

CYNGOR SIR POWYS COUNTY COUNCIL.

**CABINET EXECUTIVE
29th September 2020**

**REPORT AUTHOR: County Councillor Phyl Davies
Portfolio Holder for Education and Property**

REPORT TITLE: Llanfyllin Catchment Programme Business Case

REPORT FOR: Decision

1. Purpose

1.1 This report requests Cabinet approval for the following:

- a) To submit a Programme Business Case (PBC) to the Welsh Government's 21st Century Schools Programme for the following capital investment in the Llanfyllin catchment:
- A new community campus for approximately 900 pupils aged 4 – 18 in Llanfyllin, replacing the current poor condition buildings of Ysgol Llanfyllin – to be built on the current Ysgol Llanfyllin site.
 - To establish and build a new 360 place area school, to replace Carreghofa School and Llandysilio C. in W. School – this could also potentially include neighbouring schools in the Welshpool catchment as well. Site to be confirmed.
 - To establish a new Welsh-medium school on the current Llanrhaeadr-ym-Mochnant site, replacing both Ysgol Pennant and Llanrhaeadr-ym-Mochnant Primary School. This may require capital funding to extend the school.
 - To provide an extension to Llansantffraid CiW Primary School.
 - Possible closure of Llangedwyn CiW School, Llanfechain CiW School and Ysgol Bro Cynllaith.
- b) To bring back a further report to Cabinet by December 2020 outlining the initial school reorganisation proposals required. Full consultation will be undertaken before any final decisions are made.

1.2 In the case of Ysgol Llanfyllin, it is not anticipated that any further consultation would be required to develop the new build community campus as a school reorganisation process to merge Llanfyllin C.P. School and Llanfyllin High School was carried out last year, and Ysgol Llanfyllin opened as a new all-age school in September 2020.

- 1.3 The cost of the preferred way forward is estimated to be £49.5 million including *8% Risk and 24% Optimism Bias, which is acceptable at PBC stage, and will be mitigated as the business case process continues into the next stages. This exceeds the funding currently available within the Council's Band B Programme. The funding to support these projects will be considered as part of the overarching financial strategy for the delivery of the entire Council's Strategy for Transforming Education in Powys 2020-30 and a request to expand the Band B funding envelope will be made to Welsh Government.

Welsh Government contribution 65%	£32,214,325
PCC 35%	£17,346,175
Total	£49,560,500

- 1.4 The report is supported by the following appendices:

Appendix A – Llanfyllin Catchment PBC

Appendix B – Integrated Impact Assessment

2. Background

Strategy for Transforming Education in Powys

- 2.1 On the 14th April 2020, a new Strategy for Transforming Education in Powys was approved by the Leader via a delegated decision.
- 2.2 The Strategy was developed following extensive engagement with a range of stakeholders during two separate periods between October 2019 and March 2020. The Strategy sets out a new vision education in Powys, as follows:

'All children and young people in Powys will experience a high quality, inspiring education to help develop the knowledge, skills and attributes that will enable them to become healthy, personally fulfilled, economically productive, socially responsible and globally engaged citizens of 21st century Wales.'

- 2.3 The new strategy also sets out a number of guiding principles which will underpin the transformation of education in Powys. These are as follows:
- *A world class rural education system that has learner entitlement at its core*
 - *Schools that are fully inclusive, with a culture of deep collaboration in order to improve learner outcomes and experience*
 - *A broad choice and high quality of provision for 14 – 19 year old learners, that includes both academic and vocational provision,*

meeting the needs of all learners, communities and the Powys economy

- *Welsh-medium provision that is accessible and provides a full curriculum in Welsh from Meithrin to age 19 and beyond*
- *Provision for learners with Special Educational Needs (SEN)/Additional Learning Needs (ALN) that is accessible as near to home as is practicably possible, with the appropriate specialist teaching, support and facilities that enables every learner to meet their potential*
- *A digitally-rich schools sector that enables all learners and staff to enhance their teaching and learning experience*
- *Community-focused schools that are the central point for multi-agency services to support children, young people, families and the community*
- *Early years provision that is designed to meet the needs of all children, mindful of their particular circumstances, language requirements or any special or additional learning needs*
- *Financially and environmentally sustainable schools*
- *The highest priority is given to staff wellbeing and professional development*

2.4 The new strategy sets out a number of Strategic Aims and Objectives, to shape the Council's work to transform the Powys education system over the coming years. One of the Strategic Aims of the Strategy is to 'improve learner entitlement and experience'. Within this aim, the Strategy sets out two Strategic Objectives, to 'Develop a network of all-age schools based around the 13 current secondary school locations' and to 'Reconfigure and rationalise primary provision'.

2.5 The strategy also includes an enabling action to implement 'a major capital investment programme that will ensure that schools in Powys have inspiring, environmentally sustainable buildings that can provide opportunities for wider community activity, including where possible childcare services, early years, ALN, multi-agency support and community and leisure facilities.'

The Case for Change

2.6 There are nine schools in the Llanfyllin catchment area:

- Ysgol Llanfyllin (4 – 18)
- Llangedwyn C. in W. School
- Llanfechain C. in W. School
- Llansantffraid C. in W. School
- Ysgol Bro Cynllaith
- Ysgol Pennant
- Llanrhaeadr-ym-Mochnant C.P. School
- Carreghofa C.P. School
- Llandysilio C. in W. School

- 2.7 Four of the primary schools (Llandysilio, Llangedwyn, Llansantffraid and Llanfechain) are Church in Wales Schools, all delivering English-medium provision. Llanrhaeadr-ym-Mochnant C.P. School is a dual stream school, Ysgol Pennant is a Welsh-medium school, whilst the remaining two community primary schools are English-medium schools.
- 2.8 Information about each school can be found on pages 22 – 33 of the PBC (Appendix A). The following tables provide headline information:

i) **Current and Predicted Numbers**

School	May 2020	Jan 2021	Jan 2022	Jan 2023	Jan 2024
Carreghofa C.P. School	86	95	90	88	87
Llandysilio C.I.W. School	74	76	77	76	76
Llangedwyn C In W Primary School	18	38	36	39	48
Llanrhaeadr Ym Mochnant C.P. School	79	68	67	65	69
Llansantffraid C In W School	118	107	100	97	86
Llanfyllin High School	718	632	595	576	568
Ysgol Gynradd Llanfyllin	150	137	138	126	122
Ysgol Bro Cynllaith	27	29	30	33	32
Ysgol Pennant	70	75	70	66	65
Llanfechain C.I.W. School	45	42	45	51	52

ii) **Building condition information**

School	Condition	Suitability	Backlog
Carreghofa C.P. School	B	B	£250,015
Llandysilio C.I.W. School	C	C	£503,976

Llangedwyn C In W Primary School	B	B	£84,291
Llanrhaeadr Ym Mochnant C.P. School	A	A	£ -
Llansantffraid C In W School	B	C	£312,951
Llanfyllin High School	C	B/C	£3,184,817
Ysgol Gynradd Llanfyllin	C	B/C	£852,357
Ysgol Bro Cynllaith	B	B	£273,413
Ysgol Pennant	B	B/C	£231,931
Llanfechain C.I.W. School	C	B	£431,250

Problems with the status quo

2.9 The case for change at Llanfyllin is based on five significant issues:

- i) The current catchment includes a number of small schools, which fall below the Welsh Government's definition of a small school (schools below 91 pupils), and there is a trend of falling pupil numbers in these schools.
- ii) There are currently 341 surplus places in the catchment, with 198 (22% of capacity) of those places in the secondary phase of Ysgol Llanfyllin. Other notable surplus places are:
 - Carreghofa County Primary school – 28 surplus places (25% of capacity)
 - Llandysilio Church in Wales school – 42 (36% of capacity)
 - Llanrhaeadr Ym Mochnant – 16 places (18% of capacity)
 - Ysgol Gynradd Llanfyllin – 29 places (17% of capacity)
 - Ysgol Bro Cynllaith – 21 places (44% of capacity).
- iii) The size of many of the schools in the catchment means that they have an average budget share per pupil which is significantly higher than the Powys average (£2,978 for primary pupils and £4,562 for secondary pupils):
 - Llanfechain Church in Wales school (£5,729)
 - Llangedwyn Church in Wales Primary school (£6,627)
 - Llanrhaeadr Ym Mochnant CP school (£5,301)
 - Ysgol Bro Cynllaith (£6,616)

- Llanfyllin High School (£5,287)
- iv) Four of the ten schools in the catchment have a building which is condition C (poor), while only one of the schools (Llanrhaeadr Ym Mochnant) has a category A building suitability rating (e.g. is DDA compliant).
 - v) By reconfiguring provision, there is an opportunity to strengthen Welsh-medium provision in the catchment, which currently has one Welsh-medium primary school, one dual-stream primary school and one dual-stream all-age school.

The Programme Business Case

2.10 The PBC has been developed in accordance with HM Treasury's Five Case Business Model. The five 'cases' are

- Strategic Case (the strategic case for change)
- Economic Case (options to address the issues raised in the case for change)
- Commercial Case (procurement routes)
- Financial Case (high-level indicative costs)
- Management Case (how the project will be managed)

2.11 A wide range of options for the Llanfyllin catchment have been considered when developing the PBC for the Llanfyllin catchment. These are outlined in pages 39-67 of the PBC, which is attached as Appendix A.

The Preferred Way Forward

2.12 Following an appraisal of options against the identified Investment Objectives and Critical Success Factors, an Economic Appraisal of shortlisted options and a Financial evaluation, the emerging preferred option for the Llanfyllin catchment is as follows:

- Rebuild all through school in Llanfyllin, with community facilities
- Close Llangedwyn, Llanfechain, Ysgol Bro Cynllaith, pupils transfer to new build in Llanfyllin. Retain Llansantffraid with an extension.
- Close Pennant, pupils to transfer to Llanrhaeadr-ym-Mochnant
- Merge Carreghofa and Llandysilio schools with other schools in the Welshpool catchment to create a new cross catchment area school in a new building.

Advantages and Disadvantages of the preferred way forward

2.13 The advantages and disadvantages of the preferred way forward are summarised below:

Advantages	Disadvantages
<ul style="list-style-type: none"> • Optimises educational provision in Llanfyllin Town the whole of the Llanfyllin catchment area; • Allows for a broader curriculum in the whole of the Llanfyllin catchment area; • Provides economies of scale through single site solutions in Llanfyllin, Llanrhaeadr and Llandysilio/Carreghofa • Increases the critical mass of pupils at three different school sites, thereby increasing the viability of the schools and providing a clear feeder route to new all though (dual stream) provision in Llanfyllin town; • Addresses the issue of surplus places on a catchment wide basis; • Addresses the issues of building conditions and backlog maintenance within the whole catchment; • Addresses the issue of school budgets and financial viability within the whole catchment; • Would release land for sale (excluding Church in Wales schools). 	<ul style="list-style-type: none"> • Long and complex statutory consultation required; • Loss of provision in some areas; • Additional travel time / transport costs; • Church in Wales schools are not owned by the Council; • Transport costs may be excessive.

3 Advice

3.1 The advice of officers is that the PBC should be submitted to Welsh Government for approval, to enable the Council to proceed with the project and progress to the next stage of the business case process.

- 3.2 The Welsh Government's intervention rate for schools within the Band B programme is 65%, which represents good value for money for the Council. Cabinet is advised that there is a significant early stage risk contingency of 25% within the estimated project costs, which is appropriate at a PBC stage. Actual costs will be confirmed at Full Business Case stage.
- 3.3 Submitting the PBC to Welsh Government does not pre-judge the outcome of any formal consultation processes linked to the project.
- 3.4 The process of obtaining funding as part of the 21st Century Schools Programme is based on HM Treasury's Five Case Business Model. The first stage is to develop a PBC which sets out the strategic intention and includes high level information. If formal consultation is required, then this must be carried out and concluded before the second stage takes place, which is the development of a Strategic Outline Case/Outline Business Case (SOC/OBC). If the decision following consultation is not to proceed with the project, then no further business cases will be developed. If the decision is to proceed with the project, then a Full Business Case (FBC) is developed. Construction can only start following successful approval of a FBC.
- 3.5 It is also advised that officers bring back a further report to Cabinet by December 2020 outlining the initial school reorganisation proposals required. Full consultation will be undertaken before any final decisions are made. In the case of Ysgol Llanfyllin, it is not anticipated that any further consultation would be required to develop the new build community campus as a school reorganisation process to merge Llanfyllin C.P. School and Llanfyllin High School was carried out last year, and Ysgol Llanfyllin opened as a new all-age school in September 2020.
- 3.6 It must be noted that the Council is currently working on developing a new model of post-16 education across the whole county. This may have implications on the age range of the school, but the scheme will need to be developed with enough flexibility should there be changes to post-16 education in the future. The same is true for ALN/SEN provision, with a new model of delivery currently being developed

Indicative Timescales

- 3.7 The plan below assumes that all developments within this PBC are carried out together. However, the plan may change if there is a separate consultation or business case process for each project. This will be dependent on achievability and funding.

Date	Actions (commencement)
2020-21	Consultation

Date	Actions (commencement)
09/2021	Cabinet decision following consultation
The following stages will only be taken forward if Cabinet approves the proposal following the consultation process	
11/2021	SOC/OBCs approved
04/2022	Appoint Contractor
09/2023	FBCs approved
09/2023	Construction commences on all projects
09/2025	New community campus at Ysgol Llanfyllin opens New area school opens Extensions to the new Welsh-medium school and Llansanffraid CiW Primary School are completed.

4. Resource Implications

4.1 Estimated project costs are as follows:

Project Costs	
Capital Cost	£37,320,000
Optimism Bias	£8,956,500
Risk	£3,284,000
VAT (only to be included where non-recoverable by applicant)	N/A
Total Project Cost (inclusive of optimism bias and risk)	£49,560,000
Welsh Government Contribution (65%)	£32,214,325
PCC Contribution (35%)	£17,346,175

4.2 The attached SOC identifies a potential revenue saving of £0.7 million per annum which combines the savings that would fall to the school as well as those that would fall to the Council. The amount of funding provided to schools is driven by the funding formula. Any change to the formula funding provided will impact on the Council's revenue budget. Based on the current formula, the savings falling to the Council's revenue budget are estimated to be £0.59 million.

4.3 The current 21st Century School grant conditions allow Welsh Government to claw back grant, if any new school building has over 15% surplus capacity 5 years after occupation of the school.

4.4 Development and implementation of the proposal would require involvement from a number of service areas, including staff from the

Schools Service, Finance, HR and ICT. These service areas will be kept informed of the development of the proposal throughout the statutory process.

- 4.5 The Head of Finance (Section 151 Officer states: The funding to support these projects will be considered as part of the overarching financial strategy for the delivery of the entire Council's Strategy for Transforming Education in Powys 2020-30, which will be provided for Cabinet's consideration later this Autumn. The revenue funding to support the schools funding formula is considered as part of the Council Budget process and the individual allocation to any new or remodelled schools will be recalculated at the point of opening. Confirmation of the funding will be considered at Full Business Case submission and is not subject to approval at this stage.

5. Legal implications

- 5.1 Legal: The recommendation can be supported from a legal point of view
- 5.2 The Head of Legal and Democratic Services (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report".

6. Comment from local member(s)

6.1

7. Integrated Impact Assessment

- 7.1 An initial impact assessment of the preferred way forward is attached as Appendix B. The impact assessment considers the proposal's impact on the Welsh Government's well-being goals, as outlined in the Well-being of Future Generations Act.

The summary of the impact assessment is as follows:

'The impact assessment suggests that the impact is generally positive with some negative aspects, such as the requirement for some pupils to travel further than they currently do to school. The development of new facilities for schools in the Llanfyllin area would address many issues related to the poor condition of the buildings, ensuring future pupils are taught in facilities that are fit-for-purpose, improving their learner entitlement and experience. The proposed changes in the Llanfyllin catchment would significantly raise the profile of Welsh-medium provision in the area, which should lead to an increase in pupils numbers, therefore contributing to the Welsh Government target to achieve a million Welsh speakers by 2050. In the longer term, this should have an impact on the Welsh-medium opportunities available in the secondary sector in the area.'

Should Cabinet approve continuing with the preferred option, the impact assessment will be regularly updated throughout the process to take account of any feedback received.

8. Recommendation

8.1 It is recommended that Cabinet approves the following:

- a) To submit a Programme Business Case (PBC) to the Welsh Government's 21st Century Schools Programme for the following capital investment in the Llanfyllin catchment:
- A new community campus for approximately 900 pupils aged 4 – 18 in Llanfyllin, replacing the current poor condition buildings of Ysgol Llanfyllin – to be built on the current Ysgol Llanfyllin site.
 - To establish and build a new 360 place area school, to replace Carreghofa School and Llandysilio C. in W. School – this could also potentially include neighbouring schools in the Welshpool catchment as well. Site to be confirmed.
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Contact Officer:	Marianne Evans
Tel:	01597 826155
Email:	Marianne.evans@powys.gov.uk

Head of Service:	Emma Palmer – Head of Transformation & Communications Lynette Lovell – Interim Chief Education Officer
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Corporate Director:	Dr Caroline Turner
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