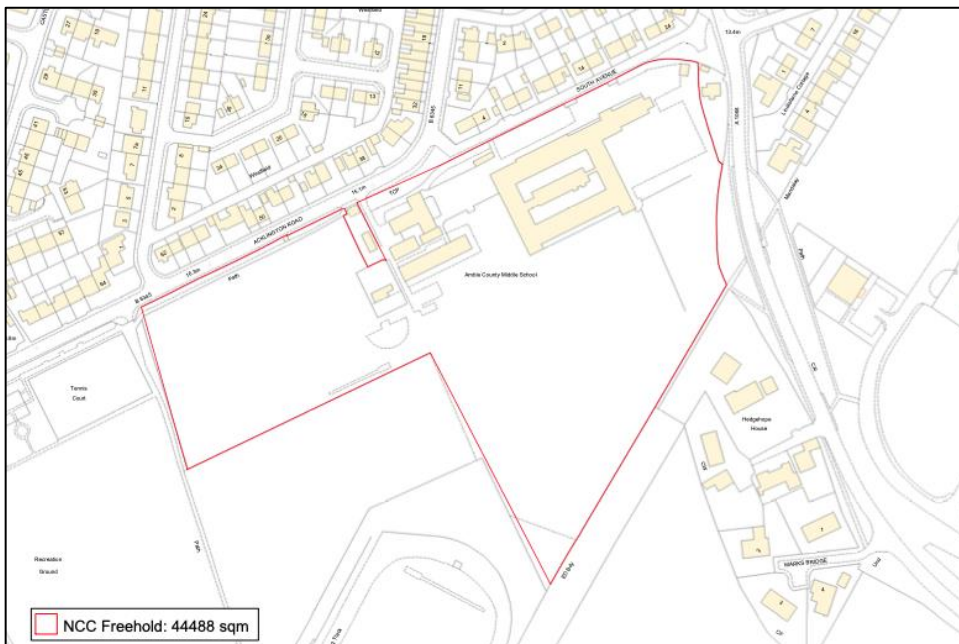
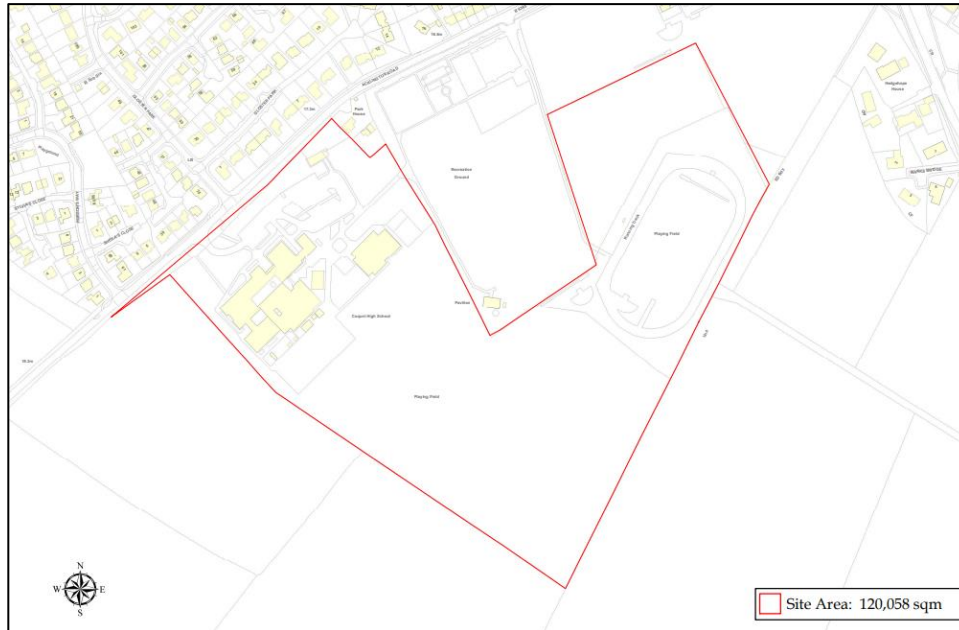
Elected members recognise how vital it is for the future prosperity of Northumberland that our children and young people achieve to the best of their abilities in schools, academies and colleges and that all our educational establishments are judged to be good or better by Ofsted.

It is accepted that while strong leadership and governance in schools together with good teaching is key to improving outcomes for pupils, studies have shown that poor quality surroundings can impact negatively on effective teaching and learning, both for staff and pupils. To address this issue, NCC is proposing to continue to invest significant capital resources in education.

### **1.2.2. Project Overview**

James Calvert Spence College is currently an age 9-18 school. It was formed from the amalgamation of JCSC South Avenue (formerly named Amble Middle School) and JCSC Acklington Road, the school operates across a split site. A statutory consultation has recently closed and the proposal to reorganise the Coquet Partnership to become a two-tier model of primary and secondary schools will be decided upon by the Council Cabinet on 17<sup>th</sup> November 2022. If approved the changes would take place from September 2024 and JCSC will operate as an age 11-18 secondary school. The current site of high school is shown outlined in red below the second plan is of the site occupied by middle school age pupils:





### 1.2.3 Strategy and Objectives

The rationale for the initiation of this project has been founded on JCSC's desire to provide a financially and educationally secure future for its schools. They were also faced with the need for significant capital investment in the school estate.

The project would improve the teaching and learning environment for current and future pupils in the schools, including on-site sporting and community facilities that would also benefit the Amble community as a whole.

The objectives of this project are to:

- Ensure value for money for the Council by driving down all project costs whilst delivering the agreed scope of works to a high quality and to programme.



- Provide good quality, modern teaching and learning environments for the pupils attending JCSC thereby removing existing physical barriers that distract from the teaching and learning experience.
- Provide buildings that deliver a high level of environmental performance that is in step with the Council's Climate Emergency goals.
- Support the delivery a coherent transport and travel plan for the local community.
- Provide modern sporting facilities on-site to enhance the curriculum offer and to provide improved sporting and community facilities for the wider community in and around Amble that will increase participation and associated benefits.
- Support JCSC in providing a financially and educationally secure future for its school.



### ***1.2.4 Stakeholder Consultations moving forward***

#### **Consultation Process**

A six-week informal consultation was undertaken from 11<sup>th</sup> May 2022 until 29<sup>th</sup> June 2022. A consultation document, which set out the rationale, background and implications of the proposal, was circulated directly to stakeholders including parents, staff and governors. The Council, on behalf of the school, invited stakeholders to respond to the consultation.

Following analysis of the feedback and responses it was concluded that all of the schools and the majority of the stakeholders who responded (92%) supported the proposed reorganisation of the partnership to a 2-tier (primary/secondary) organisation.

Further engagement will be planned in order that the pupils of the school can get involved through pupil workshops to influence the final designs and finishes as will the staff of the school who will be involved in detailed design workshops. The workshops will ask pupils to look at the plans and highlight both positive and less favourable aspects of the build. Through staff and pupil involvement there could be further development of the designs.

There will also be an opportunity for the wider community to be involved in consultation events as the design for the new schools and site develop, with a pre-planning consultation event taking place.

### ***1.2.5 Pupil Place Planning***

Birth data for Coquet Partnership is relatively steady, although this masks some variation in capacity at the individual school level, e.g. at the first and primary phase, some schools are more popular and attract pupils from other catchments. Most pupils at first school phase attend schools in the Coquet catchment, while 66% of secondary age pupils attend James Calvert Spence College (JCSC), with other pupils attending neighbouring partnership schools, mainly The Duchess High School in Alnwick.

There is also very little inward flow of pupils into the Coquet partnership, with only 2% of pupils at first school and secondary phase residing in other partnerships. There is some housebuilding planned within the partnership locally over this forecast period which will impact on a small number of schools, but due to parental preference there is sufficient capacity for pupils within their own catchment schools for the foreseeable future. As a result of relatively high surplus places at JCSC, overall surplus places in the partnership are at 26%. It is envisaged that the reorganisation of the partnership to a 2-tier (primary/secondary) structure will assist in retaining more pupils within the partnership into the secondary phase.



Final Forecasts															NOR
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	TOTALS
Actual Jan 2021	120	104	118	119	125	109	118	97	103	93	92	78	38	32	1346
2022	122	123	105	120	122	121	112	111	97	106	96	94	39	26	1395
2023	120	126	125	109	124	119	125	107	112	101	110	99	46	27	1450
2024	116	124	125	125	110	118	120	116	106	113	102	110	46	31	1463
2025	102	120	122	124	125	103	118	111	113	105	114	101	51	32	1442
2026	116	104	117	120	124	117	103	109	107	113	105	112	47	35	1429
2027	112	116	100	113	117	113	114	92	102	104	110	101	53	32	1378
2028	111	112	112	96	110	107	111	102	87	100	102	106	49	36	1341
2029	109	110	110	111	96	104	108	102	100	87	100	101	53	34	1326
PAN TOTALS	157	157	163	163	163	141	141	120	120	120	120	120	90	90	1865

### 1.3 Preferred Scheme

There is considerable support from the school for substantial investment in JCSC buildings. NCC and JCSC have been working together to develop the scope and options for the project delivery. As a result of these many months of work, the Executive Headteacher and staff support the vision of rebuilding the school on the existing site. Educational and financial security would be best addressed through this option.

The preferred scheme detailed in the OBC therefore is to rebuild the school on the school land to the east of the recreation ground. This conclusion has been made by drawing upon JCSC's Education Brief (which is contained at Appendix 4A) and the site option appraisal contained in section 3 of this report.

### 1.3.1 Timeline

Table 1A: Timeline

Event	Date
Final Business Case complete	10/04/23
Submit Outline Business Case and report	03/10/22 - 07/10/22
FACS	01/11/22
Cabinet	08/11/22
PIN Notice Period	08/11/22 - 10/04/23
RIBA Stage 3 Designs	14/11/22 - 17/02/23
Planning Submission	17/02/23
Planning Approval	06/06/23
Prepare ITT Documents	24/04/23 - 21/07/23
Tender Period	24/07/23 - 29/09/23
Appraisal / NCC Approvals / FBC	02/10/23 - 27/10/23
Award of contract	27/10/23
Construction	13/11/23
Handover	21/08/25

### 1.3.2 Accommodation

The Schedule of Accommodation can be found in Appendix 1C.

### 1.3.3. Local Authority Commitment

James Calvert Spence College are supportive of NCC's intention to invest in the school buildings.

### 1.4 Summary

The preferred scheme supports the objectives set out in Northumberland County Council's vision for Northumberland's residents. While strong leadership and good governance are key components of successful schools, the provision of a suitable learning environment can have a positive impact on outcomes for children and young people.

The need to improve the buildings for JCSC had already been identified. Subsequently,

Northumberland County Council approved funding for officers to carry out works to enable the development of this Outline Business Case of which sets out the work undertaken to establish the feasibility and affordability of this proposal. The high-level costs for this option are outlined in Section 5.

A site option appraisal of the potential sites for the development of the new school determined the existing site to be most suitable for the new build requirements, therefore redeveloping the existing site is the preferred option. The local authority, with support from JCSC are now working together to ensure the project is delivered within agreed timescales.

As well as improving the teaching and learning environment for current and future pupils in the schools, improvements to the on-site sporting and community facilities will benefit the wider Amble community. Pupil place planning data for Coquet Partnership determines that reprovision of the current capacity for pupils at JCSC will be adequate for current and future needs.

The design and development of the new school supports the Council's agreed Climate Change Action Plan 2021-23 and its aspiration to move Northumberland to a Net Zero carbon position by 2030.

The timeline for the delivery of the school aims for a handover date of 21<sup>st</sup> August 2026.

The following documents are attached at **Appendix 1:**

1A	Pupil/catchment data
1B	Letter of support from JCSC Governing Body
1C	Schedule of accommodation





## 2 PROCUREMENT STRATEGY

**Section 2 and Appendix 2** of this OBC describe the Procurement Strategy for the whole scheme.

This section of the Outline Business Case outlines how the overall scheme will be procured given the information and time constraints available.

### *2.1 Procurement Options*

A Procurement Report has been developed at Appendix 2C which considers the following four procurement options:

1. Traditional
2. Design and Build
3. Management Contracting
4. Construction Management

Northumberland County Council's key objectives for the delivery of the project are noted as follows:

1. School to be open and operate from September 2025
2. Lump Sum Contract
3. Risk reduced to manageable level

Management Contracting and Construction Management procurement routes involve the Client retaining a large portion of the scheme risk and in addition they do not provide a lump sum contract, therefore both options were discounted as they do not comply with the above parameters.

Traditional procurement, most risk is born by the Client through this route and on a scheme of this cost the level of risk retained would be excessive.

Design and Build procurement shares risk between the Contractor and Client on a more even basis, design can overlap with construction activities commencing and a lump sum contract is obtained prior to contract award.



## 2.2 Recommended Option

It is recommended that a Design and Build Procurement strategy is utilised to deliver the project; either via a single stage, two stage or competitive dialogue tendering process.

Soft market testing would be undertaken on issue of the PIN (Prior Information Notice) to establish the market's views to the tendering process and to consider the appetite for each of the processes listed above.

A single stage approach creates greater competition in pricing across all tendered works and allows the Authority greater control of the design by retaining the design team through the development and technical design stages.

A two-stage approach comes with a more significant proportion of risk associated with the negotiation of the second stage contract packages as has been demonstrated on several recent projects where negotiations were extremely difficult and protracted. Through observation of the volatile market in the North East, on a scheme of this size, the market's preference would be for a two-stage tender approach.

A variation to the two-stage approach, which introduces a greater element of competition during the second stage, would be to shortlist the suppliers down to two bidders. This could be done at the end of either RIBA stage 3 or 4. This allows a final cost submission to be sourced in competition, as one of two, and may be more attractive to the market. Another alternative of this approach is for the two bidders to be engaged throughout RIBA stage 4 technical to advise on buildability. Market appetite would need to be explored for this option.

A competitive dialogue approach is best utilised where the key driver is introducing design competition through the contractor's design teams to obtain an innovative and unique building design. This route however is labour intensive and extremely expensive for contractors to bid. There is a value threshold where the market will not consider this to be an appropriate method due to the costs incurred in bidding via this method. It is anticipated this scheme is below that value and doesn't have the design demands to warrant such a route to market.

Development of designs can be managed through these options to a varying degree of control. There is also the ability to take designs through to developed designs (RIBA stage 3) or to technical designs (RIBA stage 4). The design team will be novated across to the preferred bidder at the contract award stage to ensure their continued involvement.

The principal difference is around the level of control that the client wishes to maintain with the design development. Developing designs to RIBA Stage 3 requires the contractor to complete the design increasing the likelihood of design aspirations not being fully understood and implemented and design changes being proposed to make the project more profitable and to ease buildability for the contractor on site.



Taking designs through to RIBA stage 4, the client would have full control of the design process which would enable the design intent to fully reflect their objectives. This will be key if the scheme is to be designed to Net Zero Carbon in Operation as the design detailing is critical to hitting the necessary standards.

To reduce risk to a manageable level, to retain full control of the design objectives for the scheme and to ensure the requirements of Net Zero Carbon in Operation are achieved it is recommended to follow a single stage Design and Build procurement strategy tendered at the end of RIBA stage 4.

### ***2.3 Route to Market***

Advice has been obtained from the Procurement department within NCC to understand its obligations regarding the Public Contracts Regulations (PCR) 2015.

Whilst there are benefits to proceeding with an open tender or Framework procedure which will be discussed below, it is recommended that this project proceeds utilising a PCR compliant, non-Framework 'open' tender process.

The procurement programme highlights that there is time to tender through an Find a Tender (FTS) notice as this can be run in parallel with the development of stage 3 designs and the determination period of the planning application.

Using a PCR compliant, non-Framework 'restricted' option has been discounted as it will add both additional time and elongate the programme by three months and thus is not a deliverable option. This is due to the requirement of having to publish the ITT (Invitation to Tender) at the SQ stage which can only be done on completion of RIBA Stage 3 at the earliest.

There are several benefits of procuring from a Public Sector compliant framework; contractors have prequalified saving the cost of this exercise, have tendered their level of overheads and profit and have provided a benchmark on their preliminary costs. The downside however is that there is a potential levy charge for utilising frameworks which adds a further capital cost to the scheme. The benefit however is the saving in time gained by the prequalification, so framework options are essentially used when programme deadlines are at risk of being met.

There are several Public Sector compliant frameworks that Northumberland as either a member organisation or as a Public Sector Contracting Body in the UK can purchase from, both local and national. Framework options such as NEPO, YORBuild, CCS, SBS, Pagabo, Procure Partnerships. Another option for the Authority is to utilise one of the DfE's contracting frameworks. NCC procurement will look at all available frameworks to see which is best value for the authority.

The selection of which framework to use will be essential in obtaining the best tender list for the project to ensure the right level of competition is realised and that local suppliers are provided with an opportunity to bid. The quality of contractor is always important and



part of the frameworks vetting process but will be given additional scrutiny if Net Zero Carbon in Operation is to be set as a requirement.

Going through a framework tender process will reduce tendering costs and alleviate the pressure on internal resources. However, this needs to be balanced against the additional cost of the levy and whether the frameworks list of prequalified contractors is not too restrictive in respect to ensuring value for money and that local suppliers aren't precluded.

In Summary, an 'open' or framework tender process will offer value and a competitive price for NCC. Procuring from a framework will be potentially cheaper, subject to the levy charge, however a PCR compliant, non-Framework 'open' tender process may provide a more robust list of tenderers.

In consultation with NCC's procurement team, it is recommended that we proceed with the PCR compliant, non-Framework 'open' tender process.

## 2.4 Procurement Programme

Two programmes have been appended to this Outline Business Case at Appendix 2A and 2B to demonstrate the procurement of the project through a Design and Build approach using the single stage tendering strategy tendered at the end of RIBA stage 4.

The programme for procurement post planning submission, runs over a total duration of thirty-eight weeks. The programme allocates four weeks to scrutinise the bidders' proposals.

Key Dates are as follows for the two options:

### 2.4.1 Secondary School (New Build and Refurbishment / Extension)

Outline Business Case (to end of RIBA Stage 2)	11 May – 30 Sep 2022
Outline Business Case Approval	08 Nov 2022
PIN Notice Period	08 Nov – 10 Apr 2023
RIBA Stage 3 Designs	14 Nov – 17 Feb 2023
Planning Submission	17 Feb 2023
RIBA 4 Detailed Designs	20 Feb – 07 Jul
Planning Approval	06 Jun 2023
Prepare ITT Documents	24 Apr – 21 Jul 2023
Tender Period	24 Jul – 29 Sep 2023
Appraisal / NCC Approvals / FBC	02 Oct – 27 Oct 2023
Award contract	27 Oct 2023





## 2.5 Enabling Works Programme

To enable the school to operate as a secondary school from September 2024 and to support the works associated with the wider reorganisation of the Coquet Partnership 8 modular classrooms are required to be in use by the end of the May half term in 2023.

Three double mobiles currently sited on the Middle School site are to be relocated together with the purchase of one new double mobile. Direct negotiations on the relocation and provision of the new will commence immediately in the new year in 2023 with works scheduled for 7 weeks commencing on 17<sup>th</sup> April and completing by 2<sup>nd</sup> June 2023.

Direct Negotiations with Portakabin	2 Jan – 24 Mar 2023
Contractor Lead-in	27 Mar – 14 Apr 2023
Relocation of 6 and Provision of 2 new Mobile Classrooms	17 Apr – 2 Jun 2023

## 2.6 Construction Programme

It will be the responsibility of the successful contractor to provide a construction programme to support the delivery of the construction project.

Upon appointment of the Contractor, a set of contract documents will be issued for execution by both the Contractor and Client. This will include a set of updated designs for Contract which will further develop into Construction Issue Drawings which is what the Contractor will use to undertake the works on site.

### 2.6.1 Secondary School (New Build on Existing Site)

A period of 80 weeks for construction is anticipated inclusive of commissioning but exclusive of the 8 weeks mobilisation period. A period of 3 weeks is programmed for decanting the end user of the building which commences at handover. A 3-week contingency period has also been factored into the programme to account for any unforeseen delays and tie in with handover ready for the start of the new School year.

Contract finalisation (Standstill period)	30 Oct – 10 Nov 2023
Contractor lead-in	13 Nov – 05 Jan 2024
Construction commences on site	08 Jan 2024
Construction complete on site (Phase 1)	18 July 2025
Decanting complete	29 Aug 2025
School opens	01 Sep 2025
Demolition and External Pitch Works (Phase 2)	02 Sep – 16 Feb 2026

The above durations assume all New Build on the Existing Site. If the decision is to retain and refurbish the existing sports block, then this would add 3 to 4 months onto the programme on the assumption that this is undertaken once the new school is built. It would leave the school without the sports block for the duration noted above or add an additional layer of cost to provide temporary indoor sport facilities.

### **2.6.2 Secondary School (Refurbishment / Extension of existing building)**

A period of 136 weeks for construction is anticipated split across 6 phases of work inclusive of the new build extension. To keep the school operational and to minimise the amount of temporary accommodation on site, a phased approach is required. This will require a series of decants, will be very disruptive to the learning environment, will be more expensive due to the piece meal nature of the work and if chosen will add a full year to the programme, from that of the New Build option, before the school can be operational.

Contract finalisation (Standstill period)	30 Oct – 10 Nov 2023
Contractor lead-in	13 Nov – 05 Jan 2024
Construction commences on site	08 Jan 2024
Phase 1 (decant, asbestos strip, construction)	08 Jan – 12 Jul 2024
Phase 2 (decant, asbestos strip, construction)	15 Jul – 17 Jan 2025
Phase 3 (decant, asbestos strip, construction)	20 Jan – 25 Jul 2025
Phase 4 (decant, asbestos strip, construction)	28 Jul – 30 Jan 2026
Phase 5 (decant, asbestos strip, construction)	02 Feb – 07 Aug 2026
Remove temporary accommodation and make good	10 Aug - 21 Aug 2026
School opens	01 Sep 2026

To support the phasing programme and to decant the children from the existing school to allow refurbishment to be undertaken there will be a requirement to provide a temporary village of modular classrooms. These classrooms will need to be in-situ for more than two years (135 weeks). They will need to be in place for works commencing on 8 January 2024 and it is recommended that the provision and hire of these temporary units is negotiated with Portakabin at the same time as the 8 modular classrooms referred in the Enabling Works Programme.

## 2.7 Summary

Following a review of procurement options available for construction projects, it is recommended that the development is procured through a Design and Build strategy utilising a single stage tendering procedure tendered at the end of RIBA stage 4.

It is recommended that the project proceeds via a PCR compliant, non-Framework 'open' tender process.

The key objective for the delivery of the project is to open the new secondary school for operation from September 2025.

The refurbishment and extension option misses the above target date by a full calendar year and is therefore not a deliverable option. It is therefore our recommendation that we proceed with the new build option.

Key dates for the provision of a new build Secondary School are as follows:

1. OBC approval 17 November 2022
2. RIBA stage 3 designs instructed 21 November 2022
3. Planning submitted 17 February 2023 and determined on 06 June 2023
4. RIBA stage 4 designs completed 07 July 2023
5. Tenders issued 24 July 2023
6. Tenders returned 29 September 2023 and contract awarded 27 October 2023
7. Construction commences on site 08 January 2024
8. New school opens 01 September 2025

The following documents are attached at **Appendix 2:**

2A	Programme - Refurbishment
2B	Programme – New Build
2C	Procurement Report





## 3 LAND

**Section 3** of this Outline Business Case describes the site options appraisal undertaken which contributes to the design and construction works of a preferred option.

### *3.1 Introduction*

The scheme outlined for James Calvert Spence College, which is currently split over two sites at South Avenue and Acklington Road, involves the potential refurbishment or construction of a new school at the Acklington Road site.

This section outlines the potential development options considered, including the Options Appraisal undertaken for the purpose of demonstrating that the scheme is deliverable.

The existing site is large enough to continue to meet DfE standard BB103 guidance for sports pitches.

The approximate sizes of the sites are;

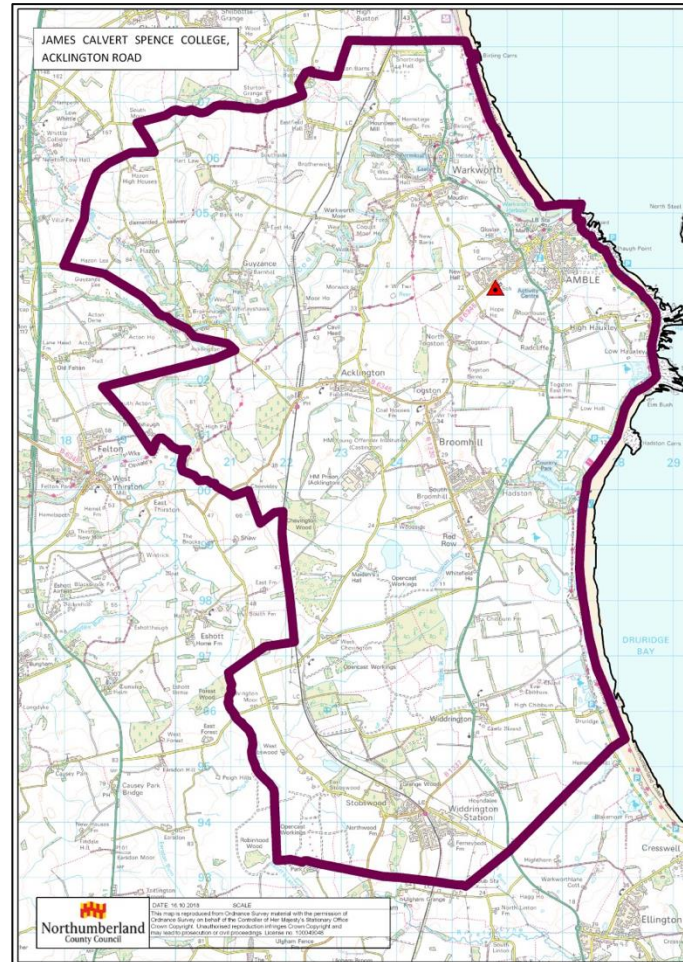
- South Avenue – 10.4 acres
- Acklington Road – 29.9 acres

### *3.2 Site Options*

A site options appraisal was undertaken to identify any available sites. The following sites were discounted:

#### **Search Parameters**

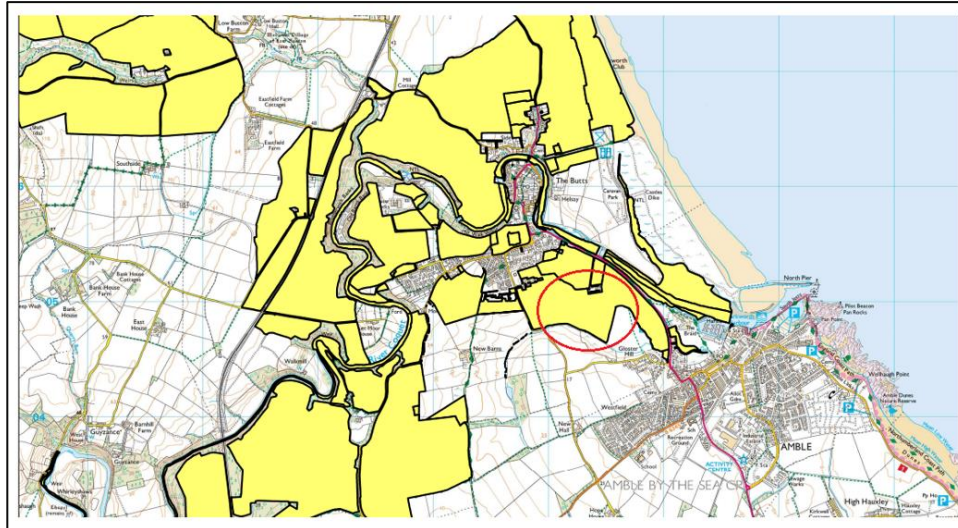
- Within the James Calvert Spence catchment area
- Good adjacency to current Schools
- Accessible from major transport routes
- Good accessibility for travel on foot/bike
- Close to settlement boundary
- Not affected by physical features i.e. pylons, ponds, watercourses
- Min 45,000m<sup>2</sup> site area



### Land north of Gloster Hill

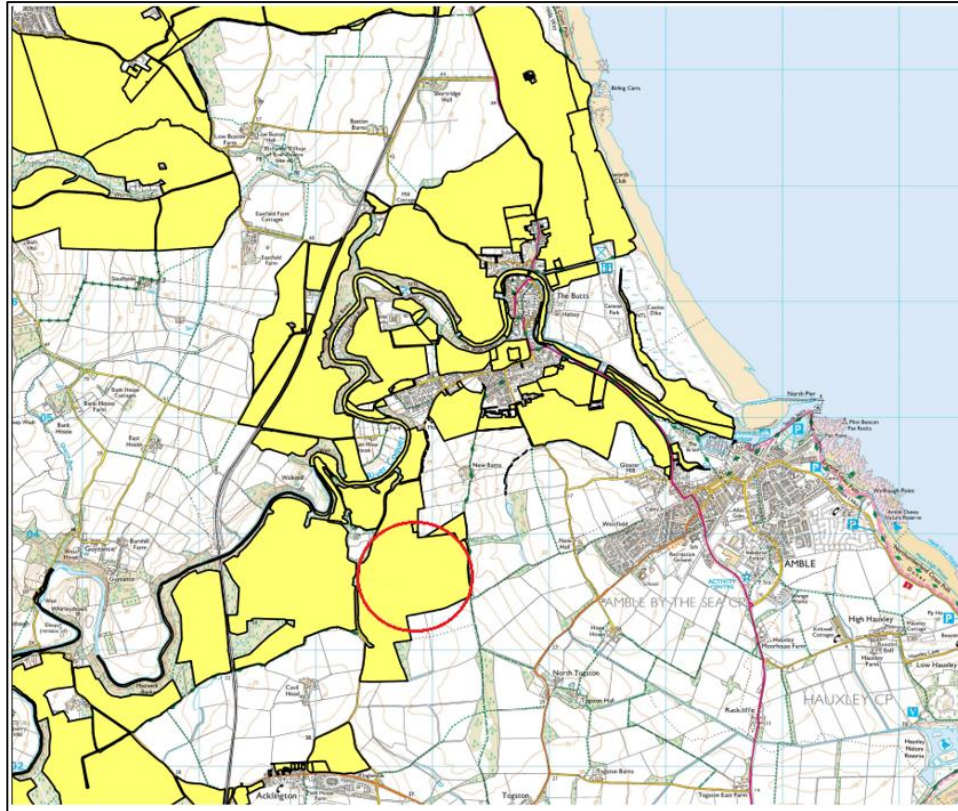
- Location is too far away from town centre
- Transport issues for getting pupils to school
- Limited sustainable travel
- Not suitable for walking or cycling to the site from the town centre
- Potential planning issues and change of use
- Potential agricultural tenancies to consider





### Land north west of B6345

- Location is too far away from town centre
- Access issues to the site due to its rural location and poor road network
- Transport issues for getting pupils to school
- Limited sustainable travel options
- Not suitable for walking or cycling to the site from Amble town centre
- Potential planning issues and change of use
- Potential agricultural tenancies to consider



### Land south of current school site

- Recently obtained planning permission for housing development
- Site is privately owned and not within Council ownership

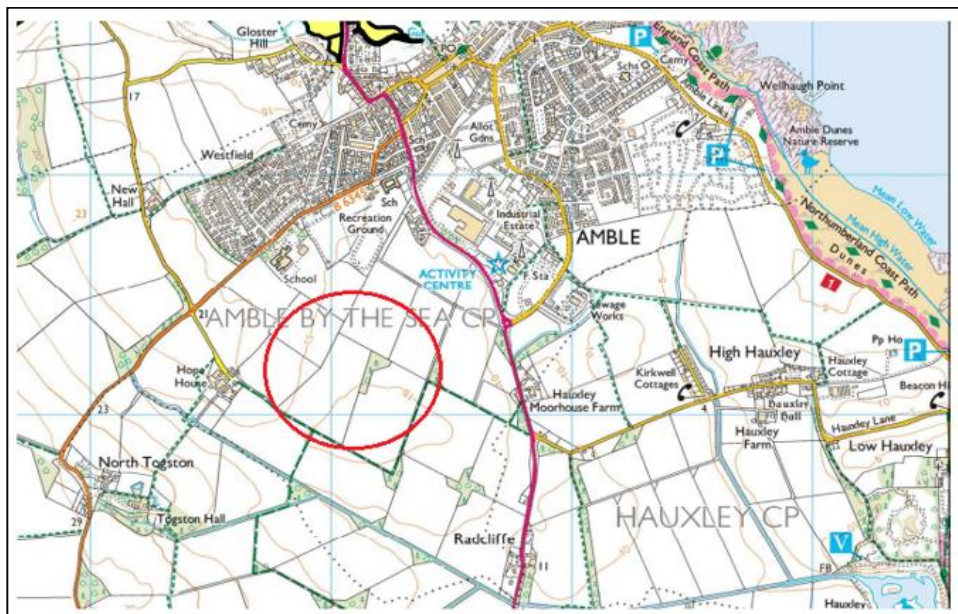


Table 3B states the following options have been considered:

**Table 3B: Site Options**

<b>Option 1</b> - Do minimum required & address maintenance backlog issues
<b>Option 2</b> – Refurbishment & extension of the existing premises
<b>Option 3</b> – New build on a different location within the existing site & retain the existing sports hall
<b>Option 4</b> - New build for the premises on a different location within the existing site & new sports hall adjoining the new school building
<b>Option 5</b> – New build for the premises on the land east of the recreation ground including new sports hall
<b>Option 6</b> - New build for the premises on the recreation ground that has been offered to NCC adjacent to the site & offer the recreation facilities elsewhere

### ***3.2.1 Methodology***

All sites with the potential to accommodate the schools were identified through an initial search using plans, followed by a physical search of the area. The sites were then appraised in a systematic manner by application of nine criteria to produce a score for each in order to grade any suitable options.

### ***3.2.2 Appraisal Criteria***

#### **i) Ownership**

Established where possible from existing County Council records and reference to title documentation.

#### **ii) Site capacity**

All the options described are capable of being located on the sites as mentioned.

#### **iii) Planning**

In consultation with County Council planning staff, a number of matters were considered in assessing the appropriate score. These included the following:

- Green belt issues
- Settlement boundary / open land issues
- Accessibility / transport
- Highways and parking
- Landscape impact
- Impact on nature conservation
- Impact on archaeology / historic heritage
- Adjacent land uses and potential impact on residential amenity
- Contaminated land issues
- Asbestos

#### iv) Access & Transport

County Council Highway Officers are to be consulted to discuss the road access, proximity of junctions and public transport services.

#### v) Timescale

Scores applied to reflect the estimated period required to acquire the site, without obtaining planning permission.

#### vi) Acquisition Cost

Involved consideration of existing use and planning consents, ownership and use allocation within the Local Plan.

#### vii) Title Investigation

Carried out wherever possible using a title report from Womble Bond Dickinson. Any title defects are reflected in the scores applied.

#### viii) Location

Accessibility for pupils.

#### ix) Support from Schools

Level of buy in from the schools involved.

### **3.2.3 Scoring criteria**

- Scoring is on a scale of 1- 10.
- In relation to ownership, planning, access, timescale, acquisition cost and title investigation, a higher score is indicative of a positive contribution to scheme deliverability, with 10 representing no barriers to deliverability arising and 1 representing a significant level of added difficulty or risk to deliverability arising from that aspect.
- In relation to capacity and location, a higher score is indicative of greater levels of suitability in meeting the requirements of the scheme, with 10 representing the scheme needs being fully met and 1 representing the scheme needs being unmet.
- In relation to the support from schools' criteria, a higher score is indicative of a greater level of buy-in from the school, with 10 representing full support and 1 representing no support from the school. A negative number suggests not just a lack of support but active resistance.





<b>Option 1 – Do minimum &amp; back log issues</b>		
<b>Criteria</b>	<b>Comments</b>	<b>Score</b>
Ownership	Current site in NCC ownership	10
Site Capacity	Current site is large enough to cater for the school, with sports fields and has scope for future expansion	10
Planning	Limited planning implications required for mobile classrooms	8
Access	Access is already in place to the site from Acklington Road, although the access causes issues around drop off /pick up times	5
Timescale	No implications as the site is already in NCC's ownership	10
Acquisition Cost	No acquisition costs	10
Title Investigation	No title implications	10
Location	The site is well positioned close to the town centre and residential premises within Amble	9
Support from schools	The school are supportive of utilising the existing site	10
<b>Appraisal Score</b>		<b>82</b>

<b>Advantages</b>	<b>Disadvantages</b>
No associated acquisition costs or other site-related implications	Only minor improvement to community facilities
Use of the current site continues undisturbed	
Use of current site within NCC ownership therefore works can commence at any time	
Prominent position of schools on the site	

<b>Option 2 - Refurbishment &amp; extension of the existing premises</b>		
<b>Criteria</b>	<b>Comments</b>	<b>Score</b>
Ownership	No implications - site in NCC ownership	10





Site Capacity	Current site is large enough to cater for the school, with sports fields and has scope for future expansion	10
Planning	Proposed works to be discussed with planners, but not likely to cause an issue	8
Access	Access is already in place to the site from Acklington Road, although the access causes issues around drop off /pick up times	5
Timescale	No implications as the site is already in NCC's ownership	10
Acquisition Cost	No implications	10
Title Investigation	No implications	10
Location	The site is well positioned close to the town centre and residential premises within Amble	9
Support from schools	The school are supportive of utilising the existing site	10
<b>Appraisal Score</b>		<b>82</b>

<b>Advantages</b>	<b>Disadvantages</b>
No associated acquisition costs or other site-related implications	Fails to address access issues caused at drop-off and pick-up times.
Use of current site within NCC ownership therefore works can commence at any time	

<b>Option 3 – New build for the premises on a different location within the existing site &amp; retain the existing sports hall</b>		
<b>Criteria</b>	<b>Comments</b>	<b>Score</b>
Ownership	No implications - site in NCC ownership	10
Site Capacity	Current site is large enough to cater both school sites, with sports fields and has scope for future expansion	10
Planning	Proposed works to be discussed with planners, but not likely to cause an issue	6



Access	Access is already in place to the site from Acklington Road, although the access causes issues around drop off /pick up times	5
Timescale	No implications as the site is already in NCC's ownership	10
Acquisition Cost	No implications	10
Title Investigation	No implications	10
Location	The site is well positioned close to the town centre and residential premises within Amble	9
Support from schools	The school are supportive of utilising the existing site	10
<b>Appraisal Score</b>		<b>80</b>

<b>Advantages</b>	<b>Disadvantages</b>
No associated acquisition costs or other site-related implications	Fails to address access issues caused at drop-off and pick-up times.
Likely to be successful in planning terms	
Use of current site within NCC ownership therefore works can commence at any time	
Site offers space to accommodate the optimal amount of sports pitches	

<b>Option 4 – New build for the premises on a different location within the existing site &amp; new sports hall adjoining the school building</b>		
<b>Criteria</b>	<b>Comments</b>	<b>Score</b>
Ownership	No implications- site in NCC ownership	10
Site Capacity	Current site is large enough to cater for the school site, with sports fields and has scope for future expansion	10
Planning	Proposed works to be discussed with planners, but not likely to cause an issue	6
Access	Access is already in place to the site from Acklington Road, although the access causes issues around drop off /pick up times	5



Timescale	No implications as the site is already in NCC's ownership	10
Acquisition Cost	No implications	10
Title Investigation	No implications	10
Location	The site is well positioned close to the town centre and residential premises within Amble	9
Support from schools	The school are supportive of utilising the existing site	10
<b>Appraisal Score</b>		<b>80</b>

<b>Advantages</b>	<b>Disadvantages</b>
No associated acquisition costs or other site-related implications	Fails to address access issues caused at drop-off and pick-up times.
Likely to be successful in planning terms	
Use of current site within NCC ownership therefore works can commence at any time	
Site offers space to accommodate the optimal amount of sports pitches	

<b>Option 5 – New build for the premises on the land to the east of the recreation ground including new sports hall</b>		
<b>Criteria</b>	<b>Comments</b>	<b>Score</b>
Ownership	No implications - site in NCC ownership	10
Site Capacity	Current site is large enough to cater for the school, with sports fields and has scope for future expansion.	10
Planning	Proposed works to be discussed with planners, but not likely to cause an issue. Sport England to be consulted on the loss of the pitches but exception met if equal playing pitch provided elsewhere on site	5



Access	Access via Acklington Road with a new access needing to be created to the site. Park & stride option from the existing car park on the current school site through the recreation land to allow for sufficient parking, buses & drop off/pick ups	9
Timescale	No implications as the site is already in NCC's ownership	10
Acquisition Cost	No implications	10
Title Investigation	No implications	10
Location	The site is well positioned close to the town centre and residential premises within Amble	9
Support from schools	The school are supportive of utilising the existing site	10
<b>Appraisal Score</b>		<b>83</b>

Advantages	Disadvantages
Addresses the access issues caused at drop-off and pick-up times.	Potential Sport England objections to the loss of playing field land, although this can be provided elsewhere on the site
No associated acquisition costs or other site-related implications	New access will need to be created to the site and consultation with Highways team
Likely to be successful in planning terms	
Use of current site within NCC ownership therefore works can commence at any time	
Site offers space to accommodate the optimal amount of sports pitches	

<b>Option 6 – New build for the premises on the recreation land that has been offered to NCC adjacent to the site &amp; relocate the recreation facilities elsewhere</b>		
Criteria	Comments	Score
Ownership	Part of the land in private ownership. Also, potential complications due to Lottery funding on the site and Charities Act for transfer of the land	3

Site Capacity	Site will have scope for future expansion while accommodating all facilities on one site, as well as the option to obtain a capital receipt by selling the brownfield land that wouldn't be required	10
Planning	Site will require development on open space recreation land and protection against the restrictive covenants that are placed on the land through indemnity insurance, which will require further investigation and expense to see if the insurance can be obtained which isn't a certainty	7
Access	An access is already in place from Acklington Road that can be redeveloped or redesigned to suit the scheme	9
Timescale	Potential delays due to agreeing terms with the Trust & the transfer of the land taking place. Also, investigations into the restrictive covenants on the site & whether indemnity insurance can be obtained, along with Charities Act & Lottery funding discussions which could cause obstacles & delay. The recreation facilities on the existing site will need to be re-provided elsewhere for the use by the general public and current sports teams	3
Acquisition Cost	The acquisition cost of this land is currently unknown at this stage.	5
Title Investigation	The title is subject to two restrictive covenants – the 1931 covenant states that the land is only to be used for recreation or pleasure ground and the 1953 covenant states that the land is to be preserved for the recreation and enjoyment of the public of Amble forever. As we are not able to locate the beneficiaries, the legal advice received is that Indemnity Insurance could be the best course of action to cover the Council should we develop this land, however further investigation is required to ascertain whether this could be obtained	3
Location	The site is well positioned close to the town centre and residential premises within Amble. With the new site being directly in between the two sites which would improve the accessibility	10
Support from schools	The school is keen to see the redevelopment of the site to create improved facilities and the benefits that the redevelopment will bring	10



<b>Appraisal Score</b>		60
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<b>Advantages</b>	<b>Disadvantages</b>
Site offers potential for further expansion if needed in the future	Potential uncertainty and sources of delay to timetable but possibility to minimise risk through indemnity insurance
Less disruption to the school operation whilst the works are taking place	External Trust involved with the transfer of the land so would be subject to their board approval & Charities Act approvals
Site offers space to accommodate the optimal amount of sports pitches	Loss of recreational facilities whilst the works take place to build the school
	The cost of purchasing the land is currently unknown, meaning the initial outlay of funds to purchase the site and additional time for valuations & negotiations to take place

**Table 3C: Option Appraisal Results**

<b>Rank</b>	<b>Option</b>	
1	<b>Option 5</b> - New build for the premises on the land east of the recreation ground including new sports hall	83
2=	<b>Option 1</b> – Do minimum	82
2=	<b>Option 2</b> – Refurbishment & extension of the existing premises	82
4=	<b>Option 3</b> - New build for the premises on a different location within the existing site & refurbish sports hall	80
4=	<b>Option 4</b> - New build for the premises on a different location within the existing site & new sports hall adjoining the school building	80
6	<b>Option 6</b> - New build for the premises on the recreation land that has been offered to NCC adjacent to the site & relocate the recreation facilities elsewhere	60

### 3.3.4 Preferred Option

Options 1-5 are all scored similarly due to the land implications all being the same with the site being within NCC's ownership and control. The decision on the preferred option will depend on the design preferences for the development, including working within an operational school, position of the buildings, location of services & demolition of existing buildings. Contractor's access & site compounds need to be considered along with safeguarding and the loss of any car parking whilst the works take place. On this basis, Option 5 is the preferred option.

There is uncertainty over Option 6, which has the potential to delay the scheme and obstacles to overcome to make it viable. There are potential issues with the restrictive covenants on the site.

Option 5 represents the best opportunity to realise several improvements that will benefit the school and NCC. These are included below:

- The cost saving offered by a new-build, energy efficient school and newly refurbished school
- Scope to accommodate a growth in numbers or any future changes
- Creating an environmentally friendly school building that responds to the current climate emergency and the removal of an inefficient and wasteful building
- Improve access & parking within the site and flow of the schools
- Prominent position on the site

It is accepted that development on the recreation land and acquiring land from a third party brings additional risks & expense to the project in terms of potential impact on the timetable and deliverability. It is possible to mitigate the risks associated with the acquisition through early negotiation of the terms and indemnity insurance, subject to relevant matters such as obtaining satisfactory planning permission and satisfactory results of site investigation surveys, however these risks meant that Options 1- 5 were more viable options.

This can be achieved in parallel with ongoing design work, with the risk of abortive legal and project fees if the matter is not concluded in an acceptable timeframe, or if planning permission is not forthcoming. Unfortunately, the risk remains regarding planning. The opportunity to secure a site that offers the benefits highlighted above and that will serve the schools and wider community more appropriately both now and into the future, warrants a degree of speculation.

### 3.3 Land Ownership

Table 3A below shows a summary of the ownership status of the sites covered by the review:

**Table 3A: Site ownership status**

<b>James Calvert Spence College Acklington Road site</b>	NCC freehold
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<b>James Calvert Spence College South Avenue site</b>	NCC freehold
<b>Recreation Land</b>	Amble Development Trust

### 3.4 Potential Land Acquisition Costs

#### 3.4.1 Market Values of Potentially Surplus Sites

**Table 3E: Site Valuations**

Property	Total Area (Hectares)	Valuation
Land south east of New Hall Farm, Amble	7.7	Between £410,547 and £586,832 per hectare
Land at Gloster Hill, Amble	1.1	Between £475,000 and £515,000 per hectare

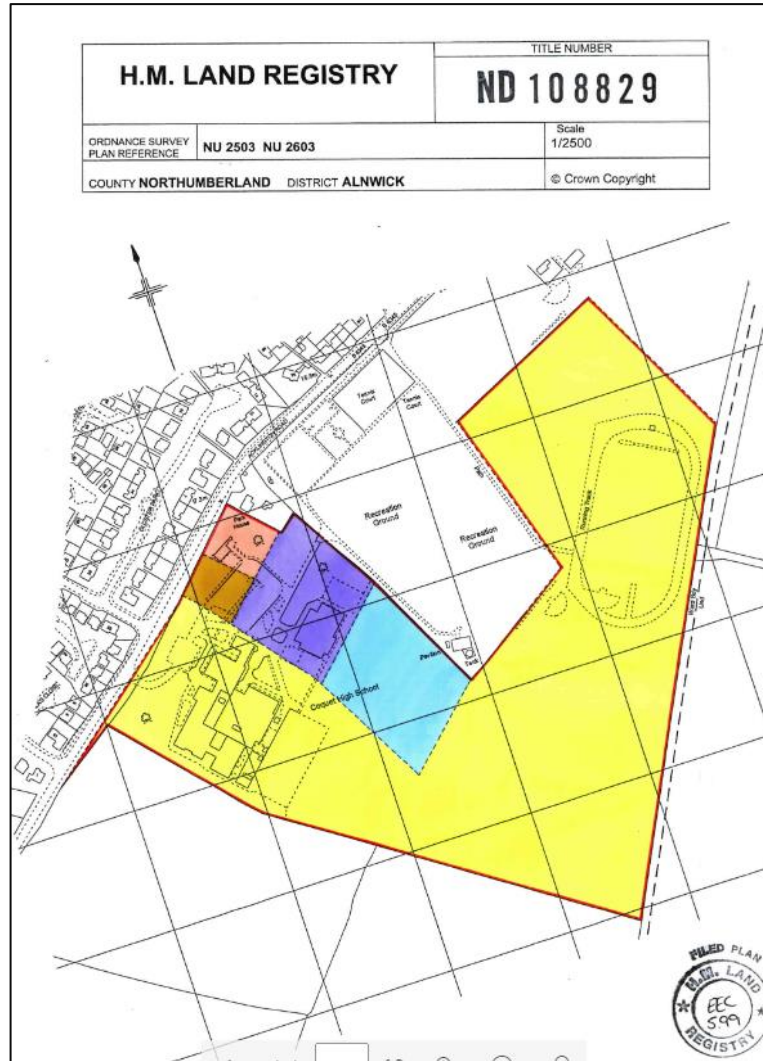
#### 3.4.2 Valuation Assumptions

- The value included above is a high-level figure for estimation purposes only and final value will ultimately depend on a range of factors
- Planning permission is granted in respect of redevelopment without any onerous conditions
- There are no adverse site investigation results
- Assumes Planning and other consents will only be achieved

### 3.5 Planning Commentary

#### 3.5.1 Existing James Calvert Spence College Acklington Road Site





## Constraints

- Works taking place on an operational school site & safeguarding considerations
- The position of a new building will be to the side of the existing school building so won't be in the preferred location
- Temporary access will need to be created for contractors & site compounds which could temporarily taking away part of the playing fields
- Additional parking may need to be provided for staff
- Mobile classroom village created on site which will take away a small part of the playing fields
- The works will have some impact on the residents as the works will be taking place towards the front of the site
- Position of the services & connections
- Sport England & DfE to be considered
- Highways considerations in relation to site access

## Key Issues

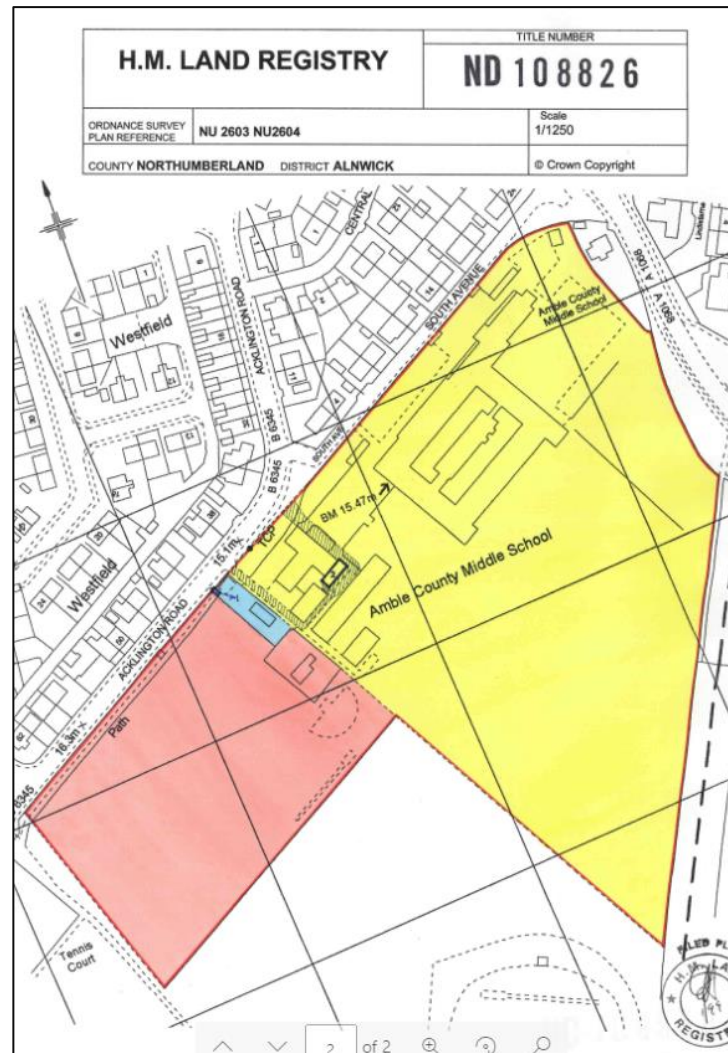
- The site is currently in the settlement boundary, so the principle of the development is acceptable here
- Currently used as a school so preferable in planning terms

## Ecology Comments

- € Ecology colleagues to be consulted on the proposals
- € School buildings often have cladding and other features which can be used by roosting bats and nesting birds.
- € It is recommended that bat and bird surveys are undertaken at the site and updated regularly thereafter. This will begin with an ecological appraisal (daylight) survey followed by activity (dusk/dawn surveys).
- € If bat roosts are discovered a Natural England Protected Species Mitigation License will be required prior to demolition or works affecting the roosts.



### 3.5.2 Existing James Calvert Spence College South Avenue site



#### Constraints

- The use of the land east of the recreation ground for the new school building will mean the loss of playing field land which will require Sport England consent, however there is a large area of playing field land on the site meaning these pitches can be provided elsewhere
- The pupils from the South Avenue school will need to be decanted into the Acklington Road buildings and mobile classrooms whilst the refurbishment works take place to their buildings

#### Key Issues

- Currently used as a school so preferable in planning terms
- The refurbishment works could be time consuming and find additional issues to be rectified during the works



## Ecology Comments

- Ecology colleagues to be consulted on the proposals
- Trees to South Avenue and existing hedgerows on the site should be retained as far as is possible in the design to avoid harm to features which could be used by protected species such as newts and bats.
- The cost of extensive surveys can be reduced if good design principles are used to avoid harm, so maintaining the tree lined boundary and minimising light spill onto that boundary automatically removes the risk to bats foraging routes and reduces the need for extensive survey.

### *3.5.3 Recreation land to be acquired*



## Constraints

- The land is to be acquired from Amble Development Trust, so is subject to their board approval



- The land has two restrictive covenants on the land which prevent development, however we have been unable to locate the beneficiaries and are obtaining legal advice on the best way to proceed including obtaining Indemnity Insurance to cover NCC should the site be developed
- Lottery grant & Charities Act to be considered and any obstacles this may bring up with transferring the land & whether any land has to be transferred back to the Development Trust or Market Value paid for the site
- The recreation land, play equipment, Multi Use Games Area (MUGA) and football pitches will need to be reprovided elsewhere on the school site, which may result in a temporary loss of facilities or issues with local residents who use this site
- Planning advice will need to be obtained to see whether planning permission would be granted to develop this land

### Key Issues

- Planning advice will need to be obtained to see whether planning permission would be granted to develop this land & whether the land is designated as open space & if so whether it can be relocated elsewhere
- The works are taking place closer to some different residents' properties, so any noise & dust nuisances to be considered

### Ecology Comments

- Ecology colleagues to be consulted on the proposals
- Trees to Acklington Road and existing hedgerows on the site should be retained as far as is possible in the design to avoid harm to features which could be used by protected species such as newts and bats.
- The cost of extensive surveys can be reduced if good design principles are used to avoid harm, so maintaining the tree lined boundary and minimising light spill onto that boundary automatically removes the risk to bats foraging routes and reduces the need for extensive survey.

#### *3.5.4 East of the Recreation Ground Site*



### Constraints

- New access will be required to be installed from Acklington Road, so discussions with Highways required.
- The works are taking place closer to some resident's properties, so any noise & dust nuisances to be considered.

### Key Issues

- Currently used as a school so preferable in planning terms.
- The use of the site will allow the existing site to remain operational and less disruption caused.
- The site will allow the contractor to gain access & have a site compound on site.

### Ecology Comments

- Ecology colleagues to be consulted on the proposals
- Access will need to be created within the hedgerows on the site with the remaining hedgerows retained as far as is possible in the design to avoid harm to features which could be used by protected species such as newts and bats.
- The cost of extensive surveys can be reduced if good design principles are used to avoid harm, so maintaining the tree lined boundary and minimising light spill onto that boundary automatically removes the risk to bats foraging routes and reduces the need for extensive survey.

### *3.5 Planning*

- Planning have been consulted and are comfortable with all the options proposed and don't see any potential issues



- Any ecological survey should be completed with reports and any mitigation proposed submitted with a planning application.
- Without adequate survey there may be delays to determination.

### ***3.6 Biodiversity Net Gain***

- The Environment Bill 2021 includes a mandatory requirement for Biodiversity Net Gain for planning applications. There is a two-year implementation period, but it does make sense to forward plan for the mandatory requirement, carry out a Biodiversity Net Gain Assessment (via the DEFRA metric) and plan for how biodiversity loss can be avoided, and gain can be maximised through design.
- If the development as proposed is impacting areas of arable field, buildings, amenity grassland and hard standing this would be reflected as a very low unit value calculated using the DEFRA metric. The addition of loss of natural habitats such as hedgerows and tree lines would increase the net loss value which would need to be compensated for.
- This not only includes avoiding loss and impacts on habitats (which as discussed above saves costs and reduces the need for licensing and site supervision and delays whilst waiting for licences) but reduces the need to find biodiversity net gains on the site or to offset on other land within the Council's control.
- It is essential that ecologists are involved in the early stages of the design process to reduce risks to the project and save costs and delays further along the project timetable.



### 3.7 Summary

Although options 1-5 are all scored the similarly for the land implications, Option 5 of developing the school on the land to the east of the recreation land is proposed as the best option as the land is already an operational school site within NCC's ownership, therefore will give more certainty around developing the site & planning permission. The new building can be located on the playing field land meaning less disruption to the operational school and more space for the contractors site compound and access whilst the works take place. Also close to the main road for access to the existing services and allows the building to be built in a prominent position on the site. This option also brings the two school sites closer together.

Option 5 is considered to be the best option to deliver a scheme that meets the needs of the school both now and in the future and allows for the creation of a modern, environmentally conscious building with enhanced facilities that benefit both the school and the local residents. With options 3 & 4 considered to be the best alternative options should any issues be raised by developing on the playing field land or access issues to the site. Option 1 wouldn't be supported & Option 2 would cause a lot of disruption and should only be considered as a last resort.

The surrounding housing will require sensitivity in the design but does not present a significant obstacle.

Option 6 of acquiring the recreation land was considered, as it would allow the building to be developed also with less disruption and would bring the sites closer together, however there was a lot of uncertainty to overcome, potential delays to the scheme & more risks involved due to the restrictive covenants on the land and land needing to be acquired for market value. Also, the temporary loss of the facilities whilst the development takes place which could cause issues with the residents who currently use the site and the local football clubs would need to be relocated onto the school pitches in the meantime and additional safeguarding would need to be implemented.



## 4 DESIGN AND CONSTRUCTION

**Section 4** and **Appendix 4** of this Outline Business Case describe the design options and investigative survey work undertaken to demonstrate feasibility.

### *4.1 Introduction*

Since the appointment of the design team in September 2019 we have worked closely with the Executive Headteacher of JCSC, the school leadership and Northumberland County Council's project team, to develop a space budget and explore design options to optimise the development opportunity.

NCC has committed to invest in the replacement and refurbishment of school buildings for the Coquet Partnership. Over the last few months, council officers have been talking to headteachers and school chairs of governors to gain their views on the current educational structure within Coquet. Whilst there were some varying responses, school leaders all agreed that it is now the right time for the views of everyone within Coquet, with an interest in education, to be captured.

The schools have asked the council to carry out a wider consultation with parents, staff, governors, pupils and the wider public. The consultation documents are available to all and set out the key issues faced by schools in the Partnership and asks for views on whether the current structure or the proposed primary / secondary school structure would deliver a good and sustainable school system in the Coquet area.

In anticipation of the outcome of the public consultation, the impact of the proposed new structure has been assessed. This report is the first of three reports. The second report focuses on repurposing the existing James Calvert Spence Middle School as a new Primary and special education needs and disabilities facility (SEND) the third a study on the impact of the primary / secondary model on the current first schools in the Partnership.

This report focuses on the impacts of the formation of JCSC for pupils aged 11-18.

#### *4.1.1 Education Brief*

The education brief has been developed in great detail and has been used as a template to explore the design options, test typologies and site strategies. Extracts from the brief follow with the full document in Appendix 4A.

In summary the existing and/or new building(s) are required to provide accommodation to support the following pupil and staff numbers:

Student:

- 11-16: 600



- Sixth Form 120  
**Total: 720**

**Staff:**

- 46 FTE teaching staff and 49 FTE support staff.

The overall 'new build' target area is 6,359sqm, which is required to deliver the design brief included an enhanced provision in food technology to support T-level catering and the provision of a new four court sports hall in lieu of a three-court hall generated from the baseline standard schedule of area.

Vision, Ethos and Values

**Values:**

At James Calvert Spence College, the school values are the foundation of the school community on which they build every other aspect of their school. They expect all members of our community to:

- Aim High
- Work Hard
- Be Kind

**Ethos:**

We firmly believe in the potential of every single student and that each one is capable of achieving great things. We want our students to leave us confident, well-rounded and well qualified. We will prepare students to go out into the world and seize every opportunity.

**Vision:**

The vision for the new facilities is that the building(s):

- provides the best educational opportunities for our students.
- supports us as the school of choice for the area, with kerb appeal that inspires the community to embrace it
- enables students to have great experiences and achieve excellent outcomes
- develops the whole child – enrichment opportunities, pastoral support, SEN, sport
- environment that supports is innovative, promotes opportunities and excellence.
- supports high quality teaching and learning resulting in better student outcomes
- makes students want to learn here



- makes people want to work here, enhancing the recruitment and retention of high-quality staff
- retains and further enhances the characteristics that make James Calvert Spence College such a special place
- warm, friendly environment where all members of our community are known and feel valued

The school needs to:

- be an economical and environmentally friendly building where heat can be controlled by zones and have sufficient ventilation and natural light.
- be modern, welcoming and open – we want open spaces where people can be seen rather than long corridors where they can be lost. Wider, open corridors should create informal social areas.
- allow people to flow between areas without congestion or travel through unsupervised spaces.
- facilitate positive student behaviour via passive supervision throughout the building by the positioning of offices with glass walls for members of the leadership and pastoral teams, communal staff spaces and directorate workspaces
- support students to feel safe in changing rooms and WCs.
- have external spaces that shelter students on their arrival to school and during breaks and lunches, especially during inclement weather that's often experienced at the coast.
- have catering facilities that encourage students to eat with friends, promoting wellbeing and healthy eating.
- have modern facilities that allow the very best quality of teaching and learning through being spacious, with comfortable furniture, and ICT available in all learning spaces when appropriate.
- have enviable sixth form facilities that make our year 11 students want to stay and encourages students from other schools to join – both in terms of teaching spaces, social areas and study spaces.
- have a library at the heart of the school, easily accessible by all students from all teaching spaces.
- have staircases that are clearly visible from nearby classrooms and staff spaces and with no spaces for students to hide.
- have specialist facilities that enable us to provide courses that meet the needs of our students' aspirations and fit the profile of the local labour market – particularly catering, engineering and ICT.
- have specialist facilities that enable us to continue providing courses that are our strengths – particularly art, design & fashion, and sports.
- provide leisure facilities for our community to access outside of school hours including a MUGA, tennis courts, sports hall and for the existing running track to be retained and upgraded.



- enable our community to access limited teaching spaces so that evening classes could be delivered in traditional classroom-based subjects, cooking, ICT and art.

### **Community Use:**

The sporting facilities are used extensively by the local community and, with the expected surge in housing in our catchment area, it is expected the demand will grow further. The sports hall is fully booked every evening and the football pitches are also well used. There is a 400m running track on site, however, it is in a state of disrepair and unsafe to be used by students or the community. There have been several approaches from members of the community and local running clubs asking for access to this facility, and the school are keen to be able to provide this following a significant investment.

There is a desire to expand sporting facilities further to support the community in terms of health and wellbeing, and to introduce more members of the catchment to the school who may not otherwise visit and appreciate what is on offer. Amble is a growing town with limited sports facilities and recreation areas. JCSC has a sports hall and football pitches, Amble Development Trust has a field that can be used by the community and hosts a small play park and skate park. Beyond this, there is little else and this is not acceptable for a town the size of Amble and residents have to travel to neighbouring towns to access facilities, with the nearest leisure centres in Alnwick [9.6 miles] or Ashington [13.1 miles]. This is a detriment to the community, particularly children, if they face barriers to access due to no transport, for example. Over 37% of students in Y7 and above are eligible for pupil premium and in the 21<sup>st</sup> century with the cost of living surging, investment should be made into the facilities for the community of Amble and surrounding areas that are accessible to all.

State of the art facilities would be welcomed by the whole community and generate a source of income for the school ongoing. The school will continue to make letting fees competitive and work with community groups to secure grants or other funding opportunities to enable more people to utilise the facilities. It is envisaged that a new build or redevelopment will provide the following facilities for students and potential community use:

- MUGA with flood lighting
- 3G pitches with flood lighting
- Resurfaced running / athletics track
- Football pitches
- Rugby pitch
- Tennis courts
- A fitness suite with gym equipment

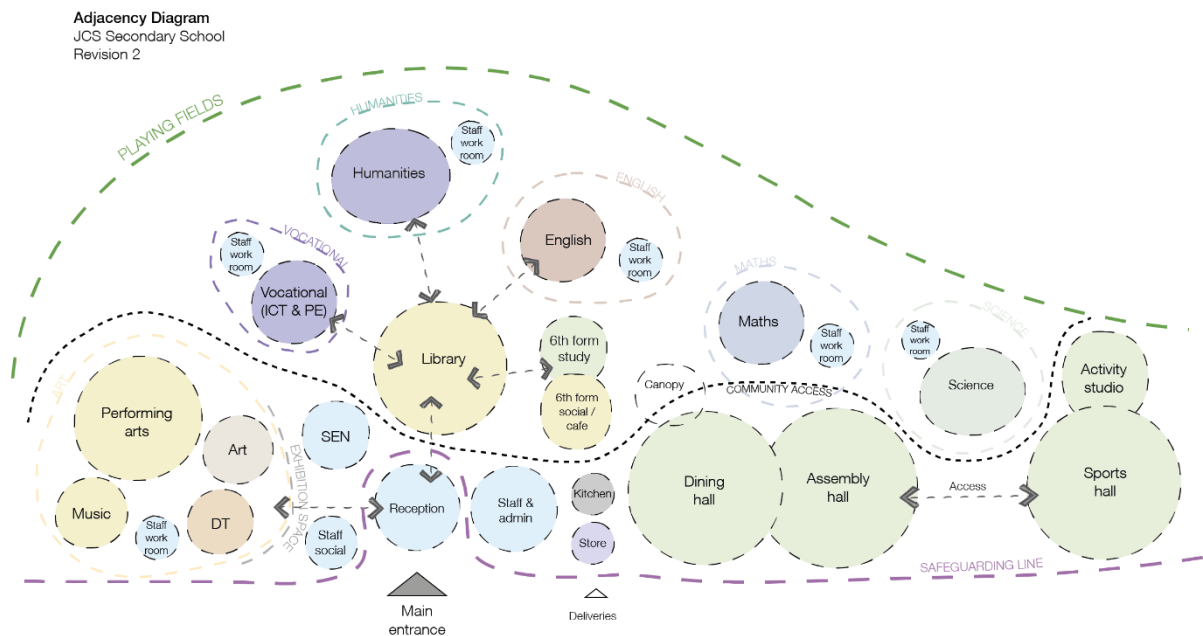
There is a desire to offer evening classes to the community in classroom-based subjects (such as English and maths) and to use the practical resources to offer adult education in subjects such as art and ICT. The current building does not allow this to happen easily or securely due to the layout and access points.

## Curriculum Provision:

The new secondary school is arranged in six directorates.

- English
- Maths
- Science
- Humanities
- Vocational including ICT and PE
- Arts including Design and Food Technology Music and Performing Arts

There are specific interrelationships between directorates which are reflected in our adjacency diagram, used to support the development of the school vision and visualise spatially.



## Flexibility:

Flexibility and future proofing are important considerations. The school will need to be able to respond to ever changing curriculum demands, teaching styles and demographic changes. As such the new or refurbished building(s) need to be easily reconfigured and if required extended in the future without disrupting the education provision.

## Relationship with the external environment:

The relationship with the external environment is important. The school building(s) need to be arranged to encourage students to move around the site freely and be confident to engage with different landscape settings whether for formal play, recreation or for quiet contemplation.



## 4.2 Surveys and Investigations

This is the section of the OBC details the results of these surveys which have been undertaken as part of the feasibility exercise and summarises the outcomes of these. Copies of these reports can be found in Appendix 4.

The project team, together with the LA identified a list of surveys and investigations, which have been instructed and undertaken:

- Site Investigation Desktop Study
- Preliminary Ecological Appraisal and Bat Survey
- Arboricultural survey
- Topographical survey
- Utilities survey
- FF&E including technology audit
- ICT Audit

The summary of findings and recommendations of each of the above is identified below.

### 4.2.1 Survey Summaries

Survey	Comments / Risks
Site Investigation Desktop Study	<ul style="list-style-type: none"> <li>• Relatively flat site. Level changes north of the existing running track towards the main road.</li> <li>• Potential coal seams below the site which will need further investigation</li> <li>• The site is not within a zone of flooding</li> <li>• Phase 2 investigation to be undertaken to determine contamination and ground make up</li> </ul>
Preliminary Ecological Appraisal and Bat Survey	<ul style="list-style-type: none"> <li>• Bats – Possible bat roosts. Further surveys required along with transect surveys and remote monitoring.</li> <li>• Birds – potentially located in flat roof sections of the building.</li> <li>• Botanical – further surveys to review the grasslands</li> </ul>
Arboricultural Survey	Refer to appendix 4D
Topographical Survey	Refer to appendix 4E
Utilities Survey	Refer to appendix 4F



FF&E including technology audit	<ul style="list-style-type: none"> <li>• 86% of the loose furniture can be re-purposed in the next 5 years</li> <li>• 64% of the existing DT equipment to be re-purposed</li> <li>• 66% of the catering equipment to be re-purposed</li> </ul>
ICT audit	Refer to appendix 4H

### 4.3 Design Journey

During the design journey we explored the opportunities to redevelop the existing site and an adjacent site assessing the advantages and disadvantages of

- minimum option tackling the backlog maintenance issues
- refurbishing and remodelling the current estate and upgrading the external environment.
- building a new teaching block building on the existing site, retaining and upgrading the existing sports hall, and upgraded external environment.
- build a new teaching block with a new integrated sports hall provision and upgraded external environment.
- Develop new building(s) and external environment on the site east of the recreation ground.
- Develop new building(s) and external environment on the recreation ground.

