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Date: 22 March 2017

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Mr Jonathan Slater
Permanent Secretary
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Children, Families and Adults Services

Executive Director: Wendi Ogle-Welbourn

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Dear Mr Slater



**Re: Free school proposal Chatteris,
Cambridgeshire**

I am writing to express our concern and disappointment about the delay within your department in reaching a decision about proceeding with the implementation of the proposal for a new free primary school in Chatteris. The Active Learning Trust (ALT) submitted the free school proposal to open a new 2 FE primary school in the town to meet the current and forecast need for primary places from September 2017 and beyond. The application was approved to proceed to the pre-implementation stage in April 2016. Almost 12 months have passed since then and, although the local authority has provided considerable information in response to further evaluation by the department, and worked hard to address all of the risks and issues identified by staff who are part of this programme, there has been no decision or commitment to move onto the subsequent stage or stages. It has also become apparent that the internal risk management processes and procedures adopted by the Education Funding Agency (EFA) would make it impossible to achieve delivery of the new primary school any earlier than 2019.

We also have wider concerns that many of these processes and the perception of risk will render the free schools programme wholly unsuitable for the purpose of providing new schools to meet the basic need for places where the growth in pupil numbers is linked to major housing development. Although these developments are built out over an extended time frame, a school is

still required in the early stages of the life of the development to provide new school places and support the provision of other services to the new community and its residents (e.g. early years and childcare).

Specific examples of risks and issues identified by your team which are proving to be a barrier to further approvals are:

- An insistence on providing evidence of exceptional basic need in the specific year of opening. Exceptional is not defined but we have identified an existing basic need pressure in the town for between 15-20 reception places each year. The need for places will increase as house building takes place on the major development site in Chatteris (the Hallam Land) but, as explained above, this will be incremental. The development has planning permission and a start in 2018 is anticipated with between 50 and a 100 units a year being built.
- Not funding or opening free schools in temporary accommodation ahead of any permanent build, which requires any unmet demand for places to be accommodated at existing schools. Over a period of 3 to 4 years this could place significant organisational and performance pressures upon the two existing academy primary schools in Chatteris, Glebelands and Kingsfield, and make it increasingly difficult for the Council to meet its statutory duty to provide all children with a school place.
- That the school must be built and operate as 2 FE from the outset as the DfE considers schools below this size not to be viable, although this view is not shared by ALT who would be the sponsors of the school. In Chatteris, where the proposed build out rate for the new housing is slow, this would result in an oversupply of primary school places which could have a destabilising and detrimental effect on existing schools. If the Council was proposing the establishment of a new Academy it would open it as a 210 (1FE) primary school and then expand it to provide 420 places (2FE) when there was evidence of sufficient demand arising from the new housing. Building the school out in this way would also reduce the level of forward funding required and allow phase 2 to be more closely aligned to the payment of developer contributions (see below).
- The DfE are unwilling to commit to forward funding the free school proposal beyond the lifetime of the present Parliament which appears to run counter to the more optimistic tone of the joint ministerial letter issued by DCLG and DfE. This letter acknowledged the need for housing developers to continue to make contributions towards the new schools needed but in cases where that threatened the viability of a development forward funding a new free school could be the answer and ensure that the objectives of both departments were achieved. To ourselves, the new free school proposal in Chatteris appeared to be one that would benefit from such an approach as development viability means that the triggers in the section 106 agreement for the Hallam Land will not be reached until 2023/24. It now appears that the issue of forward funding is a significant obstacle in securing further approvals from you.

The delay in making any further decisions on the free school proposal is also causing us practical difficulties in the planning of school places in the best way possible for the local community. Our pupil forecast data indicates a need for additional places to be available for Reception entry in September 2017. Our proposed solution to this is to site a new school in temporary

accommodation on the Cromwell Community College, Chatteris (an 11-18 Academy), which is adjacent to the proposed site of the new free primary school. The chosen location has its own separate access. On completion of the permanent accommodation the new school would then relocate to its new site on the adjacent Hallam Land. This would provide the best solution in terms of the continuity of education for pupils, admission arrangements, revenue funding and avoids undue pressure on Kingsfield Primary School (also sponsored by ALT) by placing more pupils and temporary accommodation on their site for a period of 3 years. Over many years the Council has successfully taken this approach to the opening of a number of new schools serving new development areas; e.g. Isle of Ely Primary School in Ely (sponsored by ALT) and Jeavons Wood Primary School in Cambourne.

