

CYNGOR SIR POWYS COUNTY COUNCIL

**CABINET EXECUTIVE
20 February 2018**

REPORT AUTHOR: County Councillor Myfanwy Alexander
Portfolio Holder for Education and Welsh Language

SUBJECT: Gwernyfed High School 21st C Schools Capital Programme

REPORT FOR: Decision

1. Summary

- 1.1 The purpose of this report is to seek approval to increase the capital budget for Gwernyfed High School's 21st c Schools project by £500k, to a maximum of £7.2m and to take forward the remodelling of the school based on the specification laid out in Option B in this report.

Appendix 1 – cost estimate

2. Background

- 2.1 The authority is currently implementing a significant school capital investment programme as part of the Welsh Government's 21st C Schools Programme. The aim of the Programme is the:
- reduction of poor condition school buildings;
 - provision of the right number of places in the right places to serve local pupil demand by reducing surplus capacity, and addressing specific Welsh medium and Faith based provision needs;
 - reduction of running costs so as to maximise resources available to target improvements to learner outcomes;
 - promotion of sustainability through reducing recurrent costs, energy consumption and carbon emissions.
- 2.2 On 27th September 2015, Cabinet considered a report relating to proposals for the closure of Gwernyfed and Brecon High Schools and the establishment of a new secondary school on a new build campus to replace both schools, to be located in Brecon. However, having considered the consultation report that outlined the views of a significant number of stakeholders, Cabinet agreed to abandon the proposals for closure, and also agreed the following:

'To submit a revised Outline Business Case to Welsh Government's 21st C Schools Programme for capital investment in both campuses and to increase the budget for the Project by £8m financed by a Welsh Government capital grant and Prudential Borrowing. This will include a new

build 11 – 18 campus in Brecon and improvements to the Gwernyfed campus.'

- 2.3. In November 2016, Welsh Government approved the OBC and therefore agreed, in principle, to match fund the project to the value of £6.7m. Since then, officers have been working with the school to explore options for these improvements. As Gwernyfed High School is an additional project in Band A of the 21st Schools Programme, and was not part of the original costed Programme, the budget has been limited to £6.7m and only options for remodelling have been considered. The focus therefore, during the development of design options, was on identifying options that could provide the best value for Gwernyfed High School within the funding available, with the priority being to provide high quality teaching and learning spaces.

3. Issues with the condition of Gwernyfed High School

- 3.1 Gwernyfed High School is a secondary school with 440 pupils located at Three Cocks, Brecon. The main school building is a large Grade 2* listed Victorian Mansion House which was built in 1880 and has been used as a school since 1950. The building has 3 storeys, a basement and provides the school's administration facilities, 6th form provision, extensive storage areas and some of the teaching areas.
- 3.2 A sports hall building, comprising a 3-court hall with stage area, old changing rooms and storage, adjoins the Mansion House, built since 1970s. Additionally, a number of separate modern buildings are located on the site, providing the remainder of the teaching areas, drama/music rooms and dining facilities. The majority of the general classrooms and science laboratories are located in Teaching Block B. The school sits in extensive grounds including a formal listed garden, a ha-ha, multi-surface sport courts and playing fields.
- 3.3 Currently, some of the school buildings and facilities have a variety of issues which would require work in order to make them fit for purpose in the long term for a 21st century school:-
- | | |
|--------------------|---|
| Mansion House - | has many issues including fabric failures, M&E work requirements, internal refurbishment requirements and the fact that the rooms within the building mostly do not provide the space standards which a 21 st century school requires. |
| Teaching Block B - | has issues including fabric failures, M&E work requirements and internal refurbishment requirements. |
| The Sports Hall - | has issues including M&E work requirements, internal refurbishment requirements and the fact that the hall does not provide the space standards which a 21 st century school requires. |
| Car park area - | there is limited car parking area due to bus/coach parking and turning requirements, unmarked parking bays and access requirements by adjacent properties. |

3.4 The schools building condition¹ is poor, and has been classed as follows:

	Condition	Suitability	Sustainability
Gwernyfed HS	C	B/C	C

4. Options Considered

4.1 A working group was established, which included the following membership:

Headteacher – Gwernyfed High School
 Chair of Governors – Gwernyfed High School
 Vice Chair of Governors – Gwernyfed High School
 Business Manager – Gwernyfed High School
 Project Manager – Schools Service
 Project Manager – HOWPS

4.2 The main options considered were:

- Option A: Refurbishment only;
- Option B: Refurbishment and new build; and
- Option C: Wholesale school reconfiguration

4.3 A number of initial outline designs were developed within these three options, and a summary of the advantages, disadvantages and estimated costs can be seen below:

Option A – Refurbishment only

Total cost of Option A as investigated further = £6.5M

This option would see extensive refurbishment to teaching block B, general refurbishment of the existing sports hall and the mansion house buildings. The majority of the budget would be used for upgrading the fabric of the buildings.

In the mansion house, the external repair and refurbishment would be substantial. This would include repairs to the roof, repair or replacement of guttering and windows, brickwork and stonework repairs, chimney works, works to railings and some external decoration. A new entrance would be constructed with sliding doors.

