

**SUBJECT: Capital Programme – 21<sup>st</sup> Century Schools Programme**

**MEETING: County Council**

**DATE: 19<sup>th</sup> September 2019**

**DIVISION/WARDS AFFECTED: North Abergavenny**

**1. PURPOSE:**

- 1.1** The purpose of the report is to seek Council's agreement to draw down funding during the current financial year 2019/20 to support the work of the team delivering the Band B project within the 21<sup>st</sup> Century Schools building programme.
- 1.2** To inform Council of the significant capital works within the education estate and agree to the establishment of a permanent post to manage the education capital building programme.

**2. RECOMMENDATIONS:**

**2.1** It is recommended that Council:

**2.1.1** Establish a budget of £702,046 within the 2019/20 Capital Programme to:

- a) Fund the business case process, and simultaneously undertake an extensive programme of testing and assessments which will seek to de risk the development site and mitigate against unforeseen future costs;
- b) Procure specific external expertise in order to assist with this work.

**2.1.2** To finance the Authority's share (35%) of the costs of £245,716 from capital resources as determined appropriate.

**2.1.3** To acknowledge that abortive costs will need to be written off to the revenue account in the event that the Council determines that it cannot progress with the project at any stage.

**2.1.4** Subsequent to the 21<sup>st</sup> Century Schools Project Team being agreed on 20<sup>th</sup> December 2018 to make the Project Coordinator post 100% permanent.

**3. KEY ISSUES:**

**3.1** Members are already aware that the focus of the 21<sup>st</sup> Century Schools Band B investment is the creation of a 3-19 school on the King Henry VIII School site which will

be achieved through the closure of King Henry VIII Comprehensive School and Deri View Primary School. This development will facilitate the relocation of the local welsh medium school, Ysgol Gymraeg Y Fenni to the former Deri View site providing them with the potential to extend their capacity from 262 to a two form entry school of 420 pupils.

- 3.2** Subsequent to the Council agreeing the above recommendations grant funding has also been received from Welsh Government to expand the provision of welsh medium education and the implementation of Child Care Capital Grant both of which total just over £4m. See Appendix 1 for current education capital projects to be funded by this grant. This work will be coordinated through the 21<sup>st</sup> Century Schools Project Team.
- 3.3** Furthermore the Council has received a significant amount of s106 funding for education improvements as a result of housing developments in the Caldicot and Abergavenny area.
- 3.4** The work associated with Band B is likely to be significantly more complex than Band A because the scope of the redevelopment is broader than the redevelopment of the two secondary schools in Band A. The work to create a through-school will require significant public consultation, engagement and pedagogical and professional development as the two schools are brought together to deliver the new curriculum for Wales.
- 3.5** In order to meet the proposed timescales and opening of the new school in September 2023 the statutory consultation and business case process will run concurrently with the design and development of the project. It is anticipated that the Strategic Outline Case (SOC) will be finalised by the end of the financial year and the Outline Business Case (OBC) and Full Business Case (FBC) will be finalised during 2020/21,
- 3.6** In December 2018 Council approved the design of the core Project Team. The creation of the team is currently made up of seconded officers from the local authority's existing establishment and agreement was made that these posts should be back filled where appropriate and necessary. Whilst the shape and purpose of this team will flex and change over time, depending on the stage of the programme's development.
- 3.7** The increase in the number of education capital projects it is now deemed necessary to increase the 21st Century Schools Programme Coordinator role from an 80% post to a 100% permanent post.
- 3.8** The revised costs are therefore as follows:

<b>Post Title</b>	<b>Full Time Equivalent</b>	<b>Cost</b>	<b>Annualised Cost including on costs</b>
21 <sup>st</sup> Century Schools Programme Coordinator (permanent)	1.0	L Grade (43-47) £49 489	£58,874
21 <sup>st</sup> Century Schools Construction Lead	0.4	L Grade (43-47) £49 489	£22,839

21 <sup>st</sup> Century Schools Project Officer	1.0	H Grade (27–31) £33 799	£38,434
Administrative Support	0.5	C Grade (5-8) £19 945	£10,842
Total			£130,989

**3.9** Work to undertake the ‘red lining’ of the site has commenced and through this initial work some site restrictions have already been identified. A thorough feasibility study of the site is now required so that an extensive programme of testing and assessments can be undertaken. The key aim of these early assessments is to de-risk the site and mitigate as far as possible any unforeseen costs in the future.

