

**MONMOUTHSHIRE COUNTY COUNCIL
REPORT**

SUBJECT:	21st Century Schools Programme – Strategic Outline Programme (SOP) Band B Update.
MEETING:	Cabinet
DATE:	4th October 2017
DIVISION / WARDS AFFECTED	Wards in Abergavenny and Chepstow

1. PURPOSE:

To provide members with details of the revisions to the Strategic Outline Programme for 21st Century Schools Programme which inform the development of projects within the second tranche of investment, from herein referred to as Band B.

2. RECOMMENDATIONS:

It is recommended that Cabinet Members:

- 2.1 Agree the rationale for selecting the three schools in the Abergavenny cluster to be the focus for change and development in Band B of the Welsh Government's 21st Century Schools' Programme.
- 2.2 Agree to the Chepstow cluster being redeveloped in Band C of the 21st Century Schools Programme.
- 2.3 Agree to the submission of the proposal as set out in Appendix 1 to Welsh Government for consideration in the first stage of the Band B process.

3. KEY ISSUES

- 3.1 Members will be aware that Band A of our 21st Century Programme is well underway. Caldicot Schools opened in September 2017 and Monmouth Comprehensive School is on schedule to open September 2018. Working with Welsh Government the Local Authority is looking to develop Band B of the programme. The first stage is the review and resubmission of the Strategic Outline Programme. Working within Welsh Government timescales, a draft Strategic Outline Programme has been submitted, and is attached at Appendix 1.
- 3.2 The key factors to be considered are that the proposal seeks to address the condition of our school buildings and sufficiency, ensuring that the schools are of an appropriate size and design to meet the needs of 21st Century learning. The Welsh Government has issued guidance to all local authorities and further education institutions setting out the investment priorities:

Investment Objective One –

- *To provide efficient and effective educational infrastructure that will meet current and future demand for places by 2024.*
- *Backlog maintenance costs for the schools and colleges selected for Band B are reduced by at least 50% (based on the assumption that approximately 50% of the projects in the Programme will be replacements for existing assets).*
- *No category D buildings in the estate.*
- *C. 25% of Category C condition buildings are improved to Category A or B.*
- *Provide the right number of places for the delivery of:*
 - *Welsh medium education; and*
 - *English medium education**addressing sufficiency issues where relevant.*

Investment Objective Two –

- *Optimise the use of infrastructure and resources, to deliver public services for our communities by 2024. This will include flexibility of our assets so that space and facilities available for our stakeholders are maximised.*
- *Our aspiration is for all facilities that receive investment commit to making assets available for community use if local demand exists.*
- *10% of schools / colleges that receive funding from the Programme have co-located public services on site if local demand exists.*

3.3 The original Monmouthshire Strategic Outline Programme (2010) held a much wider remit. This included the development of the whole education estate, however as a result of significant cost pressures identified during the development of Band A, a greater focus has been applied to the revised Strategic Outline Programme for Band B. Section 5 of this report considers the extent of the cost pressures in Band A and the impact this has had on the likely development of Band B.

The Needs of Chepstow and Abergavenny

- 3.4 The consideration for the development of Band B has been focused on meeting the needs of the learners in these two areas (equivalent to their primary cluster). There is a specific focus on the secondary estate but the primary settings have also been considered.
- 3.5 Given the known costs of secondary school developments it is the working premise of Monmouthshire's Band B considerations that only one area of redevelopment would be affordable.
- 3.6 The buildings of both remaining secondary schools (Chepstow and King Henry VIII, Abergavenny) are approximately 60 years old and require developing. At the last building condition survey (completed in August 2016), both schools were classified as having deteriorated at a significant rate since the last survey that was undertaken in 2008. The surveys were

commissioned by the Welsh Government and undertaken by Faithful and Gould¹. The Welsh Government indicated at the time that:

'This data contributes significantly to the evidence base on education buildings in Wales and forms a vital part of our strategic planning and investment and will be used to help produce our Strategic Outline Case for Band B of the 21st Century Schools and Education Programme.'

