



OGC Gateway™ Review 0: Strategic assessment

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Senior Responsible Owner (SRO):	Caroline Turner
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Review Team Leader:	David Wilkin
Review Team Members:	Jo Larnar Tracey Hill
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This assurance review was arranged and managed by:

Welsh Government Integrated Assurance Hub (IAH)

Cathays Park 2

Cathays

Cardiff

CF10 3NQ

1.0 Delivery Confidence Assessment (DCA)

<u>Delivery Confidence Assessment:</u>	Amber Green
<p>The Review Team finds that Powys County Council has made an excellent start to 21st Century Schools Band B, under strong leadership and well-anchored in the fulfilment of Welsh Government Policy and the Powys Improvement and Transformation Portfolio.</p> <p>The approved Strategic Outline Programme is well crafted and there is high confidence in its deliverability. Powys County Council is ambitious and has developed a revised SOP to expand the scope and include additional pipeline projects. The funding of that expanded scope is a current topic of discussion and will be informed by an asset review currently underway.</p> <p>Governance is evolving and is appropriate for the present time, though there will be opportunities to map respective decision making accountabilities to Portfolio, Programme and Project levels as the pace and complexity increases during delivery.</p> <p>The Review Team makes recommendations in relation to:</p> <ul style="list-style-type: none">• Financial narrative;• Vision communications;• Benefits mapping;• Evolving governance; and• Planning. <p>At this early phase of the Band B lifecycle, successful delivery appear probable, but it will be important for Powys County Council to maintain a tight grip on risk management to ensure that risks do not materialise into issues threatening delivery.</p>	

1.1 Delivery Confidence Assessment

The Delivery Confidence assessment RAG status should use the definitions below:

<u>RAG</u>	<u>Criteria Description</u>
Green	Successful delivery of the programme to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery.
Amber/Green	Successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.
Amber	Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun.
Amber/Red	Successful delivery of the programme is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and establish whether resolution is feasible.
Red	Successful delivery of the programme appears to be unachievable. There are major issues which, at this stage, do not appear to be manageable or resolvable. The programme may need re-baselining and/or overall viability re-assessed.

2.0 Summary of Report Recommendations

The Review Team makes the following recommendations which are prioritised using the definitions below:

Ref. No.	Recommendation	Urgency (C/E/R)	Target date for completion	Classification (Please enter the categorisation number from the list provided here)
1.	Set out the financial options for match funding the enhanced programme including the Value for Money proposition of investing in the future and the cost of doing nothing, so that all parties have a common understanding options available.	E- Essential	End March 2022	1.3
2.	Reiterate the Transformation and Improvement Vision and situate 21 st Century Schools as an essential component in that narrative.	R - Recommended	End March 2022	3.5
3.	Develop a form of mapping across the Outputs/Outcomes/Benefits that clearly sets out who is responsible for what and how the dependencies will be managed to ensure benefits realisation.	R - Recommended	End March 2022	5
4.	Differentiate the governance levels, and memberships, required for each layer of Transformation <i>Portfolio</i> , 21 st Century Schools <i>Programme</i> , and build <i>Project</i> .	E- Essential	End March 2022	1.1
5.	Develop a Roadmap to assist in planning potential resources and funding needs during the Band B implementation.	E- Essential	End March 2022	3.1

Critical (Do Now) – To increase the likelihood of a successful outcome it is of the greatest importance that the programme should take action immediately

Essential (Do By) – To increase the likelihood of a successful outcome the programme/ project should take action in the near future.

Recommended – The programme should benefit from the uptake of this recommendation.

3.0 Comments from the SRO

The SRO would like to thank the Review Team for their comments and recommendations.

The SRO accepts the report, its findings and the recommendations contained within. The report will be tabled at the Transforming Education Programme Board 04th November 2021 where officers will be identified to lead the delivery of the recommendations in line with the recommended timescales.

The Council would like to pursue further PAR reviews: specifically Bro Hyddgen during 2022, possibly a Gate 3 Investment Decision on Transforming Education workstream one proposals and a further wider gateway review across Vision 2025 (or its successor).

4.0 Background

The aims of the programme:

Powys County Council's (PCC) Corporate Improvement Plan underpins the authority's vision and objectives and sets out the way in which the council intends to develop and improve its services.

Like all councils, PCC continue to face serious financial challenges and recognise that many of our residents are also facing hardships. The financial climate has meant thinking differently, it also provides an opportunity for innovation and radically changing the way the council delivers its services.

