

# Bath & North East Somerset Council

|                            |   |
|----------------------------|---|
| MEETING:                   | Council   |
| MEETING DATE:              | 14 July 2011  |
| TITLE:                     | <b>St Gregory's and St Mark's Sixth Form – Provision of Capital Funding</b> |
| WARD:                      | All but specifically Odd Down ward  |
| <b>AN OPEN PUBLIC ITEM</b> |   |

## 1 THE ISSUE

- 1.1 To seek agreement of the Council to the capital funding required for the provision of the new sixth form for St Gregory's and St Mark's Schools.

## 2 RECOMMENDATION

The Council is asked to agree.

- 2.1 Long term prudential borrowing of £2m be provided to support the estimated capital construction costs and related fees for the new sixth form.
- 2.2 The annual revenue borrowing cost for both interest and capital repayments estimated at £130,000 be considered as a priority commitment as part of the 2012/2013 Budget process.

## 3 FINANCIAL IMPLICATIONS

- 3.1 The Local Authority has agreed to purchase the additional site needed for St Gregory's and St Mark's Schools to provide new sixth form provision. This is in line with normal provisions for voluntary aided church schools and the land will be leased to the Diocese of Clifton and Diocese of Bath and Wells with details to be agreed between the parties.
- 3.2 The Council has committed a total of £2.4 million capital to the project within the capital programme including the cost of the above land and the Dioceses have allocated £376,000 of capital from the 2011/12 Local Co-ordinated Voluntary Aided Programme funding.
- 3.3 The total capital costs of £2.776m are broken down as follows:
  - £400,000 - estimated land purchase costs.
  - £2.376m – estimated construction costs and related fees.
- 3.4 The Council's long term provision of capital funding for the new sixth form assumes £400k is funded from the Schools Modernisation Grant with the balance of £2m now proposed to be met from additional prudential borrowing.

- 3.5 The additional annual revenue costs to meet the required £2m of new borrowing is estimated at £130,000 including interest and capital repayments over a period of 30 years.
- 3.6 The revenue funding for 6<sup>th</sup> form pupils will be supplied by the Young People's Learning Agency (YPLA) (or its replacement) under the funding mechanism for 6<sup>th</sup> form pupils. The numbers of pupils and their predicted achievements will affect the total resource available to the school.

#### **4 CORPORATE PRIORITIES**

- Improving life chances of disadvantaged teenagers and young people
- Improving school buildings
- Sustainable growth
- Addressing the causes and effects of Climate Change

#### **5 THE REPORT**

- 5.1 In July 2010 the Cabinet agreed to support the federation of St Gregory's Catholic College and St Mark's Church of England School with a joint sixth form as part of the strategy for secondary schools in Bath. The proposal will contribute to the Council's aims of raising standards, increasing diversity and choice for parents and providing sufficient church places to meet the level of demand.
- 5.2 The Governing Body of St Gregory's have consulted on changing the age range of the school to add a sixth form and intend to publish a statutory notice for this proposal in 2011.
- 5.3 The proposal would add to diversity by providing faith based publicly funded school post-16 provision in the Local Authority where currently there is none. The Authority's surveys of parental preferences in 1999 and 2004 showed that 41% of those who expressed a preference wanted either a Catholic or Anglican school place. The school's surveys have shown the demand for post-16 places in a Christian setting.
- 5.4 The proposal would improve standards. Level 3 (AS and A-Level) attainment in the Local Authority is low in comparison to Level 2 (GCSE or equivalent) attainment which is above the national average. St Gregory's as a high-performing 11-16 school with an Ofsted rating of Outstanding and with attainment above local and national averages, especially in new academic measures such as the English Baccalaureate (43%), should help to improve educational achievement in the Authority at post-16.
- 5.5 The Governing Body has been granted Outline Planning Permission for the additional building that will be required as a result of the proposal.
- 5.6 The Council's long term provision of £2.4m of capital funding for the new sixth form currently assumes £400k is funded from the Schools Modernisation Grant with the balance of £2m being met from ring-fenced future capital receipts from the sale of surplus education property estate as part of the secondary school reorganisation in Bath.

- 5.7 As a result of other proposals, it is likely that these estimated future capital receipts will no longer be achieved and it is therefore necessary to seek alternative funding arrangements for this element of the capital costs.
- 5.8 The options for this £2m are limited to either meeting the costs wholly from the revenue budget or from additional long term borrowing. Given the revenue affordability implications it is recommended that the cost be met from additional long term prudential borrowing over a period of 30 years. The estimated annual revenue costs for this are estimated at £130,000.
- 5.9 In order to commit to this additional borrowing it will be necessary for the Council to agree these ongoing revenue costs as a priority commitment against the Budget for 2012/2013.
- 5.10 The proposal will contribute to the Council's strategy for secondary provision and as agreed by the Cabinet in July 2010 and add to diversity of provision by the addition of Christian faith based post-16 places in the Local Authority and in Bath.
- 5.11 The proposal has the support of pupils at the school, parents of pupils at the school, parents of pupils at St Mark's and parents of primary age pupils who expressed their desire for a sixth form at St Gregory's via the consultation process.

## **6 RISK MANAGEMENT**

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.
- 6.2 This report seeks to address the significant uncertainty and risk surrounding the future use of ring-fenced capital receipts from the secondary school reorganisation in Bath to fund this project which are now considered unlikely to be realised.

## **7 EQUALITIES**

An equalities impact assessment has not been carried out as this decision concerns the approval for borrowing. An Equalities Impact Assessment will be carried out for any future decisions concerning the joint post-16 provision for St Gregory's and St Mark's.

- 7.1 The additional provision will add to diversity in Bath and the Authority as a whole by providing Christian faith based post-16 places where currently there is no provision of this type.

## **8 CONSULTATION**

- 8.1 Stakeholders/Partners; Section 151 Finance Officer; Chief Executive; Monitoring Officer.

## **9 ISSUES TO CONSIDER IN REACHING THE DECISION**

- 9.1 Social Inclusion; Sustainability; Property; Young People; Human Rights; Corporate; Other Legal Considerations.

## **10 ADVICE SOUGHT**

10.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

|  |  |
|--|--|
| <b>Contact person</b>  | Chris Kavanagh, Children's Service, 01225 395149   |
| <b>Background papers</b>   | Statutory Notice and Complete Proposal published by the Governing Body of St. Gregory's Catholic College (available on the school's website) |
| <b>Please contact the report author if you need to access this report in an alternative format</b> |  |