- 3.7 The findings of the survey at Chepstow School reveal that the condition of its building showed that the buildings had deteriorated to a C+ standard and that the cost of the backlog maintenance was £148,579.92 with annual maintenance costs of £101,028.00. The areas of the school reviewed and standards identified are set out in the table below.

Block Details			Condition	Suitability
Number	Description	GIA		
1	A1 Main Block	6376	C+	B
2	A2 English / Science Block	1256	C+	B
3	B3 Technology Block	787	B	B
Overall			C+	B

- 3.8 The findings of the survey at King Henry VIII revealed that the condition of its building showed that the buildings had deteriorated to a C- standard and that the cost of the backlog maintenance was £1,222,544.00 with annual maintenance costs of £114,648.00. The areas of the school reviewed and standards identified are set out in the table below.

Block Details			Condition	Suitability
Number	Description	GIA		
1	Building A	5713	C-	B
2	Building B	3347	C-	C
3	School Gym	444	C-	B
4	Demountable 701 & 702	50	B	B
Overall			C-	C

- 3.9 The evidence in these most recent surveys indicates that King Henry VIII School is in a scored at a lower point for both the condition of the buildings and the suitability of the buildings for 21st Century Learning. In establishing a case that meets the Welsh Government's investment criteria it is also worth noting the significant differential that exists in the backlog maintenance between the two schools.

- 3.10 The next area of consideration was to address wider challenges of deprivation. These link to both educational outcomes, where the indicator used was the rate of children entitled to free school meals (eFSM) in both the cluster and the secondary school, and the broader indices of deprivation collated from the Welsh Index of Multiple Deprivation (WIMD). Both

¹ Copies of both surveys can be found at Appendix 2, Chepstow School and Appendix 3, King Henry VIII

secondary schools are in the second benchmarking group for comparative analysis (for those schools between 10-15%).

- 3.11 Chepstow School secondary school has an in year eFSM rate of 9.7% and a three-year average of 11.7%. The cluster has a three-year average of 11.2%.
- 3.12 King Henry VIII school has an in year eFSM rate of 9.3% and a three-year average of 10.3%. The cluster has a three-year average of 12.8%.
- 3.13 The recently completed Wellbeing Assessment (approved by Monmouthshire County Council in March 2017) used the WIMD to assess the statistical measures of deprivation of 11 medium super output areas (MSOAs). The result of that analysis was that the Abergavenny MSOA was the most deprived in Monmouthshire in terms of income deprivation and those on employment related benefits. The table below compares the two MSOAs on a range of income and educational indicators. The lower the rank the higher the amount of deprivation.

Indicator	MSOA 2 – Abergavenny	MSOA 8 - Chepstow
Income Deprivation (% of population)	1	2=
Employment related benefits (% of working age population)	1	3
Long term limiting illness (# per 100,000)	1	3
Key stage 2 average point score	2=	1
Key stage 4 capped point score	1	3
Repeat absenteeism (%)	3	1
Key stage 4 Level 2 inclusive (%)	1	2
People not entering higher education aged 18-19 (%)	2	3
Adults aged 25-64 with no qualifications	1	3

- 3.14 The evidence set out above suggests that both areas are experiencing challenges relating to deprivation and that there is little to separate the two areas.
- 3.15 Surplus places have for a long time been a key focus of the authority to try and ensure that we have the right number of school places in the right place for current and future demand and are a focus of the Welsh Government's investment priorities. All of the figures cited in the next two paragraphs include all known housing developments.
- 3.16 In Chepstow there are currently 14% surplus places in the cluster with the secondary school having surplus places of 18.8%. Chepstow School has a capacity of 1203 and at the moment pupil projections suggest that it will peak at 1003 in 2023/24. On average over the last five years the school has lost 14.99% of the local cohort to other schools but has seen a gain from schools outside of its cluster of 13%. It has a strong retention rate at post 16 with 82.06% of pupils staying on for year 12.

