

Wetherby High School Rebuild Proposals and Business Case

Date: 15 December 2021

Report of: Director of City Development and the Director of Children's and Families

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- This report sets out the current issues regarding the condition of Wetherby High School estate, which is beyond economic repair. Following a review of the potential impact of the closure for the current pupils and parents as well as town of Wetherby itself, an ambition to bring forward the principle of a rebuild of the school at 6 form entry 11-16 age range, on a smaller site has been supported. This ambition is based on key principles of a Business Case developed to support the rebuild, proposal, because of Basic Need Grant Funding not being able to be utilised for schemes where there is no requirement to expand numbers and requests to Government for condition funding being unsuccessful. Further detail of the proposed Business Case is presented within the Confidential Appendix to this report.
- The project is complex and challenging and reliant on external factors to be brought forward successfully into delivery. Secretary of State approval is required for the release of land from educational use to allow it to be brought forward for development, planning approval is required for housing development to realise a capital receipt to support the business case and the use of this capital receipt along with other potential receipts, S106 and CIL funding to support the rebuild of the school. Should the challenges outlined above be overcome, it is anticipated that the rebuild of the school could be completed and the new building open by September 2024 at the earliest.
- The purpose of the report is to seek Executive Board approval to commence consultation with the relevant bodies, regarding the potential for the release of land from Educational and playing field purposes. Should in principle support for the proposal from Executive Board be forthcoming, the project can only progress if certain approvals are secured in the first instance i.e. the successful outcome of a formal S77 application to the Secretary of State for Education to the release of land and a successful planning application for both the school and housing development on the site. Should these approvals be secured, the details of the financial Business Case that will support the financial delivery of the project need to be finalised.

- It should be noted that Wetherby High School is part of the Leeds Learning Alliance Trust which means that the land and property at Wetherby High School vests in the Leeds Learning Alliance Trust and the staff are employed by the Governing Body of Wetherby High School. Further detail regarding this and the challenges it presents is set out in paragraphs 18-21.

Recommendations

Executive Board is recommended to: -

- a) Approve the principle of the rebuild of Wetherby High School and the ringfencing of capital receipts, CIL and S106, as set out in the Confidential Appendix (Business Case), to support its delivery.
- b) Subject to the recommendation above, the successful outcome of the S77 notice and Sport England discussions regarding the release and development of land around Wetherby High School, approve the submission of the planning applications for the school and housing development to support the delivery of a new secondary school at Wetherby for September 2024 at the earliest.
- c) Approve the principles of the Business Case set out in this report and the Confidential Appendix attached at Appendix B which has been developed to support the delivery of the proposed rebuild of Wetherby High School.
- d) Approve the requirement for the submission of an Executive Board report at a future point in time once the Secretary of State approval to release the land is secured and the details of the Business Case required to deliver the project are known.

Why is the proposal being put forward?

1. Wetherby High School is an 11-18 local authority-maintained school set in the market town of Wetherby, part of Leeds local authority. In October 2012, the school was designated to 'Require Improvement' by Ofsted and went into a period of rapid decline in popularity. Since 2014, new management arrangements have been put in place which have resulted in the recent re-inspection attaining a 'Good with outstanding features' verdict. Having a secondary school in Wetherby offers parental choice for a growing population'
2. Wetherby High School is popular with learners both within and outside of the Wetherby area. Appendix A – shows the pupil distribution map of all children attending the school, based on census data January 2021. The plan demonstrates that the school attracts from two key areas of Leeds, from Wetherby itself and inner East Leeds, with the Little London and Woodhouse area the next highest and lower numbers attending from villages and communities around East and North East Leeds. Currently the school's intake is 170 pupils which equates to a 5 ½ Fe secondary school.
3. The current school site comprises an operational comprehensive secondary school, related buildings, playing fields, car parking and all-weather pitch. The overall site extends to approximately 7.4 ha (18.3acres). The school buildings, related car parking and access/circulation are located centrally within the site on a footprint of approximately 3.3ha (8.2 acres), with playing fields including an all-weather pitch making up 4 hectares (10 acres) of the site. The density of the school buildings is relatively low in comparison to the extensive nature of the total site. The external playing field land is allocated as N6 protected playing fields in the 2006 UDP. Constructed originally in 1930, it has seen additional accommodation (14 blocks in total) brought forward in different decades – 60's and 80's

most notably and as a result the school is made up of a series of individual buildings that occupy a larger footprint than the school requires under BB103 guidance.

4. Wetherby High School condition is extremely poor. The 2015 Condition Survey identified most of the condition ratings as either poor or very poor. Over the past 5 years, an excess of £2.5m has been invested into the school buildings to address the highest condition works, via a combination of Planned Maintenance Schemes, including Asbestos removal, and reactive emergency works to address immediate Health & Safety concerns. Just addressing the urgent and health and safety issues on a reactive basis is not considered to be sustainable or value for money. The school is beyond economic repair and if investment into the building is not forthcoming, there is a risk that the local authority may need to consider bringing forward a proposal to close the school as part of a statutory process.
5. Against this background, consideration has been given to the future of the school and whether it is refurbished, rebuilt or closed. In assessing the case for the future of the school there are three principal factors that have been considered. Firstly, the demographic need for a new school, secondly the impact of closure on the town of Wetherby and thirdly whether a business case can be made to finance any rebuild proposals brought forward. Taking each point in turn:
6. **Demographic need for a new school.**

Wetherby is an area of growing population and the demographic pressures currently being experienced on primary school places in the area is expected to work its way through to secondary provision. The school is located within the Outer North East area of Leeds where like Wetherby, the demographic challenges of increased demand for primary school places, is now being experienced on secondary school places.

There are two secondary schools located in the Outer North East, including Wetherby with the total Published Admission Numbers (PAN) currently at 410 across both schools. The area has seen a 20% increase in Year 7 offers since 2018, based on school census data and area projections are indicating that the demand will outweigh the supply in four of the next five years, based on demand trends and housing.

	SCHOOLYEAR				
	2022/23	2023/24	2024/25	2025/26	2026/27
Available places (PAN)	410	410	410	410	410
Projections	380	438	426	455	434

In addition, Wetherby has had significant housing built in recent years which is another factor that is adding to pressure for school places. The proposed housing development close to the racecourse has potential to deliver 1,100 homes. The estimated yield of secondary aged children from this development who would potentially be needing a secondary school place in Wetherby, would be approximately 110. Without the provision available, then children would have to travel out of area for their secondary education.

7. Accordingly, in light of the existing pupil demand, the level of housing growth being brought forward in the catchment area and the resilience that a new school would provide to the provision of future school places across the greater outer North East Leeds area, this reports concludes that, on balance, a demographic case can be made to support the re-provision of Wetherby High School as a 6 form of entry school for ages 11-16.

8. Impact on Wetherby Town Centre.

Alongside the demographic case, it is recognised that the High School makes a positive contribution to the life and vitality of Wetherby Town Centre. This is both in terms of the number of pupils visiting the school and also parents who may visit the town centre alongside dropping off or picking up their children from the School. It is also the case that local towns and high street have faced ever increasing pressure due to changes in shopping patterns and the covid pandemic. Consequently, the loss of a major facility in the Town Centre has the potential to impact negatively on the economic vitality of the district centre.

The Financial Business Case

Based on comparative costs with recent secondary school build projects and initial feasibility work, the target cost for a new 6 Form 11-16 years secondary school is £25m + a risk factor of 20%. This indicative cost would be subject to further design development prior to a design and cost freeze at planning stage.

9. Against this target cost, it is evident that there are no specific grant monies from government to cover to total cost of a rebuild proposal. On that basis, a mixture of funding sources would have to be secured to finance any new build school proposal. The funding mix proposed is outlined below:-
- The ring fencing of strategic CIL monies generated from named residential developments in the Wetherby Ward.
 - The ring fencing of future strategic CIL monies generated from named residential developments in the Wetherby Ward.
 - An allocation of CIL monies held locally by Wetherby Town Council towards the scheme.
 - The ring-fencing of surplus land at Wetherby High School, which subject to the necessary statutory consents, would be brought forward for residential development.
 - The ring-fencing of surplus capital receipts brought forward in the Wetherby Ward.
10. It is forecast that in total the mixture of funding sources identified above will be able to finance between £18.8m and £22.8mm. Further detail of this breakdown is included in the Resources section of this report and the Confidential Appendix. The source of the balance of the funding required to deliver the Business Case will need to be considered by Children's and Families Directorate once the extent of the balance is known.
11. On that basis, it is evident that a significant proportion of the funding for the new build school could be financed through the application of resources generated from within the Ward, Accordingly, subject to the necessary Statutory consents being forthcoming, a financial business case to address its delivery, a new build proposal could be brought forward.
12. The impact of a potential school closure on the pupils, parents and staff at the school would be significant, with many pupils having further to travel to access education, which will have additional revenue implications for the Council. Notwithstanding this, the loss of a secondary school offer will be detrimental to a town the size of Wetherby with reduced footfall and its local economy impacted.