The Council had anticipated that the new school in temporary accommodation would be the free school, as had the applicant ALT who had identified a September 2017 opening date in their original bid proposal. However, this is not an option as you will not consider opening a new free school in temporary accommodation. The Department has maintained this stance even though the Council has agreed to fund the cost of the temporary solution so that it is not being funded from the national free schools programme.

The Council is disappointed and frustrated by the absence of any further decisions or commitment almost 12 months from the original approval. The lateness of any decision, if and when it comes, is also creating very real and practical difficulties for us and the communities we are trying to serve.

In the circumstances I have described, the Council is contemplating the very unusual step of asking the Regional Schools Commissioner (RSC) to open the new school as a sponsored academy in September 2017 on the site of the Cromwell Community College in temporary accommodation. The Council would subsequently take on the phased building (210 places in phase 1) and delivery of the new school's permanent accommodation and seek to have it available in September 2019. The Council will further suggest to the RSC that ALT is retained as the Council's preferred sponsor to run the new academy school. If the Council gains approval for this approach it will ask ALT to withdraw its free school application.

I would welcome your views on the future of this free school proposal and our proposed course of action.

Yours sincerely

Keith Grimwade, Service Director: Learning, CCC

CC
Wendi Ogle-Welbourn, Interim Executive Director, CCC
Cllr Joan Whitehead, Chairwoman of the Children and Young Peoples Service Committee (CYP)
Cllr David Brown, Vice Chair, CYP
Dr Tim Coulson
Regional Schools Commissioner for East of England and NE London



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21 April 2017

Dear Mr Grimewade,

RE: Free School proposal, Chatteris, Cambridgeshire

Thank you for your letter of 27 March to the Permanent Secretary about the above proposal. As Director of Free Schools Group I have been asked to reply on the Permanent Secretary's behalf.

I am sorry to hear that you are both disappointed and concerned with the progress of Chatteris Free School through preopening.

You raised a number of matters in your letter and I will address each. First, however, I want to provide some clarity about the preopening process with the hope of addressing some of your disappointment. Chatteris Free School was a wave 11 free school application that entered preopening on 1 August 2016. As such, the project has been in preopening for approximately 8 months, rather than 12 months – the average, is 18 months. During those 8 months, Free Schools Group (FSG) and Education and Skills Funding Agency (ESFA) officials have worked collaboratively with the Active Learning Trust (ALT) and officers in your council to determine a sensible project timeline to open the school.

It is crucial when determining whether and when to open a school, that free school proposers meet the requirements established by the Secretary of State before she can enter into a funding agreement. We remain thankful to ALT and officers at Cambridge County Council for their continued support and patience in providing additional information to help us assess the risks associated with opening Chatteris Free School.

I know that you are disappointed about the department's decision not to open Chatteris Free School in temporary accommodation in 2017. Our reasons have been communicated to ALT and Cambridgeshire County Council but I thought it would be helpful to provide further explanation.

We aim to open as many free schools as possible in permanent accommodation from the outset. From our experience, this maximises the possibility of schools recruiting and performing well. We know that some schools will of course open in temporary accommodation, but this is only in exceptional circumstances, for example, where there is critical basic need for school places in the area and where a permanent site has been secured. Cambridgeshire County Council identified a need for 16 reception places in 2017. This was not considered critical need by the department or Cambridgeshire County Council, who previously agreed to accommodate this shortfall with a bulge class at Kingsfield Primary School. Our policy of opening in temporary accommodation only if a permanent site has been secured is to reduce the risk of a school being left in temporary accommodation for an indeterminate period of time and potentially having to halt or limit recruitment. Unfortunately, in this case the section 106 agreement is not yet signed for the proposed permanent site for Chatteris Free School. Therefore, there is no security around the site or the developer's financial contributions to develop it. I know that Cambridgeshire County Council previously offered to fund temporary accommodation for a 2017 opening on the Cromwell Community College site but we cannot consider this option unless a permanent site has been secured.