- 3.17 In Abergavenny there are currently 16.4% surplus places in the cluster (rising to 18.7% space used by Flying Start is released) and King Henry VIII has 24.9%. King Henry VIII has a capacity of 1273 and current pupil projections suggest growth on the cohort in every year until 2023/24 peaking at 1050 in that year. The average percentage of the cohort lost to other schools is 21.8% over a five-year period with a lower out of cluster gain of 8% in the last five years. The average five-year retention rate in King Henry VIII for pupils staying to study in year 12 is 54.37%. Of particular relevance to the assessment is that by 2019/20 it is projected that Ysgol y Fenni will be over capacity. Its current capacity is 235 with a projected number on role of 248 (5.5% in excess of the school's capacity) projected for the start of that academic year.
- 3.18 It is clear from these figures that both schools have a challenge with surplus places. However, there are more in the Abergavenny cluster and the challenge to the school from neighbouring schools is a greater threat in Abergavenny at the transition to key stage 3 and at post-16 from Hereford College.
- 3.19 This year Monmouthshire submitted a new Welsh in Education Strategic Plan (WESP). The preparation for this plan included our annual consultation with parents to establish future demand for Welsh medium education. The preparation, nature and ambition of the WESPs across Wales this year was questioned by the Welsh Government and led to a national rapid policy review for the Cabinet Secretary for Lifelong Learning and Welsh Language, Alun Davies by the former assembly member, Aled Roberts. Monmouthshire complied fully with this process and the correspondence relating to the findings of that review can be found at Appendix 4.
- 3.19 The WESP is a strategic document however, it has a limited timeframe of three years. The evidence that we used in developing our WESP suggests that the demand for Welsh medium education is greater in the north of the county. Ysgol y Fenni, located in Abergavenny is a single form entry Welsh medium primary school that is nearly full and currently has only 5.5% surplus places. In the last academic year, the authority has had to relocate Flying Start services from the Ysgol y Fenni site to allow the school to accommodate the growing demand for Welsh medium education in the north of the county. In the south of the county the Welsh medium primary school currently has 25% surplus places and significant scope for growth. The authority is supporting the creation of a Cylch Mythrín on the site in Caldicot.
- 3.20 Currently secondary Welsh medium education is provided in Ysgol Gwynllw in Pontypool and Ysgol Gwent Iscoed in Newport. Ysgol Gwent Iscoed is a new build school which Monmouthshire has made a capital contribution towards the costs of development.
- 3.21 In the most recent questionnaire of parents (undertaken in the summer of 2016) we asked parents if they perceived a benefit to Welsh Medium education. 67% replied that they did and of that group 67% came from the north of the county. In a further question where we sought to identify

whether greater proximity to Welsh Medium secondary school would be preferable 68% answered positively and of that group 65% were from the north of the county.

- 3.22 The final area of consideration is directly linked to the management of surplus places and the authority seeking to ensure that it future proofs any investment that it makes in the educational estate. As set out in 3.15 all figures cited in this report include all known, Monmouthshire, housing developments. However, there was a significant risk identified in the preparation of the Band B proposals that we were unable to accurately predict the potential requirements for secondary education in the south of the county. The emergence of the Cardiff Capital Region and the associated City Deal and the now confirmed policy position to abolish the tolls on the two Severn Crossings, it is anticipated that there will be an increase in residents with in the Chepstow area. At this stage and under the current Local Development Plan (LDP) the changes are unquantified and difficult to predict. However, we the diminishing land supply across the county is well documented and consequently, there is a limited ability to deliver housing in the quantum required under the current LDP; all the available evidence points to the need to comprehensively revise the existing plan. Whilst this is subject to approval, housing, demographic and economic challenges and opportunities all point to the need to properly evaluate and assess prospects for growth in the southern area of the county. To build now in Chepstow with all of the know data and comply with the Welsh Government investment priorities would require the removal of surplus places. To do this with the likelihood of significant development in the medium term would be a decision that would require further adjustment in the future.
- 3.23 It is recognised that with only four secondary schools in Monmouthshire and with two already being redeveloped as a part of Band A it is a key challenge to identify a single school or cluster to be progressed in Band B. However, across the areas for consideration that are linked to the Welsh Government's criteria the outcome is that Abergavenny and King Henry VIII require redevelopment.
- 3.24 The condition of the buildings in King Henry VIII are poorer in both their condition and suitability and this alongside the requirements of the WESP; and the weight of demand for Welsh medium education being in the north of the County, the ability to reduce surplus places and perhaps most significantly the uncertainty concerning the future requirements of the Chepstow area means that Abergavenny meets the investment priorities of Band B. The proposal is therefore to include the development of Chepstow School under band C, when the impact of these will be better known.