Sale of Surplus School Land

13. Based on the information set out above, a key part of the in sections 3,4 5 and 6 and in discussions with the Executive Member for Economy, Culture and Education and ward members, a potential business case has been developed. The business case explores the potential to rebuild Wetherby High School on a reduced footprint and to release this land for housing development, which will support in part, the rebuild of the school. This could

generate in the region of £9-12m in a capital receipt towards the cost of the rebuilds. In addition, further capital receipts from Leeds City Council assets in the Ward alongside S106 funds for education in Wetherby and Community Infrastructure Levy (CIL) funding, both Leeds City Council and Wetherby Town Council, as part of housing allocation sites within Wetherby have been identified within the proposed business case to support the rebuild of the school.

14. Based on current pupil numbers and taking account of the requirements for anticipated housing growth, the proposal is to rebuild Wetherby High School as a 6 Form entry 900 place secondary school. The current site area sits at 7.5 hectares (18.5 acres), which is more than the requirement for a 6Fe Secondary school. The business case for rebuilding Wetherby High School is predicated on the reduction in the school land area to just over 10.5 acres and principle of sale of the land released for development and the capital receipt for this ring fenced and reinvested into the project.
15. The rebuild proposal is expected to cost in the region of £25m and the proposed Business Case developed to support the scheme is attached in the Confidential Appendix – Appendix B. A risk allowance of 20% has been added to this, with the intention for this to be designed out where possible during the detailed development of the scheme.
16. The disposal of school land held by a local authority requires the Secretary of State's prior consent under paragraph 4 of Part 1 of Schedule 1 to the Academies Act 2010. This applies to all land (whether playing field or non-playing field land) which has been used wholly or mainly by a school or 16-19 academy in the last eight years, whether still open or now closed. In addition to the requirements under the Academies Act 2010 set out above, where a local authority wishes to dispose of playing field land, the Secretary of State's prior consent is required under Section 77(1) of the School Standards and Framework Act 1998. This applies if the land is, or has been in the last 10 years, used by a maintained school (including where the land is now being used by an academy).
17. Information to be included as part of the S77 as supporting evidence include site plans and photographs, site information – legal title, current uses, condition, financial justification, existing users, consultation evidence etc along with the main terms of the disposal and proposed site enhancements. There is a significant amount of work to undertake prior to submission and it is unlikely that the outcome of feasibility will provide sufficient information to give us comfort that we will be able to proceed with a favourable outcome. On that basis early dialogue with the DfE has commenced and who will review the information prior to the submission of the S77 notice. In addition, there will also be a requirement for Land and Property colleagues to explore potential approaches to the marketing of the land for development alongside the feasibility and consideration of what information needs to be brought together to support this.
18. On receipt of feedback from the DfE regarding a positive outcome to the S77 notice, further engagement work is required with Sport England. Part if not all the land to be considered for disposal will be N6 Protected Playing Field land and as part of the planning process will require Sport England approval and potentially the Secretary of State Culture, Media and Sport. The redevelopment proposal will also need to meet the Sport England exceptions re quality of provision – i.e. enhancements and uplift to the existing sports provision on site will be required to gain Sport England approval alongside Community Use Agreements. This element of the project will be equally as challenging as seeking the land disposal. It will be important to engage in early and consistent dialogue with Sport England prior to the submission of the

planning application. A successful outcome to both issues identified above is required to move the project forward into detailed design and delivery.

