

CYNGOR SIR POWYS COUNTY COUNCIL.

**CABINET EXECUTIVE
29th September 2020**

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

REPORT TITLE: Brecon Catchment Programme Business Case (PBC)

REPORT FOR: Decision

1. Purpose

1.1 This report requests Cabinet approval for the following:

- a) To submit a Programme Business Case to the Welsh Government's 21st Century Schools Programme for the following capital investment in the Brecon catchment:
- A new 360 place English-medium primary school in Brecon, to replace Mount Street Infants School, Mount Street Juniors School and Cradoc C.P. School, with a co-located Pupil Referral Unit and a community swimming pool – to be built on the site of the old Brecon High School.
 - A new 180 place dual-stream primary school in Sennybridge, replacing the current poor accommodation at Sennybridge CP School – to be built on the current site of Sennybridge CP School.
- b) To bring back a further report to Cabinet by December 2020 outlining the school reorganisation proposals required. Full consultation will be undertaken before any final decisions are made.

1.2 The cost of the preferred way forward is estimated to be £32,169,087 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, and therefore a request to increase the programme will need to be made to the Welsh Government. Consideration will also be given to whether the scheme could be funded via the Mutual Investment Model, a revenue stream that funds capital projects.

Welsh Government contribution 65%	£20,909,906
PCC 35%	£11,259,180
Total	£32,169,087

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1.2 The report is supported by the following appendices:

Appendix A – Brecon 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 eight schools and a pupil referral unit in the Brecon catchment area:
- Brecon High School (11 – 18)
 - Ysgol y Bannau
 - Sennybridge Community Primary School
 - Priory Church in Wales School
 - Mount Street Junior School
 - Mount Street Infant School
 - Llanfaes Primary School
 - Cradoc Primary School
 - Pupil referral unit (PRU)
- 2.7 However, due to the good condition and relatively healthy pupil numbers at many of the schools within Brecon town itself, it was agreed that the PBC would focus on those schools with significant building condition or other issues – Mount St Infants, Mount St Juniors, Sennybridge CP School, Cradoc CP School and the PRU. Brecon High School, although a new build, is also considered within the scope of the PBC, in order to consider options related to all-age schools. Leisure facilities are also considered within the scope.
- 2.8 Information about each of these schools can be found on pages 22 – 34 of the PBC (Appendix A). The following tables provide headline information:

i) **Current and Predicted Numbers**

School	Jan 2020	Jan 2021	Jan 2022	Jan 2023	Jan 2024
Brecon High School	473	459	467	460	471
Cradoc CP School	97	115	117	121	125
Mount Street Infants	119	105	108	111	112
Mount Street Junior	151	172	167	163	149
Sennybridge CP School	126	133	133	135	133
PRU Mid/South	9	N/A	N/A	N/A	N/A

ii) **Building condition information**

School	Condition	Suitability	Backlog
Brecon High School	A	A	£0
Cradoc CP School	C	B/C	£628,452
Mount Street Infants	C	B/C	£712,314
Mount Street Junior	C	A/B	£1,036,794
Sennybridge CP School	C	B/C	£1,023,132
Pupil referral unit	C	C	£681,561
Brecon swimming pool	C	C	£1,063,419

Problems with the status quo – Mount Street Infants and Junior Schools

2.9 School reorganisation in Powys has gradually moved to a model of ‘all through’ primary schools. Mount Street Infants and Mount Street Junior Schools are the last remaining separate phase schools within the County. The advantages offered by single school provision for primary age pupils are well known and evidence based. Due in part to an increased critical mass of learners, ‘all through’ Primary Schools are usually able to offer both enhanced continuity of provision and a curriculum which is more broad and balanced in content delivered in a

continuous and coherent way from the Foundation Phase through to the end of Key Stage 2.

- 2.10 While the physical distance between the current Mount Street Infants and Mount Street Juniors sites is small (3 minutes' walk), a single site primary school also presents benefits to parents who have children attending both schools at the same time, making the school journey both quicker and easier, alleviating barriers to work that can be presented from the need to drop children to different sites for education.
- 2.11 The physical condition of the two schools is somewhat poor with circa £1.7m in backlog maintenance across the two sites. Both school buildings have a condition grade of C.
- 2.12 Most pupils achieve expected outcomes. However, the limitations of the building means preparation and delivery of the new curriculum is challenging. Ultimately this could have a negative impact on future outcomes.

Problems with the status quo – Cradoc

- 2.13 Cradoc County Primary school has a number of current problems:
- It has a capacity of 161 places with 92 on roll, according to PLASC 2020.
 - The condition of the school building is C, and the building is not fully compliant with DDA regulations (suitability condition B/C).
 - There is currently backlog maintenance of £628k at the school.
- 2.14 Most pupils achieve expected outcomes. However, the limitations of the buildings mean preparation and delivery of the new curriculum is challenging. Ultimately this could have a negative impact on future outcomes.

Problems with the status quo – Sennybridge

- 2.15 Sennybridge County Primary school is over-subscribed (hosting 24 more pupils than its capacity), however the building is in poor condition (condition C) and the building is not fully DDA compliant (suitability condition B/C). There is backlog maintenance required of over £1M.
- 2.16 Most pupils achieve expected outcomes. However, the limitations of the buildings mean preparation and delivery of the new curriculum is challenging. Ultimately this could have a negative impact on future outcomes.

Problems with the status quo – Pupil Referral Unit

- 2.17 Brecon PRU currently occupies the former St Joseph's RC School building at Silver Street, Brecon under a five year lease agreement. The current lease runs from to 31/10/20. The cost of the lease is £25,000 per year. As leased facilities the current solution is not ideal from a financial position. The building also has a considerable level of backlog maintenance liabilities (£681,561).
- 2.18 The current building is not fit for purpose in terms of the available space. The whole building only has four classrooms. Currently KS2 can only attend one day a week because of the space limitations. The size of the facility also restricts the breadth of vocational subjects that can be provided, and there is a lack of adequate space for core compulsory teaching such as science. The building has no facilities for D&T subjects.
- 2.19 There are limitations in terms of office and meeting room space. There are only two offices in the whole building with no meeting space. Multi-discipline meetings are often held in cramped and uncomfortable office spaces usually displacing those who should be working in them reducing productivity.
- 2.20 External space is also lacking and there is no grass space within the current premises to support the teaching of land and environment based education or forest schools.
- 2.21 There is no space to house or teach pupils who are medically exempt from school due to anxieties. The only option available to reintegrate these pupils is through the main very limited classes of the PRU which is less than ideal and often takes up valuable referral spaces.

Problems with the status quo – Brecon Leisure Centre

- 2.22 Brecon Leisure Centre has received substantial capital investment over recent years, however substantial issues remain with the pool, which has not received any major investment.
- 2.23 The pool is housed in block B of the leisure centre and was originally constructed in 1973. This block houses the swimming pool, changing and plant room which service the facilities across the Leisure Centre. The building was constructed during a period where reinforced concrete was a popular design.
- 2.24 The most recent condition report for the pool prepared in 2019 identified that there are some significant defects to Block B which require immediate rectification, some of which require major and costly works. These include potential partial demolition of the building, as the safety of the structural integrity cannot be justified. Structural engineers have advised that the smaller learner pool should be emptied and closed to the general public for the foreseeable future. This is based on a report undertaken in November 2016 by Structural Solution and the

location of the defects they identified. There is significant corrosion to the reinforcing bars which indicated that there is a significant loss to the tensile strength in the slab and the columns viewed in the report.

- 2.25 There are several issues with the roof membrane on both the flat and pitched roofs. Recent inspection has revealed that the joints to the felt covering have failed with opening of the joints to the pitched roofs allowing water to ingress below the surface. On the flat roof section there is rutting and bubbling of the surface which again indicates that water has penetrated below the surface of the membrane that will deteriorate further over time.
- 2.26 The majority of the windows in Block B have failed, and to the rear elevation at high level there is a significant crack that extends through the glazing unit which has compromised the integrity of its strength and is a significant hazard should the glass detach completely. Internally, there is evidence that water is percolating between cracks to tiles and at the intersecting joints of the walls and the floor. Sections of the floor tiles are loose and lifting due to the water ingress and the deterioration of the grouting and bedding layer.
- 2.27 Another significant issue is the temporary isolation of the residual asbestos in the pool side staff office, this appears to be loose and coming away from wall. The health and safety of the occupants cannot be guaranteed, and the temporary works should be rectified for a more permanent measure. Both the gas fired boilers are aged. One of them has failed and is due for replacement.

The Programme Business Case (PBC)

- 2.28 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)
- 2.29 A wide range of options for the catchment were considered. These are outlined in pages 38 – 66 of the PBC, which is attached as Appendix A.

The preferred way forward

- 2.30 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 was:

- **Option 4A:** New build Sennybridge, new build Brecon primary school, close Cradoc

2.31 The preferred scope option of including a new PRU and new community swimming pool was then included with these options for further evaluation.

2.32 Whilst the option of including an all-age element also scored highly, it is suggested that there is a phased approach to this in order to address the most significant issues, which is poor condition of school buildings. Consideration of the adoption of an all-age model will therefore be considered at a later date.

Advantages and Disadvantages of the preferred way forward

2.33

Advantages	Disadvantages
<ul style="list-style-type: none"> • Improves learner entitlement and experience by pupils being in brand new facilities in two schools • Establishing a new primary school in Brecon would create a larger school which enables economies of scale • Removes backlog maintenance of circa £1.65m • Would enable energy efficiencies reducing the buildings carbon footprint and ongoing running costs; • New primary school in Brecon would create efficiencies in school staffing structure; • A significant capital receipt by releasing three school sites • Opportunity to improve facilities for vulnerable learners; • Opportunity to create a nurturing environment • Reduce cost of leasing the current PRU building; 	<ul style="list-style-type: none"> • Disruption to Sennybridge Primary School during construction • Possible additional cost of decanting children during construction • Loss of primary provision in the Cradoc community not acceptable to local community • Additional travel for some Cradoc pupils, depending on their home location • Additional transport costs for the Council • Impact on early years provision at Cradoc • Location of new Brecon primary school on the old Brecon High School site moves provision further away from the centre of town which may not be attractive to some parents • Impact on staff as

<ul style="list-style-type: none"> • Reduced backlog maintenance costs • Possibilities for additional community facilities that have the potential to offer additional income streams for the new school. • Increases opportunities for learners to access modern, fit for purpose leisure facilities; • Presents opportunities for expanding pupil access to leisure facilities; • Will enable the Brecon campus to become a year round community focus for the residents and pupil attending the schools in Brecon; • Maintains the sustainability of leisure facilities within the community for the long term; • Safeguards jobs within the community; • Maintains gross value add benefits achieved through the leisure centre provision to the local economy; • Removes an additional £xm in backlog maintenance liabilities for PCC 	<p>management of change process would need to take place to allocate posts in the new Brecon primary school</p> <ul style="list-style-type: none"> • Would require negotiation with third party (Freedom Leisure)
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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 C Schools Programme is based on HM Treasury’s Five Case Business Model. The first stage is to develop a Programme Business Case/Strategic Outline Case which sets out the strategic intention and includes high level information. If formal consultation is required, this must be carried out and concluded before the second stage takes place, which is the development of an Outline Business Case (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, which includes actual costs following the award of contract. 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 required as part of a school reorganisation process.
- 3.6 It must be noted that the Council is currently working on developing a new model of ALN/SEN provision across the county. This may have implications for provision at the schools, but the schemes will need to be developed with enough flexibility should there be changes to ALN/SEN provision in the future.

Indicative Timescales

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

3.8

Date	Actions (commencement)
11/2020	Consultation
07/2021	Cabinet decision following consultation
	The following stages will only be taken forward if Cabinet approves the proposal following the consultation process.
09/2021	SOC/OBCs approval
11/2021	Appoint contractor
08/2022	FBCs approval
08/2022	Construction commences
09/2024	New schools, PRU and community pool opens.

4. Resource Implications

- 4.1 Estimated costs are as follows:

Project Costs	Project A	Project B
Capital Cost	£4,284,298	£19,939,412
Optimism Bias	£1,028,232	£4,785,459
Risk	£377,018	£1,754,668
VAT (only to be included where non-recoverable by applicant)	N/A	N/A
Total Project Cost (inclusive of optimism bias and risk)	£5,689,548	£26,479,539
Funding Body Contribution (both projects 65%)	£3,698,206	£12,960,617

4.3 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 formula funding requirement will reduce as a result of these proposals and savings falling to the Council's revenue budget are estimated to be £111,639 per annum

4.3 The overall capital requirement exceeds the funding available within the Council's Band B Programme, and therefore a request to increase the programme will be made to the Welsh Government.

4.3 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.

4.4 The Head of Finance (Section 151 Officer) notes the content of the report. The funding to support this project 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 the new school will be recalculated at the point of opening. Confirmation of the funding will be considered at Full Business Case submission.

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 Brecon catchment area would address many issues related to the poor condition of the buildings, ensuring that future pupils would be taught in facilities that are fit-for-purpose, improving their learner entitlement and experience. The new facilities would be fully DDA compliant, supporting learners with disabilities. The inclusion of a new facility for the PRU supports the education and wellbeing of vulnerable learners. The inclusion of a pool provides opportunity to improve the health and wellbeing of learners and the wider community.'

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 to the Welsh Government's 21st Century Schools Programme for the following capital investment in the Brecon catchment:
 - A new 360 place English-medium primary school in Brecon, replacing Mount Street Infants School, Mount Street Juniors School and Cradoc CP School, with a co-located Pupil Referral Unit and a community swimming pool – to be built on the site of the old Brecon High School.
 - A new 180 place dual-stream primary school in Sennybridge, replacing the current poor accommodation at Sennybridge CP School – to be built on the current site of Sennybridge CP School.

- b) To bring back a further report to Cabinet by December 2020 outlining the school reorganisation proposals required. Full consultation will be undertaken before any final decisions are made.

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