

CYNGOR SIR POWYS COUNTY COUNCIL.

**CABINET EXECUTIVE
18 February 2025**

REPORT AUTHOR: County Councillor Pete Roberts
Portfolio Holder for a Learning Powys

REPORT TITLE: Ysgol Golwg Pen y Fan Strategic Outline Case (SOC)

REPORT FOR: Decision

1. Purpose

1.1 This report requests Cabinet approval for the following:

- To submit a Strategic Outline Case (SOC) to the Welsh Government's 21st Century Schools Programme for investment to develop a new 360 place English-medium primary school building with early years and wraparound provision, plus dedicated community/multi-agency facilities, to replace Ysgol Golwg Pen y Fan's current buildings. **The expectation is that the building will be developed using Modern Methods of Construction (MMC).**

1.2 The maximum provisional budget for this project **£19,292,859** – risk and optimism bias **must** be managed within this budget.

Project Costs	
Capital Cost	£13,888,229
Abnormals	£948,785
Construction Contingency	£1,147,650
Optimism Bias	£3,308,195
Total	£19,292,859

1.3 The project will be funded jointly by Welsh Government and Powys County Council as outlined below:

Funding allocations	
Welsh Government contribution 65%	£10,390,032
PCC 35%	£5,594,632
Optimism Bias	£3,308,195
Total Project Cost at SOC stage	£19,292,859

1.4 Funding is allocated for this project in the Council's Sustainable Communities for Learning Programme.

1.5 The report is supported by the following appendices:

Appendix A – Ysgol Golwg Pen y Fan Strategic Outline Case (SOC)

Appendix B – Impact Assessment

2. Background

2.1 In September 2020, Cabinet considered a Programme Business Case which identified a preferred way forward for the Brecon catchment. This included merging Cradoc C.P. School, Mount Street Infants School and Mount Street Junior School to build a new school on the former site of Brecon High School, as well as building a new school for Sennybridge C.P. School.

2.2 The Council subsequently carried out the statutory process in respect of proposals to merge Cradoc C.P. School, Mount Street Infants School and Mount Street Junior School.

2.3 On the 11th March 2022, Council's Cabinet considered the Objection Report relating to these proposals, and agreed to proceed with implementation of the proposals, to merge the three schools on their existing sites initially, before moving to a new building on the former Brecon High School site in the future.

2.4 Since then, the Council has been working with the three school communities to prepare for the establishment of the new school from September 2024, and Ysgol Golwg Pen y Fan opened on the former Cradoc, Mount Street Infants and Mount Street Junior sites in September 2024.

2.6 The Council is now progressing plans to provide a replacement building for Ysgol Golwg Pen y Fan on the former Brecon High School site.

2.7 The Brecon scheme is included in the Council's revised Strategic Outlined Programme (SOP) for the Sustainable Communities for Learning Programme, which was approved by Cabinet in May 2024 and Welsh Government in August 2024.

The Case for Change

2.8 The main challenges in respect of Ysgol Golwg Pen y Fan are as follows:

- **Building condition:** The condition of all three school sites is rated as Condition C, and there is estimated backlog maintenance costs of over £1.3 million across the three sites. In addition, the configuration of the Cradoc site in particular is problematic and creates safeguarding problems. The site utilises three aging demountables, only one of which has toileting facilities, therefore

children have to leave the classroom to enter the main building in order to use the toilets.

- **Surplus places / decreasing pupil numbers:** Pupil numbers on the Cradoc site in particular have decreased significantly over the last few years, and total projected pupil numbers for the three previous schools indicate that pupil numbers at Ysgol Golwg Pen y Fan are expected to continue to decrease over the next few years.
- **Operating across three sites:** Since its establishment in September 2024, the school has been operating across three sites, which causes challenges in terms of ensuring consistent provision is offered to all pupils, developing a one school ethos, and means that the school is unable to realise many of the benefits of merging to establish one larger school. In particular, staffing has to be duplicated across the three sites, which means that the school cannot operate as efficiently as it would be able to if it were located on one site, and the Council has to fund the 3 separate sites through the formula.