19. Works to bring forward the S77 notice are underway, including site and ground investigations, development of design considerations around the potential proposed layout and location of the school, potential locations for housing, site access points and sports pitch provision. The proposed layout of the school and potential housing locations is shown on Appendix A. This layout allows for the existing school to remain operational whilst the new school is under construction.
20. Subject to DfE and Sport England approval, the scheme design will be developed and ultimately a planning application for the new school and the proposed housing development will be submitted and subject to the outcome of that, construction on the school will commence in early 2023 to allow the school to open in September 2024. The challenge to manage during the next 2-3 years are the current condition issues and any repairs that are required before the new school is open.
21. However, should the Secretary of State approval and the appropriate Sport England approval to bring part of the school site forward for development not be secured, and the required Business Case be unachievable the rebuild proposals for Wetherby High School will be undeliverable and the project will be unable to progress.
22. In recent years Wetherby High School has provided a personalised Post-16 education offer for a smaller number of learners. However, this is not financially sustainable and therefore the school has not recruited into the sixth form since 2019. An informal public consultation period completed on the 22nd October, with 56% of all respondents supporting the proposed change of age range to 11-16 and therefore closure of the sixth form. As part of a statutory process, the governing body as a foundation school, are now proposing to officially change the age range and close the sixth form. A statutory notice has been published which starts the by a four-week formal consultation period, which will take place between 22nd November and 19th December. Although the governing body are the proposers, the local authority is the decision maker. Consequently, at the conclusion of this statutory period a summary of responses from the public consultation will be reported to Executive Board in February 2022. On this basis, the current assumption is not to provide 6th form provision as part of the school rebuild.

What impact will this proposal have?

Wards affected: Wetherby

Have ward members been consulted?

Yes

No

- 23 The rebuild of Wetherby High School plays a positive part in the positioning and vibrancy of Wetherby. In offering secondary provision the town will attract families who want to live close the education offer they choose. It will also support the local economy and retain and increase footfall in the town as new housing growth is brought forward.

What consultation and engagement has taken place?

- 24 The Deputy Leader of Council and Executive Member for Economy, Culture and Education has been briefed on the development of this proposal and is fully supportive of the approach outlined in the report.

- 25 The Ward Members for Wetherby have also been briefed regarding the proposals and are fully supportive of the plan to rebuild the school. They have expressed a view to be consulted further on any asset disposals in the Ward, prior to indicating their specific support for any disposal of assets that are yet to be finalised as part of the final business case.
- 26 Wetherby Town Council are aware and fully supportive of the proposals. Officers will maintain regular briefings with members as the scheme progresses.

What are the resource implications?

- 27 The resource implications are the requirement to develop a business Case that aligns as closely as possible to the high level cost envelope of a 6Fe secondary school which is c£25m. The Business Case attached as the Confidential Appendix identifies a number of funding sources which are required to support the financing of the proposed rebuild of the school, without which the scheme is not viable. It is important to note that the £25m is based on the current Learning Places specification for the delivery of school places which has been successfully adopted across the programme for the last 3 years. However, the final cost envelope will be subject to the outcome of ground investigation, site surveys, detailed design, planning requirements, the need for any specialist provision requirements if applicable and any Sport England enhancements and uplift required before a final design freeze cost is achieved. For this reason a risk factor of 20% has been applied, pending the detailed design being finalised.
- 28 The Business Case currently identifies a potential funding shortfall of somewhere between £2m and £6m. Funding opportunities will continue to be explored to identify potential solutions to close the gap, however if these are not forthcoming, it is proposed that Children's and Families Directorate consider an allocation of funds from the School Condition Allocation or alternate funding sources would be required. In the meantime work to close the Business Case funding gap will continue and additional funding sources explored.

What are the legal implications?

- 29 The information contained in this exempt appendix relates to the financial and business affairs of the Council and other parties. It is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time. It is therefore considered that this element of the report should be treated as exempt under Rule 10.4(3) of the Access to Information Procedure Rules.
- 30 Wetherby High School set up a Trust in 2010 named the Wetherby Education Trust and Wetherby High School converted to trust status and under the Education and Inspections Act 2006 and the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 all the land and property held or used by the Council for the benefit of Wetherby High School transferred and vested in the Wetherby Education Trust.
- 31 Subsequently the Governing Body of Wetherby High School ("the GB") decided to remove itself from the Wetherby Education Trust and the GB completed the statutory process of removing its foundation under The School Organisation (Removal of Foundation, Education in Number of Foundation Governors and Ability of Foundation to Pay Dates) (England) Regulations 2007 and the Wetherby Education Trust was removed as the foundation for Wetherby High School on the 1 June 2019.

- 32 The GB subsequently joined the Leeds Learning Alliance on the 20 September 2019 and land and property at Wetherby High School is now vested in the Leeds Learning Alliance by virtue of the Regulations and as a result is held by the Leeds Learning Alliance on trust for the purposes of the Wetherby High School.
- 33 As a legal transfer of Wetherby High School has not yet been undertaken the legal title remains with the Council and the beneficial interest is vested in the Leeds Learning Alliance. Leeds Learning Alliance as beneficial owner will have to be party to any legal documents.
- 34 Secretary of State for Education consent will be required in respect of the disposal/change of use of any of the land at Wetherby High School to a third party.

