

BRIDGEND COUNTY BOROUGH COUNCIL

JOINT REPORT TO CABINET

3 OCTOBER 2017

**REPORT OF THE INTERIM CORPORATE DIRECTOR – EDUCATION AND FAMILY
SUPPORT AND
HEAD OF FINANCE AND SECTION 151 OFFICER**

SCHOOL MODERNISATION PROGRAMME – BAND B (2019-2024)

1. Purpose of report

1.1 The purpose of this report is to:

- inform Cabinet of the process undertaken by the Strategic Review Operation Board (School Modernisation) in establishing Band B priorities for the School Modernisation Programme;
- advise Cabinet of Welsh Government’s elemental funding approach for Band B; and
- seek Cabinet approval for the recommended schemes included within Bridgend’s 21st Century Schools and Education Strategic Outline Programme submission to Welsh Government.

2. Connection to corporate improvement objectives/other corporate priorities

2.1 This report relates to the following Corporate Improvement Plan priorities:

- Supporting a successful economy
- 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. These are:

- 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; and
- 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 currently”).

3. Background

- 3.1 In September 2006, the 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 several objectives including:
 - developing first-class learning environments;
 - locating the right number of schools, of a viable size, in the best places to serve their communities;
 - making schools an integral part of the life and learning of their communities;
 - reducing surplus places and achieving best value for money; and
 - make schools more efficient and sustainable.
- 3.5 In November 2010, Cabinet approved the recommended schemes included in each of the four bands (A-D) which were subsequently detailed in Bridgend’s 21st Century Schools Strategic Outline Programme submission. The Council’s Strategic Outline Programme (SOP) was submitted to Welsh Government in 2011 and ministerial ‘approval in principle’ was received, subject to the completion of the Welsh Government business case process. Band A of the programme is funded on a 50/50 basis between the Council and Welsh Government.
- 3.6 Band A is due for completion in 2018-2019 and the schemes within this band are at various stages. Two projects have been completed (ie SEN provision at Bryncethin Campus and Coety Primary School) and construction has commenced on the remaining schemes (ie Garw Valley South (the replacement Betws Primary School and YGG Cwm Garw), the replacement Brynmenyn and Pencoed Primary Schools) and the provision of two larger teaching spaces at Heronsbridge Special School.
- 3.7 In 2014, a Schools Task Group was established to ensure the Council planned for a high-quality education system. What was evident was that the work of the individual workstreams established under the Schools Task Group could not be undertaken in isolation, as there were dependencies relating to each workstream and that there needed to be a coherent strategy for Bridgend.

- 3.8 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.
- 3.9 In May 2016, a Strategic Review Overarching Board was established and four operational boards were identified, one of which was specifically related to consideration of Band B investment priorities. It was considered that Band B priorities identified within the 2010 SOP may no longer be of primary importance and the issues facing the Council and schools need to be reviewed to establish a strategic approach for investment, establishing a priority list of schemes for delivery within the Band B timescale (ie 2019-2024).

4. Current situation

Outcome of Band B workstream

- 4.1 The school modernisation workstream considered data which they determined should be used to assist in prioritising the future investment in schools. The data considered included suitability, condition, maintenance backlog, population growth, projections of pupil population, housing developments identified within the Local Development Plan (LDP) and pupil places.
- 4.2 The provision of a sufficient supply of pupil places to meet demand to be the highest priority for the Council and made the following recommendations based on the projected pupil population, which included pupils from housing developments with planning permission, plus pupils from those developments included in the LDP. The proposed priorities are:

4.3 Primary school provision in Bridgend South East area

- 4.3.1 The rationale for this need relates to the additional planned housing identified through the LDP affecting Bridgend and the south-east region of the county borough.
- 4.3.2 The additional housing planned for the Parc Afon Ewenni development will result in an increase in primary and secondary pupils.
- 4.3.3 Although the replacement Pencoed Primary School, which is currently under construction, provides an increased number of places in the Pencoed area, there remains a projected shortfall in primary places.