#### 4.3.1 Design Drivers

To inform the OBC we have looked at each option in the context of

- Education drivers and ethos
- Site capacity and compliance with BB103
- Impact of the development on neighbouring properties
- Buildability
- Phasing
- Disruption
- Programme
- Cost
- Sport England support
- Planning support
- Highway's impact

#### 4.3.2 Issues Log

The issues log is based upon feedback from the school and our observations when we have walked the site and observed the school during the working day along with information provided by the local authority.



#### Physical Arrangement issues:

- Arrival experience is underwhelming
- Bus turning circle anecdotally is poor
- Secure lines are difficult to supervise
- Circuitous and confusing internal circulation routes.
- Narrow corridors
- Poor passive supervision
- Directorate teaching spaces spread across the school which impact working patterns and directorate unity
- Shortage of staff work rooms for each directorate
- Too many isolated areas making it difficult to manage and supervise.
- Inadequate poorly distributed WC provision
- Under provision of staff WC's and all of poor quality
- Very difficult to be on duty at toilets and actually see what is going on.
- Noise pollution from the quadrangles into teaching spaces
- Under provision of teaching spaces
- Reliance on mobile provision
- Multiple entrances / exits from social areas – so students can hide from staff
- No dedicated assembly space

#### Environment:

- Limited natural light in many teaching spaces
- Poorly proportioned and undersized teaching spaces
- There is excessive overheating in the summer and heat loss in the winter
- Glare issues
- Lighting controls inadequate
- Evidence of roof leaks
- Exposed site.

#### Legislative Issues:

- Some first-floor areas are only accessed by a single staircase and not as such compliant with current fire and building regulations. There are rooms within rooms
- There is poor acoustic separation between spaces
- Poor ventilation, anecdotally CO2 levels within classrooms being at an unacceptable level
- Electric load is anecdotally under capacity.
- Access for all issues

#### Infrastructure:

- Drainage infrastructure is crumbling
- Lack of ability to communicate within school in emergency situations.



- External fabric is at the end of its useful life
- Not enough power and data outlets
- IT infrastructure inadequate

#### External Environment:

- There are a large number of internal courtyards, and the social spaces are very close to teaching spaces. Lunch and break time supervision is difficult and there are a lot of opportunities for antisocial behaviour to take place out of general view
- All weather running track and other similar facilities (long jump / high jump areas) have not been maintained and as such is unusable
- Tennis courts are in need of refurbishment or replacement
- Site location and orientation of buildings means that playground areas can be exposed to cold winds, which impacts useability
- Inefficient use of space in external environment, with large areas of mown grass (not playing field) not well-located for use as teaching or social spaces
- The condition of some surfaces and areas is poor
- Fencing is extensive and hard to maintain

## 4.4 Options

### Existing Site Arrangement

The school sits on the edge of Amble, a coastal town in north Northumberland. The site that the school occupies is ostensibly flat and the boundary is defined by Acklington Road to the north, beyond which are residential properties. There are open fields to the south and west. The eastern boundary is defined by a public recreation ground and in part, by the boundary of a medium size family home.

The school building is set back from the road providing enough space for the access road to sweep into the site. The car parking and coach drop off is quite extensive and sits between the road and school and sports hall. Beyond the school building are the playing fields which are extensive. An assessment has been carried out in regard to the current infrastructure particularly the site access, staff, pupil and visitor arrival parking numbers bus drop off and safeguarding.

The school is a mixture of two and single storey volumes that are arranged around courtyards or semi enclosed spaces, with a standalone sports building. The basis of the current plan is a design of clusters of accommodation around WC pods or open plan spaces, akin to a school within a school model. The plan is over complex and difficult to navigate when compared with many school designs.

The footprint is large for its total area and the external envelope steps in and out creating a disproportionately large external envelope and the roof scape is complex.



### Access

Pupil access is facilitated by two pedestrian access points off Acklington Road either side of the vehicular bell mouth. The route to the west leading down the edge of the site to hard standing areas and student entry points. The route from the west cuts across the access road toward the main entrance. Pupils arriving by coach alight on the pavement side leading to a series of pathways that lead to hard standing areas and more pupil entrances. These access points avoid pupil/vehicular traffic crossover beyond the site edge but do rely on a cross over on the access road within the site for the car parking for staff and coach parking that run across the site frontage.

### External Provision

The site is generous and can support the following provision to meet or exceed BB103. The site area is just over 12 hectares, of which just over 7 hectares (70,779m<sup>2</sup>) is currently used as playing fields. There is a playground area between the tennis courts and sports hall which is the main space for informal outdoor use. Whilst meeting the BB103 guideline area for 'hard informal and social space' it is reportedly subject to crowding particularly when weather conditions make the playing field less accessible. Between the tennis courts and school building is a 'growing and habitat area' with greenhouse, small wildlife pond etc. somewhat underused and overgrown.

The current external sporting provision is as follows.

Grass pitch provision, marked out in different permutations of pitch numbers and alignment depending on time of year etc. As an example, there is sufficient space for at least

- 4 full-size football pitches
- 2 reduced-size football pitches
- 1 cricket field

Other field sports could be supported including rugby.

Other green space to support Athletics including

- Rounders (juniors)
- Space for training grids

All weather provision

- 400m all-weather running track with additional facilities including javelin, 2nr high jump, long jump and triple jump (all in poor condition)
- The grassed area inside the all-weather pitch could also accommodate a full-size football pitch (included above)
- Multi-use games area (MUGA) with 4nr tennis courts

Social provision



- Informal hard and soft play areas

#### Vehicular movement

- Coach drop-off and pickup (space for 5nr coaches), staff and student parking including accessible parking (65nr spaces including 2nr accessible bays)

#### **4.4.1 Option 1 Retained estate and back log maintenance**

The move from a three tier to a two-tier system means that there is not an option to do nothing. By the very nature of the change more accommodation is required on the site to facilitate the aspirations of the Coquet Partnership.

Retaining the estate would fall short of the accommodation required to create a new secondary school on the JCSC site. Additional mobile classrooms would be required during the transition period. The existing estate would be weather tight when the back log maintenance was complete but would still suffer from the inherent issues listed above. The thermal performance is under modern standards and due to the age of the estate the maintenance burden will continue to escalate in relation to the service life of the heating and lighting and the expectation that the roof and windows will need replacing in the near future. This is compounded by the fact that the current estate is a woefully inefficient design, putting ever increasing demands on energy consumption. This option would not tackle the functionality issues that are associated with current building and site layout.

#### **4.4.2 Option 2 Refurbish and Remodel the Retained Estate**

The proposal looks to maximise the opportunities within the existing building and the site. We reviewed the accommodation and the internal arrangements comparing the physical arrangement to the organisational adjacencies. The philosophy being that wherever possible existing spaces would be reassigned with limited interventions to improve functionality and create more cohesive directorates. This achieves a good general arrangement of spaces but leads to some spaces falling short of the space standards when compared with a new build solution.

For this proposal to fit with the organisation ambitions of the school it has been necessary to add a proportion of new build accommodation and where feasible propose some interventions within the footprint to improve the sizes of some spaces to comply with current space standards, increase the functionality, and improve the number of WCs for staff and students throughout the building.

However, it has not been feasible for all spaces to be increased to comply with current space standards. To achieve this more fundamental interventions and additions would be required which would not be sustainable within the funding envelope. A full schedule of spaces that remain undersized is included as Appendix 4I.

At this stage it is assumed that to bring the building stock up to current environmental performance standards the retained estate would require the following works: -

- New plant, heating and lighting throughout
- New fire alarm system
- New sprinkler system
- New windows, curtain walling and external doors with improved thermal performance
- New roofs throughout with uplifted thermal performance
- Over cladding of every masonry façade to improve thermal performance and weathering performance
- New ceilings throughout
- New floor coverings throughout
- New internal doors throughout
- Full redecoration
- Improved acoustic separation between spaces assuming over boarding walls in between each teaching space
- Fire strategy enhancements including additional stairs in some locations
- Strip the sports hall back to its structure and fully overclad, plus adding accommodation lacking in the current building.
- New FF&E throughout.

Further studies and surveys

If this option was pursued

- A full review of fire strategies to ensure compliance
- An acoustic review and upgrade strategy
- Intrusive Asbestos survey
- A thermal imaging survey
- Masonry pull tests if over cladding is pursued
- Structural Survey





To provide an appropriate level of sports provision, the proposal includes an artificial Grass Pitch located on the existing field, together with reworking of the existing car park to increase capacity and increased playground area. Other existing sports facilities would be refurbished, principally the all-weather running track (including high-jump and long-jump areas) and tennis courts as necessary.

The existing Playing Field Area as defined by Sport England is 70,799m<sup>2</sup>, therefore the site is well-provided (compared to a BB103 guideline figure of 31,200m<sup>2</sup>). If there is an overall loss of playing field area, it should be possible to meet one of the Sport England exceptions.

## Conclusion

To execute the works the construction would need to be phased over several years relying upon a large number of temporary classrooms to support decanting strategies. On completion the development would be significantly improved and meet current building



standards. It would however still have some of the inherent issues that cannot be fully resolved unless more intrusive interventions were pursued, for example corridor widths would be below recommendations and several teaching spaces would remain undersized. To meet space standards in all circumstances, a much greater proportion of new building and demolition would be required defeating the object of this option.

#### ***4.4.3 Option 3 Existing site, New Teaching block and Retained upgraded Sports Hall***

This option looks to re-provide all the teaching accommodation in a new teaching block, retain and remodel the sports hall and create a new arrival plaza, new staff and pupil parking and coach drop off would be provided, accessed from the existing site entrance and potential a separate parental drop-off and pick up area out with the secure line. This proposal would look to upgrade the all-weather running track and reconfigure and upgrade the external grass sport provision and create a variety of hard and soft landscape spaces for pupils to play, socialise and explore.

The works need to be carried out while the school remains in operation. To achieve this, we have explored some building typologies that are described below.

##### **4.4.3.1 Superblock**

This typology is often the most efficient with the large central shared resources such as halls, LRCs and dining areas to be placed inboard while teaching spaces sit at the perimeter. This approach relies upon borrowed natural light and more of the spaces being mechanically ventilated solutions. As such the construction of internal roofs and light wells bring complexities not associated, with more traditional typologies.

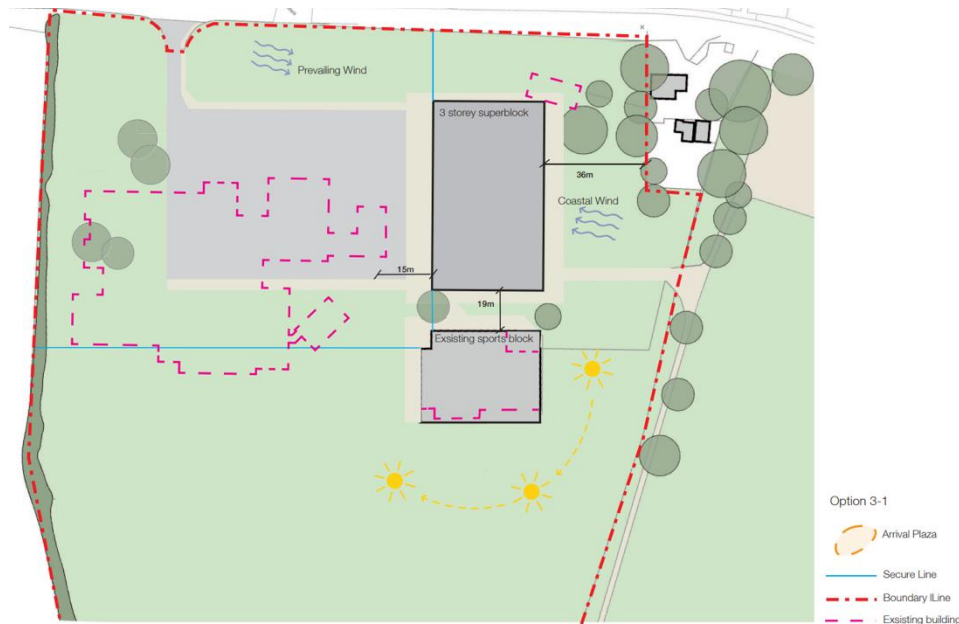
This model is most efficient when arranged over three floors.

All teaching facilities are under one roof with the indoor sports facilities provided within the existing standalone sports block or if proven to be more cost effective a new standalone block

The wall to floor ratio is good and circulation tends to be efficient. The relationship with the external landscape is not as positive as the other typologies. Creating separate directorate identities and associated external spaces is not as easy.

If well planned with good distribution, WC's and stair cores can support efficient internal flow and efficient ingress and egress at breaks. and at the beginning and end of the academic day. As this model clusters vertical circulation there tends to be fewer stair cores overall.





This option can support Net Zero in use from the outset or if budgets are prohibitive enable future additions of photovoltaic panels and other mitigation strategies.

Overall passive supervision can be more complex to achieve. The building is less capable of creating shade and shelter and external neighbourhoods and is relatively difficult to extend should the need dictate.

#### 4.4.3.2 Finger/Courtyard model

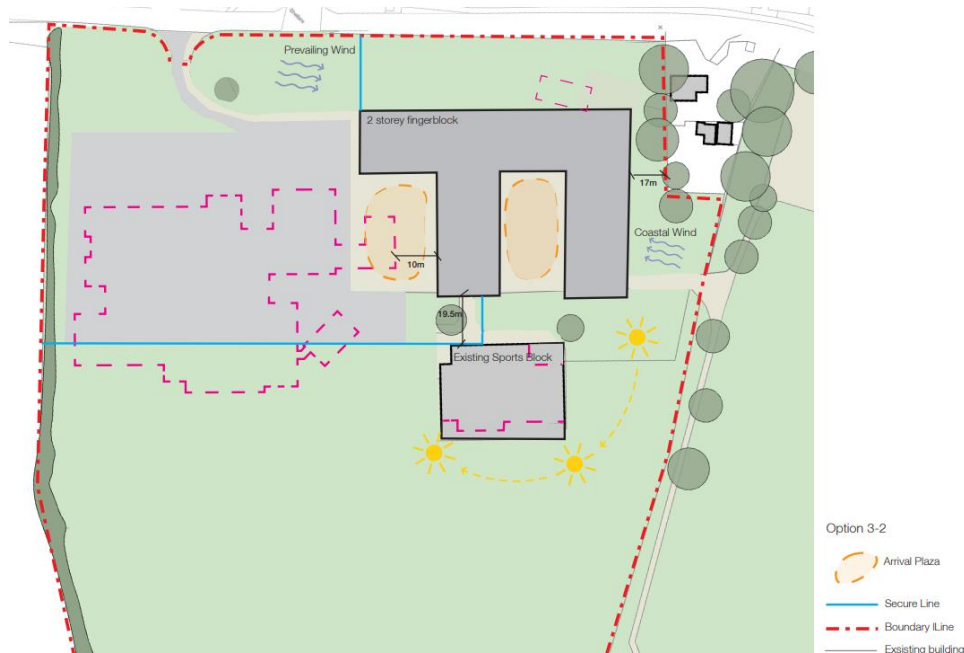
This typology is effective and enables the majority of spaces to be naturally ventilated and achieve the daylight requirements. The approach enables directorates to generally be located in self-contained clusters adjacent to their staff resource areas. All directorates will be in relatively close proximity to the shared facilities of hall, dining, library etc. aligned to the curriculum offer. All facilities are under one roof other than the standalone sports hall, which could if preferred be integrated into the building envelop.

This typology tends to have a relatively high wall to floor ratio and can put demands on circulation required to connect spaces and by its nature is less compact, but does create good connections to outdoor spaces, enhancing supervision and general surveillance. Spaces between the fingers / wings help to create neighbourhoods which can be used for different year groups and create entrances, congregation points shelter from the elements and ownership. If well planned with WC's and stair cores at the ends of the fingers, good efficient internal flow and effective ingress and egress can be achieved at breaks and at the beginning and end of the academic day.



This typology can meet all the daylight and air quality criteria without relying on complex cross and stack ventilation solutions which lead to numerous roof penetrations and complex steel frames.

This option can support Net Zero in use from the outset or if budgets are prohibitive enable future additions of photovoltaic panels and other mitigation strategies.



This typology is easy to reconfigure without impacting facades and easy to extend if required in the future if the site allows.

This approach has been tested over two and three storeys.

#### 4.4.3.3 Site Arrangement

We have developed a proposal that can be built in the general area occupied by the car park and the bus drop-off. This exploits the virtues of the site and fits the required accommodation into a two-storey building aligning to the advice provided by the planning department. This will enable the school to remain in operation during construction. There will need to be a period in the programme when the sports hall is decommissioned so that it can be stripped back to the frame and reclad.

The construction will then lead to a third phase when the existing school is vacated and demolished to enable the creation of a new landscaped plaza on site parking for staff students and visitors.

The developed solution is a variant of a two-storey courtyard design that provides appropriate frontage to Acklington Road. The principle block runs east west with two



wings running north south that create a sheltered space for pupils to safely arrive and congregate prior to entering the building at the beginning of the school day.

The courtyard space would be south facing, creating the opportunity to have external dining as well as social spaces and sheltered outdoor learning to be enjoyed throughout the day. As the school role is not large this space will act efficiently and be easy to supervise, a situation not enjoyed in the current facilities.

With vertical circulation cores at the ends of the wings and along the southern face of the northern block, pupils will be provided with unambiguous access and egress between lessons, breaks and at the beginning and end of the school day.

The northern block houses all the large format spaces, including, sixth form social, kitchen, dining hall, performance, music LRC, T Level Catering and incoming plant with science above. The western most wing houses Food and Design Technology with Art, ICT and Vocational Studies on the first floor. The wing to the west houses, English, Humanities and Maths

To achieve this part of the new building will be built relatively close to the existing buildings.

The hierarchy of space from site entrance to the school building, private recreational areas, access to all weather surfaces and the grass fields beyond is logical and manageable. The external landscape will integrate the new building and refurbished sports hall into the wider school environment.





#### 4.4.3.4 External provision

As stated previously, the overall site is 120,566m<sup>2</sup> which exceeds BB103 which specifies a minimum guideline site area of 45,000m<sup>2</sup> based on a pupil number-on-roll of 720.

The existing Playing Field Area as defined by Sport England is 70,799m<sup>2</sup>, therefore the site is well-provided (compared to a BB103 guideline figure of 31,200m<sup>2</sup>). If there is an overall loss of playing field area, it should be possible to meet one of the Sport England exceptions.

This option proposes:

#### Sports Provision

The area to the south will remain and be divided between all-weather and natural sports pitch provision which could accommodate, as an example:



#### Grass pitch provision

- 3 no full-size football pitches
- 2 no reduced-size football pitches
- 1 no cricket fields

Other field sports could be supported including rugby. Different permutations and combinations of pitch sizes and quantities are possible depending on seasonal change and curriculum requirements.

#### Other green space to support Athletics including

- Long and triple jump
- Rounders (juniors)
- Potential to mark out a 400m grass running track in the summer

#### All weather provision

- New full-size artificial turf pitch
- New or refurbished four-tennis court MUGA
- 400m all-weather running track and associated facilities refurbished

#### Vehicular movement

- A new car park, coach and drop off using the existing vehicular access

#### Social Provision

- Extended and better organised informal hard and soft play areas and external dining.
- Habitat areas will be integrated into the proposals by enhancing existing boundary planting and other areas not used for sport or informal play.

#### **4.4.4 Option 4 Existing site, New Teaching Block and Sports Hall**

This option develops a single building option with an integrated sports hall, built to the south of the existing school on the space currently occupied by the existing tennis courts enabling on completion the integration of the car park and the bus drop off area for staff and student parking complemented by the provision of new visitor parking and coach drop off. This exploits the virtues of the site and fits the required accommodation into a two-storey C shaped building aligning to the advice provided by the planning department. This will enable the school to remain in operation during construction. There will need to be a period in the programme for the demolition of the existing school and sports hall and site remodelled.

#### 4.4.4.1 Site Arrangement

The developed solution sits quite far back in the site and will have very little presence to Acklington Road. The principle block runs east west with two wings running north south that create a sheltered space for pupils to safely arrive and congregate prior to entering the building at the beginning of the school day.

The courtyard space would be south facing, creating the opportunity to have external dining as well as social spaces and sheltered outdoor learning to be enjoyed throughout the day. As the school role is not large this space will act efficiently and be easy to supervise, a situation not enjoyed in the current facilities.

With vertical circulation cores at the ends of the wings pupils will be provided with unambiguous access and egress between lessons, breaks and at the beginning and end of the school day.

The northern block houses all the large format spaces, including, sixth form social, kitchen, dining hall, performance, music LRC, T Level Catering and incoming plant with science above. The western most wing houses Food and Design Technology with Art, ICT and Vocational Studies on the first floor. The wing to the west houses, English, Humanities and Maths

The Sports block sits at the end of the eastern wing with easy access to the sports provision beyond.

The hierarchy of space from site entrance to the school building, private recreational areas, access to all weather surfaces and the grass fields beyond is logical and manageable. The external landscape will integrate the new building into the wider school environment.



#### 4.4.4.2 External Provision

As stated previously, the overall site is 120,566m<sup>2</sup> which exceeds BB103 which specifies a minimum guideline site area of 45,000m<sup>2</sup> based on a pupil number-on-roll of 720.

The existing Playing Field Area as defined by Sport England is 70,799m<sup>2</sup>, therefore the site is well-provided (compared to a BB103 guideline figure of 31,200m<sup>2</sup>). If there is an overall loss of playing field area, it may not be possible to meet one of the Sport England exceptions as the new building would occupy land which is currently playing field, and this is unlikely to be able to be replaced with an equivalent level of provision elsewhere on the site. This could lead to a Sport England objection.

This option proposes:

#### Sports Provision

The area to the south will remain and be divided between all-weather and natural sports pitch provision which could accommodate, as an example:



#### Grass pitch provision

- 3 no full-size football pitches
- 2 no reduced-size football pitches
- 1 no cricket fields

Other field sports could be supported including rugby. Different permutations and combinations of pitch sizes and quantities are possible depending on seasonal change and curriculum requirements.

#### Other green space to support Athletics including

- Long and triple jump
- Rounders (juniors)
- Potential to mark out a 400m grass running track in the summer

#### All weather provision

- New full-size artificial turf pitch
- New four-tennis court MUGA
- 400m all-weather running track and associated facilities refurbished

#### Vehicular movement

- A new visitor car park, coach and drop off using the existing vehicular access
- The retention and remodelling of the existing coach drop off and car park provision

#### Social Provision

- Extended and better organised informal hard and soft play areas and external dining.

Habitat areas will be integrated into the proposals by enhancing existing boundary planting and other areas not used for sport or informal play.

### ***4.4.5 Option 5 New Build on Land to the East of the Recreation Ground***

The new site is referred to as land to the east of the recreation ground for the purpose of this report. The option developed follows a similar model as deployed for Option 4. The site is capable of meeting the BB103 requirements when integrated with the green open space of the existing site.

This option enables the building and sports hall and all external sports provision to be delivered in one phase, leaving the existing school fully operational on its existing site during the construction works.

#### **4.4.5.1 Site Arrangement**

The proposal develops a site masterplan that best serves the requirements for curriculum delivery and provides a well organised, effective design response.

The proposed new site is a school field that sits between the current JCSC middle school and recreation ground on Acklington Road. It would be integrated with a proportion of the existing site to create a new provision. This site has very similar characteristics to the existing site.

There are less space pressures when compared with the redevelopment of the existing site. We have demonstrated that a three superbloc and courtyard typology would fit on the site comfortably. These options would however be subject to more scrutiny by the planning authority in regard to their impact. A two-storey design sits more comfortably with the scale of surrounding domestic developments to the north of Acklington Road.

The optimal solution would be a two-storey courtyard design that provides appropriate frontage to Acklington Road running east west, two wings run north south that create a sheltered space for pupils, creating a safe arrival and congregation space prior to entering the building at the beginning of the school day. The courtyard space would be south facing creating the opportunity to have external dining as well as social spaces and sheltered outdoor learning to be enjoyed throughout the day. As the school role is not large, this space will act efficiently and be easy to supervise, a situation not enjoyed in the current facilities.

With vertical circulation cores at the ends of the wings and along the southern face of the northern block, pupils will be provided with unambiguous access and egress between lessons, breaks and at the beginning and end of the school day.

This option requires the provision of a new vehicular junction off Acklington Road for visitor and accessible parking. The existing school parking area will be retained and reconfigured as necessary, providing all the staff and coach drop off requirements. There are very good safe foot path links across the top of the recreation ground that would link the parking provision to the new site. This route would need to be properly lit for staff and pupil safety.

The building orientation locates the large format spaces facing Acklington Road which by virtue will function as a noise buffer between this block and the oasis/courtyard sitting to the south. The building form wraps around hard play and landscaped areas.

The northern block houses all the large format spaces, including, sixth form social, kitchen, dining hall, performance, music LRC, T Level Catering and incoming plant with Science above. The western most wing houses Food and Design Technology with Art, ICT and Vocational Studies on the first floor. The wing to the west houses, English, Humanities and Maths

The indoor sports facilities and associated changing are linked to the western most wing in close proximity to all weather and grass sports provision, supporting curriculum delivery.

The secure line is easy to achieve enabling the site to be secured out of hours, supporting community access without compromising school security.

The site is large enough to support future expansion.



The hierarchy of space from site entrance to the school building, private recreational areas, access to all weather surfaces and the grass fields beyond is logical and manageable.



#### 4.4.5.2 External Provision

As stated previously, the overall site is approximately 133,000m<sup>2</sup> which exceeds BB103 which specifies a minimum guideline site area of 45,000m<sup>2</sup> based on a pupil number-on-roll of 720.

The existing Playing Field Area as defined by Sport England is 82,324m<sup>2</sup>, therefore the site is well-provided (compared to a BB103 guideline figure of 31,200m<sup>2</sup>). It should be



possible to provide an equivalent area of playing field (compared to that lost on the site east of the recreation ground) once the existing building are demolished.

This option proposes:

#### Sports Provision

The existing playing field area to the south will remain and be divided between all-weather and natural sports pitch provision which could accommodate, as an example:

#### New all-weather provision

- Full-size artificial turf pitch
- A four-tennis court MUGA

#### Grass pitch provision

- 1 no full-size football pitch (inside the existing all-weather athletics track)
- 4 no full-size football pitches
- 2 no reduced-size football pitch

#### Other green space to support Athletics including

- Long and triple jump
- Rounders (juniors)

#### Vehicular movement

- New vehicular access, and on-site visitor and accessible car park provision
- Upgraded staff and coach and drop off on the existing site using the existing vehicular access

#### Social Provision

- Informal hard and soft play areas and external dining.
- Habitat areas will be integrated into the proposals by enhancing existing boundary planting and identifying other areas not required for sport or play provision.

### ***4.4.6 Option 6 New Build on the Recreation Ground***

The new site is referred to as the recreation ground for the purpose of this report. The option developed follows a similar model as deployed for the existing site. The site is capable of meeting the BB103 requirements.

This option enables the building and sports hall and all external sports provision to be delivered in one phase, leaving the existing school fully operational on its existing site during the construction works.

#### ***4.4.6.1 Site Arrangement***

The proposal develops a site masterplan that best serves the requirements for curriculum delivery and provides a well organised, effective design response.



The proposed new site is a recreation ground that sits between the current JCSC high school and middle school on Acklington Road. It would be integrated with a proportion of the existing site to create the new provision. This site has very similar characteristics to the existing site. It is part occupied by all-weather recreation and play areas, including a skate park which would all need re-providing if this proposal were adopted.

There are less space pressures on this site when compared with the redevelopment of the existing site. We have demonstrated that a superblock and three storey courtyard typology would fit on the site comfortably. These options would be subject to more scrutiny by the planning authority in regard to their impact. A two-storey design sits more comfortably with the scale of surrounding domestic developments to the north of Acklington Road and the stand-alone adjacent property to the west.

The optimal solution would be a two-storey courtyard design that provides appropriate frontage to Acklington Road running east west, two wings run north south that create a sheltered space for pupils, creating a safe arrival and congregation space prior to entering the building at the beginning of the school day. The courtyard space would be south facing creating the opportunity to have external dining as well as social spaces and sheltered outdoor learning to be enjoyed throughout the day. As the school role is not large, this space will act efficiently and be easy to supervise, a situation not enjoyed in the current facilities.

With vertical circulation cores at the ends of the wings and along the southern face of the northern block, pupils will be provided with unambiguous access and egress between lessons, breaks and at the beginning and end of the school day.

This option takes advantage of the established vehicular bell mouth at the eastern corner of the site which will lead to onsite visitor and accessible parking provision. The existing school parking area will be retained and reconfigured as necessary providing all the staff and coach drop off requirements. There is a very good safe foot path link to this site from the existing school. This route would need to be properly lit for staff and pupil safety.

The building orientation locates the large format spaces facing Acklington Road which by virtue will function as a noise buffer between this block and the oasis/courtyard sitting to the south. The building form wraps around hard play and landscaped areas.

The northern block houses all the large format spaces, including, sixth form social, kitchen, dining hall, performance, music LRC, T Level Catering and incoming plant with science above. The western most wing houses Food and Design Technology with Art, ICT and Vocational Studies on the first floor. The wing to the west houses, English, Humanities and Maths

The indoor sports facilities and associated changing are linked to the western most wing, in close proximity to all weather and grass sports provision, supporting curriculum delivery

The secure line is easy to achieve enabling the site to be secured out of hours supporting community access without compromising school security.



The site is large enough to support future expansion.

The hierarchy of space from site entrance to the school building, private recreational areas, access to all weather surfaces and the grass fields beyond is logical and manageable.

#### **4.4.6.2 External Provision**

As stated previously, the overall site is 76,826m<sup>2</sup> which exceeds BB103 which specifies a minimum guideline site area of 45,000m<sup>2</sup> based on a pupil number-on-roll of 720.

The existing Playing Field Area as defined by Sport England is 43,841m<sup>2</sup>.

This option proposes:

##### **Sports Provision**

The area to the south will remain and be divided between all-weather and natural sports pitch provision which could accommodate, as an example:

##### **New all-weather provision**

- Full-size artificial turf pitch
- A four-tennis court MUGA

##### **Grass pitch provision**

- 1 no full-size football pitch (inside the existing all-weather athletics track)
- 1 no reduced-size football pitch

##### **Other green space to support Athletics including**

- Long and triple jump
- Rounders (juniors)

##### **Vehicular movement**

- New vehicular access, and on-site visitor and accessible car park provision,
- Upgraded staff and coach drop off on the existing site using the existing vehicular access

##### **Social Provision**

- Informal hard and soft play areas and external dining.
- Habitat areas will be integrated into the proposals by enhancing existing boundary planting and identifying other areas not required for sport or play provision.

#### **4.5 Massing and Identity**

We have been advised by the planning department that all proposals should if feasible be limited to two storeys to respect the scale of the neighbouring sites. This does cause



some proximity issues on the redevelopment of the existing site which may need to have some three storey elements.

#### ***4.6 SEN Accessibility***

The new development will provide full accessibility and as such can be Equality Act compliant, compliant with BS8300 and the relevant building regulations. This scheme does not present any onerous design challenges as both sites are flat and can be remodelled, without much, if any, material being taken off site in consequence.

The feasibility study proposes the allowance of two new lifts within the school buildings and a lift within the sports hall area to ensure compliance particularly out of hours. External level access will be achievable to all sports facilities and full accessibility to the visitors' entrance is achievable for both options via an accessible visitors parking area.

The teaching facilities are enhanced by the inclusion of a dedicated SEN facility

#### ***4.7 Towards Carbon Neutral***

NCC's approach to carbon reduction is set out in its draft Climate Commitment Action Plan 2021. The target date of net zero emissions for the county is 2030. The target date to halve operational emissions has been brought forward from 2030 to 2025 and an updated action plan with a road map to achieving net zero emissions by 2030 will be published by 2024. To support this ambition, we have reviewed the impact of these considerations for this project.

The adopted approach is to achieve net zero carbon in use which will be achieved by a balance of improvement in the overall thermal performance of the building envelope, reducing energy demands and the provision of energy from renewable sources on site (or off site from responsible sources) and develop offset strategies such as planting coppices on the site all with the aim of creating a Net Zero Carbon proposal. We have provided a summary of the potential cost impacts of these options and tabulated them below. The initial investment is substantial however the long-term benefits for running costs are significant and it enables Northumberland County Council to lead the way.

The impact of these considerations is still at a high level and will be developed in more detail during the design development and will be reported against at every stage. This approach will, we believe, assist in the planning approval processes for either site.

If budgetary pressures persist as anticipated aspects of delivering this strategy may be deferred, this will not impact the design but enable technologies to be added at later date to achieve the desired outcomes.



#### **4.8 Third party Use**

Currently the local first and middle schools and the community enjoy access to the sports hall during the school day as well as at the evening and weekends.

Consultation with all third-party users has taken place and will continue throughout the design and construction phases of the project should this OBC be approved.

#### **4.9 Health and Safety**

The design requires consideration to the potential implications of the Workplace (Health, Safety and Welfare) Regulations 1992, the Construction Design and Management (CDM) Regulations 2015 and all other construction related health and safety legislation. At this stage, the considerations have been at a very high level and will be developed once the designs are developed further.

The phasing of the works is critical to the safety of the existing school users and public visiting the site. This needs to consider how the design and temporary work impacts the existing school and the additional control measures required throughout the construction period to minimise conflict between the school and the construction activities.

The current strategy is to build the new building, vacate the existing estate, demolish the existing estate, and complete the external sports provision. To achieve this, it is recognised that the school sports curriculum will need to be temporarily delivered off site. Temporary car parking arrangements on the adjacent site might need to be provided, after decanting into the new building.

The existing estate varies in age and as such will need to be carefully managed during the demolition phase and the following will need to be considered and comprehensive mitigation strategies developed: -

- There is asbestos present in several of the structures
- There are likely to be some structural issues due to the age of the building
- Effective vehicle and pedestrian segregation will need to be fully planned and evaluated
- There will be some tree removal and tree protection required for the development of the existing site.
- Ecological issues
- Impacts from traffic (buses / drop offs) congestion at peak times

The proposed demolitions will expose the construction workforce, third parties and the public to other foreseeable hazards including: -

- Dust
- Noise

- Vibration
- Lead
- Utility Services
- The Workplace (Health, Safety and Welfare) Regulations 1992 will apply (but will not apply during the construction phase, for which CDM 2015 contains provisions).

In relation to the proposed new building the impact of the design must consider: -

- Priority to permanent, collective edge protection
- Access/equipment/activities associated with cleaning and maintaining the Structures
- Information pertaining to any proprietary system to access roofs/voids
- Anti-social behaviour/crime prevention
- Lighting
- Climbing hazards
- Flooding / drainage
- Biological hazards - including Leptospirosis/Weil's Disease, Lyme disease etc.

The extent of works required to develop the preferred design will require the appointment of CDM duty holders with sufficient skills, knowledge, experience, and training to fulfil their respective roles.

The appointed Principal Designer must ensure the general principles of prevention are applied to the design and hazards are reduced to an acceptable level. Information relating to residual hazards must be passed to the Principal Contractor for inclusion into the Construction Phase Plan and Health and Safety file.

#### **4.10 Material Choices**

In response to the Grenfell Tower fire, HM Government have issued amendments to Approved Document B: Fire Safety Volume 2 – Buildings Other Than Dwelling Houses, 2006 edition incorporating 2007, 2010 and 2013 amendments. These amendments took effect on 21 December 2018 for use in England for all applications made after this date.

We are bound by these amendments to façade design which, along with the guidance laid out in Approved Document B, provide rules on fire egress for all new building types, building heights, firefighting requirements and when sprinklers are / not required.

During the course of the design process, we will bring to your attention the strategies and the material choices available to you to achieve compliance with Approved Document B. Some material choices may comply with building regulations but may be uninsurable on the basis of fire safety. NCC need to consider these implications and may wish to improve on the legislative standards to comply with your own governance and insurance requirements.



Our recommendation at this stage is to elect for the inclusion of non-combustible materials for all wall build-ups. This will require all insulants to be mineral wool. This does impact on material costs. We will ensure all other options are explored and the financial implications explained, and the risks associated with decisions we collectively make.

We recommend the appointment of a fire engineer on most projects. The criteria for when an engineer is employed depends on project complexity and where a standard response to Approved Document B does not apply. Multi occupancy residential developments, schools, hospitals, and offices will warrant the involvement of a fire engineer to ensure there is a comprehensive fire risk assessment and that the façade design satisfies BR135.

#### **4.11 Planning Statement**

##### **Planning Application**

It is proposed that a full planning application will be submitted for the construction of the new school building and sports facilities with associated access, parking and landscaping for the preferred development option on Acklington Road

The planning application is categorised as a major planning application. Major planning applications typically have a 13-week determination period however changes to the determination period for ‘public service infrastructure’ projects, which includes schools were introduced in 2021 in The Town and Country Planning (Development Management Procedure and Section 62A Applications) (England) (Amendment) Order 2021. The changes reduced the current 21-day statutory consultation period to 18 days and the determination period has been reduced from 13 weeks to 10 weeks.

Given the nature of project, the application would be required to be determined at the Council’s Strategic Planning Committee.

The planning application will need to be supported by a suite of plans and documents to demonstrate that the application is policy compliant. This is discussed in more detail in the below sections.

##### **Planning Context**

The key planning policies relevant to the scheme are set out in the statutory development plan which, in this case, comprises of the Northumberland Local Plan 2016 and the National Planning Policy Framework (‘NPPF’).

##### **Northumberland Local Plan 2016**

The Development Plan for the Site is the Northumberland Local Plan (the ‘NLP’) 2016 to 2023 was formally adopted by Northumberland Council on 31 March 2022. The Northumberland Local Plan now forms part of the development plan for Northumberland



alongside the 'made' Neighbourhood Plans. It replaces the Development Plan Documents prepared by the former districts, boroughs and county councils prior to Local Government Review in 2009.

The following policies are relevant to the proposed development:

- Policy STP1 – Spatial strategy
- Policy STP2 – Presumption in favour of sustainable development
- Policy STP3 – Principles of sustainable development
- Policy STP4 – Climate change mitigation and adaptation
- Policy STP5 – Health and wellbeing
- Policy STP7 – Strategic approach to the Green Belt
- Policy STP8 – Development in the Green Belt
- Policy HOU4 – Housing development site allocations
- Policy QOP1 – Design principles
- Policy QOP2 – Good design and amenity
- Policy QOP4 – Landscaping and trees
- Policy QOP5 – Sustainable design and construction
- Policy TRA1 – Promoting sustainable connection
- Policy TRA2 – The effects of development on the transport network
- Policy TRA4 – Parking provision in new development
- Policy ENV1 – Approaches to assessing the impact of development on the natural, historical and built environment
- Policy ENV2 – Biodiversity and geodiversity
- Policy ENV3 – Landscape
- Policy ENV7 – Historic environment and heritage assets
- Policy ENV9 – Conservation areas
- Policy WAT2 – Water supply and sewerage
- Policy WAT3 – Flooding
- Policy INF2 – Community services and facilities
- Policy INF5 – Open space and facilities for sport and recreation
- Policy POL1 – Unstable and contaminated land
- Policy MIN4 – Safeguarding mineral resources

### **National Planning Policy Framework (NPPF)**

The National Planning Policy Framework (the 'NPPF') was published in July 2021 and sets out the government's requirements and objectives for the planning system in England, in order to ensure that decision making is positive, sustainable and provides for necessary development in the right areas.

The following sections of the NPPF are relevant to the proposed development:

- Section 2 – Achieving sustainable development
- Section 4 – Decision-making
- Section 8 – Promoting healthy and safe communities
- Section 9 – Promoting sustainable transport
- Section 11 – Making effective use of land



- Section 12 – Achieving well designed places
- Section 14 – Meeting the challenge of climate change, flooding and coastal change
- Section 15 – Conserving and enhancing the natural environment
- Section 16 – Conserving and enhancing the historical environment

### **Planning Matters**

Discussions have taken place with the LPA and statutory consultees in relation to the proposed development and key planning matters. Based on the proposed development options and relevant planning policy, we have an understanding of the policy position and the key planning matters. Those we believe relevant to the determination of the application are set out below which will be addressed as part of the planning application.

### **Need for the development**

The need for new schools is vital and is evident in planning policy at all levels seeking to provide replacement or new educational facilities to meet the needs of an expanding population.

The need to provide enhanced educational facilities, whether this is done via replacement or new educational facilities to meet the needs of the local community, is recognised and promoted in paragraph 95 of the NPPF. This is reiterated within the policy statement regarding Planning for Schools Development (2001), stating that the planning system should operate in a positive manner when dealing with proposals for the creation of state-funded schools.

At a local level, educational facilities are supported by Core Strategy Policy C1, Saved Policy C10 and Emerging Policy STP5 and INF2.

Based on the above, it is considered that the principle, of a new school development, is supported in policy terms at both a national and local level.

### **Other Matters**

As part of the planning application, we will submit technical reports to address matters relating to:

- Archaeology
- Ecology
- Flood Risk and Drainage
- Land Contamination
- Lighting
- Noise
- Transport

The reports mentioned above will need to demonstrate that there will be no adverse impacts because of the proposed development, or that any impacts can be satisfactorily



mitigated in order to justify that the proposed development is acceptable and policy compliant.

### Validation Requirements

It is considered that the following information would be required for validation of a planning application however, this list will be agreed with the LPA in advance of submission

- Application forms and ownership certificates
- Application fee
- Plans pack to include: Location plan, Site plan, Proposed Elevations, Proposed Floorplans, Proposed Roof Plans, Proposed Site Sections and Levels
- Design and Access Statement
- Desk-Based Archaeological Assessment
- Ecological Surveys and Assessments
- Flood Risk, Surface Water and Drainage Assessment
- Heritage Impact Assessment
- Land Contamination Assessment and Minerals Safeguarding Assessment
- Landscaping Details
- Landscape Visual Impact Assessment
- Lighting Assessment
- Noise Assessment
- Open Space Assessment
- Planning Statement
- Statement of Community Involvement
- Transport Assessment, Travel Plan and Road Safety Audit
- Tree Survey/Arboriculture Impact Assessment

A letter of comfort from NCC planners has been received confirming they would look to support the application. Reference has been made to identify the key planning considerations, which are all matters we would seek to address as part of the planning application. A copy can be found in Appendix 4J.

### 4.12 Summary

The studies that form the Outline Business Case (OBC) have considered the educational brief, planning, highways, and Sport England requirements. In addition, all of the surveys referenced in this OBC have been taken into consideration as have all design guidance and standards that are relevant to this initial stage of design.

The whole sale refurbishment and upgrade of the existing estate is feasible but would be lengthy and disruptive and due to the constraints associated with the existing

building would still, when complete have inherent issues in terms of space standards and circulation deficiencies.

The redevelopment of the existing site with new buildings has significant compromise, mostly due to the need to build away from the existing buildings to mitigate disruption and ensure continuity of curriculum delivery. Neither option uses the site to best effect, and will have long disruptive phased programmes. The construction access is complex.

The development of the recreation ground site would be a good option if it were not for the complexities/risks associated with ownership and covenants, which if not easily navigated put undue risk onto the proposal along with the need to replace the recreation facilities

A new build option on land to the east of the recreation ground is the most advantageous option. The site can be developed without any disruption to the continuity of education delivery and there are no legal complications in regard to site ownership.

The following documents are attached at <b>Appendix 4:</b>	
4A	Education Brief
4B	Site Investigation - Desktop Study
4C	Ecology Appraisal and Bat Survey
4D	Arboricultural Survey
4E	Topographical Survey
4F	Utilities Survey
4G	FF&E including technology audit report
4H	IT Audit
4I	Schedule of spaces that remain undersized
4J	Letter of Comfort from NCC Planners



## 5 COMMERCIAL APPRAISAL

**Section 5** of this OBC describes the commercial appraisal for the options available for the scheme.

### *5.1 Introduction*

This section for the Outline Business Case examines and sets out the current position with regards to the commercial viability of the scheme.

Northumberland County Council (“NCC”) along with its Technical Advisor has undertaken a feasibility cost assessment of the scheme, based on the options outlined earlier in section 3.3 of this report.

### *5.2 Funding*

The scheme is to be fully funded by NCC.

There is potential for Sport England and/or Football Foundation funding or funding via other national governing bodies of sport, but this has not been included in any figures reported herein.

Other grants or funding streams may be available, but at the time of writing these have not been pursued. The reason for this is that NCC wishes to remain in full control of the scheme design and requirements by reducing the input of external factors which would otherwise have an impact on the scheme and programme.

### *5.3 Project Assumptions*

Assumptions have been used in calculating the scheme costs and are identified as follows:

- New school to operate from September 2025 (assuming New Build)
- Gross Internal Floor Area for the New Build is based on 6,359m<sup>2</sup>.
- Design & build procurement route.
- Works to be carried out during normal working hours.
- Works to be completed in two phases for the new build options on the existing site with further multiple phases for the refurbishment and extension options.
- Complete segregation between construction works and a live operational school site.
- Temporary accommodation will be required for the refurbishment and extension option and phasing will add a further year to the delivery programme.

The following exclusions also apply:

- VAT
- Capital allowances
- Third party grant or funding, other than those mentioned above
- Land acquisition costs



- Maintenance costs
- Finance and legal costs

The Schedule of Accommodation areas and pupil numbers are the key driver for the funding for construction costs. These have in turn assisted with the generation of the design options on which the cost information has been prepared. The following figures have been used for projected pupil numbers:

**Table 5a: Projected Pupil Numbers**

School Site	Total Proposed Numbers
James Calvert Spence	720

#### 5.4 Overall Project Outturn Costs

NCC and its Technical Advisor have developed costs for each of the options to demonstrate the scheme's affordability. Build cost rates used have been taken from the Building Cost Information Service (BCIS), in-house cost data and by benchmarking against other recently completed schemes of a similar size and nature.

The table below provides a cost comparison of the overall Scheme Options to achieve Northumberland County Council's Facility Output Specification (FOS) together with a minimum EPC A rating:

**Table 5b: Overall Scheme Options**

Overall Scheme Options Cost		
Ref	Option	Total
1	Do Minimum	£18,361,881
2	Refurbishment and Extension (Existing Site)	£25,895,271
3	New Build on Existing Site (Retain and Refurbish Sports Block)	£24,803,745
4	New Build on Existing Site	£23,523,198
5	New Build on Land East of Recreation Ground	£23,390,602

##### 5.4.1 Construction Cost including inflation

Over the last few years, inflation has soared to abnormally high levels putting tremendous strain on construction costs.

During 2020, BCIS was rather stagnant and reflected the market up until the 4th Quarter, showing a modest rise in inflation and in some cases, deflation. At which point, some Contractors began to see a major shift in the market, moving circa 5-10% since Feb 2021 to the end of September 2021. This remained constant throughout the rest of 2021 and has extended into 2022 rising even further.



Contractors have seen a lot of volatility in the market, certainly over the last 6 months, with surging inflation making it very difficult to pitch where they tender. As a result, Contractors have been reviewing the tenders, prior to submitting to clients, on a package-by-package basis, with steel packages being particularly problematic. Tenders are typically held as fixed price for 90 days, but packages such as steel are staying fixed for only 24 hours in some cases.

Some examples of material price increases over the past 6-12 months, include 13% increases for plasterboard, raw materials up as much as 80% and bricks and blocks by up to 10%. These are just a few examples but there are many more which have been affected.

Fuelled by the buoyant economy in 2021 and with the continuing escalation in materials and energy costs, Contractors and suppliers have been unable to absorb cost increases and the marketplace has allowed for the transferring of costs on, affecting tender prices.

Whilst inflationary allowances have been included, the construction industry is seeing unprecedented fragmented global supply chains as a result of Brexit, COVID-19 and most recently, due to the crisis in Ukraine. As a result of this, it can be identified that the current market conditions are listed as Overheating. Therefore, it would be beneficial to undertake early Contractor engagement to discuss current market conditions and tender appetite as soon as practicably possible. Costs are still very volatile in the market at present and whilst best endeavours have been made to account for rising inflation, this will need to be carefully monitored during the next stage.

Note that inflation has been included in the figures above within Table 5b.

#### 5.4.2 Abnormal Costs

During the development of the options, surveys and investigations have been undertaken and their results considered. The resultant abnormal costs identified have been estimated and are summarised in table 5d.

**Table 5d: Abnormal Cost**

Category	Option 1 (‘000)	Option 2 (‘000)	Option 3 (‘000)	Option 4 (‘000)	Option 5 (‘000)
Total	5,619	8,589	7,375	6,784	6,684

The abnormal costs have been collated, in part, from the preliminary results of the various surveys which have been carried out as part of the OBC process and include allowances for:

- Further detailed ecological surveys to be carried out during the next stage.



- Off-site highways works that will be required to adapt the highway to cater for the new/existing vehicular and pedestrian access routes and junctions depending on which option is chosen.
- Enhancing foundation solutions for unforeseen or unfavourable ground conditions.
- Any arboricultural works and measures required to protect existing trees.
- Drainage solutions such as sustainable urban drainage systems (SUDS), attenuation tanks, ponds, soakaways and the like.
- New gas, electricity and water supplies to the sites, together with the removal of any existing redundant services.
- Temporary accommodation for existing students for options where work is being undertaken to the existing school. This will include a phased approach to ensure the school remains operational.
- Potential diversions and grouting to coal seams - further detailed investigations will be required at the next stage to confirm adequacy of the allowances.
- Provision of a temporary haul road for construction access during the works.

#### **5.4.3 ICT and FF&E**

An allowance for end-user ICT equipment and loose FF&E have been included based on the proposed pupil numbers for the new school, although the strategy would be to use existing items with the funding allowance used where it isn't economically viable to relocate items to a new building.

#### **5.4.4 Fees**

Design team fees have been included in the costs above. There will be fees paid for by the Council up to the point of novation, after which the remainder of the design team fees will be paid for by the Contractor. This only applies to the new build options.

### **5.5 Sustainability**

#### **5.5.1 Net Zero Carbon in Operation Approach**

Net Zero Carbon in Operation is achieved when the amount of carbon emissions, associated with a building's operational energy on an annual basis, is zero or negative. This type of building is highly efficient and powered from on site and / or off-site renewable energy sources, with any remaining carbon balance offset.

Examples of how this could be achieved on this development include, but not limited to:

- Maximise building orientation particularly the noise source from the main road.
- Prioritise passive measures, natural ventilation, daylight and beneficial solar glare in winter months
- Minimise the requirement for power usage in long term maintenance.



Based on the available cost data, which is limited due to the lack of completed similar buildings, designing and building to this standard will increase the costs, included in Table 5b, by a further 18%. Market research was undertaken with experienced industry professionals who confirmed the required uplift as being adequate for this type of work. This also mirrors cost data from recent schemes currently being carried out in the North East which are also aiming to achieve Net Zero Carbon in Operation through the DfE delivery approach.

As a result, this would likely **increase the capital budget by between £2.3m and £7.8m**, depending on which option is chosen, over and above the costs required to achieve an NCC FOS (EPC A) rated building.

### *5.5.2 Other Sustainability Options*

Other sustainability options were explored such as Passivhaus and Net Zero Carbon in Construction and in Operation (Embodied Carbon). The reasons for not proceeding with these other options are as follows:

Passivhaus adopts a whole-building approach with clear, measured targets, focused on high-quality construction, certified through an exacting quality assurance process. The prescriptive nature of the build can cause limitations on school operations and flexibility meaning there could be some potential restrictions on room type and adjacency requirements. It is also restrictive in relation to future expansion plans.

Passivhaus standard is a route towards Net Zero Carbon however further works would be required to achieve the Zero Carbon aspiration of the Council. The Department for Education have also decided to move away from Passivhaus designs now in favour of Net Zero Carbon in Operation in their latest 'Spec 21' technical annex'.

Net Zero Carbon in Construction and in Operation includes any CO<sub>2</sub> created during the manufacturing of building materials (material extraction, transport to manufacturer, manufacturing), the transport of those materials to the job site, and the construction practices used. Put simply, embodied carbon is the carbon footprint of a building or infrastructure project before it becomes operational. Most of the embodied carbon for a construction product is CO<sub>2</sub> emitted from the use of fossil fuels in extraction and manufacturing of construction materials and because of process emissions from manufacturing. To address embodied carbon, several organizations including Architecture 2030, Structural Engineers 2050 Challenge (SE2050), the Carbon Leadership Forum, and the World Green Building Council have jointly taken on a mission to eliminate embodied carbon from buildings by the year 2050.

How we tackle embodied carbon is going to change the whole method of materials are produced in manufacture and at source. This step change is yet to be fully implemented across all different processes of manufacturing and construction. We therefore do not believe that this approach or the cost of implementing such is yet fully understood or available within the construction sector at this time which is supported by soft market testing undertaken with several principal contractors.



### 5.5.3 Overall Project Outturn Costs

If the Council opted to proceed with any of the options identified previously, including the requirement to achieve Net Zero Carbon in Operation, the summarised costings for each option would be as follows:

Option	FOS (EPC A)	Net Zero Carbon in Operation	Total
1	£18,361,881	n/a	£18,361,881
2	£25,895,271	£7,791,997	£33,687,268
3	£24,803,745	£2,400,036	£27,203,781
4	£23,523,198	£2,335,398	£25,858,596
5	£23,390,602	£2,335,398	£25,726,000

### 5.6 Summary

The Overall Project Outturn Cost for the recommended option (Option 5 - New Build on Land East of Recreation Ground) is £25,726,000.

This is exclusive of VAT however includes abnormals, professional fees, ICT, FF&E and the additional funding of £2,335,398 to support the further recommendation to achieve Net Zero Carbon in Operation.

## 6 READINESS TO DELIVER

### 6.1 Project Governance

The NCC process for project structure and governance has been established to oversee and manage the relevant stages of this initiative. A Project Board, Project Steering Group and Project Team have been established, although membership of either group may be subject to variation according to the requirements of the project should it move forwards to implementation. Membership of the Project Board is shown in Table 6A: and is an existing group that oversees the delivery and development of major education projects.

**Table 6A: Project Board Membership**

<b>Major Capital Project Board Membership</b>		
<b>Name</b>	<b>Post</b>	<b>Role</b>
Audrey Kingham	Executive Director of Adults and Children Services.	Chair
Rob Murfin	Executive Director Planning and Economy	Member
Rick O'Farell	Chief Executive	Member
Sue Aviston	Head of School Organisation and Resources	Member
Alison Elsdon	Service Director Finance	Member
David Laux	Head of Technical Services	Member
Mike Turner	Head of Property Services	Member
Lawrence Inkster	Director, Faithful & Gould (Technical Advisors for the project)	Member
Mike Robbins	Strategic Estates Manager	Member
Alistair Bennet	Senior Accountant	Member
Pam Hindhaugh	Procurement	Member
Phil Soderquest	Health and Safety	Member

**Table 6B: Project Steering Group**

<b>Steering Group Membership</b>		
<b>Name</b>	<b>Post</b>	<b>Role</b>
Cllr Guy Renner Thompson	Cabinet Members for Children's Services	Chair
Cllr Jeffrey Watson	Councillor for Amble West with Warkworth ED, representing Conservative	Member
Cllr Terry Clark	Councillor for Amble ED, representing Labour	Member
Cllr Trevor Thorne	Councillor for Shilbottle ED (Split) Alnwick/Morpeth, representing Conservative	Member
Cllr Scott Dickinson	Councillor for Druridge Bay ED (Split) Ashington, representing Labour	Member
Audrey Kingham	Senior Service Director of Education and Skills	Member
Sue Aviston	Head of School Organisation and Resources	Member
Mark Elliott	Education Capital Programme Manager	Member
Neil Rodgers	Headteacher for James Calvert Spence College	Member



Lawrence Inkster	Director, Faithful & Gould (Technical Advisors for the project)	Member
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The Project Steering Group, outlined in Table 6B, is a consultative group between the school and the LA. The group will represent the local area and will ensure the local views are taken into account through the development and delivery of the project.

### **6.1.1 Project Management**

A project team has been assembled to produce this OBC for review and decision by NCC's Cabinet. If the scheme is approved to move forward, the suitability of the current project team would be reviewed, and relevant adjustments made to personnel where required to ensure successful delivery.

From consultation to implementation, the project team (outlined in Table 6C) has a breadth of knowledge and experience of successfully delivering significant school capital projects, in Northumberland.

As it is proposed for the project to be procured through a design and build process it is recommended that the current team are retained to develop detailed designs in order to tender the project on the open market to ensure best value and control the quality of the design.

**Table 6C: Project Team**

Project Team		
Role on Project	Position	Name
Project Sponsor	Executive Director of Adults & Children's Social Care and Education	Audrey Kingham
Project Director	Head of School Organisation and Resources.	Sue Aviston
Project Manager	Capital Programme Manager	Mark Elliott
Project Assistance	Project Support Officer	Ross Downey
Project Assistance	Degree Apprentice Project Support Officer	Robyn Marley
James Calvert Spence College Representative	Headteacher	Neil Rodgers
Communications	Media Communications Officer	Liz Walker
Land issues and investigations	Strategic Estates Manager	Mike Robbins
Legal Adviser	Legal Adviser	Womble Bond Dickinson
Technical Adviser	Cost management, design and technical services.	Faithful+Gould

Resources have been commissioned to undertake the site options appraisal, to determine affordability and feasibility and to collate the OBC. These appointments were made via NCC's framework contract with Faithful+Gould.

## **6.2 Consultation and Statutory Approvals**

All of the applicable statutory requirements to consult on the proposal to reduce the age range of JCSC were complied with in accordance with Section 19 (1)) of the Education and Inspections Act 2006 during a pre-publication consultation period that took place during the following dates:

- 11 May to 29 June 2022

Consultees recommended in the relevant statutory guidance were consulted via a Consultation Document that was made widely available on the Council's website.

Consultees included parents, staff, pupils, Governors of the impacted schools in the Coquet Partnership, local parish councils, the Church of England and Roman Catholic dioceses, early-years providers, the local MP, staff representatives (unions), and relevant neighbouring schools in other Northumberland Partnerships. A public consultation event was also held in Amble Masonic Hall on 11 June 2022. Individual meetings with staff and the Governing Bodies of schools that were proposed for change also took place during the consultation period, and a meeting was also held with the Governing Body of NCEA Warkworth Primary Academy, which forms part of the Coquet Partnership.

The meetings organised during the consultation event allowed consultees attending the opportunity to make known their views on the proposals and to suggest alternatives, which were noted and considered within the analysis of feedback. During the consultation exercise, it was made clear that the outcome of the process would not be determined by the equivalent to a simple referendum but would involve a detailed analysis of evidence put forward. A total of 125 responses were received from consultees during the informal consultation process, including alternative proposals.

Details of the persons and parties consulted, the notes of the Governing Body and staff consultation meetings, and all views and responses received are summarised in the Joint Interim Director of Children's Services Report: Outcomes of Consultation on Proposals for the Coquet Partnership, which is available on the Council's website at [Report to Cabinet 13 September 2022](#)

At their meeting on 13 September 2022, the Council's Cabinet approved the publication of the statutory proposal setting out its intention to reorganise the schools in the Coquet Partnership to a 2-tier(primary/secondary) structure, including the reduction in the age-range of JCSC from an age 9-18 to an age 11-18 school in a phase way beginning in September 2024 and concluding in September 2025.

### **6.2.1 Statutory Implications for James Calvert Spence College**

The Council's Cabinet will meet on 17 November 2022 to decide whether or not to approve the reduction in the age range of schools in the Coquet Partnership, including the proposal to reduce the age range of JCSC, as set out in para. 6.2. Should the Council's Cabinet not approve the statutory proposal to reduce the age range of JCSC, the Council's Cabinet would need to review its capital investment in schools in the Coquet Partnership with the potential for the Options appraisal process to be repeated should JCSC remain as an age 9-18 school with the consequent resubmission of the OBC for approval.

### **6.2.2 Other Consultations**

#### **Current and future planning consultations**

Relevant bodies have been informally consulted to develop the proposals in order to incorporate their views within the various site option appraisals. Implementation is subject to NCC approval at Cabinet on 17 November 2022.



As the preferred option for JCSC has been identified as the rebuild of JCSC on the land east of the recreation ground. These proposals would now form the basis of the planning submission.

Planning policies would be fully adhered to, appropriate sporting provision is being made to meet Sport England requirements, rights of way would be adjusted where necessary and ongoing discussions are progressing with Highways to ensure all appropriate needs and standards are met.

### 6.3 Risk

Several risk workshops, facilitated by NCC's Risk Manager, have been undertaken throughout the early phases of the project. These have included representatives from the Risk and Project Teams. A Risk Register has been developed and mitigation measures put in place in order for this project to proceed. The Risk Register will be constantly monitored throughout the project with key risks and issues being reported at every Project Board meeting. The Risk Register is managed by the Project Director with specific input from the Project Team.

The Risk Register contained in Appendix 6A details:

- the key risks identified during the process leading to preparation of this OBC;
- who is responsible for the mitigation; and
- the measures being taken to mitigate each risk.

### 6.4 Summary

Northumberland County Council has put in place resources for the duration of the project, including post contract, to monitor and maintain ongoing relations between the Northumberland County Council and JCSC to ensure the effective delivery of the project, throughout its lifetime.

A risk workshop has been held and a risk strategy developed. Risk will continue to be monitored and evaluated with any changes being reported to the Project Board on a monthly basis.

Public consultation -

Pre-statutory consultation has taken place between 11 May and 29 June 2022 on proposals to reorganise schools in the Coquet Partnership to a 2-tier(primary/secondary) structure, including the reduction of the age range of JCSC from an age 9-18 school to an age 11-18 secondary school.

Statutory Consultation on proposals for the relevant schools took place between 22 September and 20 October 2022. The Council's Cabinet will consider whether or not to approve the implementation of the statutory proposals on 17 November 2022.





The following documents are attached at <b>Appendix 6</b> :	
6A	Project Risk Register

## 7 MOVING FORWARD

### 7.1 Programme Delivery

To achieve the key programme objective, identified in Section 2.1, principally handover of the building to allow occupation for September 2025 several critical path activities must be achieved, namely:

- RIBA Stage 4 Designs to be completed by the beginning of July 2023.
- Submit to planning mid-February 2023.
- Contract to be awarded end of October 2023.
- Construction to commence early January 2024.

To award contract at the end of October 2023, the tender documents must be issued no later than the end of July 2023 to allow the contractors sufficient time to price and submit their proposed tenders as well a time period for reviewing and assessing the tender submissions prior to a recommendation for acceptance.

To achieve these timescales, RIBA stage 4 designs will need to commence by the end of February 2023. This requires the design team to commence with RIBA Stage 3 immediately on approval of the OBC.

This stage would also include liaison with various stakeholders and finalisation of the site surveys and investigations to help reduce unknowns and minimise risk. The client and end user will have a review period at the end of each RIBA stage and it is essential that these timescales are followed so as not deviate from the critical path and to ensure the school can open in September 2025.

The project team can help assist with guidance and advice around tendering options and other potential platforms/routes that may be used for appointing a contractor. This will involve liaison with NCC procurement and framework providers and their local supply partners to gauge interest and a further review of market trends to ensure the best route is chosen.

Upon receiving the tender submissions, there is a 4-week evaluation and approvals period to review the documents and to prepare the final business case for submission to NCC's full cabinet (if required).

An 80 week build programme for the New Build option is anticipated however the Contractors will be afforded the opportunity to submit an alternative tender which may realise programme benefits. Completion, ready for school occupation in September 2025, will be written into the documents as an Employer's requirement.





## 7.2 Summary

A critical path of scheduled delivery activities has been provided based on the proposed route to market, Design and Build Single Stage Procurement, and in line with the Public Contracts Regulations [PCR] 2015.

The RIBA Stage 3 design will need to proceed immediately on approval of the OBC for the key milestones to be achieved. The design process will progress on through to RIBA Stage 4 / tender issue level by late July 2023.

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## Northumberland County Council

### **CABINET**

**Date:** 17 November 2022

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### **SEND Capacity and Place Planning Strategy**

Report of the Joint Interim Director of Children's Services - Audrey Kingham

Cabinet Member for Children's Services: Councillor Guy Renner-Thompson

Report Author: Sue Aviston Head of School Organisation and Resources

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### **Purpose of Report**

To advise Cabinet of the development of a 5 year SEND Capacity and Place Planning Strategy.

### **Recommendations**

#### **Cabinet are recommended to:**

1. Approve the approach for growth within the strategy in order to increase capacity in line with predicted demand across Northumberland to meet the needs of children and young people as close to their home communities as possible.
2. Approve the annual update of the plan to ensure the information used to plan and grow capacity is reflective of the demand for specialist provision. The update will be reported to Family and Children Services Scrutiny Committee.

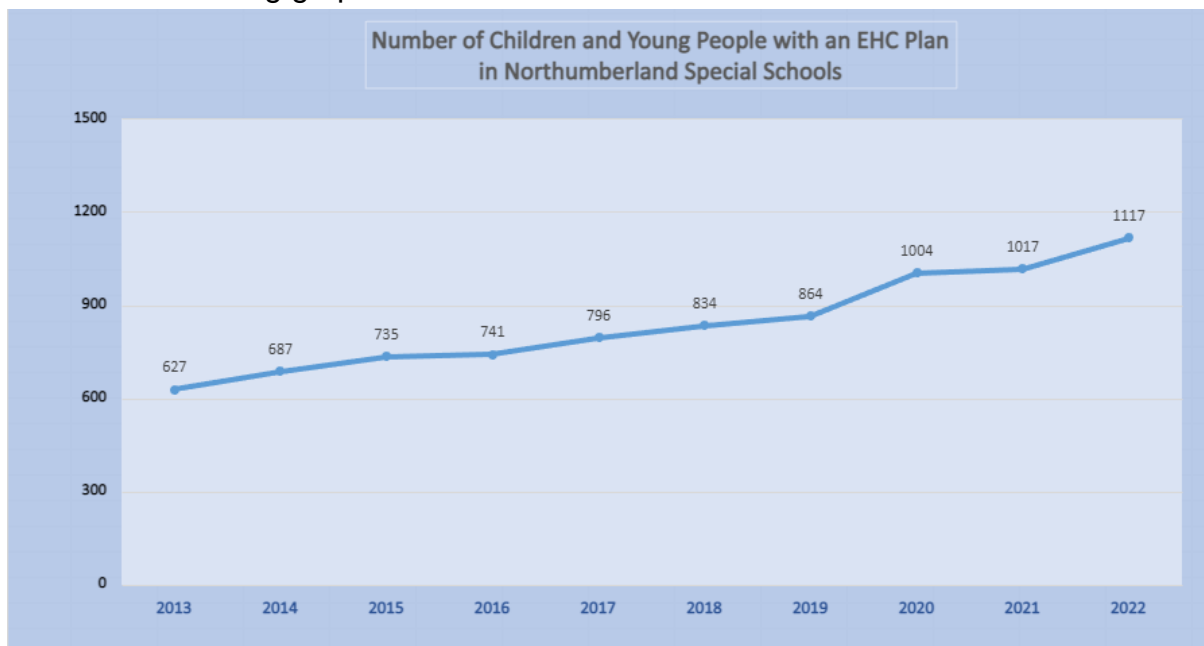
### **Link to Corporate Plan**

These proposals are most closely linked to the Council's priority for Learning (achieving and realising potential), but it is also strongly linked with the priority for Connecting (having access to the things you need).

### **Key Issues**

1. In Northumberland, the number of children and young people who have been diagnosed as requiring an Education and Healthcare Plan has been increasing steadily, with significant additional capacity in the county's 9 special schools

being required year on year in each of the past 10 years, as demonstrated in the following graph.



2. This steady upward trend in demand for special school places equates to an average increase over this period to date of 7% each year (actual variation from year to year has been between 1% and 16%). Overall, there are 78% more children and young people with an EHCP in Northumberland in 2022 than there were in 2013. Contributing to this is the continuing increasing demand from parents for their children to be educated within special school provision both in and out of the county.
3. Northumberland has a very robust mainstream school place-planning methodology, which has ensured the accuracy of predicting the number of school places required across the county. However, there has never been the same approach when it comes to planning for specialist places. Like most local authorities across the country, Northumberland has simply been reacting to the increased demand for places.
4. Attached at Appendix one is the first SEND Capacity and place planning Strategy that sets out:
  - a. The need for additional specialist provision;
  - b. where increases of places and capital investment has already been achieved;
  - c. A 3 step approach to the development of SEND Capacity;
  - d. Impact on the local communities across Northumberland;
  - e. Ideas/models to increase specialist capacity;
  - f. Funding to support the implementation of the strategy.

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## Conclusions

1. For the first time in Northumberland, a place planning methodology similar to that used to plan for mainstream school places has been utilised in order to predict the number of specialist places likely to be required over the next 5 years. This has enabled a strategy to be formulated for consultation and engagement at a local level that will enable this vulnerable group of children and young people to have their needs met as close to their home communities as possible.
2. The forecasts contained within this strategy do not include the potential impact of future interventions or strategies and will therefore be updated on an annual basis. This will ensure that information used to plan and grow capacity continues to reflect the demands for specialist provision in the light of the impact of interventions and strategies currently being implemented across Northumberland.
3. The forecasts of demand for specialist provision are provided on a school partnership basis. The data presented for each school partnership demonstrates there is a growing demand to increase specialist capacity across Northumberland with high level data suggesting that there could be a further 700 special school places required by 2026 if the current pattern of increased demand continues. Section 5 of the strategy sets out ideas on how to achieve additional capacity, as well as potential timescales and some very high-level costs. This detail is subject to detailed work within each of the school partnerships to ensure the affordability and sustainability of any plans for growth.
4. Whilst the strategy sets out a number of ideas on how additional specialist capacity could be achieved, Cabinet will be requested to make decisions on proposed capital investment for individual projects as these are brought forward, as well as statutory decisions in relation to school organisation regulations.