**3.10** As members were advised in the previous report the team will be a central coordinating resource and there will be the need to procure specific expert services from the beginning. There will also be a requirement to access support from several professional disciplines internally; finance, legal procurement and property services will all have a part to play in ensuring the success of the programme.

**3.11** Members will recall from the Council meeting in July 2019 that work has been undertaken to look at the most favourable funding options for the Band B project, either to pursue the capital funding route as previously agreed or the Mutual Investment Model (MIM). The traditional capital funding route was deemed to be the most favourable route.

#### **4 EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):**

**4.1** Equality and future generation implications will be fully assessed as part of development of the business case at its various stages. These will be reported when the business case is subsequently developed and considered by Council.

**4.2** There are no equality or future generation implications directly arising from this report.

#### **5 OPTIONS APPRAISAL**

There are potentially 2 options available to the Authority:

**5.1** Do nothing and commence work on the project in April 2020

This option would mean that all work on the project would stop until April 2020 and we would then be one year into the 5 year funding envelope. This will cause a delay to the project and as this project is likely to be more complex than Band A and requires the

Council to undertake a statutory process before the build can commence, we need to continue the momentum.

#### **5.1** Agree the capital funding requested for the financial year 2019/20

This option would mean that the work already in progress can continue and facilitate the pace of work increasing which will ensure that as much preparatory work and de-risking of the site can be undertaken to ensure that the Council can meet anticipated timescales for completion on the Band B project as well as undertake preparatory works for Band C.

### **6 EVALUATION CRITERIA**

It is difficult to establish evaluation criteria at this stage of the programmes development. However, the business case will be reviewed and assessed by Welsh Government as it is developed through the various stages. Feedback and amendments to the business case will be reported into the Future Schools Board and as required into Cabinet or Council as necessary. Furthermore, when the Team is fully established there will be an agreed full programme delivery plan that will allow the team and their outputs to be evaluated in terms of timescales and efficiency.

### **7 REASONS:**

The Council has made significant investments in the first round of the 21<sup>st</sup> Century Schools programme and now needs to do all it can to ensure that the proposals put forward in Band B are as economical, optimal and outcome focused as they can be, ensuring that a robust team is in place to support the capital programme and business case development process.

This will ensure most appropriate procurement routes are followed and the design and specification of the capital projects provide a setting fit for the future.

### **8 RESOURCE IMPLICATIONS:**

- 8.1** The decision in December 2018 agreed the formation of the programme team but did not establish the programme as a part of the capital programme. To undertake the work required to maintain the current pace of development funding of £702,046 is required this financial year and ahead of the band B programme formally commencing.
- 8.2** The additional funding will cover the costs of the Project Team of £130,989 shown in 3.8 above and £571,057 to fund the necessary expertise, surveys and investigations required to take the project to Stage 2 design and based on estimates provided.
- 8.3** Welsh Government have confirmed that these costs are eligible to be grant funded under the terms of Band B. The Authority will have to incur the costs in the first instance before reclaiming the relevant amounts as gateway approval at Strategic Outline Case (SOC) and Outline Business Case (OBC) are approved. The intervention rate for Band B capital projects is 65% meaning that the Council will be liable for £245,716. This will be funded from capital resources. The most appropriate source of funding will be determined in due

course and dependent on levels of available capital receipts or additional capital grant and before having recourse to prudential borrowing.

- 8.4** There is a risk that following completion of the full business case and statutory consultation the Council determines that it cannot progress with the project, a key factor being that the project is unaffordable, the abortive costs would have to be written off to the revenue account. If this were to happen there would be a call on reserves to cover these costs.

**9      CONSULTEES:**

SLT  
Cabinet

**10     BACKGROUND PAPERS:**

20 December 2018 County Council report

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## Appendix 1

<b>Welsh Medium Capital Grant</b>	
Establish Welsh Medium Seedling School Monmouth	£1,637,699
Ysgol Y Ffin – Classroom Extension	£252,318
<b>Total</b>	<b>£1,638,000</b>
<b>Child Care Capital Grant</b>	
Small Projects Grant	£200,000
Nursery Provision Arch Bishop Rowan Williams School	£640,000
Provision of Nursery building – Trellech Primary School	£619,000
Provision of Welsh Medium Nursery – Monmouth area	£478,000
Provision of Nursery facilities Ysgol Gymraeg Y Ffin	£211,000
<b>Total</b>	<b>£2,116,000</b>