4.4 Primary school provision in the Bryntirion area

- 4.4.1 The rationale for this location relates to the 2006, Council-adopted policy to create all-through, 3-11 provision. Our school modernisation programme has been structured to support this approach.
- 4.4.2 The first phase of the school modernisation programme addressed separate infant and junior schools by amalgamating those that shared the same campus, creating five primary schools.

4.4.3 It is considered that there remains a need to fulfil the aims of the 2006 policy. Therefore, consideration should be given to all-through primary provision for the area.

4.4.4 It is important to note, however, that Cefn Glas Infants, Bryntirion Infants and Llangewydd Junior Schools are currently operating successfully and any change to existing provision must be made on educational grounds.

4.5 Primary school provision in the Bridgend North East area

4.5.1 The rationale for this location is to address the issue of increasing pupil yield arising from housing developments currently located in the Coety Primary School catchment area.

4.5.2 It is clear from the pupil projections and planned housing that we need to increase the number of school places to meet demand arising from current housing developments, including the planned Brackla North East development, which are currently located within the Coety Primary School catchment area.

4.5.3 Additional provision presents an opportunity to potentially address the number of Welsh-medium education places serving the area and increase provision for English-medium education.

4.6 Primary school provision in the Valleys Gateway area

4.6.1 The rationale for this location is to increase school places arising from housing developments within the area.

4.6.2 An enlarged Brynmenyn Primary School is currently under construction. However, there are proposed housing developments identified within the LDP which, if progressed, will result in a shortfall in places.

4.6.3 Consideration will need to be given as to how best to meet this demand given the limited land available and highway issues resulting from existing applications for development.

4.7 Special school provision in the Bridgend area

4.7.1 The rationale for this scheme is to provide new provision to meet the growing demand for special school places.

4.7.2 There has been an unprecedented increase in demand for places for pupils with Autism Spectrum Disorder (ASD) over recent years and evidence suggests that this will be a growing trend (eg there has been a 200% rise in applications for ASD placements in recent years for both Early Years and school-age pupils).

4.7.3 Many placements each year are allocated to early years pupils, who, due to the complex nature of their needs, are unable to access any other mainstream or specialist provision, other than a special school. In addition, places available for each year are predicated upon the number of leavers as there is insufficient capacity available.

4.7.4 There is a serious overcrowding and demand issue, and fit for purpose facilities are required that can meet the needs of the pupils.

4.8 Welsh-medium primary provision in the Bridgend West area

4.8.1 The project team responsible for developing a strategy for the delivery of Welsh-medium education to 2030 has given an early indication that there is a need to increase Welsh-medium provision in the county borough. This will help deliver on the Welsh Government's national programme to promote and facilitate the use of the Welsh language and support the Council's Welsh in Education Strategic Plan (WESP).

4.8.2 A Welsh education survey, which has been recently completed by prospective parents, indicates that there is demand for additional primary provision in the Bridgend West area. The project team has advised that the provision should be suitably located (ie within the area of demand) and large enough so that more children can access a Welsh-medium education. This would help deliver on the strategic aims of Welsh Government in respect of promoting the Welsh language.

4.9 English-medium primary provision in Bridgend West

4.9.1 The rationale for this scheme is to create a replacement English-medium primary school which will result in the removal of a condition C building (ie poor - exhibiting major defects and/or not operating as intended). There would, as a result, be a removal of the backlog in maintenance. Although there is some planned housing for the area this appears to be limited.

4.10 Primary provision in the Kenfig Hill area

4.10.1 Further to Cabinet's decision to abandon the proposal in relation to Mynydd Cynffig Primary School's proposed relocation to Cynffig Comprehensive School, a decision will now need to be taken as to the future of the school in terms of the split-site arrangement.

4.10.2 The purpose of including the school within Band A was to fulfil the 2006 policy of creating all-through primary schools. This has been achieved in part for Mynydd Cynffig Primary School by amalgamating the former infant and junior schools. However, this has resulted in a split-site school which is on either side of a busy main road.

