

WEST NORTHAMPTONSHIRE SHADOW AUTHORITY

SHADOW EXECUTIVE COMMITTEE MEETING

March 2021

Report Title	Proposal to forward fund extension and improvement works at Sponne School, Towcester
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Contributors/Checkers/Approvers		
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List of Appendices

Appendix A – Sponne School Feasibility Study

1. Purpose of Report

- 1.1. To provide Members with all the necessary information to make a fully informed decision on whether to passport Section 106 funding that will be received for Sponne School for use on a capital improvement scheme and whether to for approve the school’s request to forward-fund capital works at the school.

2. Executive Summary

- 1.2. This report contains details of the planned capital improvement works Sponne School wish to progress, the funding that is or will be available, to allow the progression of the planned works and will also provide the required background information that will allow Members to make a decision on this proposal.

3. Recommendations

- 3.1 It is recommended that the Shadow Executive Committee:

- a) Approve the first tranche of Section 106 funding from the Towcester South SUE of £1,296,776 to Sponne School;

- b) Approve the release of 182,942 in historic, banked S106 contributions to Sponne School;
- c) Consider Sponne School's request to forward-fund a further £320,282 of capital improvement works at the school to allow the extension of the school's Science Block against the value of future S106 funding to be received.

3.2 Reasons for recommendations;

- The recommended course of action will allow the timely progression of capital improvement works at Sponne School that are required;
- The recommended course of action will benefit students currently being educated at Sponne School;
- The future Council (or customers) will receive the maximum benefit from the option proposed

4. Report Background

- 4.1 Northamptonshire County Council (and, subsequently, the West Northants Council) is due to receive Section 106 developer contributions specifically towards secondary education from the Towcester South Sustainable Urban Extension. The Section 106 agreement identifies Sponne School as the beneficiary of these contributions. For the purpose of clarity, this funding cannot be used at any other school;
- 4.2 The Section 106 agreement stipulates that the funding which equates to £4.11m (plus indexation) in total will be received by NCC (and subsequently WNC) in four equal instalments of £1.029m (plus indexation) upon the completion of the; 500th, 1000th, 1500th and 2000th dwelling respectively;
- 4.3 The first secondary education contribution from the development, which is anticipated to equate to £1,296,776 with indexation added, will be received by NCC imminently (before the end of the current financial year). The development had achieved 508 completions as of 8th February and NCC has now invoiced the developer for this funding. It is likely that each further trigger point will be reached in a period of 24 months' time, meaning the total contribution will be received by the Local Education Authority (LEA) over a period of approximately 6 years;
- 4.4 Sponne School is currently undersized when considering the total number of students that attend the school. This is as a result of a previous local decision to increase the school's Published Admission Number (PAN) from 210 to 232 students per year group;
- 4.5 As a result of this overcrowding, Sponne School commissioned a feasibility study to examine how an increased amount of physical capacity could be provided at on the school site to a) accommodate the existing number of students on roll at the school and b) with a view to accommodating an increased number of students in the future. Sponne School have approached members of NCC and WNC with a request to see if the proposed works could be forward-funded by NCC ahead of the S106 funding to be received to allow for the timely delivery of proposed extension.

5. Issues and Choices

- 5.1 The feasibility study (attached as Appendix A to this report) identifies that the school could progress an extension in 6 distinct phases at a total cost of £13.5m. The feasibility report identifies that phases 1 to 3 must be progressed to deliver sufficient accommodation for the existing number of students currently attending the school, the indicative cost of progressing phases 1 to 3 equal £6.5m;
- 5.2 Forward-funding the progression of this scheme in amounts greater than the total amount of S106 funding that will be received from the Towcester South development is not an option and would represent a financial liability to WNC moving forwards. However, consideration needs to be given in respect of the following options;

