

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE

11th July 2017

**REPORT AUTHOR: County Councillor Myfanwy Alexander
Portfolio Holder for Education**

**SUBJECT: 21st C Schools Programme - Ffederasiwn Ysgolion
Carno, Glantwymyn & Llanbrynmair Federation**

REPORT FOR: Decision

1. Summary

1.1 In 2011, the Council submitted its Strategic Outline Programme (SOP) to the Welsh Government, for capital investment for the schools estate, as part of the Welsh Government's 21st C Schools Programme. Within the SOP, investment was prioritised for the 'Llanidloes & Machynlleth Area Review'. The Review was concluded in 2013/14, and three schools were formally federated – Ffederasiwn Ysgolion Carno, Glantwymyn and Llanbrynmair. The Federation is a successful example of an innovative rural school model which has ensured that Welsh-medium primary education is flourishing in three rural communities.

1.2 This report seeks Cabinet approval to submit a Business Justification Case (BJC) to the Welsh Government's 21st C Schools Programme for capital investment to improve the Federation's school buildings, ensuring all pupils in the Federation are taught in appropriate learning environments with adequate safeguarding arrangements.

1.3 The project has been developed in partnership with the communities in the Federation, and will be funded from three sources – Welsh Government will contribute 50% of funding, in accordance with the terms of the 21st C Schools Programme, with the remainder funded jointly by the local authority and the utilisation of community funding for Carno through the local windfarm development – Tir Gwynt. It would not be possible to fund the development in Carno without this contribution from the community.

1.4 This report is supported by the following appendix:

- Appendix 1: Federation Business Justification Case

2. Background

2.1 As part of its Schools Modernisation Programme, Powys County Council commenced a review of education provision in the Machynlleth area in 2010.

2.2 The outcome of the catchment review was that an All Through School for 4 – 18 year olds was established in the town of Machynlleth, and that the three outlying primary schools – **Ysgol Carno, Ysgol Glantwymyn and Ysgol Llanbrynmair** - should form a formal federation of Welsh-medium primary schools. This BJC focuses on investment in the federation only.

2.3 The Federation has now been in operation since 2014 with a new headteacher, a single governing body and a single leadership team operating across the three sites. There are currently 157 pupils in the Federation. They are all relatively small schools providing Welsh-medium education in a rural area that stretches between Cemmaes Road to the West and Carno to the East. The size of the schools, the distance between the three and the fact that they are all Welsh-medium schools serving a larger rural hinterland, were key reasons for establishing the Federation.

Table 1 – Pupil numbers and forecasts

	Pupil No's (Reception to Year 6) PLASC 2017 data	Pupil Projections 2018	Pupil Projections 2019	Pupil Projections 2020	Pupil Projections 2021	Total number of places available
Glantwymyn	69	66	61	65	64	84
Carno	36	36	37	36	36	49
Llanbrynmair	52	60	61	60	62	70
Total	157	162	159	161	162	

2.4 Standards of teaching and learning within the Federation are good, as shown in Table 2. Two of the schools were inspected within the first two terms following the establishment of the Federation.

Table 2 – Standards

School	Date of Estyn inspection	Outcome of Estyn inspection	National categorisation of Schools 2016
Glantwymyn	2014	Current Performance: Adequate Prospects for Improvement: Good	Yellow

Carno	2009	x7 Grade 2	Yellow
Llanbrynmair	2015	Current Performance: Good Prospects for Improvement: Good	Green

2.5 The condition of the school buildings is variable. An initial BJC was submitted to Welsh Government in early 2015, requesting 21st Century Schools capital funding to invest in Ysgol Glantwymyn. Welsh Government was unable to support the case at the time, as it did not address the condition of Ysgol Carno. Ysgol Carno has been graded as a condition D school, due to the lack of sustainability as it housed in an ageing demountable building.

Table 3 – Building condition

	Overall Grading Condition	Suitability	Sustainability	Condition
Glantwymyn	C	C	C	B
Carno	D	D	C	B
Llanbrynmair	B	B	C	B

2.6 The condition data is based on EC Harries survey undertaken in 2009 but re-assessed by PCC in 2016.

3. Proposal

3.1 The BJC presents the case to provide equitable school accommodation across the three sites of the federation, specifically to:

Ysgol Glantwymyn

- extend the current school entrance to provide administrative space and to improve safeguarding
- provide a disabled W/C facility, which is lacking
- provide adequate car parking and drop-off area

Ysgol Carno

- eradicate the dependence on demountable accommodation by building a new 2 class school adjacent to the Carno community hall, as the current demountable accommodation was graded as a condition 'D' building by Welsh Government.

Ysgol Llanbrynmair

- provide minimal investment to provide a canopy for outside learning and storage facilities

3.2 The project meets the aims of the Welsh Government's 21st C Schools Programme and its investment objectives, as follows:

'Aims:

- *reduce the number of poor condition schools;*
- *ensure that we have the right size schools, 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.*

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.*
- *c25% of Category C condition buildings are improved to Category A or B.*

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.' (21st C Schools Programme Band B SOP February 2017).*

4. Financial Information

4.1 The total cost associated with the project is **£2,854,410.15** The authority is requesting that Welsh Government provide 50% of the total cost of the project, with Powys County Council responsible for the remaining

50%. However, Carno Recreation Association will be contributing £500k to the cost of replacing Ysgol Carno, reducing the authority's contribution to **£927,205.08**. This means that, in effect, the authority's main contribution will be to the Glantwymyn and Llanbrynmair schemes, with the Carno scheme funded by the Welsh Government and Carno Recreation Association.