## IMPLICATIONS ARISING OUT OF THE REPORT

<b>Policy</b>	The strategy is consistent with the Council's corporate priority that all residents should achieve and realise their potential.
<b>Finance &amp; value for money</b>	The funding and financial implications of the strategy is set out in section 5 of the strategy. The projects and capital investment proposals will be subject to consultation Individual business cases and Cabinet approval.
<b>Legal</b>	<p>The Local Authority has a statutory duty to assess the local need for school places to ensure that every child can be provided with a suitable place in a state funded school in their area.</p> <p>The Children and Families Act 2014 places important statutory responsibilities on local authorities for supporting children and young people with special educational needs (SEN) and disabilities</p>
<b>Procurement</b>	N/A
<b>Human Resources:</b>	N/A
<b>Property</b>	N/A
<b>Equalities</b> (Impact Assessment Attached)	No, but an EIA would be completed in relation to individual projects to increase capacity as they are brought forward for consultation.
<b>Risk Assessment</b>	N/A
<b>Crime &amp; Disorder</b>	This report has considered Section 17 (CDA) and the duty it imposes and there are no implications arising from it.
<b>Customer Considerations:</b>	The detail set out in this report is based upon a desire to act in the best educational interests of current and future children and young people in Northumberland.
<b>Carbon Reduction</b>	It is not envisaged that this proposal would have a significant positive or negative impact on carbon reduction.
<b>Health and Wellbeing</b>	The strategy aims to improve the educational experience and outcomes for the most vulnerable group of children and young people in the county by providing appropriate specialist provision as close to their homes communities as possible.



<b>Wards</b>	All

## CONSULTATION

The Cabinet Member for Children’s Services, Cllr Renner Thompson.

## Report Sign Off

	<b>Full name</b>
Service Director Finance & Deputy S151 Officer	Jan Willis
Interim Monitoring Officer/Legal	Suki Binjal
Joint Interim Director of Children’s Services	Audrey Kingham
Interim Chief Executive	Rick O’Farrell
Lead Member for Children’s Services	Guy Renner-Thompson

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## **Appendices**

Appendix one – SEND Capacity and Place Planning Strategy



# SEND Capacity and Place Planning Strategy

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# Section 1

## Overview: the need for additional specialist provision

In Northumberland, the number of children and young people who have been diagnosed as requiring an Education and Healthcare Plan has been increasing steadily, with significant additional capacity in the county's 9 special schools being required year on year in each of the past 10 years, as demonstrated in the graph below.

Number of Children and Young People with an EHC Plan in Northumberland Special Schools

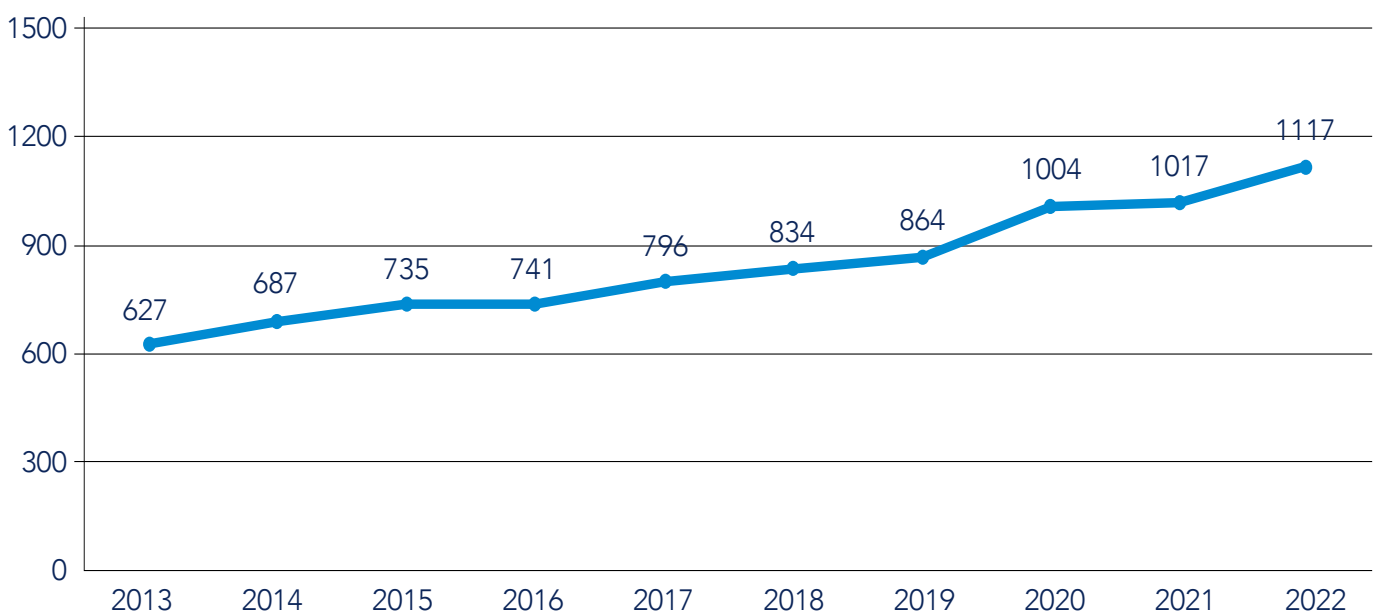


Table 1 – Number of pupils on roll in Northumberland Special Schools/Units 2013-2022

This steady upward trend in demand for special school places equates to an average increase over this period to date of 7% each year (actual variation from year to year has been between 1% and 16%). Overall, there are 78% more children and young people with an EHCP in Northumberland in 2022 than there were in 2013. Contributing to this is the continuing increasing demand from parents for their children to be educated within special school provision both in and out of the county.

The steady upward trend is also seen in the number of SEND commissioned places in the independent sector which has also seen an increase of 93 places since 2017 with the largest increases at 3 Northumberland based providers Buzz learning, GUST and Nunnykirk (see Table 2). There is however a down trend for commissioned places at Percy Hedley which has seen a reduction of 10 places since 2017.

Table 2 – Independent and non-maintained SEND settings showing number of Northumberland resident students on roll

School	2017	2018	2019	2020	2021	2022
Appletree School	1	2	2	2	1	0
Azure Charitable Enterprises	0	2	3	2	2	2
Buzz School and College	0	6	20	22	25	43
Dilston College	12	6	1	1	1	0
GUST	13	28	28	26	28	29
Howard House	1	1	0	3	5	3
High Peak	0	1	1	1	1	1
ID Academy	0	0	0	3	3	5
Kirby Moor School	6	4	6	8	9	11
Nisai Virtual Academy Ltd	1	1	2	5	3	3
North East Autism Society - Thornhill Park	1	3	2	2	2	2
North East Centre for Autism - Aycliffe	2	2	1	1	1	1
Northern Counties School	18	25	23	22	21	20
Nunnykirk School	10	27	45	41	46	35
Parkside House School	11	11	17	19	14	15
Peartree Project	1	1	1	1	4	4
Percy Hedley College	5	3	7	9	6	7
Percy Hedley School	27	21	23	20	17	13
Priory Fieldfare	0	0	0	1	1	0
Rosewood Independant School	0	0	0	0	13	18
Spark of Genius - Caledonian School	0	0	0	0	1	1
Spark of Genius - Harbour Point School	2	2	3	2	3	0
Talbot House School Newcastle	10	6	15	11	7	5
<b>TOTAL</b>	<b>121</b>	<b>152</b>	<b>200</b>	<b>202</b>	<b>214</b>	<b>218</b>

Note - Nunnykirk School closed on 31 August 2022

Table 3 highlights the increasing numbers of pupils with SEND that attend special schools in Northumberland.

Table 3 – Number of students attending Northumberland Special Schools by year since 2013

School	Special School Numbers									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Atkinson House	59	50	54	58	64	71	78	72	75	75
Barndale House	35	37	40	36	38	40	37	46	48	59
Cleaswell Hill	125	148	154	161	173	175	181	187	188	194
Collingwood School and Media Arts College	104	127	142	136	136	145	144	197	201	232
Cramlington Hillcrest	45	56	58	61	72	81	88	99	100	109
Hexham Priory	60	65	76	77	88	96	99	113	113	120
NCEA Castle							102	99	99	111
NCEA Unit	98	98	98	98	98	98				
The Dales	68	72	77	76	88	89	98			
The Dales (including Ashdale)								144	148	169
The Grove	33	34	36	38	39	39	37	47	45	48
<b>Grand Total</b>	<b>627</b>	<b>687</b>	<b>735</b>	<b>741</b>	<b>796</b>	<b>834</b>	<b>864</b>	<b>1004</b>	<b>1017</b>	<b>1117</b>

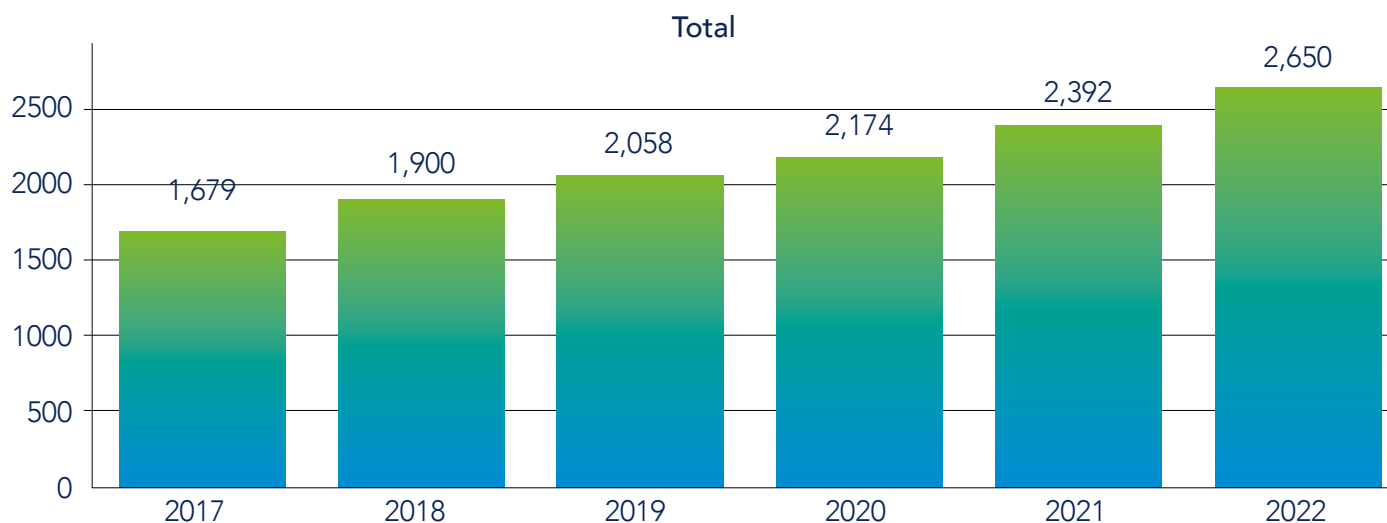
It is also widely acknowledged nationally that there are significant financial pressures on mainstream schools in supporting SEND provision, not least due to school budget pressures and expectations on schools to fund the first £6k of support for each SEND learner with an EHCP.

In particular, there has been a significant increase in the number of children and young people who have been identified with a primary special need of autism (ASD) and/or social emotional and mental

health (SEMH) needs. Northumberland has been successful in bidding for a special free school, the Gilbert Ward Academy, for secondary age young people who have autism and social, emotional and mental health needs which is planned to open in September 2023.

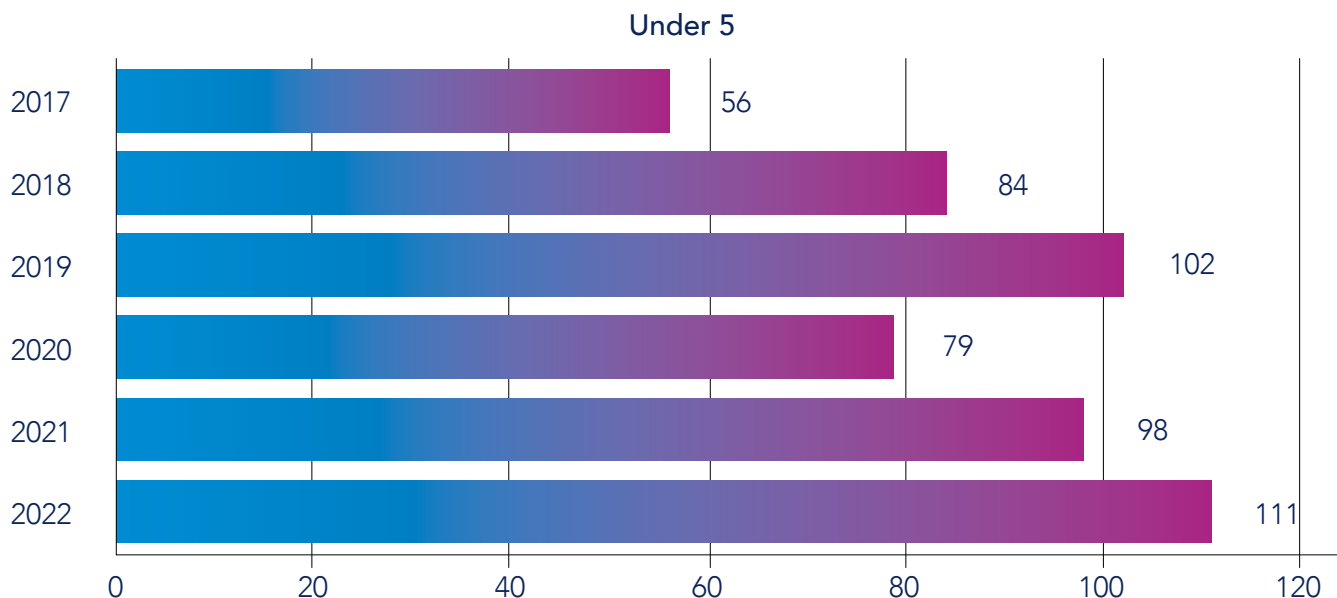
Looking at more recent data, as at the January 2022 SEN Census, 2,650 children and young people had EHCP plans; this is an increase of 58% since 2017.

Table 4 – All students resident in Northumberland with an EHCP



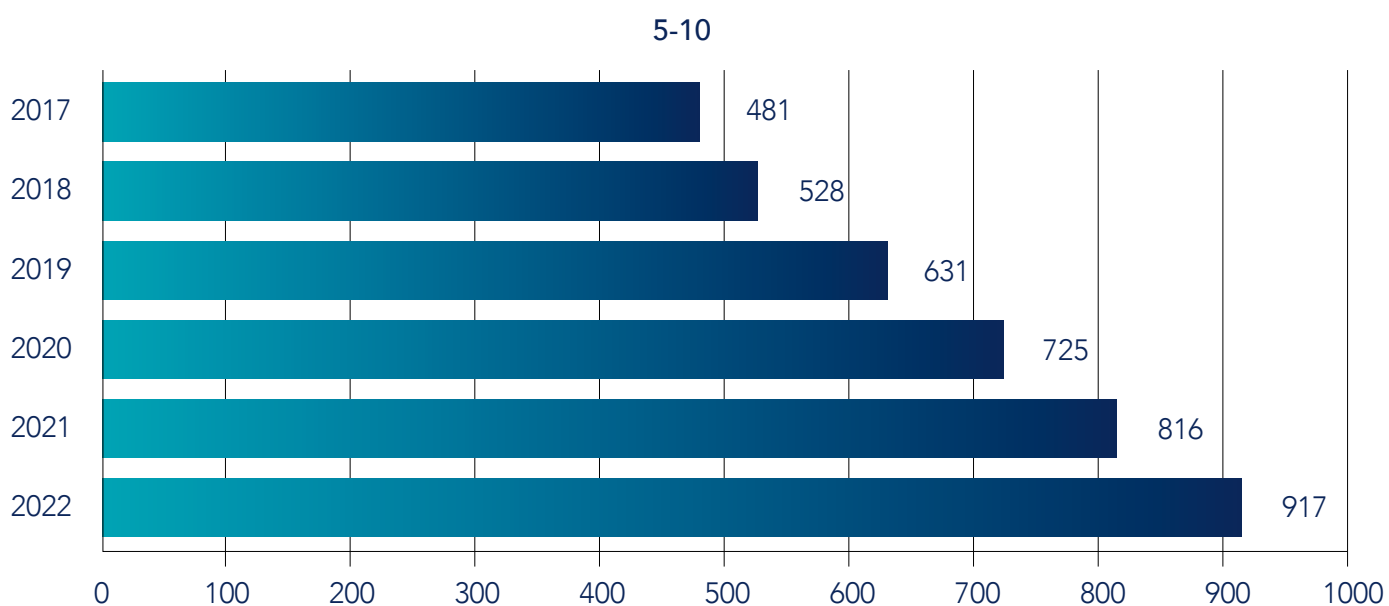
In Northumberland in 2022, 4% of children with an EHCP are under the age of five and shows an overall growing trend (albeit with a slight drop in 2020).

Table 5 – Students aged under 5 resident in Northumberland with an EHCP



Children in the 5-10 age group have shown a steady increase since 2017 and they represent 35% of the current cohort of children and young people with an EHCP in the county.

Table 6 – Students aged 5-10 resident in Northumberland with an EHCP

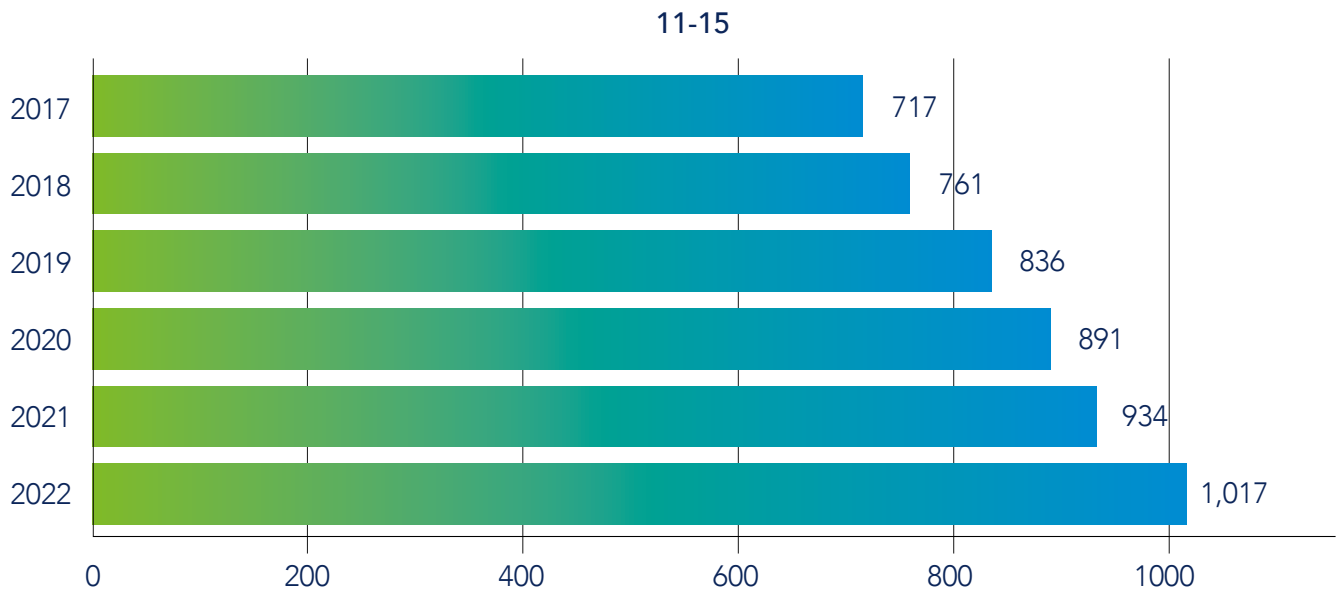


The 11-15 age bracket account for the largest number of children and young people with 38% of the current cohort having EHCP as at January 2022. This represents a 9% increase in this age group on the previous year, compared with a 10% rise nationally<sup>1</sup>.

<sup>1</sup> Source education-statistics.servicegov.uk



**Table 7 – Students aged 11-15 resident in Northumberland with an EHCP**

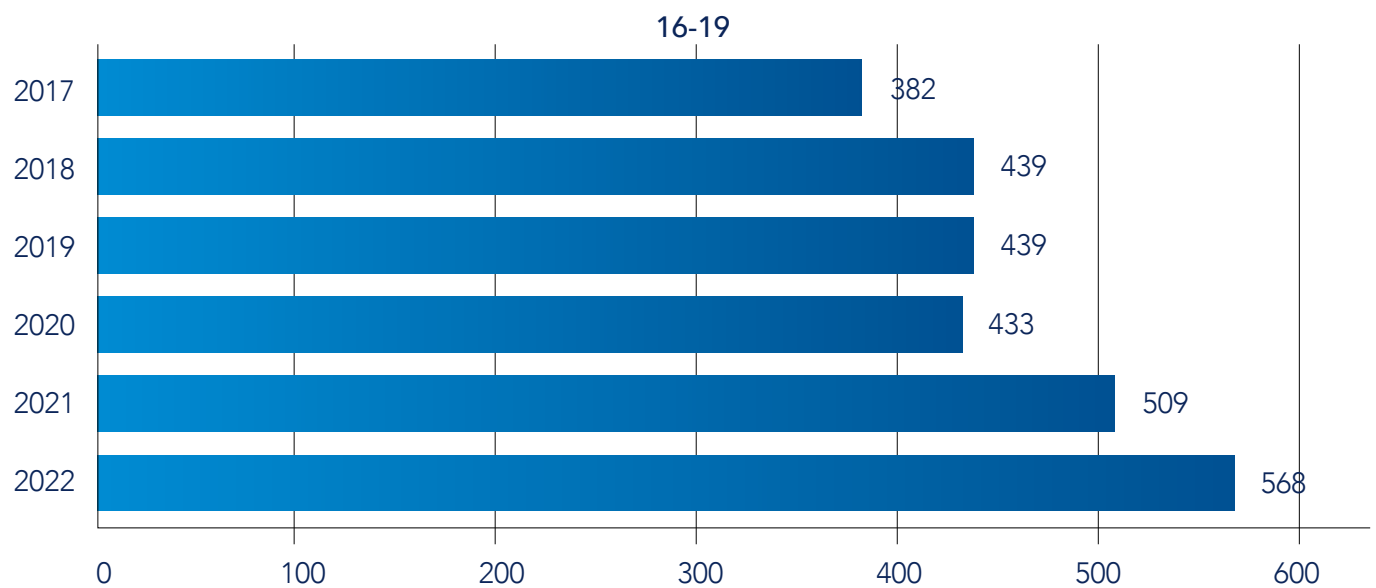


Specifically in relation to the age 5-10 group and the age 11-15 group, some of the increase in allocation of EHCPs is due to the fact that the Council no longer has top up funding (provision of funded support in school without an EHC needs assessment or EHCP), as this has been replaced with STAR (Short Term Additional Response) funding, which is time limited. Those with top up funding are being reviewed, where the decision will be made whether to cease funding or apply for an EHCP. Another factor is the

increase in demand from schools for additional funding, driven by pressures on school budgets. However, whilst there are far fewer children in mainstream schools with EHCPs in the primary phase than in the secondary phase, the gap appears to be closing.

While the number of EHCPs allocated to students aged 16-19 had been relatively stable up to 2020, the number is increasing again, with 21% of the current cohort in this age group.

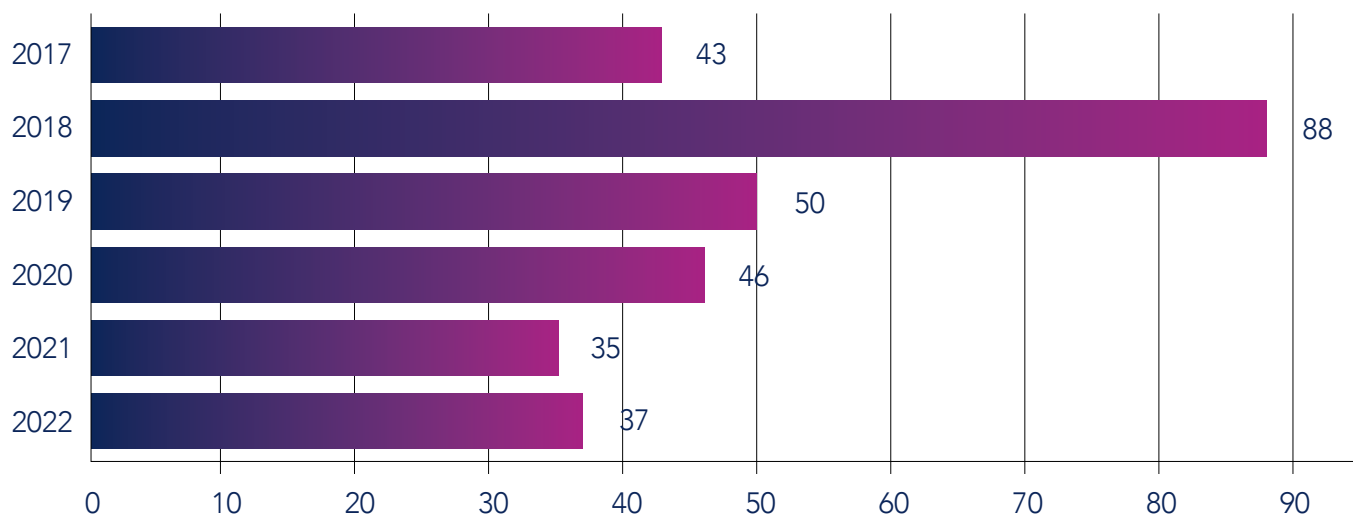
**Table 8 - Students aged 16-19 resident in Northumberland with an EHCP**



After having bucked the national trend up to 2021 with a fall in the number of young people with an EHCP in the age 20-25 group, there has been a slight increase in this cohort in 2022 representing 1.4% of the total cohort.

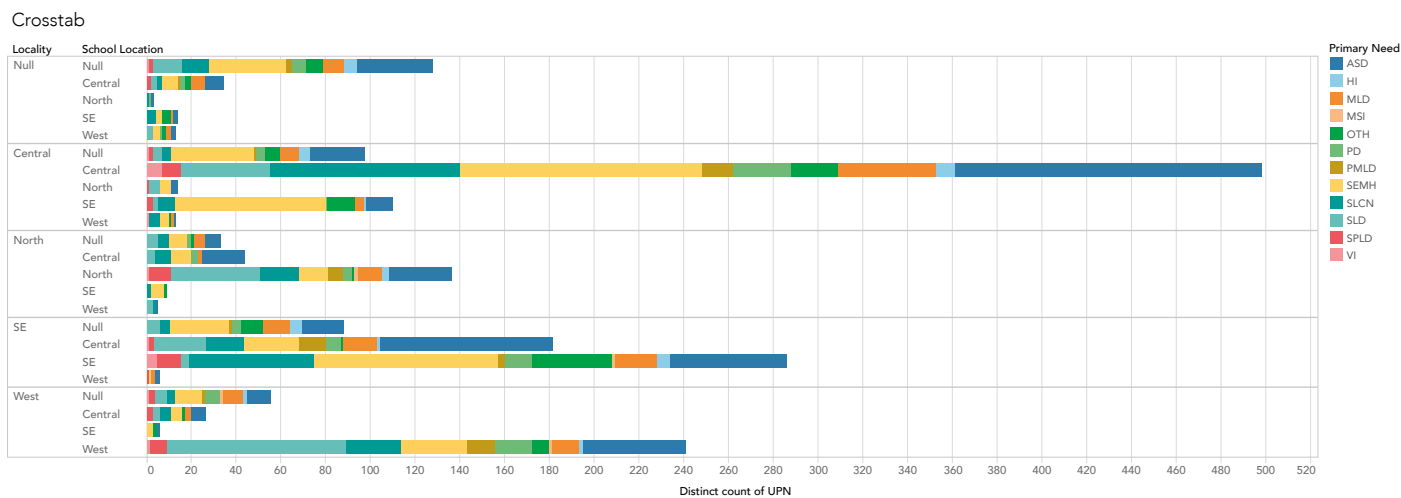
Table 9 - Students aged 20-25 resident in Northumberland with an EHCP

20-25



A particular issue within the context of the size of Northumberland and the location of specialist provision, are the distances that many children with SEND have to travel to attend suitable provision. Table 10 shows where children on roll in a special school in Northumberland live compared to where they have to travel for their education (see following graph):

Table 10 – SEND student residential area compared to school location



The graph above shows in which area of the County (North, Central, South East and West) children with an EHCP on roll in mainstream and Special Schools reside compared to where they travel to receive their education. For example, the majority of children resident in the Central sector of the County with an EHCP receive their education in the Central and South East areas, therefore have the shortest journeys to school. Relative to the total number of

children with EHCPs living in the west of the county, more have further to travel either to other areas of the county or out of county. The proportion of children denoted with 'null' in the above graph shows those children living in the various parts of the county who are educated out of county.

# Section 2

## Recent Capital Projects to Increase SEND Provision

In late 2017, the Council consulted on its Vision and Strategy for children and young people with SEND for 2017 to 2020 which formed the basis of the Northumberland SEND strategy at that time. Following the 2017/18 consultation the council committed to develop models and focus the council's resources it was proposed to consult based on the areas of greatest need.

The priority area for expansion was identified as the south-east and central areas of the county. These areas have seen the greatest increase in demand for places in our special schools. In order to meet this increased demand, it was proposed to consult on growing capacity at Cleaswell Hill Special School in Guidepost, Collingwood Special School in Morpeth, Hillcrest Special School in Cramlington and The Dales Special School in Blyth. No projects to increase capacity were taken forward at that time, and no further consultation was undertaken following the publication of the report in April 2018. Currently, there is some work being undertaken to provide some growth capacity for Cleaswell Hill through use of the Sycamore Centre.



Capital works to create pilot Additionally Resourced Provisions (ARPs) at Astley High and Seaton Sluice First Schools have been completed with the first school ARP becoming operational in April 2021 and the secondary ARP opening in September 2021. The findings from the 2017/18 consultation found there was clear support from parents and carers to grow specialist units on mainstream school sites, particularly those in the west and the north where there is the least concentration of pupils. There was however very limited feedback from the schools themselves on these options. The proposal at the time was to hold discussions with all Northumberland Schools and Academies in order to co-produce a plan for consultation on growing capacity in mainstream schools.

Although the implementation of the SEND strategy was delayed due to the COVID pandemic, the opportunity to revisit the strategy has been taken and the "Northumberland Local Area Strategy for Children, Young People and their families with Special Educational Needs and/or Disabilities 2021-2024" was developed and published in June 2021.

One of the key principles of the new SEND Strategy is:

- ***Developing high quality inclusive provision with every child/young person having access to a good school that is as close to home as possible;***

This principle neatly dovetails with the purpose of this SEND Capacity and Place Planning Strategy, the key focus of which is to grow specialist provision

within Northumberland to ensure children with SEND are educated as close to home as possible in high quality education establishments.

Although the earlier SEND strategy was not fully realised, since 2017 capital works have been carried out to increase SEND capacity in Northumberland and include the following schemes:

- A capital scheme was undertaken to provide 50 special education places at Ashdale, a satellite site of The Dales School, Blyth; this high-quality unit was developed in a former sixth form provision and was nominated for an industry recognised building award.
- A capital scheme has provided 32 places at Hexham Priory Academy School through expansion on the current site, creating a further 32 places for local children.
- A capital scheme has provided an additional 10 places at Hillcrest Special School.
- A capital scheme was undertaken to refurbish a former Children's Centre on the Collingwood site to create specialist Sixth Form accommodation thereby allowing an increase in capacity of 12 to 16 pupils.
- A capital scheme to provide an Additionally Resourced Provision (ARP) was completed at Astley High School in early 2021, with specialist provision now on site for up to ten students with ASD and those with emotional vulnerability needs.
- A capital scheme to provide an ARP at Seaton Sluice First School was completed with provision for up to 12 pupils aged 4-9 with a broad range of needs, including ASD, Communication and Interaction, and Moderate Learning Difficulties.
- The new ARPs are assisting with higher number of students with SEND on roll in mainstream schools in the Seaton Valley Partnership and neighbouring partnerships.
- The Council submitted a successful bid to the DfE for the establishment of a free special school in Blyth that will provide 80 places for children with social and emotional mental health issues (SEMH) and autistic spectrum disorder (ASD) and this has been successful. The initial proposal is that 50 of these places would be allocated to children resident in Northumberland, with ten places each allocated to children resident in the North Tyneside, Gateshead and Newcastle council areas. A suitable site has been identified and a successful sponsor has been appointed and is now working on the plan for the school. The new school is planned to open in 2023.

## The Role of the Pupil Referral Unit (PRU)

Northumberland's Pupil Referral Unit is a short stay school for pupils experiencing social, emotional and mental health difficulties that result in exclusions and suspensions from their mainstream setting. The goal is to provide support and intervention in a smaller setting with specialist staff to enable learners to successfully reintegrate back into school.

There are 3 referral pathways into the PRU;

- schools can refer directly for pupils requiring a shared 'dually registered' placement, this is time specific and should result in the young person going back to their home school.
- the Council can refer permanently excluded pupils with a view to identifying and supporting any un-met needs to ensure they have a pathway back into a permanent educational setting.
- Referral via the Council's Fair Access Panel; complex or hard to place learners moving into the County, might be allocated a place in the PRU if it is thought to be the most appropriate setting to assess their needs before identifying a school.

Plans are being developed to change the age range of the PRU to become an age 11 to 16 (Key Stage 3 and Key Stage 4) provision from September 2022, with numbers expected to increase throughout the academic year. The PRU will be commissioned for 40 places in September 2022, with a reasonable possibility of growth to 60 places into 2023/24 as demand arises.

At the same time as the change of age range, it is also proposed to relocate the PRU to more suitable premises, as the current facilities at Hepscott Park PRU would not be suitable for older students. It is therefore proposed that the PRU will move to the former building of Emily Wilding Davison School in Seghill, in October 2022 or as close to that date as practically possible.

## Section 3

# Methodology for developing capital projects to meet future growth

The methodology used to identify the need for additional SEND capacity across Northumberland is proposed to be a 3-step approach:

- A. Annual SEND Forecasting at county and partnership levels, developed from the current mainstream pupil forecasting process:
- B. Annual SENCo survey for data on current cohorts in first, primary and middle schools:
- C. Partnership workshops to review local data and discuss potential solutions.

### Annual SEND Forecasting

The process used for mainstream pupil forecasting, which uses past pupil numbers and planned housebuilding to predict future pupil numbers, has been adapted for use with SEND data. The current Northumberland level forecasts by year group for pupils with ASD as a primary need and pupils with SEMH as a primary need at the county level are set out in Tables 11 and 12, which are based on the number of students currently on roll in special schools in the county.

As this is a new method of forecasting SEND data for Northumberland, these forecasts are limited to current data and do not include the potential impact of future interventions or strategies. As such, they are limited to a five-year forecast and are used as guidance on potential future numbers until the body of data becomes more robust. With that caveat in mind, the forecasts at Table 11 and 12 suggest that the numbers of students being allocated an EHCP with respect to a primary need in ASD or SEMH will continue to rise significantly year on year for the 5-year forecast period.

Table 11 - All Northumberland - ASD Five year forecast

NORTHUMBERLAND															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	38	46	60	71	65	78	66	86	94	90	85	66	53	41	940
2023	34	51	60	82	86	82	90	73	105	109	100	89	54	52	1067
2024	34	46	67	83	100	108	95	99	89	121	119	104	74	53	1193
2025	34	45	60	92	100	127	125	104	120	102	133	125	87	72	1327
2026	35	45	60	83	112	127	146	138	127	138	112	140	105	84	1451

Table 12 - All Northumberland - SEMH Five year forecast

NORTHUMBERLAND															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	44	72	102	109	119	161	189	182	172	153	128	125	75	60	1693
2023	41	74	103	119	130	135	177	196	187	171	145	113	71	58	1720
2024	41	69	106	120	141	148	149	183	201	186	162	128	64	55	1753
2025	41	69	99	124	143	161	162	154	187	200	176	143	72	49	1781
2026	41	69	99	116	148	162	177	168	158	186	189	155	81	56	1806

SEND forecasts at the partnership level have now been developed to provide key data on SEMH and ASD growth so that capital projects can be developed to increase capacity to meet the right SEND needs in the right places in the county. Individual SEND partnership forecasts will also be produced annually and these will provide the key element of forecast data to assist with specific SEND capacity planning by area ([See Section 4](#)).

## Annual SENCo Survey

As part of the 3-step approach to providing a triangulated assessment of SEN needs in the county, an initial survey of SENCOs working in mainstream schools and academies in Northumberland took place in Autumn 2021 in order to gain the view of those working at the 'coal-face' with regard to the potential for future places in specialist provision and special schools. The 10 survey questions asked for a mixture of factual data and subjective responses from the SENCOs based on their professional opinions as follows:

1. How many children in your Reception class have an EHCP?
2. How many children in your Reception class with an EHCP do you think will need a place in a Special School at Year 7?
3. How many children in Year 4 in your school have an EHCP?
4. How many children in Year 4 with an EHCP do you think will need a place in a Special School at Year 7?
5. How many children in Year 5 in your school have an EHCP?
6. How many children in Year 5 with an EHCP do you think will need a place in a Special School at Year 7?
7. How many children in Year 5 at your school currently are the subject of a COSA (Consideration of Statutory Assessment)?
8. How many children in Year 6 in your school have an EHCP?
9. How many children in Year 6 with an EHCP do you think will need a place in a Special School at Year 7?
10. How many children in Year 6 at your school currently are the subject of a COSA (Consideration of Statutory Assessment)?

This process will be repeated annually each Summer Term, beginning in 2022 ahead of the formation of transition plans for children and young people in the following Autumn term to manage their phase changes. While the data provided will assist with timely identification of capacity needs so that capital projects can be developed well-in advance of places being required in the following September, it will also assist with longer term capacity planning.

Table 13 provides an analysis of the data gathered from the SENCOs responses at the Northumberland level:

Table 13 – Feedback from SENCOs at Northumberland level

ALL Partnerships	
Children in reception with EHCP	48
Reception children needing a Y7 place in Special School	30
Children in Y4 with EHCP	73
Y4 children needing a Y7 place in Special School	37
Children in Y5 with EHCP	75
Y5 children needing a Y7 place in Special School	39
Y5 children COSA applications	61
Children in Y6 with EHCP	75
Y6 children needing a Y7 place in Special School	29
Y6 children COSA applications	45

The data provided in Table 13 indicates there is a significant jump in children with an EHCP in Reception classes when compared to the number of children with an EHCP in Years 4, 5 and 6, probably as a result of needs emerging as children progress through school. This is the first set of data provided by SENCOs, therefore this initial information will be assessed with caution – however, it provides a benchmark against which to compare future survey results that, together with the other 2 steps in this methodology, will assist in providing more robust forecasts of SEN numbers to assist with capacity planning. However, in this first iteration of the SEND Capacity and Place Planning Strategy, the initial data provided by SENCOs in Autumn 2021 at partnership level is provided for information with no conclusions being drawn at this stage.

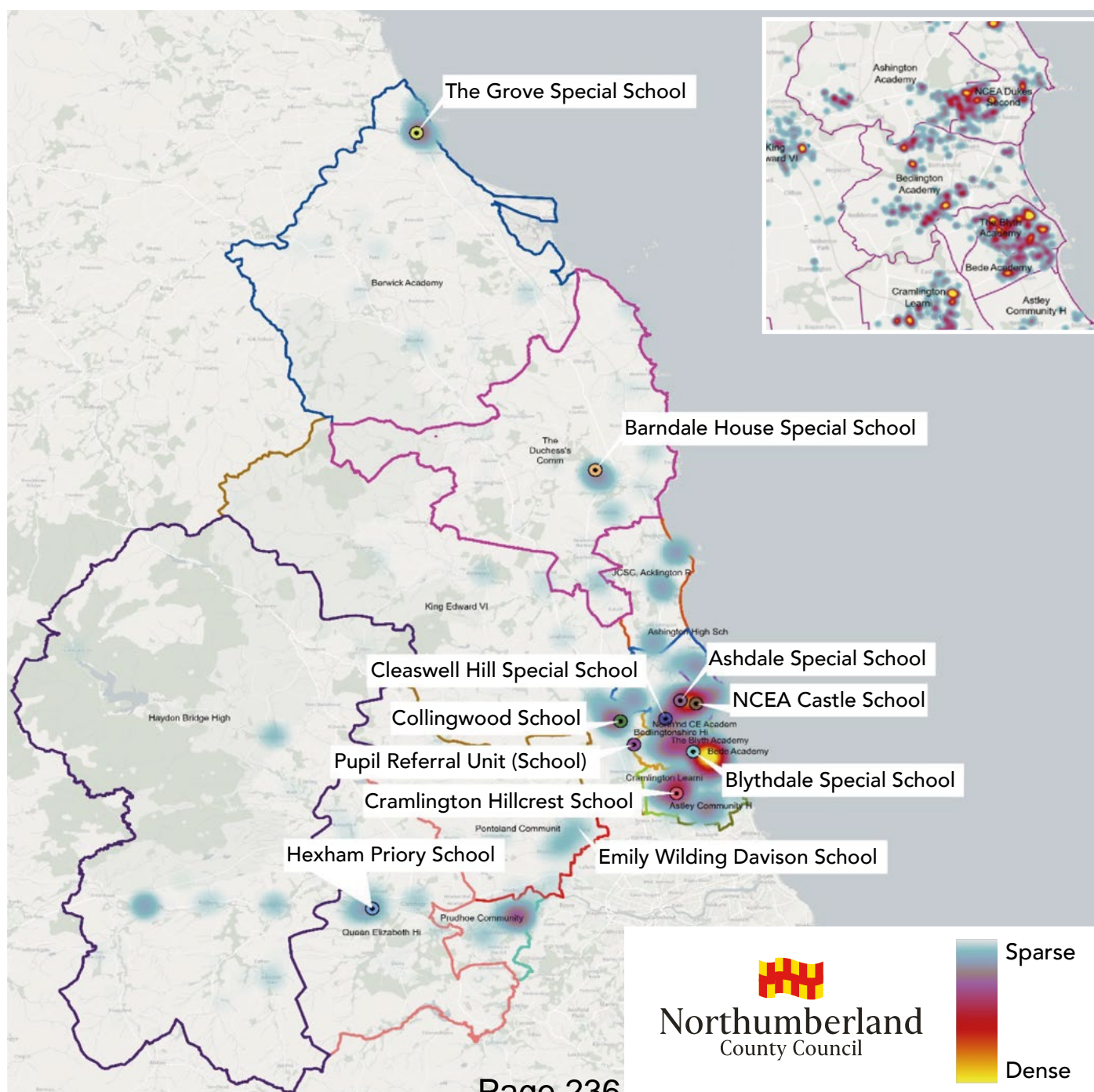


## Section 4 School Partnership Data

Forecasts for ASD and SEMH at the partnership level are based on pupils residing in the relevant partnership who have an EHCP on roll in mainstream schools and special schools (which may be in or out of county).

The map below shows the locations of the maintained special schools in the county, and the school partnerships they are located within.

### ALL Northumberland EHCP Students (Y0-Y11)





### Key to primary needs abbreviations:

SpLD	Specific Learning Difficulty	MLD	Moderate Learning Difficulty
VI	Visual Impairment	MSI	Multi- sensory impairment
OTH	Other Difficulty/Disability,	SLD	Severe Learning Difficulty
HI	Hearing Impairment	PMLD	Profound and Multiple Learning Difficulty
SLCN	Speech, language and Communication	PD	Physical Disability
ASD	Autistic Spectrum Disorder		
SEMH	Social, Emotional and Mental Health		

## Alnwick Partnership

Current provision within the partnership area

Provision	Age range	Needs met	Capacity	Number on Roll Jan 22 Census
Barndale Special School, Alnwick	2-19	AS; HI; MLD; PD; SEMH; SLCN; SLD; SPLD; OTH	60	59

### SEN Forecasts

Table 14 – Alnwick Partnership: ASD Forecast September 2022-September 2026

ALNWICK PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	1	1	2	1	2	0	6	7	5	11	12	7	4	3	60
2023	1	1	1	1	1	3	0	7	9	8	14	13	4	5	66
2024	1	1	1	0	1	2	4	0	8	14	10	16	8	5	70
2025	1	1	1	0	0	1	2	5	0	13	18	11	10	10	73
2026	1	1	1	0	0	0	1	3	6	0	16	20	7	13	68

Table 15 – Alnwick Partnership: SEMH Forecast September 2022-September 2026

ALNWICK PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	5	4	1	8	10	9	17	8	11	12	5	11	5	3	111
2023	4	7	5	2	15	15	11	16	11	12	15	4	5	4	125
2024	4	5	9	6	3	21	18	10	20	11	15	13	2	4	142
2025	4	5	7	11	10	4	26	17	13	20	13	13	6	2	151
2026	4	5	7	9	19	15	5	24	22	13	26	12	5	5	170

Table 16 – Alnwick Partnership: Data and information received from SENCOs Autumn 2021

Alnwick Partnership	
Children in reception with EHCP	Under 5
Reception children needing a Y7 place in Special School	0
Children in Y4 with EHCP	5
Y4 children needing a Y7 place in Special School	Under 5
Children in Y5 with EHCP	6
Y5 children needing a Y7 place in Special School	Under 5
Y5 children COSA applications	Under 5
Children in Y6 with EHCP	Under 5
Y6 children needing a Y7 place in Special School	0
Y6 children COSA applications	Under 5

### Commentary

Tables 14 and 15 suggest there will be a steady growth in the number of students diagnosed with ASD living in the Alnwick Partnership in the next 5-year period, but the significant growth forecasted appears to be in relation to students diagnosed with SEMH. Part of the solution to accommodate this growth could be the proposed Barndale satellite site in the Coquet Partnership ([see later](#)) currently under consultation, as this would be a fairly local solution in relation to the Alnwick area. However, this would not be sufficient to meet all of the capacity needs suggested by these forecasts. Additional provision will be required within the Alnwick area and therefore it is proposed that Barndale Special School would be expanded on its current site, or an alternative/new build would be identified ([See Section 5](#)).



## Ashington and NCEA Partnerships

### Current Provision

Together the Ashington Partnership and NCEA Partnership serve the areas in and around the towns and villages of Ashington, Pegswood, Linton, Ellington, Lynemouth and Newbiggin-by-the-sea.

Provision	Age range	Needs met	Capacity	Number on Roll Jan 22 Census
NCEA Castle School, Hirst, Ashington (academy)	2-19	ASD; MLD; MSI; PD; PMLD; SLCN; SLD; VI	109	111
Ashdale, Ashington (satellite of The Dales)	4-11	SpLD; VI; OTH; H; SLCN; ASD; SEMH; MLD; SLD; PMLD	50	50

### SEN Forecasts

Table 17 – Ashington Partnership: ASD Forecast September 2022-September 2026

ASHINGTON PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	2	3	2	8	4	18	9	13	3	6	9	6	2	4	89
2023	2	2	3	3	10	6	20	10	14	3	8	16	4	2	103
2024	2	2	2	4	4	14	6	24	11	15	4	15	11	3	117
2025	2	2	2	3	6	6	16	7	25	12	19	8	10	8	125
2026	2	2	2	3	4	8	6	19	8	27	15	35	5	8	143

Table 18 – NCEA Partnership: ASD Forecast September 2022-September 2026

NCEA PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	3	3	6	6	7	9	26	18	9	12	7	9	12	3	130
2023	3	4	4	9	9	11	14	32	18	12	14	9	7	7	154
2024	3	6	5	6	12	13	16	18	34	24	15	17	6	4	179
2025	3	6	6	8	8	19	20	21	19	44	29	17	12	4	216
2026	3	6	6	10	11	13	28	26	22	24	53	34	13	8	256

Table 19 – Ashington Partnership: SEMH Forecast September 2022-September 2026

ASHINGTON PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	1	2	9	4	11	15	12	11	15	21	12	11	9	3	134
2023	2	2	3	10	6	14	15	14	10	20	20	10	8	5	139
2024	2	5	3	3	13	8	15	19	12	13	19	18	8	4	142
2025	2	5	6	3	4	18	8	18	16	17	13	18	13	4	145
2026	2	5	6	7	4	6	18	10	16	22	16	11	13	7	144

Table 20 – NCEA Partnership: SEMH Forecast September 2022-September 2026

NCEA PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	11	22	24	16	13	34	35	28	20	26	14	19	11	5	276
2023	8	42	33	29	20	19	45	42	32	25	23	12	8	7	347
2024	8	28	63	40	37	30	25	55	49	42	23	20	5	6	431
2025	8	28	42	76	51	55	40	31	64	63	38	20	9	4	527
2026	8	28	42	50	97	76	73	48	36	82	57	33	9	6	646

Table 21 – Ashington and NCEA Partnerships: Data and information received from SENCOs Autumn 2021

Ashington and NCEA Partnership	
Children in reception with EHCP	6
Reception children needing a Y7 place in Special School	5
Children in Y4 with EHCP	7
Y4 children needing a Y7 place in Special School	7
Children in Y5 with EHCP	6
Y5 children needing a Y7 place in Special School	6
Y5 children COSA applications	8
Children in Y6 with EHCP	Under 5
Y6 children needing a Y7 place in Special School	Under 5
Y6 children COSA applications	5



## Commentary

Tables 17 and 18 suggest there will be a significant increase of young people with ASD as a primary need across the whole Ashington area. In relation to SEMH, the forecasts suggest a modest increase in SEMH in the Ashington Partnership, but a much more significant increase in the NCEA Partnership area beginning in the early primary years.

Solutions to address this growth will be discussed with the schools and academies in both partnerships as part of the roll-out of the '3-point' plan, but an initial point for discussion could be the expansion of NCEA Castle and Ashdale. Additional capacity may also be available via Buzz Learning, an independent special school in Ashington.

Furthermore, the proximity of the Ashington and NCEA Partnerships to Bedlington, Blyth, and Cramlington Partnerships via the A189 corridor means that a wider view of provision for the whole South East locality can be taken when identifying solutions. Given the identified need in this locality, all partnerships discussions will be programmed to take place early in the roll-out timetable.

# Bedlington Partnership

## Current Provision

Provision	Age range	Needs met	Capacity	Number on Roll Jan 22 Census
Cleaswell Hill, Guidepost, Bedlington	2-19	SpLD; VI; OTH; HI; SLCN; ASD; SEMH; MSI; PD; MLD; SLD; PMLD	187	194

## SEN Forecasts

Table 22 – Bedlington Partnership: ASD Forecast September 2022-September 2026

BEDLINGTON PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	9	12	8	8	8	7	9	18	20	22	9	4	3	5	142
2023	8	27	16	11	11	9	9	11	27	29	24	8	3	3	196
2024	8	23	36	23	15	12	10	11	18	39	32	21	6	3	256
2025	8	23	31	51	30	16	14	12	16	25	44	28	17	6	320
2026	7	23	31	43	68	32	18	17	19	24	28	38	22	15	386

Table 23 – Bedlington Partnership: SEMH Forecast September 2022-September 2026

BEDLINGTON PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	3	4	6	11	18	17	24	18	25	9	20	22	10	8	195
2023	3	3	5	7	14	21	17	24	17	25	8	22	15	6	187
2024	3	4	4	6	9	16	21	17	22	17	23	9	15	10	176
2025	3	4	6	6	8	10	15	20	16	22	15	26	6	10	168
2026	3	4	6	7	7	9	10	15	19	16	20	17	17	4	155

Table 24 – Bedlington Partnerships: Data and information received from SENCos Autumn 2021

Bedlington Partnership	
Children in reception with EHCP	6
Reception children needing a Y7 place in Special School	Under 5
Children in Y4 with EHCP	Under 5
Y4 children needing a Y7 place in Special School	Under 5
Children in Y5 with EHCP	10
Y5 children needing a Y7 place in Special School	7
Y5 children COSA applications	14
Children in Y6 with EHCP	5
Y6 children needing a Y7 place in Special School	Under 5
Y6 children COSA applications	Under 5



### Commentary

With a capacity of 187, Cleaswell Hill Special School is already the largest specialist provision in Northumberland. Given the significant increase in pupils being diagnosed with ASD in Bedlington over the forecast period ([see Table 22](#)), additional provision will be needed to serve this partnership area. While expansion of Cleaswell Hill could provide part of the solution to increasing provision in this partnership area, the number of students already on roll will need to be borne in mind to ensure the educational experience of those students is not impacted negatively.

Many of the secondary-age students living in the Bedlington area with SEMH and/or ASD attend the Emily Wilding Davison school, while the Gilbert Ward Academy will open in Blyth in September 2023 and will provide 80 places for secondary provision for SEMH and ASD needs serving the South East locality area.

As highlighted under the Ashington and NCEA Partnerships, Bedlington is one of the 5 partnerships in the South East Locality in close proximity to the A189 corridor and will be included in the overall solution for additional provision in this area. As for the Ashington and NCEA Partnerships, solutions to address the growing needs of children and young people living in the Bedlington area will be discussed with the schools and academies in the partnership as part of the roll-out of the '3-point' assessment programme at an early point in the timetable.

# Berwick Partnership

## Current Provision

Provision	Age range	Needs met	Capacity	Number on Roll Jan 22 Census
The Grove, Berwick	2-19	ASD; MSI; SLD; PMLD; MLD; PD; SLCN; SPLD	48	48

## SEN Forecasts

Table 25 – Berwick Partnership: ASD Forecast September 2022-September 2026

BERWICK PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	1	1	4	1	6	6	8	4	16	5	9	3	6	2	71
2023	3	2	1	6	2	7	8	7	8	15	7	8	2	6	81
2024	3	4	2	2	7	2	9	7	15	8	22	6	6	2	95
2025	3	4	4	2	2	8	2	8	15	15	11	20	5	6	106
2026	2	4	4	5	3	2	10	2	18	15	22	10	15	5	118

Table 26 – Berwick Partnership: SEMH Forecast September 2022-September 2026

BERWICK PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	0	3	2	9	16	18	8	13	8	9	13	7	4	2	111
2023	0	0	5	3	11	20	15	10	12	9	9	10	3	3	108
2024	0	0	0	8	4	14	16	17	9	13	9	6	4	2	102
2025	0	0	0	1	9	4	11	19	16	10	13	7	3	3	95
2026	1	0	0	0	1	11	4	13	18	17	10	10	3	2	89

Table 27 – Berwick Partnership: Data and information received from SENCOs Autumn 2021

Berwick Partnership	
Children in reception with EHCP	9
Reception children needing a Y7 place in Special School	6
Children in Y4 with EHCP	6
Y4 children needing a Y7 place in Special School	Under 5
Children in Y5 with EHCP	Under 5
Y5 children needing a Y7 place in Special School	0
Y5 children COSA applications	0
Children in Y6 with EHCP	6
Y6 children needing a Y7 place in Special School	Under 5
Y6 children COSA applications	5



## Commentary

The Council has allocated funding for the rebuilding/refurbishment of school buildings in the Berwick Partnership in its Medium-Term Plan. However, before embarking on this buildings programme, the Council is undertaking Phase 1 consultation with schools, parents and the wider public on whether the structure of the Berwick Partnership should remain as a 3-tier system or whether it should be reorganised as a 2-tier (primary/secondary) system. Phase 2 consultation if approved would include specific proposals for individual schools.

As part of this process, the opportunity has been taken to have a 'joined-up' approach and to review the current extent of the specialist provision within the Berwick Partnership area against the forecasted need for provision. The Grove Special School is the only specialist provision in the partnership area with a capacity of 46, but Tables 25 and 26 indicates that there is need for additional specialist provision in this part of the county.

A workshop was held with the headteachers of all schools in the Berwick Partnership and The Grove Special school during Phase 1 consultation to review the data in Tables 25 and 26 to discuss how and where additional specialist provision could be provided in the partnership. The initial proposals arising from this workshop suggest additional provision could be developed on site within schools in the partnership at the primary and secondary phase. The views of SEND parent/carer forums in the Berwick/North Northumberland area on these initial proposals will also be sought in order to shape and refine any proposals brought forward in Phase 2 consultation.



## Blyth and Bede Partnerships

### Current Provision

Together the Blyth Partnership and the Bede Partnership serve the conurbation of Blyth.

Provision	Age range	Needs met	Capacity	Number on Roll Jan 22 Census
The Dales (Blythdale siteC), Blyth	4-11	ASD; HI; MLD; OTH; PD; SEMH; SLCN; SLD; SPLD	115	117
The Gilbert Ward Academy, Blyth (free school - opens September 2023)	11-16	SEMh; ASD	80	N/A

### SEN Forecasts

Table 28 – Bede Partnership: ASD Forecast September 2022-September 2026

BEDE PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	0	0	5	7	4	4	6	6	2	10	4	8	3	3	61
2023	1	2	2	7	10	5	6	7	6	2	12	3	5	2	67
2024	1	1	0	0	9	11	7	7	7	7	3	12	2	5	73
2025	1	1	2	2	0	0	15	19	8	9	10	8	2	7	75
2026	1	1	2	2	0	0	15	19	8	9	10	8	2	7	84

Table 29 – Blyth Partnership: ASD Forecast September 2022-September 2026

BLYTH PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	8	6	4	11	7	3	12	6	13	11	10	13	7	4	115
2023	6	9	9	7	13	8	4	12	8	17	12	11	11	7	133
2024	6	7	13	14	8	15	10	4	15	10	19	13	9	11	155
2025	6	7	10	21	16	9	17	10	5	20	12	21	11	9	175
2026	6	7	10	16	25	19	11	17	12	7	22	13	18	11	195



Table 30 – Bede Partnership: SEMH Forecast September 2022-September 2026

<b>BEDE PARTNERSHIP</b>															
<b>Final Forecasts</b>															
<b>Year Group</b>	<b>R</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>NOR Totals</b>
2022	0	1	4	4	2	9	11	15	15	8	7	4	3	12	96
2023	0	0	2	5	6	2	10	10	19	15	6	6	2	5	89
2024	0	0	1	2	8	7	2	9	12	20	11	5	4	3	84
2025	0	0	1	1	4	9	7	2	11	13	14	10	3	5	81
2026	0	0	1	1	1	4	10	7	2	12	9	13	6	5	71

Table 31 – Blyth Partnership: SEMH Forecast September 2022-September 2026

<b>BLYTH PARTNERSHIP</b>															
<b>Final Forecasts</b>															
<b>Year Group</b>	<b>R</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>NOR Totals</b>
2022	3	5	14	10	4	8	25	28	13	15	5	18	12	10	167
2023	4	4	6	13	9	4	8	29	31	11	15	5	10	10	160
2024	4	6	6	6	12	10	4	10	32	25	11	15	3	9	152
2025	4	6	8	6	6	13	11	5	11	25	25	10	9	2	141
2026	3	6	8	8	5	6	15	13	6	9	25	24	6	8	141

Table 32 – Bede and Blyth Partnerships: Data and information received from SENCOs Autumn 2021

<b>Bede and Blyth Partnerships</b>	
Children in reception with EHCP	Under 5
Reception children needing a Y7 place in Special School	Under 5
Children in Y4 with EHCP	11
Y4 children needing a Y7 place in Special School	6
Children in Y5 with EHCP	14
Y5 children needing a Y7 place in Special School	6
Y5 children COSA applications	11
Children in Y6 with EHCP	20
Y6 children needing a Y7 place in Special School	7
Y6 children COSA applications	5

## Commentary

Tables 28 and 29 indicate that the ASD is the primary need increasing most in the Blyth area and this growth covers both the primary and secondary years. Tables 30 and 31 indicate that SEMH numbers may decrease over the forecast period in the Blyth area.

Many of the secondary-age students living in the Blyth area with SEMH and/or ASD attend the Emily Wilding Davison school, while the Gilbert Ward Academy will open in Blyth in September 2023 and will provide 80 places for secondary provision for SEMH and ASD needs serving the South East locality area.

However, given the forecasted level of growth in the South East locality in general, the Bede and Blyth Partnerships will be included when identifying what and where additional provision is required in this area and discussions with the schools and academies in these partnerships will be programmed to take place at an early point in the timetable as part of the roll-out of the '3-point' assessment programme.



## Coquet Partnership

### Current Provision

There is no specialist provision currently located within the Coquet Partnership, which means that all students residing within the partnership who need to attend a special school must travel out of catchment and in some cases, out of county for their education.

Provision	Age range	Needs met	Capacity	Number on Roll Jan 22 Census
Barndale Special School satellite provision at Amble (under consultation)	2-19	ASD; SEMH	tbc	N/A

### SEN Forecasts

Table 33 – Coquet Partnership: ASD Forecast September 2022-September 2026

COQUET PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	1	2	4	13	3	9	3	8	4	4	7	7	1	4	68
2023	1	1	2	9	12	5	12	3	6	5	4	8	5	1	76
2024	1	1	2	5	9	22	7	15	3	9	6	4	7	5	94
2025	1	1	2	3	5	16	29	9	12	4	9	6	4	6	106
2026	1	1	2	4	3	8	21	38	7	17	4	10	5	3	123

Table 34 – Coquet Partnership: SEMH Forecast September 2022-September 2026

COQUET PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	3	5	8	10	7	8	8	9	9	8	5	7	3	5	95
2023	3	7	8	8	14	6	7	10	10	8	8	5	4	3	100
2024	3	8	11	9	11	11	5	8	10	8	9	8	3	3	107
2025	3	8	12	11	11	9	11	6	9	9	9	8	4	3	113
2026	3	8	12	13	15	10	9	12	6	7	9	8	5	4	121

Table 35 – Coquet Partnership: Data and information received from SENCOs Autumn 2021

Coquet Partnerships	
Children in reception with EHCP	0
Reception children needing a Y7 place in Special School	0
Children in Y4 with EHCP	Under 5
Y4 children needing a Y7 place in Special School	Under 5
Children in Y5 with EHCP	Under 5
Y5 children needing a Y7 place in Special School	Under 5
Y5 children COSA applications	Under 5
Children in Y6 with EHCP	0
Y6 children needing a Y7 place in Special School	0
Y6 children COSA applications	Under 5

### Commentary

Consultation is currently taking place on proposals for the reorganisation of the mainstream schools in the partnership to a primary/secondary structure. As part of this process, the opportunity has been taken to have a 'joined-up' approach and to review whether there is a need for specialist provision to be located within the Coquet Partnership. Officers organised a workshop with the Coquet schools headteachers, supported by the head of Barndale Special School to review the current number of students leaving the partnership every day and to consider the initial forecasts for ASD and SEMH needs in the area.

A proposal emerged with the support of all headteachers in the Coquet Partnership for a satellite of Barndale Special School to be established as a stand-alone provision within the current South Avenue building of James Calvert Spence College (JCSC) in Amble. Under the proposal, this satellite provision would share the South Avenue building either with JCSC if the current organisation of schools remains in place or with Amble First School, as put forward as part of the primary/secondary proposals.



# Cramlington Partnership

## Current Provision

Provision	Age range	Needs met	Capacity	Number on Roll Jan 22 Census
Hillcrest Special School, Cramlington	11-18	AS; SEMH; HI; SLCN; SLD; SPLD; MLD	110	109

## SEN Forecasts

Table 36 – Cramlington Partnership: ASD Forecast September 2022-September 2026

CRAMLINGTON PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	5	4	4	12	7	7	4	6	13	11	12	6	9	6	106
2023	4	5	5	7	14	14	8	5	8	14	14	14	5	9	125
2024	4	4	6	9	8	26	15	9	6	9	18	17	13	5	150
2025	4	4	4	12	11	15	30	16	11	7	12	21	16	13	175
2026	4	4	4	9	14	21	17	31	20	12	9	13	20	16	195

Table 37 – Cramlington Partnership: SEMH Forecast September 2022-September 2026

CRAMLINGTON PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	11	13	10	8	12	14	21	15	23	12	13	17	7	6	184
2023	9	16	17	11	9	13	16	21	16	26	12	13	10	5	193
2024	9	13	21	18	12	10	14	16	21	17	25	11	8	9	202
2025	9	13	16	22	20	12	10	14	16	24	16	24	7	6	209
2026	9	13	16	17	24	20	13	11	14	18	23	16	14	6	214



Table 38 – Cramlington Partnership: Data and information received from SENCOs Autumn 2021

Cramlington Partnership	
Children in reception with EHCP	Under 5
Reception children needing a Y7 place in Special School	Under 5
Children in Y4 with EHCP	5
Y4 children needing a Y7 place in Special School	Under 5
Children in Y5 with EHCP	11
Y5 children needing a Y7 place in Special School	Under 5
Y5 children COSA applications	6
Children in Y6 with EHCP	7
Y6 children needing a Y7 place in Special School	6
Y6 children COSA applications	9



### Commentary

Table 36 indicates that an increasing and significant number of students in the Cramlington Partnership will be diagnosed with ASD over the forecast period, while Table 37 suggests SEMH numbers are forecast to increase at a steady but lower rate.

Many of the secondary-age students living in the Cramlington area with SEMH and/or ASD attend the Emily Wilding Davison school, while the Gilbert Ward Academy will open in Blyth in September 2023 and will provide 80 places for secondary provision for SEMH and ASD needs serving the South East locality area.

However, given the forecasted level of growth in the South East locality in general, the Cramlington Partnership will be included when identifying whether additional provision is required in this area and discussions with the schools and academies in these partnerships will be programmed to take place at an early point in the timetable as part of the roll-out of the '3-point' assessment programme.

# Haydon Bridge Partnership

## Current Provision

There is currently no specialist provision located within the Haydon Bridge Partnership area, the nearest specialist provision in the county being Hexham Priory School.

## SEN Forecasts

Table 39 – Haydon Bridge Partnership: ASD Forecast September 2022-September 2026

HAYDON BRIDGE PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	4	3	5	1	3	6	5	6	7	4	5	5	1	3	16
2023	2	4	6	6	1	3	9	6	6	6	5	5	4	1	18
2024	2	2	7	6	6	1	5	10	6	5	8	5	4	4	23
2025	2	2	4	7	7	6	2	6	11	5	6	7	4	4	22
2026	3	2	4	4	8	6	10	2	6	9	6	6	6	4	21

Table 40 – Haydon Bridge Partnership: SEMH Forecast September 2022-September 2026

HAYDON BRIDGE PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	5	5	6	7	9	14	5	10	11	6	6	3	2	3	94
2023	3	6	14	7	7	18	18	7	13	10	7	6	2	2	119
2024	3	4	18	16	7	15	23	24	8	11	11	6	3	1	151
2025	3	4	12	21	17	15	19	29	29	7	12	9	3	24	4
2026	4	4	12	13	22	35	19	25	36	26	8	10	5	3	223

Table 41 – Haydon Bridge Partnership: Data and information received from SENCOs Autumn 2021

Haydon Bridge Partnership	
Children in reception with EHCP	Under 5
Reception children needing a Y7 place in Special School	Under 5
Children in Y4 with EHCP	8
Y4 children needing a Y7 place in Special School	Under 5
Children in Y5 with EHCP	Under 5
Y5 children needing a Y7 place in Special School	Under 5
Y5 children COSA applications	Under 5
Children in Y6 with EHCP	7
Y6 children needing a Y7 place in Special School	Under 5
Y6 children COSA applications	0



## Commentary

Table 39 indicates a fairly low level of predicted growth of students diagnosed with ASD over the forecast period; however Table 40 predicts a significant increase in students diagnosed with SEMH over the same period.

Haydon Bridge Partnership is the county's most westerly partnership, with the nearest specialist provision being Hexham Priory School. In relation to identifying viable solutions for pupils with varying SEND needs living in the west of the county, it is proposed that (as for the South East of the County), provision in the partnerships of Haydon Bridge, Hexham, Prudhoe and Ponteland is considered as part of a wider solution for the West locality when identifying solutions as part of the roll-out of the 3-point programme.

This could include the development of an Alternative Provision possibly located at Haydon Bridge High School. Furthermore, the Emily Wilding Davison School, now located in Ponteland, has increased its planned pupil numbers as well as becoming co-educational and therefore now provides specialist SEMH provision within a reasonable distance of the partnerships in the west of the county.

# Hexham Partnership

## Current Provision

Provision	Age range	Needs met	Capacity	Number on Roll Jan 22 Census
Hexham Priory School (academy)	2-19	ASD; MSI; SLD; PMLD; MLD; PD; SLCN; SPLD; SEMH; OTH; VI	112	120

## SEN Forecasts

Table 42 – Hexham Partnership: ASD Forecast September 2022-September 2026

HEXHAM PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	2	2	5	3	9	4	2	3	9	6	8	3	8	2	67
2023	2	3	3	5	6	11	5	3	6	9	7	8	3	7	77
2024	2	3	4	4	9	7	14	5	5	6	10	7	7	2	85
2025	2	3	4	4	7	11	9	14	9	5	6	11	6	6	98
2026	2	3	4	4	8	8	14	10	26	9	5	7	9	5	114

Table 43 – Hexham Partnership: SEMH Forecast September 2022-September 2026

HEXHAM PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	1	2	7	13	4	11	6	13	8	8	7	5	1	2	87
2023	1	2	2	16	11	6	10	6	17	7	7	6	4	0	96
2024	1	2	2	5	14	15	6	12	8	16	6	6	4	2	100
2025	1	2	3	5	5	19	15	6	15	8	14	5	4	2	105
2026	1	2	3	7	5	6	18	16	8	14	7	12	4	2	106

Table 44 – Hexham Partnership: Data and information received from SENCos Autumn 2021

Hexham Partnership	
Children in reception with EHCP	2
Reception children needing a Y7 place in Special School	2
Children in Y4 with EHCP	3
Y4 children needing a Y7 place in Special School	1
Children in Y5 with EHCP	3
Y5 children needing a Y7 place in Special School	1
Y5 children COSA applications	4
Children in Y6 with EHCP	7
Y6 children needing a Y7 place in Special School	0
Y6 children COSA applications	0

### Commentary

In common with the majority of the partnerships in the county, Tables 42 and 43 indicate that the number of students diagnosed with ASD and SEMH as a primary need are forecast to increase in the primary and secondary phases, although not as significantly as in some partnerships.

As stated previously, it is proposed that provision in the Hexham Partnership is considered with Haydon Bridge, Prudhoe and Ponteland as part of a wider solution for the West locality when identifying solutions as part of the roll-out of the 3-point programme.