In addition to the above wider policy questions, your letter highlighted specific issues that you believe to be barriers in progressing Chatteris:

Basic need

I know that there have been extensive conversations about the basic need situation in the Chatteris area. I also know that we have struggled to come to a common view. I therefore thought it worthwhile to set out in some detail the various data sources and interpretations. Clive Paskell from ALT and Ian Trafford from Cambridgeshire County Council met with their free school lead contact, Tessa Kennedy, on 20 February 2017 and discussed both basic need and the project's progression. Mr Trafford said that there was an existing basic need pressure in the town for between 15-20 reception places each year. Mr Trafford provided a further breakdown of basic need in the area and specified a shortfall of 23 reception places in 2016, 16 in September 2017, 12 in September 2018 and 23 in September 2019 (attached at Annex A).

To further identify basic need, Mr Trafford helpfully provided a development trajectory and pupil forecast on need created by the housing development on Hallam Land (Annex B). Based on pupil numbers arising from Hallam Land alone, the chart predicts that basic need for one full form of entry will not occur until Year 8 of the development in 2026. Furthermore, the chart is unable to predict when there will be a need for two forms of entry despite detailing basic need until Year 11 of the development.

These two sources of basic need have not been viewed separately. Upon adding the existing basic need with the need arising from the housing development, in 2018 this presents a shortfall of 15 reception places (12 places from existing basic need and 3 generated by the Hallam Land development). In 2019 based on combined data there is a shortfall of 39 reception places (23 places from existing need and 16 generated by the Hallam Land development).

The document relating to existing basic need did (Annex A) not provide information beyond

2019, however according to SCAP 16 data drawn from Cambridgeshire County Council, there is a shortfall of 23 reception places in 2019/2020 and 19 in 2020/2021.

- Unfortunately, we cannot justify forward funding the school build on the permanent site when there is a need of only around 1FE for the foreseeable future.

To find the best way forward, I suggest that you discuss the 2 options below with FSG and ESFA colleagues:

Option 1: Opening Chatteris a 1 form of entry school

From our experience, it is better to open primary schools with two forms of entry to ensure financial and educational viability. However, we would consider opening Chatteris with 1FE if the following criteria were met to reduce the financial and educational risks:

1. Cambridgeshire County Council agreed to fund the build of a 1FE school on the permanent site whilst awaiting the developer's contributions to expand the school to 2FE (likely to be in 2023/2024).
2. Cambridgeshire County Council showed that it could fund the build and maintenance of a 1FE school until the developer's contributions were triggered.
3. Cambridgeshire County Council agreed to underwrite a full one form of entry to until 2023/2024 or until a point when the school expanded to two forms of entry and showed that it could afford to do so.
4. ALT provided financial plans to show it can maintain financial and educational viability whilst the school is filling during the transitional period when the school has only 1 FE.

Option 2: Opening Chatteris in temporary accommodation funded by Cambridgeshire County Council on the Cromwell Community College site once the permanent site has been secured

1. Cambridgeshire County Council agreed to fund the build of a 1FE temporary school on the Cromwell Community College's site.
2. Cambridgeshire County Council showed their financial ability to fund the build and maintenance of a 1FE school for the full period until the permanent site is ready.
3. Cambridgeshire County Council agreed to underwrite a full one form of entry to until 2023/2024, when the school expanded to two forms of entry and showed their financial capacity to do so.
4. ALT provided financial plans to demonstrate it can maintain financial and educational viability during the transitional period when the school has only 1 FE.

We would only consider option 2 once the permanent site is secured, which in this case would mean a signed s106 agreement is in place, developer's contributions secured, heads of terms secured and lease in place.