PCC is becoming a smaller more flexible organisation, one that uses technology to help deliver services more efficiently. Engaging with stakeholders and service users to better understand their needs in the future is critical. In recent years the council has used the process of commissioning to help identify the service need and then ensuring that these needs are met in the most effective and efficient way. Commissioning involves redesigning services around the current and future needs of communities and individuals, deciding how the service is best delivered and undertaking a procurement exercise to determine who should provide the required service.

It puts the focus on providing the right service for the citizen, from the right provider at the right price for the taxpayer. Sometimes this will mean we provide a service differently in the future. It could also mean that a service is provided by another organisation such as the third sector, or even by the communities themselves.

The council's guiding principles are based on the well-being of future generations. The Well-being of Future Generations (Wales) Act 2015 is about improving the social, economic, environmental and cultural well-being of the nation. It will ensure the council thinks more about the long-term, works better with people and communities and each other, looks to prevent problems and takes a more joined-up approach. This will help create a Powys and a Wales that everyone wants to live in, now and in the future.

Transforming skills and learning is a key aim of the council to make sure all children and young people are supported to achieve their full potential. The intention is for Powys to be an attractive place to work for young people with ambition to succeed. In the past the county has been rightly proud of the academic achievement of its young learners. However, there are many Powys pupils whose attainment could be better, especially those from low income households.

To succeed in its ambition the council has identified that it needs first class teaching, high quality leadership, and appropriate class sizes with a fair distribution of resources.

Although many schools in Powys are highly regarded it's clear that the quality of a significant percentage of the county's school buildings is no longer suitable for education in the 21st century. The young people of Powys demand the investment to compete with other parts of the country. There is a need to provide modern learning environments to take advantage of the latest technology.

It is in everyone's interest that the council's focus is on driving up the attainment and ambition of the majority of its pupils with a special emphasis on those from more disadvantaged backgrounds. The council is also committed to providing stimulating learning environments for all pupils, and especially those with additional learning needs.

Scope:

The preferred option consists of 5 projects which meet the investment objectives outlined above and also the council's aims in relation to the development of Welsh-medium provision, as outlined in the WESP.

The projects included in this option are as follows:

- Ysgol Bro Hyddgen
- Newtown development (Primary, Secondary and Special)
- Remodelling of schools
- Welsh-medium Primary provision Mid Powys
- Brecon town area review

Service solution:

This investment would include refurbishment / remodelling of some schools, as well as rebuild and new build options where appropriate

Service delivery:

The council in partnership with Welsh Government and other public organisations e.g. health

The procurement/delivery status:

Band B construction is yet to commence, but feasibility work is underway.

Current position regarding previous assurance reviews:

This is the first Assurance Review for Band B.

5.0 Purposes and conduct of the OGC Gateway Review

The primary purposes of a Gateway Review 0: Strategic assessment are to review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to Ministers' or the departments' overall strategy.

Annex A gives the full purposes statement for a Gateway Review 0.

Annex B lists the people who were interviewed during the review.

6.0 Acknowledgement

The Review Team would like to thank all participants for their contributions to the review. The support provided by Betsan Ifan was much appreciated.

7.0 Scope of the Review

This is an early Gate 0.

8.0 Review Team findings and recommendations

8.1: Policy and business context

Transformation & Improvement / Context

PCC covers a significant proportion of the Welsh land mass (Approx. 25% of Wales), however only around 4% of the population reside in this largely rural county. These factors present particular challenges in the provision of education across the age and ability ranges, particularly for pupils with Additional Learning Needs (ALN).

Powys County Council (PCC) has successfully progressed its 21st Century Schools Band A Programme, though not without difficulties in the commercial supply chain. Additionally, PCC has been recovering its position from an unfavourable ESYTN review report in September 2019. During the week of this Gateway Review, PCC was also in the midst of an ESYTN review assessing improvements made.

PCC has established a 'Transformation Board', to oversee all aspects of Improvement and Transformation, including those to be enabled via the 21st Century Schools Programme.

There are a very large number of very small schools with low pupil numbers; which limits the education provision, particularly in specialist subjects. The numbers of pupils also restricts access to extra-curricular enrichment activities such as team sports, choir etc. The Review Team understands that Schools Transformation will address these issues through the provision of fewer, larger, schools across Powys.

At this juncture, PCC 21st Century Schools has constructed its Band B Strategic Outline Programme (SOP) which demonstrates strong alignment with Welsh Government policy and is well placed to deliver the enablers for Transformation.

The strategic vision is well understood by Council Members and Officers. The Review Team was told that the Transformation agenda is broadly supported politically, though with forthcoming elections the political landscape could change.