# Morpeth Partnership

## Current Provision

Provision	Age range	Needs met	Capacity	Number on Roll Jan 22 Census
Collingwood School and Media Arts College, Morpeth	2-19	ASD; SLD; MLD; PD; SLCN; SPLD; SEMH	232	260

## SEN Forecasts

Table 45 – Morpeth Partnership: ASD Forecast September 2022-September 2026

MORPETH PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	6	7	7	6	12	18	5	5	11	7	3	6	4	4	100
2023	4	9	10	10	7	31	16	7	7	15	6	3	6	4	134
2024	4	6	12	14	12	17	28	25	11	10	13	6	2	6	167
2025	4	6	8	17	17	30	16	42	39	15	9	14	6	3	225
2026	5	6	8	11	20	44	27	24	66	55	13	9	13	6	306

Table 46 – Morpeth Partnership: SEMH Forecast September 2022-September 2026

MORPETH PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	3	5	7	12	9	14	16	8	15	12	12	4	4	3	125
2023	4	6	6	13	16	10	19	16	9	12	15	10	3	6	143
2024	4	6	7	10	16	16	13	18	19	7	14	13	6	4	155
2025	4	6	8	12	13	17	23	13	21	15	9	13	8	8	169
2026	4	6	8	13	15	14	24	22	15	17	18	8	7	10	182

Table 47 – Morpeth Partnership: Data and information received from SENCos Autumn 2021

Morpeth Partnership	
Children in reception with EHCP	4
Reception children needing a Y7 place in Special School	1
Children in Y4 with EHCP	5
Y4 children needing a Y7 place in Special School	3
Children in Y5 with EHCP	7
Y5 children needing a Y7 place in Special School	5
Y5 children COSA applications	8
Children in Y6 with EHCP	6
Y6 children needing a Y7 place in Special School	2
Y6 children COSA applications	4

### Commentary

In common with the majority of partnerships in the county, Table 45 suggests that there will be a significant increase in the number of students being diagnosed with ASD living in the partnership over the forecast period. Table 46 predicts that SEMH will also increase steadily but at a lower rate.

Collingwood School and Media Arts College is located within the Morpeth Partnership and in common with all other special schools in the county, it has seen a significant rise in pupil numbers and is now at capacity for September 2022.

Consideration as to whether additional provision will be needed within the Morpeth Partnership will be addressed as part of the roll-out of the 3-point programme and in the light of proposed solutions for additional provision in neighbouring partnerships, particularly those in the South East of the county.



## Ponteland Partnership

### Current Provision

The Emily Wilding Davison School moved to its new location in Ponteland from Seghill in September 2022. From this date, the school has also increased its capacity to 100 planned places and has become a co-educational provision, with girls being enrolled from this date. There was no specialist provision within Ponteland Partnership prior to the school's relocation.

Provision	Age range	Needs met	Capacity	Number on Roll Jan 22 Census
Emily Wilding Davison School, Ponteland	11-16	ASD; SEMH; MLD; SPLD	100	75

### SEN Forecasts

Table 48 – Ponteland Partnership: ASD Forecast September 2022-September 2026

PONTELAND PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	0	0	0	0	0	1	4	2	1	0	1	4	4	1	18
2023	0	0	0	0	0	0	1	2	1	1	0	1	3	2	12
2024	0	0	0	0	0	0	0	1	1	1	1	0	1	1	7
2025	0	0	0	0	0	0	0	0	0	1	1	1	0	0	5
2026	0	0	0	0	0	0	0	0	0	0	1	1	1	0	4

Table 49 – Ponteland Partnership: SEMH Forecast September 2022-September 2026

PONTELAND PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	0	0	0	1	3	0	2	3	1	1	1	2	1	1	15
2023	0	0	0	0	1	1	0	1	2	1	1	1	1	0	9
2024	0	0	0	0	0	0	3	0	1	2	0	0	1	1	8
2025	0	0	0	0	0	0	1	1	0	1	1	0	0	0	5
2026	0	0	0	0	0	0	0	0	1	0	0	1	0	0	3



Table 41 – Haydon Bridge Partnership: Data and information received from SENCos Autumn 2021

Ponteland Partnership	
Children in reception with EHCP	5
Reception children needing a Y7 place in Special School	4
Children in Y4 with EHCP	4
Y4 children needing a Y7 place in Special School	1
Children in Y5 with EHCP	4
Y5 children needing a Y7 place in Special School	1
Y5 children COSA applications	2
Children in Y6 with EHCP	8
Y6 children needing a Y7 place in Special School	2
Y6 children COSA applications	4



### Commentary

Tables 48 and 49 suggest that Ponteland Partnership will buck the trend in relation to the rest of the county within the forecast period and that the number of pupils diagnosed with ASD and SEMH needs will actually fall.

In any event, the Emily Wilding Davison School, now located in Ponteland, has increased its planned pupil numbers as well as becoming co-educational and therefore now provides specialist SEMH provision within the partnership. While the majority of its current cohort of pupils reside in the South East of the county, it is expected that overtime the majority of its pupils will in fact access the provision from the west the county, with pupils in the South East being able to access provision from the existing provision there and from the Gilbert Ward Academy when it opens in September 2023.

## Prudhoe Partnership

### Current Provision

There is currently no specialist provision located within the Prudhoe Partnership area.

### SEN Forecasts

Table 51 – Prudhoe Partnership: ASD Forecast September 2022-September 2026

PRUDHOE PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	4	4	7	9	5	9	2	10	2	10	6	4	4	1	76
2023	5	5	5	10	10	6	8	2	10	3	9	6	3	1	84
2024	5	6	6	7	12	13	6	9	2	14	3	9	5	1	98
2025	5	6	7	9	8	15	12	6	10	3	13	3	8	2	107
2026	4	6	7	11	11	10	14	14	7	13	3	14	2	3	119

Table 52 – Prudhoe Partnership: SEMH Forecast September 2022-September 2026

PRUDHOE PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	4	4	4	2	2	5	6	8	3	11	7	1	4	3	65
2023	4	4	5	3	2	2	7	5	9	3	10	5	1	4	65
2024	4	4	6	4	3	2	3	7	6	9	3	7	4	1	61
2025	4	4	5	4	4	3	3	3	7	6	8	2	5	4	61
2026	4	4	5	4	4	4	4	3	3	7	5	6	1	5	58

Table 53 – Prudhoe Partnership: Data and information received from SENCos Autumn 2021

Prudhoe Partnership	
Children in reception with EHCP	Under 5
Reception children needing a Y7 place in Special School	Under 5
Children in Y4 with EHCP	5
Y4 children needing a Y7 place in Special School	Under 5
Children in Y5 with EHCP	7
Y5 children needing a Y7 place in Special School	Under 5
Y5 children COSA applications	Under 5
Children in Y6 with EHCP	Under 5
Y6 children needing a Y7 place in Special School	0
Y6 children COSA applications	Under 5

## Commentary

Table 51 suggests that the number of students diagnosed with ASD as a primary need and who live in the Prudhoe Partnership is set to increase in both the primary and secondary phases, although not as significantly as in some partnerships. The partnership bucks the trend in relation to the majority of other partnerships in the county, with the number of pupils diagnosed with SEMH predicted to fall, albeit not very significantly.

It is proposed that provision in the Prudhoe Partnership is considered with Haydon Bridge, Hexham and Ponteland as part of a wider solution for the West locality when identifying solutions as part of the roll-out of the 3-point programme.



# Seaton Valley Partnership

## Current Provision

Provision	Age range	Needs met	Capacity	Number on Roll Jan 22 Census
Additional resourced provision, Seaton Sluice First School, Seaton Sluice	4-9		12	N/A
Additional resourced provision, Whytrig Middle School/Astley High School	9-18		10	

## SEN Forecasts

Table 54 – Seaton Valley Partnership: ASD Forecast September 2022-September 2026

SEATON VALLEY PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	0	0	1	0	0	0	0	1	1	1	0	0	0	0	3
2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 55 – Seaton Valley Partnership: SEMH Forecast September 2022-September 2026

SEATON VALLEY PARTNERSHIP															
Final Forecasts															
Year Group	R	1	2	3	4	5	6	7	8	9	10	11	12	13	NOR Totals
2022	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1
2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 56 – Seaton Valley Partnership: Data and information received from SENCOs Autumn 2021

Seaton Valley Partnership	
Children in reception with EHCP	6
Reception children needing a Y7 place in Special School	Under 5
Children in Y4 with EHCP	6
Y4 children needing a Y7 place in Special School	Under 5
Children in Y5 with EHCP	Under 5
Y5 children needing a Y7 place in Special School	Under 5
Y5 children COSA applications	Under 5
Children in Y6 with EHCP	9
Y6 children needing a Y7 place in Special School	Under 5
Y6 children COSA applications	Under 5

### Commentary

Tables 54 and 55 indicate that there is very little predicted need for provision for students with ASD and SEMH. Given its location in the South East of the county, it is expected that any additional provision established in the South East locality would address any need arising from the Seaton Valley Partnership.





# Section 5

## Ideas/models to increase Specialist School Capacity

The data presented for each school partnership demonstrates there is a growing demand to increase specialist capacity across Northumberland with high level data suggesting that there could be a further 700 special school places required by 2026 if the current pattern of increased demand continues.

The table below suggests how this increased demand could be met across Northumberland. The ideas and models are suggestions and each of these options would be discussed with each partnership of schools and relevant special school.

Partnership	Potential Model	Funding option	Approximate funding level	Timetable completion	Timetable Consultation
<b>NORTH</b>					
Alnwick	New build Barndale	SCIP; capital receipts; S106; Council Funding; Basic need	£8m to £12m	September 2025	March – September 2024
Berwick	Expand Grove to meet needs of pupils with SEMH and ASD, in new buildings on a new site	Berwick capital funding	£8m to £12m	September 2026	May 2022 – June 2023
Coquet	Barndale@Amble 50 place ASD SEMH all age provision in the refurbished middle school building.	Coquet capital and DfE SEND specialist place funding.	£4m to £6m	September 2024	May – November 2022
<b>SOUTH EAST/CENTRAL</b>					
Ashington/Hirst	Increased use of independent specialist provision to meet demand for primary places. Growth at NCEA Castle to reduce out of county placements e.g. Northern Counties/Percy Hedley	High Needs block commissioned places. Expansion on existing sites	£2m to £3m	September 2027	March – September 2026

Partnership	Potential Model	Funding option	Approximate funding level	Timetable completion	Timetable Consultation
<b>SOUTH EAST/CENTRAL (CONTINUED)</b>					
Blyth	Free school open 2023. Specialist mainstream based provision	DfE	£1.1m	September 2023	Complete March – September 2024
Bedlington	Expand Cleaswell Hill to meet the needs of ASD students on former Guidepost Middle School land	SCIP; capital receipts; S106; Council Funding; Basic need	£2m to £3m	September 2024	March – September 2023
Cramlington	Hillcrest to become all age provision on current site	DfE bid or SCIP; capital receipts; S106; Council Funding; Basic need	£8m to £12m	September 2025	March – September 2024
Morpeth	Temporary expansion to Hepscoth Park for primary age	School funded-temporary model	None	December 2022	March-September 2023
Seaton Valley	ARP part of Astley new school build. Number of places and admission criteria need further development. Primary specialist provision and secondary specialist provision		None as part of the main Astley/Whytrig scheme	Complete – subject to review	Complete – subject to review
PRU	Relocate PRU to Seghill and change age range to KS3 and KS4, and expand to include some medium term placements. Mix of permanent and assessment places.	Former Atkinson House building	None	October 2022	N/A
<b>WEST</b>					
Haydon Bridge	Primary SEMH (Lodge HB)	SCIP; capital receipts; S106; Council Funding; Basic need	£500k to £750k	September 2027	March – September 2026
Hexham	Expand on existing site using Dene Park House building	Capital receipts; S106; Council Funding; Basic need	£500k to £750k	September 2024	March – September 2023



Partnership	Potential Model	Funding option	Approximate funding level	Timetable completion	Timetable Consultation
<b>WEST (CONTINUED)</b>					
Ponteland	Relocation of Emily Wilding Davison schools to create additional places planned to be open Sept 2022. Phase 2 works to co-locate services and expand the vocational offer	Additional funding would be required to carry out phase 2 works.	£5.5m	School - September 2022 Co-located services – September 2023	Complete
Prudhoe	No specific need identified – watching brief.			N/A	N/A

## Consultation and refining and developing options for Capacity Growth at a Local level

As set out in [Section 3](#), one part of the 3-part methodology for identifying the need for SEND capacity across the county is through the development of proposed solutions in collaboration with school partnerships, the outcomes of which will be consulted on with parents and the wider community.

In line with the timetable set out in [Section 5](#), workshops will be organised with headteachers of mainstream schools and academies and headteachers of special schools and academies – other relevant parties may also be invited to collaborate where there are specific areas to address within a partnership. Relevant and up to date data and information will be shared with partners, and it is envisaged that local information from partners working on the ground can also be shared in order to assist in forming solutions.

While potential solutions have been set out at [Section 5](#), these are a starting point and the purpose of the workshops will be to develop and refine clear, agreed proposals that all partners believe are the right solutions for that specific area of the county. Approval to consult with parents, stakeholders and the wider community will then be sought.



# Section 6 Funding

In order to increase specialist capacity across Northumberland a significant amount of funding will be required to meet the predicted growth in places. The initial ideas on how this could be achieved is set out in [Section 5](#). There are a number of grant funding streams that can be utilised to support growth as well as funding already identified as part of the council Medium term financial plan as well as capital contributions from section 106 developer contributions.

## NCC Funding

Capital Funding of £17m has already been identified within the council MTFP to grow capacity at a strategic level. An allocation of £1,057,675.30 in 2021/22, was approved by cabinet as the capped contribution to the free school in Blyth. The remaining funding is available to allocate to potential projects identified in [Section 5](#).

Year	Allocation
2022-23	5,942,342
2023-24	10,000,000
<b>Total</b>	<b>15,942,342</b>

## DfE Specialist Capacity Growth Funding

In light of the increasing demand for specialist places nationally DfE have been providing local authorities with funding for the expansion of SEND specialist places with Northumberland allocation being as detailed opposite.

Year	Allocation
2021-22	£851,302
2022-23	£1,253,875
2023-24	£2,450,813
<b>Total</b>	<b>£4,555,517</b>

## Education Infrastructure Section 106 funding

The Council's Education Infrastructure Contribution Policy was approved for implementation by Cabinet in December 2017. In 2021 the council's Cabinet approved an update to the policy specifically in order to approve an increase in the requested contribution towards SEND provision in the county to reflect the increased number (or reflecting the increased number) of young people in the County requiring specialist provision. The table below shows the current expected level of funding that could be made available to support expansion of special provision as detailed in this strategy.

Locality Area	Value
<b>North</b> (Berwick, Alnwick and Coquet)	£1,637,097
<b>South East/Central</b> (Morpeth, Ashington, NCEA, Blyth, Bede, Bedlington, Cramlington, Seaton Valley)	£1,804,356
<b>West</b> (Haydon Bridge, Hexham, Prudhoe, Ponteland)	£396,000
<b>Total</b>	<b>£3,837,453</b>

## Other funding

Current unallocated basic need funding of £5,356,528 has been allocated to Northumberland for 2023/24, for places in September 2023. Whilst this grant is allocated to provide additional school places it isn't ring fenced so could be used to support growth in places in special schools. There could be future opportunities within the lifetime of this strategy to bid for additional central government funding as well as future years grant funding allocations from DfE.

## Conclusion

This strategy is the first time Northumberland has brought together the place planning methodology used to plan for mainstream school places to predict the number of specialist places likely to be required over the next 5 years and formulate a strategy on how to engage at a local level to ensure our children and young people can have their needs met as close to their home communities as possible.

The predictions contained within this strategy do not include the potential impact of future interventions or strategies and will therefore be updated on an annual basis in order that information used to plan and grow capacity is reflective of the demands for specialist provision as the impact of interventions and strategies currently being implemented across Northumberland becomes clear.

## Capital funding to support growth in places

Funding	Value
NCC Capital	£15,942,324
SEND Specialist Places Grant	£4,555,517
Section 106 funding	£3,837,453
<b>Total</b>	<b>£24,335,294</b>

The data presented for each school partnership demonstrates there is a growing demand to increase specialist capacity across Northumberland with high level data suggesting that there could be a further 700 special school places required by 2026 if the current pattern of increased demand continues. [Section 5](#) sets out ideas on how to achieve additional capacity as well as potential timescales and some very high level costs. All this detail is subject to detailed work within each of the school partnerships to ensure the affordability and sustainability of any plans for growth.



## **Contact Us**

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## Northumberland County Council

CABINET

17 NOVEMBER 2022

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### **Budget 2023-24 and Medium-Term Financial Plan 2023-2027**

Report of Jan Willis, Interim Executive Director of Finance and Section 151 Officer

Cabinet Member: Richard Wearmouth, Portfolio Holder for Corporate Services and Deputy Leader

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#### **Purpose of report**

This report provides an update on the development of the 2023-24 Budget and the Medium-Term Financial Plan (MTFP) covering the period 2023 to 2027.

#### **Recommendations**

**Members are requested to:**

1. **Review and note the revisions to the assumptions (and the risks) within the 2023-24 Budget and Medium-Term Financial Plan.**
2. **Note that:**
  - a) **further work is required to refine the Medium-Term Financial Plan; and,**
  - b) **the revenue implications of the capital programme are still to be updated; and,**
  - c) **there are still budget balancing measures required to be identified over the term of the Medium-Term Financial Plan.**
3. **Review and note the budget consultation strategy.**

#### **Link to Corporate Plan**

The Council's budget and Medium-Term Financial Plan are aligned to the priorities outlined in the Corporate Plan 2021-24 "A Council that Works for Everyone".

## **Key issues**

1. Local government is operating in a period of significant financial uncertainty brought about by ongoing significant budget pressures (including social care, special educational needs, and disability services), as well as other unfunded pressures arising from demographic and significant pay and price inflation as well as rising interest rates. The financial outlook for the Council will continue to be extremely challenging for the foreseeable future.
2. There continues to be significant uncertainty in terms of the financial settlement for local government and how the available funding will be distributed between local authorities through the funding formula.
3. The Government published a Comprehensive Spending Review (CSR) October 2021, covering the three-year period 2022 to 2025. CSR 21 determined the overall amount the Government intended to spend on departments and public services. The Government announced that it would be providing a multi-year settlement and an average real terms increase of 3.00% a year in core spending power for local government. The implications of this for each local authority was announced in December as part of the Local Government Provisional Finance Settlement. However, the settlement was only a 1-year settlement and the Government's finances are under severe pressure which could in turn have implications for local government and therefore local authorities.
4. It was previously expected that the outcome of the Fair Funding Review (FFR), including the move to 75.00% Business Rate Retention, would have been implemented during 2021-22. However, this was delayed due to the impact of the coronavirus pandemic. Plans to move to 75.00% Business Rates Retention have since been abandoned, with the Government instead exploring a new mechanism to redistribute business rates income. Therefore, the outcome of the FFR and review of Business Rates has been delayed, with no indication of when they will take place. This adds further uncertainty and complexity to medium term financial planning.
5. The lack of clarity in relation to the CSR and FFR is exacerbated by uncertainties in relation to future funding of the Improved Better Care Fund, short term funding provided to local authorities for adult and children social care pressures, and the upcoming white paper on social care funding which was announced by the Prime Minister in his statement to the House of Commons in September 2021. This level of uncertainty has made financial planning extremely difficult and requires the Council to be flexible and adaptable as it considers setting the 2023-24 Budget and the Medium-Term Financial Plan. Robust financial planning arrangements within the Council will ensure that the Council is well placed to react effectively to any outcome. However, planning with this level of uncertainty is not conducive to effective long-term decision making.
6. CSR 21 advised that the council tax referendum limit would be set at 2.00% for the three years 2022-23 to 2024-25. It also advised that councils could



increase the precept in relation to Adult Social Care at a rate of 1.00% per annum over those three years. However, as a result of the recent financial crisis and the increased costs being experienced it is possible that the referendum limit will be increased. If the referendum limit is increased the Government will allocate its funding to local authorities based on the assumption that they will be increasing council tax up to the referendum limit. Based on the estimated council tax base a 1.00% increase in council tax will generate income in the region of £1.840 million for the Council.

7. To ensure the MTFP can be developed effectively, and savings targets delivered in time to produce a balanced budget, it is important that a robust plan and timetable is agreed and followed.
8. The current MTFP forecast, that the Council agreed on 23 February 2022, covered the four-year period 2022-23 to 2025-26. It is recommended at this stage that the MTFP covers the four-year period 2023-24 to 2026-27 and this will be presented to full Council on 22 February 2023. Planning across the medium term in this way ensures that decisions can be made in the knowledge of the likely financial position of the Council and provides a basis for effective decision making whilst taking account of the best estimates of income and expenditure.
9. Details of the local government financial settlement are expected to be announced by Government in late December 2022. It is hoped that the settlement will cover more than one financial year, but at this stage that detail is not known. Work will continue on the MTFP to incorporate the outcome of the financial settlement, and this will be presented to full Council on 22 February 2023.
10. In line with previous practice the Budget for the next financial year (2023-24) and the MTFP model has been reviewed. Using a variety of assumptions for inflationary increases relating to Revenue Support Grant, New Homes Bonus, Services Grant as well as different assumptions for the tax base and pay inflation, three models have been produced; best case, worst case and mid-case scenarios resulting in savings requirements as follows:

	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Best	19.888	19.130	7.249	10.700	56.967
Mid	22.790	18.668	9.238	13.802	64.498
Worst	37.214	25.965	14.245	20.727	98.151

For the purpose of this report the assumptions outlined relate to the mid-case scenario. This will continue to be reviewed as the MTFP is updated, and early identification and planning for savings required in the later years of the MTFP will be critical.

11. Savings proposals have been and will continue to be developed using the following principles:
  - a) Setting a balanced budget over the life of the MTFP whilst maintaining modest and sustainable increases in Council Tax.
  - b) Investing to save; recognising that one-off resources can be used to generate future savings that will pay back the investment.
  - c) Ensuring that service and financial planning is fully aligned with the Corporate Plan.
  - d) Continuously reviewing services in order to keep reductions to front line services to a minimum.
  - e) Maintaining the Council's strong financial position so that it has sufficient reserves and balances to address any future risks and unforeseen events without jeopardising key services and delivery of outcomes.
  - f) Maintaining a commercial focus and maximising income generation while at the same time managing risk.
  - g) Ensuring the Council can demonstrate value for money in the delivery of its priorities.

## **Background**

### **1. Medium-Term Financial Plan 2023-24 to 2026-27**

- 1.1. The Medium-Term Financial Plan was presented to Council on 23 February 2022 when the budget was set for 2022-23. The report set out a number of assumptions and identified a gap of £50.436 million from 2022-23 to 2025-26.
- 1.2. The MTFP is currently being updated to cover the period 2023-24 to 2026-27. At this point in time and using the mid-case scenario and the assumptions detailed below, savings of £22.790 million will be required to balance the budget for 2023-24 and a further savings requirement of £41.708 million covering the period 2024-25 to 2026-27 has also been identified.
- 1.3. The plan will continue to be updated to reflect changing circumstances and a revised MTFP will be presented to the Cabinet as the budget process develops.

### **2. Review of the Medium-Term Financial Plan**

- 2.1. The financial outlook for the Council continues to be extremely challenging. The national finances are in a highly uncertain position due to the aftermath of Covid-19, the impact of the UK exit from the European Union, the war in Ukraine, significant inflation, volatile financial markets and the cost-of-living crisis.
- 2.2. The assumptions for the 2023-24 Budget and MTFP are currently as follows:
  - a) **Revenue Support Grant (RSG)**
    - i) that the Council will receive a government settlement including an appropriate inflationary increase over the period of the MTFP (CPI at the end of September was 10.10% and this is the increase that has been assumed);
    - ii) that additional funding received for Adults and Children's Social Care in 2022-23 will become recurrent, and, that the cost of adult social care reforms (Fair Cost of Care and charging reform) will be fully funded by the Government;
    - iii) that there will be no increase or decrease in the Better Care Fund;
    - iv) that the council tax referendum level will be 2.00% over the MTFP period and that an increase to the Adult Social Care Precept of 1.00% will be applicable for the years 2023-24 and 2024-25. It is possible however that due to the current position of the Government's finances that the council tax referendum limit will be increased beyond 2.00%.

At this stage any of the assumptions made could be subject to change as a result of the CSR, and the publication of the provisional local government finance settlement, which is expected in December 2022.

b) **New Homes Bonus (NHB)**

There has currently been no announcement on the future of the New Homes Bonus Scheme or the level of funding available nationally. However, for financial planning purposes it has been assumed that the scheme will continue over the duration of the MTFP, but the overall national funding totals will reduce from £556.000 million in 2022-23 to £250.000 million in 2023-24. It is possible that the reduction in funding could be redistributed to support the levelling up agenda, amongst other Government initiatives.

It is forecast that £1.464 million will be received in each year. This allocation is based on the four-year average figure to 2019-20.

c) **Council Tax and Business Rate Tax Base Increases**

Regular reviews are carried out in relation to tax base forecasts. The tax base is impacted by new builds, the incidence of uptake of discounts and exemptions, with a further major variable being the impact of the local council tax reduction scheme. At this stage a slight increase in the tax base is forecast in each year as a result of growth from new developments over the lifetime of the MTFP period. The forecast for the tax base for 2023-24 will be closely monitored in the coming weeks in what is a very volatile area.

With regard to the council tax base the Council has assumed that losses on collection will be 1.00%. This was increased to 1.00% during the Covid-19 pandemic from 0.70% for the 2021-22 budget and remained at this level for financial year 2022-23.

d) **Pay Inflation**

The Real Living Wage (RLW) has been included for social care contract budgets across the MTFP period. An annual pay inflation allowance of 4.00% has also been included for pay costs in 2023-24 and 2.00% across the remaining MTFP period in relation to national pay negotiations. The final determination of these pay inflation factors will impact on the MTFP assumptions.

When the 2022-23 budget was set, inflation for all pay increases was included at 2.25%.

Pay negotiations for firefighters continue and the latest offer is 5.00%.

The pay increase for staff on local government terms and conditions is now estimated to be between 10.50% for those on spinal column point 1 and 1.20% for those on spinal column point 75 in the current financial year (2022-23) which equates to the employer's current offer of £1,925 for each grade (plus employer's oncosts). The overall average increase based on this offer equates to 7.28% for the Council.

All of the costs (actual and estimated) over and above 2.25% have been added as a recurrent pressure to the 2023-24 budget and MTFP.

e) **Non-Pay Inflation**

Significant increases in utility charges continue to be experienced nationally and this is applicable to local government and the Council too. Increases over and above “normal” inflationary increases will be funded from reserves for the first year of this MTFP. The MTFP assumes that inflationary increases for utilities return to “normal” levels after this time. However, this will need to be kept under review as there is currently no clarity about what will happen with energy costs in the medium term. It was hoped that the price energy guarantee would be for two years, but it has recently been announced that it is now only for 6 months. In addition, the Council has not yet received details about what the price energy guarantee will mean for it, therefore the impact has not been able to be quantified.

Inflation is included within the 2023-24 budget relating to a number of other items. Some of the more significant revenue budget increases are as follows:

<b>Budget</b>	<b>Inflationary Increase %</b>
Electricity (above 2021-22 base)	139.00
External Audit Fee	150.00
Gas (above 2021-22 base)	281.00
Insurance	16.00
Vehicle Fuel	24.00
Water	10.10

Significant inflationary increases are also being experienced in relation to capital contracts which will have an impact on the affordability of the capital programme.

f) **Pressures, Growth and Demographic Changes**

The following explains the sums requested relating to financial year 2023-24 unless stated otherwise:

Funding for adult social care has been assumed within the forecast to accommodate growth in the ageing adult population in Northumberland and address the disparity in wages between children’s and adult services team managers.

Two new children’s homes are being built in order to keep Northumberland children in the county which will in turn reduce the cost of out of county placements. The pressure spans two years of the MTFP but there will be savings in the cost of out of county placements to offset these costs.

Investment in additional Occupational Therapy services delivered by Northumbria Healthcare NHS Foundation Trust to provide paediatric adaptation assessments for children and young people resident in Northumberland who require minor or major adaptations to their home.

A pressure has been identified for costs relating to court-ordered assessments and interpreting/translation fees. Most court-ordered costs are split between the parties, but the local authority is generally directed to pay one third of the associated costs. Demand is beyond the Council's control and is linked to the number of children and families in care proceedings. The interpreting costs and translation fees are incurred when working with non-English speaking service users and is limited to essential documents and meetings.

Additional funding is required for short break services for disabled children following a review that concluded that Northumberland's offer was inconsistent and limited and didn't provide enough variety of support for families.

Additional resources are needed for the Education Welfare Service so that the Council can fulfil new Department for Education requirements published in May 2022 regarding school attendance and the safeguarding of children not in school. One further requirement is to provide academies with a free service from September 2023, and not charge them through a Service Level Agreement (which is the current arrangement).

The removal of the School Improvement and Monitoring Grant from April 2023 will leave the School Improvement budget with a shortfall. Families and Children's Services Overview and Scrutiny Committee agreed on 26 May 2022 that "A recommendation be made to Cabinet for funding of the School Improvement Team to continue until the end of this Administration so that the team could continue to develop and offer support to schools both inside and outside of Northumberland."

Funding to create a dedicated resource for the Schools' Safeguarding Team which will enable the Northumberland Children's and Adults' Safeguarding Partnership and the local authority to provide the right level of support and training to maintain high safeguarding standards in education settings that meet local and statutory requirements.

The Council has also experienced an increase in the number of special education needs pupils who require home to school transport and a high number of contracts have been retendered increasing the cost significantly.

The Information Services team has experienced a significant decline in income following a number of schools no longer participating in their service level agreement; and in addition, it is anticipated that a pressure will occur in year 3 of the MTFP (2025-26) relating to the upgrade of Office 365.

The Archives Service has experienced a loss of income and requires a software licence for which there has been no budgetary provision previously.

There is pressure on the Coroner's budget in relation to both medical and body conveyancing fees and there is a shortfall in service level agreement income from schools in relation to the School Library Service, which need to be addressed.

Additional funding has been requested for home to school transport suppliers and supported bus services.

When the 2022-23 budget was set, inflation for pay increases was included at 2.25%. Pay negotiations for firefighters continue and the latest offer is 5.00%. The pay increase for staff on local government terms and conditions is now estimated to be between 10.50% for those on spinal column point 1 and 1.20% for those on spinal column point 75. The overall average increase based on this offer equates to 7.28% for the Council. All of the expected costs over and above 2.25% have been added as a recurrent pressure to the budget and MTFP.

Additional resources for the library service (for two years) including maintenance costs for the new mobile library units were included as a pressure in the 2022-23 MTFP.

Additional funding has been requested by the Fire & Rescue service to cover the Firelink grant which is going to reduce over the next three years and to cover the financial pressure being experienced in relation to data lines.

**g) Non-recurrent Pressures**

The following non-recurrent pressures were identified as pressures last year and remain in the assumptions, all of which are proposed to be funded from reserves:

- A fixed term contract for a Quality Improvement and Complaints Officer.
- The IT backup and recovery service.
- Increased costs for highways materials.
- The Strategic Transformation Programme – the Strategic Business case developed by the Council and its partners in recent months will be available in the near future (November 2022) and it is envisaged that there will be significant savings deliverable over the term of the MTFP.

Further non-recurrent pressures which have been identified include:

- Resources for two years to enable the kerbside glass collection and recycling trial to continue
- Resources for 2023-24 to enable the kerbside food waste collection trial to continue.
- A further increase to both gas and electricity charges incurred by the Council to that originally expected. At this point in time it is envisaged that costs revert to “normal” in 2024-25. See paragraph 2.2 e) for further details.

2.3 It is important to note that at this stage it is assumed in the main that there is no net long term financial impact from Covid-19. The Council faced significant additional costs due to Covid-19, however, these costs have dissipated. In terms of income loss within service groupings it has been assumed that income levels were restored to pre Covid-19 levels by April 2022 or there are compensating reductions in expenditure to offset lost income.

2.4 The current cost of living crisis is having a significant impact on residents and businesses. To assist some of its most vulnerable residents the Cabinet has recently agreed (11 October 2022) to leave the council tax support scheme unchanged for 2023-24. Should members decide that further support is required this will add to the non-recurrent pressures in the budget.

2.5 All of these assumptions will be kept under review and the MTFP refined as necessary.

### **3. Savings**

3.1 Executive Directors were asked to assess the deliverability of agreed savings for both the current year (2022-23) and 2023-24. The assessment was carried out using the following principles:

- a) Original permanent planned savings for 2022-23 will be achieved or an alternative must be delivered on an on-going basis in 2023-24.
- b) Savings originally identified and verified as deliverable for 2023-24 will be achieved.

3.2 Work is ongoing to develop delivery plans for those savings that have not yet been realised, and Executive Directors have been asked to identify alternative proposals where necessary and possible. It is recognised that the delivery of savings in the current year has been extremely challenging.

3.3 In order to ensure delivery of a balanced budget for 2023-24, work has commenced on identification and development of savings proposals. The recommended framework and MTFP principles surrounding the development of these plans is shown in paragraph 11.



- 3.4 The budget planning process is a continuing and iterative process, and further additional savings will be required over the life of the MTFP. Work is also progressing in relation to the revenue cost of the capital programme.
- 3.5 Work is ongoing to develop proposals for the savings required beyond 2023-24, and this will be supported by the Strategic Change Business Case which will be available in November 2022. However, it may be necessary for the Council to consider utilising some of its reserves non-recurrently to fund any gap.

#### **4. Capital**

- 4.1 Members are advised that in light of the financial difficulty the Council is facing and the rapid increase in interest rates that the capital programme is also being reviewed as the cost of borrowing is significantly higher than originally anticipated. When the 2022-23 budget was agreed the average rate for borrowing was 1.33% and at 24 October 2022 the average rate for borrowing using the same terms was 4.47%. There is still significant uncertainty surrounding interest rates. However, it is clear that there will be an impact on the affordability of the capital programme and some capital projects may need to be deferred or reduced in scope or value engineered in order to reduce costs. It may also be the case that there are some projects which are no longer affordable and will only be able to proceed if additional external funding can be secured. The revenue assumptions above do not include any changes to the revenue cost of capital from the assumptions made in the 2022-26 MTFP. This work will be done following the review of the Capital Programme. It is intended that a Capital Programme will be presented to Council in February 2023 which is affordable in the context of not only the capital budget but the revenue budget too.

#### **5. Conclusion**

- 5.1 The Section 151 Officer considers that there are too many unknowns to present a comprehensive budget package to Members for approval at the present time and work continues to formulate an affordable capital programme, identify savings proposals and refine costs and pressures to enable a balanced budget to be presented.

## **6. Budget Timetable**

6.1 It is the intention to present the schedule of efficiency savings to Members for discussion in January 2023.

6.2 The budget will be presented to Members as follows:

13 February 2023      Corporate Services and Economic Growth Overview & Scrutiny Committee (All Members will be invited)

14 February 2023      Cabinet

22 February 2023      Full Council

## **7. Budget Consultation Strategy**

7.1 The Council recognises that consultation is an important part of planning and delivering services that meet people's needs. This is set out in the Corporate Plan:

a. *".. we know that we still face tough decisions that will not be universally popular. We will not take these lightly and pledge that we will pay attention and act on your concerns."*

7.2 The Council has a statutory duty to consult with businesses in Northumberland.

7.3 The purpose of the general budget consultation with residents and stakeholder groups is to communicate the budget challenge; ascertain an understanding of people's views on the way we plan to meet this challenge; and determine whether views differ for different groups. This will be used to help guide and inform the annual budget setting process. Where proposals will potentially have greater impact on the public or on groups protected by equality law, services will carry out their own consultation on the detailed proposals and work closely with our most vulnerable residents to help them understand what changes to services may mean for them.

7.4 The Council will undertake Budget consultation from December 2022 to January 2023 to allow for full discussion and debate at local area councils; parish and town councils; and, with staff and the unions.

7.5 There will also be an on-line question and answer session with the Leader of the Council, Glen Sanderson.

7.6 Service areas will consult on their budget proposals directly with individual services users, partners, and key stakeholders.

7.7 Feedback on budget consultation will be online.

7.8 Consultation will be promoted primarily through local and social media channels, linking through the Council's budget website.

## **Implications**

<b>Policy</b>	This is the second year of this Administration’s Medium-Term Financial Plan; and it fully supports the priorities outlined in the Corporate Plan 2021-24 - A Council that Works for Everyone.
<b>Finance and value for money</b>	The financial implications of the 2023-24 Budget and the Medium-Term Financial Plan are still being assessed but it is evident that the position will continue to be challenging.
<b>Legal</b>	<p>The provisions of the Local Government Finance Act 1992 set out what the Council has to base its budget calculations upon and require the Council to set a balanced budget with regard to the advice of its Chief Finance Officer. The Act also states that the Council has got to set its budget before 11 March in the financial year preceding the one in respect of which the budget is set.</p> <p>The terms of reference for Cabinet state that the Cabinet will take all necessary steps to prepare the authority’s budget, and those plans and strategies which constitute the authority’s policy framework as set out in Article 4 of this Constitution, prior to their final approval and adoption by the Council. It will undertake this work in accordance with the Budget and Policy Framework.</p>
<b>Procurement</b>	There are no specific Procurement implications within this report.
<b>Human Resources</b>	The size of the financial challenge will have an impact on staffing levels across the Council. The Council will continue to try and mitigate this impact by the management of vacancies and voluntary redundancy wherever possible.
<b>Property</b>	The individual proposals will carefully consider the impact with regard to property requirements.
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> <input type="checkbox"/>	<p>All individual budget savings proposals for 2023-24 are being, or will be, screened for potential equality implications, and where potential equality impacts are identified, specific impact assessments are being, or will be, carried out unless the final decision on whether to proceed with the saving will be taken after the budget round. In those cases, impact assessments will be carried out by the relevant Executive Director before final decisions are taken and could potentially lead to decisions that some savings should not be made in their currently proposed form but should be achieved in other ways. An overall assessment of the equality impacts of the budget proposals is in preparation; this will be updated as work on the budget proceeds, including taking account of the outcome of consultations on elements of the savings proposals. A final version will be presented to the Council alongside the final budget proposals in February 2023.</p> <p>At this stage, the amounts indicated for financial years 2024-25, 2025-26 and 2026-27 are simply initial savings targets that are expected to be required, based on current information and assumptions. As proposals are developed to</p>

	achieve the overall savings for these years, they will be screened for potential equality considerations and, where potential impacts are identified, specific impact assessments will be carried out before final decisions are taken.
<b>Risk Assessment</b>	The risks associated with the budget proposals will continue to be reviewed up to and including implementation of the detailed proposals.  Any efficiency proposals that are considered to represent a risk will be subject to a separate comprehensive risk appraisal process. The risk appraisal process is the responsibility of the relevant Executive Director and will continue up to the County Council and beyond as individual budget reduction measures are implemented.
<b>Crime &amp; Disorder</b>	There are no specific Crime & Disorder implications within this report.
<b>Customer Consideration</b>	The individual proposals will carefully consider the impact upon both customers and residents of Northumberland.
<b>Carbon reduction</b>	The Council continues to develop proposals concerning the management of energy which are supported by the budget.
<b>Health &amp; Wellbeing</b>	The Council's budget is founded on the principle of promoting inclusivity.
<b>Wards</b>	All wards.

**Background papers:**

Cabinet report: 8 February 2022 and Council Report 23 February 2022: Budget 2022-23 and Medium-Term Financial Plan 2022-26

**Report sign off**

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

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## Northumberland County Council

CABINET

17 NOVEMBER 2022

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### BEBSIDE TO TOWN CENTRE CYCLING AND WALKING CORRIDOR: OUTLINE BUSINESS CASE

**Report of:** Rick O'Farrell, Interim Chief Executive

**Cabinet Member:** Councillor Wojciech Ploszaj, portfolio holder for Business

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#### **Purpose of report**

In accordance with the Energising Blyth Programme - Local Assurance Framework, the report seeks the approval of the Town Deal Outline Business Case (OBC) for the Bebside to Town Centre Cycling & Walking Corridor project which is pending approval by the Department of Levelling Up, Housing and Communities (DLUHC).

The OBC has been externally appraised with a recommendation to proceed to Full Business Case (FBC). It was approved by Town Deal Board on 28 September 2022.

#### **Recommendations**

**Cabinet is recommended to:**

- (1) Approve the Outline Business Case (OBC) for the Bebside to Town Centre Cycling & Walking Corridor project to enable progression to Full Business Case.**
- (2) Delegate authority, in accordance with the Local Assurance Framework, to the Council's s151 Officer following consideration by the Energising Blyth Programme Board to approve the Full Business Case and report the capital implications to Capital Strategy Group for inclusion in the Capital Programme.**
- (3) Delegate approvals to the Executive Director to execute all contracts relating to the project subject to confirmation of associated funding being in place and the appropriate procurement processes being followed.**

## **Link to Corporate Plan**

This project is part of the Energising Blyth Programme supported by the Town Deal. This is a placemaking 'whole town' programme which contributes across most of the Council's Corporate Plan Priorities but particularly to the living, enjoying, thriving and connecting strategic priorities.

## **Key issues**

Since the Town Deal funding award, a considerable amount of work has been undertaken to develop the Outline Business Case (OBC). This OBC is now fully prepared and ready for submission to the UK Government to serve two purposes. First, to provide sufficient confidence to the Government that this is an attractive and robust project; and confirm an ask of £4.75 million. Second, to provide a solid foundation for finalising the full business case, thereby securing approval of the project.

The approvals process for the Bebside to Town Centre Cycling & Walking Corridor project has commenced with the submission of the OBC to DLUHC for the proposed £6.9M scheme.

To date, Town Deal has provided a total of £75,000 towards the development of the Project.

When the Strategic Outline Business Case (SOBC) for the project was submitted in June 2022, the scope of the project, in terms of infrastructure requirements, was largely agreed.

The project programme anticipates that the project will commence in March 2024 with completion by February 2026.

This report summarises the five cases (Strategic; Economic; Commercial; Financial; Management) contained within the OBC whilst highlighting the implications within each for the County Council.

## **BACKGROUND**

1. Northumberland County Council and its partners have been successful in attracting both Future High Streets (£11.1m) and Town Deal (£20.9m) funding to transform Blyth town centre. This substantial funding will stimulate confidence and further investment, create new jobs, bolster economic growth and transform the town ensuring it realises its full potential. This significant programme of renewal is underpinned by creative engagement with the community of Blyth demonstrating demand and support for positive change.
2. The Local Assurance Framework requires the completion of a proportionate 'Green Book' Business Case for all projects within the programme through 3 key stages, Strategic Outline Business Case, Outline Business Case and Full Business Case. The OBC was externally appraised on 16<sup>th</sup> September 2022 and approved by the Town Deal Board on 28<sup>th</sup> September 2022. This means that the project details through all '5 cases' within the OBC are largely finalised. There is little difference between the OBC and FBC in terms of the depth and substance of the project information included.
3. The main purpose of the FBC stage is to confirm any outstanding project details that were not finalised at the time of the OBC submission. This will include, confirmation of costs, draft construction contract and confirmation of funding, planning and programme.
4. By Full Business Case, the Summary Document should be approved by DLUHC and the first-year funding received by NCC, allowing project delivery once the FBC and grant funding agreement are in place. Each subsequent year's funding will be released to NCC by DLUHC based on project progress and will enable payments to the applicant in accordance with the Grant Funding Agreement and subject to monitoring, reporting and evidence.

## **PROJECT SCOPE**

### **BEBSIDE TO TOWN CENTRE CYCLING & WALKING CORRIDOR**

5. Bebside to Town Centre Cycling & Walking Corridor will create a cycling and walking corridor connecting the new train station at Blyth Bebside (a key stop on the new Northumberland line) via the town's major employment sites, directly into the Town Centre. This will improve access into, out of, and within Blyth, enabling residents, workers, learners and visitors to move easily between key locations, as well as connecting with the wider region. The project will support Blyth's vision to be a Connected, Vibrant and Clean Growth Town.

6. Designs for the project are currently at Preliminary Design stage. The design team are working with partners to progress more detailed designs and project costs.
7. The Strategic objectives for the project are:
  - Create a high-quality walking and cycling route between Blyth town centre and Blyth Bebside which support onwards journeys to the proposed Northumberland Line Station at Bebside
  - Provide increased opportunities for residents of Blyth to access employment and education opportunities
  - Reduce the necessity for residents to undertake journeys by private motor vehicles
  - Improve the health and wellbeing of residents by providing facilities that allow people to be more active
  - Reduce CO2 emissions and improve air quality by reducing the number of car journeys and thereby congestion
8. A considerable amount of work has been undertaken to develop the Outline Business Case (OBC) and Summary Document, which is now fully prepared and ready for submission to the UK Government.

## Strategic Case

9. The Blyth Bebside Town Centre Connectivity (BBTCC) project is a new walking and cycling infrastructure scheme connecting the new passenger rail service at Blyth Bebside Station to the town centre, key employment sites including the Blyth Riverside Business Park, and residential areas in the north of the town (Kitty Brewster, Cowpen and Croft wards). The project will involve a mixture of traffic calming, road safety measures and segregation to encourage more walking and cycling.
10. The project directly contributes to and aligns with the Energising Blyth Strategy and the Town Investment Plan, delivering against three of the core objectives (Vibrant Town, Connected Town, Growing Town) as well as the Clean Growth Town cross cutting priority.
11. The project is consistent with and will contribute towards the achievement of national, regional, and local strategic objectives and will address the following two market failures:
  - **Public Good:** the infrastructure provided by the project corrects a market failure in that this will not be provided by the private sector. Active travel and public realm investment is non-excludable and non-rivalrous, meaning anyone can benefit from the provision and benefits to one person do not reduce the benefit



for others. There is limited incentive for the private sector to invest in the improvements and so the benefits are not likely to be realised without public sector intervention.

- **Investor Confidence:** Blyth town centre has a poor and declining retail offer, low footfall and high vacancies. This may create barriers to private sector investment and increase vacancies. An improvement to visitor numbers and expenditure via an enhanced active transport offer will demonstrate the opportunities for growth in the town centre.
- **Positive Externalities:** these will be generated by improved connectivity and pedestrian and cycle priority. Improved experience can support making the town centre more attractive, which can drive dwell time and spend. Improved health and low-carbon outcomes can also be met through better pedestrian priority and improved cycle links, which would generate economic and social benefits for local people.

12. Investment will help to connect the town centre to the Blyth Bebside Cycle / Walking corridor, linking to the new Bebside Station. This will promote sustainable transport choices that reduce congestion, improve air quality and support health benefits associated with active travel.

13. There is a clear need to invest in walking and cycling infrastructure in order to improve connectivity and encourage more active travel options.

## **Economic Case**

14. The economic case assesses the benefits and costs of the project based upon its agreed critical success factors and strategic objectives. This assessment is undertaken in a standardised way in accordance with Treasury guidance to both define the extent to which the project provides value for money.

15. The preferred delivery option versus a no Town Deal/business as usual option were appraised. The quantified benefits considered journey ambience improvements and uplifts in walking and cycling, namely mode shift and health benefits.

16. The costs and benefits of the preferred option was calculated and **delivers a Benefits/Cost Ratio (BCR) of 1.60**. This demonstrates acceptable value for money according to DLUHC BCR categories.

## **Commercial case**

*17. Project Build/construction options*

Two project build/construction options have been considered:

- Option 1 – In house build.

- Option 2a – Additional support/procure services via an established framework for operator plant and small works.
- Option 2b – Procure third party contractor for construction phase.

Whilst an ‘in house’ build (option 1) is preferred, other options have been considered to mitigate the risk of insufficient ‘in house’ capacity.

The Procurement process and timelines have been explored and sufficient time has been included within the Programme in order to mitigate risk of delays.

#### 18. Project Delivery/Operation options

The scheme will form part of the public highway upon completion, ownership and long-term maintenance will be the responsibility of Northumberland County Council.

### Financial case

19. The total anticipated capital cost of the project is £6,869,600 and anticipated revenue cost is £60,000. This will be confirmed at Full Business Case stage. The breakdown of the costs is as follows:

Item	Cost
<b>Capital</b>	
Design	296,396
Utilities	240,000
Construction	4,234,070
Inflation	762,659
Risk	1,336,475
<b>Sub Total</b>	<b>6,869,600</b>
<b>Revenue</b>	
Comms & Engagement	60,000
<b>Total</b>	<b>6,929,600</b>

20. Construction costs were estimated by NCC Technical Services and a qualified Quantity Surveyor based on the preferred Concept Designs available at this time and benchmarked against similar schemes.

Risk has been included at a conservative rate of 24%. The funding package is set out below.

### ***Project funding***

21. The breakdown of the proposed funding sources and amounts is set out below. As part of the Medium-Term Financial Plan, the Council Capital has identified a total of £2,120,880 with the remainder funded by Towns Fund.

<b>Funding source</b>	<b>Capital</b>	<b>Revenue</b>	<b>Total</b>	<b>Status</b>
Town Deal	4,748,720	60,000	4,808,720	Confirmed, subject to Outline Business Case approval
NCC (capital)	2,120,880	0	2,120,880	Capital identified on MTFP and Capital Programme, subject to Council approval of OBC.
<b>Total</b>	<b>6,869,600</b>	<b>60,000</b>	<b>6,929,600</b>	

### ***Financial profile***

22. The financial profile of anticipated spend and subsequent drawdown from the various funding sources is detailed below, subject to approval confirmation of those financial contributions.

<b>Expenditure</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>Total</b>
<b>Capital</b>					
Design	140,006	156,390			<b>296,396</b>
Utilities			240,000		<b>240,000</b>
Construction			2,000,000	2,234,070	<b>4,234,070</b>
Inflation		12,511	324,352	425,796	<b>762,659</b>
Risk			502,500	833,975	<b>1,336,475</b>
<b>Sub Total</b>	<b>140,006</b>	<b>168,901</b>	<b>3,066,852</b>	<b>3,493,841</b>	<b>6,869,600</b>
<b>Revenue</b>					
Comms & Engagement				60,000	60,000
<b>SubTotal</b>				<b>60,000</b>	<b>60,000</b>
<b>Total</b>	<b>140,006</b>	<b>168,901</b>	<b>3,066,852</b>	<b>3,553,841</b>	<b>6,929,600</b>

Income	22/23	23/24	24/25	25/26	Total
<b>Capital</b>					
NCC				2,120,880	<b>2,120,880</b>
Town Deal	140,006	168,901	3,066,852	1,372,961	<b>4,748,720</b>
<b>Sub Total</b>	<b>140,006</b>	<b>168,901</b>	<b>3,066,852</b>	<b>3,493,841</b>	<b>6,869,600</b>
<b>Revenue</b>					
Town Deal				60,000	60,000
<b>SubTotal</b>				<b>60,000</b>	<b>60,000</b>
<b>Total</b>	<b>140,006</b>	<b>168,901</b>	<b>3,066,852</b>	<b>3,553,841</b>	<b>6,929,600</b>

## Management case

23. **Reporting and Governance** will continue in accordance with the Local Assurance Process and will include Cabinet approval and delegation to Town Deal Board to approve the post tender Full Business Case and award contracts. Monitoring and Evaluation will continue and will be reported to Towns Fund in accordance with the Heads of Terms and Grant Funding Agreement.

24. **NCC Technical Services** will project manage delivery of the capital project on behalf of the Energising Blyth team and have led on the Design.

25. A **Project Steering Group** will be established including the Project Manager and members of the design team, also involving members of EB Team, Technical Services, Highways, Strategic Estates and Regeneration Finance & Performance. This Group will cover key Project Delivery areas, including programming, procurement, cost and risk management, change control and quality assurance, health and safety.

### **Key Milestones**

Project milestone	Target date
Preliminary design development & costings	30 June 2022
Strategic Outline Business Case Submitted	6 June 2022
Public engagement/consultation	28 July 2022
Outline Business Case (OBC) submitted	13 August 2022
OBC approved by Town Deal Board	28 September 2022
Summary Document submitted to DLUHC	30 September 2022
Cabinet Approval	8 November 2022

Summary Document approved by DLUHC	November/December 2022
Detailed design development & costings	2 June 2023
Full Business Case submitted	21 July 2023
Full Business Case approved by Programme Board	25 Aug 2023
Final approval of project funding (Town Deal & NCC GFA)	26 Oct 2023
TRO's/Stopping Up Orders in place.	January 2024
Construction Commences	3 March 2024
Project Completion	27 February 2026
Stage 3 RSA	27 March 2026

The programme plan will continue to be reviewed and updated on a monthly basis.

## **IMPLICATIONS**

<b>Policy</b>	The project fully supports the NCC Corporate Plan, the Northumberland Economic Strategy and the Town Investment Plan
<b>Finance and value for money</b>	For an allocation of £2,120,880, the Council is securing an external investment of £4,808,720. NCC resources for the project are identified in the Energising Blyth (EB) Programme identified in the Medium Term Financial Plan.
<b>Legal</b>	<p>No legal advice in relation to subsidy control advice has been received to date as land is predominantly owned by NCC and the project is not economic in nature and the Council will not be active in a market. Receiving contributions from public funds is therefore not anticipated to provide the Council with any sort of economic advantage.</p> <p>Legal advice will be obtained prior to Full Business Case submission in any event and more particularly if any work is to be undertaken on land outside the ownership of the Council, and / or any additional parts of the project which may be deemed to be commercial in nature.</p> <p>The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.</p>
<b>Procurement</b>	Project spend will be subject to the Council's recognised procurement procedures. Rule 4.9.1(e) of the Council's Finance and Contract Procedure Rules requires Executive approval before commencing procurement of goods or services where the value is over £2 million.

<b>Human Resources</b>	The project is being developed by NCC's EB Programme Team in conjunction with partner leads, including NCC Technical Services.
<b>Property</b>	Implications for council property will be considered in detail prior to Full Business Case submission.
<b>Equalities</b>	(Impact Assessment attached) Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Available on request
<b>Risk Assessment</b>	A risk register is in place for the project which will manage and monitor risk.
<b>Crime &amp; Disorder</b>	This project is part of the proposals in the Energising Blyth Programme which in totality include various measures intended to reduce crime and disorder in Blyth through positive regeneration measures.
<b>Customer Consideration</b>	There has been partner and community consultation during the development of the project. This will continue as detailed designs are developed.
<b>Carbon reduction</b>	The project will contribute towards carbon reduction and clean growth objectives by promoting sustainable modes of transport.
<b>Health and Wellbeing</b>	The Town Deal proposals include an underpinning objective to support the development of an 'Inclusive Town' supporting positive health and wellbeing outcomes through successful town centre regeneration.
<b>Wards</b>	Located across Kitty Brewster, Cowpen and Croft Ward with benefit to all wards in Blyth.

### **Background papers:**

Beaside to Town Centre Cycling & Walking Corridor - Outline Business Case – August 2022

### **Report sign off**

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

	Full Name of Officer
Monitoring Officer/Legal	Helen Lancaster on behalf of Suki Binjal
Executive Director of Finance & S151 Officer	Jan Willis
Relevant Executive Director	Rick O'Farrell
Chief Executive	Rick O'Farrell
Portfolio Holder(s)	Cllr Wojciech Ploszaj

### **Author and Contact Details**

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[Lara.baker@northumberland.gov.uk](mailto:Lara.baker@northumberland.gov.uk) 07919 217457



# Northumberland County Council

## Carbon Impact Assessment

### Basic Information

Name	Lara Baker
Proposal Name	Beside to Town Centre Cycling & Walking Corridor
Service Area	Economy & Regeneration
Proposal Description	Beside to Town Centre Cycling & Walking Corridor will create a cycling and walking corridor connecting the new train station at Blyth Beside (a key stop on the new Northumberland line) via the town's major employment sites, directly into the Town Centre. This will improve access into, out of, and within Blyth, enabling residents, workers, learners and visitors to move easily between key locations, as well as connecting with the wider region.
Confirmed/Estimated Cost	£6,929,600
Will this proposal be submitted to capital strategy group, cabinet or full council?	Cabinet and Capital Strategy Group

### Scoring:

When assessing your proposal, score each section subjectively based on your own understanding and knowledge. Scoring ranges from +2 to -2, based on the scoring methodology below. For each section, there are example considerations to guide the scoring; this is not an exhaustive list, nor do all have to apply. Ultimately, decide to what extent your proposal aligns with the net zero 2030 commitment and whether all possible measures to do so have been included. The score will be submitted to the Climate Change Policy Thematic Group for discussion and additional support, before advancing to the relevant decision-making body.

**+2:** The proposal results in a large reduction of carbon emissions; The proposal is a large improvement on previous practices; The proposal has selected best practice opportunities; The proposal is aligned with the net zero 2030 commitment.

**+1:** The proposal results in some reduction of carbon emissions; The proposal is an improvement on previous practices; The proposal has selected some best practice opportunities; The proposal is in some way aligned to the net zero 2030 commitment.

**0:** The proposal has little or no impact; The proposal is slightly or no different to previous practices; This section is not applicable.

-1: The proposal results in some increase in carbon emissions; The proposal is a deterioration compared to previous practices; The proposal misses available best practice opportunities; The proposal is misaligned to the net zero 2030 commitment.

-2: The proposal results in a large increase in carbon emissions; The proposal is a large deterioration compared to previous practices; The proposal actively selects more carbon intensive options in place of best practice opportunities; The proposal is significantly misaligned to the net zero 2030 commitment."

### 1. Policy

As stated in the Climate Action 2021-2023 All new policy decisions should be carbon neutral or should reduce Northumberland's emissions from their current level unless there is significant justification in terms of other benefits to the county. Where such a policy cannot be carbon neutral, all available options to reduce its carbon impact will be explored.

*If this Carbon Impact Assessment is not relevant to policy, please answer 0.*

Score: 2

Rationale: The project(s) has the objective to improve poor transport connectivity via creation of a key transport corridor from the new Blyth Bebside rail station, connecting to new cycle infrastructure as part of the Northern Gateway Phase 2 project, completing the link to the town centre.

The projects are aligned to the Town Investment Plan objective 'Connected Town' and the cross cutting priority objective 'Clean Growth Town'.

### 2. Partnerships and Engagement

The Council cannot achieve its ambition of a net-zero county by 2030 in isolation. Every resident, business and visitor to Northumberland will need to make their contribution to see Northumberland become the UK's greenest county and reach our net zero by 2030 target.

Example considerations (not exhaustive, nor do all have to apply). Consider residents/businesses/the Council.

*Does the proposal engage with others about the climate emergency?*

*Does the proposal encourage others to reduce emissions?*

Score: 1

Rationale: The project aims to serve key employment sites within Blyth, engagement with businesses will be crucial towards reducing carbon emissions via choice of travel to work. Half of journey to work trips to Blyth are local internal trips.

Blyth Town Council, NCC Highways, NCC Strategic Transport are all engaged in the project and further engagement with residents will take place later prior to delivery of the project.

### 3. Heating



As a Council, we will continue to lead the way by reducing the energy consumption of our estate and installing renewable heat and power solutions in our buildings where possible. For new project proposals, renewable/sustainable heating options should be considered as default prior to consideration of fossil fuel sources.

*Does the proposal use low carbon heating instead of fossil fuels, where heating is required?*

*Does the proposal impact heating consumption?*

*If fossil fuel heating sources are to be installed, could a renewable heating system be easily implemented at a later date?*

Score: N/A
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Rationale: The project is not in relation to building construction/improvement so heat and power solutions are not applicable.
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#### 4. Transport

As a largely rural and a destination County we recognise the need for the right mix of public and private transport. Our Carbon Action Plan outlines that where possible, transport should be low carbon with zero tailpipe emissions, protecting local air quality and reducing noise.

*How are people likely to travel to the proposed site?*

*Does the proposal encourage or enable active travel or public transport?*

*Does the proposal encourage or enable electric vehicle usage?*

Score: 2
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Rationale: The project aims to create a modal shift towards active travel in combination with the Northern Gateway Phase 2 project. The Blyth to Bebside corridor encourages active travel to and from the new Blyth Bebside rail station. The Northern Gateway will connect pedestrians and cyclists to the bus station located in the Town Centre.
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#### 5. Renewable Energy Generation

Continuing to generate energy from renewable sources across the County is both sustainable and a driver for economic growth. Proposals should show support for renewable technology where installations are technically possible, economically feasible, environmentally advantageous and socially acceptable. #

*Does the proposal impact energy consumption?*

*Does the proposal impact on renewable energy generated in Northumberland?*

*Does the proposal use or encourage renewable energy tariffs, where energy consumption is required?*

Score: 1
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Rationale: Whilst the project does not directly generate renewable energy, the project will improve connectivity between new rail services/public transport and key businesses in the renewable energy sector.

## 6. Carbon Sequestration

The County enjoys a vast spread of land and forestry. Carbon is sequestered by forestry, grassland, wetlands and peat, while carbon losses occur on existing cropland and natural land that is converted to cropland. New proposals should consider integrated land use which enhances, safeguards sequestration and the associated biodiversity, whilst supporting local climate action and boosting rural economy.

*Does the proposal impact trees, peat bogs, soil and other natural habitats?*

*Does the proposal offset its carbon emissions? Is this offset within Northumberland?*

*Does the proposal store carbon through use of materials? e.g. local timber, concrete, steel*

Score: 0

Rationale: There is limited anticipated impact to trees, peat bogs, soil and other natural habitats. This will be clearer once more detailed design work is carried out, however the main focus is on reconfiguration to existing infrastructure.

## 7. Waste

Our Climate Action Plan states that Northumberland County Council will consider a more circular approach to our economy and reduce waste by supporting efforts to design out waste, keeping materials in operation and productive use for as long as possible in new projects and proposals going forward.

*Does the proposal impact waste generation?*

*Does the proposal follow a circular approach? E.g. design out waste, use of shareable, repairable, reusable and recyclable/recycled materials*

Score: 0

Rationale: This will be clearer as detailed design work is carried out.

### Next steps

This form will be reviewed by a member of the Climate Change team. Where required or requested, this form will be raised at the Climate Change Policy Thematic Group. This group will be able to provide additional support and guidance around making proposals more aligned with the net zero commitment. This group is not a decision-making body. A carbon impact assessment must accompany all capital strategy group, informal cabinet, cabinet and full

council reports. Carbon Literacy training is now available for all staff. For more information and to register for a session, please visit [Learning Together](#).

8. Would you like to discuss your submitted CIA with the climate change team?  
**No**

9. Do you have any final comments or feedback about this form?

NO

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CABINET

17 NOVEMBER 2022

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**NORTHUMBERLAND ENERGY PARK (NEP1) – DOCK CAPPING BEAM:  
UPDATED NORTH EAST LOCAL ENTERPRISE PARTNERSHIP (NELEP)  
FULL BUSINESS CASE**

**Report of:** Rick O'Farrell, Interim Chief Executive

**Cabinet Member:** Councillor Wojciech Ploszaj, portfolio holder for Business

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**Purpose of report**

In accordance with the Energising Blyth Programme - Local Assurance Framework, the report seeks the approval of the Town Deal Summary Document which sets out details of an adjusted NEP1 Infrastructure investment which is pending approval by the Department of Levelling Up, Housing and Communities (DLUHC). Members have previously approved an application on 7<sup>th</sup> December 2021 from Port of Blyth for the original NEP1/Battleship Wharf Project Business Case proposal to build an internal heavy duty access link between NEP1, NEP 2 and Battleship Wharf but this can no longer proceed due to Subsidy Control limitations. An updated NELEP Full Business Case for an alternative scheme and applicant (Advance Northumberland (Commercial) Ltd) towards a new capping beam which will allow the Ash Barge Dock deep water berth (part of NEP1) to become fully operational has been externally appraised with a recommendation to proceed. It was approved by Town Deal Board on 28 September 2022.

**Recommendations**

**Cabinet is recommended to:**

- (1) Approve the updated NELEP Full Business Case (FBC) for the NEP1 capping beam works in support of the Project Adjustment Request to DLUHC**
- (2) Delegate authority, in accordance with the Local Assurance Framework, to the Council's s151 Officer following consideration by the Energising Blyth Programme Board to report the capital implications to Capital Strategy Group for inclusion in the Capital Programme subject to funding confirmation by DLUHC**
- (3) Approve the request to spend £500k Town Deal funding and approve an allocation of £31,621 from the Energising Blyth (EB) Programme Medium Term Financial Plan, towards the installation of a capping beam.**

## **Link to Corporate Plan**

This project is part of the Energising Blyth Programme supported by the Town Deal. This is a placemaking 'whole town' programme which contributes across most of the Council's Corporate Plan Priorities but particularly to the living, enjoying, thriving and connecting strategic priorities.

## **Key issues**

Since the Town Deal funding award, a Full Business Case (FBC) was prepared using the NELEP Business Case template. Following subsidy control advice, the Port of Blyth decided to withdraw their application for Town Deal funding and an alternative project has been identified. The FBC has been prepared with Advance Northumberland (Commercial) Ltd as the applicant and is ready for submission to the UK Government to serve two purposes. First, to provide sufficient confidence to the Government that this is an attractive and robust project; and confirm an ask of £500k. Second, to provide a solid foundation for finalising the full business case, thereby securing approval of the project.

The approvals process for the NEP1 project has commenced with the submission of the FBC to DLUHC for the proposed £1.43m scheme.

The lead applicant for the project and land owner are Advance Northumberland (Commercial) Ltd.

The project includes the creation of 370 jobs which is a key output in the Energising Blyth programme.

The £531,62 Town Deal and NCC contribution is required due to a significant increase in the cost of steel. It is anticipated that the project will complete by March 2023.

This report summarises the five cases (Strategic; Economic; Commercial; Financial; Management) contained within the FBC whilst highlighting the implications within each for the County Council.

## **BACKGROUND**

1. Northumberland County Council and its partners have been successful in attracting both Future High Streets and Town Deal funding to transform Blyth town centre. This substantial funding will stimulate confidence and further investment, create new jobs, bolster economic growth and transform the town ensuring it realises its full potential. This significant programme of renewal is underpinned by creative engagement with the community of Blyth demonstrating demand and support for positive change.
2. The Local Assurance Framework requires the completion of a proportionate 'Green Book' Business Case for all projects within the programme. However, it has been accepted by DLUHC that NEP1 related projects can be 'fast tracked' by utilising the existing and updated NELEP 'Green Book' based Business Case which has previously been reviewed and accepted to secure £35m+ of public funding.
3. The business case relates to a work package forming part of a much wider funded, and shortly to be completed dock extension and site enabling works at the former Blyth Power Station. The capping beam will enable the dock to become operational. Due to the smaller and more specific nature of the works a number of outputs have also been updated. The total number of jobs created has been reduced from 500 to 370 the amount of rehabilitated land has reduced from 20,000m<sup>2</sup> to 8400m<sup>2</sup>.
4. The project will continue to contribute to the 'Growing Town' Towns Fund strategic priority as detailed in the Town Investment Plan. The operational dock will be a critical asset to the renewable energy sector. Along with the JDR cables who will create a cable manufacturing base at NEP1, the dock will also serve the wider NEP area through facilitating the import and export of raw and manufactured materials for both construction and production phases.
5. The contract and contract sum for the works have been agreed and works are due to complete by March 2023. Due to a 9 month delay in the site becoming available for the contractor, a previously agreed contract sum required renegotiating due to the significant rise in the cost of steel. The secured £900k of Getting Building Fund is now insufficient to deliver the works which has risen to over 1.4m.

## **NORTHUMBERLAND ENERGY PARK PHASE 1 – DOCK CAPPING BEAM**

### **Strategic Case**

6. The work involves the installation of a capping beam over the newly constructed Ash Barge Dock deep water berth quay wall. This is necessary to bring the dock into operation to service both NEP1 (JDR Cables) and the wider Northumberland Energy Park area, including the £2.6bn new Britishvolt EV battery Gigaplant currently under construction on the 95has site directly north of the dock (NEP – phase 3).

7. A capping beam is a standard feature on the majority of docksides and consists of a concrete 'capping' structure installed over the top of the steel tubular piles which form the quay walls. They have a number of critical functions to allow successful operation of a dock. These include dock wall stability and fixings for ladders, mooring bollards and craneage.
8. The overall aim of the project is to provide access for energy sector businesses to an additional deep water operational berth at Ash Barge Dock to unlock the full investment and employment potential of the NEP sites. Any large-scale port-related inward investor locating at the sites will require a commitment to berth accessibility to ensure timely movement of raw materials or finished products.
9. In terms of the Town Investment Plan, the dock will directly support the vision of Blyth becoming a thriving UK and international centre of excellence in renewable energy, advanced manufacturing, growth and innovation by 2030. It supports Strategic Objective One: Growing Town by enabling further investment in the offshore wind and renewables sector by providing the necessary infrastructure to support the flow of materials and manufactured goods in and out of the Port via a deep water berth capable of mooring some of the largest and technically capable vessels.
10. It supports Strategic Objective three: Connected Town by improving Port Operation and Maintenance capability and range of berths to service the growing North Sea wind sector taking full advantage of the UK Government's drive for post Brexit UK content and to support the expansion of the geographically proximate Dogger Bank.

## **Economic Case**

11. The business case quantifies the benefits to be delivered by the project, which are based on the local employment and GVA benefits generated as a result of business investment attracted to Northumberland Energy Park which includes future phases beyond NEP1. The applicant (Advance Northumberland (Commercial) Ltd) has followed the methodology required by the North East Local Enterprise Partnership, using their economic toolkit to calculate the benefits. The overall aim of the project is to provide access for energy sector businesses to a deep water operational berth at NEP1 in order to unlock the full investment and employment potential of the all the NEP site.
12. A total of 374 new FTE jobs (gross) will be created by the project. These new jobs will be with energy and manufacturing companies locating at Northumberland Energy Park including Britishvolt. The 374 is based on sq.m occupancy of manufacturing uses and assumes around 15,000 sq.m of development not within the NEP1 Enterprise Zone, but across all NEP sites. It is also expected that 10 Full Time construction jobs linked to the capping beam installation during project implementation will be supported.



13. The proposed BCR for the Capping Beam Works and Town Deal Intervention is 12.2 which represents very good value for money, on the basis that this represents a place-based intervention in line with Towns Fund and Green Book guidance.
14. The GVA impact of the new jobs has been calculated using the North East LEP's economic toolkit. The local GVA per job benchmark for the manufacturing sector used in the toolkit to calculate the GVA benefits is £66,811 gross pa. The total GVA (gross) generated by the 374 jobs is £25m.
15. The project will deliver net additional GVA of £4.5m in return for the total public investment of £1.43m.
16. In addition to the quantified employment and GVA benefits identified, the investment will contribute to creating a compelling offer for investors, helping to maximise opportunities to continue to attract inward investment to Northumberland Energy Park in Blyth.

### Commercial case

17. The Capping Beam contract was procured via NEPO (North East Procurement Organisation) under PPN 01/20 due to the impacts of Covid 19 delaying the main contract. There are a limited number of civil engineering contractors who have the capability to undertake this type of specialist marine related civil works. The contract has been agreed with Southbay Civils, a reputable and experienced local company and works have commenced on site.

### Financial case

18. The original proposals were for the installation of the Capping Beam to commence in late 2021. The costs at that time were estimated to be £928,059 and funding was to be provided by the Getting Building Fund. However, the investment was dependent on the completion of the dock quay walls and delays to this element prevented works on the capping beam commencing as planned. It is now possible to proceed with the installation of the capping beam, however cost increases – largely as a result of the rising cost of steel – have increased the total cost to £1,431,621.

