

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CHILDREN AND YOUNG PEOPLE OVERVIEW AND SCRUTINY COMMITTEE

20 April 2017

REPORT OF THE INTERIM CORPORATE DIRECTOR – EDUCATION AND FAMILY SUPPORT

SCHOOL MODERNISATION – BAND B

1. Purpose of report

1.1 The purpose of this report is to inform the Children and Young People Overview and Scrutiny Committee of:

- the process undertaken by the Strategic Review Operational Board, School Modernisation in establishing Band B priorities for the School Modernisation Programme; and
- Welsh Government's proposed elemental funding approach for Band B of the 21st Century Schools Programme.

2. Connection to Corporate Improvement Objectives/other corporate priorities

2.1 This report relates to the Corporate Improvement Plan priorities:

- Supporting a successful economy
- Helping people to become more self-reliant
- Smarter use of resources

2.2 On 3 March 2015, Cabinet approval was received for the Council to adopt revised principles as a framework for school organisation in Bridgend. Five key principles were set out to inform the organisation and modernisation of our schools:

- Commitment to high standards and excellence in provision
- Equality of opportunity, so that all pupils can access quality learning opportunities, regardless of which school they attend
- Inclusive schools, which cater for the learning needs of all their pupils
- Community focused schools, where the school actively engages with its local community
- Value for money.

2.3 The Policy and Planning Framework sets out 17 areas where these principles should be applied in practice.

2.4 The principles which are particularly relevant in the context of Band B are the size of primary schools (to ensure that "all Bridgend's primary schools are large enough to make the full range of necessary provision") and value for money, efficiency and effectiveness ("narrowing the gap between the most and the least expensive provision").

3. Background

3.1 In September 2006, Council approved a vision for the County Borough's schools in which they would be fit for the 21st Century and achieve the best use of resources. It was recognised that we need to modernise our schools and get a closer match between our aspiration for schools, the quality of their accommodation and the projected number of pupils.

3.2 Since then, school modernisation has been established as one of the Council's main strategic programmes. The programme has been planned and implemented in accordance with the agreed Policy and Planning Framework and has been matched to capital resources identified within the capital programme.

3.3 In November 2010, Cabinet was informed of the work which had been undertaken in determining the strategic priorities for school modernisation to enable the aims of the programme to be met.

3.4 The School Modernisation Programme was established to deliver on a number of objectives including:

- developing first-class learning environments;
- locate the right number of schools, of a viable size, in the best places to serve their communities;
- make schools an integral part of the life and learning of their communities;
- reduce surplus places and achieve best value for money; and
- make schools more efficient and sustainable.

3.5 The Council's Strategic Outline Programme (SOP) was submitted to Welsh Government in 2011. Subsequently, a list of Band A schemes was developed and ministerial 'approval in principle' was received, subject to the completion of the Welsh Government business case process.

3.6 Work commenced on Band A in 2014-2015 and is due for completion in 2018-2019. The overall programme is funded on a 50/50 split between the Council and Welsh Government.

3.7 Band A schemes are at various stages:

- Two schemes have been completed - SEN provision at Bryncethin Campus and Coety Primary School
- Construction has commenced on the replacement Garw Valley South scheme (replacement Betws Primary School and YGG Cwm Garw)
- Construction has commenced on the replacement Brynmenyn Primary School to be located on the site adjacent to Coleg Cymunedol Y Dderwen
- Tenders have been received for the replacement Pencoed Primary School and construction will commence in the near future
- Cabinet approval has been received to abandon the proposal in respect of Mynydd Cynffig Primary School and a revised SOP detailing the impact on the programme has been submitted to WG for consideration and approval
- A mezzanine floor at Heronsbridge Special School is currently in design and will be tendered shortly; this will create two larger teaching spaces.