What are the key risks and how are they being managed?

- 35 Risk is to be managed through application of 'best practice' project management tools and techniques via the City Council's 'PM Lite' risk methodology. Risk management forms just one part of PM Lite and further details on risk can be seen in the Insite page: <https://insite.leeds.gov.uk/toolkits/managing-a-service/riskmanagement>. The progress of the scheme (RAG rating and comments) will also be included in the routine reporting to the council's Strategic Investment Board.

Does this proposal support the council's three Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

- 36 Climate Emergency - The rebuild proposal will bring forward one three storey school building located to the frontage of the site, with all classrooms, reception, specialist teaching areas, dining hall etc located within one building. The school would be a modern, high quality teaching environment that meets the BB103 guidance with climate emergency measures such as air/ground source heat pumps and solar panels. The estimated cost of the works is in the region of £25m.
- 37 Inclusive Growth – Putting Children at the Heart of the Growth Strategy by ensuring that education provision is developed and retained within communities and that the real estate developed is of high quality and fit for purpose.
- 38 Health and Wellbeing – the school sports provision will be enhanced as part of the proposals, including new and improved all-weather pitch provision, changing facilities and community use agreements to support clubs and teams in the local community to access the new facilities. These facility enhancements and new provision would be a requirement as part of Sport England's remit through the planning process.

Options, timescales and measuring success

a) What other options were considered?

- 39 Two alternate options were considered regarding the proposal to rebuild Wetherby High School and these are outlined below: -
- 40 **Do Nothing-** The implications in taking a do-nothing approach would ultimately lead to the closure of the school. The existing school building is in poor condition and has reached end of life. The buildings apart from the relatively new sports hall contain asbestos, the heating

systems need replacing, several of the buildings require re-roofing, replacement electrical systems and windows.

- 41 There are no funds in place for the rebuild of the school without bringing forward the Business Case identified in the Confidential Appendix of this report. Basic Need Grant funding cannot be utilised for the rebuild of a school where expansion is not taking place and requests for funding from Government have been declined.
- 42 Ultimately without investment the building/s will deteriorate rapidly and the local authority may need to consider bringing forward a proposal to close the school as part of a statutory process. For a town the size of Wetherby, the impact of having to close its secondary school will be felt both by pupils and parents from Wetherby and the wider areas, inner east Leeds particularly where 22% of the school intake currently travel from. Pupils will have to travel further to access alternative education and the economic impact of the closure will also be felt by local businesses.
- 43 On the basis outlined above Do Nothing is not the preferred option.
- 44 **Refurbishment** – the option for refurbishment of the existing school buildings has been explored. The proposal would require a phased approach due to the nature of the different buildings on site – 14 in total and would at least 3 years to deliver. In addition, there may be a requirement for temporary accommodation whilst some of the larger buildings, dining hall, specialist classrooms and reception are refurbished.
- 45 Initial cost estimates developed 2-3 years ago identified that the potential cost of the refurbishment was in the region of £14-17m to deliver. This did not consider any decant costs, inflation, or temporary accommodation. Basic Need Grant Funding cannot be utilised as per the reasons outlined in para 20. As this is a proposed refurbishment, it is not possible to reduce the school site area enough to deliver a capital receipt to part fund the works. In addition, a refurbishment of the school will not remove all of the asbestos in the refurbished buildings and will not be a long-term solution for the school condition. . The buildings will be repaired and upgraded; however, the works will not address the suitability issues at the school. The school buildings will still be disconnected and so movement and flow around the school will be inefficient and running costs for repairs, heating etc will be higher. In conclusion, given the nature of the existing construction, the design life of a refurbishment will be significantly less than the design life of a new build proposal. Based on the issues outlined above a refurbishment has been discounted.

46 **How will success be measured?**

Success is measured through the delivery of a sufficiency of school places and the opening of schools in time for the academic year the places are required, and the schemes are delivered within budget.

Appendices

- 47 Appendix A – Wetherby Dot Map
- 48 Appendix B - Confidential Appendix – exempt under Access to Information Procedure Rule 10.4(3)
- 49 Appendix C – EDCI Screening

Background papers

50 None.