Item	Capital	Revenue	Total
<b>Capital</b>			
Construction	1,164,551		1,164,551
Prelims and mobilisation	267,070		267,070

<b>Sub-total</b>	<b>1,431,621</b>		<b>1,431,621</b>
<b>Revenue</b>			
Centre Management/Learning delivery	0	0	0
<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>1,431,621</b>	<b>0</b>	<b>1,431,621</b>

19. The most significant increase over the 8 month delay period was due to the cost of steel and concrete and prelims which equates to 67% of the total cost increase

<b>Item</b>	<b>increase</b>
Site prelims	109,429
Rebar steel work	193,000
Formwork and Concrete	81,000
Ladders and bollards	27,300
Pile works	83,834
Excavation and reinstatement works	9,000
<b>Total</b>	<b>503,563</b>

#### *Project funding*

20. The breakdown of the proposed funding sources and amounts to cover the cost of £1,431,621 is set out below. The Council's Capital commitment will be £31,621 with the remainder funded by Towns Fund (£500,000) and NTCA (£900,000).

<b>Funding source</b>	<b>Capital</b>	<b>Revenue</b>	<b>Total</b>	<b>Status</b>
Town Deal	500,000	0	500,000	Subject to Outline Business Case approval
NTCA	900,000	0	900,000	Full Business Case approved
NCC (Capital)	31,621	0	31,621	Identified on MTFP and Capital Programme, subject to Cabinet approval via Capital Strategy Group
<b>Total</b>	<b>1,431,621</b>	<b>0</b>	<b>1,431,621</b>	

#### *Financial profile*

21. The financial profile of anticipated spend and subsequent drawdown from the various funding sources is detailed below, obviously subject to approval confirmation of those financial contributions.

<b>Expenditure</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>Total</b>
--------------------	--------------	--------------	--------------	--------------	--------------

Construction and Prelims	1,431,621	0	0	0	1,431,621
<b>Total</b>	<b>1,431,621</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,431,621</b>

<b>Income</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>Total</b>
Town Deal	500,000	0	0	0	<b>500,000</b>
NTCA	900,000	0	0	0	<b>900,000</b>
NCC (EB)	31,621	0	0	0	<b>31,621</b>
<b>Total</b>	<b>1,431,621</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,431,621</b>

## Management case

22. A detailed programme plan has been agreed with works taking place between September 2022 and March 2023

<b>Activity</b>	<b>Date</b>
Capping Beam: Detailed Design completed	13 July 2022
Procurement of works contract complete	13 July 2022
Works contract agreed by Advance Northumberland (Commercial) Ltd Board	July 2022
Town Deal Business Case submitted	12 August 2022
Works commence	31 August 2022
Summary Document and Project Adjustment submitted to DLUHC	30 September 2022
NCC Cabinet Approval	8 November 2022
Towns Fund approval	30 November 2022
Practical completion	31 March 2023

23. NCC has established robust programme management and governance arrangements to ensure effective delivery of Energising Blyth projects, including the NEP1 project. The Programme Board will provide regular updates and reports into the wider partnership governance in Blyth including Blyth Town Deal Board and Blyth Town Forum. The programme plan and works will continue to be monitored, reviewed and updated on a monthly basis. Any issues or changes will be reported to Programme and Town Deal Board.

24. Advance Northumberland (Commercial) Ltd are Lead Partner and will be required to submit a Quarterly Monitoring Return to the NCC (Energising Blyth Team) as programme lead with overall responsibility for delivery of the project including. The QMR will provide detail around project expenditure and outputs from the project team. The QMR will then be submitted to the Town Deal by NCC

## **IMPLICATIONS**

<b>Policy</b>	The project fully supports the NCC Corporate Plan, the Northumberland Economic Strategy and the Town Investment Plan
<b>Finance and value for money</b>	For an allocation of £500,000 from Town Deal and £900,000 from NTCA, the Council is securing an external investment of £1.431m. The NCC capital contribution is £31,621 and approval is requested to be funded from the Energising Blyth (EB) Programme within the existing Medium Term Financial Plan.
<b>Legal</b>	Advance Northumberland (Commercial) Ltd has received legal advice from DWF LLP regarding subsidy control compliance as part of the development of the project and the project is to be delivered in accordance with this advice to ensure compliance. The external advice will be updated to reflect any legislative and / or funding changes. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council
<b>Procurement</b>	The Contract has been procured in accordance with Government and NCC Procurement Regulations
<b>Human Resources</b>	The project is being developed by NCC's EB Programme Team in conjunction with Advance Northumberland (Commercial) Ltd. There are no NCC revenue running costs as a result of the project.
<b>Property</b>	The land and asset are owned by Advance Northumberland (Commercial) Ltd.
<b>Equalities</b>	(Impact Assessment attached) N/A There are no Public Sector Equality Duties impacted by the project
<b>Risk Assessment</b>	A risk register is in place for the project which will manage and monitor risk.
<b>Crime &amp; Disorder</b>	This project is part of the proposals in the Energising Blyth Programme which in totality include various measures intended to reduce crime and disorder in Blyth through positive regeneration measures.
<b>Customer Consideration</b>	There has been partner and stakeholder consultation throughout the development of the project
<b>Carbon reduction</b>	The Energy Central Campus will support the county's contribution to carbon reduction and clean growth objectives. This will provide new operational asset to support clean growth investment.
<b>Health and Wellbeing</b>	There are no Health and Wellbeing implications
<b>Wards</b>	All wards in the town of Blyth

**Background papers:**

**Report sign off**

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

	Full Name of Officer
Monitoring Officer/Legal	Helen Lancaster
Executive Director of Finance & S151 Officer	Jan Willis
Relevant Executive Director	Rick O'Farrell
Chief Executive	Rick O'Farrell
Portfolio Holder(s)	Cllr Wojciech Ploszaj

**Author and Contact Details**

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07919 217457

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# Northumberland County Council

## Carbon Impact Assessment

### Basic Information

Name	Lara Baker
Proposal Name	Energising Blyth Programme – Northumberland Energy Park - Infrastructure
Service Area	Economy & Regeneration
Proposal Description	The installation of a capping at Ash Barge Dock deep water berth, to bring the dock into operation to service both NEP1 (JDR Cables) and the wider Northumberland Energy Park area, including the £2.6bn new Britishvolt EV battery gigaplant
Confirmed/Estimated Cost	£1,431,621
Will this proposal be submitted to capital strategy group, cabinet or full council?	Cabinet and Capital Strategy Group

### Scoring:

When assessing your proposal, score each section subjectively based on your own understanding and knowledge. Scoring ranges from +2 to -2, based on the scoring methodology below. For each section, there are example considerations to guide the scoring; this is not an exhaustive list, nor do all have to apply. Ultimately, decide to what extent your proposal aligns with the net zero 2030 commitment and whether all possible measures to do so have been included. The score will be submitted to the Climate Change Policy Thematic Group for discussion and additional support, before advancing to the relevant decision-making body.

**+2:** The proposal results in a large reduction of carbon emissions; The proposal is a large improvement on previous practices; The proposal has selected best practice opportunities; The proposal is aligned with the net zero 2030 commitment.

**+1:** The proposal results in some reduction of carbon emissions; The proposal is an improvement on previous practices; The proposal has selected some best practice opportunities; The proposal is in some way aligned to the net zero 2030 commitment.

**0:** The proposal has little or no impact; The proposal is slightly or no different to previous practices; This section is not applicable.

**-1:** The proposal results in some increase in carbon emissions; The proposal is a deterioration compared to previous practices; The proposal misses available best practice opportunities; The proposal is misaligned to the net zero 2030 commitment.

-2: The proposal results in a large increase in carbon emissions; The proposal is a large deterioration compared to previous practices; The proposal actively selects more carbon intensive options in place of best practice opportunities; The proposal is significantly misaligned to the net zero 2030 commitment."

### 1. Policy

As stated in the Climate Action 2021-2023 All new policy decisions should be carbon neutral or should reduce Northumberland's emissions from their current level unless there is significant justification in terms of other benefits to the county. Where such a policy cannot be carbon neutral, all available options to reduce its carbon impact will be explored.

*If this Carbon Impact Assessment is not relevant to policy, please answer 0.*

Score: 2
Rationale:  The project is aligned to the Blyth Town Investment Plan objective 'Clean Growth Town' with the vision for Blyth as an exemplar Renewable Energy Town and Port within the Programme timeframe. It aligns to all National and local Net Zero Policy objectives.

### 2. Partnerships and Engagement

The Council cannot achieve its ambition of a net-zero county by 2030 in isolation. Every resident, business and visitor to Northumberland will need to make their contribution to see Northumberland become the UK's greenest county and reach our net zero by 2030 target.

Example considerations (not exhaustive, nor do all have to apply). Consider residents/businesses/the Council.

*Does the proposal engage with others about the climate emergency?  
Does the proposal encourage others to reduce emissions?*

Score: 2
Rationale: The Project will bring into use an additional deep-water berth at the Port of Blyth. This will enable large scale advance manufacturing to service both the offshore renewable energy and electric vehicle battery sector.

### 3. Heating

As a Council, we will continue to lead the way by reducing the energy consumption of our estate and installing renewable heat and power solutions in our buildings where possible. For new project proposals, renewable/sustainable heating options should be considered as default prior to consideration of fossil fuel sources.

*Does the proposal use low carbon heating instead of fossil fuels, where heating is required?  
Does the proposal impact heating consumption?*



*If fossil fuel heating sources are to be installed, could a renewable heating system be easily implemented at a later date?*

Score: 0
Rationale: This section is not applicable

#### **4. Transport**

As a largely rural and a destination County we recognise the need for the right mix of public and private transport. Our Carbon Action Plan outlines that where possible, transport should be low carbon with zero tailpipe emissions, protecting local air quality and reducing noise.

*How are people likely to travel to the proposed site?  
Does the proposal encourage or enable active travel or public transport?  
Does the proposal encourage or enable electric vehicle usage?*

Score: 2
Rationale: The project will support the electric vehicle sector as it will enable a deep water dock to be utilised for the import of materials for Electric Vehicle battery manufacture

#### **5. Renewable Energy Generation**

Continuing to generate energy from renewable sources across the County is both sustainable and a driver for economic growth. Proposals should show support for renewable technology where installations are technically possible, economically feasible, environmentally advantageous and socially acceptable. #

*Does the proposal impact energy consumption?  
Does the proposal impact on renewable energy generated in Northumberland?  
Does the proposal use or encourage renewable energy tariffs, where energy consumption is required?*

Score: 2
Rationale: The proposal will directly support the renewable energy sector by providing an operational dock to renewable energy sector business. The businesses have plans to ensure that manufacturing processes will use all renewable sources of energy when fully operational. The sites are located close to the North Sea Interconnector and EDF Blyth offshore wind which will provide private direct connection to the NEP area as well as to the grid.

## 6. Carbon Sequestration

The County enjoys a vast spread of land and forestry. Carbon is sequestered by forestry, grassland, wetlands and peat, while carbon losses occur on existing cropland and natural land that is converted to cropland. New proposals should consider integrated land use which enhances, safeguards sequestration and the associated biodiversity, whilst supporting local climate action and boosting rural economy.

*Does the proposal impact trees, peat bogs, soil and other natural habitats?*

*Does the proposal offset its carbon emissions? Is this offset within Northumberland?*

*Does the proposal store carbon through use of materials? e.g. local timber, concrete, steel*

Score: 1

Rationale:

Northumberland Energy Park – Phase 1 enabling works is located at the site of the former Blyth coal fired power station. It is also adjacent to the Port of Blyth which is a designated SSSI and Special Marine Protection Area for a large number of protected bird species. All works and future operations will take place under strict controls over noise and light pollution. Each site has provided significant bio-diversity net gain both off and on site controlled through the Planning system,

Local materials will be sourced by the Contractor, particularly concrete.

## 7. Waste

Our Climate Action Plan states that Northumberland County Council will consider a more circular approach to our economy and reduce waste by supporting efforts to design out waste, keeping materials in operation and productive use for as long as possible in new projects and proposals going forward.

*Does the proposal impact waste generation?*

*Does the proposal follow a circular approach? E.g. design out waste, use of shareable, repairable, reusable and recyclable/recycled materials*

Score: 1

Rationale: A Construction Waste Plan will be required as part of the Quality Assurance process. Best practice Quantity Surveying methods will be employed to reduce waste at source.

### Next steps

This form will be reviewed by a member of the Climate Change team. Where required or requested, this form will be raised at the Climate Change Policy Thematic Group. This group will be able to provide additional support and guidance around making proposals more aligned with the net zero commitment. This group is not a decision-making body. A carbon impact assessment must accompany all capital strategy group, informal cabinet, cabinet and full

council reports. Carbon Literacy training is now available for all staff. For more information and to register for a session, please visit [Learning Together](#).

8. Would you like to discuss your submitted CIA with the climate change team?  
**No**

9. Do you have any final comments or feedback about this form?

NO

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## Northumberland County Council

CABINET

17 NOVEMBER 2022

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### NORTHERN GATEWAY PHASE 2: OUTLINE BUSINESS CASE

**Report of:** Rick O'Farrell, Interim Chief Executive

**Cabinet Member:** Councillor Wojciech Ploszaj, portfolio holder for Business

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#### **Purpose of report**

In accordance with the Energising Blyth Programme - Local Assurance Framework, the report seeks the approval of the Town Deal Outline Business Case (OBC) for the Regent Street Improvements (Northern Gateway Phase 2) project which is pending approval by the Department of Levelling Up, Housing and Communities (DLUHC). The OBC has been externally appraised with a recommendation to proceed to Full Business Case (FBC). It was approved by Town Deal Board on 28 September 2022.

#### **Recommendations**

**Cabinet is recommended to:**

- (1) Approve the Outline Business Case (OBC) for the Northern Gateway Phase 2 project to enable progression to Full Business Case.**
- (2) Delegate authority, in accordance with the Local Assurance Framework, to the Council's s151 Officer following consideration by the Energising Blyth Programme Board to approve the Full Business Case and report the capital implications to Capital Strategy Group for inclusion in the Capital Programme.**
- (3) Delegate approvals to the Executive Director to execute all contracts relating to the project subject to confirmation of associated funding being in place and the appropriate procurement processes being followed.**

#### **Link to Corporate Plan**

This project is part of the Energising Blyth Programme supported by the Town Deal. This is a placemaking 'whole town' programme which contributes across most of the Council's Corporate Plan Priorities but particularly to the living, enjoying, thriving and connecting strategic priorities.

## **Key issues**

Since the Town Deal funding award, a considerable amount of work has been undertaken to develop the Outline Business Case (OBC). This OBC is now fully prepared and ready for submission to the UK Government to serve two purposes. First, to provide sufficient confidence to the Government that this is an attractive and robust project; and confirm an ask of £2.1 million. Second, to provide a solid foundation for finalising the full business case, thereby securing approval of the project.

The approvals process for the Northern Gateway Phase 2 project has commenced with the submission of the OBC to DLUHC for the proposed £3.4M scheme.

To date, Town Deal has provided a total of £75,000 towards the development of the Project.

When the Strategic Outline Business Case (SOBC) for the project was submitted in June 2022, the scope of the project, in terms of infrastructure requirements, was largely agreed.

The project programme anticipates that the project will commence in March 2025 with completion by February 2026.

This report summarises the five cases (Strategic; Economic; Commercial; Financial; Management) contained within the OBC whilst highlighting the implications within each for the County Council.

## **BACKGROUND**

1. Northumberland County Council and its partners have been successful in attracting both Future High Streets (£11.1m) and Town Deal (£20.9m) funding to transform Blyth town centre. This substantial funding will stimulate confidence and further investment, create new jobs, bolster economic growth and transform the town ensuring it realises its full potential. This significant programme of renewal is underpinned by creative engagement with the community of Blyth demonstrating demand and support for positive change.
2. The Local Assurance Framework requires the completion of a proportionate 'Green Book' Business Case for all projects within the programme through 3 key stages, Strategic Outline Business Case, Outline Business Case and Full Business Case. The OBC was externally appraised on 16<sup>th</sup> September 2022 and approved by the Town Deal Board on 28<sup>th</sup> September 2022. This means that the project details through all '5 cases' within the OBC are largely finalised. There is little difference between the OBC and FBC in terms of the depth and substance of the project information included.
3. The main purpose of the FBC stage is to confirm any outstanding project details that were not finalised at the time of the OBC submission. This will include, confirmation of costs, draft construction contract and confirmation of funding, planning and programme.
4. By Full Business Case, the Summary Document should be approved by DLUHC and the first-year funding received by NCC, allowing project delivery once the FBC and grant funding agreement are in place. Each subsequent year's funding will be released to NCC by DLUHC based on project progress and will enable payments to the applicant in accordance with the Grant Funding Agreement and subject to monitoring, reporting and evidence.

## **PROJECT SCOPE**

### **REGENT STREET IMPROVEMENTS (NORTHERN GATEWAY PHASE 2)**

5. Northern Gateway Phase 2 (NG2) will improve cycleways, footpaths, roads and public space, enhancing access to Blyth Town Centre from the north. Phase 1 works are currently in delivery, supported with £0.75m Accelerated Towns Funding. Phase 2 will complete the full package of works, creating a more attractive and welcoming entrance to the town. It will connect to the Blyth Bebside cycle / walking corridor, linking the new station with the town centre. The project will support Blyth's vision to be a Connected, Vibrant and Clean Growth Town.
6. A Public Realm Masterplan was developed in 2020 with the aim of being used as a guide for future development within Blyth Town Centre. The principles within the

Masterplan have already been adopted during improvements to Bowes Street, Church Street and Wanley Street.

7. Blyth Town Council are engaged in the project development, asset management is a key element of the project. An existing Partnership Agreement is in place between Blyth Town Council and Neighbourhood Services.
8. Designs for the project are currently at Preliminary Design stage. The design team are working with partners to progress more detailed designs and project costs.
9. The Strategic objectives for the project are:
  - Create a more welcoming, accessible entrance to the town centre, resulting in increased footfall and improved perceptions of place
  - Improve the quality of walking and cycling routes between Blyth town centre and north of the town to reduce existing barriers and make movement in and out of the town easier
  - Increase active travel and reduce car journeys through improvements to walking and cycling
10. A considerable amount of work has been undertaken to develop the Outline Business Case (OBC) and Summary Document, which is now fully prepared and ready for submission to the UK Government.

### **Strategic Case**

11. Northern Gateway Phase 2 will improve cycleways, footpaths, roads and public space, enhancing access to Blyth Town Centre from the north. Phase 1 works are currently in delivery, supported with £0.75m Accelerated Towns Funding. Phase 2 will complete the full package of works, creating a more attractive and welcoming entrance to the town. It will connect to the Blyth Bebside cycle / walking corridor, linking the new station with the town centre.
12. Northern Gateway Phase 2 directly contributes to and aligns with the Energising Blyth Strategy and the Town Investment Plan, delivering against two of the core objectives (Vibrant Town, Connected Town) as well as the Clean Growth Town cross cutting priority.
13. The project is consistent with and will contribute towards the achievement of national, regional, and local strategic objectives and will address the following two market failures:
  - **Public Good:** the infrastructure provided by the project in terms of public realm corrects a market failure in that this will not be provided by the private sector, particularly given the low local land prices and limited opportunity for developer contributions. Public realm is non-excludable and non-rivalrous, meaning



anyone can benefit from the provision of public realm and benefits to one person do not reduce the benefit for others. There is no profit incentive for the private sector to invest in the improvements and so the benefits are not likely to be realised without public sector intervention.

- **Investor Confidence:** Existing public realm in Blyth town centre undersells its role as a retail hub and creates a negative perception of place. Lower footfall and dwell time may discourage private sector investment, increase retail vacancies and reduce land values. An improvement to visitor numbers and expenditure via a revitalised public realm and active transport offer will demonstrate the opportunities for growth in Blyth's town centre.
- **Information Failure:** Blyth is constrained by the somewhat negative and outdated perceptions as a place. Poor public realm and lack of green infrastructure does not highlight the strengths or reflect its quality-of-life offer, which is particularly important in part of its reinvention as a clean growth beacon for the UK.
- **Positive Externalities:** these will be generated by improved connectivity and public realm. Improved experience can support making the town centre more attractive, which can drive dwell time and spend. Improved health and low-carbon outcomes can also be met through better pedestrian priority and improved cycle links, which would generate economic and social benefits for local people.

14. Investment will help to connect the town centre to the Blyth Bebside Cycle / Walking corridor, linking to the new Bebside Station. This will promote sustainable transport choices that reduce congestion, improve air quality and support health benefits associated with active travel.
15. There is a clear need to invest in public realm in order to improve visitor experience, increase dwell time and improve sense of arrival into the town centre. Public sector investment is essential to ensure the scale and scope of a high quality intervention that drives increased footfall and visitor spend.

## **Economic Case**

16. The economic case assesses the benefits and costs of the project based upon its agreed critical success factors and strategic objectives. This assessment is undertaken in a standardised way in accordance with Treasury guidance to both define the extent to which the project provides value for money.
17. The preferred delivery option versus a no Town Deal/business as usual option were appraised. The quantified benefits considered journey ambience improvements and uplifts in walking and cycling, namely mode shift and health benefits.

18. The costs and benefits of the preferred option was calculated and **delivers a Benefits/Cost Ratio (BCR) of 1.94**. This demonstrates acceptable value for money according to DLUHC BCR categories.

### Commercial case

#### *Project Build/construction options*

19. Two project build/construction options have been considered:
- Option 1 – In house build.
  - Option 2a – Additional support/procure services via an established framework for operator plant and small works.
  - Option 2b – Procure third party contractor for construction phase.
20. Whilst an ‘in house’ build (option 1) is preferred, other options have been considered to mitigate the risk of insufficient ‘in house’ capacity.
21. The Procurement process and timelines have been explored and sufficient time has been included within the Programme in order to mitigate risk of delays.

#### *Project Delivery/Operation options*

22. The scheme will form part of the public highway upon completion, ownership and long term maintenance will be the responsibility of Northumberland County Council.
23. A Management & Maintenance Plan currently exists in partnership with Blyth Town Council (currently to March 2024). The partnership will play a key role in maintaining new assets associated with the project.

### Financial case

24. The total anticipated capital cost of the project is £3,396,821, this will be confirmed at Full Business Case stage. The breakdown of the costs is as follows:

Item	Cost
<b>Capital</b>	
Design	173,410
Utilities	100,000
Construction	2,167,520
Inflation	389,001
Risk	566,890
<b>Total</b>	<b>3,396,821</b>

25. Construction costs were estimated by NCC Technical Services and a qualified Quantity Surveyor based on the preferred Concept Designs available at this time and benchmarked against similar schemes.
26. Costs are £396,821 above the £3 million budget initially set. Risk has been included at a conservative rate of 20%. The funding package is set out below.
27. The preferred scheme consists of improvements to Regent Street, Simpson Street, Seaforth Street and Commercial Road, including public realm improvements and improved cycling infrastructure.

*Project funding*

28. The breakdown of the proposed funding sources and amounts is set out below. As part of the Medium Term Financial Plan, the Council Capital has identified a total of £1,296,821 with the remainder funded by Towns Fund.

<b>Funding source</b>	<b>Capital</b>	<b>Status</b>
Town Deal	2,100,000	Confirmed, subject to Outline Business Case approval
NCC (capital)	1,296,821	Capital identified on MTFP and Capital Programme, subject to Council approval of OBC.
<b>Total</b>	<b>3,396,821</b>	

*Financial profile*

29. The financial profile of anticipated spend and subsequent drawdown from the various funding sources is detailed below, subject to approval confirmation of those financial contributions.

<b>Expenditure</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>Total</b>
<b>Capital</b>					
Design	83,400	90,010			<b>173,410</b>
Utilities			100,000		<b>100,000</b>
Construction			1,000,000	1,167,520	<b>2,167,520</b>
Inflation		7,201	159,280	222,520	<b>389,001</b>
Risk		0	275,005	291,885	<b>566,890</b>
<b>Total</b>	<b>83,400</b>	<b>97,211</b>	<b>1,534,285</b>	<b>1,681,925</b>	<b>3,396,821</b>

Income	22/23	23/24	24/25	25/26	Total
<b>Capital</b>					
NCC				1,296,821	<b>1,296,821</b>
Town Deal	83,400	97,211	1,534,285	385,104	<b>2,100,000</b>
<b>Total</b>	<b>83,400</b>	<b>97,211</b>	<b>1,534,285</b>	<b>1,681,925</b>	<b>3,396,821</b>

## Management case

30. **Reporting and Governance** will continue in accordance with the Local Assurance Process and will include Cabinet approval and delegation to Town Deal Board to approve the post tender Full Business Case and award contracts. Monitoring and Evaluation will continue and will be reported to Towns Fund in accordance with the Heads of Terms and Grant Funding Agreement.
31. **NCC Technical Services** will project manage delivery of the capital project on behalf of the Energising Blyth team and have led on the Design.
32. A **Project Steering Group** will be established including the Project Manager and members of the design team, also involving members of EB Team, Technical Services, Highways, Strategic Estates and Regeneration Finance & Performance. This Group will cover key Project Delivery areas, including programming, procurement, cost and risk management, change control and quality assurance, health and safety.

### *Key Milestones*

Project milestone	Target date
Preliminary design development	30 June 2022
Strategic Outline Business Case Submitted	6 June 2022
Public Engagement/Consultation	28 July 2022
Outline Business Case (OBC) submitted	12 August 2022
OBC approved by Town Deal Board	28 September 2022
Summary Document submitted to DLUHC	26 October 2022
Summary Document approved by DLUHC	November/December 2022
Detailed design development & costings	1 March 2024
Full Business Case submitted	February 2025
Full Business Case approved by Town Deal Board	February 2025
Final approval of project funding (Town Deal & NCC)	March 2025
TRO's/Stopping Up Orders in place.	March 2026

Construction Commences	3 March 2025
Project Completion	27 February 2026
Stage 3 RSA	27 February 2026

33. The programme plan will continue to be reviewed and updated on a monthly basis.

## **IMPLICATIONS**

<b>Policy</b>	The project fully supports the NCC Corporate Plan, the Northumberland Economic Strategy and the Town Investment Plan
<b>Finance and value for money</b>	For an allocation of £1,296,821, the Council is securing an external investment of £2,100,000. NCC resources for the project are identified in the Energising Blyth (EB) Programme identified in the Medium Term Financial Plan. A request for additional NCC funding of £396,821 from the Energising Blyth Town Deal budget will be made following the approval of the Full Business Case.
<b>Legal</b>	<p>No legal advice in relation to subsidy control advice has been received to date as land is predominantly owned by NCC and the project involves improvement to public realm and so is not economic in nature and the Council will not be active in a market. Receiving contributions from public funds would therefore not provide the Council with any sort of economic advantage.</p> <p>Legal advice will be obtained prior to Full Business Case submission in any event and more particularly if any work is to be undertaken on land outside the ownership of the Council, and / or any additional parts of the project which may be deemed to be commercial in nature.</p> <p>The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.</p>
<b>Procurement</b>	Project spend will be subject to the Council's recognised procurement procedures. Rule 4.9.1(e) of the Council's Finance and Contract Procedure Rules requires Executive approval before commencing procurement of goods or services where the value is over £2 million.
<b>Human Resources</b>	The project is being developed by NCC's EB Programme Team in conjunction with partner leads, including NCC Technical Services.
<b>Property</b>	Implications for council property will be considered in detail prior to Full Business Case submission.
<b>Equalities</b>	<p>(Impact Assessment attached)</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Available on request</p>

<b>Risk Assessment</b>	A risk register is in place for the project which will manage and monitor risk.
<b>Crime &amp; Disorder</b>	This project is part of the proposals in the Energising Blyth Programme which in totality include various measures intended to reduce crime and disorder in Blyth through positive regeneration measures.
<b>Customer Consideration</b>	There has been partner and community consultation during the development of the project. This will continue as detailed designs are developed.
<b>Carbon reduction</b>	Northern Gateway Phase 2 will contribute towards carbon reduction and clean growth objectives by promoting sustainable modes of transport.
<b>Health and Wellbeing</b>	The Town Deal proposals include an underpinning objective to support the development of an 'Inclusive Town' supporting positive health and wellbeing outcomes through successful town centre regeneration.
<b>Wards</b>	Located in Croft Ward in Blyth Town Centre with benefit to all wards in Blyth.

**Background papers:**

Northern Gateway Phase 2 - Outline Business Case – August 2022

**Report sign off**

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

	Full Name of Officer
Monitoring Officer/Legal	Helen Lancaster on behalf of Suki Binjal
Executive Director of Finance & S151 Officer	Jan Willis
Relevant Executive Director	Rick O'Farrell
Chief Executive	Rick O'Farrell
Portfolio Holder(s)	Cllr Wojciech Ploszaj

**Author and Contact Details**

Lara Baker, Energising Blyth Programme Manager  
[Lara.baker@northumberland.gov.uk](mailto:Lara.baker@northumberland.gov.uk)  
07919 217457



# Northumberland County Council

## Carbon Impact Assessment

### Basic Information

Name	Lara Baker
Proposal Name	Regent Street Improvements (Northern Gateway Phase 2)
Service Area	Economy & Regeneration
Proposal Description	Northern Gateway Phase 2 (NG2) will improve cycleways, footpaths, roads and public space, enhancing access to Blyth Town Centre from the north, creating a more attractive and welcoming entrance to the town. It will connect to the Blyth Beside cycle / walking corridor, linking the new station with the town centre.
Confirmed/Estimated Cost	£3,396,821
Will this proposal be submitted to capital strategy group, cabinet or full council?	Cabinet and Capital Strategy Group

### Scoring:

When assessing your proposal, score each section subjectively based on your own understanding and knowledge. Scoring ranges from +2 to -2, based on the scoring methodology below. For each section, there are example considerations to guide the scoring; this is not an exhaustive list, nor do all have to apply. Ultimately, decide to what extent your proposal aligns with the net zero 2030 commitment and whether all possible measures to do so have been included. The score will be submitted to the Climate Change Policy Thematic Group for discussion and additional support, before advancing to the relevant decision-making body.

+2: The proposal results in a large reduction of carbon emissions; The proposal is a large improvement on previous practices; The proposal has selected best practice opportunities; The proposal is aligned with the net zero 2030 commitment.

+1: The proposal results in some reduction of carbon emissions; The proposal is an improvement on previous practices; The proposal has selected some best practice opportunities; The proposal is in some way aligned to the net zero 2030 commitment.

0: The proposal has little or no impact; The proposal is slightly or no different to previous practices; This section is not applicable.

-1: The proposal results in some increase in carbon emissions; The proposal is a deterioration compared to previous practices; The proposal misses available best practice opportunities; The proposal is misaligned to the net zero 2030 commitment.

-2: The proposal results in a large increase in carbon emissions; The proposal is a large deterioration compared to previous practices; The proposal actively selects more carbon intensive options in place of best practice opportunities; The proposal is significantly misaligned to the net zero 2030 commitment."

### 1. Policy

As stated in the Climate Action 2021-2023 All new policy decisions should be carbon neutral or should reduce Northumberland's emissions from their current level unless there is significant justification in terms of other benefits to the county. Where such a policy cannot be carbon neutral, all available options to reduce its carbon impact will be explored.

*If this Carbon Impact Assessment is not relevant to policy, please answer 0.*

Score: 1

Rationale: The project has the objective to improve poor transport connectivity into and out of the Town. The creation of a key transport corridor from the new Blyth Bebside rail station will connect to new cycle infrastructure as part of the Northern Gateway Phase 2 project, completing the link to the town centre.

The projects are aligned to the Town Investment Plan objective 'Connected Town' and the cross cutting priority objective 'Clean Growth Town'.

### 2. Partnerships and Engagement

The Council cannot achieve its ambition of a net-zero county by 2030 in isolation. Every resident, business and visitor to Northumberland will need to make their contribution to see Northumberland become the UK's greenest county and reach our net zero by 2030 target.

Example considerations (not exhaustive, nor do all have to apply). Consider residents/businesses/the Council.

*Does the proposal engage with others about the climate emergency?*

*Does the proposal encourage others to reduce emissions?*

Score: 1

Rationale: The project aims to serve key employment sites within Blyth town centre, engagement with businesses will be crucial towards reducing carbon emissions via choice of travel to work. Half of journey to work trips to Blyth are local internal trips.

Blyth Town Council, NCC Highways, NCC Strategic Transport are all engaged in the project and further engagement with residents will take place later prior to delivery of the project.

### 3. Heating

As a Council, we will continue to lead the way by reducing the energy consumption of our estate and installing renewable heat and power solutions in our buildings where possible. For new project proposals, renewable/sustainable heating options should be considered as



default prior to consideration of fossil fuel sources.

*Does the proposal use low carbon heating instead of fossil fuels, where heating is required?  
Does the proposal impact heating consumption?  
If fossil fuel heating sources are to be installed, could a renewable heating system be easily implemented at a later date?*

Score: N/A

Rationale: The project is not in relation to building construction/improvement so heat and power solutions are not applicable.

#### 4. Transport

As a largely rural and a destination County we recognise the need for the right mix of public and private transport. Our Carbon Action Plan outlines that where possible, transport should be low carbon with zero tailpipe emissions, protecting local air quality and reducing noise.

*How are people likely to travel to the proposed site?  
Does the proposal encourage or enable active travel or public transport?  
Does the proposal encourage or enable electric vehicle usage?*

Score: 2

Rationale: The project aims to create a modal shift towards active travel in combination with the Blyth to Bebside Cycling & Walking Corridor. The Blyth to Bebside corridor encourages active travel to and from the new Blyth Bebside rail station. The Northern Gateway will connect pedestrians and cyclists to the bus station located in the Town Centre.

#### 5. Renewable Energy Generation

Continuing to generate energy from renewable sources across the County is both sustainable and a driver for economic growth. Proposals should show support for renewable technology where installations are technically possible, economically feasible, environmentally advantageous and socially acceptable. #

*Does the proposal impact energy consumption?  
Does the proposal impact on renewable energy generated in Northumberland?  
Does the proposal use or encourage renewable energy tariffs, where energy consumption is required?*

Score: 1

Rationale: Whilst the project does not directly generate renewable energy, the project will improve connectivity between new rail services/public transport and key businesses in the renewable energy sector. EV charging points is being considered as part of the project.

## 6. Carbon Sequestration

The County enjoys a vast spread of land and forestry. Carbon is sequestered by forestry, grassland, wetlands and peat, while carbon losses occur on existing cropland and natural land that is converted to cropland. New proposals should consider integrated land use which enhances, safeguards sequestration and the associated biodiversity, whilst supporting local climate action and boosting rural economy.

*Does the proposal impact trees, peat bogs, soil and other natural habitats?*

*Does the proposal offset its carbon emissions? Is this offset within Northumberland?*

*Does the proposal store carbon through use of materials? e.g. local timber, concrete, steel*

Score: 0

Rationale: There is limited anticipated impact to trees, peat bogs, soil and other natural habitats. This will be clearer once more detailed design work is carried out, however the main focus is on reconfiguration to existing infrastructure.

## 7. Waste

Our Climate Action Plan states that Northumberland County Council will consider a more circular approach to our economy and reduce waste by supporting efforts to design out waste, keeping materials in operation and productive use for as long as possible in new projects and proposals going forward.

*Does the proposal impact waste generation?*

*Does the proposal follow a circular approach? E.g. design out waste, use of shareable, repairable, reusable and recyclable/recycled materials*

Score: 0

Rationale: This will be clearer as detailed design work is carried out.

### Next steps

This form will be reviewed by a member of the Climate Change team. Where required or requested, this form will be raised at the Climate Change Policy Thematic Group. This group will be able to provide additional support and guidance around making proposals more aligned with the net zero commitment. This group is not a decision-making body. A carbon impact assessment must accompany all capital strategy group, informal cabinet, cabinet and full council reports. Carbon Literacy training is now available for all staff. For more information and to register for a session, please visit [Learning Together](#).

8. Would you like to discuss your submitted CIA with the climate change team?

**No**

9. Do you have any final comments or feedback about this form?

NO

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## Northumberland County Council

### CABINET:

17<sup>TH</sup> NOVEMBER 2022

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### **Northumberland County Council Rationale for the Establishment or Continuation of a Council-owned Company**

**Report of:** Rick O'Farrell, Interim Chief Executive

**Cabinet Member:** Councillor Richard Wearmouth, Portfolio Holder for Corporate Services

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#### **Purpose of report**

The purpose of this report is to propose a statement of principles and criteria which form the Strategic Outline Case (SOC) to determine the rationale for the establishment or continuation of any company established by Northumberland County Council (NCC) under the provisions of the Localism Act 2011 or other appropriate powers.

#### **Recommendation**

**To approve the Strategic Outline Case criteria for the Establishment or Continuation of a Council-Owned company, as attached at Annexe A to this report.**

#### **Link to Corporate Plan**

This report is relevant to the "How" priority included in the NCC Corporate Plan 2021-2024 to ensure value for money in our services.

#### **Background**

1. On 8th June 2022, Solace in Business, led by Max Caller CBE, delivered its Independent Governance Review report to the County Council ("the Caller Review").
2. To address the recommendations of the Caller Review, the cross-party Member Oversight Group was established by the Council to oversee the delivery of a series of 12 Work Packages comprising 28 Action Plans. An independent "Challenge Board" has been commissioned expressly by the Council to support and challenge the Member Oversight Group and the Council Officers tasked with the delivery of the Work Packages.
3. This report and Appendix specifically completes Action 22 of Work Package 11 to address Recommendation 10.2.6 of the Caller Review to "Establish a rationale for the establishment or continuation of any company under the provisions of the Localism Act

2011”.

### **The Strategic Outline Case Criteria**

4. A proposed set of questions and decision filters are set out in the attached Appendix A which shall form the basis of the Strategic Outline Case (SOC) criteria to guide decision-makers on the factors that should be taken into account when considering whether or not to continue support for a company owned by the Council and set up under the provisions of the Localism Act 2011 or other Local Government powers, or to establish a company.
5. In the formulation of this report and the proposed Strategic Outline Case criteria, consideration has been given to the advice and comments given in the publications “Local Authority Owned Companies: A Good Practice Guide”, from CIPFA 2022, and “Local Authority Company Review Guidance” from the Local Partnerships LLP 2021, which includes input from Max Caller. There is also a link to the well established and recognised HM Treasury’s Green Book Government best practice on appraisal and evaluation, which includes the initial strategic outline case. Following acceptance of a Strategic Outline Case it would be expected that a more detailed business case would be developed, of which there are established templates to follow.
6. Applying the criteria will support the demonstration of a clear rationale, or strategic case, as to why the Council may wish to establish a company rather than act through the Council itself “in-house”, or some other model of delivery, and which must remain valid as the company evolves and circumstances change.
7. That SOC criteria must be applied consistently against all proposals for the establishment or continuation of support for a council-owned company to ensure initial consideration of all the delivery options is made.
8. In forming a clear case for the functions or activities to be carried out by an alternative delivery model there must be consideration of the following areas:
  - a. Strategy and policy - How well does the delivery model align with corporate strategies and policies?
  - b. Transition and mobilisation - How easy will it be to transfer existing services into the new model?
  - c. People and assets - What capabilities and skillsets are needed and what is the existing capacity (internal or in the external market)?
  - d. Service delivery - How will the delivery model help to deliver ongoing quality, innovation and continuous improvement?
  - e. Risk and impact profile - Have the risks that may impact the delivery of services or on the council’s finances been identified?
9. As part of the SOC thought must be given to the appropriate delivery vehicle. An initial options appraisal must consider the range of potential delivery vehicles, including:

- a. In-house delivery
- b. Local authority company
- c. Joint service delivery (shared services)
- d. Joint venture company with private sector partner
- e. Outsourced service delivery

10. As highlighted in the proposed questions in Annex A, Section 4 of the Localism Act 2011 provides that any activity that is for a commercial purpose, MUST be delivered by a company.
11. It is intended that proposals which meet the criteria of the SOC would progress on to more detailed business case development, with decisions on the final delivery model, whether this be incorporation or an alternative arrangement, following the usual Executive functions decision-making process.
12. Cabinet should note that Member Oversight Group were consulted on the developing proposals at their 28<sup>th</sup> October 2022 meeting.

**Next Steps**

13. Detailed work on company governance is ongoing. Further papers will be brought to Cabinet between now and February 2023 to complete Actions 22, 23 & 24 of Work Package 11 to address Recommendation 10.2.7 of the Caller Review to “Establish a specific governance framework by which, for those companies wholly or partly owned by NCC, their Directors are appointed, report on performance are presented to a Cabinet Sub-Committee, conflicts of interests are dealt with and risk and how shareholder agreements are ratified, by both the company and NCC.”

**Implications**

<b>Policy</b>	The proposed Strategic Outline Case seeks to support the Corporate Plan.
<b>Finance and value for money</b>	The proposed Strategic Outline Case seeks to set standard set of criteria in which to balance revenue generation / cost minimisation with delivery against the Corporate Plan.
<b>Legal</b>	The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council. Accordingly, the recommendation as set out above is for Cabinet/Executive approval.

<b>Procurement</b>	No immediate implications.
<b>Human Resources</b>	Not applicable
<b>Property</b>	Not applicable
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Not applicable
<b>Risk Assessment</b>	The proposed Strategic Outline Case criteria requires an initial Risk Assessment to be undertaken as part of the procedure to evaluate whether to consider the development of any new company or other vehicle
<b>Crime &amp; Disorder</b>	There are no Crime & Disorder implications
<b>Customer Consideration</b>	There are no Customer Consideration implications
<b>Carbon reduction</b>	There are no Carbon Impact implications
<b>Health and Wellbeing</b>	There are no Health & Wellbeing implications
<b>Wards</b>	All wards

### **Annexes**

Annex A - NCC Strategic Outline Case Criteria for Alternative Vehicle Delivery (Nov 2022)

### **Background papers:**

22.06.08 – Solace in Business, Independent Governance Review report to the County Council (“the Caller Review”)

### **Report sign off.**

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

	Full Name of Officer
Monitoring Officer/Legal	Suki Binjal
Executive Director of Finance & S151 Officer	Jan Willis



Relevant Executive Director	Rick O'Farrell
Interim Chief Executive	Rick O'Farrell
Portfolio Holder(s)	Richard Wearmouth

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## **ANNEX A**

### **NCC Strategic Outline Case Criteria for Alternative Vehicle Delivery (Nov 2022)**

To inform decision making as to the appropriate model for County Council delivery through an alternative Delivery Vehicle the following questions should be addressed.

The resultant statement will be used by the Portfolio Holder and Cabinet to determine the appropriate delivery model to be pursued / maintained.

1. Does the proposed delivery support the County Council's Strategic Priorities as set out in the Corporate Plan?
  - a. Yes – provide a short explanation; continue to Q2
  - b. No – do not continue, unless in exceptional circumstances agreed by senior officers and Cabinet
  
2. Is the delivery function under consideration commercial in nature?
  - a. Yes – this must be delivered through a Company structure; continue to Q3
  - b. No – continue to Q3
  
3. Is there is a strong evidence-based set of commercial and financial drivers for the creation of the company?
  - a. Yes – provide a short explanation; continue to Q4
  - b. No - do not continue, unless in exceptional circumstances agreed by senior officers and Cabinet
  
4. Is there is sufficient expertise held in the Council, or could be readily recruited, to perform an 'Intelligent Client' role?
  - a. Yes – provide a short explanation; continue to Q5
  - b. No – set out what action would be put in place to secure this?
  
5. Is there is a gap in the County Council's capability to deliver the outcomes proposed by NewCo?
  - a. Yes- provide a short explanation; continue to Q6
  - b. No - do not continue, unless in exceptional circumstances agreed by senior officers and Cabinet
  
6. Has the County Council exhausted all other delivery options to deliver the outcomes proposed by NewCo? – if necessary include initial options appraisal for each of:
  - a. In-house delivery
  - b. Local authority company
  - c. Joint service delivery (shared services)
  - d. Joint venture company with private sector partner
  - e. Outsourced service delivery
  
7. Does the NewCo's delivery of outcomes complement the County Council's existing delivery structures?
  - a. Yes – set out how; continue to Q8
  - b. No - do not continue, unless in exceptional circumstances agreed by senior officers and Cabinet

8. Can the NewCo's risk profile can be managed and not expose the County Council to disproportionate risk
  - a. Yes – provide a short explanation; continue to Q9
  - b. No - do not continue, unless in exceptional circumstances agreed by senior officers and Cabinet
  
9. Do the benefits of the proposed NewCo outweigh the risks?
  - a. Yes – provide a short explanation; continue to Q10
  - b. No - do not continue, unless in exceptional circumstances agreed by senior officers and Cabinet
  
10. Does the NewCo maximise the benefits of an arms-length company, such as more agile operations, business facing, commercial recruitment & expertise.
  - a. Yes – provide a short explanation.
  - b. No - do not continue, unless in exceptional circumstances agreed by senior officers and Cabinet

**Conclusion and recommendation:** Please provide a concluding statement following the application of the above criteria and the resultant proposed recommendation.

Approval date.....

Review by .....[insert date].....



## Northumberland County Council

CABINET

DATE: 17 NOVEMBER 2022

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### APPLYING THE COUNCIL-OWNED COMPANY RATIONALE TO ADVANCE NORTHUMBERLAND LTD & UPDATE ON THE BUSINESS STRATEGY REVIEW

**Report of** Rick O'Farrell, Interim Chief Executive

**Cabinet Member:** Councillor Wojciech Ploszaj, Portfolio Holder for Business

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#### **Purpose of report**

At its meeting of 17 November Cabinet will consider a statement of principles and tests for establishing or continuing Council-owned companies established under the Localism Act or other appropriate power, as proposed by the Independent Governance Review (The 'Caller Review') and under action 22 of the subsequent Plan of Action.

In anticipation of agreement to this statement of principles and tests – the Strategic Outline Case (SOC) criteria - for establishing or continuing Council-owned companies, this report sets out the outcome of applying the agreed criteria to Advance Northumberland Ltd (ANL), as an existing company of Northumberland County Council, and provides an update on the Advance Northumberland Ltd Review of Business Strategy.

#### **Recommendations**

Having applied the agreed Strategic Outline Case (SOC) criteria for the establishment or continuation of Council owned companies Cabinet is recommended to:

- 1. Agree that Advance Northumberland Ltd continues to provide significant benefits to the County as an effective mechanism to deliver the economic growth and jobs, regeneration and place shaping priorities of the Council, contributing to economic growth, tackling inequalities and value for money.**

Cabinet is asked to:

- 2. Endorse the findings, proposed strategic direction and emerging recommendations from the Advance Northumberland Ltd Review of Business Strategy, set out in this report and endorsed by the Advance Northumberland Ltd**

Board; and

3. **Note that further work is continuing to take forward the Business Strategy Review, including an external financial review, and, as the review continues, further recommendations may come forward to Cabinet, as the Company's shareholder, where approval is required.**

#### Link to Corporate Plan

4. This Report is relevant to the following priorities in the Corporate Plan:
  - **Thriving** - We will vigorously secure more and new investment and good quality jobs into the county
  - **Living** - We will care for our residents, support the most vulnerable in our society and help people to live healthy lives
  - **Connecting** - We will deliver high-quality services in all our communities and secure investment in housing and transport across the County
  - **How** - In everything we do, we will listen to and communicate with residents, businesses and partners and, ensure value for money in our services. We will pull our weight regionally and nationally, working with our partners to secure maximum benefit for residents and businesses.

#### Key issues

#### APPLYING THE COUNCIL'S STRATEGIC OUTLINE CASE (SOC) FOR COMPANIES TO ADVANCE NORTHUMBERLAND LTD

5. At its 17 November meeting Cabinet will consider the Strategic Outline Case (SOC) criteria for Council-owned companies, which can be applied either:
  - a. for the establishment and support of companies set up "for a Commercial Purpose", or
  - b. for those set up for another, non-commercial, purpose.
6. Applying the criteria will support the demonstration of a clear rationale, or strategic case, as to why the Council may wish to establish a company rather than act through the Council itself "in-house", or some other model of delivery, and which must remain valid as the company evolves and circumstances change
7. The SOC criteria include principles and questions against a series of areas including:
  - a. **Council-focussed aspects**, including how a proposed delivery vehicle will contribute to Council priorities, service delivery, the capacity and capability of the Council to perform the 'intelligent client' role and the identification of risks;
  - b. **Commercial aspects**, including the financial model and any risk associated with the proposed model; and
  - c. An initial **assessment of the available delivery models** to deliver the envisaged outcomes.
8. Applying the SOC criteria to Advance Northumberland Ltd demonstrates that the company strongly meets the criteria for a Council-owned company. The outline assessment, attached as annex A to the report, shows that the activities of the company contribute to the Council's strategic priorities, particularly in:
  - a. **driving economic recovery and growth** through investment and job growth,

- b. **tackling inequalities**, by working with the Council on the inclusive growth agenda and providing affordable homes for sale and rent, whilst providing
- c. **value for money** via a commercial model with re-investment of income into council priorities.

## **ADVANCE NORTHUMBERLAND LTD REVIEW OF BUSINESS STRATEGY**

9. **Review Purpose** - In late 2021 the County Council commissioned an internal Review of Advance Northumberland Ltd's (ANL) Business Strategy ('the Review'), with the purpose of supporting the Council and the company to:
- a. Maximise opportunities to drive economic growth and regeneration across Northumberland; and
  - b. Ensure existing structures and focus are optimum to delivering this.
10. **Guiding principles** - The Review developed a set of guiding principles which have informed the development of the SOC criteria for Council Owned-Companies, noted above, and have been applied to inform the emerging recommendations.

### **Phase 1 Findings & Emerging Recommendations**

11. It is clear since the creation of Advance Northumberland Ltd (ANL) the company itself and the policy and delivery context in which it operates has evolved. As a result there was clear support from the majority of individuals consulted on the review that the review of Business Strategy was timely and, as a result of the review, a desire for clear priorities and the strategic direction of the organisation to be set.
12. The Review found, in reviewing material and in speaking to a wide range of people, that the company has had many successes and has delivered a great deal for the residents and businesses of Northumberland. A multi-disciplinary trading company continues to offer significant benefits and is an effective mechanism to support the priorities of the Council, particularly in economic growth, regeneration and place shaping. It was also recognised that the ANL team is dedicated and committed to the Company, as well as to supporting the County Council deliver on its priorities and make a difference to businesses and individuals in the county. A summary of ANL successes is attached as Annex B to this report.
13. The first recommendation of the Review is therefore that: **Advance Northumberland Ltd continues to offer significant benefits to the County as an effective mechanism to deliver the economic growth and jobs, regeneration and place shaping priorities of the Council.**
14. This is supported by the outcome achieved in the application of the SOC criteria for Council-Owned Company criteria, as noted above.

The following emerging recommendations represent a clear strategic direction and focus for the Company, which have been endorsed by the Advance Northumberland Ltd Board, and will support the company to enhance its contribution to the County Council's priorities for economic growth, tackling inequalities and value for money:

- a. **ANL will continue to operate commercially in the areas of:**

- i. development and home building for private sale, including affordable homes;
    - ii. a private sector residential landlord, providing a tenure of housing to complement the offer from NCC in some of the most deprived communities in the County; and
    - iii. holding and managing the commercial property portfolio of the County Council, providing business accommodation for Northumberland businesses.
  - b. In line with the business planning process ANL will develop an **Asset Management Plan**, including the case for investment, across its assets.
  - c. Working with the County Council ANL will explore a structure to **enable a clearer commissioning of Council instructed pieces of work**, via a form of teckal arrangement. This is likely to focus on:
    - i. house building, to support the Council's ambitions to deliver new, affordable and social housing across Northumberland, and
    - ii. development project management expertise to support the delivery of the Council's capital and regeneration programme.
15. **Phase 2 & Next Steps** – Further work is required to explore and work up more detail of the emerging recommendations, including the appropriate structures to take forward the clearer commissioning from the Council.
16. In addition to this, and linked with continuous improvement and the Council's strategic change model, an external review to ensure the financial model is efficient and sustainable and is appropriate to deliver against the Council's strategic aspirations for the Company, has been commissioned, the implications from which will be brought forward in due course as part of Phase 2. The specification for this work is attached at Annex C.
17. A summary of the Business Strategy Review recommendations accepted by the Advance Board at their 28 September meeting are attached as Annex D
18. It is expected that the financial element of the review will be finalised by the end of January 2023, with recommendations made to the ANL Board in February 2023. ANL will subsequently seek Shareholder approval for any subsequent review recommendations where this is required.
19. Associated actions from the Caller Review in relation to the Governance of Council Companies will come forward for member consideration in February 2023, in line with the agreed Caller Action Plan work packages.

## **Background**

20. At the meeting of the County Council on 8th June 2022, Members received a presentation on the Independent Governance Review (known as the 'Caller Review'). Following this, County Council considered a report by the Leader and Deputy Leader on the Caller Review and agreed to establish a Steering Group on a 'task and finish' basis to consider the recommendations and develop an action plan to implement the



recommendations.

21. Following a meeting on 10th June, The Task and Finish Group reported back to an Extraordinary meeting of the County Council on 21st June 2022 with an initial action plan. At its meeting of 21st June, Council accepted the findings and recommendations of the Caller Review as well as agreeing the initial Plan of Action and to receive a further, more detailed version of the Plan. The Steering Group met again on 27th June and agreed the latest version of the Plan of Action.
22. To address the recommendations of the Caller Review, the cross-party Member Oversight Group was established by the Council to oversee the delivery of a series of 12 Work Packages comprising 28 Action Plans. An independent “Challenge Board” has been commissioned expressly by the Council to support and challenge the Member Oversight Group and the Council Officers tasked with the delivery of the Work Packages.
23. As well as reporting progress on the ANL Review of Business Strategy this report relates to the Caller Review recommendation:
  - a. 10.2.6: Establish a rationale for the establishment or continuation of any company established under the provisions of the Localism Act 2011
24. And the Action Plan action:
  - a. 22. To produce a statement of principles and tests for establishing or continuing Council companies established under the Localism Act. This should build on work that has already been undertaken as part of the Strategic Review of Advance.

### **Implications**

<b>Policy</b>	The corporate governance arrangements are key to all that the Council does and ensuring a clear rationale and focus for Advance Northumberland Ltd is vital for both organisations. Supporting Economic Growth is a key priority for the Council and ensuring there are optimum structures and a clear strategic direction for ANL is key to maximising opportunities to drive economic growth and regeneration across Northumberland.
<b>Finance and value for money</b>	Value for money, transparency and accountability are key aims of the Council. Whilst this Report contains no direct financial implications, the report refers to a financial review of the Company, which will be reported on in due course.
<b>Legal</b>	Whilst this report contains no immediate legal implications the next phase of the Review will explore appropriate structures which enable a clearer commissioning of Council instructed pieces of work. Expert legal advice will be sought to inform this.  The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.

<b>Procurement</b>	N/A
<b>Human Resources</b>	N/A
<b>Property</b>	N/A
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	N/A
<b>Risk Assessment</b>	The Review of Business Strategy will provide greater clarity in the roles and relationship between the Council and its Company, without which poses significant risks, such as contradictory or divergent approaches emerging. The emerging recommendations set out in the paper will be worked up more fully by the Company, working with the NCC, including the identification of any risks.
<b>Crime &amp; Disorder</b>	N/A
<b>Customer Consideration</b>	Residents will be reassured that the rationale and principles developed to test the suitability of the existence of a company have been applied to ANL. Businesses in the County will benefit from an effective Company supporting the delivery of the economic growth priorities of the Council.
<b>Carbon reduction</b>	N/A
<b>Health and Wellbeing</b>	Supporting more jobs and investment in the County will contribute to the health and wellbeing of residents.
<b>Wards</b>	N/A

### **Annexes**

- Annex A – applying the NCC Company Strategic Outline Case (SOC) criteria to ANL
- Annex B – summary of ANL successes
- Annex C – Specification for the ANL external finance review
- Annex D – ANL Business Strategy Review update

### **Linked Reports:**

- 6 July Council Report of Governance Review – Task and Finish Cross-Party Steering Group Progress Update  
<https://northumberland.moderngov.co.uk/documents/s11269/03%20Task%20Finish%20Steering%20Group%201.pdf>
- 17 November Council Report – Northumberland County Council Rationale for the Establishment or Continuation of a Council-owned Company

**Report sign off.**

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

	Full Name of Officer
Monitoring Officer/Legal	Suki Binjal
Executive Director of Finance & S151 Officer	Jan Willis
Relevant Executive Director	Rick O'Farrell
Chief Executive	Rick O'Farrell
Portfolio Holder(s)	Cllr Ploszaj

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## ANNEX A

### Northumberland County Council Strategic Outline Case Criteria for Alternative Vehicle Delivery (Nov 22) – applied to Advance Northumberland Ltd (ANL)

To inform decision making as to the appropriate model for County Council delivery through an alternative Delivery Vehicle the following questions should be addressed.

The resultant statement will be used by the Portfolio Holder and Cabinet to determine the appropriate delivery model to be pursued / maintained.

**1. Does the proposed delivery support the County Council’s Strategic Priorities as set out in the Corporate Plan?**

- a. Yes – provide a short explanation; continue to Q2
- b. No – do not continue, unless in exceptional circumstances agreed by senior officers and Cabinet

**Q1. Yes.** Advance Northumberland Ltd (ANL) supports the delivery of the Council’s priorities for economic growth and jobs, regeneration and place shaping. There is also a contribution to the priorities of tackling inequalities and value for money.

As the holder of the Council’s commercial portfolio and land holdings the Company plays a vital role in identifying and developing the strategic development of the portfolio through commercial investment propositions. The Company plays a key role in securing investments into the County, both from Foreign Direct Investment (FDI) as well as investments from growing indigenous businesses.

The vital support in securing inward investment in the County brings new jobs, with a particular focus on the growth sectors, including good quality jobs in energy and advanced manufacturing. Providing business accommodation, from early-stage managed business space at the ‘Work spaces’ to larger industrial units, Advance provide a range of accommodation to meet new and growing business need. Working with the Council the Company markets and develops the County’s Enterprise Zones and other strategic employment sites with the specific aim of securing jobs and investment into the County

As a housebuilder for private sale the Company invests in the delivery of good housing provision across the County, maximising the level of affordable homes, as well as good quality accommodation for businesses. The Company also provides a residential landlord function, providing over 1,000 quality homes for rent. Through the promotion of the county’s economic assets and securing inward investments the company supports securing both private and public sector investment in the county’s infrastructure, as part of packages of investment and growth corridors.

Key priorities of the Council are economic growth and tackling inequalities; both of which are inextricably linked: by supporting the creation of jobs and providing good work, the evidence tells us is one of the best ways of tackling inequalities and supporting people out of deprivation. Close work between the Council and the Company ensure that the aims of Inclusive Growth are supported, where activity around job creation ensures communities within the County can benefit from the increased growth and investment.

As a private landlord the company provides a tenure of housing that complements the offer of NCC, with a significant number of homes in the County’s most deprived communities, providing good homes for many of our most vulnerable residents.

**2. Is the delivery function under consideration commercial in nature?**

- a. Yes – this must be delivered through a Company structure; continue to Q3
- b. No – continue to Q3

**Q.2 Yes.** ANL operates on a commercial basis so must be delivered through a Company.

**3. Is there is a strong evidence-based set of commercial and financial drivers for the creation of the company?**

- a. Yes – provide a short explanation; continue to Q4
- b. No - do not continue, unless in exceptional circumstances agreed by senior officers and Cabinet

**Q3. Yes.** As holders of the County's commercial portfolio of land and commercial properties the generation of income provides for investment and maintenance of the portfolio and investment in growth of the portfolio and into other County Council priorities, e.g. economic growth and development activities. As a commercial operation this could not be delivered by the Council. The portfolio achieves high levels of occupancy across over 700 units, including the managed Workspaces (Blyth, Ashington and Berwick); industrial and commercial properties, including retail and leisure and ANL owned land (c 1,200 acres), the asset value of which is c£145m.

The private rented landlord function cannot be delivered by the Council as it is commercial and would remove the properties from the private rented market. The company own c1,150 homes with an asset value of £100m and annual turnover of c£5m. It is financially more efficient to be delivered by the Company as there would be significant implications for the Housing Revenue Account (HRA) if the houses were to be in Council ownership, although it is unclear to say what this would be without a full asset review being undertaken. The ANL model also ensures there is a rental return which is reinvested in Council priorities.

**4. Is there is sufficient expertise held in the Council, or could be readily recruited, to perform an 'Intelligent Client' role?**

- a. Yes – provide a short explanation; continue to Q5
- b. No – set out what action would be put in place to secure this?

**Q.4 Yes.** The Council is a purchaser and commissioner of the services and works delivered by ANL, including the commissioning of house building, capital developments and project management and landlord functions, and for each there is sufficient capacity within the organisation to perform an 'intelligent client' role. Governance will be subject to further review in taking forward the Caller Review Action Plan.

**5. Is there is a gap in the County Council's capability to deliver the outcomes proposed by NewCo?**

- a. Yes- provide a short explanation; continue to Q6
- b. No - do not continue, unless in exceptional circumstances agreed by senior officers and Cabinet

**Q5. Yes.** The key functions of ANL are commercial in nature so could not be delivered by the County Council; there are also key delivery benefits to the structures of a Company which cannot be fully realised by a Local Authority, particularly around agility of operation and business facing functions.

**6. Has the County Council exhausted all other delivery options to deliver the outcomes proposed by NewCo? – if necessary include initial options appraisal for each of:**

- a. In-house delivery
- b. Local authority company
- c. Joint service delivery (shared services)
- d. Joint venture company with private sector partner
- e. Outsourced service delivery

**Q6.** The key functions of ANL are commercial in nature so could not be delivered by the County Council; Section 4 of the Localism Act 2011 provides that any activity that is for a commercial purpose, must be delivered by a company.

**7. Does the NewCo's delivery of outcomes complement the County Council's existing delivery structures?**

- a. Yes – set out how; continue to Q8
- b. No - do not continue, unless in exceptional circumstances agreed by senior officers and Cabinet

**Q7. Yes.** The delivery outcomes of ANL support existing delivery structures by working closely with key parts of the County Council and complementing the work of internal structures, including:

- providing affordable housing and bringing forward housing sites, including on brownfield sites around the County;
- supporting and delivering significant capital builds including new leisure centres in 3 of the County's towns and
- support of key regeneration sites such as Bedlington Town centre, Ashington Town Centre and the Northumberland Energy Parks.
- Including all of the County's commercial and land portfolio in the company provides a clear focus and management of these assets
- Providing rented housing ensures a tenure of housing to complement the offer from NCC, often in the County's most deprived communities

As a result of a recent review work is being undertaken to further maximise the operation of the Company in complementing the Council's delivery structures, including exploring structures to enable a clearer commissioning of Council instructed pieces of work, via a form of teckal arrangement. This is likely to focus on:

- house building, to support the Council's ambitions to deliver new, affordable and social housing across Northumberland, and
- development project management expertise to support the delivery of the Council's capital and regeneration programme

**8. Can the NewCo's risk profile can be managed and not expose the County Council to disproportionate risk**

- a. Yes – provide a short explanation; continue to Q9

- b. No - do not continue, unless in exceptional circumstances agreed by senior officers and Cabinet

**Q8. Yes.** Regular reporting from the Company to the Council highlights any risk to the Council's finances, particularly regarding loan repayments. Delivery risks identified and included in NCC risk management process and through the Capital Strategy Board. An external finance review has been commissioned (Nov 2022) to ensure the financial model of the Company is efficient and sustainable and is appropriate to deliver against the Council's strategic aspirations for the Company

The company, in line with its business planning process, will be developing an asset management plan to ensure investment continues into assets and minimises risk in this area.

Strengthened Governance arrangements will be developed as part of the Caller Action Plan which will ensure the appropriate checks back to the Shareholder.

**9. Do the benefits of the proposed NewCo outweigh the risks?**

- a. Yes – provide a short explanation; continue to Q10  
b. No - do not continue, unless in exceptional circumstances agreed by senior officers and Cabinet

**Q9. Yes.** The value of the company in:

- providing houses for sale and rent, including maximising the availability of affordable homes
- continued provision of a trusted and quality landlord in some of the County's most deprived areas meeting a market need in the County,
- the accommodation for businesses and wider commercial portfolio, which brings investment and jobs to the County and beyond,
- coupled with the delivery of significant regeneration schemes and inward investments

means there are demonstrable benefits to the multi-disciplinary company, which outweigh any risks.

Agreed business planning and commissioning between the Company and NCC will ensure this continues to be led and monitored.

**10. Does the NewCo maximise the benefits of an arms-length company, such as more agile operations, business facing, commercial recruitment & expertise.**

- a. Yes – provide a short explanation.  
b. No – do not continue, unless in exceptional circumstances agreed by senior officers and Cabinet

**Q10. Yes.** The key delivery areas of ANL operate commercially and have maximised the advantages a company provides to be able to do so successfully, including the ability to be business-facing and more agile in operation, supporting the ability to respond in a timely way to the market. The company has commercial expertise and experience in its workforce as individuals are attracted to the company because of its objectives and its delivery model to achieve these as a company. Feedback from the market is that working with Advance is positive as a result of the benefits brought about by its arms-length nature. The council and the wider community (both residents and businesses) reap the rewards of this model as an effective mechanism to deliver the economic growth and jobs, regeneration and place shaping priorities of the Council.



**Conclusion and recommendation:** Please provide a concluding statement following the application of the above criteria and the resultant proposed recommendation.

**Conclusion & Recommendation**

As an existing and established wholly-owned company of Northumberland County Council Advance Northumberland Ltd continues to offer benefits to the County as an effective mechanism to deliver the economic growth and jobs, regeneration and place shaping priorities of the Council, particularly by managing a large portfolio of commercial land and buildings and private rented properties, supporting the Council's housebuilding and regeneration priorities and realising the Council's ambitions for bringing new investment and jobs into the County. The activities of the company also contribute to Council priorities to tackle inequalities and value for money.

The delivery outcomes are commercial in nature so must be delivered through a company. In addition to this applying the criteria above demonstrates the significant contribution the company makes to the County Council's strategic objectives and delivery in a number of areas.

It is therefore recommended that Advance Northumberland Ltd strongly demonstrates that it meets the criteria for a Council-owned company.

Approval date 17.11.2022

Review by 17.11.2023

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## Annex B

### Recent Advance Northumberland Ltd Successes

- Built 417 houses in Northumberland – including the delivery of affordable homes; these housebuilding activities alone invest c£16.35m in locally based SME's annually
- Provided rented homes across Northumberland for 1,245 tenants
- Provided business accommodation for over 616 businesses across Northumberland
- Short listed for the RICS 2020 social impact award for the Ellington residential scheme of 99 properties
- Secured Inward Investment by British Volt and JDR on Northumberland Energy Park which will bring thousands of new jobs
- Delivered new Leisure Centres in Berwick and Newbiggin - with Morpeth to follow
- Supported over 2,700 businesses, with a further 1,171 business supported during covid with advice and signposting
- Delivered 837 business workshops across Northumberland, attended by over 5,600 delegates
- Registered over 500 rural businesses to the rural support programme
- Attracted new investment and services to Ashwood Business Park, Ashington - including a petrol station, Subway and Starbucks drive thru
- Agreed the sale of land for Northumberland College's new campus
- Led the regeneration projects that resulted in new stores being opened including Aldi in Bedlington and Home Bargains in Ashington
- Secured investment from Reel Cinema for Portland Park, Ashington
- Secured the world's longest interconnector cable - linking the electricity systems of the UK and Norway
- Created Tyneview Retail Park, Prudhoe - opened B&M, Aldi, Greggs, Café Ginerva and McDonalds
- Delivered the Amble Inn (30-bedroom hotel and restaurant) and a Morrisons supermarket and petrol station

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# **Request for quotation**

## PROCUREMENT OF CONSULTANCY

Finance, taxation planning and corporate structuring advice,  
and  
business planning and financial modelling services  
related to  
a Council owned development and real estate company

## **1.0 OVERVIEW**

- 1.01 Wholly owned by Northumberland County Council (“the Council”), Advance Northumberland Limited (“Advance Northumberland” or “the Company”) is a group of companies engaged in commercial and residential lettings, regeneration, development, project management and economic development.
- 1.02 As part of a review of the Company’s business strategy, the Council wishes to engage an advisor to ensure that the Company’s structure and financial model is efficient and sustainable and is appropriate to deliver against the Council’s strategic aspirations for the Company.

## **2.0 BACKGROUND**

- 2.01 Advance Northumberland Limited was formed in 2018 as the Council’s regeneration and placemaking company.
- 2.02 It operates via 4 wholly owned subsidiaries:
1. Advance Northumberland (Housing) Limited
  2. Advance Northumberland (Commercial) Limited
  3. Advance Northumberland (Developments) Limited
  4. Advance Northumberland (Financial) Limited
- 2.03 Its current key activities can be summarised as:
1. Owning and managing a portfolio of residential properties (mainly on a pure private market basis, but with a small number of properties let on terms equivalent to social rental)
  2. Owning and managing a portfolio of commercial properties. This includes a wide variety of property types ranging from ‘workspace’ property to larger industrial buildings, and a significant retail portfolio.
  3. Building houses for sale (operating under the ‘Ascent Homes’ brand)
  4. Delivering its own development projects (including town centre regeneration schemes)
  5. Providing specialist project management services to the Council for its regeneration and development projects
  6. Providing economic growth services on behalf of the Council (including business support programmes, inward investment services, and sector support).

- 2.04 The Company has had a key role in delivery of placemaking projects in Northumberland and will continue to do so. Its work has been critical to bringing major investment and employment to the county.
- 2.05 The Company's delivery teams are supported by a core corporate centre (providing services related to finance, HR, IT etc).
- 2.06 The Company is run by a Board but works in close partnership with the Council.
- 2.07 The Company's assets are almost exclusively financed by loans from the Council.
- 2.08 The Company's systems, including financial analysis and forecasting, are mature. Underlying data on historic and forecast financial performance can be made available to the selected supplier.
- 2.09 The Council has recently undertaken a review of its strategy for Advance Northumberland. This may result in some possible changes and/or changes in emphasis to the Company's activities. Details of possible options will be provided to the appointed consultant, however bidders should assume that any changes will not fundamentally impact the Company's core operations.