Determining the proposal in the Abergavenny area

- 3.25 Within Abergavenny there are a number of schools that could be developed as a part of Band B but in order to maximise the impact of any potential investment there are three schools that have been identified for a place in the programme. Their relative involvement depends on which of six options is progressed. The three schools are:

- i. King Henry VIII Comprehensive School
- ii. Deri View Primary School
- iii. Ysgol Cymraeg y Fenni

3.26 The options put forward have been considered as part of a range from *Do nothing* to the comprehensive redevelopment of a 3-19 dual language school on the King Henry VIII site. All of the options are set out in the following table. Beyond the options of do nothing and do minimum all options incorporate a larger Welsh Medium Primary school in the Abergavenny area, recognising the increase in numbers of pupils choosing Welsh Medium Education. In the more ambitious options we have sought to develop a Welsh medium secondary stream on the King Henry VIII site.

3.27 Currently there are two primary schools within the county, educating through the medium of Welsh, but once pupils reach secondary school age there is no provision within Monmouthshire and as a result pupils need to attend schools within other authorities. The north of the county has traditionally been a focal point of Welsh Language, with Abergavenny hosting the Welsh National Eisteddfod. The Band B programme will allow Monmouthshire to build on this and to meet the priorities of the new administration.

3.28 The options are set out in the table below:

	Description	Costs	Advantages	Disadvantages / Risks
Option 1	Do nothing	Minimal	<ul style="list-style-type: none"> • Low cost 	<ul style="list-style-type: none"> • Does not provide 21st Century teaching and learning environments. • Only urgent / H+S repairs to be undertaken, the general non urgent maintenance backlog will further increase with the rapid deterioration of the main building fabric and services infrastructure. • There is no impact upon the requirements to expand Welsh medium education at primary or secondary stage
Option 2	Do minimum	£1.22m to address backlog maintenance requirements	<ul style="list-style-type: none"> • Low cost 	<ul style="list-style-type: none"> • Addresses only the existing backlog maintenance list but not allow for any investment into the provision of a 21st C teaching and learning environment. • Building age means that even with urgent repairs undertaken that the building and service infrastructure is reaching its natural lifespan • There is no impact upon the requirements to expand Welsh medium education at primary or secondary stage
Option 3	Secondary School Renewal – English Medium	£28.5m	<ul style="list-style-type: none"> • Provides a new 21st Century teaching and learning environment which delivers on the MCC vision which formed part of Band A. • Reduces surplus places in the secondary sector in the north of the county 	<ul style="list-style-type: none"> • High Cost • Does not address the Welsh medium demand forecast in the north of the county • Does not address primary surplus places in the Abergavenny Cluster

			but not in the primary sector.	
Option 4	Secondary School Renewal & building swap for Ysgol y Fenni and Deri View	£28.5m for new Secondary School plus c.£3m to allow the building swap	<ul style="list-style-type: none"> • Provides new 21st Century teaching and learning environments which delivers on MCC's vision which formed part of Band A • Address the Welsh medium demand forecast in the north of the county in the primary sector • Reduces pupil surplus places both in the English Primary and secondary sectors in this area.. 	<ul style="list-style-type: none"> • High Cost • Does not provide the impact of a new 3-19 school in terms of addressing challenges of vulnerable learners
Option 5	New English Medium 3-19 School and Ysgol y Fenni re. provided at Deri View	£35.9m	<ul style="list-style-type: none"> • High impact in both the Welsh Medium (primary) and English Medium (primary / secondary) • Provides new 21st C teaching and learning environments which delivers on MCC's vision which formed part of Band A. both in the primary and secondary sectors. • Looks at better more efficient ways of delivering education for 	<ul style="list-style-type: none"> • High Cost