4.10.3 It is important that the needs of this split-site school are not lost and therefore continuing to progress a replacement school is considered necessary. Recent consultation with the community regarding the proposal to relocate the primary school to the comprehensive school site met with significant representation together with a counter proposal. Further work option appraisal and feasibility work should be undertaken within the Band B timeframe for future delivery.

4.11 Post-16 provision

4.11.1 Currently, there are a significant number of surplus places in the secondary sector in Bridgend schools. This position will improve with increased pupil numbers arising from planned housing coming through the system. However, some areas of the

county borough are more problematic than others and show a projected increased demand due to planned housing developments which will impact heavily on secondary places in future years. The issues facing these schools in terms of the impact on places may be improved, depending on the outcome of the work undertaken by the Post-16 Operational Board of the Strategic Review.

4.11.2 The Post-16 review is nearing completion and a Cabinet report will be presented in the autumn regarding the outcome of the process.

4.12 Future reviews

4.12.1 It is anticipated that following Band B, there will be a further two bands of Welsh Government's 21st Century Schools Programme which will, probably, see the programme completing in 2034. In order to help inform future bands of the programme, it is considered essential to undertake a review of provision within the Llynfi Valley and Porthcawl areas during the Band B period and this will help inform the future strategy for delivering education in these areas.

4.12.2 Following the outcome of the post-16 review, it will be necessary to undertake a review of secondary school catchment areas to ensure there are sufficient places available to accommodate the pupil yield from areas of growth. A review of this nature will consider school intakes, stability of provision and potential savings in respect of learner travel. Conversely, it will also consider potential disadvantages possibly against established practice and parental choice.

4.13 Band B options appraisal/feasibility studies

4.13.1 All schemes being taken forward to Band B will require an options appraisal detailing the longlist of options leading to a shortlist and taking forward one or two options to feasibility and more detailed design.

4.13.2 Where appropriate, it is important that opportunities to create all-through 3-19 or co-located schools, which could include extended services eg health, are considered as part of the options appraisal. This will ensure that the Council maximises the use of the education estate.

4.14 Band B funding

4.14.1 Welsh Government has identified two different mechanisms for funding projects through Band B of the 21st Century Schools Programme (ie capital grant and mutual investment model (MIM)).

4.14.2 Welsh Government's intervention rate is 50:50 in respect of the capital grant, which is the same basis used for Band A, whereby the local authority is required to meet 50% of all capital costs, including furniture, equipment and ICT.

4.14.3 The MIM is a new approach to investment in public infrastructure in Wales. Private partners will build and maintain schools, in return for a fee, which will cover the cost of construction, maintenance and financing the project. At the end of a specified period of time, the asset will be transferred to the local authority. Welsh Government has advised that it will present packages of schemes to the market as design and build projects. These packages would be made up of several schemes within a

geographical area (including across local authority areas) and be of sufficient monetary size overall in order to attract large companies (eg £100m).

14.14.4 The Welsh Government intervention rate for the MIM model is 75%, which will be paid to the local authority in the form of a revenue grant. The remaining 25% is to be met from the local authority revenue budgets over a 25-year contract period. The local authority is also required to meet 50% of the up-front capital costs for furniture, equipment and ICT. Welsh Government has also confirmed that its funding contribution for Band B will be based upon two elements. These are:

- the appropriate size of school, in terms of floor area, as detailed in the relevant Building Bulletin, and
- costs comprised of component parts (eg furniture and ICT).

4.14.5 Welsh Government funding, although based on the floor area identified within the area guidelines for schools (ie Building Bulletins 98 and 99), does not include additional areas for non-core teaching and learning (eg community use). The area guidelines for primary schools limit the nursery floor area m² so that space is only provided for part-time provision only.

4.14.6 The Band A schemes which have been developed by the in-house technical team, includes a 'street' (ie a multi-functional area which can be accessed by all year groups). Although this area is over and above the area guidelines, it offers teachers and learners a facility which is both flexible and adaptable to meet the needs of an ever-changing curriculum and was considered essential by education advisers to ensure the needs of the school in terms of withdrawal, intervention, group and independent learning are met.

4.14.7 The BCBC design model has also provided a 'pod' arrangement for cloakrooms and toilets which has helped with discipline and anti-social behaviour. It is considered that these elements of the design have provided added value to the building. The additional floor area required to provide these spaces will not be funded by Welsh Government as part of the elemental funding arrangement.

4.14.8 Welsh Government will also limit the funding of the floor area required to deliver nursery provision to a part-time basis. Therefore, should the Council wish to continue with its full-time provision for 'Rising 4s' then the additional capital cost will have to be fully funded.

4.14.9 Should a decision be taken to incorporate the 'additional' area such as that detailed above into future designs, then all of the elements (eg m² and fees) would need to be 100% funded by the Council.

4.14.10 Welsh Government has indicated that an optimised cost will be applied to as many building elements 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.

4.14.11 Welsh Government will fund the following elements on a 50% basis for those schemes funded via the Capital grant or 75% for schemes funded via the MIM:

- cost per m² (inflated in line with construction price indices);

- substructure and externals;
- design costs; and
- furniture, fittings, equipment and ICT will be funded at 50% under both funding options.

4.14.12 Site abnormalities will be dealt with on a scheme-by-scheme basis. However, no rates can be applied as they would differ depending on the issues.

4.14.13 Welsh Government recognises that there are several surveys/investigations which need to be undertaken in advance of any design development. Previously, this cost has been met by local authorities. However, Welsh Government is proposing to part-fund the pre-work for MIM schemes. The intervention rate for this work is yet to be approved and confirmed to local authorities.

4.15 Risks

4.15.1 There are several risks and issues associated with not progressing schemes within the Band B timeframe, as well as risks associated with the elemental breakdown.

4.15.2 Although certain risks have been set out in the following table, the highest risk in progressing the schemes associated with the demand for places is the uncertainty of those developments identified within the LDP and those housing schemes being progressed in a timely manner.

4.15.3 Table 1 below illustrates some of the key risks associated with not progressing the proposals outlined in this report.

Table 1 Key risks with not progressing schemes

| Scheme | Risk |
|----------------------------------|--|
| Bridgend South East | Insufficient pupil places to serve the Pencoed and Parc Afon Ewenni areas if all planned housing identified within the Local Development Plan is progressed. |
| Bryntirion area | Unfulfilled 2006 Council policy. Shortfall of primary school places within the area. |
| Bridgend North East | Insufficient pupil places to serve housing developments currently allocated to the Coety Primary School catchment area. Opportunity lost to create additional Welsh-medium provision. |
| Valleys Gateway Area | Insufficient pupil places available in the area should all housing identified within the LDP come online. |
| Bridgend Special School | Insufficient pupil places to meet increasing significant demand for places. Overcrowding issues remain unresolved. |
| Bridgend West Welsh and English- | No expansion of Welsh-medium provision to serve an area of |

| | |
|---|--|
| medium | <p>demand.</p> <p>Building conditions continue to deteriorate.</p> <p>Lost opportunity to remove backlog in maintenance.</p> |
| Kenfig Hill area | <p>School remains located on split site.</p> <p>Potential income from a capital receipt not realised.</p> <p>Opportunity to make revenue savings through rationalisation of sites.</p> |
| Provision of floor area prescribed within the building bulletin | <p>Teaching space only suitable for part-time 'Rising 4s'.</p> <p>Floor area is insufficient to deliver on Bridgend's model as designed by the in-house team within the Built Environment Service.</p> |

4.16. Priorities

4.16.1 It is acknowledged that the Council's limited resources will not be able to deliver on all the schemes identified within this report. However, as there is a need to ensure a sufficient supply of school places then the priority should be around demand for places in growth areas. The following projects are considered the priority Band B schemes

- Bridgend North East;
- Bridgend South East;
- Bridgend Special School;
- Bridgend West – Welsh-medium; and
- Bridgend West – English-medium.