### **3.0 OBJECTIVES OF THE APPOINTMENT**

- 3.01 The Company and its activities are well established. Its corporate structure and financing model, however, were created some years ago at the time its predecessor, Arch Northumberland, was established. Arch was wound up in 2018, with its assets and activities transferred to Advance Northumberland.
- 3.02 Advance Northumberland has continued with the structure and finance model first established by Arch.
- 3.03 Whereas the Company has been successful in delivery, the Board and Council (as sole shareholder) now believe that it is time to revisit the corporate and financial structure of the Group to ensure that the Group is structured to deliver in the optimal manner and to be sustainable into the future.
- 3.04 The following aspects have, in particular, been raised as factors that have occurred since the adoption of the current corporate and financial structures:
  - 1. Changes in taxation rules since the establishment of Arch (especially the thin capitalisation rules)
  - 2. Evolution over time of the Company's activities
  - 3. Material changes in the property market
  - 4. Changes in the expectations of the Council for the Company
  - 5. Changes in the wider economic environment, including rising inflation and interest rates.
- 3.05 Accordingly, the Board and the Council now require assurance that the corporate and financial model for the Company is currently optimal for both parties, and if not, a design and plan to transition to an alternative sustainable and efficient model for both parties.

- 3.06 It is critical to this appointment that the position of both the Company and Council are considered. The Council is not only the 100% shareholder of the Company, it is also the principal finance provider. Any proposed changes to the financial model must therefore be acceptable to both the Company and the Council, and the consequences of any changes clearly understood by both parties.
- 3.07 The appointed service provider will be expected to offer a full duty of care to the Council and to the Company.

#### **4.0 DELIVERABLES**

- 4.01 The supplier shall provide corporate structure, finance, and taxation advice in the form of a report (the "Report") to allow the Company and the Council to understand:
- Options, to include 'pros and cons' for the structure of the Advance Northumberland Group which could achieve the goals of:
    - Financial sustainability
    - Financial efficiency (including VAT and corporation tax efficiency)
    - Impact on the Council's revenue and capital budgets (and budget setting process)
    - Delivery of the Council's expectations for the Company
    - Compliance with standards of good governance
    - Compliance with relevant regulations, including Teckal and Subsidy Control
  - The financial impact on the Company and on the Council of the options. This will include:
    - Impact on the balance sheets of the Council and Company
    - Impact on future cash flows between the Council and Company
    - Impact on the P&L accounts of the Council and Company
  - The recommended optimal financial structure for consideration by the Company and the Council
  - The report to be provided initially in draft form for discussion with representatives of the Council and the Company, and revised thereafter for formal consideration and presentation to the Company Board and the appropriate decision making meeting at the Council.
- 4.02 Attendance at a Company Board meeting and a Council Shareholder meeting to present and discuss the Report.
- 4.03 A high level 15 year financial model in Microsoft Excel (which we anticipate will be used to assess the financial implications of the options in 4.01) and



comprehensive 'user instructions). This model to be made available to the Company for its future use.

- 4.04 A reconciliation between the financial model outputs and the Company's own forecasts and historic results (to provide reassurance as to the face validity of the model).
- 4.05 An implementation plan to include the necessary accounting and taxation steps to put in place the chosen structure option. To include the steps needed to be followed by the Company and the Council.
- 4.06 Preparation of a 15 year business plan for the Company based on the financial model, taking into account the Review of Business Strategy and chosen structure option. The business plan is expected to include (at least) a financial summary (for each business element and on a consolidated basis), details of key assumptions, a funding and financing plan, a resourcing plan, a strategic risk analysis, and scenario analysis to illustrate the possible financial impact of the identified risks.

## **5.0 TIMETABLE AND PRACTICALITIES**

- 5.01 The work should be commenced as soon as possible.
- 5.02 The draft report for discussion (and associated financial model) to be completed by 30 November 2022.
- 5.03 Presentation to the Board and Council meetings by 31 Dec 2022 (subject to agreeing specific meeting dates).
- 5.04 The information contained within the report shall be for the use of the Council and all Companies in the Advance Northumberland group.
- 5.05 All reports and correspondence relating to this appointment are to be considered Commercially Sensitive and marked as such.

## **6.0 QUOTATION REQUIREMENTS**

- 6.01 Suppliers are requested to provide the following:

### **1. Methodology.**

Please describe your approach to the assignment and deliverable. In particular we wish to understand how you will work to ensure that potentially competing demands of the Company and Council could be reconciled into a solution that will work for both.

### **2. Experience & Resources.**

Provide details of comparable assignments you have completed. A detailed resourcing structure and outline CVs of key staff who will be

involved in the assignment.

Details of 2 previous clients for whom you have undertaken similar work and who would be prepared to be contacted as 'referees'.

**3. Timetable.**

Your expected timetable for the assignment, being very clear about availability to start work, expected duration, and a list of key dependencies.

**4. Price.**

A fixed price quotation based on (as a maximum) framework rates.

Any additional added value proposed to be provided as part of (or in addition to) this assignment.

**7.0 QUOTATION EVALUATION**

7.01 Your submission will be marked on the basis of 60% quality (Methodology, Experience & Resources, Timetable), and 40% price.



Northumberland  
County Council

# Advance Northumberland Review of Business Strategy - Cabinet Update

November 2022

[www.northumberland.gov.uk](http://www.northumberland.gov.uk)

# Contents

- Purpose & Objectives
- Guiding Principles
- Review Process
- Key points and Emerging Recommendations
- Advance Northumberland Ltd Board Resolution

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# Purpose & Objectives

- **Context** – cabinet priorities, national and regional opportunities, Caller Review, financial pressures
- **Review Purpose**
  - **Maximising opportunities to drive economic growth and regeneration across Northumberland**
  - **Ensure existing structures and focus are optimum to delivering this**
- **National Picture** – Local Authority Trading Companies (LATCs): key feature in the delivery of public services and local authority functions across the country
- Reducing budgets, operate commercially, move away from outsourcing
- Popular use: strategic investment purposes; increasingly for delivery of services
- 59% of LAs – at least one LATC

# Guiding Principles

- Delivery should occur through the arms-length company if:
  - It cannot be delivered through the Local Authority (e.g. commercial activity)
  - It is more efficient (e.g financially, operationally)
  - It is better placed to manage the balance of risk and reward
- There is sufficient expertise held in the Council, or could be readily recruited, to perform an 'Intelligent Client' role
- It maximises the benefits of an arms-length company, such as more agile operations, business facing, commercial recruitment & expertise
- Where delivery is for purely commercial purposes there should be freedom for the company to pursue this, with appropriate accountability to the Board & Shareholder, within agreed parameters
- Profits will be re-invested for the benefit of Northumberland's businesses and residents

# Review Process

- Review process followed 2 stages:
  - Evidence gathering – understand functions & rationale, role and interactions, discussion with Board members, senior managers at Advance Northumberland Ltd (ANL) and Northumberland County Council (NCC), desktop research
  - Options appraisal – based on guiding principles, identifying areas of improvement
- Caller Review – clear implications for the review; inform the Caller Review outcomes

# Key Points & Recommendations for Phase 1

- Many successes; committed staff
- Opportunities for growth; requirement for investment in assets
- Recommendations to provide greater clarity in the roles and relationship to support shared objectives
- **Recommendation 1: Advance Northumberland Ltd continues to offer significant benefits to the County as an effective mechanism to support the delivery of economic growth and jobs, regeneration and place shaping priorities of the Council.**



# Key Points & Recommendations – House Building

- Ascent Homes - developer and home builder for private sale, including affordable homes.
- 380 homes; shortlisted twice for industry RICS awards.
- Purely commercial entity, operates in the open market.
- 21/22 income: £16,526,018; total direct costs £16,715,227; loss £189,209 - land supply
- Previously >£5m profits; forecast growth
- Council priority - deliver new, affordable housing across Northumberland
- Maximise expertise and capacity to deliver Council priority
- **Recommendation 2 – drawing on the expertise of the house builder to drive commercial house building activity, including the provision of affordable homes, the proceeds from which will be re-invested in County Council priorities; explore the establishment of a Teckal compliant company which will become NCC’s Housing Development Company to support the County’s social housebuilding ambitions.**

# Key Points & Recommendations – Private Rented Housing

- Residential private rented landlord; SE Northumberland; lower end of the market in most deprived communities.
- Significant growth: 600 - 1,150 properties; asset value: £42.6m - £100m; turnover from £2.8m to £5.3m
- 21/22 – c£800k profit; requires investment in stock
- **Recommendation 3: continue to deliver an effective and profitable wholly-owned commercial company managing 1,150 housing units. Continue to operate externally to the Council to provide the service, providing a tenure of housing to complement the offer from NCC, often in the County’s most deprived communities, delivering a return for re-investment.**
- **Recommendation 4: Develop an Asset Management Plan, including the business case for investment in stock**

# Key Points & Recommendations – Commercial & Land Portfolio

- Holds and manages estates & commercial property portfolio of the County Council, providing commercial property for Northumberland businesses
- <700 units; industrial & commercial (retail, leisure) and land (c1,200 acres).
- Significant growth: annual turnover from £366k to c£17m Asset value: c£145m
- 21/22 profit - <£1m; 22/23 forecast - £600k loss; + capital receipts;
- Good performance; high levels of occupancy. Need to investment in stock and opportunities for growth
- **Recommendation 5: continue a wholly-owned commercial company to manage the County Council's commercial property and land portfolio**
- **Recommendation 6: Develop an Asset Management Plan, including the business case for investment and growth (including grow on space) to support business growth and inward investment.**

# Key Points & Recommendations – Strategic Assets

- Due to their scale in terms of value in proportion to the company as a whole and because of their strategic importance the review recommends

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- **Recommendation 7: two separate pieces of work are commissioned for the Board and shareholder to consider: Manor Walks and West Moorland and the Hirst. It is understood work is already underway in both of these areas by both Advance and NCC, which should include an asset review and the business case for investment.**

# Key Points & Recommendations – Development & Project Management

- Expertise from design to planning and managing builds, e.g. leisure centre, hotels, the ‘Workspace’ managed small business centres, and industrial units.
  - Well regarded; provides a level of expertise and commercial experience not held within the Council
- Page 37
- Propose more structured use to delivery Capital Programme; reduce no. open market procurement exercises; certainty = more efficient resourcing, benefits NCC
- **Recommendation 8: Explore a compliant model for ANL to provide a Developments and Project Management Service as the Council’s Project Manager of choice for its capital and regeneration programme, drawing on the professional expertise and commercial experience and providing a longer-term approach to business planning for the Council and Company**

# Key Points & Recommendations for Phase 2

- **Working up recommendations:** Further work is required to explore and work up more detail of the emerging recommendations, including the appropriate structures to take forward the clearer commissioning from the Council
- **Financial Review:** To ensure the company has a financial model that is efficient, sustainable and appropriate to deliver against the Council's strategic aspirations for the Company, an external financial review has been commissioned;
- The implications from the Financial Review will be brought forward in due course as part of Phase 2 and the Board agreed to defer any firm recommendation and decision until the financial review was complete (Recommendation 9).
- It is expected the Financial review will complete in Dec / Jan 2022, with findings and recommendations to the ANL Board in Jan/Feb 2023

# Final Recommendation & Conclusion

- **Recommendation 10: The evolution of the Group has resulted in a company structure which does not neatly align to the individual business or functional units, it is therefore proposed that a review of the group structure be considered alongside the consideration of the recommendations, to ensure there is a clear and compliant company structure**
- Recommendations are a first steps in pursuing potential changes to realise improvements and opportunities
- Further specific pieces of work are proposed, and necessary to take explore recommendations
- Provide greater clarity in the roles and relationship
- Ultimately support greater partnership working to meet shared objectives of a growing and prosperous County

# ANL Board Resolution & next steps

- As set out in the resolution at the 28 September meeting the Advance Board agreed to:
- Support proposed strategic direction and emerging recommendations
- Task ANL Chief Operating Officer to work with Sarah McMillan (Assistant Director, NCC) to finalise the review and communicate broad direction with staff
- Final recommendations to come back to Board for agreement
- And subsequently to the Shareholder for approval where required





## Northumberland County Council

**CABINET :**

**17<sup>TH</sup> NOVEMBER 2022**

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### **Future of Northumberland Enterprise Holdings Ltd and Northumbria Integrated Consultancy Ltd**

**Report of:** Jan Willis, Interim Executive Director of Finance and Section 151 Officer

**Cabinet Member:** Councillor Richard Wearmouth, Portfolio Holder for Corporate Services

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#### **1. Purpose of report**

The purpose of this report is to:

- A.** recommend a course of action for approval by Cabinet regarding the future status of the Council's wholly-owned company Northumberland Enterprise Holdings Ltd and its subsidiary company Northumbria Integrated Consultancy Ltd, in light of current trading activity or prospects;
- B.** propose the Role Profile for the Northumberland Enterprise Holdings Ltd Controlling Shareholder's Representative ("CSR");
- C.** propose the appointment of the Executive Director of Finance as CSR of Northumberland Enterprise Holdings Ltd to provide alignment and uniformity with the Council's other wholly-owned company, Advance Northumberland Ltd.

There are four Appendices (A to D) with this report.

#### **2. Recommendations**

Cabinet is invited to:

- 1.1.** Make Northumberland Enterprise Holdings Ltd dormant (as per Option 3 at para 5.2 below and set out in detail in Appendix A),
- 1.2.** Dissolve Northumbria Integrated Consultancy Ltd (as per Option 5 at para 5.2 below and set out in detail in Appendix A),
- 1.3.** Approve the following changes to the respective Boards to facilitate the administration, namely:
  - 1.3.1.** Remove Rick O'Farrell, Wojciech Ploszaj and Guy Renner-Thompson as Directors of Northumberland Enterprise Holdings Ltd,
  - 1.3.2.** Appoint William Thompson to join Phil Hunter and Councillor Lynne Grimshaw as Director of Northumberland Enterprise Holdings Ltd,



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- 1.3.3.** Remove Kelly Gardner and Rick O'Farrell as Directors of Northumbria Integrated Consultancy Ltd,
- 1.3.4.** Appoint Phil Hunter and William Thompson to join Councillor Lynne Grimshaw as Directors of Northumbria Integrated Consultancy Ltd.
- 1.4.** Agree to the termination by Northumbria Integrated Consultancy Ltd of the Framework Agreement, as novated, dated 20<sup>th</sup> June 2020 with Rong Qiao,
- 1.5.** Adopt the "Northumberland Enterprise Holdings Ltd CSR Role Profile" as attached as Appendix D,
- 1.6.** Appoint the Executive Director of Finance as the CSR of Northumberland Enterprise Holdings Ltd,
- 1.7.** Authorise the CSR to request the Board of Northumberland Enterprise Holdings Ltd to execute the approved actions.

### **3. Link to Corporate Plan**

This report is relevant to the "How" priority included in the NCC Corporate Plan 2021-2024 to ensure value for money in our services.

### **4. Background**

- 1.1.** On 8th June 2022, Solace in Business, led by Max Caller CBE, delivered its Independent Governance Review report to the County Council ("the Caller Review") in which one of the Recommendations (at para 10.2.6) was to "Establish a rationale for the establishment or continuation of any company established under the provisions of the Localism Act 2011."
- 1.2.** Northumberland Enterprise Holdings Ltd ("HOLDINGS") was incorporated on 17th September 2020 as a wholly-owned company of the Council, following Cabinet approval on 11<sup>th</sup> February 2020 to bring forward a new group of up to 10 companies to trade.
- 1.3.** HOLDINGS was always intended to be a holding company for operational subsidiaries.
- 1.4.** A Business Case for the establishment of a subsidiary company offering consultancy services was approved by Cabinet on 23<sup>rd</sup> February 2021. The Business Case indicated a likely available market of c.£55M for operations in international health consultancy work over the next 15 years that the business could target and a likely pipeline of work of c.£10M over the first three years from the Chinese business known as "Rong Qiao".



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- 1.5.** Northumbria Integrated Consultancy Ltd (“NIC”) was incorporated on 29th March 2021 as a wholly-owned subsidiary of HOLDINGS.
- 1.6.** Following completion of equity funding to the HOLDINGS group by the Council, NIC entered into a suite of commercial contracts on 15th September 2021 for international health consultancy work in relation to a project known internally as “Rong Qiao Stage 3”.
- 1.7.** Unfortunately, the Chinese client had to change its plans before any actual work was undertaken by NIC under the contract and requested the termination of the Rong Qiao Stage 3 contract.
- 1.8.** On 29th March 2022 Cabinet gave Reserved Matters consent for the termination and amendment of those contractual documents that had been entered into by NIC on 15th September 2021 and the contractual suite of termination and amendment documents were executed on 31st March 2022.
- 1.9.** Draft accounts for the year to 31<sup>st</sup> March 2022 show trading losses of £32k for HOLDINGS and £112k for NIC. If these were able to be set off against future profits of the companies, they would have a value of £8k and £28k respectively.
- 1.10.** To address the Caller Review, a series of Work Packages and Action Plans are underway. Work Package 11, Action Plan 22 expressly deals with the Caller Review Recommendation 10.2.6 to “Establish a rationale for the establishment or continuation of any company under the provisions of the Localism Act 2011”.
- 1.11.** Whilst work on the “rationale” is ongoing, due to the current lack of commercial activity of HOLDINGS and NIC, and the recent voluntary redundancy of the key operational Director of NIC, it is felt it is appropriate that the Council as Shareholder of HOLDINGS consider all reasonable options for the future status of both HOLDINGS and NIC at this point in time, both as part of the Work Package 11 process and as a sensible course of action in itself.
- 1.12.** Having a Controlling Shareholder Representative (“CSR”) common to both HOLDINGS and Advance group of companies with a common Role Profile, will improve governance and oversight arrangements for all Council-owned companies again both as part of the Work Package 11 process and as a sensible course of action in itself.
- 1.13.** The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council and so it is appropriate and right for Cabinet to determine this matter.



# Northumberland

County Council

## **5. Key Issues**

**5.1.** Before determining whether or not to maintain support for HOLDINGS and / or NIC, the Options below were considered for both companies.

**5.2.** The Options considered were:

- 1) consideration of other sources of commercial activity / revenue
- 2) selling the shares
- 3) making dormant / mothballing
- 4) transferring the shares to Advance Northumberland Ltd
- 5) dissolution / striking off

**5.3.** The Options were appraised as set out in the attached Appendix A to consider the anticipated practical and financial implications of the options for each company taking cognisance of the following factors:

- 5.3.1. No current fee-paying client
- 5.3.2. No contractual liabilities (but remain party to Framework Agreement with Chinese client)
- 5.3.3. Part of VAT Group
- 5.3.4. Has Traded
- 5.3.5. Key operational Director has left
- 5.3.6. Limited availability of other operational staff to take company forward
- 5.3.7. Has genuine potential prospect for international consultancy work, but no forward pipeline of opportunities and no visible client realistically capable of concluding a contract within 12 months
- 5.3.8. No longer holds professional indemnity insurance
- 5.3.9. Association with "International" activity previously undertaken by Northumberland County Council.

**5.4.** The initial outcome of the Options appraisal was for HOLDINGS to be made dormant and for NIC to be dissolved and struck off the register of companies.

**5.5.** Independent specialist legal and tax advice was taken to highlight the consequences of the intended courses of action for the Council and the companies.

**5.6.** A copy of the Legal Advice is attached as Appendix B.

**5.7.** The Legal advice confirmed that there were no liabilities for the Council or the companies on the intended courses of action.

**5.8.** A copy of the Tax advice is attached as Appendix C.



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- 5.9.** The advice is that current carried trade losses are likely to be irrecoverable and the VAT registration for both HOLDINGS and NIC could only be realistically kept live if actual trading activity was undertaken within the next few months.
- 5.10.** The Tax advice indicated that there would be certain actions that must be attended to before NIC was dissolved and that the dissolution would have a consequence for the VAT registration of HOLDINGS. Further costs of c. £5.5k would be required to protect the tax position of HOLDINGS.
- 5.11.** Although trading companies in the care, recycling and leisure sectors have been mooted as possible trading activities for consideration in the Options Appraisal, there are no reasonable prospects of establishing a new company with a fully detailed and approved Business Case in the next few months.
- 5.12.** In light of the above, the relatively low level of professional fees involved, the desire to bring clarity and leave just one dormant company in place to cover the prospect of companies being required by the Council in the future, the recommendation is that:
- 5.12.1. HOLDINGS is made dormant
  - 5.12.2. NIC is dissolved and struck off the company register
  - 5.12.3. the specialist tax preparation work recommended by the Tax Advisors is undertaken prior to NIC being dissolved.
- 5.13.** At a practical level, it would be sensible to reduce the administration costs, the time and exposure of other Council Member and Officer Directors by appointing the Company Secretary as a Director of the companies and having one other Officer Director and a Member Director to oversee the administration of the companies together, and then having all other Directors resign.
- 5.14.** This will ensure the Quorum of three Directors, (one of whom must be a Member Director and two of whom must be Officer Directors) as required by the Articles of Association, is achievable. The most suitable Officer Director already in the HOLDINGS Group would be Phil Hunter as he is registered as an Administrator on the Bank account. The most suitable current Member Director would be Lynne Grimshaw as her not being in the Cabinet reduces the risk of potential councillor conflicts of interests, a matter referred to in the Caller Review and to be addressed within Work Package 11.
- 5.15.** NIC remains party to a Framework Agreement dated 19th June 2020 with the Chinese client, as novated by Northumberland County Council. Following the Variation to that Framework Agreement on 31st March 2022, and as specifically confirmed by the Legal Advice in Appendix B, there remains no ongoing liability. Prior to dissolving the company, it is recommended that the Framework be terminated upon notice by NIC. This would require Shareholder approval as a Reserved Matter and so Cabinet is asked to specifically approve the termination.



**6. Role Profile for the Northumberland Enterprise Holdings Ltd Controlling Shareholder Representative (“CSR”)**

6.1. Cabinet is invited to approve the Role Profile for the Northumberland Enterprise Holdings Ltd CSR as attached as Appendix D. This is in the same form as the Role Profile for the CSR of Advance Northumberland Ltd as approved by Cabinet in July 2022.

**7. Appointment of Executive Director of Finance as Northumberland Enterprise Holdings Ltd CSR**

7.1. To provide alignment and uniformity with the Council’s other wholly-owned company, Advance Northumberland Ltd, it is proposed that the Executive Director of Finance and s.151 Officer be appointed as CSR of Northumberland Enterprise Holdings Ltd as it is felt that having a CSR common to both Northumberland Enterprise Holdings Ltd and Advance group of companies with common Role Profiles will improve governance and oversight arrangements for all Council-owned companies.

**Implications**

<b>Policy</b>	The proposed options support the Corporate Plan.
<b>Finance and value for money</b>	The proposed options seek to balance future potential need and use of existing financial resources. Specialist external legal and tax advice has been sought and will be followed before executing the proposed options to ensure lawful compliance, best practice and minimising costs or loss of tax deductions in the future.
<b>Legal</b>	External legal advice has been taken on the proposed options. This is a matter for determination by Cabinet as The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.
<b>Procurement</b>	No implications.
<b>Human Resources</b>	Not applicable
<b>Property</b>	Not applicable



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<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Not applicable
<b>Risk Assessment</b>	The risks associated with the proposed options are regarded as acceptable. The obtaining of external specialist tax and legal advice on the proposed options will minimise financial risks.
<b>Crime &amp; Disorder</b>	There are no Crime & Disorder implications
<b>Customer Consideration</b>	There are no Customer Consideration implications
<b>Carbon reduction</b>	There are no Carbon Impact implications
<b>Health and Wellbeing</b>	There are no Health & Wellbeing implications
<b>Wards</b>	All wards

**Background papers:**

- Appendix A – Options Appraisal
- Appendix B – Legal Advice from Ward Hadaway
- Appendix C – Tax advice from Haines Watts
- Appendix D – Role Profile for NEHL Controlling Shareholder Representative

**Report sign off.**

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

	Full Name of Officer
Monitoring Officer/Legal	Suki Binjal
Executive Director of Finance & S151 Officer	Jan Willis
Relevant Executive Director	Maureen Taylor
Interim Chief Executive	Rick O'Farrell



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Portfolio Holder(s)	Richard Wearmouth
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Appendix A

**Options Appraisal for Northumberland Enterprise Holdings Ltd and Northumbria Integrated Consultancy Ltd**

**1. Options for the future status of Northumberland Enterprise Holdings Ltd**

Factors to Consider:

- No current fee-paying client
- No contractual liabilities
- Part of VAT Group
- Has “Traded” through its subsidiary
- No longer holds professional indemnity insurance
- Current prospects of at least two new companies in the Care and Asphalt / tarmac recycling sectors. Possible Leisure Company and potential to assist address the Climate Emergency.
- Was established with remit for other types of trading activity that have not yet been explored

**1.1. HOLDINGS Option 1. Consideration of other sources of commercial activity / revenue**

**Reasons in Favour**

- a. Northumberland Enterprise Holdings Ltd was established with authority of the Cabinet for up to 10 types of trading activity.
- b. The use of companies, when properly developed, can be very useful to assist the Council to achieve its Corporate Aims and also generate trading revenue.
- c. There are current prospects of new companies in the Care, Asphalt / tarmac recycling and Leisure sectors. There may be commercialisation prospects in the Council’s carbon reduction activities to respond to the Climate Emergency, and several other concepts that have not been explored due to reasons of priority and other matters.
- d. Due to the prioritisation of incorporating NIC, the commercial issues it faced, governance matters and broader factors that required others’ attention to be focussed elsewhere, there has not been the level of attention given to exploring other commercial opportunities that could be considered for commercial gain.



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- e. As the structure, bank account, VAT status has already been established, there is the opportunity for the HOLDINGS Board to develop a strategy and parameters for possible future trading ventures that fit with the Council's priorities, build on its existing strengths and expertise, yet afford revenue generating opportunities.
- f. Cabinet may feel that it wishes to actively prioritise the consideration of potential commercial opportunities at this time.

### **Reasons Against:**

- a. Undertaking further business development work by HOLDINGS without a clear strategy or business plan endorsed by Cabinet would incur costs (albeit chargeable by the Council for Officer time) and whilst there are funds available to HOLDINGS from the initial investment, it would risk wasting money on development of ideas that were not supported by Cabinet.
- b. To maximise the chances of identifying a successful strategy, allowing proper time, attention and commitment to be given to it, the HOLDINGS Option 3 below of winding HOLDINGS down to dormant status with just three Directors would seem a suitable staging point so that this HOLDINGS Option 1 could be returned to once current reviews into the Council (eg Strategic Change), Advance (Strategy Review) and particularly the Work Package 11 in response to the Caller Review are further progressed or complete.
- c. However, at this point in time, it is felt that there are too many other priorities for the Council to justify proceeding with this Option at this time.

### **1.2. HOLDINGS Option 2. Selling the shares**

#### **Reasons in Favour**

This option may seem unlikely, but through NIC the HOLDINGS Group:

- a. has established a presence in the international health consultancy market,
- b. has been and is approached regularly by the Department For International Trade to encourage working with companies seeking advice on setting up health and care provision services abroad,



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- c. has a prospect of a future project in the Middle East that is at a very early stage of scoping / due diligence,
- d. has the prospect of NIC's original client in China re-connecting once it has evaluated its future plans,
- e. remains party to a Framework Agreement dated 19th June 2020 with the Chinese client, (as novated by Northumberland County Council).
- f. In light of this, there exists a remote opportunity for others to take the company forward and so it may have value.
- g. This may be of interest to:
  - a. a commercial player in the international health & care consultancy market,
  - b. one of the subcontractors that NIC or the Council has used in the past,
- h. Work would need to be undertaken to explore if such interest exists, but it could enable at least some, if not all of the sunk costs incurred to date to be recovered, rather than written off – if dissolution was the only other option.

### **Reasons Against**

- a. There is no understanding of any interest beyond the theoretical opportunity.
- b. There would be internal and, possibly, external costs in undertaking such an exercise, without any view on either prospects of success or actual end "value" to an interested party.
- c. Should an interested party be found, there would be material legal and financial transaction costs to conclude a deal.
- d. This may just be conceptually unattractive.
- e. This would mean that, when and if further opportunities arise that need the use of a corporate vehicle to serve the Council's purposes, then all legal establishment work would have to commence from the beginning again which may cause delays affecting the Council's immediate needs.

### **1.3. HOLDINGS Option 3. Making Dormant / Mothballing**

### **Reasons in Favour**

- a.** HOLDINGS is already set up at Companies House and with HMRC and so if Cabinet does not wish to take HOLDINGS Option 1 and maintain the trading status of HOLDINGS, it would be a reasonable option to consider winding the company down to a dormant status, so that, when the Care and/or asphalt / tarmac recycling opportunity (mentioned above) or business cases for other prospects such as the potential Leisure Services company, or in the Climate Change sector, come forward in the future – subject always to the outcome of Work Package 11 - there would be no need to form a new holding company as all that would be required would be to re-activate the company, with a new subsidiary.
- b.** In light of the fact that there is now a VAT registration for the HOLDINGS Group, and it took nine months from September 2021 to June 2022 for that to be granted, the potential administrative and financial costs and timing impacts for applying and obtaining VAT registration for a new company may justify keeping the Company in existence.
- c.** The financial losses incurred to date within the HOLDINGS Group may be maintained and recoverable (subject to specialist tax advice) against the future profits of the holding company or another future subsidiary.
- d.** The ongoing costs for maintaining HOLDINGS on the register at Companies House would be £13 for the annual Confirmation Statement and nominal fees for filing Dormant Company accounts and Corporation Tax Return with HMRC, estimated at about £500 per annum (a budget cost has been received from our Tax advisors).
- e.** HOLDINGS has a bank account that incurs quarterly fees of around £65 as the internet banking system is rather complex. If this option were taken forwards, HOLDINGS could open a simple bank account with another bank, incurring much lower fees, and possibly zero fees for the first year.
- f.** A set of accounts and Corporate Tax return to the current financial year end of 31st March 2023 will be needed anyway and so Cabinet may see the merit in taking this holding position for HOLDINGS until then.
- g.** At a practical level, it would be sensible to reduce the administration costs, the time and exposure of other Council Member and Officer Directors by appointing the Company Secretary as a Director of the Company and having one other Officer Director and a Member Director



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to oversee the administration of the company together, and then having all other Directors resign. This will ensure the Quorum of three Directors, (one of whom must be a Member Director and two of whom must be Officer Directors) as required by the Articles of Association, is achievable. The most suitable Officer Director already in the HOLDINGS Group would be Phil Hunter as he is registered as an Administrator on the Bank account. The most suitable current Member Director would be Lynne Grimshaw as her not being in the Cabinet reduces the risk of potential councillor conflicts of interests, a matter referred to in the Caller Review and to be addressed within Work Package 11.

- h. Bearing in mind the potential benefits of using companies for Council purposes, there is the opportunity for the Council – following the completion of Work Package 11 in response to the Caller Review and in particular the adoption of a “Rationale” for establishing or supporting companies - to develop a strategy and parameters for possible future trading ventures that fit with the Council’s priorities, build on its existing strengths and expertise, yet afford revenue generating opportunities.
- i. These potential opportunities, framed within agreed parameters of the “Rationale”, could be reviewed through a new lens once current reviews into the Council (eg Strategic Change modelling), Advance Strategy Review and particularly the Work Package 11 in response to the Caller Review are further progressed or complete, so that the full potential of using trading companies could be exploited.
- j. Despite negative attention (or perception) around council-owned companies it is worth highlighting that the document that Max Caller expressly refers to in the Caller Review (Local Partnerships LLP’s “Local Authority Company Review Guidance”) states that **“In the right circumstances, using a company structure can facilitate change or outcomes that would be very difficult to deliver in a timely way under the constraints of a council’s constitution, but it needs to be clear why that is.”** (© Local Partnerships LLP 2021)
- k. At this point in time, there are many moving parts and priorities for the Council, (post Caller, appointment to new, full Executive Team, Strategic Review etc) and so the relatively limited costs of maintaining the HOLDINGS company on a reduced cost basis is a valid option to maintain agility, remembering that if any trading activity is to be undertaken by the Council, then it must be done through a company and so having a ready-made and established company will ensure compliance with s.4 of the Localism Act 2011 and avoid the issues of unlawfulness that were identified in the recent s.114 report.

**Reasons Against**

- a. Cabinet may decide that the other options are preferable.

**1.4. HOLDINGS Option 4. Transferring the shares to Advance**

**Reasons in Favour**

- a. This is essentially a sub-option of Options 1 or 3 – continuing to trade or mothballing the company, but taking the opportunity to bring all Council owned company shares under the Advance Northumberland Group for better clarity of operations and governance and avoids duplicating administrative effort and cost.
- b. The cash and costs position might at least remain and so not “lost” to the Council as such. The losses might be set off against Advance’s trading profits and so enable early recovery of the losses.
- c. It should be highlighted that specialist legal and financial advice would be advisable before proceeding with this option.

**Reasons Against**

- a. Cabinet may identify a strategic benefit / flexibility in keeping the remit of Advance Northumberland separate from other trading activities, and may distract Advance from its own focus.



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**1.5. HOLDINGS Option 5. Dissolving the Company – Striking off the Register at Companies House**

**Reasons in Favour**

- a. This is the ultimate option for Cabinet for dealing with HOLDINGS if it sees no prospect of identifying a positive rationale for having wholly-owned companies – other than Advance.
- b. Cabinet may wish to draw a complete line under this matter, close down all contractual relationships, incur the costs of closing down but ensuring no further costs remain and providing certainty to all concerned.
- c. Subject to confirmation by tax specialists, HOLDINGS would have to submit a set of up to date accounts, with supporting Corporation Tax return to Companies House and HMRC showing no outstanding liabilities to HMRC and confirming it had no outstanding debts.
- d. The cash in the bank will be more than adequate to pay all known debts and future liabilities and leave a balance to be returned to the Council as shareholder on a distribution of the assets.
- e. It would enact this through voluntary winding up which would require a special resolution of HOLDINGS to be passed by the Council as shareholder.
- f. Specialist advice would be needed but the estimated fees level would be around £20,000. The VAT thereon may not be recoverable.
- g. Upon final payment of advisors' bills, any surplus cash left in the HOLDINGS bank account would be returned to the Council as shareholder.

**Reasons Against**

- a. The reasons against dissolving HOLDINGS would be the same points as the reasons in favour of making HOLDINGS dormant.
- b. All incurred losses would be unrecoverable.
- c. There is a risk of negative external attention and comment.
- d. This would mean that, when and if further opportunities arise that need the use of a corporate vehicle to serve the Council's purposes, then all legal establishment work would have to commence from the beginning



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again which may cause delays affecting the Council's immediate needs.

- e. It may be worth maintaining the existence of HOLDINGS, albeit reduced to a board of three Directors until the end of the financial year, when such accounts and tax returns would be required anyway and the advice around tax treatment may be received as part of a wider piece of work.
- f. It leaves open at no material extra cost the prospect of identifying alternative commercial opportunities for the shell company vehicle to be used as the vehicle to deliver other commercial opportunities.

## 2. Options for the future status of Northumbria Integrated Consultancy Ltd

Factors to Consider:

- No current fee-paying client
- No contractual liabilities (but remain party to Framework Agreement with Chinese client)
- Part of VAT Group
- Has Traded
- Key operational Director has left
- Limited availability of other operational staff to take company forward
- Has genuine potential prospect for international consultancy work, but no forward pipeline of opportunities and no visible client realistically capable of concluding a contract within 12 months
- No longer holds professional indemnity insurance
- Association with "International" activity previously undertaken by Northumberland County Council.

### 2.1. NIC Option 1. Consideration of other sources of commercial activity / revenue

#### Reasons in Favour

- a. NIC has established a presence in the international health consultancy market, has been and is approached regularly by the Department For International Trade to encourage working with companies seeking advice on setting up health and care provision services abroad.
- b. There is the prospect of a future project in the Middle East that is at a very early stage of scoping / due diligence.





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- c. There also remains the prospect of NIC's original client in China re-connecting once it has evaluated its future plans.
- d. NIC could offer other consultancy work and / or could in effect be used as a trading vehicle for any external activity that the Council identified as a potential revenue generating opportunity.
- e. Tender sites have been monitored over the last few months (eg. on Proactis / NEPO) to identify the types of project that are regularly tendered by external bodies, that could realistically be undertaken by the Council, through NIC, where it has expertise.

### **Reasons Against:**

- a. One of the most significant costs to NIC in the year 2021-2022 has been the Professional Indemnity Insurance ("PI"). It cost c.£70,000 for £10M cover. It would be a pre-requisite to have PI in order to tender for any consultancy contract where advice or advisory reports are the contract output.
- b. Without a clear understanding of the actual type of consultancy to be offered and firm revenue projections, the experience of securing PI for NIC in the year 2021 to 2022 showed that it would be extremely difficult, possibly unobtainable, certainly expensive – and would have to be committed to before any contract revenue was received.
- c. This is perhaps the key financial and operational factor in deciding whether to continue with NIC remaining active in the immediate future – whether seeking to build on its existing international advisory services or considering other UK consultancy work, (as was envisaged in the original business case).
- d. It is highly unlikely that the Middle East prospect could pass through adequate due diligence, project scoping, pricing and resourcing within 12 months. All of which time would require internal resource and costs to be expended.
- e. There has been no indication, so far as the writer is aware, from the Chinese client since April of any change to its project funding position that caused it to seek to terminate the initial contract.
- f. A key factor has to be the availability of competent personnel to develop and deliver any potential project. The principal operational Director of NIC who was essential to the relationship with the Chinese client and the development of the international consultancy business requested voluntary redundancy, resigned as a Director of NIC, and



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has now left the employment of the Council.

- g.** There are other senior officers at the Council who have the capability and experience to carry out the work and manage the type of projects that were envisaged by the Chinese client, and the type that has been mooted by the company in the Middle East, but their current commitments preclude them from developing this opportunity.
- h.** The current budget allocation would be insufficient for this level of business development.
- i.** There is no clear area of Council work where our expertise would match the types of external tenders that are regularly brought to the market, and so seeking to enter new external consultancy markets at this point in time will generate costs without any clear view on the type of activities that the Council may wish to undertake, and without any foresight on its prospects for success.

### **2.2. NIC Option 2. Selling the shares**

#### **Reasons in Favour**

This option may seem unlikely, but NIC:

- a.** has established a presence in the international health consultancy market,
- b.** has been and is approached regularly by the Department For International Trade to encourage working with companies seeking advice on setting up health and care provision services abroad,
- c.** has a prospect of a future project in the Middle East that is at a very early stage of scoping / due diligence,
- d.** has the prospect of NIC's original client in China re-connecting once it has evaluated its future plans,
- e.** remains party to a Framework Agreement dated 19th June 2020 with the Chinese client, (as novated by Northumberland County Council).
- f.** In light of this, there exists a remote opportunity for others to take NIC forward and so it may have value.
- g.** This may be of interest to:



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- i. a commercial player in the international health & care consultancy market,
  - ii. one of the subcontractors that NIC or the Council has used in the past.
- h. Work would need to be undertaken to explore if such interest exists, but it could enable at least some, if not all, of the sunk costs incurred to date to be recovered, rather than written off – if dissolution was the only other option.

### **Reasons Against**

- a. There is no understanding of any interest beyond the theoretical opportunity.
- b. There would be internal and, possibly, external costs in undertaking such an exercise, without any view on either prospects of success or actual end “value” to an interested party.
- c. Should an interested party be found, there would be material legal and financial transaction costs to conclude a deal.
- d. This may just be conceptually unattractive.

### **2.3. NIC Option 3. Making Dormant / Mothballing**

#### **Reasons in Favour**

- a. NIC is already set up at Companies House and with HMRC and so if Cabinet does not wish to take option 1 and maintain the trading status of NIC, it would be a reasonable option to consider winding the company down to a dormant status, so that, should a commercial prospect appear in the future, there would already be a corporate vehicle ready to be re-activated.
- b. Cabinet will be aware that, subject to the outcome of the post-Caller Work Package 11, there is work ongoing for the consideration of a “Care” company, and potential commercialisation of the asphalt / tarmac recycling process for road construction that the Council already undertakes for itself. There is a possibility of needing to set up a Leisure company and the Climate Change Team are also tasked with identifying commercialisation prospects in its carbon reduction activities.



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- c. If NIC were to be mothballed, and if a suitable commercialisation opportunity were approved by Cabinet to be taken forward, then there would be no need to form a new company as all that would be required would be to re-activate the company, whether or not with a new name.
- d. In light of the fact that there is now a VAT registration for the HOLDINGS & NIC Group, and it took nine months from September 2021 to June 2022 for that to be granted, the potential administrative and financial costs and timing impacts for applying and obtaining VAT registration for a new company may justify keeping the Company in existence, at least until the financial year end in March 2023.

### **Reasons Against**

- a. Cabinet may decide that the other options are preferable.
- b. In the event that Cabinet wish to maintain Northumberland Enterprise Holdings Ltd (discussed above), it may feel that whatever new trading company opportunities come forward over the next year or other review period, that each new company should be formed in its own right and with its own identity from the outset, and that maintaining two dormant companies is not good value.
- c. If NIC is mothballed, minor costs will still be incurred and so Cabinet may wish to draw a complete line under this matter, close down all contractual relationships, incur the costs of closing down but ensuring no further costs remain and providing certainty to all concerned.
- d. The financial losses incurred to date might be able to be maintained and be recoverable (subject to specialist tax advice) against the future profits of the company or another group company – if new trading activity were taken on by the company.
- e. The ongoing costs for maintaining NIC on the register at Companies House would be £13 per annum for the annual Confirmation Statement and nominal fees for filing Dormant Company accounts and Corporation Tax Return with HMRC, estimated at about £500 per annum (a budget cost has been received from our Tax advisors).
- f. A set of accounts and Corporate Tax return to the current financial year end of 31st March 2023 will be needed anyway and so Cabinet may see the merit in taking this holding position for NIC until then.
- g. At a practical level, it would be sensible to reduce the administration costs, the time and exposure of other Council Member and Officer Directors by appointing the Company Secretary as a Director of the Company and having one other Officer Director and a Member Director



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to oversee the administration of the company together, and then having all other Directors resign. This will ensure the Quorum of three Directors, (one of whom must be a Member Director and two of whom must be Officer Directors) as required by the Articles of Association, is achievable. The most suitable Officer Director already in the HOLDINGS Group would be Phil Hunter as he is registered as an Administrator on the Bank account. The most suitable current Member Director would be Lynne Grimshaw as her not being in the Cabinet reduces the risk of potential councillor conflicts of interests, a matter referred to in the Caller Review and to be addressed within Work Package 11.

- h.** NIC remains party to a Framework Agreement dated 19th June 2020 with the Chinese client, as novated by Northumberland County Council. Following the Variation to that Framework Agreement on 31st March 2022, there remains no ongoing liability unless a new contract is agreed. If mothballed, this Framework Agreement would remain live, unless either party decided to terminate the Agreement. That would have to be done if NIC is dissolved / struck off, but the choice would remain open to Cabinet / NIC to do that anyway, if NIC was mothballed.

### **2.4. NIC Option 4. Transferring the shares to Advance**

#### **Reasons in Favour**

- a.** This is essentially a sub-option of Options 1 or 3 – continuing to trade or mothballing NIC, but taking the opportunity to bring it under the Advance Northumberland Group for better clarity of operations and governance and avoids duplicating administrative effort and cost.
- b.** The cash and costs position might at least remain and so not “lost” to the Council as such. The losses might be able to be set off against Advance’s trading profits and so enable early recovery of the losses.
- c.** It should be highlighted again that specialist legal and financial advice would be advisable before proceeding with this option.

#### **Reasons Against**

- a.** Cabinet may identify a strategic benefit in keeping the remit of Advance Northumberland separate from other trading activities, and may distract Advance from its own focus.

## **2.5. NIC Option 5. Dissolving the Company – Striking off the Register at Companies House**

### **Reasons in Favour**

- a.** This is the ultimate option for Cabinet for dealing with NIC if they have no further appetite to support it, sell it or do not wish to maintain its existence as a dormant entity, incurring relatively nominal costs.
- b.** Cabinet may wish to draw a complete line under this matter, close down all contractual relationships, incur the costs of closing down but ensuring no further costs remain and providing certainty to all concerned.
- c.** Subject to confirmation by tax specialists, NIC would have to submit a set of up to date accounts, with supporting Corporation Tax return to Companies House and HMRC showing no outstanding liabilities to HMRC and confirming the inter-company debt from NIC to HOLDINGS has been waived.
- d.** If there were any debt or liability remaining, then the Company would have to be dealt with through the process of insolvent liquidation which would be much more costly and complex, and more likely to attract negative attention externally.
- e.** It would therefore be best dealt with through voluntary winding up which would require a Special Resolution of its shareholder – HOLDINGS – and Cabinet consent as the shareholder of HOLDINGS, as a Reserved Matter.
- f.** NIC remains party to a Framework Agreement dated 19th June 2020 with the Chinese client, as novated by Northumberland County Council. Following the Variation to that Framework Agreement on 31st March 2022, there remains no ongoing liability unless a new contract is agreed and so there should be no financial impact to the company or Council if this were to be terminated now. Such termination of the Framework Agreement would be a Reserved Matter and so Reserved Matter consent would be needed if this Option were approved.
- g.** At a practical level, it would be sensible to reduce the administration costs, the time and exposure of other Council Member and Officer Directors by appointing the Company Secretary as a Director of the Company and having one other Officer Director and a Member Director to oversee the administration of the company together, and then having all other Directors resign. This will ensure the Quorum of three Directors, (one of whom must be a Member Director and two of whom must be Officer Directors) as required by the Articles of Association, is achievable. The most suitable Officer Director already in the HOLDINGS Group would be Phil Hunter as he is registered as an

Administrator on the Bank account. The most suitable current Member Director would be Lynne Grimshaw as her not being in the Cabinet reduces the risk of potential councillor conflicts of interests, a matter referred to in the Caller Review and to be addressed within Work Package 11.

### **Reasons Against**

- a.** The reasons against dissolving NIC would be the same points as the reasons in favour of making NIC dormant.
- b.** There is a risk of incurred losses being unrecoverable.
- c.** There is a risk of negative external attention and comment.
- d.** It may be worth maintaining the existence of NIC, albeit reduced to a board of three Directors until the end of the financial year, when such accounts and tax returns would be required anyway and the advice around tax treatment may be received as part of a wider piece of work.
- e.** It leaves open at no material extra cost the prospect of identifying alternative commercial opportunities for the shell company vehicle to be used as the vehicle to deliver other commercial opportunities.

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**ADVICE TO NORTHUMBERLAND COUNTY COUNCIL ABOUT THE POTENTIAL  
DISSOLUTION OF NORTHUMBRIA INTEGRATED CONSULTANCY LIMITED**

**1. Background**

- 1.1. Northumbria Integrated Consultancy Limited ("NIC") is a company limited by shares, incorporated on 29 March 2021. We are advised that the entire issued share capital is held by Northumberland Enterprise Holdings Limited, which in turn is wholly-owned by Northumberland County Council (the "Council").
- 1.2. On 19 June 2020 the Council entered into a framework agreement (the "Framework Agreement") with Fujian Jilin Medical technology Co. Ltd ("Jilin"). Under that Framework Agreement the Council agreed that, subject to entering into call-off contracts, it would deliver specified services to Jilin relating to the development of the Fujian Lin Wenjing Memorial Hospital (the "Project")..
- 1.3. Jilin and the Council also entered into a call-off contract on 19 June 2020 for what was described as stage two of the Project (the "Stage 2 Call-Off"). We understand that this stage has been completed.
- 1.4. On 15 September 2021 the Framework Agreement, together with the Stage 2 Call-Off contract, was novated to NIC.
- 1.5. On that same date NIC and Jilin entered into a further call-off contract (the "Stage 3 Call-Off").
- 1.6. Also on 15 September 2021 NIC entered into sub-contracts with Archus Limited, the Christie NHS Foundation Trust and University Hospital Southampton NHS Foundation Trust (the Sub-Contracts"). These Sub-Contracts were subsequently terminated by mutual agreement, although we are not aware of the termination dates.
- 1.7. On 31 March 2022 the Stage 3 Call-Off was terminated by mutual agreement and the Framework Agreement was amended.
- 1.8. There have been no further call-offs, so at the moment we understand that no services are being delivered by NIC to Jilin and Jilin have not requested any further services.
- 1.9. We therefore understand that NIC is not currently trading and the Council are considering whether NIC should be dissolved.

**2. Status of NIC and options for dissolution**

- 2.1. As described above, it appears at the moment that NIC is not trading. We understand that it holds no assets, no employees and has not entered into any contracts, other than those it has entered into with Jilin, together with the Sub-Contracts.
- 2.2. Broadly speaking, the options for closing a company down depend on whether or not it can pay its debts. If it cannot, then the only routes open to closing down a company are administration or creditors' voluntary winding up.
- 2.3. However, since we understand that NIC has no creditors and is not trading, then an application to strike the company off the Register of Companies is the most simple and effective option. This can only be done if:
  - 2.3.1. NIC has not traded in the last 3 months;
  - 2.3.2. It has not changed its name in the last 3 months;

- 2.3.3. No-one is threatening to wind-up the company; and
- 2.3.4. It has no arrangements with creditors.
- 2.4. We are not aware if there is any amount owing to HMRC, but if there is, provision should be made to ensure that this is paid. HMRC should be told of the decision to dissolve and they should be sent final statutory accounts and a tax return
- 2.5. The procedure for dissolution is very simple. An application is made on-line by a majority of the directors and a small fee is paid. The Registrar then publishes a notice in the London Gazette and, if no-one raises an objection, the Company is struck off 2 months later.

### 3. **Liabilities**

- 3.1. The principal issue to consider is whether there are any ongoing liabilities or obligations on NIC which might mean that a third party (such as Jilin) might object to the dissolution.
- 3.2. Given that we are told the only contracts are those that relate to the Project and the Framework Agreement, we therefore need to consider if there are any ongoing liabilities pursuant to those.
- 3.3. First of all, in relation to any call-offs under the Framework:
  - 3.3.1. For the Stage 2 Call-Off we have not seen any termination documents, so we assume that the services delivered under that call-off were completed;
  - 3.3.2. The template call-off agreement (attached to the Framework Agreement) does not contain any provisions for termination, but instead assumes that each call-off would be entered into for a fixed term. We believe the Stage 2 Call-Off was for a period of one year. If the term of that call-off has expired then there will be no ongoing obligations or liabilities on NIC, although there may still be an ability for Jilin to raise a claim for breach of the call-off (eg failure to provide the services in accordance with the terms of the Stage 2 Call-Off and the Framework Agreement). The call-offs are governed by English law, so the limitation period for any claim is 6 years (assuming that they were not executed as deeds). Therefore, there is a theoretical possibility that there may be further liabilities in NIC, but if the directors of NIC are not aware of any claim then this will not stop them proceeding with a dissolution;
  - 3.3.3. In relation to the Stage 3 Call-Off, the 31 March 2022 Deed of Termination includes a release by Jilin of NIC from all claims or demands under or in connection with that call-off whether arising before or after 31<sup>st</sup> March 2022. Therefore, it is clear that there can be no ongoing liability on NIC.
- 3.4. Secondly, in relation to the Sub-contracts, while we have not seen evidence that the termination letters were signed, the draft letters did contain full releases of NIC from all liabilities whether arising before or after termination, so provided that these letters were signed by the counterparties in the same or substantially similar form to the drafts that we provided, there is no ongoing liability on NIC under those Sub-Contracts.
- 3.5. We have also considered the position of the Council, since it was the original party to the Framework Agreement. The novation on 15 September 2021 expressly released the Council from any claims or demands under or in connection with the Framework and it's the Stage 2 Call-Off, whether arising before or after 15 September 2015. Therefore, there is no ongoing liability on the Council, including any liability that may arise as a result of NIC's dissolution.

3.6. For the avoidance of doubt, the shareholder of NIC and its ultimate parent (the Council) have no liability in relation to the actions of NIC's directors in dissolving the company, because of the principle of limited liability and the veil of incorporation. Had Jilin wanted the shareholders to accept liabilities it would have had to seek a guarantee.

4. **Any requirements under the Framework Agreement?**

4.1. Under clause 3 of the Framework Agreement Jilin may request NIC to provide services, but NIC has the ability to state that it is unwilling to provide those services, so NIC is not obliged to enter into a call-off contract.

4.2. The issue to consider is whether, by taking a positive step to dissolve, NIC is somehow in breach of the Framework Agreement, since it will not exist to accept requests from Jilin. The Agreement itself is for a fixed term (we have not seen a copy of the signed framework agreement, so we are not certain what the term is), and there is no provision for either party to give notice earlier for a voluntary termination. Therefore, there is no ability for NIC to unilaterally serve notice to terminate.

4.3. This means that by ceasing to exist as a company, NIC will effectively be making it impossible to perform the Framework Agreement and therefore, in theory undertaking the procedure for dissolution could be treated as an anticipatory repudiatory breach by NIC, giving Jilin grounds to terminate and claim damages for that breach. In our view this would be an academic argument only because:

4.3.1. Even if NIC was in breach, it would no longer exist to enable Jilin to bring a claim; and

4.3.2. If NIC did still exist, it would be impossible for Jilin to demonstrate a loss, since under the terms of the Framework, NIC could always say that it was not willing to provide the services.

4.4. Therefore, the dissolution of NIC might be a theoretical repudiatory breach of the Framework Agreement, but we cannot see how Jilin could bring a claim in relation to that breach. In addition, because the Council was released by the Deed of Novation on 15 September 2021 it has no liability in relation to the dissolution.

4.5. We have also been asked if NIC should notify Jilin of its intention to dissolve. There is no express obligation to do so under the Framework Agreement, but it is a matter of courtesy as to whether or not to tell Jilin. Also, see our comments in paragraph 4.5.2 below. It is possible that they would be aware of the notice in the London gazette and that they might object to the dissolution, although, as already described above, that would have little bearing on the operation of the Framework Agreement, since even if it were to remain in existence, NIC could simply refuse to accept any request for its services. Jilin may have a better argument to retain NIC if there were ongoing obligations under the Framework Agreement, but since the amendment to its terms in March this year, there have in effect been no substantive ongoing obligations. The only obligations that remain are:

4.5.1. Those set out in clause 4. The obligations in 4.1 and 4.3 relate directly to the carrying out of services, so they are only effective where there is a relevant call-off in existence. In 4.2.1 NIC is obliged to inform Jilin if anything has happened to delay or impede the delivery of the services, but we construe that as only being relevant if, again, there is a call-off in existence with specific services.

4.5.2. Clause 7 sets out various warranties given by NIC to Jilin and these appear to be ongoing warranties, due to the requirement on NIC in clause 7.2 to notify Jilin if it becomes aware that any of the warranties may be breached. It seems

likely that there may be breaches of one or two of these warranties by virtue of steps being taken to dissolve NIC (eg 7.1.10), but as described in paragraph 4.3 above, we cannot see what loss Jilin would suffer. However, technically it seems that there is an obligation to notify Jilin if steps are being taken which might be a breach of warranty.

- 4.5.3. Clause 14 sets out the consequences of termination of the Framework Agreement. Clearly, NIC will not be in a position to comply if it has dissolved, but we would suggest that the Council should take steps to ensure that all the practical steps outlined in clause 14 are followed, such as following any agreed exit plan and handing over any relevant data.

## 5. **Conclusions**

- 5.1. The Council asked 3 specific questions. Based on the analysis above, we can answer as follows:

- 5.1.1. Would there be any legal implications that the Council will need to consider beforehand?

As indicate above, there are no implications on the Council, which was released from all liabilities under the Framework Agreement and the Stage 3 Call-Off on 15 September 2021. It was also released from any liabilities relating to the Stage 2 Call-Off

- 5.1.2. Would any decision to dissolve the company be a legal risk for the Council?

There is no contractual risk for the Council, since it is no longer a party to the framework and has been released in any event. As an ultimate parent company it is protected by NIC's limited liability. NIC's immediate parent company is also protected by NIC's limited liability.

- 5.1.3. Would the Council/NIC need to advise and/or inform Rong Qiao prior to taking the decision to dissolve?

While there is no express requirement to notify them, there is a technical argument that it should be notified as a potential breach of warranty under clause 7 of the Framework Agreement, although a failure to notify would of itself be a breach of warranty and does not appear to cause Jilin any loss, hence preventing the from bringing a substantive claim for breach of contract.



# NEHL and NIC

## Corporation Tax and VAT implications of options under consideration

26 October 2022

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## Background and scope of work

### Background

Northumberland Enterprises Holdings Limited (NEHL) was incorporated in September 2020 as a subsidiary of Northumberland County Council (NCC). The purpose of NEHL was to become NCC's group holding company for up to ten operational subsidiaries. It filed dormant accounts for the period to 31 March 2021 and a nil Corporation Tax return.

Northumbria Integrated Consultancy (NIC) was incorporated in March 2021 as a wholly owned subsidiary of NEHL. The purpose of NIC was to be the trading vehicle for high quality project management and advisory services to local, regional, national and international markets. On 13th September 2021 £300k of shares were allotted in NEHL to NCC. The purpose of this investment was to be able to provide working capital to NIC.

On 15th September 2021 NIC entered into a suite of commercial contracts for international health consultancy work in relation to a project known as Rong Qiao. Professional Indemnity Insurance (PII), a pre-requisite for such consultancy projects, was difficult to obtain and cost c£70k for £10m of cover.

On 31st March 2022 a contractual suite of termination and amendment documents were executed to formally terminate the Rong Qiao project. The PII cover has also been terminated. NIC has had no other customers besides those under the Rong Qiao contract.

NIC currently has no fee-paying clients or any contracts in the pipeline, which are likely to be concluded within the next 12 months. However, there is the prospect of a future project in the Middle East that is at a very early stage of scoping/due diligence.

The Council is considering the potential options available for NIC and NEHL (together 'the group') given the lack of commercial activity currently being undertaken by the group. NIC currently has no contractual liabilities (but remains party to a Framework Agreement with a Chinese client). The key operational director is no longer with the group and there is limited operational staff to take the group's trading activities forward (to be clear neither company directly employs any staff). The group no longer holds PII cover in order to pursue its consultancy activities. NIC and NEHL are currently registered for VAT as members of VAT group.

The options under consideration are as follows:

1. Consideration of other sources of commercial activity/revenue
2. Selling the shares in one/both companies
3. Make one or both companies dormant/mothballing
4. Transferring the shares in to Advance
5. Dissolve one or both companies and strike off the Register at Companies House



## Scope of work

The purpose of this report is to set out any Corporation Tax and VAT implications of the options under consideration.

This report focuses on the following options as these appear to be the most likely:

- Strike off NIC from the Register at Companies House
- Following the strike off of NIC keep NEHL as a dormant holding company
- Make both companies dormant

The following options have been discounted:

- Consideration of other sources of commercial activity/revenue – whilst potential activities are constantly under review, it appears unlikely at this point that any activities will commence in the next 12 months.
- Selling the shares in one/both companies – it is unlikely that there is a market for these shares given the companies employ no staff and hold no active contracts.
- Transferring the shares in to Advance – a sub option of 1-3, is unlikely to achieve much given the points raised in this document around the validity of Corporation Tax losses (and the fact that the companies weren't in a group when the losses arose, so cannot be surrendered/claimed with the Advance group)

## Your Team

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## Executive summary

The current draft computations for NEHL and NIC show the following:

- NEHL: management expenses carried forward of £32k. On the assumption that the Corporation Tax rate increases to 25%, these losses have a potential value of £8k.
- NIC: trading losses carried forward of c£112k. On the assumption that the Corporation Tax rate increases to 25%, these losses have a potential value of £28k.

As a general comment, from a Corporation Tax perspective, there is already a risk that the trading losses within NIC can not be carried forward because it could be argued that the company's trade ceased when the Rong Qiao project contract was terminated and/or when the PII cover was cancelled. It is possible that actions could be taken to try and retain the losses by demonstrating that the trade has not ceased, however, this would require real substance. This could be costly, especially if there is no real chance that NIC will enter any new contracts in the near future.

Set out below is a table showing the key points of each option considered:

	Strike off NIC	Strike off NIC and keep NEHL as a dormant company	Make both companies dormant
<b>Corporation tax implication and issues</b>	<ul style="list-style-type: none"> <li>• Prior to strike of the intra group debt would need to be released (tax neutral)</li> <li>• Trading losses worth c£28k will be eliminated.</li> <li>• Where NEHL no longer has any investments to manage this is likely to cause the management expenses carried forward to be lost</li> <li>• To strike off NIC efficiently the return for 31/3/22 should be filed, then a letter should be sent to HMRC to request pre-authorisation for the strike off.</li> </ul>	<ul style="list-style-type: none"> <li>• With no investments to manage and no activity going through the company it is likely that the management expenses carried forward at 31 March 2022 would be eliminated</li> <li>• Dormant companies are not required to file Corporation Tax returns, so there will be a compliance saving if NEHL were to become dormant</li> </ul>	<ul style="list-style-type: none"> <li>• With no investments to manage and no activity going through the company it is likely that the management expenses carried forward at 31 March 2022 would be eliminated</li> <li>• With no ongoing trade it is likely that the trading losses worth c£28k will be eliminated</li> <li>• Dormant companies are not required to file Corporation Tax returns, so there will be a compliance saving if NEHL and NIC become dormant</li> </ul>
<b>VAT implication and issues</b>	<ul style="list-style-type: none"> <li>• The VAT group registration would need to be disbanded.</li> </ul>	<ul style="list-style-type: none"> <li>• Where NEHL is dormant, it would not be entitled to re-register for VAT as a stand-alone company.</li> <li>• There should be no requirement to repay any input VAT previously reclaimed by the VAT group, as it had an intention to make taxable supplies.</li> </ul>	<ul style="list-style-type: none"> <li>• Where NIC and NEHL are retained and seeking new commercial opportunities, the VAT group registration could be preserved until such time as new trading activities commence.</li> </ul>



## Key Corporation Tax principles applied to NEHL and NIC

### NEHL

NEHL is a holding company. As such it does not currently have a trade of its own, instead its activities are investment related and are categorised as management expenses.

Excess management expenses are the amount of management expenses in excess of current-year income and gains. To the extent that they are not surrendered for group relief, they can be carried forward and a claim can be made for set off against total profit of the next accounting period, provided the company carries out an investment business in the next accounting period.

The draft computation for the year ended 31 March 2022 shows management expenses carried forward of £32k. On the assumption that the Corporation Tax rate increases to 25%, these losses have a potential value of £8k.

### NIC

When a company commences trade is a “matter of fact”, with the principles being set out in case law rather than legislation (see Appendix 1 for further details).

In our opinion NIC commenced trade on 15th September 2021. This is because it had offered international health consultancy services to a potential customer, and this customer had entered into a contract for the Rong Qiao project with NIC. Furthermore, it appears to have had the resources available to provide those services, given the £300k of working capital available within NEHL which could be utilised by NIC as well as the use of staff employed by NCC.

The draft computation for the period to 31 March 2022 shows that the company has trading losses carried forward of c£112k. On the assumption that the Corporation Tax rate increases to 25%, these losses have a potential value of £28k.

Note that the draft computations for the period ended 31 March 2022 are subject to change, in particular, the outcome of this report may impact on whether the losses are carried forward.

High level information around the conditions for carrying forward trading losses is found in Appendix 1. However, in summary, due to the termination of the Rong Qiao project, cancellation of the PI and the voluntary redundancy of a key director, there is a risk that NIC ceased trading either at 31 March 2022 or soon after. If that is the case then the trading losses cannot be carried forward.



## Dissolve NIC and strike off the Register at Companies House

The Council may wish to dissolve NIC to close down all the historic issues and previous contractual relationships. This approach would provide certainty, although costs would be incurred in closing down NIC. It should however ensure that no further unanticipated costs would be incurred in relation to this legal entity.

### Corporation Tax implications

The key Corporation Tax issues include:

- The impact on the losses carried forward
- Dealing with the debt between NIC and NEHL
- Implementation of the strike off

#### *Impact on losses carried forward*

The draft computation for the period to 31 March 2022 shows that the company has trading losses carried forward of c£112k. On the assumption that the Corporation Tax rate increases to 25%, these losses have a potential value of £28k.

If no action was taken prior to the strike off, then the losses currently shown as being carried forward by NIC would be lost. This is because the company has ceased to trade.

One possible option would be to transfer the trade and assets of NIC to NEHL prior to the company being struck off in an attempt to preserve the losses. Appendix 1 explains more about the legislation under which a transfer may occur. However, there are a number of risks to be considered before undertaking this administrative exercise:

- The losses may already be invalid, given the activities of NIC are currently negligible.
- The company has no assets from which it trades. Hence it could be difficult to argue that a trade has been transferred.
- To show that the company has not ceased trade, activities would need to be carried on in NIC from 1 April 2022 until the transfer, so for example NCC would need to charge for staff time spent looking for new opportunities for NIC.
- Following the transfer NEHL would need to be able to show that it was continuing the trading activities of NIC. Hence for example staff time would need to be charged by NCC for looking for new opportunities.
- Note that simply charging staff time may not be enough to demonstrate the continuation of trade. Given that neither NIC or NEHL are unable to tender for any consultancy contract without PI, HMRC may argue that it is not in a position to trade, so the trade ceased when the PI was cancelled.

#### *Debt between NIC and NEHL*

The draft accounts for the year ended 31 March 2022 show that NIC owes NEHL £117k. Prior to the company being struck off this debt must be dealt with.



Under the Corporation Tax loan relationship rules, normally the write off of a connected party loan is tax neutral i.e. the creditor is not taxed on the credit to the P&L, but the debtor does not receive a deduction for the debit.

To help ensure that this tax neutral position is achieved we would recommend that firstly the debt if converted into a loan note, this is to make it clear that the debt falls within the loan relationship rules. Secondly, a deed of release should be entered into to write off the debt. Only if the debt is formally written off can the debt be cancelled and the balance be brought down to £nil by NIC.

Following the release of debt, using the draft figures as at 31 March 2022, the reserves of the two companies would be as follows:

	NEHL	NIC
Share capital	300,000	100
P&L reserve 31/3/22	- 31,647	- 117,496
Release of debt	- 117,496	117,496
C/f P&L reserve	- 149,143	-
Shareholders funds following release	150,857	100

*[Please note that if you did also wish to strike off NEHL, there are steps you would need to take prior to commencing the process to ensure any remaining cash did not become “bona vacantia” i.e. passed to the Crown. In summary you would need to perform a capital reduction to generate reserves to enable the company to pay a dividend to NCC. If you wish to discuss this further please let us know.]*

### Implementation

HMRC may agree to the informal submission of returns at the end of a company's life.

If for example, the aim was for the NIC to be struck off by 28 February 2022, we would recommend that the return for the period ended 31 March 2022 is filed online as soon as possible as work has already commenced on it. A letter would then be sent to HMRC asking for confirmation that they had no objections to the strike off. Within this letter financial information would be enclosed to show that the company has not generated any profits from 1 April 2022 to date.

HMRC are currently operating very slowly, so the sooner the process could start, the more chance that HMRC would be able to consider their position and confirm that they had no objections to the proposed strike off. Once this confirmation had been received you would then commence the process of striking off the company.

### VAT implications

NIC would be required to de-register from VAT. This will have wider VAT implications for the VAT group as it would also mean that NEHL's VAT registration would be cancelled.



Where there is only NEHL in the VAT group, the existing VAT group would be disbanded and NEHL would need to consider whether it should (or could) re-register for VAT on an individual company basis.

Based on NEHL's current activities there would be no requirement for NEHL to be registered for VAT as it is not presently undertaking taxable business activities.

There should be no requirement for NEHL or NIC to repay any input previously reclaimed as the historic VAT recovery position was based on an intention to make taxable supplies. It should be possible for NIC to demonstrate that its intention to make taxable supplies was frustrated by circumstances outside of its control and as such it is not required to repay any input VAT. This position is supported by caselaw, *Belgium v Ghent Coal Terminal BV* [1998], the CJEU held that the company, Ghent Coal, retained the right to reclaim input tax as it had a genuine intention to use the inputs for taxable purposes. The intention did not change, where it was ultimately frustrated by circumstances beyond its control.

NEHL and NIC would need to submit a VAT de-registration application to HMRC and confirm that the VAT group does not have business assets on hand at deregistration on which the total VAT due would be in excess of £1,000.

The likely costs to de-register the NEHL/NIC VAT group would not exceed £1,000 plus VAT. There would be no on-going VAT compliance costs incurred.



## Retain NEHL as a dormant holding company

Under this option we assume that NIC is struck off, leaving NEHL as a dormant holding company for future projects.

### Corporation Tax implications

The key Corporation Tax issues include:

- When is a company dormant?
- Implications for Corporation Tax filing requirements
- Impact on management expenses carried forward

#### *When is a company dormant?*

For a company to be dormant for Corporation Tax purposes, generally it must receive no income and incur no expenditure. There are some exceptions to this, but these aren't relevant to this situation.

As discussed under the previous option, the company would have reserves and cash of c£150k following the striking off of NIC. We understand that the bank account of NEHL is not interest bearing therefore, if a decision was made to make the company dormant it would receive no income. It would need to incur no expenditure too, to be dormant.

#### *Implications for Corporation Tax filing requirements*

Where a company is dormant, it is possible to inform HMRC of the dormancy status so that there is no requirement to file an annual return for dormant period. This is a standard process. However, you must inform HMRC if the company becomes active again.

One advantage of a company becoming dormant therefore is the avoidance of professional fees for dealing with annual Corporation Tax compliance.

#### *Impact on management expenses carried forward*

Should NIC be struck off, and then NEHL becomes dormant, it may be difficult to argue that NEHL has a continuing investment business. As such there is a risk that the management expenses of £32k may be lost.

The company does hold some cash, which could be deemed to be an investment, however, if no costs are incurred in managing this investment e.g. staff time, then it would be difficult to argue that any investment activities are being performed.

### VAT Implications

As outlined above, NEHL would need to de-register from VAT where there is no longer a VAT group in place when NIC is dissolved.



NEHL would not be eligible to register for VAT in its own right, where it does not undertake taxable business activities. NEHL would not be entitled to reclaim any VAT incurred moving forward, which should not really be an issue in terms of ongoing costs once it is dormant.

Where NEHL is to be used in the future, it would potentially need to re-register for VAT as a member of a new VAT group with new subsidiaries, or alternatively it could register for VAT as an individual company where it makes taxable business supplies, for example, taxable management charges to its trading subsidiaries.

Where NEHL re-registers for VAT as a member of a VAT group in the future, this would duplicate the costs incurred to date in terms of obtaining the VAT group registration. Consideration should be given to HMRC's current processing times for VAT group applications. It took 9 months for HMRC to process the existing VAT group application, which does not lend itself well to progressing new projects in a reasonable time frame.



## Retain NEHL and NIC as a dormant trading group for future projects

Consideration could be given to retaining both NEHL and NIC as dormant companies, who are seeking potential new commercial opportunities and contracts.