			<p>the future as well as management of a school estate</p> <ul style="list-style-type: none"> • Reduces surplus places in both the primary and secondary sectors of the English medium as well as provide additional primary spaces for the growing Welsh Medium to partially meet the vision in the WESP. 	
Option 6	New dual language 3-19 (including the provision of Ysgol y Fenni at Deri View)	£45.4m	<ul style="list-style-type: none"> • High impact in both the Welsh Medium (primary / secondary) and English Medium (primary / secondary) • Provides new 21st C teaching and learning environments which delivers on MCC's vision which formed part of Band A. both in the primary and secondary sectors. • Looks at better more efficient ways of delivering education for the future as well as management of a school estate • Reduces surplus places in both the primary and secondary sectors 	<ul style="list-style-type: none"> • Very high cost • There are some perspectives that argue that the dual stream approach to Welsh medium education is not as effective as the emersion that learners experience in Welsh Medium schools.

			<ul style="list-style-type: none">• Provides additional primary and secondary spaces for the growing Welsh Medium meeting the vision in the WESP.	
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4. REASONS

- 4.1 The Strategic Outline Programme has been developed to ensure that any funding available for Band B is used to best support education in Monmouthshire and to develop a school estate that is fit for 21st century learning allowing our pupils the best resources available. It has sought to meet the investment priorities of the Welsh Government whilst at the same time recognizing the condition of buildings in our current estate and balancing these needs against a reducing ability to finance significant capital investment.
- 4.2 Following the consideration of the investment priorities it is recommended to Cabinet that they support Option 6 as their preferred option to the Welsh Government. However, it is recognized that there are significant cost pressures associated with this option. Option 5 has also been submitted to the Welsh Government as a part of the ongoing dialogue with the 21st Century Schools team.

5. RESOURCES

- 5.1 The preferred proposal has an indicative cost (based on indicative costs supplied by Welsh Government at 2019 levels) of £45.4m, with an in principle application to Welsh Government to meet £22.7m at an intervention rate of 50%. On the basis of that estimate, £22.7m would need to be funded by the Council. Capital receipts have not yet been secured at a level necessary for Band A funding, so it is likely that Band B and beyond will increasingly need to be afforded through prudential borrowing afforded through additional revenue savings.
- 5.2 It should be noted that this is a development and proposal that has significant affordability challenges. With regards to capital Monmouthshire has already invested a very significant amount in the two new schools developed in Band A and all capital receipts available over the Medium Term Financial Plan (MTFP) have been used to support this investment in the educational estate. There has been an impact on the corporate capital programme and any new schemes (of which this would be one) can only be added if they are self-financing or they replace something in the programme. Whilst investment in the two new schools have been made the maintenance backlog on our existing assets are not being addressed (this includes the school estate and Chepstow and King Henry VIII as identified above). Members are aware that investing capital in another new school will have consequences for the other assets in the county.
- 5.3 Within the funding assumptions and business case for the Band A schools there was a plan outlined that would see a 10% reduction in running costs of the schools as part of the economic / financial case for the new builds. The schools to date have identified benefits from more efficient buildings but have yet to identify the financial benefits of a changed teaching and learning approach within the new schools. If this is to be a part of the plans in the future we need to fully understand the impact of the two new Band A builds. This will be fully undertaken as a part of the Welsh Government 21st Century Schools evaluation.

5.4 Members will also be aware that two secondary schools are in deficit, and the work that is needed to address this particularly because as of today any further capital investment in a new school is likely to need to be funded by borrowing, which will have an impact on the revenue budget. Borrowing costs could potentially add to the c. £14m gap already identified in the MTFP.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:
Please find the sustainability and equality impact assessment at Appendix 5.

7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS

There are no safeguarding issues or corporate parenting implications associated with this report.

8. CONSULTEES:

Senior Leadership Team
DMT
Cabinet Members
Children and Young People Select Committee – 14th September 2017
Minutes to be included

9. BACKGROUND PAPERS:

Strategic Outline Programme Band B guidance from Welsh Government
Band A Strategic Outline Programme.

10. AUTHOR:

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11. CONTACT DETAILS:

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