

## **APPENDIX B**

### **School Modernisation Operational Board report to Cabinet**

#### **1. Purpose of Report**

1.1 The purpose of this report is to inform Cabinet of:

- the process undertaken by the School Modernisation Operational Board in establishing priorities for Band B of the programme (2019-2024);
- Welsh Government's elemental funding approach for Band B.

#### **2. Background**

2.1 In September 2006, Council approved a vision for the county borough's schools in which they would be fit for the 21<sup>st</sup> 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 the accommodation and the projected number of pupils.

2.2 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.

2.3 In November 2010 Cabinet were 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.

2.4 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;
- make schools more efficient and sustainable.

2.5 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.

2.6 Work commenced on Band A in 2014/15 and is due for completion in 2018/19. The programme is funded on a 50/50 basis between the Council and Welsh Government.

- 2.7 Two schemes within Band A have been completed ie SEN provision at Bryncethin Campus and Coety Primary School. The remainder of the schemes are currently under construction:
- Garw Valley South scheme (replacement Betws Primary School and YGG Cwm Garw).
  - Enlarged and relocated Brynmenyn Primary School, sited on land adjacent to Coleg Cymunedol Y Dderwen.
  - Pencoed Primary School, located on the site of the existing school playing field.
  - Installation of a mezzanine floor at Heronsbridge Special School which will create two larger teaching spaces.
- 2.8 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.
- 2.9 Cabinet approval was sought in September 2015 to build on the work of the 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.
- 2.10 In May 2016 a Strategic Review Overarching Board and four work streams was established, one of which was in relation to school modernisation. The main objective of this work stream was to identify priorities for the school modernisation programme during the period 2019-2024 (Band B).

### **3. Representation on the School Modernisation Operational Board**

- 3.1 A range of stakeholders were invited to become members of the Operational Board ie officers from education, property services, legal services, finance and the built environment. Stakeholder representation also included headteachers on behalf of the primary, secondary and special schools, plus a representative from Bridgend College.

## **4. Current situation**

### **4.1 Process for establishing Band B priorities**

- 4.1.1 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
  - National Categorisation
- 4.1.2 The data was weighted and scored and whilst it was very informative, the board agreed that the priorities should focus on two critical factors ie the supply of school places and building condition.
- 4.1.3 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
  - existing and projected school capacities based on those projects being delivered in Band A.
- 4.1.4 It was identified that new housing developments, featured within the LDP, will result in the South East and North East of Bridgend plus the Valleys Gateway requiring additional places. An increased demand for places for pupils with a special educational need was also identified.
- 4.1.5 Although school building conditions were of concern, there were no schools with a grade D condition.
- 4.1.6 As there is a statutory duty on the Council to ensure there is a sufficient supply of school places, it was determined that the supply of places should take precedent in terms of priorities for Band B.
- 4.1.7 The emerging priorities for Band B have been shared with Welsh Government in order to establish the potential funding requirement across Wales for delivery of their 21<sup>st</sup> Century Schools and Education Programme.

## **4.2 Elemental funding approach**

- 4.2.1 Welsh Government has advised of their new strategy for funding construction schemes within Band B. There are two elements which they will base future funding arrangements on:
- the appropriate size of school, in terms of floor area;
  - costs made up of component parts.
- 4.2.2 The 'appropriate size of school' will be based on the floor area defined within Building Bulletins 98/99 (secondary and primary area guidelines for schools) as required for teaching and learning however, this excludes any additional areas for non-core teaching and learning eg community space. This also limits the number of nursery places for which they will provide capital funding to part-time provision. The additional capital funding required to create teaching spaces to accommodate full-time provision will have to be fully funded the Council.

- 4.2.3 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.
- 4.2.4 There are a number of different elements to this, cost per m<sup>2</sup> (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.
- 4.2.5 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.

## **5. Welsh Government funding strategies for Band B**

- 5.1 Welsh Ministers have confirmed that the 21st Century Schools and Education Programme will be funded by both capital and revenue budgets.
- 5.2 The capital funding stream is planned to see a continuation of the baseline budget of c£100 million 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 £500 million 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.
- 5.3 The additional investment boost will be used for contracts procured via a 'Mutual Investment Model' (MIM). This approach of using a single contract for the design, build and maintenance has been used in Private Public Partnerships across the UK. The MIM is Welsh Government's form of Public Private Partnership.
- 5.4 Welsh Government has indicated that there will be an intervention rate of 50% in respect of the Capital grant and 75% in respect of the MIM.

## **6. Next steps**

- 6.1 In due course, Cabinet will be presented with a report seeking their approval for the Band B priority schemes and associated funding arrangements.