

PWYLLGOR CRAFFU ADDYSG A PHLANT

25^{ain} o IONAWR 2018

Y RHAGLEN MODERNEIDDIO ADDYSG ADRODDIAD CYNNYDD HYD AT RAGFYR 2017

Pwrpas:

I dderbyn diweddariad y Rhaglen Moderneiddio Addysg hyd at Ragfyr 2017 ar gyfer Band A a'r cynlluniau Band B Ysgolion yr 21ain Ganrif sydd wedi cael eu cyflymu.

Ystyried y materion canlynol a chyflwyno sylwadau arnynt:

Y cynnydd a gyflawnwyd hyd at Ragfyr 2017 wrth gyflwyno cynlluniau Band A y Rhaglen Moderneiddio Addysg a cynlluniau Band B y Rhaglen Moderneiddio Addysg sydd wedi cael eu cyflymu.

Rhesymau:

Ar gyfer gwybodaeth y pwyllgor ac i gofnodi'r cynnydd a gyflawnwyd ar brosiectau Band A a Band B y Rhaglen Moderneiddio Addysg.

Angen cyfeirio'r mater at y Bwrdd Gweithredol / Cyngor er mwyn gwneud penderfyniad: NA

Aelod y Bwrdd Gweithredol sy'n gyfrifol am y Portffolio:

Cyng. Glynog Davies (Addysg a Phlant)

Y Gyfarwyddiaeth: Addysg a Phlant	Swyddi:	Rhifau Ffôn / Cyfeiriadau E-bost:
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EXECUTIVE SUMMARY EDUCATION & CHILDREN SCRUTINY COMMITTEE 25TH JANUARY 2018

MODERNISING EDUCATION PROGRAMME (MEP) PROGRESS REPORT to DECEMBER 2017

1.1 The Authority's Modernising Education Programme (MEP) is making steady progress on Band A and Accelerated Band B projects as follows:

2. Band A

2.1 Carmarthenshire's Band A commenced in 2014/15 following approval of Band A projects as part of the MEP update in 2013.

2.2 Band A was updated again in 2016 following a reassessment in line with the approved MEP investment criteria and the practicalities of delivery.

2.3 Currently, 69% (11 out of 16) of projects have WG Full Business Case (FBC) approval as follows:

- Completed (4 projects) – Strade, Carreg Hirfaen, Burry Port & Llanelli Vocational Village
- Approved and on site (6 projects) – Pen Rhos (Seaside), Trimsaran, Coedcae, Parc Y Tywyn, St John Lloyd and Pontyberem.
- Approved with construction due to commence (1 Project) - Llangadog

2.4 Approximately 48% (£20.6m) of the Band A grant funding (£43.35m) has been claimed and spent by the end of the 2016/17 financial year.

2.5 The following projects are currently in development (5 projects):

- Rhys Pritchard, Rhydygors, Dewi Sant, Laugharne, and Gorslas.

2.6 A couple of projects in development in Band A are causing concern as a result of some issues in relation to public objection to preferred sites and complex statutory processes.

2.7 WG's recent announcement to revise the School Organisation Code to include a presumption against closure for rural schools will make completing statutory processes more difficult and time consuming as local authorities will need to demonstrate they have explored all federation options before proposing to reorganise. Some schools identified as rural in the consultation on the new School Organisation Code are included in a project currently in Band A.

2.8 In order to mitigate the risk of delay, projects identified in Band B of the MEP programme are being developed early for acceleration should it be concluded that Band A projects are not be in a position to claim WG grant by March 2019.

3. Band B

- 3.1 In October 2016, the WG requested Authorities to provide information in respect of potential projects for Band B of the national 21st Century Schools and Education Programme. The data received was used to inform the development of the national Strategic Outline Case (SOC) for Band B of the Programme, and approved by the Cabinet Secretary in May 2017.
- 3.2 Unfortunately, due to the tight timescales imposed by the WG and the impact of the Local Authority elections, it was not possible to seek democratic approval prior to submission and has been achieved retrospectively.

4. Conclusion

- 4.1 The attached report presents a summary of progress achieved on the delivery of Band A and accelerated Band B major investment MEP Projects to December 2017.
- Education and Children Scrutiny Committee is asked to note the progress achieved to December 2017 in the delivery of the MEP Band A and accelerated Band B schemes.

DETAILED REPORT ATTACHED?	YES Appendix 1 - MEP Progress Report
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IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: **E.D.G. Morgans** Director of Education and Children's Services
S. Davies Modernisation Services Manager

Policy and Crime & Disorder	Legal	Finance	ICT	Risk Management Issues	Organisational Development	Physical Assets
YES	YES	YES	YES	YES	YES	YES

1. Policy, Crime & Disorder and Equalities

The proposals set within the report are in line with published policy and strategic direction of the authority.

2. Legal

The County Council's constitution provides that responsibility for the Modernising Education Programme is an executive function.

Statutory procedures will need to be completed to institute constitutional change in the structure of schools where the rationalisation of provision is proposed.

Planning permission will need to be secured for the development of the infrastructure projects proposed.

Building regulations approval will need to be secured for premises developments and modernisation.

3. Finance

The 21st Century Schools Programme has major financial implications for the County Council. The current estimate of the cost of the remaining investment to make all schools in Carmarthenshire to be retained for the long-term fit for purpose for the 21st Century is £276 million (from 2017/18). This is a planning figure and is certain to change over time as the detailed requirements of individual projects are developed. The planning figures do not include any allowance for inflation.

The delivery of the MEP to date has been made possible by the establishment of an innovative funding strategy for capital investment which has drawn upon and integrated a variety of funding sources:

- Welsh Government Grants.
- Capital Receipts – generated through the disposal of operationally redundant school assets. County Council has resolved that all receipts generated through the sale of former school premises are ring-fenced for reinvestment in the school modernisation programme.
- Prudential Borrowing – serviced by contributions from revenue generated through efficiency gains arising from the rationalisation of the schools network and through an adjustment in the delegated schools budget.
- General Capital – contributions from the Council's general capital allocation.
- S106 Agreements – contributions from developers of residential properties.

The Council has effectively exhausted its capacity to generate any further prudential borrowing from the operational schools budget as it has already done much in this area and there is now little scope for further revenue contributions. For example, education spend is by now slightly below the Indicative Budget Assessment (IBA) and with the prognosis for revenue budgets in future years there is unlikely to be further potential in this area. Further revenue gain to be secured by the continuing rationalisation of the schools network will be required to offset the effects of expected budget reductions in future years.

The overall expenditure for the 21st Century Schools programme Band A has been agreed at £86.7m with 50% of the funding provided by WG. WG has extended the Local Government

Borrowing Initiative to the programme, allowing it to bring forward additional funding for its element of the programme and bringing forward the timeframe for completion of Band A to 2019.

The level of County Council funding is formalised each year through the annual budget setting process. It is inevitable that estimate of capital need will change in the future as the detailed requirements for individual projects are progressed through the stages of development.

WG have confirmed that Band B of the 21st Century Schools and Education Programme, will be funded by both capital and revenue budgets:

- A capital funding programme will continue for Band B at the current WG grant funding level of £100-120m per annum for all LAs in Wales (£600m for the 5 year programme).
- £500m revenue funding is available via an optional Mutual Investment Model (MIM) approach for larger collaborative contractor led projects in Band B

WG have considered grant intervention rates for Band B and have recently indicated the following:

- The grant rate for capital remains at 50%.
- The grant rate for Voluntary Aided schools remains at 85%. (However, unlike the Band A arrangement, the 85% will not be subsumed within the overall 50% grant rate for a Local Authority).
- The grant rate for projects funded through the Mutual Investment Model (MIM) is 75%.