4.2 The following table shows the breakdown of costs between organisations – the figures include contingency allowance and inflation:

Project Costs and Welsh Government Contribution	
Total Project Cost (inclusive of optimism bias and risk)	£2,854,410.15
Welsh Government Contribution	£1,427,205.07
Powys County Council Contribution	£927,205.08
Carno Recreation Association Contribution	£500,000

4.3 As the contribution from the Carno Recreation Association is a grant contribution, the authority and the Association will be entering into a legal agreement. A virement will be required to reduce the budget for the Ysgol Bro Hyddgen project to finance the increased budget for this scheme. The current budget is £1.866m and will require an additional £0.989m, with a corresponding decrease in Ysgol Bro Hyddgen. The Ysgol Bro Hyddgen Capital project is to be completed as a combination of Band A and Band B of Powys 21st Century Schools Programme and the funding will be increased in the submission to be completed shortly.

4.4 The legal department note the contents of the report and will support in drafting and completing any legal documentation when and where required, based on instructions received and Cabinet decision made

4.5 The grant from Carno Recreation Association will be a conditional one and a legal agreement is currently being negotiated between Carno Recreation Association and Powys County Council. If Cabinet approves the recommendation and Welsh Government subsequently approve the capital funding request, a legal agreement will need to be reached before the project incurs expenditure.

Currently, the 2 options are:

1) Should the school close during a defined period and it is agreed that the Recreation Association will receive an agreed proportion of their £500k, there would be no major vat implications.

2) If it is agreed that the Recreation Association received a share of the sale proceeds then the £500k is consideration for a beneficial interest in the land. There is a potential future financial risk to the Council if this payment is based on the sale value as, for VAT purposes, this means that the grant from the Association is consideration for a beneficial interest in the land. As such, this impacts the vat recovery as it brings a proportion of the input tax on the construction works into the Council's partial exemption calculation (this would not normally be the case because there is a HMRC concession in place for capital expenditure on education). This is a significant potential financial risk to the Council as our Partial Exemption situation is already compromised over the next 2-3 financial years due to various projects across the Council.

5. Options Considered / Available

- 5.1 Within the BJC, a number of options for capital investment within the federation have been evaluated and costed. These were discussed with the governing body, headteacher, local members and with the Carno Recreation Association during the process

Appendix 1 lists the considered options on page 22.

6. Preferred Choice and Reasons

- 6.1 The preferred option is taken forward because it provides the best value for money and long-term solution for the development of the federation, whilst also addressing minor problems with the existing infrastructure.

The preferred option will:

- Eradicate the dependency in Carno on demountable accommodation
- Provide adequate administration, storage and disabled W/C spaces in Glantwymyn
- Enhance safeguarding in Glantwymyn by extending the school entrance and improving car parking facilities
- Provide equitable accommodation for every pupil being taught within the federation

- 6.2 The following benefits have been identified:

- Improved learning outcomes and raised attainment levels. There is a clear link between new and improved school buildings and improved performance as highlighted by Estyn.
- Positive learning and social experiences through the medium of Welsh
- Facilities that enhance their learning experiences, leading to increased motivation and improved performance

- School performance improves, raising staff motivation and morale
- School performance leads to increase in number of pupils accessing Welsh-medium education locally, increasing the critical mass and providing more professional development opportunities for teachers
- Improved use of technology to support teaching and learning across the three schools
- More opportunities to facilitate distributed leadership and increased responsibilities
- Reduction in school running costs
- Reduction in maintenance costs
- Improved educational environment for pupils and staff by being non-reliant on temporary accommodation.
- Pupils are able to meet their full potential
- Improving performance raises awareness of the Welsh language and Welsh-medium provision in the locality, leading to increased interest and demand for Welsh-medium education
- Improving performance also raises awareness and is a potential 'success story' on how federated schools are performing
- Staff have increased job satisfaction
- Staff have greater opportunities to use wider range of different learning and teaching styles
- Increased opportunities for continuous professional development
- Headteacher has appropriate office space to enable strategic and operational planning for further development of the Federation
- Administrative staff have appropriate office space to enable effective running of the three school federation
- Senior leadership team are able to utilise technology to improve communications across the three schools
- Better use of resources and facilities so teachers can focus on developing specific elements of the overall curriculum
- Improved service delivery for pupils and parents through greater integration between services

7. Impact Assessment

7.1 Is an impact assessment required? No

7.2 If yes is it attached? N/A

8. Corporate Improvement Plan

8.1 One of the priorities in the council's Corporate Improvement Plan is 'Improving learner outcomes for all, minimising disadvantage'

8.2 Within this priority, the council states that we must 'provide improved access to Welsh-medium education'.

9. Local Member(s)

9.1 The following comments have been received by local members:

9.2 Cllr Elwyn Vaughan:

Unig sylw gen i fyddai croesawu'r buddsoddiad ac ei fod yn arwyddion o ffydd ar ôl cyfnod heriol yn ariannol. Rhaid nodi a croesawu'r buddsoddiad preifat yn arbennig o Garno, swm sylweddol mewn ardal wledig ac i'w llongyfarch. The only comment I have would be to welcome the investment as a token of faith after a financially challenging time. The private investment, especially from Carno, is to be noted and welcomed. This is a substantial sum in a rural area and they are to be congratulated.