### Corporation Tax implications

The implications are similar to the previous option:

- When is a company dormant? See previous section.
- Implications for Corporation Tax filing requirements See previous section.
- Impact on management expenses carried forward in NEHL. See previous section.
- Impact on trading losses carried forward within NIC (see below).

#### *Impact on trading losses carried forward within NIC*

If NIC were to become completely dormant it would be more difficult to argue that the trade is continuing for Corporation Tax purposes, therefore it would be very difficult to retain the losses.

To be able to continue to carry forward the losses the company would need to show that there is an ongoing trade that is not small or negligible (in comparison to the trade in the year ended 31 March 2022). This would be based on the facts.

In Appendix 1 we have set out some legal cases relating to breaks in trading activities as well as cases considering whether new trades have started to give a flavour of the issues considered. These include:

- Scale of the trade – if the trade shrinks greatly then HMRC are more likely to argue that it has ceased.
- Nature of the trade – if for example NIC were to win another contract for international health consultancy work it would be very much akin to the project already undertaken by the company (albeit it was then terminated). If in comparison the company were to win a contract for consultancy on recycling matters, this is less likely to be seen as being akin to the current activities.

### VAT implications

Where NEHL and NIC cease trading until such time as they can conclude new consultancy contracts with fee-paying clients, it should be possible for both companies to remain registered for VAT as members of the VAT group.

In principle, the VAT group should continue to be able to recover input VAT where it has an intention to make taxable supplies. In the absence of taxable supplies, the group could choose to submit nil VAT returns.

HMRC would expect the VAT group to start making taxable supplies within an appropriate period of time. Where nil or repayment VAT returns are submitted on an ongoing basis, it is likely that HMRC could make enquiries as to why the group remains registered for VAT. The group would





then need to explain the position and demonstrate that it has been actively seeking new consultancy opportunities and contracts.

The benefit of this approach is that the VAT group registration would be preserved and it would be immediately in place as and when new commercial opportunities are identified.

From a practical perspective, no additional costs would be incurred where the companies become dormant. VAT group returns would need to be submitted on either a nil or small repayment basis. The group may need to respond to HMRC enquiries in due course, where there is a significant break in trade.



## Appendix 1

### Commencement of trade

The date that a trade starts is not defined in legislation and so is looked at on a case-by-case basis. The courts have provided some general rules that a trade cannot commence until the trader:

- is able to provide the goods or services for the trade; and
- offers the goods or services to potential customers.

### Pre trading (included for completeness)

Revenue expenses incurred in the seven years before a trade commences are treated as incurred on the first day of trading, provided they would be tax deductible under normal principles (e.g. wholly and exclusively incurred). This means it is not possible to create a pre-trading loss, so there is no relief at all until the trade has started.

Capital expenditure incurred before a trade starts (there is no seven-year limit) that would qualify for capital allowances is also treated as incurred on the day trading starts.

### Trading losses

The rules around trading losses are complex. Also from 1 April 2017 there were some fundamental changes to losses rules. As the NIC losses arose post 1 April 2017 we have only discussed the “new” rules.

Some of the key points are:

- Ignoring group relief, losses arising from a trade within a company can be carried forward to the next accounting period for relief against total profits. However, the company must carry on the trade in the next accounting period and meet the following conditions in respect of the trade:
  - It did not become small or negligible in the loss-making period
  - is commercial in the loss-making period and in the period in which the loss is relieved
  - was not carried wholly outside the UK
  - was not one of farming or market gardening which has made losses for the previous five years or more
  - was not a trade of dealing with commodity futures, and
  - does not fall within the rules for creative sector tax relief
- From 1 April 2017, it is possible to group relieve brought forward trading losses. However, the companies must have been part of the same 75% group at the time the losses arose through to the time that the surrender/claim is made.



## Cessation of trade

As with the commencement of trade, the date of the cessation of trade is not defined in legislation.

Where a company ceases trade there is an end of accounting period for Corporation Tax purposes. Any trading losses cannot be carried forward.

Note: there are special rules around “terminal loss relief”, however, these won’t be relevant in this case because the NIC has never generated a profit.

## Break in trading activities

Case law has found that a period of trading activity may be followed by a period in which little or no activity takes place, which is then followed by further trading activity. In such circumstances:

- The new activity must be similar in scale and/or nature to the old one, otherwise it may represent the commencement of a new trade
- Where the new activity is similar in scale and nature HMRC may look at all the circumstances in which the break occurred, including the length of the break and the intentions of the business owners (as shown by their actions) at the time the earlier activity ceased

Relevant cases to the above:

**Kirk & Randall Ltd v Dunn (1924)** – in that case trading activity of a company declined and for a period of approximately five years no new business was obtained despite strenuous efforts to do so. It was accepted that this was largely due to the prevailing economic conditions. Eventually there was an upsurge in business and profits were made. It was held that there had been a continuation of the same trade throughout the period.

**Osbourne & Co (Sheffield) Ltd** - the company ceased active trading and realised all its assets on the compulsory purchase of its premises in 1939. The Revenue were informed that the company would be wound up. However, it remained merely dormant. Trading activities similar to its former trade were resumed from new premises, following a change of shareholding, in 1944. It was held (reversing the decision of the General Commissioners) that the company's 1944 trade was not a continuation of its old trade.

**JG Ingram v Callaghan** - A company (J), which manufactured and sold rubber surgical goods, traded at a loss for several years. A receiver was appointed, and in September 1961 its plant was sold and its factory closed. From then until June 1962, J sold similar goods made by an associated company. In June 1962, after a change in shareholding, J began making similar goods, but using plastic instead of rubber, and using plant and factory space obtained from its new parent company. Throughout this time, it sold the goods under its own brand name. J claimed loss relief on the basis that it had carried on a continuous trade. The Special Commissioners rejected the claim, holding that the old trade was permanently discontinued in September 1961, that a new trade was begun in June 1962, and that the intervening merchandising was a separate trade. The CA unanimously upheld their decision, holding that the fact that J sold surgical goods continuously did not necessarily mean that it had carried on a continuing trade. Lord Donovan held that there was 'an organic unity about a trade'.

**Seaman v Tucketts Ltd** – Until November 1958 the company had carried on the trade of the manufacture and sale of confectionary. It had two retail shops that were closed in September



1958. Manufacture ceased in November 1958 and factory was sold in April/May 1959, after stock had been sold off. However, the company continued to buy sugar and cellophane paper from two suppliers, which it resold to its parent company at a surcharge of 10%, the parent company had previously bought from those suppliers direct. From January 1961 the company supplied sweets to the parent company's canteen. Later it also sold sweets and biscuits on a wholesale terms to a connected party. It was held that the company had begun a new trade of selling sugar.

**Robroyston Brickworks Ltd v CIR** The taxpayer company owned the Robroyston Brickworks in Glasgow. For some years the company had been making losses. In August 1968 C Ltd, which carried on the same trade at the Herbertshire Brickworks nearby, acquired the taxpayer company to eliminate competition and to acquire the rights to set off losses against its future profits. C Ltd intended that the taxpayer company should begin making bricks at Herbertshire using the machines and employees of C Ltd. Accordingly the taxpayer company began to close down operations at Robroyston. In March 1968 it ceased to make bricks and paid off most of its employees. Between then and August 1968 it sold off its entire stock of bricks and its plant and machinery, paid off its creditors and dispensed with its remaining employees. As soon as the takeover was completed it began making bricks at Herbertshire. The Revenue rejected its claim to set off against its trading income the losses incurred in its trade in preceding accounting periods and the General Commissioners upheld the assessments. On appeal it was held that the trade continued throughout, essentially because the winding down of the business was for a relatively short time. It was simply in contemplation of a planned move to the new site. The company was, therefore, entitled to carry forward and set off its trading losses from previous years.

### More than one trade

Where a particular trading activity ceases, the question may arise as to whether the activity forms part of a larger trade or constitutes a separate trade in its own right. This, once again, is a question of fact.

Where only a part of a trade or business is discontinued, the cessation provisions do not apply in respect of that part which has been discontinued. The case is dealt with as if the whole of the business had continued and the assessment for the year in question is made on the normal current year basis.

Relevant cases to the above:

**Howden Boiler & Armaments Co Ltd v Stewart (1924)** – a firm of boiler makers secured a large contract for the making of armaments. In 1915, the business was transferred to a company with objects which included boiler-making and armament-making. The making of armaments was carried on in new premises erected for the purpose adjacent to, but having no intercommunication with, the original works. Each works had its own separate plant, workmen, technical and clerical staff, set of books and trading accounts, but both were under the same general direction and management. There was one profit and loss account and balance sheet, and bank interest and management expenses were charged without apportionment. In 1918 the manufacture of shells ceased, the staff engaged were dispersed, the shell-making plant was sold and the premises used for that purpose were let. The company contended that it had been carrying on two separate businesses and that the assessment should be based on its boiler-making profits only. The General Commissioners decided that the company had carried on one



business with two departments, and the court held that there was evidence to support the finding.

**H & G Kinemas Ltd (1933)** A company (H) sold two cinemas which it had operated in Hampshire, and opened a new cinema in London. The Special Commissioners upheld the Revenue's contention that H had began a new trade was set up when it opened the London cinema was opened. The KB upheld their decision as one of fact.

**Cannon Industries Ltd v Edwards (1965)** – A company (C) manufactured gas cookers, etc. for sale to companies in the same group. It began assembling electric food mixers for retail sale. The Special Commissioners upheld the Revenue's contention that the new activity was an extension of C's existing trade, and the Ch D upheld their decision.

### Transfer of trade and assets within a group

The succession to trade rules enable trades to be transferred under common 75% ownership with the ability to carry forward tax losses into the successor company and a tax-neutral transfer for capital allowances purposes. The transfer of a trade between group members is commonly also referred to as a 'hive down', 'hive up' or 'hive across', depending upon the group structure in question. Without rules to the contrary, the trade would be treated as permanently ceased in the transferor company, resulting in losses being lost and balancing adjustments in the capital allowances pools. The succession to trade rules only apply to transfers between companies and not to an individual or partnership comprised of individuals.

The succession to trade rules apply where one company owns at least 75% of another or both companies are under the 75% common ownership of the same person or persons; a person can, in this situation, either be a company or an individual. The rules are compulsory where the conditions are met and therefore a claim is not required. The trading losses transferred will be reflected in the tax computations for the transferor and transferee company (most leading tax software packages include a specific input field where the losses being transferred under the succession rules can be entered).

Where the conditions are met, the following apply:

- plant and machinery will automatically be transferred to the successor company at tax written-down value. Where the transfer takes place part-way through an accounting period, the allowances for that accounting period will be split between the two companies.
- trading losses are transferred to the successor company along with the trade subject to anti-avoidance rules. The predecessor company is unable to make a terminal loss claim which would ordinarily allow trading losses to be carried back three years.

The losses transferred to the successor company can be utilised as follows:

- against future total profits of the company provided the losses were post-1 April 2017 and were either incurred in the accounting period in which the predecessor ceased to carry on the trade or carried forward to that period and they have not been relieved against total profits or group relieved
- group relieved provided the losses were post-1 April 2017 and were either incurred in the accounting period in which the predecessor ceased to carry on the trade or carried forward to that period and they have not been relieved against total profits or previously group relieved



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## APPENDIX D

### Role Profile for NEHL Controlling Shareholder Representative

#### Key Purpose

To protect the interests of the Council as Controlling Shareholder Representative.

To act as a conduit between the Shareholder and the Company.

#### Expectations

1. To act with honesty and integrity in the delivery of their duties.
2. To actively communicate and collaborate with all required within the wider governance framework.
3. To build and maintain effective and transparent relationships with all parties.
4. To take personal accountability for own actions and decisions.
5. To take personal responsibility for own continuous improvement working collectively with other shareholder representatives where appropriate.
6. To actively work to promote and improve good working relationships between the Council and its companies.
7. To take appropriate action to avoid conflicts of interest arising especially in relation to the shareholder role and any client roles.

#### Duties

1. To ensure that the arms-length Company has the right level of timely support and challenge (at times supporting and at times challenging) as follows:
  - **support** to deliver agreed objectives (decisions, relationships, engagement, strategic steer, access to resources and so on)
  - **challenge** to minimise and/or mitigate risks to the Council and our shareholding
2. To balance the nature of challenge and support depending upon:
  - Company objectives
  - Specific context/timing – e.g. year end, business planning
  - Nature of relationship (wholly owned, part owned, influenced) and NCC reserved matters
  - Performance – financial and operational
  - Risks and opportunities
3. To attend and play an active role at board meetings of the Company whilst recognising the authority to make decisions lies with the board of the Company.

4. To manage and maintain effective relationships between the Shareholder and the Company, ensuring not to influence Directors or voting outcomes.
5. To gain an understanding of roles and responsibilities across the wider governance framework and the potential for conflicts of interest.
6. To appropriately feedback any concerns of the Shareholder to the Company and vice versa.
7. To feedback and pass information and communications between the Shareholder and the Company.
8. To report quarterly back to the Cabinet on the performance of the Company.
9. To review board decisions and actions ensuring Directors do not go beyond the remit of their powers and to provide Shareholder consent - or directions by way of written resolution - where required, in consultation with the Leader and / or the Portfolio Holder for Corporate Services.
10. To establish and maintain early warning systems to flag issues, risks and any issues of concern as quickly as possible.
11. The Controlling Shareholder Representative will be appointed by the Leader and will not be a Company Director.
12. To provide quarterly reports on the operational and financial performance of the company to Cabinet.

### **Knowledge, Skills and Experience**

- Ability to promote the interests of an organisation and engaging partners/customers in strategic vision and service delivery.
- A good understanding of performance management and developing performance management systems/approaches.
- Good financial and commercial understanding and awareness.
- Strong analytical skills and a creative approach to problem solving.
- Experience of developing and maintaining positive relationships with all relevant stakeholders.
- Experience of handling conflict and managing sensitive issues to achieve positive outcomes.
- Well-developed communication skills – oral and written.





## Northumberland County Council

CABINET

DATE: 17 NOVEMBER 2022

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**TITLE OF REPORT**      **ADULT SOCIAL CARE MARKET POSITION STATEMENT 2022**

**Report of**                      **Director of Adult Social Services**

**Cabinet Member:**              **Councillor Wendy Pattison, Adult Wellbeing**

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**Purpose of report**

To present the updated Adult Social Care Market Position Statement.

**Recommendations**

That Cabinet agree to publish the Market Position Statement.

**Link to Corporate Plan**

This report is relevant to the “Living”, “Enjoying” and “Connecting” priorities in the Corporate Plan.

**Key issues**

1. The Council has a statutory duty to manage the care market in their area for both the local authority commissioned and the private market.
2. The Market Position Statement helps local authorities to fulfil this duty.
3. The purpose of a Market Position Statement is to provide market intelligence to existing and potential providers. It contains information on current demand and supply, the key issues in the market and what business opportunities may be available.
4. The Market Position Statement was last published in 2019, prior to the Covid Pandemic, and therefore needs to be updated to reflect the current situation. The social care sector was significantly impacted by the pandemic and this is reflected in the updated document.
5. Key messages to the market are highlighted in the document and include:
  - a. There is currently no evidenced demand for any additional residential care home capacity for either older people or people with learning disabilities, autism and/or mental health conditions. This is being monitored due to the pressures on some health and social care services which makes it difficult to confidently predict future demand.
  - b. There has been an increase in the number of Homecare packages, which care providers are having difficulty in fulfilling due to workforce shortages.

- c. Adult Social Care will continue to focus on developing more housing schemes which can support people to remain as independent as possible, particularly older people, and reduce the number of people needing care home accommodation.
- d. The difficulty in recruiting and retaining social care staff is impacting the Council's ability to be able to support our older and vulnerable residents. Cabinet has received proposal on 11 October 2022 for additional measures to assist with some of these issues.
- e. Adult Social Care, in partnership with our care providers, want to explore the use of digital technologies that can play an active role in frontline care delivery.

## **Background**

1. The Care Act 2014 introduced a statutory duty for local authorities to promote the efficient and effective operation of a market in services for meeting care and support needs, aiming to ensure that anyone in its area, whether or not their support is funded by the local authority, has a choice of providers and of high-quality services. Authorities are required to consider current and likely future demand for services, the sustainability of the market and how to foster continuous improvement and innovation.
2. Statutory guidance issued under the Care Act 2014 says that, to fulfil this duty, local authorities should produce a "Market Position Statement", whose functions may include signalling to the market as a whole the likely need to extend or expand services, encouraging new entrants to the market in their area, or if appropriate, signalling likely decrease in needs.
3. The Market Position Statement includes information on the current demand and supply in the care market in Northumberland, it provides analysis on who was using care services and what care services they required. It also provides information on gaps in service provision and Adults Social Care direction of travel. There is some information on how the Council will work with the Integrated Care Board. The purpose is to support care provider in making business decisions about developing, expanding or retracting services and where their investment could be profitable, the opportunity to adapt their delivery model as, and if, required and help to shape their business plans.
4. A Market Position Statement should be updated regularly to reflect the current market in the area. The Market Position Statement was last updated in 2019, The onset of Covid and ensuing global pandemic brought significant pressure and uncertainty into the market, along with uncertainty on the long-term impact Covid will have on the sector. Data included in the statement reflects the impact on the market in Northumberland, brought about by lockdown restrictions and increased mortality, particularly among our elderly residents in care homes. Now is the right time to refresh the Market Position Statement, to incorporate current thinking on the future of the market and how the Council want to work in partnership with Care Providers to develop the market.
5. A report on the Care Homes Market published by Laing and Buisson in 2020/21 states that market demand for care homes has been declining in real terms for the last 2 decades, at a time when the population over 65 years has increased significantly. It is clear that Covid had a significant impact on the care home sector and this could be seen in a further 8% national decline in demand. The report predicts that this trend is expected to continue. The report also identifies that demand for Homecare and supported independent living for older people has significantly increased over the same

period, in correlation with the reduction in demand for care homes and the two together almost track the increase in ageing population, suggesting substitution in the market. It continues to be the view of officers in Adult Social Care that over time an increasing proportion of older people in need of high levels of care and support are likely to prefer alternative models of accommodation with care.

6. Recruitment and retention of social care staff has long been a challenge in the sector and this has been exacerbated by the pandemic which saw staff leaving social care to work in hospitality and retail industries once the reopened. The current cost of living crisis is fuelling a further exodus of staff, particularly Homecare staff, where the cost of fuel has made travel increasingly difficult. The Workforce section of the statement contained detailed information on the current workforce issues in Northumberland.
7. The use of technology increased significantly during the period of lockdowns, including the use of digital and virtual in social care. Developments in technology are fast paced and Adult Social Care want to explore and test the opportunities technology provides to alleviate some of the challenges in delivering services, particularly in maximising the workforce capacity. The pandemic and radical shift in ways of working, has also accelerated the need for alternative solutions to traditional processes.

### **Implications**

<b>Policy</b>	The Market Position Statement complies with guidance issued in conjunction with the Care Act 2014
<b>Finance and value for money</b>	Financial information on the expenditure on and budget available for commissioned services is included in the document.
<b>Legal</b>	The document supports the Council in it's statutory duty under the Care Act 2014
<b>Procurement</b>	All commissioned services included in the document follow appropriate procurement regulations.
<b>Health and Wellbeing</b>	None
<b>Human Resources</b>	None
<b>Property</b>	None
<b>Equalities</b> (Impact Assessment attached)	Equality impacts of specific proposals will be assessed as necessary during detailed planning.  N/A

<b>Risk Assessment</b>	None
<b>Crime &amp; Disorder</b>	None
<b>Customer Consideration</b>	The Market Position Statement reflects the needs of Adult Social Care service users and how those needs should be met.
<b>Carbon reduction</b>	None
<b>Wards</b>	All

**Background papers:**

Market Position Statement

**Report sign off.**

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

	initials
Monitoring Officer/Legal	SB
Executive Director of Finance & S151 Officer	JW
Relevant Executive Director	NB
Chief Executive	RO
Portfolio Holder(s)	WP

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# HEALTH AND WELLBEING OSC

## REPORT TO CABINET

17 November 2022

### ADULT SOCIAL CARE MARKET POSITION STATEMENT 2022

The report was presented to the Committee, at their meeting on 3 November 2022, by Alan Curry, Senior Manager – Commissioning,

Members welcomed the report and following a discussion about the key issues within the adult social care market including fees, availability of domiciliary care in rural areas and the future of the adult social care market, the Committee **AGREED** to advise the Cabinet they supported the recommendations as outlined in the report.

**VERONICA JONES**  
**CHAIR**

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Northumberland  
County Council

# Market Position Statement for care and support in Northumberland







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# Foreword

Welcome to our Market Position Statement for adult care and support services in Northumberland. I think it is fair to say that over the last two years we have worked through the most challenging period in Health and Social Care in our lifetime. Our staff and services have been tested to the limit but have continued to deliver high quality care and support to our most vulnerable residents and we can only thank them for their continued hard work and dedication.

This Market Position Statement sets out our vision for commissioning adult care services to support vulnerable adults in Northumberland moving forward. It highlights our priorities, gives a sense of direction for care and support in Northumberland, and highlights potential business opportunities during a time of uncertainty and significant change.

The Government published their adult social care reform White Paper "People at the Heart of Care", with the accompanying charging reforms. The White Paper sets out 3 key objectives:

1. People have choice, control and support to live independent lives.
2. People can access outstanding quality and tailored care and support.
3. People find adult social care fair and accessible.

These objectives further support the work that we have been doing in Northumberland for several years and we will continue to attempt to deliver and commission services that support our most vulnerable residents to have the best quality of life possible. This year saw the introduction of the Integrated Care Board (ICB), which covers a wider geographical area than Northumberland. This will see the introduction of Health and Care Partnerships, of which we will be a member, that will plan health, social care and public health in our area and bring potential changes to how services are commissioned.

At this point, we still do not have a clear understanding of what the long-term impact of the pandemic will be on the Social Care

sector, but we know that expectations are changing about what services users want from services and we have seen some very innovative solutions to the challenges posed by the restrictions. Recruitment and retention of social care staff has long been a challenge for the sector and this has been exacerbated by the pandemic and brought an urgency to seek alternative and innovative solutions to continuing to provide people with the care and support they need. We want to build on those innovative solutions working with the market to bring forward new ideas. We welcome the input of care providers and service users in developing new models of care and support and will provide opportunities for everyone to get involved.



*Neil Bradley*  
*Director of Adult Social Services*

# Executive Summary

The pandemic significantly impacted all areas of adult social care and the information in this Market Position Statement includes the period of restrictions which could reflect in the projections for future service requirements. We do not fully understand what the longer-term impact will be as yet but have used knowledge of our current market and historical data to provide information about the service requirements in Northumberland.

Along with the impact of the pandemic there are a number of other key challenges for Adult Social Services in Northumberland:

- An ageing population – nearly a third of our population will be over 65 years by 2031, with the greatest increase in those over 80 years old, expenditure on the 85+ age group was the highest and was predominantly on residential and nursing care, despite a reduction in the number of service users supported.
- The shortage of social care staff – this is a well-documented long-term challenge in the sector which has been exacerbated by the pandemic. All services have been affected by the staffing shortages in the sector, which has impacted our ability to meet the needs of our service users.
- There is a national shortfall in the number of qualified nurses and social care is competing with NHS services for a limited workforce pool.
- The rurality of the county – Northumberland is largely rural with 50% of the population living in 3% of the land area, which poses various challenges. Difficulty in physically reaching service users to deliver packages of care, added difficulties in recruiting staff to deliver care and support, increased social isolation and loneliness, impacting health and placing additional pressure on an already stretched system.

- Financial Constraints - Local government is operating in a period of significant financial uncertainty brought about by ongoing budget pressures, unfunded pressures arising from demographic and pay and price inflation. Adult Social Care expenditure on commissioned services in 2021/22 was nearly £131m and the agreed commissioned services budget for 2022/23 is £139m. The Council continue to face financial challenges with further budget savings required in 2022/23 and 2023/24.

To support us in meeting these challenges we have developed a new model for supporting adults with care and support needs, which involves the council working increasingly closely with GP Practices, mental health services and the voluntary and community sector as detailed in the Sense of Direction section'. We will continue to focus on prevention as a key priority to enable people to continue to live independently without external intervention or intrusion into their lives. The objectives set out in the White Paper, 'People at the heart of care' have long been objectives of the Council and we will continue to work towards achieving these national and local objectives.

## What we want from the market

All our services should support our residents to remain as independent as possible for as long as possible and we will work in partnership to achieve this. Our projected demand reflects the increasing ageing population and the increase in the number of young people with complex conditions. Our services must work with us to meet changing trends and increasing demand.

Our key messages in service areas are:

## Residential and Nursing Care

### Older Persons

At the time of writing it is difficult to give a clear steer on what the future demand will be for older persons residential and nursing care, and whether any additional provision is required either across the county or in specific locations. We would like to talk to any provider interested in developing new residential and nursing care to discuss demand and the Council's needs, as described in the Older Persons Section, demand for care home placements have declined in real terms over the last 5 years and it remains our view that an increasing number of older people are likely to prefer alternative models of accommodation with care.

Key market issues facing the older persons care home sector:

- The impact of the "cap" on the total lifetime costs
- Private fee payers have the right to pay the same fee as the local authority
- The impact of the fair cost of care calculation
- Increasing numbers of service users choosing to receive care in their own home

Opportunities for the older persons care home sector:

- There are opportunities to explore diversification and bring forward new accommodation-based care and support solutions as an alternative to residential care
- We are exploring new models of care and support for people living with Dementia that will enable them to continue to live independently
- We would like to explore specialist social housing that accommodates some nursing placements in appropriate locations
- We would like to talk to providers about the potential to adapt homes to support plus size service users

### Specialist

Our focus is to commission community-based services and we are continuing to reduce specialist residential placements.

Key market issues for the specialist care home sector:

- There is no demonstrated demand for additional specialist residential services in Northumberland
- There is a lack of specialist respite accommodation
- There is limited accommodation for people with combined mental health needs and alcohol/substance misuse conditions

Opportunities for the Specialist care home sector:

- We will continue to support providers to deregister their services where appropriate
- We are keen to talk to providers about flexible services to meet the needs of mild and complex needs
- We would like to talk to providers about offering services to people with complex medical conditions

### Homecare Services

There is an unmet need in Homecare which is the result of a lack of capacity in the market to meet demand combined with increasing referrals. Recruitment of staff and the rurality of the county, combined with the increase in fuel costs is having a significant impact on the ability of the market to meet the needs of our residents.

Key market issues:

- The fair cost of care exercise will potentially impact on fees for providers
- Recruitment of staff is a significant issue in this sector
- Accessing service users in the more rural areas of the county proves challenging
- Limited outreach options to support people with complex care pathways

Opportunities

- Regular opportunities for new providers to join the current contract
- We want to talk to providers about increasing the market across Northumberland with particular emphasis on the rural north and west of the county.

## Specialist Independent Supported Living Services for all client groups

Our policy continues to be to enable people with care and support needs to live in their own home, in the community with the appropriate amount of support. There is limited independent supported living for older people, which can limit choice and control over how and where people live and how they receive their care and support.

### Key Market Issues:

- There is a lack of provision for older people across the county
- Issues with recruitment has resulted in skills gaps, particularly for individuals with multiple, complex and challenging needs
- We believe the demand for these services is higher than data suggests but data is constrained by the lack of suitable accommodation
- Increasing costs of construction is impacting on the viability of new developments
- There are gaps in the market for supported accommodation for people with Autism and people living with Dementia
- Forensic services are limited in the county

### Opportunities:

- The Government announced additional funding for increasing the range of new supported housing and achieve greater adoption of technology in service delivery as part of the White Paper
- Providers will have the opportunity to join the Flexible Purchasing System becoming part of the framework.
- We want developers and providers to talk to us about proposals to ensure it is the right accommodation in the right place
- We will be focusing on bringing forward independent supported living for older people over the next 3 years

## Day Services

Most Day Services closed in March 2020 at the start of lockdown restrictions. While they were closed we took the opportunity to review our

Day Services to assess how services could be delivered to meet the needs of future service users. Our research found a changing trend in the market and services need to evolve and grow to meet future aspirations and expectations.

### Key Market Issues:

- Current services need to be modernised to meet the needs of future service users.
- Services need to be:
  - More flexible in time
  - More flexible in place
  - More responsive to individuals needs
  - More adaptable to variable and complex needs
  - More inclusive
  - Support wider social and community integration
- Challenges in providing services in the more rural areas of the county
- Challenges around recruitment and retention of staff has impacted on the level of services available
- There is an ageing workforce in Day Services

### Opportunities

- We want to work with the market to develop innovative, personalised services that are fit for the future.
- We will be piloting virtual services and there will be opportunities to work with us to develop digital solutions to some of the challenges.
- We want to talk to providers about meeting gaps in services for people with Autism.
- We want to talk to providers about improving social inclusion, enabling service users to develop and sustain a social life outside of services.

Utilisation of technology is limited in most services. Tech-enabled care is a growing market in the sector and there are opportunities to utilise technology to support independence and reduce some of the challenges of the lack of workforce. We are keen to talk to providers about the opportunities this presents.

# Introduction

This Market Position Statement has been developed over one of the most difficult periods in the history of Adult Social Care and the information contained within the document is representative of the challenges of the last 2 years. The Covid-19 pandemic has had a significant impact on all areas of adult social care with older persons residential homes experiencing a large number of resident deaths due to covid, significant restrictions to family, friends and professional visitors, high vacancy levels, day services closed and significant fluctuations in demand for home care. The data in the report includes the lockdown period from the start of the pandemic to the end of March 2021 and therefore may not be reflective of historical service demand and may skew projections for future demand.

While we continue to gather local market intelligence and look to regional and national market changes, we are not in a position to fully understand the long term impact the pandemic will have on sectors within the market. The commissioning intentions within this paper are based on our knowledge of the current market combined with historical trend data. We may need to revise our commissioning intentions as further information becomes available and our understanding of the medium to long term impact of the Covid pandemic becomes clearer.

## Our Market Position Statement for Northumberland:

- Gives information and analysis which describes our population and what commissioned services look like now;
- Flags the changes to care and support, that service users have told us they want, to enable them to increase independence, choice and control;
- Sets out how we plan to purchase services, to work with the market and how we will encourage good practice and high quality standards;

- Helps businesses understand the future environment for their work and decide how to develop their services in the future

## Who is the Market Position Statement for:

- Existing providers of care and specialist accommodation already operating in Northumberland can use it to help plan any changes which might be necessary and to understand how their services fit in with a larger picture;
- Other local businesses, including voluntary and community organisations, that can learn about future opportunities and enable them to build on their knowledge of local needs to develop new activities and services;
- Social care providers and organisations not currently active in Northumberland who can find opportunities to use the strengths and skills they have gained elsewhere to benefit local people and develop their business;
- People interested in local business development and social enterprise can read about new opportunities in the market and tell us what would help them to come into social care markets and offer innovative services;
- People with care and support needs (and carers) who purchase services either from their own resources or using a personal budget/direct payment may find this useful as an overview of what is available and the different models of provision;

## Definitions

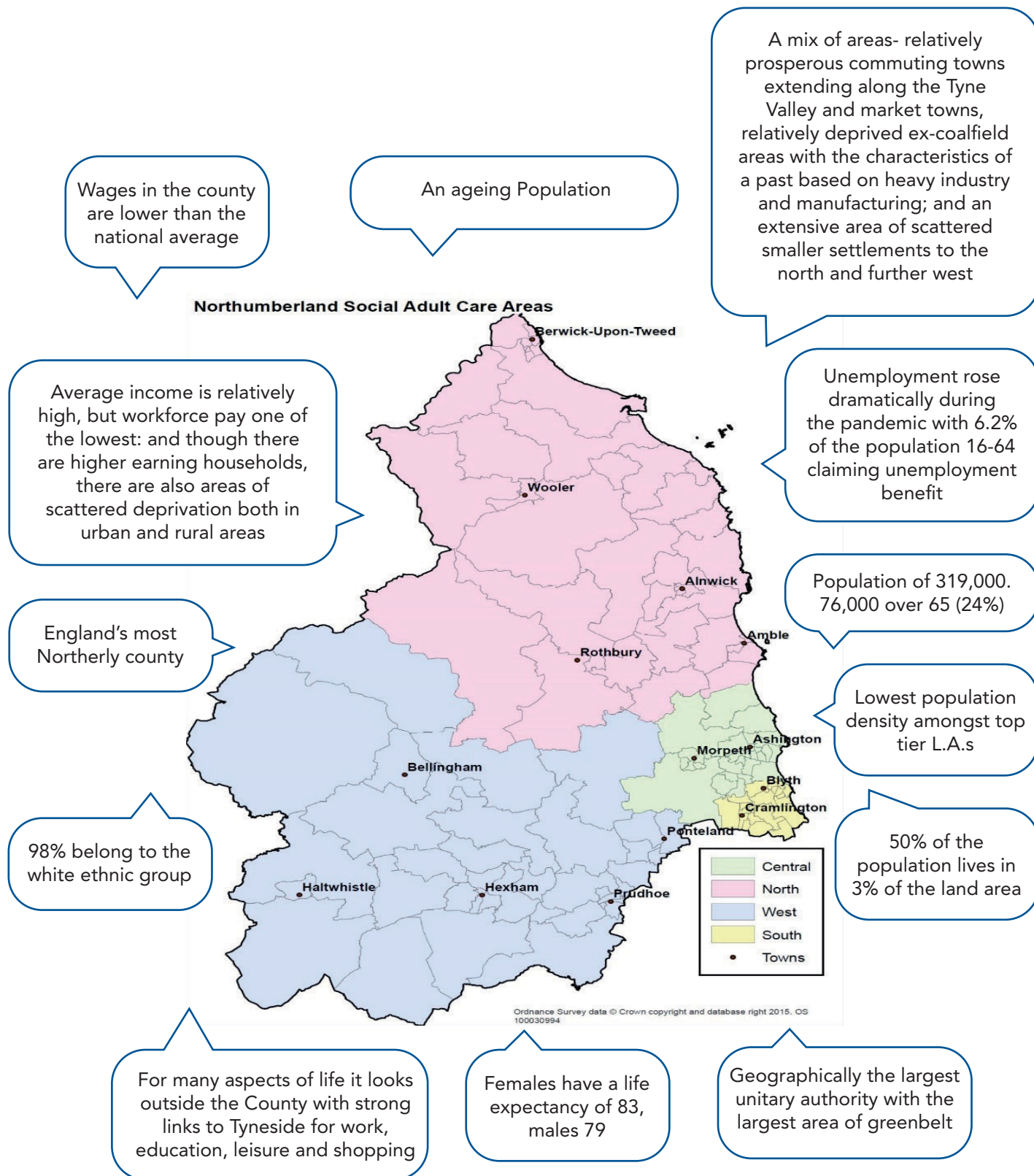
For the purpose of this Market Position Statement the services are defined as below:

- **Older Persons Care Homes** - Covers both residential and nursing care homes for people predominantly over the age of 65.
- **Specialist Care Homes** – Covers both residential and nursing homes predominantly for adults with Learning Disabilities and/or mental health conditions.
- **Homecare** - Care services provided to people in their own homes, usually in the form of visits at specified times throughout the day.
- **Specialised Supported Housing/ Independent Supported Living** - Accommodation that provides on-site care and support, sometimes 24-hour support, based on the needs of the individual. This includes shared houses, individual tenancies and extra care facilities.
- **Day Services** - Daytime activities including 'enabling support to enable people with care and support needs to make use of ordinary facilities in the community.
- **Non-regulated services** – services that may not be regulated by CQC that help people live more independently.



# About Northumberland

Northumberland has a highly distinctive character with a number of contrasts which makes it difficult to summarise.



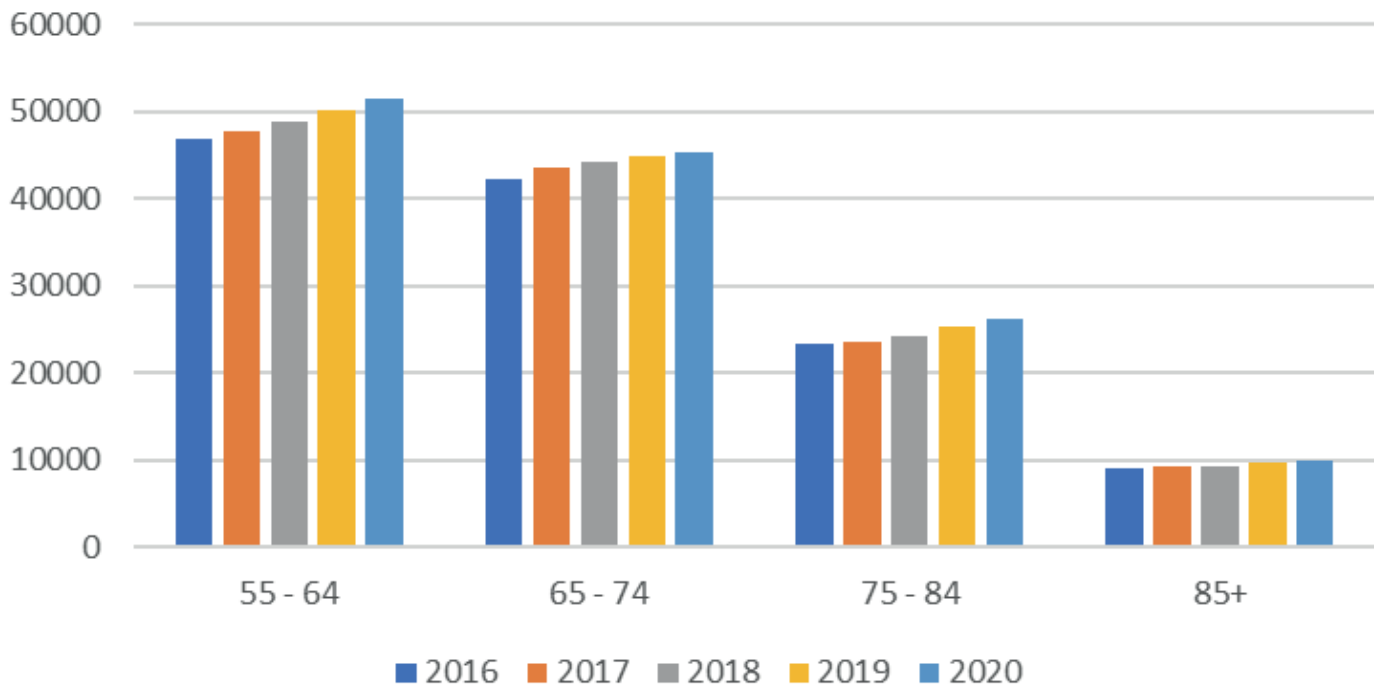


An ageing population is probably the county's most significant feature and the most challenging issue for health and social care and for public policy more generally.

The graph shows that most age groups 55+ are growing year by year in Northumberland.

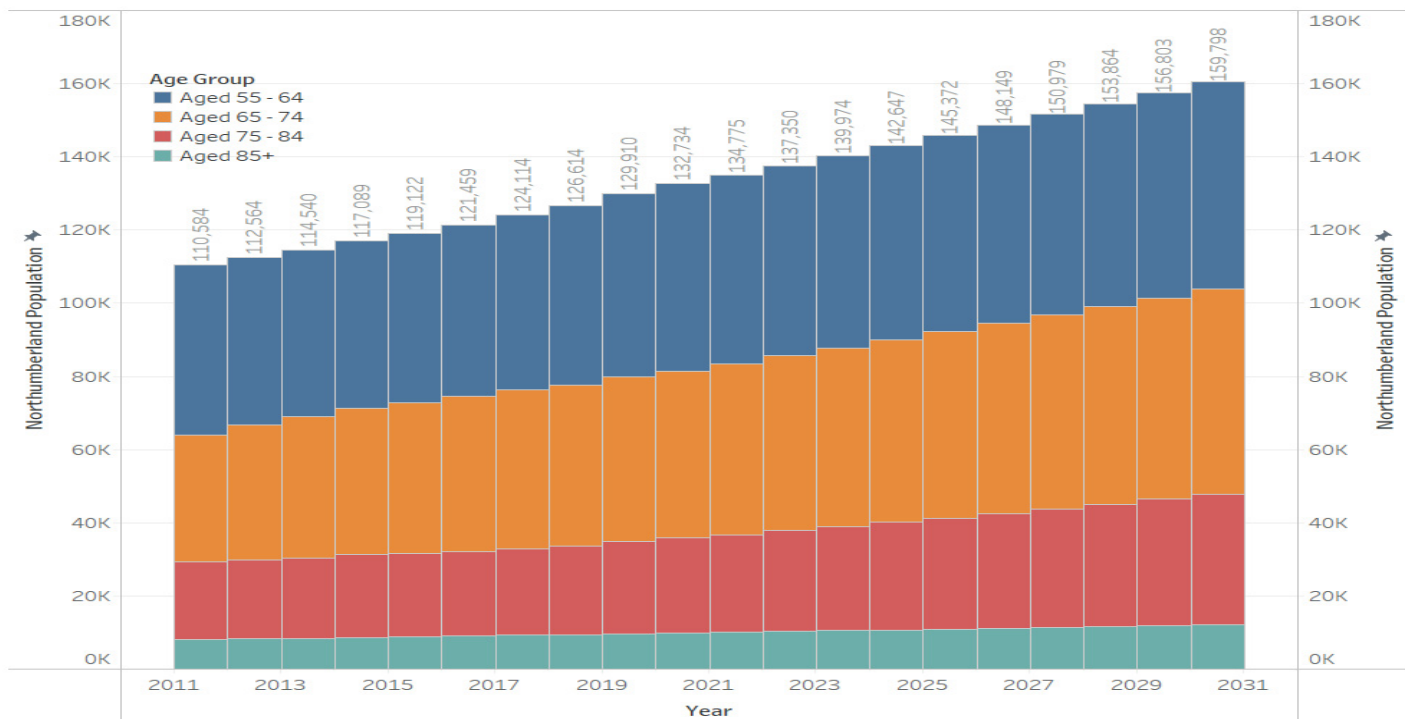
The most dynamic growth can be observed within the 75-84 and 55-64 age groups. Some of the increase displayed will be due to inward migration, particularly in areas that have proved popular retirement areas, such as the coastal towns and the rural west

## Population Growth Over 55 Years Old



The graph below shows the increase in the population over 55 years is projected to continue to increase<sup>1</sup>.

## Northumberland Population 55+ Projections



<sup>1</sup> Source: Based on a Mathematical forecast using historical data from NOMIS

## In a generation (by 2042):



The health and care needs of the population reflect some of the diversity of the county, the Joint Strategic Needs Assessment shows:

- Healthy life expectancy for Northumberland is high in comparison with the average for North East England and health services are rated highly, but some aspects of public health are worse than average
- Life expectancy is lower in the urban south east than in the rest of the county.
- Access to care and support can be limited in more remote rural communities
- The number of people with complex needs is rising due to advances in medical care including at birth, in childhood and following traumatic injury or illness
- It is increasingly difficult to characterise needs purely by age with many older people still in work or seeking work; many retired from work and playing an important role in looking after other family members and with others living with long term conditions or disabilities
- There is an increasing awareness of the importance of social interaction and that reducing isolation has a key influence on mental and physical health

# A Sense of Direction

The Government's Policy paper 'Integration and innovation: Working together to improve health and social care for all' emphasises integrating care and support around people rather than organisations. It stresses the need for different parts of the health and care system to work together to provide high quality services.

The focus is on place-based care, meaning joined up care between GP's, social care, community health services, hospitals and mental health services. In the spirit of the Policy paper the Council has developed a new model for supporting adults with long-term care and support needs. The model is a collaborative partnership with adult social care as one element in a wider integrated approach to supporting people with care and support needs in the community. This involves the Council working increasingly closely with GP practices, mental health services and the voluntary and community sector to provide bespoke support to Northumberland residents. The new approach provides potential opportunities for closer integration with other Council services, particularly the preventative community support being provided by Northumberland Communities Together.

The Government published its White Paper on the future of adult social care, which sets out three objectives:

1. People have choice, control and support to live independent lives.
2. People can access outstanding quality and tailored care and support.
3. People find adult social care fair and accessible.

A lot of what is outlined in the White Paper is further support for things that are already happening or identified as desirable in Northumberland. Some of the extra funding for adult social care announced in the Autumn Budget will be used to provide ring-fenced funding for:

- Supported housing options
- Digital tools and technology
- Home handyman services
- Support for carers
- Helping local authorities to "innovate"
- Information about the funding reforms and adult social care services
- Increased "support" for local authorities

At the time of drafting the Market Position Statement we do not have the detail on how this funding will be made available, whether it will be direct allocation to Local Authorities or a fund that bids can be made to, but we will share that information with the market when we have more details.

The Council currently have Disabled Facilities Grants (DFG), which are used to provide adaptations and facilities into private homes to enable people to continue to live independently in their current home. The White Paper indicates that the maximum mandatory DFG, currently £30,000, is to be increased and will now include technology in the eligibility criteria. There is no information as yet on the amount the maximum grant will be increased to, we will share this when more details become available.

The Council have a pipeline of supported housing developments that will increase the options available to all client groups. We want to build on this pipeline and work with the market to determine future needs and demand in the county. There are plans to pilot technology within both the new home developments and services to meet future needs and expectations. This provides an opportunity for providers in the County and we will work with the market to explore those opportunities.

Strategic commissioning of services is placing an increased emphasis on asset-based commissioning which combines community development with commissioning. The following are driving this change:

- Adult social care has to transform to meet the needs of future generations and address the challenges in the care sector. Co-production is one of the ways in which we can identify opportunities and work through the challenges. Co-production enables people who use services and communities to be fully involved in decisions that impact on their lives and to become co producers of outcomes
- A drive to make the most efficient use of resources
- Research evidence<sup>2</sup> of the cost effectiveness of combining personal, co-production and self- help to produce outcomes
- The continued evolution of commissioning

We are interested in talking to providers about how we contract with them and the level of interest that they have in community development. We particularly wish to talk to:

- Providers that promote personalisation
- Providers that create inclusive services that meet the needs of the individual service user
- Care providers that have experience of integration with health services
- Providers that meet the needs of private customers
- Providers that promote independence and can work to promote independence and reduce a persons need for care
- Providers that are keen to work in the community

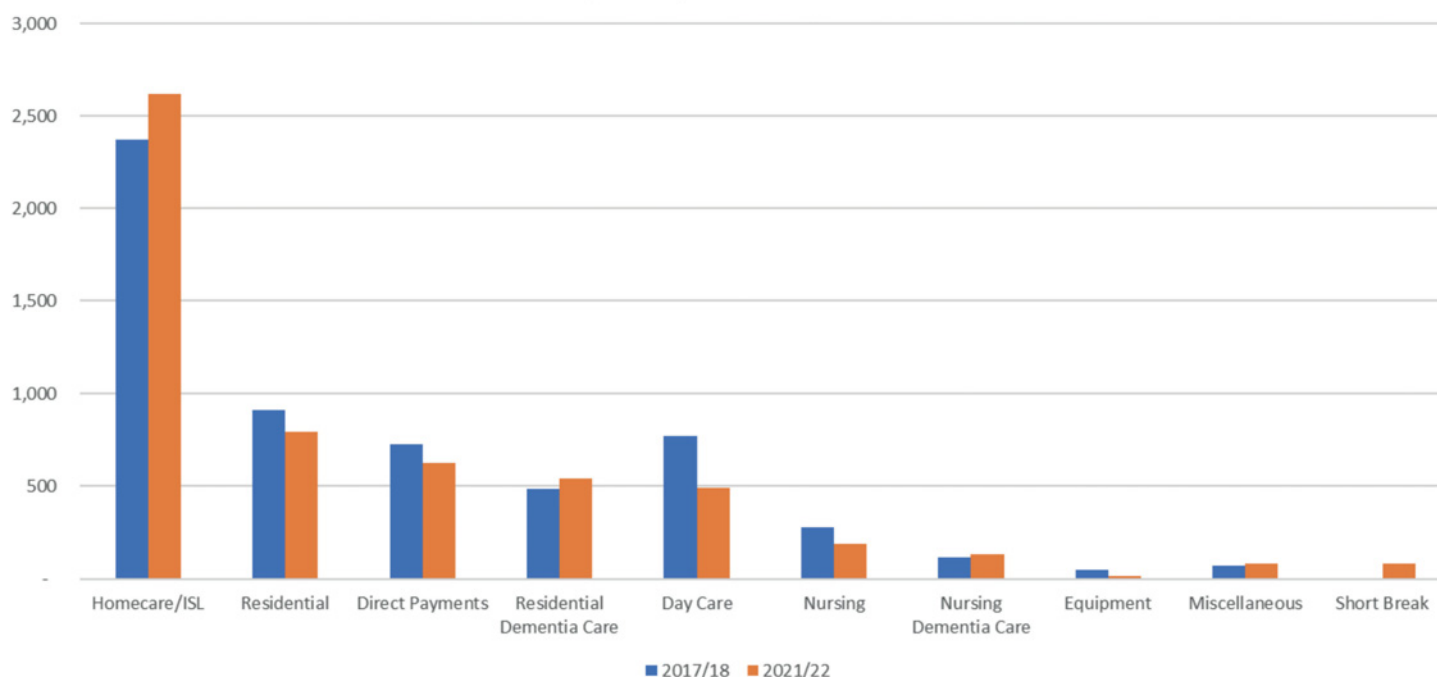
We will explore the use of digitisation and technology in delivering services, developing pilot projects to test and evaluate new models of care that incorporate technology that could be scaled up. We are interested in talking to providers that are seeking new ways of working that utilise current and developing technologies.



# Service Usage 2021/22

Nearly 5,000 Northumberland residents were receiving formal care and support for Adult Social Care, arranged through a council contract or direct payment, at 31 March 2022 in comparison to over 5,700 reported in the previous Market Position Statement. Service usage figures are slightly higher at just over 5,500 as people access more than one service. The number of residents accessing services is still slightly lower than reported in the previous Market Position Statement as highlighted by the chart below.

Service Usage Comparison 2017/18 to 2021/22



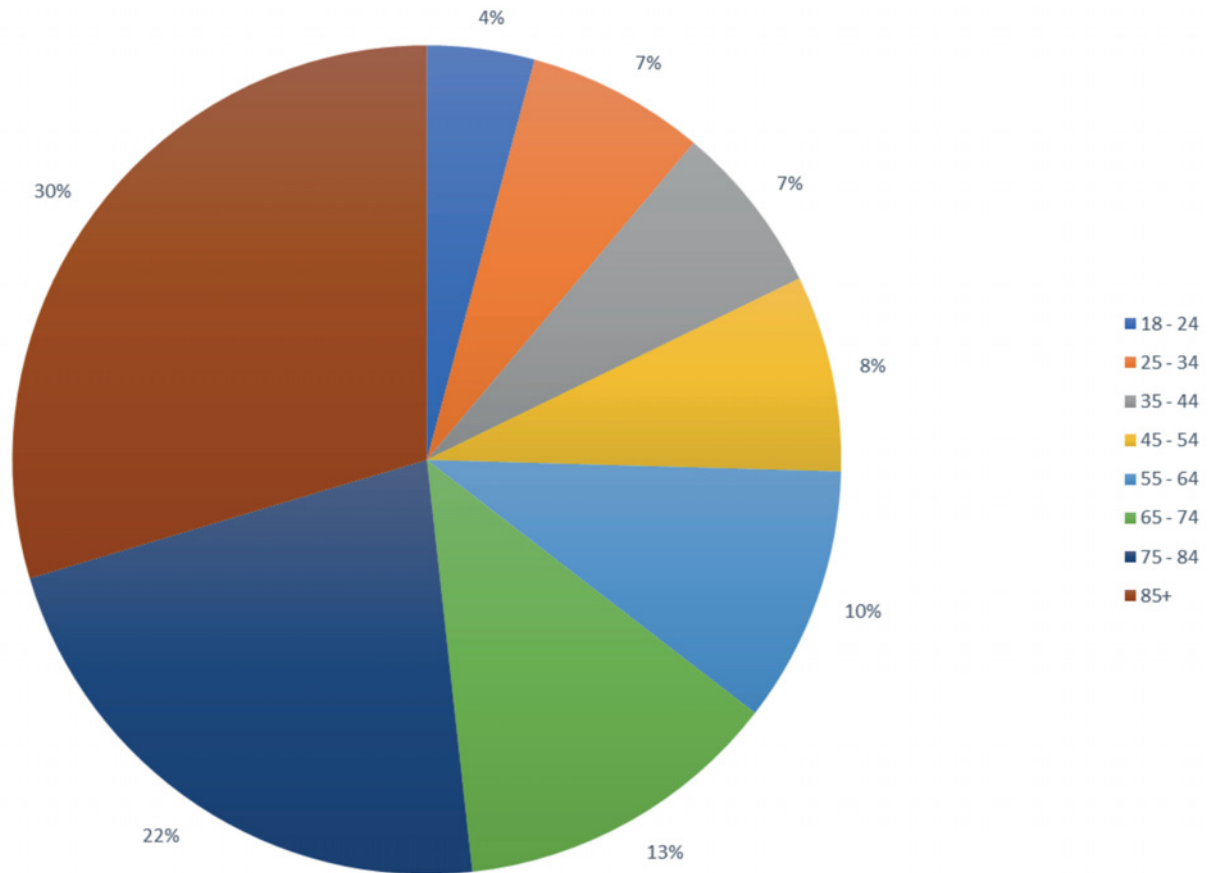
The reduction in number of service users was due to a range of factors:

- Day services have reopened following the easing of lockdown restrictions, however demand appears to have fallen and attendance rates are lower than before the pandemic. There are still reports of a reluctance to attend group sessions which has impacted on attendance figures.
- Occupancy rates in residential and nursing homes reduced significantly during the pandemic and while occupancy numbers have increased, vacancy levels are still higher than pre-pandemic levels

The chart also highlights Homecare was the highest demand service, as we continue to prioritise increasing the number of residents supported in their own home environments.

The chart below highlights the percentage of service users accessing care services increases as the age category increases, with the highest percentage of service users being 85+, not surprising given the age demographic of the county<sup>3</sup>.

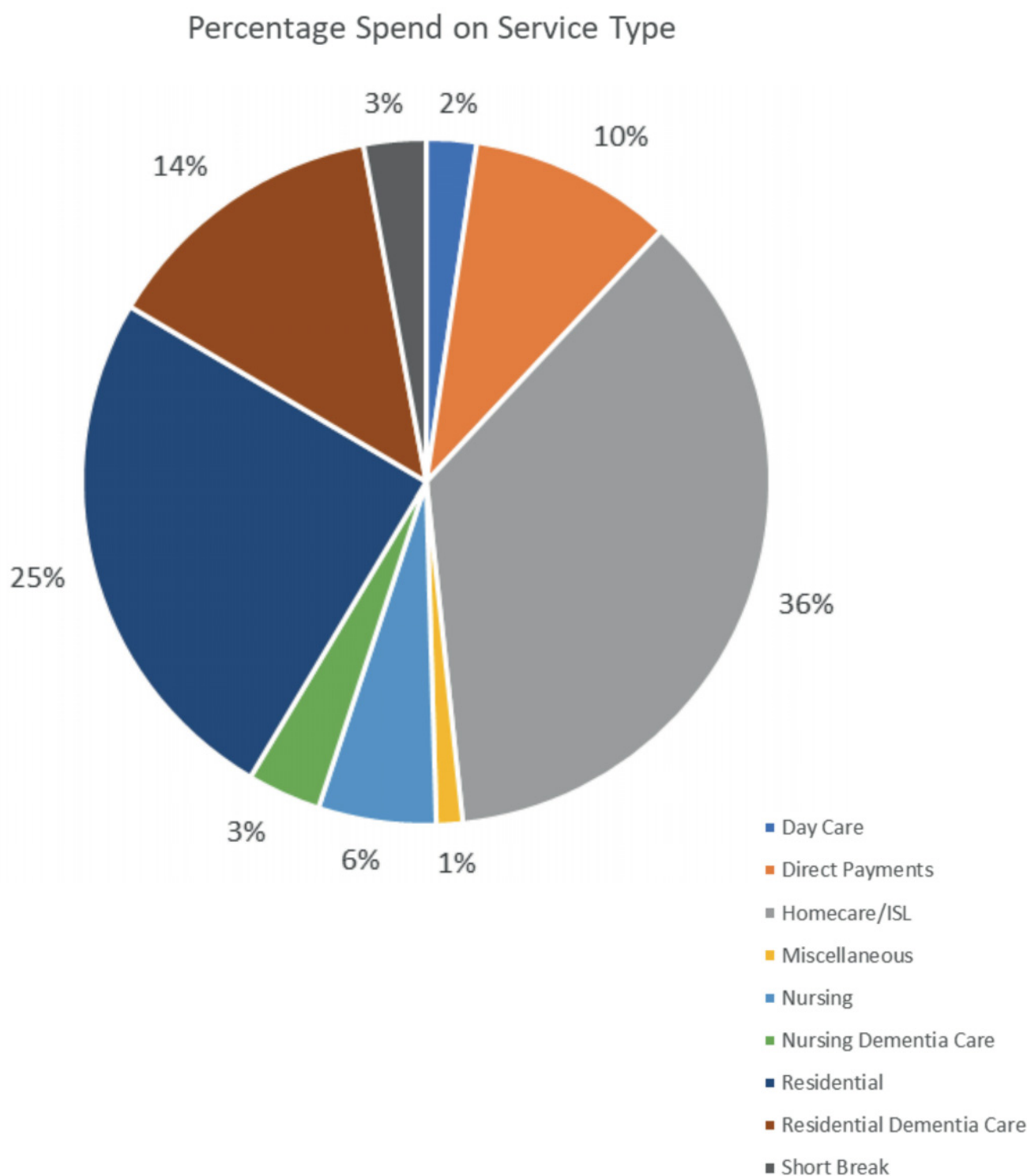
**Age Split of Service Users 2021/22**



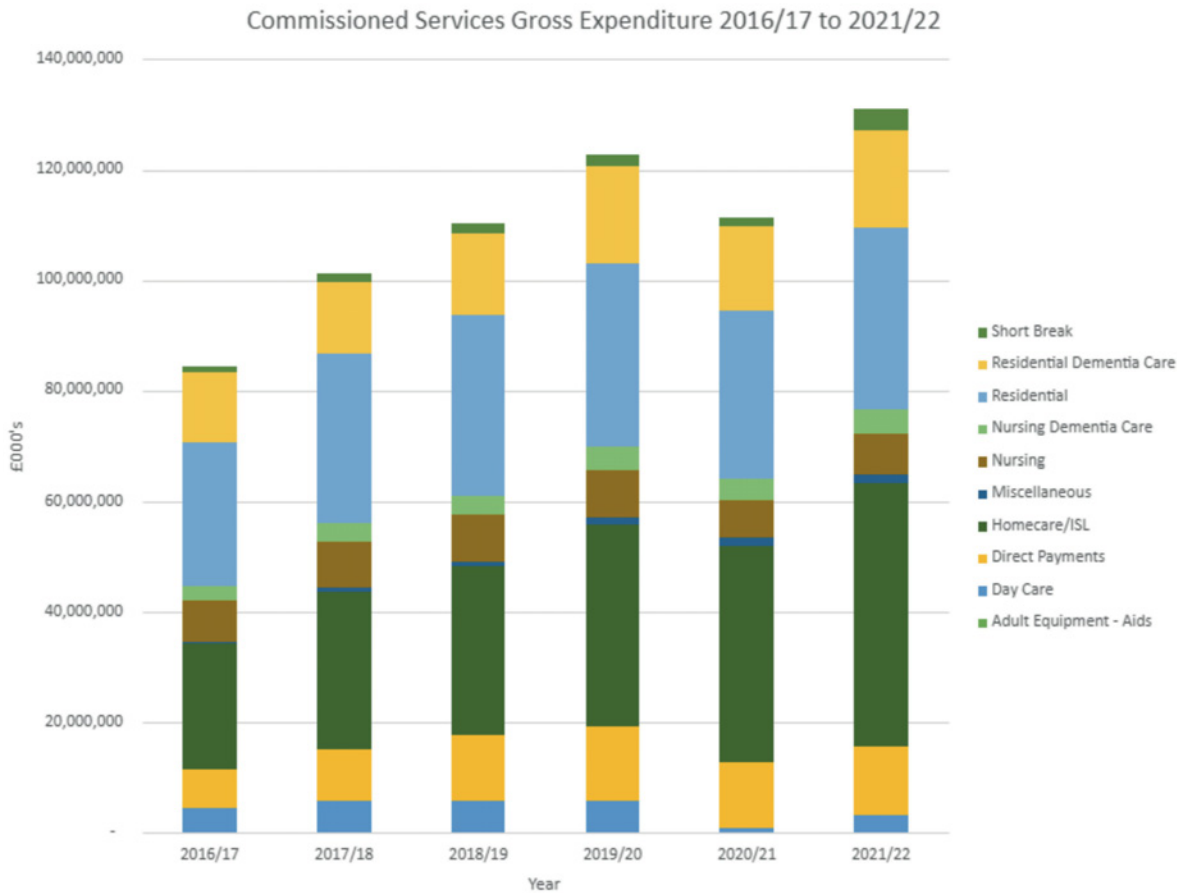
We continue to monitor the impact Covid has had on the social care market in Northumberland and will update the market as we learn more about the long term impact.

# Finance & Funding

Our total gross spend on Adult Social Care commissioned services in 2021/2022 was £131m and the chart below shows expenditure by type of care provision. As the chart highlights nearly 50% of expenditure was on residential and nursing care provision, this was supporting 1,660 service users. Whereas 36% of the budget was spent on Homecare/ISL provision, supporting 2,621 service users within their own homes.



With the exception of 2020/21, which was a result of the impact of Covid, Homecare has seen a year-on-year increase in spend, as shown in the chart below, this correlates with a year on year increase in demand for the service as detailed in the Homecare Section.



The 2022/23 gross budget for commissioned services is £139m and we anticipate the percentage spend on Homecare/ISL to continue to increase. We continue to face financial challenges in delivering services to our most vulnerable residents and it is essential that we maximise the use of the funding available to us. We continue to explore opportunities to make every pound count through innovation in service delivery and efficient commissioning of services.

The agreed gross Adult Social Care budget overall for 2022/23 is £215m of which £36m relates to the commissioning of CHC and FNC services on behalf of the ICS. This total includes allocations of Better Care Fund grant funding that are expected at this point to continue.

At the time of drafting this MPS, there is significant uncertainties around adult social care funding going forward due to potential changes from proposed care act reform and uncertainty as to how they will be funded. There are also unprecedented pressures on the local authority from the current energy cost and inflationary issues in the economy as a whole. The financial position going forward is very difficult to predict as national government and local government wrestles with a number of these issues.





# The Social Care Workforce in Northumberland

Recruitment and retention of social care staff is one of the greatest challenges in the sector. There were issues nationally and locally prior to the pandemic, particularly in some of Northumberland's more rural areas, the pandemic has significantly exacerbated an already difficult situation.

The social care workforce Skills for Care report 'The state of the adult social care sector and workforce in England' was published in October 2021 and estimates there are 9,500 full time equivalent jobs in adult social care in Northumberland, 85% of which are in the independent sector, with 5% in the local authority and 10% directly employed. The report identifies that it is an ageing workforce, with those over 55 representing 35%, who may retire within the next 10 years, creating an urgency to attract younger people into the sector. The turnover rate of staff is estimated at 32.2% meaning approximately 2600 leavers per year. The vacancy rate was 7.1% with 600 vacancies at any one time and 76% of new starters were recruited from within the sector, meaning the sector retains their skills and experience, but there are limited new entrants into the workforce.

The reopening of the economy after the long period of lockdowns and restrictions has impacted on the workforce, with staff leaving the sector to work in less demanding sectors. At the start of April 2021, the number of care workers reported by the home care services based in Northumberland which accept referrals from the Council was 1553. By 1 October 2021, the reported number had fallen to 1393, most of the reduction occurred in July when most restrictions ended. Care providers in the areas of the county most visited by tourists were particularly hard hit, as workers recruited from hospitality backgrounds during the peak periods of the pandemic were now returning in substantial numbers to their previous occupations.

All services within the sector are facing the same challenges in recruiting and retaining staff. Temporary staff agencies are unable to provide staff in sufficient numbers to cover staff shortages and emergencies. People who employ their own care workers through direct payment are also experiencing difficulties in recruiting staff.

There is a national shortfall in the number of qualified nurses and which could be exacerbated as the NHS expands services as part of the programme to catch up with the backlog created by the pandemic. A joint approach with health and social care, including the Integrated Care Board, is required to resolve the shortage of nursing staff and ensure services are adequately resourced to continue to care for people in the community.

The falling numbers of staff has meant a corresponding drop in the availability of care, it is becoming increasingly difficult to arrange care packages and placements. In April 2021 7.4% of Homecare referrals could not immediately be met by a care provider; in September 2021 the proportion was almost 32%.

Government has responded to the staffing crisis with several initiatives such as Kickstart, and short-term funding via grants to local authorities to help recruitment pressures in their local area. The national recruitment campaign was launched in 2019 and was revamped in November 2021 with a 'Made in Care' series of social media videos and advertisements across a variety of social media platforms. Each local authority and collectively local authorities across the region help raise awareness of the campaign with all providers seeking to drive recruitment into the sector to support not only the current recruitment need but also the predicted increase in demand for services.

As well as national initiatives to help with recruitment and retention Northumberland County Council have also introduced local measures to support providers. Specific recruitment forums have been run to give providers an opportunity to voice concerns and get up to date information regarding workshops and training on offer. Value based recruitment training has been offered to enable providers to rethink their approach to recruitment with the aim of attracting carers to the sector who have the right values and attitudes to care for our most vulnerable people. The authority will continue to work with providers to highlight the most cost-effective measures which data supports as providing the best numbers of

carers to enter our industry, new carers with the right values and beliefs to enable providers not only to recruit workers but to have a highly skilled workforce with staff with the right mindset.

We are keen to work with the market to develop additional incentives to attract people to work in the sector and welcome approaches from Care Providers with new and innovative ideas. We will continue to explore alternative methods of providing care and support outside of the traditional care market, including personal budgets and technology based solutions.



# Older Persons Care Homes

## Supply and Demand

There are 70 older persons care homes in Northumberland, 31 of which are registered to provide nursing care and 39 registered as residential only. 64 of the homes are registered with Care Quality Commission to provide specialist care for people with dementia.

The latest Care Homes Market report published by Laing and Buisson states that market demand for care homes has been declining for the last 2 decades despite a significant increase in the over 65 years population. It is clear that Covid had a significant impact on the care home sector and this could be seen in a further 8% national decline in demand however, it is unclear what the position will be moving forward post covid, but this trend is expected to continue.

The report identifies that Supported Homecare and Independent Living for older people has significantly increased over the same period, in correlation with the reduction in demand for care homes and the two together almost track the increase in ageing population, suggesting substitution in the market. It continues to be our view that over time an increasing proportion of older people in need of high levels of care and support are likely to prefer alternative models of accommodation with care, such as extra care housing and another longer-term consequence of the pandemic may be to accelerate that trend.

Two older persons care homes have deregistered from providing nursing care since 2021. One provider told us that the difficulties in recruiting nurses to the location of the home was the main reason for this, and the second home told us that there were too few referrals of people requiring nursing care to justify the home continuing employing a nurse and delivering nursing care. The Council is aware that there are fewer nursing residents in older persons care homes than there was prior to the start of the pandemic and Northumberland CCG has operated a scheme to provide some financial assistance to those nursing homes that have seen the biggest reduction in nursing residents

whilst we continue to assess whether this is a temporary or permanent reduction.

If the council considered that there were areas of the County where there were too few nursing places available under its contract it would consider working with the Integrated Care Board to commission additional capacity.

## The Quality of our Current Market

The council is committed to working with the market to support improvement and ensure good quality services for the residents of Northumberland. The approach to quality focuses on 2 main areas:

- A financial incentive – The fee paid by the council is linked to the CQC quality rating with higher fees paid to providers rated “Good” or “Outstanding”.
- A change in quality monitoring - Officers focus on supporting providers to improve their CQC rating as opposed to the previous system of establishing a quality benchmark on which to base fee levels.

We support commissioned services with service improvement plans and actions, prioritising those homes where it can be identified that there is a risk to maintaining quality in the services (for example where there has been a change of manager). The programme aims to support homes in achieving and maintaining a “good” or “outstanding” CQC rating.

We work closely with CQC to identify potential concerns as early as possible and have facilitated programmes to share good practice from “Outstanding” rated homes. We introduced an Excellence Course to develop the skills and knowledge of care service managers to increase their resilience and help bring through the next generation of high-quality managers.

## Key Market Issues

- The Department for Health and Social Care announced last autumn a plan to make major changes to adult social care funding, including the introduction of a “cap” on the total lifetime costs anyone will have to pay for personal care after the implementation date, which is scheduled for October 2023. One major impact for care home providers will be that a significantly higher proportion of all residents in care homes for older people are expected to be funded under a local authority contract.
- The Government has recognised that under the current funding arrangements many care homes accommodate a mix of publicly funded residents and private payers, and further work is required to understand the impact of the relationship between private fees and local authority fees as a result of the cost cap. It will remain possible for care homes to charge a “top up” where the top up is paying for an enhanced offer, additional to the standard service, but any older person who needs care home accommodation will have the right to ask the local authority to make arrangements for them in a home which does not require a top up, regardless of their means.
- Nobody can predict for certain how these changes will affect the finances of care home providers, but the Government’s view is that in many local areas (though not necessarily all) there may need to be an increase in fees, to ensure that the changes do not destabilise the care home sector and make it impossible for people to get the care they need. The Government expects all local authorities to carry out an exercise designed to establish a “fair cost” for care homes for older people, based on a survey of the costs of all relevant care homes. This survey was carried out in Northumberland between June and August, using a nationally-recommended survey tool. The results of the survey will be submitted to Government by 14 October 2022. The charging reforms may change the method of fee setting in the future and we will keep the market updated on how and when these changes will occur.
- There appears to be no demonstrated demand for any additional care home capacity in Northumberland currently, although social care demand and the market is not predictable at present and this situation may change. Pre Covid demand was being met within the current capacity and vacancy levels were around 8% which was a healthy vacancy level for the market. It is unclear whether the market will return to pre pandemic levels. We will continue to monitor any changes in demand and update our position as and when appropriate, however we would welcome discussions with any provider who is considering entering the market for older persons care homes in Northumberland.
- Pre pandemic data<sup>4</sup> indicated that more people are choosing to receive care in their own home rather than the traditional institutional model of care and we expect this trend to continue post pandemic.
- Arranging appropriate local care home accommodation for people with dementia and challenging behaviour can prove challenging, with some Northumberland residents having to be placed outside of the county to have their needs met. A small number of additional nursing beds would be beneficial, and we are planning to commission a specialist dementia unit from existing accommodation.