Strategic Outline Case

2.9 The Strategic Outline Case (SOC) in respect of Ysgol Golwg Pen y Fan is attached as Appendix A.

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

- Strategic Case (The 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 number of options for the project have been considered. These are outlined in pages 40-62 of the SOC.

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 preferred way forward at SOC stage is as follows:

- **Option 4D: Modern Methods of Construction (MMC) New build Ysgol Golwg Pen y Fan on Penlan site (former Brecon High School), with early years and wraparound provision and dedicated area for community/multi-agency facilities**

2.13 **Modern Methods of Construction (MMC)** refers to innovative building techniques that improve efficiency, sustainability, and quality compared to traditional methods. Here are some key aspects:

- **Off-site Construction:** Components are manufactured in a controlled environment and then transported to the site for assembly. This includes modular buildings and prefabricated panels.
- **Design for Manufacture and Assembly (DfMA):** This approach focuses on designing buildings in a way that simplifies manufacturing and assembly processes.
- **Sustainability:** MMC often incorporates eco-friendly materials and processes to reduce the environmental impact of construction.

2.14 The advantages and disadvantages of this option are as follows:

Advantages	Disadvantages
<ul style="list-style-type: none"> ○ Provides an infrastructure of 12 classrooms which allows flexibility for future growth ○ One new, larger school would be established which would offer enhanced opportunities for pupils ○ Would enable staff expertise and good practice to be shared across the entire primary age range ○ More flexibility and personal development opportunities for staff ○ Improved transition arrangements between Foundation Learning and Key Stage 2 for pupils currently attending the Mount Street Infants site of Ysgol Golwg Pen y Fan ○ Would reduce the Council's surplus places in primary schools ○ Would lead to rationalisation of the primary school estate ○ Financial saving to the Council ○ Removal of backlog maintenance costs of £3.1m 	<ul style="list-style-type: none"> ○ Removes primary provision from the Cradoc area ○ Concerns about accessibility for those families who would need to walk to the proposed site being on Penlan hill ○ Potential additional revenue cost to the school of operating community facilities out of hours ○ Modern Methods of Construction (MMC) May limit flexibility in terms of design ○ MMC relies on the availability and delivery of parts from manufacturers which may be affected by disruptions or delays in the supply chain ○ MMC may not meet all of Welsh Government's requirements for Net Zero ○ MMC may not meet all of Welsh Government's requirements for social value and community benefits as there will be less local spend with this approach

<ul style="list-style-type: none"> ○ A single-sited school would support the development of the school's ethos following the merger of 3 separate schools ○ The inclusion of early years provision at the school would make the school attractive to families ○ Early years provision at the school would support the availability of early years places in the catchment ○ Early years provision at the school would enable the school to provide wraparound care that would benefit families ○ The inclusion of community facilities within the school would enable the school to benefit from wider engagement with community groups and other stakeholders, and meet's the Council's and Welsh Government's aspiration for community-focused schools ○ Community facilities could also be a source of income for the school if they wished to rent out the facilities ○ Inclusion of community facilities would better enable the provision of multi-agency support for children and their families ○ Modern Methods of Construction (MMC) could potentially reduce construction time significantly as some parts of the construction are constructed off-site and assembled on-site ○ Potentially more cost-effective 	<ul style="list-style-type: none"> ○ MMC may not provide a building with the same lifetime expectation of a traditional build
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3. Advice

- 3.1 The advice of officers is that the SOC 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 mainstream primary schools within the Sustainable Communities for Learning 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 SOC stage. More detailed estimated costs will be confirmed as the business case process moves forward.
- 3.3 If approved, it is expected that activity will take place in accordance with the indicative timescales outlined within the SOC (Appendix A):

Milestone Date	Actions
Oct 2024	Lead Design Team Appointed
Feb 2025	SOC submitted to Cabinet and WG
Feb 2025	RIBA 2 – Completed
May 2025	Submit OBC to Cabinet and WG
Jun 2025	RIBA 3 – Completed
Sep 2025	Planning Approval
Sep 2025	Contractor Appointment for RIBA 4-7
Oct 2025	FBC submitted to Cabinet and WG
Dec 2025	FBC WG Approval
Jan 2026	RIBA 5 – Commence Construction
April 2027	RIBA 5 – Construction Complete
Sept 2027	RIBA 6 – Completed New school building opens
Sep 2025	Contractor Appointment for RIBA 4-7
Oct 2025	FBC submitted to Cabinet and WG
Dec 2025	FBC WG Approval
Jan 2026	RIBA 5 – Commence Construction

Milestone Date	Actions
April 2027	RIBA 5 – Construction Complete
Sept 2027	RIBA 6 – Completed New school building opens

4. Resource Implications

4.1 Estimated Costs are as follows:

Project Costs	
Capital Cost	£13,888,229
Abnormals	£948,785
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Optimism Bias	£3,308,195
Total Project Cost at SOC stage	£19,292,859

- 4.2 The project is included within the current Council's current Sustainable Communities for Learning Programme funding envelope. If the Council's contribution towards this scheme is to be funded from borrowing as no other funding has been identified at this stage, the cost to the Council's revenue budget because of this borrowing is estimated at £310,000 per year for 34 years assuming the optimism bias is not required, should the council have to contribute 35% of the optimism bias, this increases to £375,000 per year for 34 years. This amount could be reduced if capital receipts are available to use in place of borrowing.
- 4.3 Whilst the Capital allocation for this scheme is included in the capital programme, the revenue implications of the borrowing required will create a pressure on the Council's revenue budget. These will need to be included in the relevant year of the Council's Financial Resources Model (FRM), increasing the already significant funding shortfalls in future years.
- 4.4 The attached SOC identifies a potential revenue saving of £113k per annum through the delegated funding formula. This includes estimates for rates and statutory testing using other new schools as a basis. Any change to the formula funding provided will impact on the Council's

revenue budget. There may be further savings in respect of rates and statutory testing on disposal of the 3 existing sites of approximately £28k per annum.

- 4.5 There is also an estimated saving of £44k per annum in respect of the move from 3 sites to 1 site for the catering service.
- 4.6 The estimated transport costs associated with Ysgol Golwg Pen y Fan moving to the new building have been reviewed based on the existing information and transport currently provided. Based on this information, it is estimated that transport requirements for pupils currently attending Ysgol Golwg Pen y Fan's Cradoc campus would increase, so there would be additional costs related to providing larger vehicles. Of the current transport provided from Cradoc to Brecon, 2 of the 4 routes would require additional seating capacity, and the estimated additional costs would be £36k per annum.
- 4.7 The ongoing net revenue savings from moving to 1 site for Ysgol Golwg Pen y Fan as set out in paragraphs 4.4 to 4.6 total £121k, with the further opportunity of £28k in respect of rates and statutory testing based on site disposal.
- 4.8 Development and implementation of the new building would require involvement from a number of service areas, including staff from the Education Service, Finance, Property, Highways and ICT.
- 4.9 The Director for Corporate Support services (Section 151 Officer) notes that the costings set out above to deliver the project will be subject to further refinement as the project continues through the design stages to full business case stage, when greater cost certainty will be provided. The cost of delivering this project together with the funding requirements will need to be reviewed again at that stage. Based on the costings to date, the project can be accommodated within the current Sustainable Communities for Learning Programme funding envelope provided by Welsh Government. In order to meet the Council's funding contribution, it is anticipated that this scheme will be funded from additional borrowing, which will add a financial pressure of up to £375,000 per annum to the Council's revenue budget. This is recognised in the 5 year FRM but as stated, these future budgets are not yet balanced, and a significant gap remains. Alternative sources of funding such as capital receipts from the release of assets will also be considered to support the Council's Capital Programme.