21st Century Schools Backstory

Band A has progressed largely successfully, though many interviewees are of the view that it lacked ambition and that some more difficult decisions in respect of schools reorganisation were not made. There are some remaining Band A projects still underway which were delayed due to the collapse of the construction company Dawnus. Most notably, Ysgol Bro Hyddgen is delayed significantly and is unlikely to be completed for several years; in turns leading to maintenance issues in the existing poor-condition building.

The Review Team was told that Band A focussed mainly on the South of the county and that Band B will focus mainly on the North. As Band B progresses there will be a need to maintain balance between investment in the new and upkeep of the existing estate.

The Review Team observes a robust vision and a strong, ambitious and engaged leadership team fully committed to delivering world-class educational provision for the residents of Powys.

8.2: Business Case and stakeholders

Band B Scope & Business Case Status

The Band B Programme is underpinned by an approved SOP of £113.9 million. However, PCC have more ambitious plans and have developed a revised SOP which increases this figure to £263 million. This remains unapproved by Welsh Government until such time that substantial progress is made in the current programme (approx. 80% completed). Many interviewees suggested that early confirmation from Welsh Government in respect of funding for the enhanced pipeline would be extremely helpful in planning for the transformation.

The Review Team understands that the scope of the approved Band B SOP includes:

- Ysgol Bro Hyddgen, Machynlleth (2 schools)
- Newtown Development (5 schools)
- Refurbishment of schools (various)
- Mid Powys Primary Welsh medium (3 schools)
- Brecon Town centre (4 schools)

At this point in time, all projects are intended to be undertaken as Capital builds, the reason being that there is a high degree of community and leisure facilities planned as well as specialist schools catering for ALN pupils. These additions are not suitable for the Mutual Investment Model (MIM) as a funding mechanism, this MIM may well be considered for future schemes.

Funding

The approved Band B programme, sized at £113 million, will be funded 65% (75% for ALN) by the Welsh Government, with the remainder to be provided by PCC. Should Powys move to the more ambitious SOP there will be significantly more match funding to find in the order of £52 million. This is currently not budgeted for in the Local Authority and a number of interviewees expressed concern about the impact this could have on borrowing. This was balanced by an alternative view supported by the asset-rich position in Powys and the potential to raise funds through the sale of assets.

The Review Team understands that an Asset Review is underway to identify assets and assess whether they are revenue-generating or loss-making.

Affordability was a key topic of discussion, leading to quite polarised views about how or whether the expanded programme should be funded. The Value for Money, or enhanced benefit, position appears quite straightforward, but affordability is not so easy to resolve. Doing nothing is not a no-cost option.

Recommendation 1: Set out the financial options for match funding the enhanced programme including the Value for Money proposition of investing in the future and the cost of doing nothing, so that all parties have a common understanding options available. (Essential – do by end FY 2021/22

Stakeholders & Communications

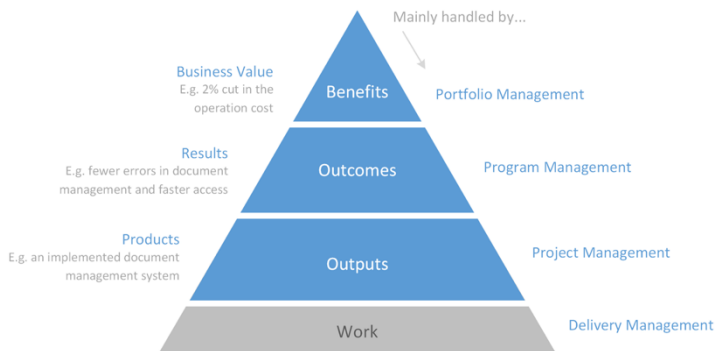
The stakeholders of the programme are well understood and much work has been done during Band A to understand local communities along with the opportunities and challenges likely to be presented during Band B. The Review Team heard encouraging narrative surrounding the vision for education in Powys and the potential for significant uplift in attainment. In a time of improvement and transformation, it is important to reiterate the message of what you are trying to achieve, rather being dragged into particular detail of specific projects that distract from the bigger picture. Powys has a great story to tell. In this period ahead of local elections, it would be prudent to cement the message and remain focussed on the overarching purpose of 21st Century Schools as one enabler of the change.

Recommendation 2: Reiterate the Transformation and Improvement Vision and situate 21st Century Schools as an essential component in that narrative. (Recommended – do by end FY 2021/22)

8.3: Management of intended outcomes

Outcomes & Benefits

The Review Team believes that it is important to establish a common lexicon in respect of P3M (Portfolio, Programme, Project Management), particularly in understanding what each layer is charged with delivering. The picture below (obtained open source from the internet) serves as a clear illustration of how P3M is structured.



In the context of 21st Century Schools:

- A Construction **Project** delivers an **Output** (e.g. a new school, building);
- The 21st Century Schools **Programme** used that Output to achieve an **Outcome** (e.g. enhanced learning environment and access to a greater range of subject areas and enrichment opportunities); and
- The Transformation and Improvement **Portfolio** leverages those Outcomes to deliver **Benefits** (e.g. improved educational attainment)

21st Century Schools Benefits Management

Whilst the vision in Powys is very strong, and the focus on projects as clear, the linkage through the programme layer and how the linkages knit together is less clear. This could be explained by the relatively early stage of the Band B programme lifecycle.

The Review Team observes that now would be an opportune time to develop the benefits management approach for the overall Transformation Portfolio and ensure that it is mapped to the governance arrangements.

Currently, the embedding of benefits management appears focussed on outputs and reporting. It would be helpful to establish dependencies among those outputs that drive outcomes from which benefits can be realised. This can be depicted in an Investment Logic Map or benefits contribution matrix (examples available open source from the internet). Furthermore, such a map would bring greater clarity around roles and responsibilities for sustainable benefits realisation.

Recommendation 3: Develop a form of mapping across the Outputs/Outcomes/Benefits that clearly sets out who is responsible for what and how the dependencies will be managed to ensure benefits realisation. (Recommended – do by end FY 2021/22)

Governance

Given the P3M discussion above, PCC is already well on the way to establishing appropriate governance.

The Review Team saw various documentation depicting:

- The Transformation Board;
- The Capital Oversight Board; and
- The Ysgol Bro Hyddgen Project Board

This maps very neatly onto the previous discussion about P3M levels. The Transformation Board has clear purpose. The Ysgol Bro Hyddgen Project Board currently reports into the Transformation Board as it is a major in-flight Project and there is some lack of clarity surrounding the role of the Capital Oversight Board. Some interviewees see it as decision-making, and others see it as advisory. The Review Team formed the view that as more projects initiate there will be a need for a 21st Century Schools Programme (Capital Build Projects) Board; which could be an evolution of the Capital Oversight Board and/or the Ysgol Bro Hyddgen Project Board. There is no 'one size fits all' for governance, but it is important to maintain focus on the purpose of any board meetings especially when there is likely to be overlap in membership.

- A Project(s) board needs to focus on the outputs of the project(s)
- A Programme Board needs to focus on the outcomes of 21st Century Schools
- A Portfolio Board needs to focus on the Benefits of the Improvement and Transformation.

The membership and frequency of the meetings is likely to vary and should be linked by clear escalation mechanisms and triggers. PCC does not need to turn this into an industry but there is opportunity to build on the good governance so far to further tighten the focus as the 21st Century Schools programme progresses. It is clear that the Leadership is strong and committed at all levels, with individuals demonstrating a passion to succeed.

The Review Team heard good articulation about the various workstreams and themes in Improvement and Transformation, including ALN, post-16, Welsh medium, primary and all-age, Digital and Commercial. The future governance structure should be cognisant of the need make sure that different contributors at each level, such as Digital, Commercial, Education Directorate and senior managers, end Users (e.g. Headteachers) are appropriately represented.

Recommendation 4: Differentiate the governance levels, and memberships, required for each layer of Transformation Portfolio, 21st Century Schools Programme, and build Project. (Essential – Do by end FY 2021/22)

8.4: Risk management

The Review Team heard about the establishment of a shared Risk Register which helps all parties to hold a common view about risk exposure. Risk management appears to be adequate at this stage, though it ought to increase in prominence along with benefits and used to drive the governance.

As with many programmes of this nature, there is opportunity to expand the P3M expertise to implement RAIDO (Risks, Assumptions, Issues, Dependencies, Opportunities) as a more integrated approach. (guidance available open source from the internet).

8.5: Review of current phase

Heart of Wales Property Services (HoWPS)

The HoWPS organisation is a commercial construct in partnership with Kier. The Review Team that the arrangement has a break-point after five years and that PCC had taken the decision to invoke this. In July 2022, former PCC roles will TUPE from HoWPS back into PCC.

The Review Team observed that stakeholders have a positive expectation of bringing those roles back in-house and that it should provide a more reliable basis upon which to plan delivery.

Programme Resources

The programme appears to be adequately resourced with a core programme management team sized for the job. The HoWPS change also present the possibility for more flexible resource use (being in-house); particularly in respect of project managers. That flexibility could prove valuable, especially as specialist recruitment is said to be an ongoing problem in Powys.

Commercial Construct

As projects progress and reach the procurement stage, the commercial strategy is likely to make use of existing frameworks such as SEWTAPS & SEWSCAP. Interviewees are of variable opinions about the

attractiveness of the build projects to the market; with some continued worry about post-Covid cost pressures and contractor availability. Views vary considerably from confidence that suppliers will be keen, to a more prominent belief that rural Wales is a difficult environment in which to attract market interest. There is a keenness amongst interviewees to work more closely and proactively with the local supply chain so that the pipeline of work can be better understood and planned for.

8.6: Readiness for the next phase

The Review Team explored potential for the Mid Wales Growth Deal and the Powys 21st Century Schools Programme to be mutually supportive. Encouragingly, this is already a topic of consideration amongst some Members, but there may be opportunity to further explore or accelerate how the Growth Deal could underpin the supply chain and the skills availability required to deliver elements of 21st Century Schools.

In a transformation portfolio such as in PCC there will inevitably be changes to the schools estate which will require extensive public consultation. The Local Authority is unable to pre-determine the outcomes of those consultations. However, that aside, it would, be very useful to map out the potential trajectory of the 21st Century Schools programme and what projects might be undertaken when. In the absence of such a roadmap, it will be very difficult to plan resource availability and funding profiles (and the consequential impact of funds elsewhere across PCC). The Review Team is of the view that a programme roadmap, setting out the various potential projects into timescales and groupings might be useful. The roadmap should be used as an internal planning tool, not a pre-determination of any consultation outcomes.

Recommendation 5 : Develop a Roadmap to assist in planning potential resources and funding needs during the Band B implementation. (Essential – do by end FY 2021/22)

9.0 Next Assurance Review

The Council would like to pursue further PAR reviews: specifically Bro Hyddgen during 2022, possibly a Gate 3 Investment Decision on Transforming Education workstream one proposals and a further wider gateway review across Vision 2025 (or its successor).

It SRO has indicated that it would be helpful to have a further review of a specific project e.g. Bro Hyddgen Community Campus in autumn 2022.

ANNEX A

Purposes of the OGC Gateway Review 0: Strategic assessment:

- Review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to overall strategy of the organisation and its senior management.
- Ensure that the programme is supported by key stakeholders.
- Confirm that the programme's potential to succeed has been considered in the wider context of Government policy and procurement objectives, the organisation's delivery plans and change programmes, and any interdependencies with other programmes or projects in the organisation's portfolio and, where relevant, those of other organisations.
- Review the arrangements for leading, managing and monitoring the programme as a whole and the links to individual parts of it (e.g. to any existing projects in the programme's portfolio).
- Review the arrangements for identifying and managing the main programme risks (and the individual project risks), including external risks such as changing business priorities.
- Check that provision for financial and other resources has been made for the programme (initially identified at programme initiation and committed later) and that plans for the work to be done through to the next stage are realistic, properly resourced with sufficient people of appropriate experience, and authorised.
- After the initial Review, check progress against plans and the expected achievement of outcomes.
- Check that there is engagement with the market as appropriate on the feasibility of achieving the required outcome.
- Where relevant, check that the programme takes account of joining up with other programmes, internal and external.
- Evaluation of actions to implement recommendations made in any earlier assessment of deliverability.

ANNEX B

List of Interviewees

The following stakeholders were interviewed during the review:

Name	Organisation and role
Caroline Turner	SRO
Lynette Lovell	Director of Education
Jane Thomas	Head of Finance S151
Emma Palmer	Head of Transformation & Communications
Nigel Brinn	Executive Director
Marianne Evans	Service Manager – Schools Transformation
Vincent Hanly	Interim Commercial Services Lead
Betsan Ifan	21 st Century Schools Programme Manager
Diane Rees	21 st Century Schools Programme – Project Manager (Client)
James Chappelle	Capital Accountant
Jim Swabey	Professional Lead, Consultancy Services – Heart of Wales Property Services (HoWPS)
Phyl Davies	Councillor: Portfolio Holder for Education and Property
Aled Davies	Councillor: Portfolio Holder for Finance
Rosemarie Harris	Councillor: Council Leader
John Brautigam	Councillor: Vice Chair of Audit Committee
Dafydd Jones	Headteacher, Ysgol Bro Hyddgen
Geraint Rees	Strategic Lead for Education
Elwyn Vaughan	Councillor: Community Stakeholder
Diane Reynolds	Head of Economy and Digital Services