

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

18TH JULY 2017

21ST CENTURY SCHOOLS AND EDUCATION PROGRAMME – SUBMISSION OF THE STRATEGIC OUTLINE PROGRAMME FOR BAND B

REPORT OF TEMPORARY DIRECTOR OF EDUCATION AND LIFELONG LEARNING, IN DISCUSSIONS WITH THE RELEVANT PORTFOLIO HOLDER, COUNCILLOR J ROSSER

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1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to set out the Council's draft 21st Century Schools Band B Strategic Outline Programme for submission to Welsh Government by 31st July 2017.

2. RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Consider the information in the report;
- 2.2 Agree to authorise the Director of Education to submit the required draft Strategic Outline Programme by 31st July 2017, subject to any changes required by Cabinet.

3. REASONS FOR RECOMMENDATIONS

- 3.1 Welsh Government's 21st Century Schools Programme requires all local authorities to submit Band B Strategic Outline Programmes for consideration by Welsh Government by 31st July 2017. The Strategic Outline Programme sets out a high-level outline of the potential projects that a council considers it could fund, in partnership with Welsh Government, and which meet the funding criteria set by Welsh Government.

4. **BACKGROUND**

- 4.1 The 21st Century Schools Programme represents the largest strategic investment in educational infrastructure in Wales since the 1960's. The programme is designed to be delivered over a number of 'bands' of investment. Band A of the 21st Century Programme represented £1.4billion of investment over the five-year period, ending in 2019. The Welsh Government funded 50% of the programme with the remaining 50% being funded by the Council.
- 4.2 Members will recall that this Council received funding approval for projects valued at £160million under Band A of the 21st Century Schools Programme. The Band A projects commenced in April 2014 and we are on programme to deliver our portfolio of 13 projects, ending April 2019. These projects are either now completed (e.g. the new Aberdare Community School, Y Pant Comprehensive School, and the new extension at Treorchy Primary School) or are currently under construction (e.g. the new school buildings at Tonyrefail, Tonypany, Porth, Treorchy and Cwmaman).
- 4.3 The aims of the investment programme outlined by Welsh Government are to:
- Reduce the number of poor condition schools and colleges;
 - Reduce surplus capacity and ensure that we have the right size schools and colleges in the right location that:
 - provide enough places to deliver Welsh and English medium education; and
 - ensure the effective and efficient use of the educational estate – encouraging the wider use of school buildings for community facilities and usage.
- 4.4 In addition to the above, the Council also considered several supplementary important factors when prioritising projects for consideration, namely:
- Educational standards;
 - Post 16 provision;
 - Choice of subjects offered (secondary schools);
 - Outcome of Estyn inspections and school categorisations;
 - Backlog of maintenance;
 - Additional school provision needed as a result of evidenced increased demand from within the catchment area.
- 4.5 The second band of the programme Band B has been launched by Welsh Government, which will run from 2019-2024 and comprises of £1.1billion of both capital and revenue funding. WG have written to local Councils asking for identification of priority projects that meet the criteria highlighted in paragraph 4.4 with additional emphasis on:

- Condition of school building (no poor condition buildings by 2024-25);
- Strategic alignment of projects;
- Increased capacity for Welsh medium provision;
- Community and sports facilities;
- Wrap around childcare;
- Youth engagement;
- ALN inclusive agenda;
- Consideration of WG policy areas.

4.6 The Strategic Outline Programme for Band B is a high level overview of the possible way forward to continue our school modernisation agenda and can be amended in the future to reflect any changes to the programme in terms of realignment of strategic policy changes or outcomes of any proposed statutory consultations.

4.7 Welsh Government has confirmed that following their early initial consultations with councils the demand for the investment will far exceed the available budget. Therefore, projects will be prioritised and evaluated using the Better Business Case Model of which this Council has successfully completed several of these five case business models and our Business Cases have been used as exemplar by WG.

What are the Band B proposed schemes to be delivered in 2019-2024

4.8 A mixed package of projects have been identified to meet the grant criteria and also to continue the Council strategic school modernisation agenda that is delivering positive outcomes. For example, from the first phase of the programme in Band A:

- 3,350 surplus places removed;
- £20million reduction in backlog of maintenance;
- Reduced our carbon footprint;
- £4.96million revenue savings;
- Improved attendance;
- Raising standards of achievement, increased choice and participation rates in education and training;
- Preparing the way for delivery of the new Curriculum for Wales;
- Increasing capacity for Welsh medium education.

4.9 Therefore, it is proposed that the Council puts forward another ambitious school improvement programme and seeks funding to deliver 19 draft Band B projects. The 19 projects to be included in the 21st Century Schools Outline Programme will meet all the set criteria, and include the following:

- Two new all through schools;

- Three new major extensions to increase Welsh medium capacity in one primary and two secondary schools;
- Two new-build Welsh medium primary schools;
- Ten new-build primary schools;
- Two new extensions to primary schools to increase the capacity in areas of increasing demand for places.

4.10 The total cost of these projects is approximately £160million. The funding required by the Council to match fund the 21st Century Schools Programme funding will depend on the funding available from Welsh Government and the funding model that best suits each project, as Welsh Government has introduced two funding approaches. Therefore, this Strategic Outline Programme is effectively applying for a maximum “funding envelope” of £160million, which will be assessed by Welsh Government against the proposals submitted by the other 21 councils and the relevant funding criteria.