¹ Building condition descriptors

Grade	Description
Grade A	Good. Performing as intended and operating efficiently
Grade B	Satisfactory. Performing as intended but exhibiting minor deterioration
Grade C	Poor. Exhibiting major defects and / or not operating as intended
Grade D	Bad. Life expired and / or serious risk of imminent failure

Teaching block B would have extensive refurbishment both internally and externally, and the sports hall would also be refurbished.

No works are proposed to be carried out to the drama/music block, or the dining hall, as these are newer buildings and in good condition. Furthermore, the existing car parking will remain in use and would have minimal upgrading works.

This is the preferred option within the available budget, and is supported by the governing body of Gwernyfed High School. The Beacons Project Board requested a detailed cost estimate for this option.

Advantages

- Significantly improves condition of teaching block (B) and the mansion house
- Provides a new reception area for the school
- Improves condition of some areas of the mansion house
- Affordable within the available budget
- Supported by the governing body
- Achievable within timescales

Disadvantages

- Value for money is questionable, as a significant proportion of the funding will be spent on improving a grade 2 listed building;
- Even with this investment, the condition of the school will remain as condition C because the mansion house is retained. This does not meet Welsh Government's criteria for 21st C Schools and therefore presents a risk that it may not be supported by Welsh Government;
- Whilst the option will significantly improve facilities in teaching block B and the sports hall, these will be below the requirements expected for 21st C Schools;
- Maintenance costs will continue to be high due to the need to maintain the mansion house;
- Significant risk of unknown costs with the mansion house, that may impact on the budget or may require additional funding to ensure that the work is completed. A contingency of 10% has been included within the cost estimate – advice from property colleagues indicate that this is far too low and that a contingency of 25% is usually applied to refurbishment of old buildings such as this.
- Applying a 25% contingency to this option means that it is over the available budget.

Option B – Refurbishment and new build

Total cost of Option B = £7.2 million

The preferred design within this option has an estimated cost of £7.2m – detailed costs are included in Appendix 1.

The main features include reorganising and upgrading the existing teaching block B and the construction of a new teaching block, to 21st C Schools

standards, and the relocation and construction of a new sports hall. There would also be work to upgrade access and car parking.

The design does not include any spend on the mansion house, which would enable the school to reduce its usage of the building and/or to consider removing it completely from school use.

Teaching block B would be extensively refurbished internally and externally.

A brand new high quality teaching block would also be constructed to replace general classrooms from teaching block B and other teaching areas that are found in the mansion house.

Advantages

- Provides a value for money solution by delivering 21st C Schools facilities, with the funding invested in improvements to teaching and learning environments;
- Provides a high quality teaching block which will complement the current teaching block (B),
- Provides a significant improvement to sports facilities
- Improves access and car parking, and safeguarding issues are addressed;
- The school would become a condition B school, therefore meeting the Welsh Government's criteria for 21st C Schools, and therefore meeting the requirements of match-funding;
- The school could reduce its use of the mansion house, thereby reducing maintenance costs
- Mansion house could potentially be utilised for other uses e.g. by the community, or could be a capital receipt for the authority to be reinvested in the schools capital programme;
- There is less risk to the funding, both in terms of Welsh Government support, and also by reducing the unknown risks associated with Option A.
- The option is achievable within timescales;
- Even though the options within this category are over budget, it would be possible to increase the budget by re-prioritising spend within Band A (2014 – 2019) of the 21st C Schools Programme, or by partially funding it from Band B of the 21st C Schools Programme, which begins in April 2019 until 2024.

Disadvantages

- The mansion house is considered to be a unique feature of Gwernyfed High School and there are strong community links with the building and site, and it may be unacceptable to the school/community to lose the mansion house from school use;
- If the authority want to dispose of the mansion house in order to maximise its value for sale, there would be additional capital costs required for associated work e.g. car parking. These costs would need to be funded from the Council's capital programme and are estimated to be approximately £1.2m;

- The cost of maintaining a grade 2 listed building could affect future use of the building, and may not be attractive to any potential users/buyers;
- The location of the mansion house may also not be attractive to any potential users/buyers as it will be next door to a secondary school, therefore confining potential usage in future;
- The options within this category are over-budget by £500k and additional funding must be found.

Option C – Wholesale school reconfiguration

Total cost of Option = £9.9 million

This option would see the complete reorganisation of school facilities by removal of the mansion house and sports hall from school use, the construction of a new teaching block and sports hall, the upgrading of the existing teaching block and the construction of new bus and car parking areas.

Advantages

- Provides a value for money solution by delivering 21st C Schools facilities, with the funding invested in improvements to teaching and learning environments;
- Provides a high quality teaching block which will complement the current teaching block (B),
- Provides new sports facilities
- Improves access and car parking, and safeguarding issues are addressed;
- The school would become a condition B school, therefore meeting the Welsh Government's criteria for 21st C Schools, and therefore meeting the requirements of match-funding;
- The school could reduce its use of the mansion house, thereby reducing maintenance costs
- Mansion house could potentially be utilised for other uses e.g. by the community, or could be a capital receipt for the authority to be reinvested in the schools capital programme;
- There is less risk to the funding, both in terms of Welsh Government support, and also by reducing the unknown risks associated with Option A.