The total amount of the projects identified in Band B is currently £129.5m. The capital and revenue requirements to deliver the programme are as follows:

- WG - £52.25 Capital (2019-2024), £18.75m Revenue (MIM over 25 years)
- Carmarthenshire - £52.25m Capital (2019-2024), £6.25 Revenue (MIM over 25 years)

The Authority is required to provide details of funding arrangements for the Band B submission and confirm whether or not it is affordable for both capital and revenue elements.

There is currently £5.5m identified in the in the capital programme in 2020/21 as the Authority's contribution to Band B projects.

4. ICT

The use of ICT is of critical importance to the management and delivery of education in order to facilitate and implement the breadth of curricular choice necessary for all learners. The provision of new, adapted, or refurbished buildings will provide the opportunity for ICT to be integrated into modern infrastructure which is extremely reliable and easy to use.

The aspirations are to develop real and virtual workspaces which help to make effective, personalised learning a reality for all students; enable teachers and other professionals to focus on their core tasks and be more effective; and provide parents and carers with easy access to information about learners' achievements and progress. Also it will facilitate access to high quality learning materials in a wide range of settings through as wide a range of end-user devices as possible.

5. Risk Management Issues

Risk management will be fundamental to the effective delivery of the school modernisation programme and its individual projects. Projects will be managed in line with recognised best practice for the construction sector, including the use of risk registers at all stages of planning and delivery. Risks are managed by the Corporate Modernising Education and Communities Programme (MECP) Board.

6. Organisational Development

Proposals for the transformation of school structures will inevitably have significant staffing implications requiring workforce re-modelling. Specific issues cannot be forecast with accuracy at this early stage and issues will be dealt with and reported as individual projects or groups of projects develop in accordance with established human resource policies.

7. Physical Assets

Proposals for the transformation and modernisation of the schools network will have significant implications for the schools estate. This will involve the creation of new school premises and the refurbishment of some existing school premises. It will also result in some existing operational assets becoming redundant. When this situation arises assets will be managed in accordance with established policies and in the context of the Council's match funding for the programme being partly met from anticipated capital receipts from the sale of surplus assets. Investment in new facilities will have regard to partnership working and will foster the co-location of services, including those managed by partner organisations, where practical and beneficial.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed:	E.D.G Morgans	Director of Education and Children's Services
	S. Davies	Modernisation Services Manager

1. Scrutiny Committee

ECS Scrutiny Committee are presented with this progress report on 25th January 2018 and will be consulted on individual school reorganisation proposals as they are taken forward.

2. Local Member(s)

Local Members will be consulted on individual school reorganisation proposals as they are taken forward.

3. Community / Town Council

Town and Community Councils have not been consulted at this stage as this is a strategic matter for the County Council.

Town and Community Councils will be consulted on individual school reorganisation proposals as they are taken forward.

4. Relevant Partners

Key partner organisations, including the Church in Wales, Roman Catholic Church and Coleg Sir Gar, are consulted on proposals that affect them.

Schools affected will be fully consulted on individual school reorganisation proposals as they are taken forward.

5. Staff Side Representatives and other Organisations

Not applicable at this stage as this is a strategic matter.

Section 100D Local Government Act, 1972 – Access to Information List of Background Papers used in the preparation of this report:

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Carmarthenshire 21 st Century Schools Modernising Education Programme BIENNIAL REVIEW 2016	MEP	http://democracy.carmarthenshire.gov.wales/ieListDocuments.aspx?CId=131&MId=350&Ver=4
21 st Century Schools Website		www.21stcenturyschools.org
21 st Century Schools: Information Document (May 2010)	MEP	www.wales.gsi.gov.uk
21 st Century Schools: Information Document (May 2010) - Summary	MEP	www.wales.gsi.gov.uk
21 st Century Schools Strategic Outline Programme Template	MEP	www.wales.gsi.gov.uk
Modernising Education Programme (May 2005)	MEP	Department for Education and Children Building 2, Parc Dewi, Carmarthen.