9.3 Cllr Les George:

Recently representing the Carno Ward for the federation I find myself energised by the dedication and enthusiasm of this small group of gifted individuals who concentrate their efforts for the advantage of the community and outlying areas. This well presented and detailed document highlights the importance of long awaited investment into the education system in our Mid Wales rural area.

I have read through the detailed information held within the BJC draft document and have noted some minor statements and inaccuracies which I have discussed with our community representative for clarification at our meeting on Monday, 26 June at Carno. We are satisfied with the general content and welcome your continued support.

The minor comments we need to make regarding the BJC draft document, I am sure with your clarification will not impede the urgency to meet the presentation dates to the Cabinet and Welsh Assembly Government. Many thanks for all your efforts

9.4 Cllr Diane Jones-Poston:

Having been recently elected to represent the Llanbrynmair ward, I am pleased to note the programme of investment to support and enhance the level of education within the Federation of Glantwymyn, Llanbrynmair and Carno schools.

I very much welcome and support the importance of the investment into these three federated rural schools. Living in rural Powys, schools are the life blood of our rural communities and it is vital to protect and enhance the quality of education for our children and ensuring the sustainability of the Welsh language in our rural area.

I am satisfied with the general content of the draft paper and agree with the recommendation to approve the submission of the BJC to Welsh Government to secure the capital funding needed to invest in the Federation.

10. Local Stakeholders/ Partnerships

10.1 Carno Recreation Association

Carno Recreation Association are looking forward to the opportunity of working with Powys County Council to bring a permanent school building to Carno after 20 years.

The £500K investment from Carno Recreation Association is primarily sourced from the Tirgwynt Windfarm and the community benefits received from the Developer, Belltown. We feel that the provision of a permanent school building is vital to the community and the growth of the Welsh language in this area.

This project represents another first for Powys County Council. Following the successful federation of our three Welsh medium schools, this collaboration between PCC and ourselves is an innovative use of community benefit funding which safeguards Welsh medium education in Carno for generations to come. The building will represent a long term legacy for the residents of Carno and its surrounding area.

11 Other Front Line Services

11.1 Does the recommendation impact on other services run by the Council or on behalf of the Council? No

12. Communications

12.1 Have Communications seen a copy of this report? Yes

12.2 The Communications Manager notes that the report is of public interest and requires proactive news release and use of social media to publicise the decision

13. Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

13.1 Legal

The legal department note the contents of the report and will support in drafting and completing any legal documentation when and where required, based on instructions received and Cabinet decision made

13.2 Finance

The Schools finance manager notes the contents of the report the revenue costs of the schools will be required to be funded from the funding provided through the schools fair funding formula.

The Capital and Financial Planning Accountant confirms that a virement will be required to finance this project from the Ysgol Bro Hyddgen project and will be financed from a combination of Borrowing, Capital Receipts and reserves.

In turn, the funding to complete Ysgol Bro Hyddgen will be financed from Band B.

13.3 Corporate Property

Corporate Property notes the contents of the report and supports the proposed investment in the assets as investment is essential to ensure that the assets are maintained and sustainable into the future. The failure to address backlog maintenance issues will only lead to further costs being incurred by the Council in the future.

13.4 HR (if appropriate)

N/A

13.5 ICT (if appropriate)

N/A

14. Scrutiny

14.1 Has this report been scrutinised? No

15. Statutory Officers

15.1 The Strategic Director for Resources (S151 Officer): I note the comments made by finance and the approach to bring funding certainty to the project

15.2 The Solicitor to the Council (Monitoring Officer) comments will be reported at the meeting.

16. Members' Interests

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
To approve the submission of the Business Justification Case to Welsh Government to secure capital funding to invest in Ffederasiwn Carno, Glantwymyn & Llanbrynmair Federation.	To significantly improve the condition of the learning environment within the Federation

To approve the virement of £989k from Ysgol Bro Hyddgen to the Ffederasiwn Carno, Glantwymyn & Llanbrynmair Federation in 2018/19.	To ensure the budget is fully financed. Ysgol Bro Hyddgen forms part of Powys 21 st Century Schools Band A and Band B Programme.
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Relevant Policy (ies):	School Transformation Policy 21 st Century Schools Programme Welsh in Education Strategic Programme (WESP)		
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	Cllr Elwyn Vaughan Cllr Les George Cllr Diane Jones-Poston
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Person(s) To Implement Decision:	School Transformation Team
Date By When Decision To Be Implemented:	July 2017

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Background Papers used to prepare Report: