

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE

Date: 18 May 2021

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

REPORT TITLE: Transforming Education Strategy – capital virements

REPORT FOR: Decision

1. Purpose

1.1 This report seeks Cabinet approval of the following four virements from the 'Other 21st C Schools Schemes' in the Council's Capital Programme to fund works up to RIBA 2 completion stage for the following new projects:

Scheme	Funding amount required
Llandrindod Wells Community Campus	£500,000
Sennybridge CP School	£100,000
Brecon Campus Development (school, PRU, leisure)	£350,000
Gwernyfed High School	£200,000

1.2 These projects were included within the revised 21st C Schools Strategic Outline Programme which was approved by Cabinet on 29th September 2020 – an extract is attached at Appendix A.

1.3 This is not a request for additional funding but a virement from the 'other 21st C Schools Schemes' line within the Financial Strategy and Treasury Management Strategy. There is sufficient capital budget already included within the capital programme to cover the amounts required to progress to RIBA 2 completion (this work includes feasibilities and concept designs). However, there is not sufficient budget identified to complete these schemes through to construction stage without additional funding from both Welsh Government and the Council – the estimated total funding required is approximately £108m.

1.4 The funding is required for the following reasons:

- To enable the Transforming Education Programme to continue

- Early-stage feasibility and RIBA 2 concept design work is essential to inform the Council of more accurate project cost estimates and is essential for business case development in order to draw down additional funding from Welsh Government.

2 Background

Strategy for Transforming Education in Powys and Revised 21st C Schools Band B Strategic Outline Programme (SOP)

- 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 separate periods between October 2019 and March 2020.
- 2.3 The Strategy sets out a new vision for developing the Powys school's infrastructure and introduces a number of Strategic Aims and Objectives which will shape the Council's work to transform the Powys education system over the coming years.
- 2.4 One of the Strategic Aims is to 'improve learner entitlement and experience'. Within this aim, the strategy sets out a Strategic Objective to 'Develop a network of all-age schools based around the 13 current secondary school locations.'
- 2.5 The Council's intention is to develop, within the 13 secondary school localities, an infrastructure of all-age schools. Initially, these may be multi-sited all-age schools, however, the ultimate aim is to develop new purpose-built schools that will not only provide state of the art facilities for teaching and learning, but also childcare and early years provision, community and leisure facilities, multi-agency areas that can provide support for learners and their families and SEN/ALN facilities of the highest quality.
- 2.6 In September 2019, in order to support the delivery of the new Strategy for Transforming Education, Cabinet approved a revised Strategic Outline Programme of Band B of the 21st C Schools Programme. This SOP included an increase to the overall funding envelope of Band B from £113m to £263m to incorporate a number of new projects, including:
 - Ysgol Calon Cymru
 - Gwernyfed High School
 - Brecon Review
 - Llanfyllin Catchment Review
- 2.7 The revised SOP was submitted to Welsh Government for their consideration. Welsh Government's advice is that new projects will only

be considered following completion of 80% of the originally approved Band B Programme. It is expected that the Council will be in the position of 80% completion by August 2022 based on expected Full Business Case approval by Welsh Government.

2 Advice

2.1 Until the Council has completed 80% of Band B, it is not in a position to draw down additional funds for these new projects. Therefore, it is advised that virement from the 'other 21st C Schools Schemes' line in the Capital Programme is allocated to the new projects to carry out works up to RIBA 2 completion stage.

2.2 The reason for this is to enable the Council to progress with new projects at pace to get to a position where "shovel-ready" projects are in place so that funding can be drawn down from the Welsh Government. These projects can then be further developed and could be ready to go to the market for design completion and construction should more capital funding become available in the near future.