- 3.8 In 2014, a 'Schools Task Group' was established and began exploring elements which the Council would need to have regard to in developing a strategy for delivering a high quality education system for the future.
- 3.9 Cabinet approval was sought in September 2015 to build on the work of the Schools Task Group and approval was given for officers to undertake a strategic review into the development and rationalisation of the curriculum and estate provision of primary, secondary and post-16 education.
- 3.10 In May 2016, a Strategic Review Overarching Board was established and four work streams were identified: one of which was in relation to school modernisation and another in respect of post-16 provision.

4. Current situation

Band B

- 4.1 The membership of the Operational Board for school modernisation included officer representation from education, property, legal, finance, built environment and headteachers (representing the primary, secondary and special schools) and a representative from Bridgend College.
- 4.2 The Operational Board commenced work in earnest on the main deliverable, which was to establish the emerging priorities for Band B by identifying the following data which they determined should be used to assist in prioritising future investment in schools:
- suitability;
 - condition (Grades A – D);
 - maintenance backlog;
 - running costs;
 - type of construction;
 - population growth;
 - projections of pupil population;
 - impact of housing developments identified in the Local Development Plan (LDP);
 - surplus places;
 - projected surplus;
 - overcrowding; and
 - National Categorisation.
- 4.3 The data was weighted and scored and while it was very informative, the Board agreed that the priorities should focus on two critical factors i.e. the supply of school places and building condition.
- 4.4 The supply of places data was presented on a geographical basis incorporating projected pupil numbers, projected pupil yield from those housing developments with planning permission, pupil yield from the additional housing developments identified within the LDP and the existing and projected school capacities based on those projects being delivered in Band A. Headteachers challenged the methodology for establishing pupil projections; however, officers were able to demonstrate its robustness.

- 4.5 The geographical areas identified as emerging priorities requiring additional primary provision within Band B were Bridgend South East, Brackla North East and the Valleys Gateway area. Although school building conditions were of concern to the group, there were no schools with a Grade D building condition (see Appendix 1). It was therefore agreed that the supply of places should take precedent in terms of future funding for Band B (as there is a statutory duty on the Council to ensure there is a sufficient supply of school places).
- 4.6 Band A of the school modernisation programme was funded via a capital funding scheme with Welsh Government providing 50% of that capital and BCBC providing the other 50% capital. It is envisaged that there will be a capital funding stream for Band B but the intervention rate has not been decided. However, in addition to the capital funding Welsh Government are proposing a revenue funding stream, the Mutual Investment Model (MIM). Using this model, a successful contractor will design and build the new facilities and will also provide maintenance and lifecycle services for the facilities in the long term (DBFM). This means that as well as providing new facilities, Welsh Government and local authorities will be investing in the maintenance of the new asset, so it will remain in good condition for future generations.
- 4.7 The Post-16 Operational Board is currently working on a set of options for the delivery of sixth form provision. Cabinet will be presented with the options in due course and will be asked to determine the way forward. Should the work relating to post-16 provision progress sufficiently and provision requires funding during the Band B (2019-2024) timeframe, then the Council could, if it so wished, seek to modify the SOP to bring forward schemes relating to sixth form provision. This would be subject to Welsh Government approval and there being sufficient funding in the overall programme.
- 4.8 The emerging priorities for Band B have been shared with Welsh Government in order for them to establish the potential funding requirement across Wales for delivery of the programme.
- 4.9 Welsh Government has been advised that Bridgend's Band B submission had not received any political support, as the proposed schemes could only be presented to Cabinet and Council and be included in the Capital programme once the intervention rate is confirmed and the financial contribution from the Council's perspective is determined.
- 4.10 Welsh Government is in the process of establishing the intervention rate for Band B, and it is anticipated that the information will be available by early summer. They have indicated that authorities will be asked to submit any revisions to the original SOP in July 2017.

Elemental funding for Band B schemes

- 4.11 Welsh Government officials have advised that they have been working on a strategy for funding 'elements' of construction schemes. The two elements which they are considering are:
- the appropriate size of school, in terms of floor area; and
 - costs made up of component parts.

- 4.12 The Welsh Government is proposing using floor area defined within Building Bulletins 98/99 (area guidelines for schools) as required for teaching and learning however, this excludes any additional areas for non-core teaching and learning (e.g. community space) as the basis for establishing the appropriate size of school. This also potentially limits the number of nursery places for which they will provide capital funding to part time provision. If this is the case, the additional capital funding required to create teaching spaces to accommodate full-time provision will have to be fully funded the Council.
- 4.13 Welsh Government has indicated that a standardised cost will be applied to as many of the elements of the build project as possible. This will result in a 'maximum value' for a school that can be benchmarked and inflated year on year to provide a maximum funding envelope.
- 4.14 There are a number of different elements to this:- cost per m² (inflated in line with construction price indices), furniture, fittings and equipment, and ICT. Substructure, externals and design costs will also be included. These costs would be used to establish a 'scheme maximum cost' however the Council has been advised that site abnormalities would be considered separately.
- 4.15 In addition, any ancillary costs outside the curtilage of the site deemed necessary to deliver a scheme (e.g. highway improvements, will have to be funded by the Council).
- 4.16 The Council has provided its view regarding the proposed basis for elemental funding and is awaiting feedback from Welsh Government with this regard.

5. Effect upon policy framework and procedure rules

- 5.1 There is no effect upon the policy framework or procedure rules.

6. Equality Impact Assessment

- 6.1 An initial screening Equality Impact Assessment has been completed and a full screening will be undertaken in due course.

7. Financial implications

- 7.1 The Welsh Government currently funds 50% of the Band A Programme with the remaining 50% funded by the Council. For Band B of the 21st Century Schools Programme, Welsh Ministers have confirmed that the programme will be funded by both capital and revenue budgets but are yet to confirm the intervention rate.
- 7.2 The capital funding stream is planned to see a continuation of the baseline budget of c. £100m per annum across Wales. In addition to the capital funding available for Welsh Government's Programme, there will be a revenue budget that will enable an additional investment with a maximum capital value of £500m across Wales. This revenue-funded programme is intended to boost the amount of resource Welsh Government have available to support investment in new schools and colleges.
- 7.3 The additional investment boost of £500m will be used for contracts procured on a MIM basis. This approach of using a single contract for the DBFM has been used in

private public partnerships across the UK. The MIM is Welsh Government's form of public private partnership.

- 7.4 It is likely that there will be different intervention rates applied to each funding stream. Once the intervention rates are known, the Council will be better placed to determine whether to proceed with via a MIM and/or capital grant.
- 7.5 Officers are currently exploring the implications of each financial model and the outcome will be reported to Cabinet in the near future.
- 7.6 It is anticipated that section 106 contributions for education places will be available from certain housing developments identified within the LDP together with capital receipts from the sale of sites through a potential rationalisation process.

8. Recommendation

8.1 it is recommended that the Scrutiny Committee:

- notes the content of this report in relation to school modernisation; and
- considers and agrees any recommendations the Committee may wish to make consistent with its challenge and support role in light of the report.

Lindsay Harvey
Interim Corporate Director - Education and Family Support
20 April 2017

Contact Officer: Nicola Echanis
Head of Education and Early Help

Telephone: (01656) 642611

E-mail: elle.franks@bridgend.gov.uk

Postal Address Angel Street
Bridgend
CF31 4WB

Background documents

Council Report 13 September 2006: "LEARNING COMMUNITIES – SCHOOLS OF THE FUTURE – STRATEGY, PRINCIPLES, POLICY AND PLANNING FRAMEWORK"

Cabinet Report 2 November 2010: "THE SCHOOL MODERNISATION PROGRAMME OVERVIEW AND BRIDGEND'S 21ST CENTURY SCHOOLS' STRATEGIC OUTLINE PROGRAMME SUBMISSION TO WELSH ASSEMBLY "

Cabinet Report 1 September 2015: "STRATEGIC REVIEW INTO THE DEVELOPMENT AND RATIONALISATION OF THE CURRICULUM AND ESTATE PROVISION OF PRIMARY, SECONDARY AND POST-16 EDUCATION"