4.11 Welsh Government will make a decision on the Strategic Outline Programmes within the next 6 months. Only then, will the Council be clear as to what funding is available and what projects could be funded in this band of 21st Century Schools Funding.

4.12 Therefore, it is premature to name potential school projects at this time, as it could raise aspirations, which the Council is unable to deliver for the foreseeable future.

5. EQUALITY AND DIVERSITY IMPLICATIONS

5.1 For any school reorganisation proposals that require public consultation to be undertaken, Community Impact, Equality Impact and Welsh Medium Impact assessments will be prepared with the reports and findings being published on the Council’s website and made available on request to any person who wishes to receive copies.

6. CONSULTATION

6.1 Consultation will be undertaken in accordance with legislation in force, for any proposals of school reorganisation that meet specific criteria laid down by Welsh Government (such as school closures, amalgamations, relocation of schools or additional capacity) it will be conducted to comply with the requirements of the School Organisation Code, statutory code document 006/2013. For any amendments to school catchment areas that may be required, consultation will be undertaken in accordance with the School Admissions Code, statutory code document 005/2013.

- 6.2 Some proposals, such as the rebuilding of schools on existing sites with no additional capacity do not require statutory consultation to be undertaken. However, in these cases we will conduct local consultation with the parties who will be impacted by the proposal, including school staff, governors, parents and of course the children attending the schools.

7. FINANCIAL IMPLICATION(S)

- 7.1 The funding stream for Band B have been confirmed by Welsh Government Ministers as a programme of both capital and revenue funding:-

The two funding options comprise of:

- £600million Capital Funding (intervention rate 50% Welsh Government: 50% Council match funding);
- £500million Revenue Mutual Investment Model (intervention rate 75% Welsh Government: 25% Council match funding).

- 7.2 The capital funding budget is a traditional format which funded the first phase of the Band A programme and is a straightforward process of joint match funding any new projects.

- 7.3 The Mutual Investment Model (MIM), is a revenue-funded budget that will enable investment with a maximum capital value of £500million across Wales. This revenue-funded element of the Programme cannot be diverted to the capital programme and neither can it adopt the Local Government Borrowing Initiative (LGBI) model.

- 7.4 Welsh Government has confirmed that the MIM will be used for contracts whereby the successful contractor will design and build the new facilities and provide the finance to do this. The successful contractor will also provide maintenance and lifecycle services for the facilities in the long term (DBFM). This means that as well as providing new facilities, we will be investing in the maintenance of the new asset, so it will remain in good condition for future generations. It is important to stress that this model is not a Private Finance Initiative agreement, as the only school services that will be provided under the MIM contract will be building maintenance. Other school contracts such as catering, cleaning, grounds maintenance, ICT, etc. will be either provided by the Council or providers determined by the governing body.

- 7.5 In order to be a financially viable proposition to the private sector market, the Welsh Government will be packaging projects together into Band B MIM groups. Authorities will need to be willing to work with other authorities/projects, which are in their group.

- 7.6 Work is also underway to consider who is best placed to act as the procuring authority of the MIM contracts, the two shortlisted options are; (1) for Welsh Government to procure the assets directly, or (2) for a 'lead authority' to act on behalf of the grouped projects.

Band B projects which will lend themselves to the MIM are:

- New build (i.e. all the facilities are new build not just new build extension);
 - Projects which will have completed their statutory consultations or are a good way through by June 2018;
 - Projects where authorities are sure that there will be sustained demand for places;
 - Projects without complicated land ownership issues.
- 7.7 The Revenue Funding Payments for the MIM contracts will not start until the facilities are built and available for use, and will be paid for via annual charge (25% of which is inflated by RPI for 25 years).
- 7.8 The Council's draft Band B proposals are affordable with the new funding mechanism through predicted revenue savings released by proposals to remove our inefficient building stock and current organisational arrangements to fund the Prudential Borrowing requirements.
- 7.9 Further details on the Mutual Investment Model are currently being worked up by Welsh Government and further information will be reported to Members as soon as it is available.

8. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 8.1 Legislation to be considered/followed is outlined in paragraph 6.1, namely the School Organisation Code and the School Admissions Code.

9. LINKS TO THE COUNCILS CORPORATE PLAN / OTHER CORPORATE PRIORITIES/SIP

- 9.1 Rhondda Cynon Taf County Borough Council's Corporate Plan: 2016–2020 focuses on the following priorities:
- Economy – building a strong economy;
 - People – promoting independence and positive lives for everyone; and
 - Place – creating neighbourhoods where people are proud to live and work.

This SOP has a clear links to the Corporate Plan's priorities of "Building a Strong Economy" and "Creating Neighbourhoods where People are

Proud to Live and Learn” and has a clear link to the Single Integrated Plan’s priority of prosperity, in particular “people have the education and essential skills to secure employment”.

10. CONCLUSION

- 10.1 This is a continuation of the Council’s ambitious strategic investment programme to raise standards of educational performance in Rhondda Cynon Taf.
- 10.2 However, this is just the start of the Band B process and changes in Rhondda Cynon Taf’s SOP will inevitably be made over the next six months as the Welsh Government’s 21st Century Schools Funding Programme develops. Members will be kept up to date with the Welsh Government’s requirements and any proposed changes to the Council’s Strategic Outline Programme.
- 10.3 Members are asked to consider the information contained in this report and to agree to the submission of the draft Strategic Outline Programme for Band B of the 21st Century Schools and Education Programme, by the required date of 31st July, 2017.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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