4.16.2 The total capital investment required could be in the region of £60m to £70m with further costs, which are yet to be determined, associated with additional infrastructure capacity.

4.16.3 As Welsh Government has introduced the MIM and confirmed the intervention rate for this model as 75%, given the potential cost of a replacement special school, consideration should be given to taking advantage of the MIM to include the delivery of the school via this model. This would result in a school which is fit for purpose, with sufficient places to meet demand with the knowledge that the building will be maintained by a company for duration of the contract.

4.16.4 There remains the need to re-consider primary school provision in the Kenfig Hill area. Any such future work will be outside of Band B funding, with the full cost falling to the Council. Consequently, priority is currently being given to condition surveys of the existing school infrastructure to identify any urgent or necessary remedial works.

4.17 Strategic Outline Programme (SOP) submission

4.17.4 Welsh Government, having confirmed the funding mechanisms and intervention rates for Band B, requested local authorities to submit a revision to the original SOP, which was submitted in 2010, updated to reflect current priorities. The revision was submitted on 31 July 2017 with the proviso that no political support and financial commitment had been received.

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 Although an Equality Impact Assessment (EIA) has been carried out for the overall programme, it has been considered timely to review and refresh the EIA. An initial screening has therefore been undertaken for Band B. Once schemes have been determined and are taken forward they will be subject to a separate EIA, as the detail may vary between projects. Equality reports on all proposals will be referred to as part of the individual Cabinet reports on each individual scheme.

7. Financial implications

7.1 The Welsh Government intervention rate for the capital grant will remain unchanged to that used for Band A projects (ie 50:50), with the caveat that only the approved cost on an elemental basis will secure this rate – any abnormalities or “additional” design features will require 100% BCBC funding. Schemes being progressed via the MIM will benefit from a 75% Welsh Government contribution, with the same caveat as above.

7.2 Section 106 (s106) funding may be available from certain housing developments and there may be the potential to benefit financially from the sale of sites through rationalisation.

7.3 A decision will need to be taken whether to fund the provision of additional floor area over and above the area guidelines for schools to ensure nursery pupils that are rising four can be accommodated.

7.4 Welsh Government funding can only be used for developing within the curtilage of the site. Any works required to the highway as a result of a new school will have to be fully funded by the Council. The costs associated with this will be determined through the scheme development process. However, it would be beneficial to identify an initial budget allocation for highway works in relation to each scheme that is taken forward. Until the extent of works are known, this may have to be based on the cost of previous schemes with a percentage increase for inflation.

7.5 Land requirements will be identified through the options appraisal and feasibility process. While every effort will be made to utilise land within Council ownership, there may be instances where land may need to be purchased. It is not currently clear whether this will attract Welsh Government funding intervention or not.

7.6 At this stage in the process, it is only possible to give extremely high-level indicative figures only, in order to inform members’ decisions around possible capital allocation and affordability.

- 7.7 Against a total investment estimated at somewhere in the likely range of £60m to £70m, towards which the Council could secure around £5m of s106 funding, there is likely to be competing demands across the council on limited capital resources available in the forthcoming five years without recourse to further borrowing or MIM. Both of these options have significant implications for revenue budgets and would therefore (all else being equal) increase the requirement to make savings elsewhere to maintain a balanced budget.
- 7.8 There will be revenue implications arising from the various schemes, depending on the actual scheme progressed, the funding of it, and the schools impacted.
- 7.9 A feasibility budget of £111,366 has been secured for the 2017-2018 financial year to commence progressing Band B schemes. Feasibility funding will be continued to be required as schemes are progressed.

8. Recommendations

8.1 Cabinet is recommended to:

- discontinue with the proposed Band B schemes as approved by Cabinet in 2010; and
- approve the revised schemes as set out in Bridgend's 2017 Strategic Outline Programme submission to Welsh Government, which are detailed in paragraph 4.16.1 of this report.

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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"