

BRIDGEND COUNTY BOROUGH COUNCIL

JOINT REPORT TO CABINET

30 JANUARY 2018

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

SCHOOL MODERNISATION PROGRAMME – BAND B

1. Purpose of report

1.1 The purpose of this report is to seek Council endorsement of the financial commitment required for Band B of the School Modernisation Programme.

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 (SOP). The 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.
- 3.6 Band A schemes, which are funded on a 50/50 basis with Welsh Government, are due for completion in 2018-2019 and are at various stages. The SEN provision at Bryncethin Campus, Coety Primary School, two additional teaching spaces at Heronsbridge Special School and Betws Primary School schemes have been completed. Work is well underway on the remaining schemes within Band A (ie the replacement YGG Cwm Garw, Brynmenyn Primary School and Pencoed Primary 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).

- 3.10 The school modernisation workstream considered relevant data to assist in prioritising the future investment in schools, including suitability, condition, maintenance backlog, population growth, projections of pupil population, housing developments identified within the Local Development Plan (LDP) and pupil places.
- 3.11 In 2017, Welsh Government requested that local authorities submit a new SOP, updated to reflect revised priorities. The revision was submitted on 31 July 2017, with the proviso that no political support and financial commitment had been received.
- 3.12 In October 2017, Cabinet was presented with a report detailing the outcome of the work of the school modernisation workstream and the revised SOP submission and gave approval to discontinue the original Band B schemes identified in the November 2010 Cabinet report, and approved the revised Band B schemes detailed below:
 - Bridgend North East (2 form entry (FE)) - capital grant
 - Bridgend South East (2.5FE) - capital grant
 - Bridgend Special School (270 places) – Mutual Investment Model
 - Bridgend West – Welsh-medium (2FE) - capital grant
 - Bridgend West – English-medium (2FE) - capital grant

4. Current situation

- 4.1 On 6 December 2017, Welsh Government's Department for Education gave 'approval in principle' for Bridgend's second wave of investment, which at this stage has an estimated programme envelope cost of £68.2m. Further costs, which are yet to be determined, may be required and these would be associated with additional infrastructure capacity.
- 4.2 All schemes being taken forward in Band B will be required to follow a rigorous Welsh Government business case process and officers will explore the available opportunities through options appraisals and feasibility studies.
- 4.3 Initial work has commenced on the programme and project teams are in the process of being established. The work of the project teams will determine any additional requirements to deliver on the individual schemes (eg highway improvements).

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 sufficiently developed, they will be subject to a separate EIA, as the detail will

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 overall programme envelope is estimated to be in the region of £68.2m, of which approximately £43.2m is anticipated to be capital funded, the balance proposed to be funded through the Welsh Government Mutual Investment Model (MIM). The Welsh Government capital grant intervention rate is set at 50% for this second wave of investment, 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% Bridgend County Borough Council (BCBC) funding.
- 7.2 In order to receive this funding, the Council will need to submit detailed business cases for each project including details of how the match funding (circa £22.8m) required from the Council will be provided. It is proposed that this be met from general capital funding in the first instance (subject to Local Government settlements from Welsh Government), with the balance to be met from s106 funding, receipts from the sale of school and other sites, earmarked reserves and unsupported borrowing. These figures cannot be firmed up at this point in time, but unsupported borrowing will not be drawn upon until such time as general capital funding, s106 funding and available capital receipts and earmarked capital reserves have been exhausted, as this will require a recurrent revenue budget to meet the borrowing costs.
- 7.3 The following projects have been included in the Council’s capital programme, but will only be confirmed once Welsh Government approve the final business cases and sufficient funding has been generated:
- Bridgend North East (2 form entry (FE));
 - Bridgend South East (2.5FE);
 - Bridgend West – Welsh-medium (2FE); and
 - Bridgend West – English-medium (2FE).
- 7.4 Given the uncertainty around the contribution from each funding source, for the moment it is assumed in the capital programme that the full match funding element of around £23m will be met from unsupported borrowing. This is the worst-case scenario and would require a maximum annual revenue payment of around £1.1m at full borrowing take-up, which will need to be built into the budget pressures considered as part of the medium-term financial strategy (MTFS) process from 2019-2020.
- 7.5 The capital programme will be updated with individual scheme costs and revised funding as each business case is approved, and reported through the appropriate channels.
- 7.6 The Bridgend Special School scheme which is being progressed via the MIM could benefit from a 75% Welsh Government intervention rate. However, this will require revenue match funding from the authority of around £750k per annum over a 25-year period. This is not currently built into the MTFS.

7.7 A feasibility budget of £111,366 has been secured for the 2017-2018 financial year to commence progressing Band B schemes and a further funding bid for feasibility work is in the process of being considered for 2018-2019.

8. Recommendations

- 8.1 Council is recommended to give approval in principle for the financial commitment required for Band B of the School Modernisation Programme. The approval would be subject to sufficient resources being identified and allocated to meet the match funding commitment.
- 8.2 Council is recommended to give approval for the finance required in respect of Band B of the School Modernisation Programme to be incorporated into the capital programme

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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"

Cabinet Report (3 October 2017): "SCHOOL MODERNISATION PROGRAMME – BAND B (2019-2024)"