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 has commented as follows:
I note the legal comment and support the recommendation

6. Climate Change & Nature Implications

- 6.1 This paper proposes a brand new building to replace Ysgol Golwg Pen y Fan's current buildings. The school is currently operating from the previous buildings of Cradoc C.P. School, Mount Street Infants School and Mount Street Junior School.
- 6.2 The new building would be built to meet the Welsh Government's Net Zero Carbon in use standards, which would ensure a much more energy efficient building compared with the school's current buildings.
- 6.3 However, it is acknowledged that additional transport would be required for pupils currently attending the Cradoc site for whom this is currently their closest school site.

7. Data Protection

- 7.1 N/A

8. Comment from local member(s)

- 8.1 Cllr Iain McIntosh, Yscir with Honddu Isaf and Llanddew

The pupil capacity statistics provided within these papers for Cradoc School are **not true**. This was pointed out by respondents to the original consultation, the previous head at Cradoc School, and myself. I raised this two years ago here:

<https://powys.moderngov.co.uk/ieListDocuments.aspx?CId=867&MId=7867&Ver=4>

last year here:

<https://powys.moderngov.co.uk/ieListDocuments.aspx?CId=867&MId=8370&Ver=4>

and again recently here:

<https://powys.moderngov.co.uk/ieListDocuments.aspx?CId=867&MId=9165&Ver=4>

As you can see within the links above, numerous requests have been made by myself and the previous head to verify the school's capacity. I don't think the fact that you are using incorrect capacity statistics for Cradoc School can be made any clearer, but despite a claim made two years ago by the Cabinet member for education Cllr Pete Roberts that 'The capacities of all schools in the county are due to be reviewed within the next 12 months.', no attempt to confirm the pupil capacity at Cradoc School has ever been made.

I therefore think it would be entirely inappropriate to apply to Welsh Government for funding using incorrect information, and I urge you to provide Cabinet with the correct information prior to them making any further decisions about these proposals.

If a request for funding is made to Welsh Government for funding using information that the Council has been made aware is not true, on several occasions, then this will be raised with Welsh Government.

Note: the capacity has been corrected to 158 places at the Cradoc site

9. Impact Assessment

- 9.1 Impact assessments were prepared and considered by Cabinet throughout the process to merge Cradoc C.P. School, Mount Street Infants School and Mount Street Junior School.
- 9.2 A revised impact assessment relating to the proposed new building has been prepared. This is attached as Appendix B.
- 9.3 A summary of the impact assessment is as follows:

This Impact Assessment suggests that the impact would be positive. Since its establishment in September 2024, Ysgol Golwg Pen y Fan has been operating from three sites. The development of a new building to replace the current Ysgol Golwg Pen y Fan buildings would enable the school to operate from one site instead, which would enable the school to operate more efficiently. In addition, pupils and staff would be able to access much improved buildings and facilities for pupils compared with the current poor condition 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 new building will need to meet the Welsh Government's net zero carbon requirements, meaning that it will need to be highly energy efficient.

However, it is acknowledged that there are some negative impacts associated with the move to a new building. In particular, there would no longer be provision in Cradoc, which would have an impact on the community in Cradoc and would mean additional travel would be required for pupils for whom Cradoc is currently the closest school. In addition, it is acknowledged that the new building would be located up a hill, which may cause difficulties for those walking to the site. Active travel will be a key consideration when developing the scheme, with the aim of mitigating this.

10. Recommendation

- 10.1 It is recommended that Cabinet approves the following:

- To submit a Strategic Outline Case (SOC) to the Welsh Government's 21st Century Schools Programme for investment to develop a new 360 place English-medium primary school building with early years and wraparound provision, plus dedicated community/multi-agency facilities, to replace Ysgol Golwg Pen y Fan's current buildings. **The expectation is that the building will be developed using Modern Methods of Construction (MMC).**

Contact Officer: Sarah Astley
Tel: 01597 826265
Email: sarah.astley@powys.gov.uk

Head of Service: Marianne Evans

Corporate Director: Dr Richard Jones