- a) Forward-funding development to the value of the first tranche of S106 to be received for the school at a value of £1.29m and the banked S106 at £182,493, for a total value £1.479m. This option represents the minimum risk to NCC/WNC due to the timeframe in which the full amount of funding would be received in full from the developer (imminently). However, this would not provide the full amount of funding to allow Sponne School to fully progress the Phase 1 extension works identified in the feasibility study, which is an extension to their existing Science Block at a cost of £1.8m. Unless the school has identified additional funding in the amount of £320k, this option would not allow for the timely delivery of the planned works and would not provide any benefit to the school or the LEA;
 - b) Forward-funding development to the value of £1.8m to provide full forward-funding to allow the school to progress the Phase 1 Science Block extension. This option incorporates an additional risk to NCC/WNC in that although the majority of the funding (£1.479m) will be received from the developer in the immediate future, the re-imburement of the remaining funding (£320k) would need to be obtained from the second tranche of S106 funding, payable upon completion of the 1000th dwelling (this trigger point will likely not be hit for a period of 24 months). Should the Towcester South SUE encounter any difficulties and cease to deliver housing/deliver housing at a far slower rate than currently, there is no guarantee of when or if any funding would be able to be reclaimed. This risk is not thought to be likely at the current time but must be recognised prior to any decision being made.
- 5.3 It is the understanding of officers within the School Place Planning team the Phase 1 works to extend the Science Block have been fully designed and have planning consent and that a preferred contractor has been identified. The school have confirmed that should approval be given that they would be able to mobilise and start on site by the end of February/early March. As such, any capital funding required prior to the 31st March 2021 is likely to be minimal;
- 5.4 It should be noted that whilst the LEA is supportive of any improvement of and investment in the education estate within the county, there will be no benefit to the LEA in terms of additional school places to assist in meeting demand with Sponne School's linked area that would arise from any decision to forward-fund works at the school. The school is oversubscribed at the current time and the LEA will still be required to find (and possibly fund) alternative places at other local schools for any student who resides in Sponne's linked area but is unsuccessful in gaining a place at the school;
- 5.5 Any funding pass-ported to the Academy Trust that operate the school would be underpinned by a Funding Agreement that would limit NCC's and its successor unitary authority's financial liability to whatever amount is agreed by NCC and WNC Members. This is standard practice when NCC has provided funding for capital works to be delivered by an Academy Trust;
- 5.6 Should the decision be taken to forward-fund works at the school in either manner identified above, further consideration should be given as to what legal agreements NCC or WNC would seek with the school that would place a legal obligation on the school to refund any funding either organisation is unable to reclaim directly from the developer. Further advice from LGSS Law should be obtained in this respect.

6. Implications (including financial implications)

6.1 Resources and Financial

6.1.1 The proposal to forward fund capital improvement works at Sponne School in accordance with options a) or b) identified within section 5.2 of this report will have financial implications for NCC and WNC. Option a) represents expenditure equalling £1.479m of Section 106 funding that is currently banked or soon will be. Option b) represents expenditure equalling £1.8m and a greater risk of forward funding an additional £320k against the value of further S106 contributions that will not be received for a likely period of 2 years;

6.1.2 For the purpose of clarity, the S106 agreements that will provide the funding in question name Sponne School as the beneficiary of the funding and it cannot be used by NCC or WNC for any other purpose.

6.2 Legal

6.2.1 This proposal would have limited legal implications for NCC/WNC, the pass-
porting of any funding (amount of which is TBC) would be underpinned by a
'Funding Agreement' drafted by LGSS Law, which would clearly set out the roles
and responsibilities of all parties and on what the funding may be used.

6.3 Risk

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
NCC forward funds £1.8m and development ceases prior to completion of 1000 th dwelling. Additional £320k worth of funding not received.	Towcester South has already completed 508 dwellings and no indication from either the Local Planning Authority or the Developer that completion of 1000 dwellings will not be completed within anticipated timeframes. There is a small risk that the additional £320k worth of funding may not be received should development cease prior to the completion of the 1000 th dwelling.	Green

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
Sponne School and students attending the school continue to be educated within current accommodation until S106	Red

contributions have been received from the developer and this delays progression of works.	
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6.4 **Consultation**

6.5 The decision to forward-fund any works at the school in advance of S106 funding to be received would be the decision of NCC and WNC and is not subject to any statutory process. As such, there is no requirement for any consultation on the matter to have been conducted.

6.6 **Consideration by Overview and Scrutiny**

6.6.1 N/A

6.7 **Climate Impact**

6.7.1 Any construction works at Sponne School would have a climate impact but this would have been managed via the relevant planning process. The decision to passport funding itself has no impact in this regard.

6.8 **Community Impact**

6.8.1 This proposal can be considered to have a positive impact upon on both students that currently attend Sponne School or will do in the future by providing access to improved educational facilities.

7. **Background Papers**

7.1 N/A