## Opportunities

- Our aim is to ensure that much of the new accommodation with support for older people developed in Northumberland over the next decade will not be on a traditional care home model but will fall somewhere on the spectrum between sheltered housing and extra care schemes, and we are working with developers to bring forward new accommodation-based solutions.
- We are uncertain whether there will be a need to increase care home capacity, but we do currently foresee care homes continuing to have a crucial role for the most vulnerable older people, particularly people with dementia whose families can no longer support them to live at home.
- We are, however, exploring new models of care and support which will support people living with Dementia to continue to live independently and would like to talk to providers who are interested in exploring these models with us.
- There is no certainty over the long-term impact Covid will have on the care home sector and while we will continue to monitor market forces and trends and update our commissioning intentions accordingly, we are keen to talk to providers about future proofing models of care through potential diversification. We are interested in specialist social housing with some schemes accommodating a proportion of nursing placements in appropriate locations and are keen to talk to developers and providers about how this can be achieved.
- There has been an increase in the number of bariatric service users requiring residential and nursing care with limited provision. We invite providers to talk to us about the potential to make adaptations to their homes and increase the provision for plus size service users in all areas of the county.

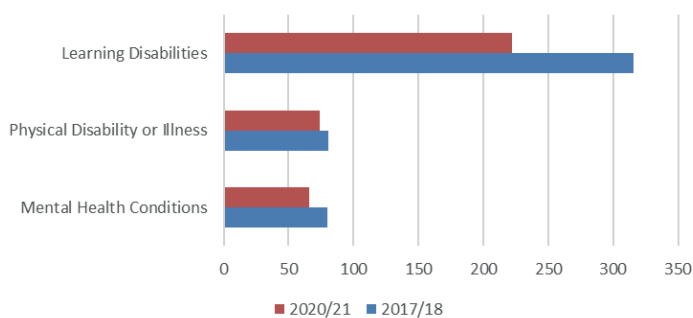
# Specialist Residential Care Home Services

## Supply and Demand

Our focus is to commission services that promote independence and support people with learning and/or physical disabilities, and mental health conditions to live in their own home. Where it has been appropriate for the residents, we have worked with residential care homes to redesign services to an Independent Supported Living model, enabling service users to develop and build on independent living skills, introducing greater levels of personalisation and choice into their lives.

The chart shows a reduction in specialist residential placements since 2017/18, some of which is due to Covid and deregistering to Independent Supported Living models, but predominantly due to increased provision of Supported Accommodation.

Specialist Care Home Usage Comparison 2017/18 to 2020/21



While our focus will continue to be on community living, we recognise that residential care services are the most appropriate living environment for some of our service users. We are interested in talking to providers about remodelling services and the environment they operate in to meet future needs.

There are 28 specialist care homes in Northumberland providing over 300 places for people with learning disabilities, mental health needs, acquired brain injuries and other neurological conditions, predominantly residential rather than nursing placements.

We require service providers to promote independence wherever possible within the services and to work with service users and families to ensure support is personalised.

## The Quality of our Current Market

We use the same joint approach to quality assurance for specialist residential services as we do with older persons, which has also shown demonstrable results. In the period January 2019 to January 2021:

- 2 homes went from Good to Outstanding
- 5 homes went from Requires Improvement to Good

Providers have worked hard to maintain and improve quality standards in their services and we continue to support them in delivering a high quality service. Unfortunately 2 of the homes went from Good to Requires Improvement. We are working with the providers to support them to regain a Good CQC Quality Rating.

## Key Market Issues

- There is no demonstrated demand for any additional specialist residential services in Northumberland. We will continue to support people into supported living accommodation.
- There is a lack of specialist respite beds, for example for people with a learning disability, mental health need or physical condition.
- There is a limited number of placements in Northumberland for people with dual diagnosis of mental health needs and alcohol and/or substance misuse conditions.

## Opportunities

We will work with residential care providers to ensure that people are as independent as possible and consider plans to enable the person to move on where appropriate.

We will continue support de-registration of residential care services where appropriate.

Services that are adaptable and able to offer a range of support for people with mild and complex needs would be beneficial and we are keen to talk to providers about how this can be achieved.

There are sometimes limited options to support people with particular needs including complex medical conditions, brain injury and nursing care needs. We are interested in talking to providers about services they can offer in these circumstances.





# Homecare Services

## Supply and Demand

At April 2022 there were 2,065<sup>5</sup> people receiving homecare in Northumberland through the Council’s contract arrangements. The current contract began in April 2019 with an expectation that it would remain in place for ten years and it gives new providers an opportunity to join at any point.

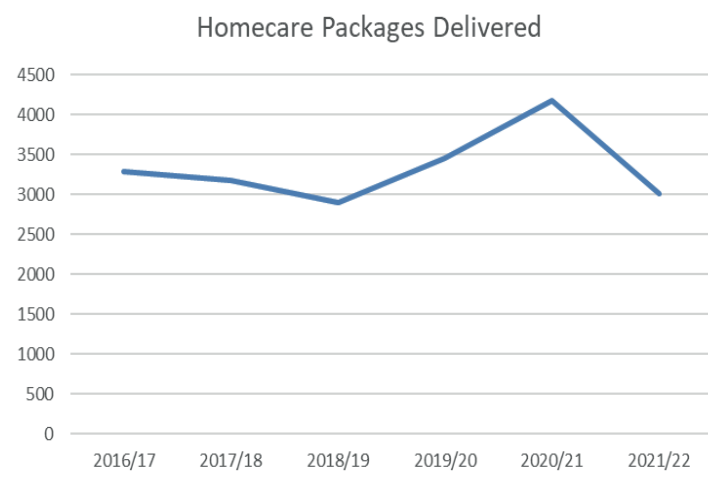
Current demand outstrips supply, however, this does not appear to be the result of a significant increase in demand for services that providers have been unable to meet, but due to issues in recruiting social care staff to deliver the care. The table below shows the number of hours of homecare delivered as at 1 April for the last 4 years from the councils own swift data.

	Number of homecare hours delivered per week
1 April 2019	28,775
1 April 2020	28,937
1 April 2021	33,194
1 April 2022/30 March	29,061

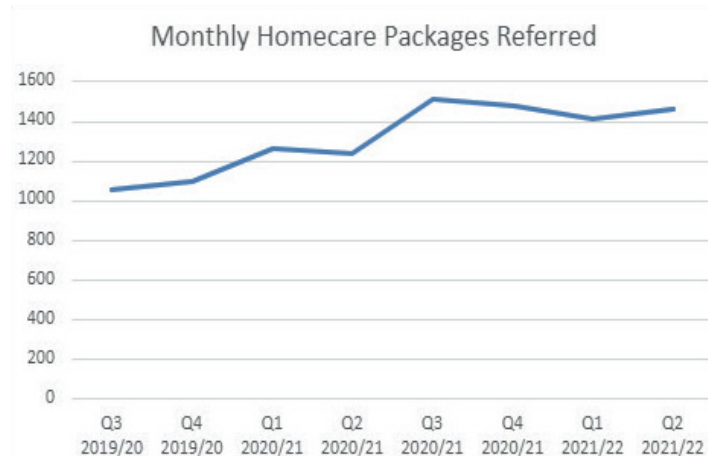
This shows a decline in the number of hours of homecare being delivered in the 12 months from April 2021 when providers were delivering 4,000 more hours than they are currently able to. As at April 2022 there were almost 2,500 hours of care required for the service users for whom the council is unable to source care and which is a result of a shortage of staff rather than an increase in demand. In April 2021, whilst delivering 4,000 more hours than they are currently, there were only twenty-four packages on the list of outstanding packages which indicates a steep decline in the capacity the provider market is able to supply.

Prior to the pandemic records show demand was increasing and, with the exception of the very rural west and north, supply was able to meet

demand. Supply in the very rural west and north has been historically limited, however, the impact of the pandemic has seen demand outstrip supply across the county. The graph shows the increase in the number of homecare packages delivered over a 5 year period. The dips in the graph are due to lack of supply rather than demand.



The number of monthly homecare referrals has risen significantly since the start of this contract, as the graph illustrates. The pandemic has brought about a large increase in the number of homecare referrals, which continue to be over 33% higher than when the contract started.



Northumberland is divided into 10 geographical areas for the delivery of Homecare:

- Berwick and the surrounding areas
- Alnwick, Morpeth and the areas in between
- The coastal strip from High Newton by the Sea Widdrington Station, across to Fenrother
- Ashington, Creswell, Ellington and Newbiggin

- Bedlington,
- Guidepost, Stakeford and Cambois
- Blyth
- Cramlington, Seaton Delaval and Seaton Sluice
- Ponteland
- Hexham and the rural west, including Allendale, Kielder and Haltwhistle
- Prudhoe down to the Northumberland/Durham border

There are 49 homecare providers currently operating in Northumberland on the homecare contract, 6 Tier 1 Providers and 43 Tier 2 & 3 Provider. Each geographical area has 1 Tier 1 provider and a number of Tier 2 & 3 providers:

- Tier 1 - the first point of contact for each new referral in their area. We expect a Tier 1 provider to take all reasonable steps to ensure they are able to deliver a new service when asked.
- Tier 2 – If in the event a tier 1 provider is unable to pick up a new referral, the Tier 2 provider would be the next point of contact.
- Tier 3 – If a referral is still outstanding the Tier 3 providers would have the opportunity to deliver the service

We expect the flexible purchasing system will make it easier for good-quality smaller providers to grow their business in areas where the tier 1 provider is not able to meet demand, and potentially become future bidders for a tier 1 provider role. A further 24 providers have joined the contract since implementation.

## The Quality of our Current Market

Homecare is a regulated service and all providers must be registered with the CQC and in the past year, and during the pandemic, the homecare CQC ratings have improved

Of the 49 providers on the homecare contract 2 are rated Outstanding, 32 are rated Good. One of our providers is rated Requires Improvement and we are supporting that provider with direct input, training and good practice to help them improve their rating. There are 7 providers who have recently registered with CQC and await their first inspection visit. All providers that were

inspected prior to January 2019 have been subject to a data review in December 2021 and CQC have found no evidence to suggest there should be a change in their current rating.

The structure of Homecare contract ensures a broader range of providers' are available, offering safeguards and alternative organisations in the event of poor quality. The current contract also gives the option of removing an organisation from tier 1 provider status in the event of quality ratings reducing to Inadequate.

Our approach to quality assurance focuses on prioritising providers with a quality rating of Inadequate or Requires Improvement. We support with the development of Service Improvement Plans and actions to address areas of concern. The emphasis is on supporting providers to achieve and maintain Good or Outstanding quality ratings.

We have a number of other initiatives to support our commissioned providers:

- Support with recruitment initiatives.
- Quarterly provider forums enable effective communication.
- Newsletters highlight specific information to support safe and effective working practices.
- Providers have free access to the Council's online training facilities, which includes a variety of e-learning courses for all staff, most of which are at no cost to the provider.
- We complete a training needs analysis with providers annually to plan courses to ensure training needs in the sector are met.
- Homecare providers can access the manager's excellence course which supports network building and sharing good practice in the sector.

## Key Market Issues

- Visit based home care providers are being asked to participate in a fair cost of care exercise during 2022 and the council will liaise with providers to encourage their participation in this exercise. Guidance to councils is that the exercise is to be used as a tool to inform fee rates, alongside other traditional methods of fee setting.
- Geography and access present substantial challenges to providers supporting people in their own homes particularly in the rural west and north of the county and we are keen to talk to providers about innovative solutions to these issues.
- Homecare providers have reported increased difficulties in recruiting and retaining sufficient front line care staff to meet the level of need and this has caused delays in new and increased packages being picked up. We need providers to help us develop innovative solutions to workforce issues.
- The council has responded to workforce issues by increasing fee levels to enable homecare providers to pay care staff the Real Living Wage. Any provider considering entering the market in Northumberland should discuss this with council officers as higher fees were offered to those providers who signed a contract variation confirming that they will pay staff the real living wage. We are aware that this may raise some issues with providers that also operate in other council areas where fee rates are lower and providers cannot offer staff the same terms and conditions.
- There are limited outreach service options to support people who need complex care pathways remain in their own home.

## Opportunities

- There will be regular opportunities for new providers to come on to the flexible purchasing arrangement throughout the lifetime of this contract.
- We want to continue to increase and strengthen the market across Northumberland to ensure sustainability, with particular emphasis on the more rural North and West areas of the county. At the same time, we want to support and strengthen providers currently working in Northumberland.
- We are always happy to talk to any potential new providers who are interested in providing homecare in Northumberland particularly in the rural north and west areas, and those that can bring new approaches which help to expand the overall Homecare workforce.

# Specialist Independent Supported Living Services

National and Council policy focuses on transforming care from institutional type environments to independent community support, enabling people to live, and play an active part, in the community. We are proactive in seeking community-based housing and care solutions for service users predominantly in individual accommodation, but also provide shared accommodation where it is appropriate.

The purpose of Specialist Independent Supported Living Services is to enable people with care and support needs to continue to live independently in their own home within their community. People receive the support, supervision and/or care that meets their individually assessed needs and can range from a few hours per week to 24/7. The support is predominantly linked to appropriate accommodation, which could be an individual property, such as a bungalow or apartment in a block, or accommodation they share with other people with the same needs and interests. In Northumberland we have Independent Supported Living Schemes for:

- older people
- people with a learning disability
- people with a physical disability
- autistic people
- people with mental ill health

These are not always distinct groups, and many individuals may have multiple and complex needs.

The sector is diverse and housing can be provided by housing associations and local council housing, as well as charities and voluntary organisations and private landlords. The way support services are commissioned also varies between schemes, with care commissioned separately from the accommodation in some schemes, to

some organisations providing both the accommodation and the support, but it is always personalised care and support and there must be separation between the care and housing providers, even where they are two separate functions within a group organisation.

## Specialist Services for Older People Supply and Demand

Demand for supported living for older people in Northumberland is constrained by limited supply. Choice is often limited for older people between remaining in a home not designed to meet changing health and care needs, living in small, sheltered housing or moving into a care home. Consequently, older people can feel trapped, faced with a move that is unacceptable or living in a property they find increasingly hard to financially and/or physically manage<sup>6</sup>.

There are currently 3 Extra Care/Assisted living schemes for adults 55+, with 24 hour support on site in Northumberland, 2 of which are a mix of social rental and shared ownership properties operated by a social housing provider. The third is a market sale property developed by a private provider. The schemes provide 163 units of accommodation in a mix of 1 and 2 bedroom apartments. The accommodation is in high demand with 100% occupancy, and the housing providers hold waiting lists for each of their properties. There is also 1 small intergenerational scheme offering 12 units of accommodation to adults over the age of 18.

The cost of developing specialist supported accommodation for older people is higher than that of family accommodation, therefore, there is a reluctance in the market to bring forward proposals that would meet the demand.

Some social housing providers have developed new accommodation for mature living designed to adapt to changing needs over time, where care and support can be flexed to meet

individual needs. This accommodation has proved attractive and is in high demand and we anticipate that, given the increasingly ageing population and the workforce challenges, demand will continue to grow.

Independent Living for older people can help prevent the need for intervention from social services or more institutional types of care and support. There are 10,766 people over 65 years providing unpaid care from 1 hour to over 50 hours per week. This is projected to increase by 32% by 2040, which suggests an increase of 32% in those requiring care from a relative or friend. In 2020 22,685 people over 65 years required support with Instrumental Activities of Daily Living (IADLs). This is projected to increase by 49% in the next 20 years, with the largest increase again being in those over 80 years. IADLs are activities which, while not requiring personal care, are important aspects of living independently, such as:

- Doing routine housework or laundry
- Shopping for food
- Getting out of the house
- Doing paperwork or paying bills

We believe appropriate housing will support people to continue to live independently as they age.

In addition there were a reported 21,092 people 65 years and over with a limiting long term illness, whose day to day activities are limited a little and 18,787 whose day to day activities were limited a lot. Those whose activities are limited a little is projected to increase by 40.5% by 2040, with a projected increase of 49% in those whose activities are limited a lot. There is also a projected increase of 65 % in people over 65 years living with Dementia, along with a 41% increase in people over 65 suffering from depression, including severe depression<sup>7</sup>.

Social isolation and loneliness contribute to a deterioration in mental and physical health conditions that can result in admission to hospital and/or other forms of institutional care such as residential care. The Northumberland JSNA reported:

- Between 5,500 and 12,000 older people in Northumberland are currently estimated to feel lonely often or always
- Over 41,000 people in Northumberland live on their own.
- The number of older people living alone in Northumberland is forecast to increase significantly by 2030, with the largest percentage increase in people aged 75 years and over, a predicted increase of 65%.

All of the available data indicates demand for attractive, flexible, adaptable homes for an increasingly ageing population and Council policy supports increasing availability. It is difficult to demonstrate specific demand for this type of accommodation due to constrained supply. However, we anticipate that ongoing and future demand for older persons specialist services will come from:

- Older people with disabilities living with family or independently that require supported living because of a change in circumstances or increased need
- People with disabilities who have been in accommodation and support for some time whose needs are changing, and they need to move

### **The Quality of Our Current Market**

The care and support, and accommodation parts of supported living and extra care housing are covered by separate agreements. All the older persons specialist independent living schemes in Northumberland are provided by Registered Social Housing Providers (RP's), registered with the Regulator of Social Housing, Homes England. There are regulatory standards that RP's must meet including a Home Standard, which requires them to meet the Governments Decent Homes Standard, standards in design and quality, and repairs and maintenance. The RP's consistently meet the required standards.

The care in the schemes is commissioned separately and is covered under the Homecare contract. Two of the providers have a CQC rating of 'Good', the third has a rating of 'Requires Improvement', we are working with this provider to support them to improve the quality of their service.

## Key Market Issues

- There is not enough supported housing available in Northumberland to meet the needs of an aging population. The Extra Care and Supported Housing Strategy identifies a shortfall in supply of 280 units and a future requirement of 851 units by 2035.
- The cost of developing specialist supported housing for older people is higher than developing general needs, which can make the ongoing rental unaffordable for many people. In most developments public subsidy in the form of Homes England Grant is needed to reduce rent levels to ensure affordability for a wider range of older people.
- Worldwide Increasing costs of construction is making developing specialist supported housing challenging, impacting on the financial viability of developments.
- Supported accommodation for people with Autism and Dementia have been identified as specific gaps and are areas of priority for the Council.
- There is limited use of technological developments, outside of telecare, to support older people to live independently
- We are keen to talk to anyone interested in developing or delivering specialist supported accommodation for older people to ensure it is the right development in the right place to meet the needs and demand of the local area.

## Specialist Services For Adults with Learning Disabilities, Autism, Mental Health Conditions and Physical Disabilities

### Supply and Demand

Once again demand is somewhat constrained by supply. Findings from research<sup>8</sup> showed that 78% of people using supported housing have learning disabilities and/or autism with complex needs. The research estimates that there are between 22,000 and 30,000 supported housing units across the UK. Estimated demand for supported housing properties across the UK

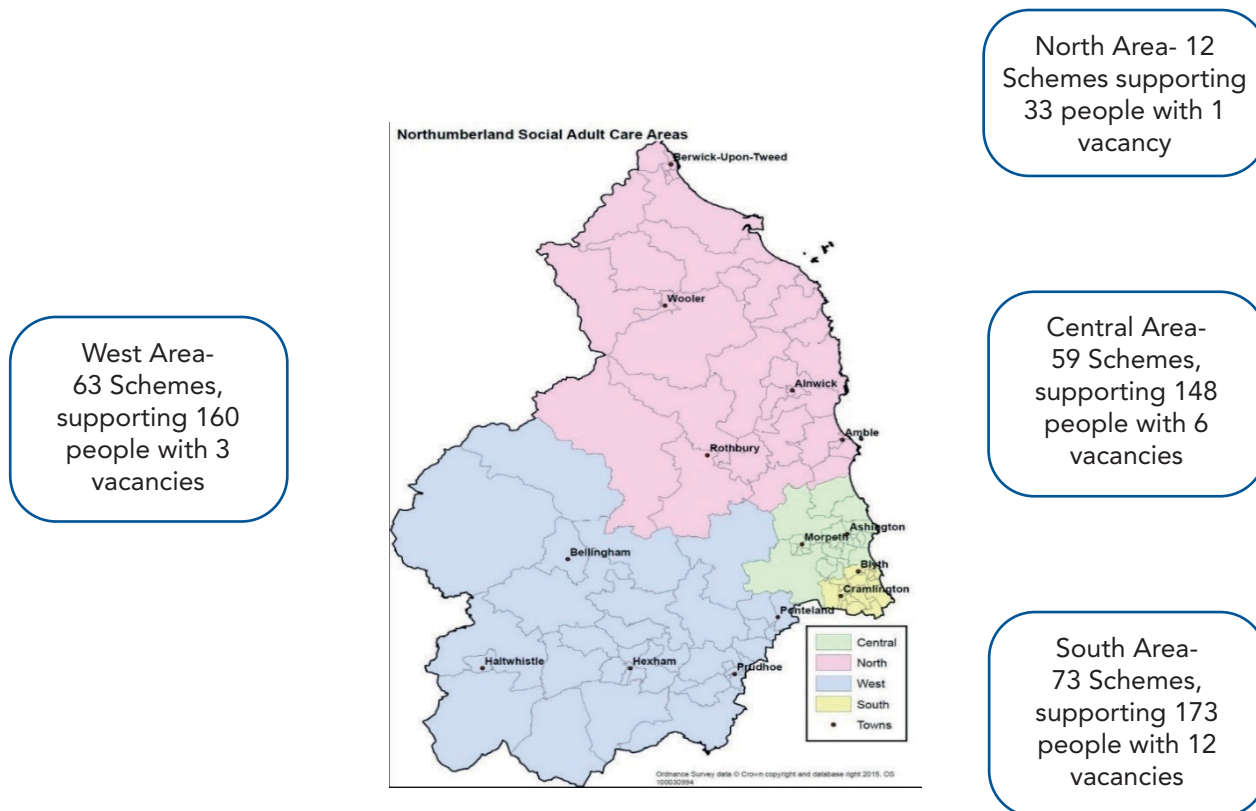
was anticipated to increase from the baseline of 22,000-30,000 to 25,000-33,500 units in 2017-18, to 29,000-37,000 units in 10 years' time. This evidence points to a predicted national increase in the need for supported housing across the UK.

All indicators suggest that an increased capacity for supported living services will both be beneficial for vulnerable people and in line with policy initiatives that will drive demand for this type of provision. It can be summarised that the demand for accommodation comes from these broad areas:

- Young people with disabilities entering housing and support services
- People with disabilities who have been in accommodation and support for some time whose needs are changing and they need to move
- Transforming Care patients
- People with disabilities living in the family home with ageing carers

In line with national and local policy we have continued to increase capacity in specialist services for adults with learning and physical disabilities and mental health conditions. In 2019 we had 74 schemes with a capacity for 247 individuals. We now have 207 schemes with capacity for 515 individuals, an increase in capacity of 49%, and vacancy levels of only 4%. We have 493 adults being supported to live independently in the community in those schemes, compared to 171 in 2019, an increase of just under 190%. We have a complex housing process that holds a register of adults 16-64 years who require accommodation with support, as at July 2022 there were 88 individuals on the register, with new referrals onto the register on a continual basis.

The diagram below shows the detail on the schemes across the county.



The housing is a mix of individual and shared accommodation. Social housing providers own and/or manage 167 of the properties and 40 of the properties are owned by private landlords.

The care and support is commissioned through a Flexible Purchasing System (FPS). An FPS provides greater flexibility than a traditional framework, allowing new entrants throughout its life, so new providers can join after passing the assessment process. The FPS supports the commissioning of specialist services for young people aged 16-18 years and adults with a Learning Disability including Autism and/or Mental Health care and support needs, whether funded under social care legislation, as NHS Continuing Health Care, or as aftercare under Section 117 of the Mental Health Act.

There are currently a total of 22 Care Providers on our FPS preferred provider list offering a range of support from low level, non complex to high level complex needs. The FPS is now open to encourage further tender submissions and the Council welcomes approaches from new providers.

### The Quality of Our Current Market

All providers on the FPS are registered with CQC and must hold a rating of 'Good' or 'Outstanding' to remain on the FPS. As at July 2022 of the 22 providers that are part of the FPS 3 are rated 'Outstanding', 14 are rated 'Good' and 3 are rated 'Requires Improvement' and we are working with those providers to improve their service. We are working with all providers to support them to improve the quality of their provision, giving additional support to the provider rated 'Required Improvement'. Two providers have recently registered with CQC and await their first inspection visit.

We 'spot' contract with 13 providers not currently contracted via the FPS. Of these, 4 are rated 'Outstanding', 6 are rated 'Good'. Three providers do not offer regulated activity and therefore are not subject to CQC inspection.

All providers that were inspected prior to January 2019 have been subject to a data review in December 2021 and CQC have found no evidence to suggest there should be a change in their current rating.

## Key Market Issues

- The issues with recruitment and retention have resulted in skills gaps in the workforce, particularly around supporting individuals with multiple, complex and challenging conditions and behaviours.
- Services that support Forensic clients are limited in Northumberland, with a lack of service providers and appropriately skilled staff to meet demand.
- It is more difficult to access services in rural areas, particularly the North of the county, mainly due to difficulties in recruiting appropriate staff.
- There is not enough supported housing available in Northumberland to meet current and future demand. Projected demand for supported housing in England as a whole is estimated to increase by 125,000 by 2030. Supported housing has been identified as important in improving outcomes for people with autism, learning disabilities and mental health conditions and preventing inpatient care.
- We hold a waiting list of adults with Learning Disabilities, autism and mental health conditions that need supported accommodation to enable them to live independently, with ongoing referrals into the Complex Housing Register.
- Supported accommodation for people with Autism and Dementia have been identified as specific gaps and are areas of priority for the Council.
- Services are not making the best use of technology available to support independence.

## Opportunities for Specialist Independent Living Services

The White Paper People at the heart of care has a particular focus on integrating health, social care and housing, the vision is to make every decision about care, about housing too. The emphasis is about supporting independence in the community and additional national funding is identified to deliver this aim:

- £300m to integrate housing into local health and care strategies, with the focus being on increasing the range of new supported housing options available.
- At least £150m to drive greater adoption of technology and achieve widespread digitisation to support independent living and improve the quality of care.
- £70m per year Care and Specialised Supported Housing funding to incentivise the supply of specialised housing

There are opportunities in developing new supported living schemes and accessing grant funding through our support. We invite developers and providers to talk to us about proposals to ensure the right accommodation is being developed in the right place.

There will be regular opportunities for new providers to come on to the Flexible Purchasing System throughout the lifetime and we are interested in talking to provider about innovative models and methods of delivery of care.

Over the coming year we will be focusing on working with partners to bring forward more Independent Supported Living developments for older people.



# Day Services

## Supply and Demand

Day services in Northumberland offer social and skills focused activities and support for adults either in a centre-based environment or out and about in the community.

We currently contract with 39 organisations to deliver day services, supporting older persons, clients with mental health conditions, physical disabilities or Learning Disabilities. There are also many community groups and organisations, not commissioned by the Council, that hold activities and clubs that are available to Northumberland residents.

Most adult day services closed in March 2020 when the Government imposed restrictions to deal with the pandemic. Some Day Service providers adapted their model to deliver virtually to ensure they could continue to support clients. Now that restrictions have lifted many have reopened, but there is still some reluctance to attend, particularly among older persons and providers who deliver day services in Older Persons residential care homes.

We took the opportunity to review the current delivery model for Adult Day Services and conduct research into the current model and method of delivery and look at how future services could support clients in innovative ways.

Research carried out on Council in-house and commissioned services found a changing trend in the market, a shift in expectations and aspirations, more prominent in the older adult's market, of what is wanted from services, and services need to evolve and grow to meet future expectations. Older adults and adults with disabilities are increasingly engaging with technology to help them with everyday activities such as shopping and banking. Some barriers to engaging with technology were identified that must be taken into consideration with any service development. Services need to develop and deliver in a way that:

- Removes barriers of location
- Alleviates some workforce issues

- Introduces new providers to the Northumberland market
- Supports people to build confidence

Research<sup>9</sup> has also shown that some traditional building-based services are no longer meeting all the client's needs. Services have historically supported large numbers of clients and provided group activities, due to social distancing measures, large group activities are still not being offered.

## The Quality of Our Current Market

Day service provisions are not a CQC registered service and therefore not subject to CQC inspection or quality ratings, the exception being day services that are provided within a registered setting, such as a care home. In these settings the service is included in the CQC inspection and included in the rating.

However, all commissioned day service providers are subject to an accreditation process prior to contract. The process includes collecting detailed information about the provider and the service, a site visit and quality check, and an assessment of evidence to inform a decision. The site visit incorporates environmental factors, equipment, facilities, activities, personnel files, qualifications, training, complaints/compliments and quality management. There are four possible outcomes of each of the areas:

1. Unsatisfactory
2. Adequate
3. Good
4. Excellent

The accreditation process provides reassurance that providers have:

- suitably experienced and qualified staff to deliver the service
- the activities are appropriate for the target client group
- services are outcome focused
- the organisation is well managed and financially viable.

<sup>9</sup> Moriarty, J and Webb, S. (2000) Part of their Lives: Community Care for Older People with Dementia. Bristol: The Policy Press. pp. 69. Tester, S. (1989) Caring by Day: A Study of Day Care Services for Older People. London: Centre for Policy on Ageing

## Key Market Issues

- The research identified that current services need to be modernised to meet changing expectations and aspirations of current and future service users.
- It was identified that the older population increasingly want activities that engage their mind and have a purpose and outcome, not just something to do to pass the time. While younger adults want to participate in community life, taking part in activities that stimulate and engage them and spark their interests. They want to feel a sense of purpose with potential opportunities to access paid or voluntary employment wherever possible.
- Currently the service user has to fit into the service, rather than the service meeting personalised needs. Delivering activities in special buildings limits the effective personalisation of services, support is not tailored to individual needs. There is limited flexibility in the activities delivered and a lack of emphasis on support activities in the community. Over reliance on traditional categories such as 'older people' or 'people with Learning Disabilities' may narrow thinking unnecessarily and unhelpfully. It was felt that if a service met an individual's needs they should be able to attend regardless of their 'label'.

### Services need to be:

- More flexible in time
- More flexible in place
- More responsive to individuals needs
- More adaptable to variable and complex needs
- More inclusive
- Support wider social and community integration
- The geography of Northumberland poses a barrier to access services. Some services in rural areas have closed over the years due to lack of demand and transport difficulties

- The difficulty in recruitment and retention of care staff has impacted on care services generally, and the current cohort of day service staff are predominately female workers over the age of 40 years old. There is a need to recruit younger staff into the workforce who will be able to provide new opportunities for clients and have vision on how day services can be provided in the future.

## Opportunities

- The Council want providers to be able to personalise services so services can fit around clients. Moving forward the Council requires adult social care day service providers to ensure clients are given maximum opportunities, ensure clients are engaged and learn new skills and have measured outcomes linked to the service.
- The findings of the research have informed our commissioning intentions and future opportunities for Day Service provision in Northumberland.
- There are opportunities to redesign services in the county and the Council intends to work with day services providers to increase innovation in these services, including identifying service users with aspirations to move into volunteering or paid work in the future, in line with transforming care principles.
- The virtual day service pilot provides an opportunity to test out and evaluate a different model of service provision, and the potential for roll out, particularly in the more rural areas. Commissioning invite providers to contact the Council to discuss future development within their services.
- We know we have a gap in age-appropriate services for people with autism and we want to work with providers to develop a commissioned autism services in Northumberland. This would increase availability offered to clients to access training, employment, meaningful activities and support.

- There is a lack of social inclusion opportunities to support vulnerable adults develop and sustain a social life outside of services. This includes low level support services helping people with housing, health, employment.
- We see the value of clients being supported by providers in their local communities, this enables clients to be part of the community and link in with other providers and services.
- We would like providers to have a flexible approach in delivering services which may include evening and weekend support.
- There are opportunities for providers to work in partnership with other training and educational providers to maximise individual opportunities and to develop skill based services.
- We have identified a gap in age related activities for people with Learning Disabilities and/ or mental health conditions for the age range 40 - 60 years old, particularly men.
- There are opportunities for the Voluntary and Community Sector and commissioned services to work as part of the Community Hubs, providing low level support for all client groups.
- There will be opportunities for providers to be able to embrace technology and through this be able to deliver virtual day care sessions across Northumberland and potentially throughout the country. We are currently exploring the viability of this with Day Service providers and software developers





# Self-Funders and Personal Budgets

The Government set out their vision to reform social care in the White Paper 'People at the Heart of Care'. One of the objectives of the 10-year vision is that people find adult social care fair and accessible. The aim is to ensure that self-funders can access the same rates for care costs in care homes that local authorities pay.

As at 15 July 2022 from information we have we calculate that approximately 30% of the care home beds in Northumberland are occupied by self-funders, funded from their own resources, so the charging reforms could significantly impact the care home sector. We will work closely with our care homes to understand the private market in Northumberland.

We know from information collated from Homecare providers that at 31 January 2022 at least 366 people in Northumberland receive domiciliary care under private arrangements with registered agencies, receiving 6% of the total care hours provided.

People who have assessed care needs and meet the funding thresholds have the opportunity to have a direct payment. They can use this to design a personal package of care and support that meets their individual needs. There are currently 630 Adults accessing Direct Payments via Social Care Funding to arrange their services. This is further broken down to 230 (45%) Adults employing their own personal assistants and 350(55%) Adults using their Direct Payment to arrange a service via a provider. Direct Payments are used to arrange services in the following areas:

- Complex Home Care Plans
- Home Care Support
- Enabling
- Day Services
- Respite

There has been an increased request for Direct Payments to employ Personal Assistants as a result of the pandemic. Particularly to enable people to manage people entering their home environment. The shortage of social care staff extends to the Personal Assistant sector of the market, to try to manage this the Council will trial a Human Resources Platform for advertising with the added advantage of a Personal Assistant Register. Anyone actively looking for work can add their Curriculum Vitae onto the Personal Assistant Register and when vacancies are advertised on the platform it identifies people in the surrounding area looking for the type of work advertised, effectively matching candidates with clients.

The charging reforms may impact on the self-funder and personal budget markets so we will continue to build our knowledge of this market in Northumberland, updating providers as appropriate to support in developing their business model to manage the changes.

# Caring For Our Carers

We recognise unpaid carers as an integral part of our health and social care system, and value the positive contribution they make. Without them our Health and Social Care system would not be able to function, it is unpaid carers who are responsible for care when the professionals aren't there, and as the condition of the person needing care progresses carers are commonly faced with coordinating and managing complex needs. In Northumberland we have a Carers Partnership Board who are currently developing our 'Commitment to Carers Strategy'. The Board has representatives from across adults' and children's services, Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust (CNTW), primary and secondary care, commissioning, Healthwatch and Carers Northumberland, and provides an opportunity to inform joint working. The aim of the Board is to achieve the best possible outcomes for carers and the people they support, improve the carers' experience, promote their welfare and ensure they are safeguarded.

The draft strategy considers 6 key priorities to support carers:

- Priority 1:** To have a clear information offer and carers pathway which will consider key entry points for carers within their health and social care system journey
- Priority 2:** Carer involvement and experience
- Priority 3:** Young Carers
- Priority 4:** Carers of people with mental health problems across all ages
- Priority 5:** Parent Carers
- Priority 6:** Workforce Development
- Priority 7:** How we collect carer data from our Adult Social Care IT system (SWIFT)

The number of people providing unpaid care in Northumberland is almost 36,000<sup>10</sup>, with those providing over 20 hours of care seeing the greatest increase in the past 10 years, the point at which caring starts to significantly impact on the health and wellbeing of the carer. More than 7000 of our carers deliver more than 50 hours care per week and in more than 1000 cases of people with dementia or learning disabilities their carer deliver in excess of 100 hours of support per week.

As our population grows older and people live longer so too does the carer. Census data tells us in Northumberland we have 10,766 people over 65 years providing unpaid care, sometimes over 50 hours per week. This is projected to increase by 32% by 2040. We also have many young carers with sole responsibility for a disabled parent or an elderly grandparent.

We provide respite opportunities for vulnerable adults which can be in the form of a stay away from home or attending a Day Service. While respite is for the benefit of the service user, it also provides respite for the carer and we will continue to source appropriate respite to enable time away.

We work with partners to support our unpaid carers in Northumberland. We have a service level agreement with Carers Northumberland to deliver support and advice to carers and on 31st March 2021, there were 3278 carers registered with them, of which 120 were young carers. The number of carers supported by them increased 63% and the number of contacts by 40% in the period 1 April 2020 – 31 March 2021 in comparison to the same period the previous year.

Carers Northumberland deliver support groups to carers in locations throughout the county, also offering an extensive range of training, and adapted their support and training during the lockdown restrictions to ensure continued support to carers during a particularly stressful time. Other services offered by Carers Northumberland include:

- Emergency planning advice
- Advance planning, including Lasting Power of Attorney
- A Bereavement Guide
- Carers into Work

ESCAPE's Family Team delivers a range of services to the families and carers of substance users including:

- a 24/7 helpline
- crisis support
- advice and information
- advocacy
- comprehensive carer assessments
- personalised care plans
- one to one support
- counselling
- befriending

- family therapy
- support groups
- personal learning opportunities
- respite opportunities

The team provides specific support for kinship carers; for those with a family member involved in the criminal justice system and for those bereaved by substance use. ESCAPE work with family members whether their loved one is in treatment or not and offer a range of support where multiple complex issues occur, including children's safeguarding, domestic violence and offending.

We will implement our Carers Strategy and will explore the future of the service directly with carers so we can learn more about what they need. We also want to hear from service providers who can supplement our support for carers, for example through digital products and services or providing short breaks for carers. We are committed to ensuring that carers are identified and recognised, have the right information to support them in their caring role and have access to quality services and support. We will continue to ensure carers are supported to maintain and improve their health and emotional well-being and can get a break when they need one to support them in their caring role.



# What Our Service Users and Carers Tell Us

We employ a wide range of methods to ensure we understand and learn from the experiences of the people we support. These include a network of user forums across the county, representation of service users and carers on strategic groups, members of the public acting as quality assessors of different services, regular surveys of customer experience and targeted engagement events focusing on specific issues, such as Carer's week, Dementia Awareness week and World Elder Abuse Awareness Day.

We commission HealthWatch Northumberland as the independent consumer champion for health and social care in the county. Information gathered by HealthWatch Northumberland on issues from the public, both positive and negative feedback, is passed directly to services involved to support service improvement.

The Adult Social Care Survey (ASCS) is an annual survey that asks questions about the quality of life of clients and the impact that the services they receive have on their quality of life. It also collects information about self-reported general health and wellbeing and the data is used to populate several performance measures in the Adult Social Care Outcomes Framework (ASCOF). The table below gives the results of the 2019/20 survey and shows Northumberland performing well in comparison to the rest of England in most of the service user and carer measures. We perform on par with, or better than, our regional neighbours.

ASCOF Measure	Northumberland	England	North East
	%	%	%
Service User satisfaction with Social Services	64.5%	64.9%	68.8%
Carer satisfaction with Social Services	39.6%	38.6%	47.3%
Service Users who have as much social contact as they want	50.6%	46.6%	50.7%
Carers who have as much social contact as they want	44.4%	32.0%	39.3%
Service Users who feel they have choice over care and support	71.0%	66.6%	73.0%
Service Users who feel services help improve their quality of life (score out of 24)	19.45	19.2	19.65
Carers who feel services help improve their quality of life (score out of 12)	8.35	7.5	7.95

Compliments and complaints are viewed as learning opportunities to help us make changes and improve our services for individuals and their families. Adult social care received considerably more compliments from people who use our services, their carers and families than complaints. The Compliments we receive are mainly about the professionalism of staff or the quality of services we commission or provide. The number of complaints received is low compared to the level of contacts, suggesting staff get things right most of the time, but when they don't, we quickly seek a positive outcome and learn from the situation.

People have higher expectations from services and are expected to contribute more towards their cost of care, so they are more willing to challenge professionals. Most complaints received were about the standard of services provided and increasingly cost of care is an underlying issue.

During 2019/20 we received 58 complaints about Adult Social Care and Continuing Health Care services. Of the complaints received 46% were not upheld, 29% were partially upheld and 24% were upheld. Most of the complaints were in relation to care management and independent providers, which is to be expected given the high level of service user contact.

We will continue to work with service providers to improve the quality of services delivered.



# Health and Housing

There is significant evidence to demonstrate the impact housing has on health and general wellbeing. Suitable housing that meets need enables people to continue to live, and play an active part, in the community. Conversely unsuitable or inadequate housing can result in the deterioration of a condition, social isolation, anxiety and/or depression.

Housing studies carried out in Northumberland identified housing, adaptation and support for the older population as a major strategic challenge for the council. The study also identified housing stock shortages for people with learning disabilities, physical disability and/or illness, enduring mental health conditions and/or challenging and complex behaviours, leaving limited choice for independent living

The Government Adult Social Care Reform White Paper 'People at the Heart of Care' sets out an ambition to make every decision about care, about housing as well, with the emphasis being on providing the right care, in the right place at the right time. The aim is to integrate housing into local health and care strategies, with a focus on increasing the supply of specialist housing and funding improved services for residents.

A recent SCIE survey highlighted 3 top priorities for people who require care and support:

1. Remaining independent
2. Having access to the internet, phone and technology
3. Being able to stay in their current/own home

The Council's primary aim is to support people to continue to live safely at home and there are already a range of solutions on offer to make this possible, including excellent homecare provision, technology, physical aids and adaptations to the home where appropriate. However, where this is not possible we want to ensure there are alternative housing solutions available for people to have the choice to continue to live independently.

The Council adopted the current Extra Care and Supported Housing Strategy in 2018 setting out the aim to increase the level of supported accommodation available and since then we have been working with partners to bring forward developments to offer independent supported living to adults with a care and support need as detailed in the Specialist Independent Supported Living Section.

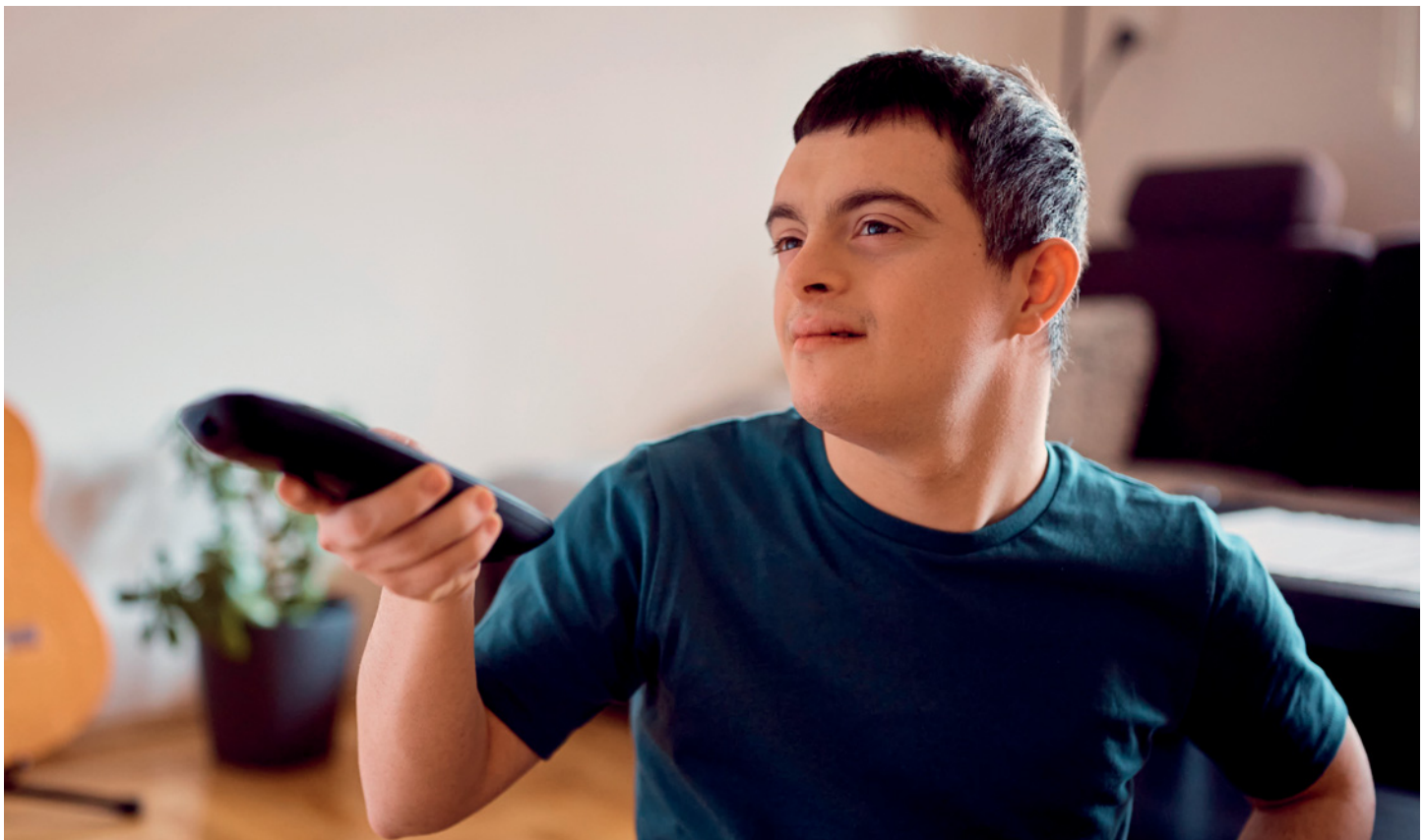
We also have a pipeline of schemes that are at various stages of the development process in different areas:

OLDER PERSONS	LD/MENTAL HEALTH/PDI
Berwick	Berwick
Morpeth	Alnwick
Blyth	Amble
Cramlington	Bedlington
Prudhoe	Cramlington
Bellingham	

Our strategy will be refreshed by the end of March 2023 but we will continue to deliver on the aims set out in the strategy.

## Opportunities

- We want to ensure the provision of better housing choices for older people and vulnerable groups, whatever their requirements, including homes that are adaptable to needs over their lifetime and set within accessible 'lifetime neighbourhoods' that are well-designed places suitable for all people regardless of their age or disability.
- We need a collaborative partnership approach with housing developers, housing and care providers to develop innovative solutions to capital and revenue funding, including mixed market developments, to deliver choice for older people and younger adults with health needs to access supported living solutions in Northumberland
- There are particular gaps in independent living for people living with Dementia in the county and we are keen to work with potential partners to find appropriate solutions that enable families to remain together.
- Appropriate independent living solutions for people with autism are limited and we would like to talk to developers and providers with innovative ideas and solutions to increasing provision.
- Our Local plan includes a Housing Policy requiring 20% of new open market homes and 50% of affordable homes to meet or exceed the enhanced accessibility and adaptability housing standards in compliance with the Requirements M4(2) of the Building Regulations to ensure that new homes are accessible and adaptable to meet the needs of residents now and in the future.
- We believe housing for older people is an untapped market in Northumberland and we want to work with architects and house builders who are interested in designing attractive accommodation for older people and want to take a more innovative approach to residential development.
- In line with national, regional and local policy, we will continue to work towards increasing the level of supported accommodation in Northumberland and we welcome discussions with social housing providers to support the development of more Independent Supported accommodation across Northumberland.



# Facilitating The Market

## Training

A range of information on needs, along with commentary on relevant health and wellbeing policy, is available in our Joint Strategic Needs Assessment (JSNA) which can be found at: [Northumberland County Council - Joint Strategic Needs Assessment \(JSNA\)](#)

## Provider forums

We hold Forums at least 4 times a year for each of the provider groups: Learning Disability, Mental Health, Older Persons Care Homes, Homecare providers and Day Services. The forums provide the opportunity to discuss issues that they have been experiencing or discuss current issues that may be universal to all providers. We invite guest speakers along to provide information or training on their areas, such as benefits, Clinical Commissioning Group and Safeguarding.

We mentor providers to help them improve their quality and share best practice that we learn through our work nationally, regionally and locally. We provide training to enable providers to understand and meet our quality standards.

## Corporate procurement

Our colleagues in Corporate Procurement plan and hold supplier events for larger tenders to provide information to organisations on how to work with Northumberland. They will help facilitate smaller organisations bidding for tenders by working with the purchasing department to ensure the procurement lots are appropriately sized. All tender opportunities are advertised through the Pro-Contract portal, click here to register <https://procontract.due-north.com/register>

# Other Sources of Information

A range of information on needs and commentary on relevant policy is available from the Health and Wellbeing Assessment, our Joint Strategic Needs Assessment (JSNA) which is available

How to contact us:

We want local people who use our services to have a strong voice in helping us to monitor, develop and improve the way we work. Please contact us:

- If you think you might like to get involved
- If you would like to give us feedback on this Market Position Statement
- If you would like to find out more about adult social care services
- Or if you need help

Email: [Onecall@Northumberland.gov.uk](mailto:Onecall@Northumberland.gov.uk) Telephone: 01670 536 400

Email: [Contracts@northumberland.gov.uk](mailto:Contracts@northumberland.gov.uk)

If you have speech or hearing difficulties you can use Relay UK to contact us by dialling 018001 01670 536400





Northumberland  
County Council

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## Northumberland County Council

### **CABINET**

**17<sup>TH</sup> NOVEMBER 2022**

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#### **Family Hubs Development Update Report**

Report of Graham Reiter and Audrey Kingham, Joint Interim Directors of Children's Services.

Cabinet Member: Councillor Guy Renner-Thompson, Lead Member for Children's Services

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#### **Purpose of Report**

To provide an update in relation to the development of the Family Hubs offer in Northumberland.

#### **Recommendations**

It is recommended that Cabinet:

1. Agree that this is a key priority in terms of the delivery of services for children and families in Northumberland and note that it is a significant element of the council Inequalities plan.
2. Support the ongoing developments in relation to further integration of services for older young people.
3. Support the ongoing requirements for system transformation in relation to governance, data sharing and gathering, workforce, communications and participation.

#### **Link to Corporate Plan**

This report is relevant to the Enjoying, Connecting, Living and Learning priority in the NCC Corporate Plan 21-24.

#### **Key Issues**

1. Northumberland has been selected as one of the 75 Local Authorities who can receive additional funding to develop the Family Hub offer. The overall

amount potentially available for Northumberland between Autumn 2022 and March 2025 is indicated to be between £3.354m - £3.479m.

2. We have been working on developing the Family Hub model in Northumberland for some time, building on the already established Early Help Locality Model across the county. This has been supported by the change in partnership arrangements for the Public Health 0-19 Service.
3. There are clear expectations of what services need to be put in place which are detailed in the report. We have outlined how we will achieve this through our sign up application and how we will 'go further faster' in our trailblazer application. We have received confirmation that we have been successful in our sign up application and are awaiting confirmation of the status of our trailblazer application.
4. There is a need to further develop capacity to support this work, which will utilise existing project and support capacity and be enhanced through the incoming grant funding. There is also a need to further develop the cross departmental and multi-agency data sharing to meet the funding requirements. We have started to recruit to the project team which will support the developments.
5. As part of the developments more services are co-locating and delivering from Family Hub buildings and to develop a more integrated service for older young people it has been agreed that the management arrangements for the Youth Service will move to sit within the Family Hubs.
6. We have ended the commissioning arrangements with Action for Children and Barnardo's for the Central and South East locality early help services and have successfully TUPE'd in 57 staff.



#### 4. **Background**

The development of Family Hubs is a national DfE / DHSC agenda which is based upon the Best Start for Life report.

“Family Hubs are centres which, as part of integrated family services ensure families with children and young people aged 0-19 receive early help to overcome a range of difficulties and build stronger relationships. Effective early intervention can improve children’s wellbeing, educational attainment, and life chances, reduce family poverty, improve mental health and lead to lower crime, unemployment and other negative outcomes which carry significant cost to the public purse. These centres enhance integrated working by enabling easier access to support, better outcomes for families, more effective service delivery and smarter use of budgets.”

Funding of £301m has been committed by Central Government up to March 2025 to support 75 upper tier local authorities to develop the family hub model in their areas.

Previous papers have been taken through Family and Children’s Scrutiny (FACS) Committee to gain agreement to end the commissioning arrangements with Action for Children and Barnardo’s in our South East and Central Early Help localities and to change the management arrangements for the Youth Service so it aligns with the Family Hub locality developments. Informal Cabinet and FACS were in agreement for Northumberland to proceed with the DfE sign up process as one of the selected 75 Local Authorities for additional funding to support the development. The overall amount potentially available for Northumberland between Autumn 2022 and March 2025 is indicated to be between £3.354m - £3.479m. Agreement was given and the formal sign up by the required postholders was given.

#### **Northumberland Current Position**

As stated above the sign up process was completed and our sign up application was submitted along with an application to be a ‘trailblazer’ at the end of September 2022.

As set out in the previous FACS report the sign up process from the DfE sets out a minimum set of service expectations to be achieved by March 2025 in the key service areas of:

- Parenting support.
- Parent–infant relationships and perinatal mental health support.
- Early language and the Home Learning Environment.
- Infant feeding.

In addition there are a number of other transformational areas where we are expected to show progress on a multi-agency basis in relation specifically to culture, communications, participation, governance, workforce and data sharing and gathering.

Trailblazers will be a group of up to 15 Local Authorities who lead the way in delivering the programme, making the fastest and most ambitious improvements to services for families and establishing best practices to benefit all areas.

In particular, they will be expected to go further and faster in year one in delivering new or improved services for at least one of the areas funded by the Family Hubs and Start for Life programme.

We have applied to be a trailblazer as the multi-agency partnership feels we have strengths in our current delivery across the four areas, recognise we could go further quickly and can support other local authorities in their journey to become Family Hubs.

We have received confirmation that our sign up process has been successful and we are still awaiting to hear about our trailblazer application.

We have signed and returned the memorandum of understanding to the DfE.

### **Developments since sign up application was made**

- The commissioning arrangements with Barnardo's and Action for Children came to an end on 30<sup>th</sup> September and 57 staff were TUPE'd into NCC.
- There was a 'soft launch' of the Family Hubs in the week beginning 26<sup>th</sup> September when all the Family Hub (previously Children's Centres) buildings undertook a range of activities with families to promote the changes being developed.
- A new logo has been launched for Family Hubs in Northumberland following consultation with parents. This will be used to replace the current signage on buildings and will be used by all partners to promote the Family Hubs and demonstrate the integrated approach to delivery for families.
- A new framework of workgroups has been developed to support the project delivery with all partners required being identified for each area and asked to nominate appropriate representatives.
- Further work has been undertaken and is ongoing in relation to the integration of services and the governance arrangements going forward.
- Recruitment has started for the project team to support the development of the four key areas and the overall transformation agenda.
- There is work progressing to align the management of the Youth Service with the Family Hub localities to support better integration for older young people and develop the model further.
- We have expressed an interest, as part of the sign-up process, in research exploring early awareness and take up of family hub services by building on our successful partnership working with the Registrars service since 2016 in providing birth registration opportunities in all our locality Family Hub areas.
- We are working on an overall communications plan to keep families and partners updated. This includes joining the Family Hub website up with the

Local Offer website to provide a digital 'one stop shop' for families seeking information about services and support.

## Implications

<b>Policy</b>	This is part of the national Best Start in Life policy and locally is key to children and families getting the right support at the right time.
<b>Finance and value for money</b>	This is bringing significant national funding to Northumberland and will build on the effective work that is already in place in relation to early help and Family Hub developments.
<b>Legal</b>	The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council
<b>Procurement</b>	There may be some procurement implications going forward depending on whether it is decided to commission any of the work required but at this stage that is not decided.
<b>Human Resources</b>	There are a number of new posts to be recruited to on a fixed term basis until the end of the funding; some of these may be through an internal secondment process.
<b>Property:</b>	As part of the developments we are looking to maximise the use of and co-location of services in Children's Centre buildings wherever possible and appropriate.
<b>Equalities:</b> (Impact Assessment attached)  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>	
<b>Risk Assessment:</b>	N/A
<b>Crime &amp; Disorder:</b>	These developments will support the preventative approach in relation to youth offending.
<b>Customer Considerations:</b>	This will support children and families being able to access the right support in one place.
<b>Carbon Reduction:</b>	N/A
<b>Health and Wellbeing</b>	The developments will support the improved health and wellbeing of children and families.
<b>Wards:</b>	All wards

## **Background Papers**

Previous reports:

- [Family Hubs – April 2022](#)
- [Ending of the contracts for Children’s Centres – May 2022](#)
- [Family Hubs Development – September 2022](#)
- [Move of Management of the Youth Service – September 2022](#)

### [Northumberland Family Hub Delivery Plan](#)

## **Report Sign Off**

	Full Name of Officer
Monitoring Officer/Legal	Suki Binjal
Executive Director of Finance & S151 Officer	Jan Willis
Relevant Executive Director	Graham Reiter
Interim Deputy Chief Executive	Rick O’Farrell
Portfolio Holder(s)	Guy Renner-Thompson

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### **Author and Contact Details**

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## Northumberland County Council

### CABINET

17 NOVEMBER 2022

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#### Summary of New Capital Proposals considered by Officer Capital Strategy Group

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**Report of:** Jan Willis, Interim Executive Director of Finance and Section 151 Officer

**Cabinet Member:** Councillor Richard Wearmouth, Portfolio Holder for Corporate Services

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#### 1. Purpose of Report

The following report summarises proposed amendments to the Capital Programme considered by the officer Capital Strategy Group (CSG) via email on 6th October 2022.

#### 2. Recommendations

Cabinet is recommended to:

##### 2.1 Charlton Project – Hirst Park:

Approve capital expenditure of £15,000 from the Parks Enhancement Capital Programme for 2022/23 in respect of NCC's contribution to the provision of a statue celebrating football legend Jack Charlton and interpretation panels highlighting Ashington's unique footballing heritage that will be installed within Hirst Park in Ashington.

##### 2.2 Local Authority Treescape Fund:

Approve the inclusion of a grant of £81,815 in the Council's Medium Term Financial Plan profiled as in Paragraph 7.5 below. The grant will be received from the Local Authority Treescape Fund (round 2) administered by the Forestry Commission for the Great Northumberland Forest.

##### 2.3 HRA Affordable Housing – Riverbrook Gardens, Alnwick:

Approve a proposal to acquire 8 x 2 bedroom section 106 units on the Story Homes Riverbrook Gardens Development off Alnmouth Road in Alnwick at a cost of £1,008,000 representing £126,000 per unit. The acquisition will be funded through the Affordable Homes budget line for 2023/24 in the Council's Medium Term Financial Plan.

#### **2.4 Commissioners Quay**

- Approve a capital grant award, and the associated budget requirement within the 2022-23 capital programme, of £58,392 to Advance Northumberland in respect of Commissioners Quay. The project will in turn be funded by grant provided to Northumberland County Council from North of Tyne Combined Authority.
- Accept the associated Brownfield Housing Fund grant from North of Tyne Combined Authority £58,392.

#### **2.5 Contracts in excess of Delegated Limits:**

- On 21<sup>st</sup> September 2022, Cabinet approved the Outline Business Case (OBC) for the Energy Central Campus Phase 1 - Learning Hub to enable progression to Full Business Case and delegated authority to the Council's s151 Officer to approve the Full Business Case and report the capital implications to Capital Strategy Group for inclusion in the Capital Programme.
- It is recommended that Cabinet now delegate approvals to the Head of Paid Service or nominated Executive Director to enter into contract with the main contractor relating to the project subject to confirmation of associated funding being in place and the appropriate procurement processes being followed up to the value of £9,714,759.

### **3. Links to Corporate Plan**

The Council's Capital Programme is consistent with the priorities in the Corporate Plan in particular the 'Living', 'Enjoying' and 'Thriving' priorities.

### **4. Background**

This paper summarises reports considered by the officer Capital Strategy Group on the allocation of funding within the Medium Term Plan to specific projects.



## SUMMARY OF NEW CAPITAL PROPOSALS CONSIDERED BY OFFICER CAPITAL STRATEGY GROUP VIA EMAIL ON 6 OCTOBER 2022

### 5. Charlton Project – Hirst Park

- 5.1 CSG was asked to consider a request to contribute £15,000 to the provision of a statue celebrating football legend Jack Charlton and interpretation panels highlighting Ashington's unique footballing heritage that will be installed within Hirst Park in Ashington.

#### Proposal

- 5.2 In July 2020, following the death of football legend Jack Charlton and the subsequent community reaction, the Town Council resolved that there should be a fitting local tribute; a statue in his hometown of Ashington.



- 5.3 The project has been supported by Ashington Town Council who commissioned well respected sculptor Douglas Jennings to create a life-size bronze cast statue of Jack 'The Elder', to stand proudly in Hirst Park, overlooking the fields where Jack first kicked a football.

- 5.4 The statue will be installed onto a foundation of approximately 3m diameter, section which is circular, with brickwork surround and resin centre. This is in keeping with other hard landscaping in Hirst Park.
- 5.5 As well as the statue for Jack Charlton, local football and heritage enthusiast and expert Barry Mead has worked closely with Ashington Town Council to bring forward the story of Ashington's football hall of fame. Jackie Milburn, Jimmy Adamson, Bobby Charlton, and Jack Charlton will all feature in 'Ashington's Footballing Heritage', including special coverage of the 1966 World Cup. Using Four interpretation panels, the aim is to educate, motivate, and inspire people by bringing to life the story of these four players in words and pictures, with a focus on their early roots and career triumphs.

## Ashington's Football Heroes

Remarkably, four players born in Ashington went on to become Footballers' of the Year.



Jackie Milburn in action for Newcastle United

**"Wor Jackie" Milburn.**  
Ulster Footballer of the Year, 1958

He was an ordinary pit lad from Ashington who made dreams come true yet never strayed from his roots "John Gibson's "The Jackie Milburn Story", 1990

In a glittering career with Newcastle Utd he scored 238 goals in 492 appearances. Amongst many highlights were his 3 FA Cup winner's medals in 1951, 1952 and 1955.

He also won 13 England caps, scoring 10 goals.

In 1957 Jackie joined Linfield as player-manager where he won 9 trophies in three seasons.

In 1987, Newcastle United named their new West Stand the Milburn Stand in his honour.



Jimmy Adamson, Burnley, with his Footballer of the Year trophy, 1962

**Jimmy Adamson:**  
English Footballer of the Year, 1962

After a short time down the pit he signed for Burnley where he spent his entire playing career (1947-1964, 486 appearances).

In 1963 he was offered the England manager's job but turned it down as he felt he was too inexperienced. The job went to Alf Ramsey who went on to win the World Cup in 1966.



Jack Charlton with his Footballer of the Year trophy, 1967

**Bobby Charlton:**  
English & European Footballer of the Year, 1966

Bobby is the only English player to win both awards.



Jack Charlton with his Footballer of the Year trophy, 1967

**Jack Charlton:**  
English Footballer of the Year, 1967

Jack Charlton is presented with the Footballer of the Year trophy at the Cafe Royal, London.



- 5.6 There will be 4 cast concrete panels which will resemble a cut coal face, to create the structural feature that will house the interpretation panels. The structures have been professionally indemnified for structural stability for both the statue and the interpretation panels.
- 5.7 Local Landscape Architect, Nick Wright of Place on Earth Ltd is working alongside Structural Engineers Jasper Kerr and Classic Masonry based in North Shields to create a design that respects the separate elements of the project, but brings these carefully together in a unique small garden space that will add to the already diverse range of experiences in Hirst Park.
- 5.8 The area surrounding this project will be landscaped in keeping with other features within Hirst Park. Brambledown Landscapes who have already delivered several important projects within the park, including most recently the Ashington Mining Memorial, will construct the garden later in the year.

- 5.9 It is hoped that these projects will harness the power and popularity of football as a force for good, developing partnerships with people and organisations across the region to improve people’s lives and support their communities.

### **Project Costs and Funding**

- 5.10 Ashington Town Council have secured a quote of £116,365 for the required works including costs of materials, plant and labour.
- 5.11 It is proposed that the scheme will be funded as follows:  
Northumberland County Council £15,000 (proposed)  
Ashington Town Council £53,882 (confirmed)  
County Councillors funding £22,000 (confirmed)  
Other external funding £25,483 (confirmed)

## **6. Local Authority Treescape Fund**

- 6.1 CSG was asked to recommend a grant of £81,815 from the Local Authority Treescapes Fund (LATF) be included in the Council’s Medium Term Financial Plan.

### **Background**

- 6.2 LATF funds small-scale tree planting initiatives to establish more trees in settings such as parklands, riparian zones, copses, and shelterbelts, as well as green lanes and small linear woodlands alongside roads and footpaths. Its fundamental aim is to involve local communities (supported by local authorities) to improve landscape connectivity outside woodland, increase natural colonisation where appropriate, and provide wider benefits to ecosystems and society, such as carbon absorption, flood protection and support for biodiversity.
- 6.3 The Council was successful in round 1 of the LATF last year and has been delivering those planting schemes during spring 2022 and will complete the project this winter. The Forestry Commission has now confirmed that an application to round 2 has also been approved.
- 6.4 Schemes included in Round 2 relate to:
- the planting of “standards” in Hexham, Alnwick, Bedlington, Byrness and Embleton;
  - the planting of areas with whips in Morpeth and Alnmouth; and
  - the creation of an orchard in Cresswell
- 6.5 The capital funding secured as set out below will facilitate the planting of the trees in Year 1 with subsequent maintenance being undertaken in Years 2 to 4 – as was the case in the equivalent Round 1 process.

	2022/23	2023/24	2024/25	2025/26	TOTAL
<b>LATF round 2</b>	£32,078	£16,579	£16,579	£16,579	<b>£81,815</b>

## 7. HRA Affordable Housing – Riverbrook Gardens, Alnwick

- 7.1 CSG was asked to consider a proposal to acquire 8 new affordable homes from Story Homes at Riverbrook Gardens off Alnwick Road in Alnwick at a total cost of £1,008,000.

### Proposal

- 7.2 The proposal is to acquire 8 x 2 bedroom section 106 units on the Story Homes Riverbrook Gardens Development. NCC have bid on the 40% Affordable rented units (8 in total) and the remaining 60% Intermediate units will be provided as Discount market value units direct by the developer.
- 7.3 This acquisition is part of the Housing Delivery Pipeline that has been identified and progressed by the Housing Delivery team. A budget of £48.2 million from the HRA was approved for the Medium Term Financial plan to resource this Housing Delivery Pipeline with a view to increasing the supply of affordable homes in areas where Northumberland County Council operate as a landlord. The cost of £1,008,000 will be funded 50% from Capital Receipts and 50% from Investment Borrowing.
- 7.4 This proposal meets the objectives of the recently adopted Local Plan, the NCC Housing Strategy, the findings of the Strategic Housing Market Assessment (SHMA) 2018 refresh and the emerging NCC Housing Delivery Strategy. It would contribute towards NCC's plans to provide additional affordable homes in locations where there is identified housing need and where NCC have already have a management presence. This is an opportunity to acquire 8x 2 bed affordable homes in the Alnwick area where currently the council only has 2 bed housing stock that is ageing.
- 7.5 In the recently adopted Northumberland Local Plan, the Alnwick location was identified as needing to provide a minimum of 950 new household units to meet the minimum housing requirements set out in Policy HOU 2 and HOU 3. This new development provides for this ambition. Policy HOU 5 refers to Housing type and mix and Policy HOU 6 refers to Affordable Housing provision and the provision of these affordable rented units will satisfy this requirement.

- 7.6 In terms of identification of local housing need this site is well located on the edge of the town. We have identified from the Homefinder application and bidding data that that there is a need for 2 bed houses and that they would be in high demand. In the last year there were 84 applicants for the 11 advertised 2 bed properties. The bidding rate was an average of 20 bids per property which is healthy and all were allocated to applicants in housing need. The units will be advertised on Homefinder and allocated in line with the Common Allocations Policy.
- 7.7 This acquisition model offers a quicker delivery solution than if NCC builds its own units as development on this site is due to commence in January 23. These new build traditional energy efficient units will meet many of NCC's zero carbon objectives and can be realised within a very quick build time.

### **Costings**

- 7.8 The acquisition price is based on the Open Market value of the 2 bed units at £210,000 each and we are offering approximately 60% Transfer value which is comparable to what is being offered by other Registered Providers in the area. This gives an outline offer per unit of £126,000 and the total capital cost for the scheme is £1,008,000.
- 7.9 The weekly affordable rent has to be no more than 80% of the market rent including any service charges payable. There is an annual Management Charge due for landscaping which will translate to a weekly service charge of £2.75 per unit. As the total weekly charge can be no more than £103.47 the actual rent element will reduce to £100.72 per week.
- 7.10 The viability appraisal indicates that the scheme will break even in Year 2 and will achieve a surplus of £193,300 for the HRA account by year 30.
- 7.11 The build will commence in January 2023 with the acquired units being completed in November and December 2023.

### **Implications**

<b>Policy</b>	The capital programme is part of the Medium-Term Financial Plan 2022-26. The plan supports the Corporate Plan.
<b>Finance and value for money</b>	The report outlines proposed project allocations and amendments to the approved Capital programme. The financial implications of these proposals are outlined in the

	main body of the report. The projects will be funded from the existing capital programme or external funding.
<b>Legal</b>	Subject to any contractual implications arising from the receipt of grant funding, there are no direct legal implications.
<b>Procurement</b>	In line with all other capital expenditure, the additional spend will be subject to the Council's recognised procurement procedures.
<b>Human Resources</b>	Not applicable.
<b>Property</b>	The properties affected by the proposals are identified in the main body of the report.
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Not applicable.
<b>Risk Assessment</b>	The risks associated with the proposals are regarded as acceptable but these risks will continue to be reviewed up to and during implementation of the proposals.
<b>Crime &amp; Disorder</b>	There are no Crime and Disorder implications.
<b>Customer Consideration</b>	There are no Customer Considerations.
<b>Carbon reduction</b>	Carbon Reduction measures have been considered within each project and Carbon Impact Assessments have been completed for the relevant projects.
<b>Health &amp; Wellbeing</b>	There are no Health and Wellbeing implications.
<b>Wards</b>	All wards.

**Background Papers:**

Medium Term Financial Plan 2022-26

**Report sign off:**

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

	<b>Name</b>
Monitoring Officer/Legal	Suki Binjal
Executive Director of Finance and S151 Officer	Jan Willis
Interim Chief Executive	Rick O'Farrell

Portfolio Holder	Richard Wearmouth
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