2.2 The current Band B funding allocation is as follows:

Project	Status	Envelope
Bro Hyddgen Community Campus	SOC/OBC approved	£48,250,369
Brynlywarch	SOC/OBC approved	£9,158,164
Ysgol Cedewain	OBC approved	£22,678,200
Newtown new primary school	SOC approved	£12,921,251
Other 21st C Schools Schemes		£20,866,296
Llansantffraid-ym-Mechain feasibility	Business case in development	£50,000 up to RIBA 2 (already approved by Cabinet March 2021)

2.3 It is proposed that funding is vired from the 'Other 21st C Schools Schemes' line and allocated for the following projects:

Scheme	Funding amount required
Llandrindod Wells Community Campus	£500,000
Sennybridge CP School	£100,000
Brecon Campus Development (school, PRU, leisure)	£350,000
Gwernyfed High School	£200,000

2.4 Virements for other new projects included within the revised SOP will be brought forward for approval at a later stage.

2.5 The following risks should be noted:

- **R1.** Should money be spent on a project that does not progress or materialise in a new asset for the Council, the incurred costs will become abortive and will be fully charged to Council revenue.
- **R2.** The required funding to undertake feasibilities and RIBA 2 concept designs are estimates and are not actual costs; there are unknowns about site and ground conditions, therefore high-level assumptions around estimates have been made.
- **R3.** If these projects are not taken forward, there is the continued risk of building deterioration and building failure, with on-going and increasing maintenance costs.
- **R4.** If the work on early feasibility up to RIBA 2 completion is not taken forward now, the authority will be at a disadvantage when further Welsh Government capital funding becomes available, as it won't have projects ready to submit.
- **R5.** There is also a risk that Welsh Government capital funding doesn't become available.

2.3 These risks will be mitigated by only progressing projects up to RIBA 2 stage before submitting any business cases for Cabinet and Welsh Government approval.

2.4 Approving the virements ensures that the Transforming Education Programme can continue at pace, whilst also ensuring that the Council will have "shovel-ready" projects.

2.5 Cabinet should also note that the release of funds to fund early feasibility work for Llansantffraid CIW School Extension, as part of the Llanfyllin Catchment Review, was approved by Cabinet on 18th March 2021 to enable early feasibility to take place.

6. Resource Implications

6.1 Financial Capital:

There is sufficient capital budget already included within the capital programme to cover the amounts required at this stage.

However, there is not sufficient budget identified to complete these schemes. Significant investment will need to be identified/secured from both Welsh Government and the Council to cover the full cost of these

schemes. This would be an additional cost as no budget is currently set aside to fund this.

6.2 **Financial Revenue:**

Should any scheme not complete then any costs incurred will need to be charged to the Council's revenue budget.

Ongoing revenue savings were identified in both the strategic outline case for Ysgol Calon Cymru and the programme business case for the Brecon catchment review that were approved by Cabinet on 29th September 2020 totalling approximately £400,000 per annum.

- 6.3 The Head of Finance (section 151 officer) has commented as follows: "I note that the Council does not yet have sufficient capital budget identified to complete these schemes and the risk of costs incurred now falling to the Council's revenue budget should these schemes not proceed. These risks need to be balanced against the risk of delayed access to future capital funding from Welsh Government."

7. **Legal implications**

Approval of the recommendation in this report does not prejudice the outcome of any school reorganisation proposals that may be linked to these projects. However, if the projects do not proceed following a school reorganisation process, the incurred costs will become abortive and will be fully charged to Council revenue.

The recommendation should be supported from a legal point of view

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".

8. **Data Protection**

This proposal does not involve the processing of personal data at this stage. However, if a project progresses to construction and transitioning, then data protection legislation must be complied with.

9. **Comment from local member(s)**

N/A

10. **Integrated Impact Assessment**

No Integrated Impact Assessment has been made, however individual project IIA will be completed as part of the individual projects SOC

business cases, which will require PCC Cabinet and Welsh Government approval.

11. Recommendation

11.1 To approve the following four virements from the 'Other 21st C Schools Schemes' in the Capital Programme to fund works up to RIBA 2 completion stage for the following new projects:

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Llandrindod Wells Community Campus	£500,000
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