As you know, there are two ways to establish a new school. One is through the central free school process and the other through the free school presumption route. If ALT withdrew the current project, Cambridgeshire County Council could run a presumption competition, which would be open to other trusts, as well as ALT. As such, I recommend exploring the above 2 options with FSG and ESFA to find the best way forward for all.

I look forward to next steps on this project.

Yours sincerely,

A handwritten signature in blue ink that reads "Mel Watt". The signature is written in a cursive, flowing style.

MELA WATTS CBE
Director, Free Schools Group

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Dear Ms Watts

Re: Free School proposal, Chatteris, Cambridgeshire

Thank you for your letter of 21 April 2017.

Firstly I would like to inform you of a change to the situation regarding the need for additional places in September 2017. A decision had been made not to proceed with the temporary solution proposed for September 2017 as, following the second round of reception allocations, we have offered a total of 120 places in the two Chatteris primary schools. This is in line with the 120 places currently available in the town and shows how finely balanced the situation is and the judgements that need to be made in terms of planning the provision of school places.

The Council's decision not to make additional provision in September 2017 does place it at some risk, which we plan to manage by accessing places at a nearby village school to meet the additional demand likely to arise from any late applications or in year applications that we receive in the academic year starting in September 2017. However this will involve a cost to the council as we will need to provide school transport. In addition this is likely to be unpopular with parents who will want their children to attend one of the local schools in the town. The council will deal with any complaints although we will need to make our view clear in any response that the involvement in the free school process has contributed to the difficulties we have experienced in providing school places for the town in the way that we would have wished.

A revised planning application will be submitted imminently by the Hallam Land housing developer showing a new location for the permanent site of the new primary school. This moves the school site closer to the edge of the development thus making it easier for the school to be built in the early stages of the development. The council is confident that, following approval of the revised consent in late summer 2017, it can acquire the site and deliver the school buildings for an opening in September 2019. The housing developer has honoured commitments to submit a revised planning application and also supports our proposal for an early site acquisition that sits outside the section 106 process, thereby removing a potential risk of delay.

In your letter you presented two options for us continuing with the free school. However both involve the County Council procuring the site, delivering the school and taking all the financial risk, both revenue and capital. For example, to reach the stage we have in being able to open a school

as early as September 2019 the work involved has been wholly undertaken and funded, at its own risk, by the County Council. The Council can see no benefit to itself in the school being delivered as part of the national free schools programme. In reality, it could be harder to deliver the school if the Council has to be answerable continually to the internal decision making processes of the Free Schools Programme and the current project management approach and perception of risk.

In addition, we do not believe that either option provides an adequate response to the local place planning pressures. In option 1 there is no interim solution proposed for us to provide places before building and opening the proposed 1FE school. Option 2 is both unrealistic and unnecessary. It is not in the Council's interest to incur the cost of building a whole 1FE school in temporary accommodation prior to a permanent build of a new school taking place. It is also not practical on the Cromwell Community College site as there is insufficient space. The need is to provide one or two classroom spaces in temporary accommodation prior to the opening of a new school on its permanent site.

The Council is now looking at two other options for providing the school places it requires. You referred to opening a new school under the presumption route. However, the Council does not favour this approach as it would mean that ALT would not be guaranteed to run the school and all the partnership work both organisations have undertaken on delivering the places to date would have been in vain.

The other option that we have identified is to open the new school as a 2nd campus of Kingsfield Primary School which is already sponsored by ALT. This is the Council's clear preference and one which we have spoken to ALT about. The Trust Board has indicated that it would support this proposal subject to revenue funding issues being clarified. The proposal has clear advantages in terms of mitigating some of the diseconomies associated with opening a new school, particularly in the first few years when numbers start low but gradually increase as the school grows. This particular model is one that has been successful in other new developments in the County e.g. the village of Cambourne.

I would welcome your views on this particular option. In addition I would appreciate your guidance as to the approval process required by DfE should the Council and ALT want to pursue this option further.

Yours sincerely

Keith Grimwade, Service Director: Learning, CCC

CC

Wendi Ogle-Welbourn, Interim Executive Director, CCC

CYP representatives

Dr Tim Coulson

Regional Schools Commissioner for East of England and NE London