Disadvantages

- The mansion house is considered to be a unique feature of Gwernyfed High School and there are strong community links with the building and site, and it may be unacceptable to the school/community to lose the mansion house from school use;
- If the authority want to dispose of the mansion house in order to maximise its value for sale, there may be additional capital costs required for associated work e.g. car parking. These costs would need to be funded from the Council's capital programme;

- The cost of maintaining a grade 2 listed building could affect future use of the building, and may not be attractive to any potential users/buyers;
- The location of the mansion house may also not be attractive to any potential users/buyers as it will be next door to a secondary school, therefore confining potential usage in future.
- The option is over budget, and would need to be funded from Band B of the 21st C Schools Programme, which starts from April 2019 – 2024, therefore reducing the amount available for those projects/schools already prioritised for this funding in Band B;
- Timescales would be affected as this project would need to be re-scheduled within the Band B programme schedule;

5. The proposal

5.1 It is recommended that the budget for this project is increased by £500k to £7.2m in order to deliver a refurbishment and new build option that will

- Improve the current teaching and learning facilities;
- Provide new high quality, 21st C schools standard, teaching and learning facilities
- Improve accessibility and safeguarding at the school;
- Improve the sports hall, which is utilised significantly by the school and local community groups.

6. Reasons for the proposal

6.1 Option A carries the most risk to the authority and the project in terms of securing match-funding from Welsh Government and from the unknown costs of refurbishing a grade 2 listed building. However, this option is achievable within the agreed budget, but any increase to the contingency level will take this option over budget.

6.2 Option C provides the best overall solution, but would require a significantly increased budget, which could only come from Band B of the 21st C Schools Programme. This will affect timescales, and impact on the priority projects already identified in Band B.

6.3 Option B, therefore, provides the best value for money solution and will deliver 21st C Schools facilities. Additional funding will be required in order to implement any of the designs within Option B, but the additional funding required is £500k, and can be funded either from Band A or B of the 21st C Schools Programme, therefore not affecting timescales. There is also potential for school use of the mansion house to cease which would lead to a capital receipt for the Authority to reinvest in schools and other public services.

7. Impact Assessment

7.1 Is an impact assessment required? No

7.2 If yes is it attached?

8. Corporate Improvement Plan

8.1 Plans for Powys Schools – Vision 2025

9. Local Member(s)

9.1 All local members

10. Other Front Line Services

Does the recommendation impact on other services run by the Council or on behalf of the Council? Yes

In order to take forward the refurbishment of Gwernyfed High School, it is necessary to seek support from a number of services, including schools service, HR, finance, legal, governor support, property, ICT and communications. Dependent on the nature of the change proposed, it may be necessary to seek additional support within these service areas from time to time – a resource plan has been developed.

11. Communications

Have Communications seen a copy of this report? Yes

Communications comment:

12. Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

12.1 Legal: The recommendations can be supported from a legal point of view

12.2 Finance – Finance – The Interim Professional Lead for Finance confirms that this scheme is part of the 21st century schools Band A programme totalling £89m, of which Welsh Government are funding £43.2m. There is some flexibility on the project because of the delays and possible redefining to other schemes, so the original budget of £6.7m can be increased by £500k and still managed within the existing financial envelope. The extra £500k is funded 50/50 between the council and Welsh Government.

Revenue costs from this proposal are unlikely to rise because of the improved energy efficiency for the new buildings. The change in floor area may impact on the delegated funding provided to the school and the continuing costs associated with the Mansion House will need to be considered, once identified these factors will be incorporated into the relevant service Financial Resource Model (FRM)

12.3 Corporate Property (if appropriate)

The Professional Lead for Strategic Property- supports this proposal as it provides the best value for money and does not include the risk of dealing with listed building

12.4 HR (if appropriate)

12.5 ICT (if appropriate)

13. Scrutiny

Has this report been scrutinised? No

If Yes what version or date of report has been scrutinised?

14. Statutory Officers

The Head of Financial Services (Acting Section 151 Officer) notes the comments made by Finance.

The Solicitor to the Council (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report".

15. Members' Interests

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
<p>To increase the budget for Gwernyfed High School's capital project by £500k to £7.2m and take forward the remodelling of the school based on the specification laid out in Option B in this report.</p>	<p>To provide a value-for-money solution that is focused on improving teaching and learning and will deliver 21st C Schools facilities.</p> <p>This will also ensure that the project can go forward within the funding timescales.</p>

Relevant Policy (ies):	Plans for Powys Schools – Vision 2025 & 21 st C Schools Programme Band B 2019 - 2024		
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	All local members
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Person(s) To Implement Decision:	Marianne Evans
Date By When Decision To Be Implemented:	20th February 2018

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Background Papers used to prepare Report: