

Report

Cabinet



Part 1

Date: 6 March 2024

Subject **Sustainable Communities for Learning – Rolling Programme for Investment 2024 – 2033**

Purpose To approve the investment objectives upon which Newport City Council's Sustainable Communities for Learning 9-year rolling programme is based and confirm that a Strategic Outline Programme reflecting these objectives can be submitted to Welsh Government for consideration.

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Ward All

Summary Welsh Government's Sustainable Communities for Learning Programme provides match funded investment for school infrastructure improvements at a 65% intervention rate. The next wave of this scheme – a 9-year rolling programme – is due to begin in April 2024.

The priorities for the programme over this period have been identified and are driven by strategic aims which include reducing poor quality school accommodation, ensuring a sufficiency of school places to meet demand across primary and secondary sectors, and creating additional Welsh-medium places and pathways to meet the ambitious targets outlined in the Council's Welsh in Education Strategic Plan (WESP).

Outline scoping has been undertaken to inform the overall cost of the programme and the Council's own financial contribution. The availability of that will require on-going assessment and review to ensure it is affordable within the Council's financial and capital planning. The deadline for Local Authorities to submit a Strategic Outline Programme to Welsh Government is 31st March 2024.

Proposal **That Cabinet agrees that the investment objectives upon which Newport City Council's Sustainable Communities for Learning 9-year rolling programme is based are appropriate and that as a result a Strategic Outline Programme reflecting these objectives can be submitted to Welsh Government for consideration.**

Action by Chief Education Officer

Timetable Immediate

This report was prepared after consultation with:

- Cabinet Member for Education & Early Years
- Corporate Management Team
- Education Senior Management Team
- Assistant Head of Finance

Signed

Background

The Sustainable Communities for Learning programme (formerly known as the 21st Century Schools and Colleges Programme) is a long-term investment in schools and colleges to develop them as hubs for learning and to reduce the number of poor condition buildings by focusing resources on providing the right schools in the right places.

The programme represents the largest infrastructure investment in schools since the 1960s, providing school build and improvement projects through a match-funding commitment from Welsh Government. The first wave of investment (Band A) was delivered under a 50/50 funding arrangement between the Council and Welsh Government; the current programme, known as Band B, has seen Welsh Government's intervention rate increase to 65% and has already delivered projects at Ysgol Gyfun Gwent Is Coed and Bassaleg School, with high-profile projects at St Andrews Primary School and on the Whiteheads development expected to be completed over the next financial year.

Welsh Government has confirmed that going forward the scheme will no longer have defined bands, and instead a rolling programme of investment will be introduced. As a result, the Council is now required to submit a high-level Strategic Outline Programme (SOP) to Welsh Government detailing the planned investment in schools over the next nine years. The deadline for submission of this SOP is 31st March 2024.

Investment Priorities for the Rolling Programme

As with the projects included in the Band B scheme, the new 9-year programme will be driven by the Council's wellbeing goals, and the need to plan long-term sustainable education provision in accordance with the Wellbeing of Future Generations (Wales) Act.

In 2024, Newport is almost two years into a stronger, more ambitious 10-year Welsh in Education Strategic Plan (WESP) and the Sustainable Communities for Learning Programme will play an integral role in delivering an enhanced offer to ensure larger cohorts of pupils can be accommodated in the Welsh-medium primary sector and eventually transition into Welsh-medium secondary education.

The strategy for the new rolling programme continues to build on the key themes from the Band B programme by ensuring that the Council is able to provide sufficient school places in the right locations, and that new and inspiring learning environments replace those that are old and tired. However, a notable addition is that the new programme will align with the target outcomes of the Council's Climate Change Plan, making best use of opportunities that support the ambition to become carbon neutral by 2030. The investment objectives can be summarised as follows:

- To provide new education facilities to replace poor condition and end-of-life buildings.
- To ensure a sufficiency of Welsh-medium and English-medium secondary school places to meet anticipated demand.
- To promote inclusion, support learners with Additional Learning Needs and encourage community access of school buildings.
- To contribute to the Council's carbon reduction strategy by delivering carbon-neutral buildings.

What Will The Rolling Programme Deliver?

Through the rolling programme therefore, the Council aims to:

- Secure a long-term solution to replace the current Millbrook Primary School.
- Ensure the long-term sufficiency of secondary school places across Welsh-medium and English-medium sectors.
- Provide new-for-old replacement school buildings across primary and secondary sectors.
- Reduce the carbon footprint by delivering Net Zero buildings.
- Grow the Welsh-medium education offer across primary and secondary phases of education.
- Further invest in specialist support for pupils with additional learning needs.
- Provide teaching and construction related employment opportunities.

A long-term solution to replace the current Millbrook Primary School

Following the closure of the Millbrook Primary School building in the summer of 2022, surveys concluded that the building required significant work to make it safe. As a result, the Council decided that repairing the building was not economically viable, and as a result, the school will shortly be demolished. The rolling programme therefore will be used to provide replacement education facilities in a new, carbon-neutral school building to serve the local community.

The long-term sufficiency of secondary school places

Scrutiny of population data, pupil forecasts and the anticipated impact of planned development has identified a continued pressure on secondary school places. It is expected that during the timeframe of the rolling programme, the existing surplus capacity across English-medium secondary schools of 5% will change to a situation in which there are not enough places to meet demand. Availability of secondary school places has been a challenge in Newport for a number of years and further action will be required within the rolling programme. The aim is to create sufficient additional secondary school places in the English-medium sector to maintain a surplus capacity of 8% against pupil population forecasts. This is intended to support continued population growth expected through net migration and new housing developments, in line with the Local Development Plan and Office for National Statistics population forecasts and will require a net increase of up to 700 English-medium secondary school places.

Provision of new-for-old replacement school buildings

A project to provide new teaching accommodation, sports and changing facilities at Caerleon Comprehensive School was included in the Band B programme. However, due to unforeseen delays, particularly in relation of high priority unplanned projects across the primary sector, the project is now expected to be delivered between 2024 and 2026, thereby falling within the first three years of the rolling programme. The Strategic Outline Case for this project received approval in May 2022.

Reduced carbon footprint

The original Band B programme included a project to support the fit-out and delivery of Net Zero Carbon at a new developer-led school at Great Milton Park. The Business Justification Case for this project was approved in June 2022, but delays on the part of the housing developer mean that the school will not be opened until September 2026 at the earliest. As such, delivery of the project falls into the rolling programme. A further developer-led school is anticipated in 2027/2028. It is proposed that the FF&E, and ICT budget, along with any NZC measures requiring funding support, are included in this new programme.

Growth of the Welsh-medium education offer

Primary

Over the rolling programme period, the Council will continue to promote and support the growth of Ysgol Gymraeg Nant Gwenlli, which will provide additional capacity in the centre of the city. In accordance with the targets outlined in the WESP, the Council is also committed to developing and delivering plans to provide additional places, equivalent to two-forms of entry, across the city by 2032.

Secondary

In order to meet the targets within the WESP, the Council is required to develop plans to provide additional capacity equivalent to in the region of 500 extra places to support future growth of Welsh-medium secondary education. This will ensure sufficiency of places as larger primary cohorts transition into secondary education from 2030 onwards.

Support for pupils with additional learning needs

Through previous Sustainable Communities for Learning projects and other specific grants, the Council has invested significantly in resources to support learners with a diagnosis of Autistic Spectrum Disorder (ASD) through the establishment and subsequent growth of Ysgol Bryn Derw. Despite this investment, demand continues to outweigh the number of places available. However, reappropriation of a soon-to-become vacant building within the Education estate could support further expansion of 40 pupil places by creating a specific setting for Key Stage 2 age group learners. Welsh Government has set a higher intervention rate of 75% for ALN related projects.

Financial Summary

Capital

The proposal in this report is for approval of a 9-year Sustainable Communities for Learning programme with an estimated value of £110m. On the basis that Welsh Government has confirmed a 65% match funding commitment for the rolling programme (increased to 75% for ALN related projects), this programme will require the Council to commit to capital expenditure in the region of £38.5m between April 2024 and March 2033. This commitment will be funded through s106 contributions, where available, and prudential borrowing and will need to be agreed by Cabinet within the overall capital programme.

Revenue

The revenue pressures associated with each individual project will be built into the Medium Term Financial Plan (MTFP) at the appropriate time.

Risks

It is important to identify and manage any project or scheme's exposure to risk and have in place controls to deal with those risks.

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probability of risk occurring (H/M/L)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
The SOP is not submitted to WG by the deadline date	H	L	The SOP is being taken to the March 2024 Cabinet meeting to enable submission to WG by the stipulated deadline date.	Chief Education Officer
The SOP is not approved by WG	H	L	Informal meetings with WG colleagues have confirmed that the SOC priorities are likely to be supported, although this cannot be confirmed until the formal submission has been put forward for consideration.	Chief Education Officer with WG colleagues
The match funding commitment to the programme is delayed	M	M	Consideration will need to be given as to whether in short term the Council is able to fund all or some aspects of the programme. Alternatively, the programme will be delayed.	Head of Finance
The Council's strategic priorities for investment in school buildings change	M	M	WG colleagues have indicated that they are keen to work with LAs and, if new or urgent changes in priorities emerge, programmes can be amended.	Chief Education Officer with WG colleagues
Inability to deliver individual projects due to external factors	M	M	Early consultation will take place with relevant schools and colleagues in other service areas. Detailed feasibility studies will also commence following approval of the SOP. Working with colleagues in Finance and Newport Norse, costs have been profiled to account of inflation.	Chief Education Officer with colleagues from Newport Norse

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Wellbeing of Future Generations (Wales) Act 2015

Corporate Plan

Education Service Plan

Options Available and considered

Option 1: To decide not to submit a Strategic Outline Programme for the next wave of the Sustainable Communities for Learning scheme. This would mean that the Council would fail to receive any match funded contribution from Welsh Government for investment in the school estate over the lifespan of the 9-year rolling programme.

Option 2: To approve the Strategic Outline Programme in part only. Whilst this would reduce the Council's funding commitment to the programme, the reduced investment in the school estate would in turn result in statutory responsibilities around school places and provision not being met.

Option 3: To approve the full Strategic Outline Programme as referred to in this report. This programme is based on the most urgent and minimal needs in terms of creating additional school places and improving the condition of school buildings.

Option 4: To request that officers consider a more ambitious Strategic Outline Programme which goes further than addressing urgent and minimal needs across the school estate. However, whilst a more extensive programme could be developed, a larger funding commitment would be required, and this is currently deemed as unaffordable.

Preferred Option and Why

The preferred option is Option 3. This represents an ambitious but achievable programme for the Council based upon service and strategic need, and provisional capital funding availability at this current time. If priorities change or additional funding becomes available from other sources, we will seek to gain support from Welsh Government as we have done previously.

Comments of Chief Financial Officer

The report outlines a potential capital investment of circa £110m across the life of the 9-year programme. It is important to note that, at this stage, this is an estimate only, with more robust and accurate figures only likely to be available once projects are clearly defined and tender processes have been undertaken. However, on the basis of the estimate available, and assuming a funding intervention rate of 65% from Welsh Government, the Council's match-funding requirement would be £38.5m. This assumes that Welsh Government does not provide 100% funding for any net carbon zero (NCZ) elements, which has been the case during Band B. Should 100% funding for NCZ be made available, this would reduce the Council's match-funding requirement.

In terms of funding the potential £38.5m, the Council has available capital headroom (currently circa £15m), funding capacity to be rolled over from Band B and indicative new borrowing headroom of £7m per year from 2027/28, as part of its recently approved capital programme. Therefore, up to and including the 2032/33 financial year, this would provide over £57m of available capital resources, before including anything rolled over from Band B, assuming that the indicative borrowing headroom remains affordable in the future. Clearly, this would be adequate in meeting the Council's potential commitment though this is assuming the new indicative borrowing capacity outlined is affordable and prudent from 2027/28 onwards.

However, the availability of resources is spread over the timeframe in question and, therefore, won't necessarily align with expenditure profile for the projects within the programme. In addition, there will inevitably be other calls upon the available funding as new capital pressures emerge and, as a result, opportunities to supplement capital resources, such as via Section 106 contributions, should be maximised. Therefore, at this stage, an in-principle only commitment can be provided regarding the funding necessary and further work will be required to understand the detailed funding requirement prior to individual business cases being submitted.

It is recommended that the outlined investment projects are prioritised to ensure that funding available supports the most pressing projects. If Welsh Government were able to provide a commitment to front-load their grant contributions, this would help significantly, due to the Council's new funding availability being skewed towards the second half of the programme window.

As well as the capital funding implications, there are also revenue implications to be considered. These will take the form of additional pupil numbers and an overall increase in the number of school buildings. These costs will ultimately be borne by the overall school budget. Therefore, to avoid an impact upon other school budgets (via a dilution of the overall funding available), it is necessary to increase the overall school budget for these pressures. This is what currently happens and is a feature of the Council's Medium Term Financial Planning processes. These pressures will, therefore, be added to the Council's Medium Term Financial Plan as needed and will need to be funded as part of any decisions to balance the revenue budget in the specific years in question.

Comments of Monitoring Officer

The provision of funding by the Welsh Government will assist the Council in fulfilling its statutory obligations with regard to the provision of suitable education facilities for children in its area. It is for the Council to identify its priorities with regard to investment in education facilities over the coming years and such priorities are set out in this report. Any proposals put forward by the Council should accord with relevant Council policies. Where grant funding is provided, monitoring arrangements should be put in place in order to ensure that the spending of such monies accords with the conditions of the grant.

Comments of Head of People, Policy, and Transformation

This report and proposal has taken into consideration the needs of both Newport City Council and Welsh Government plans and frameworks and has ensured that the SOP has been prepared against the Wellbeing of Future Generations Act, Newport City Council's Corporate plan, Newport City Council's Climate Plan, the Welsh in Education Strategic Plan, and the Local Development Plan. All of which seek to ensure that learning for Newport residents is suitable, accessible, and sustainable for now and into the future. Future planning and needs forecasting based on net migration and new housing developments also being accounted for.

The proposal given supports the preferred option of Option 3: To approve the full Strategic Outline Programme as referred to in this report. This programme is based on the most urgent and minimal needs in terms of creating additional school places and improving the condition of school buildings.

A FEIA has been completed and WWFG Act 5 Ways of working have been fully considered. There are no staffing implications at this time however, HR officers will be supporting Education colleagues as plans progress.

Scrutiny Committees

None

Fairness and Equality Impact Assessment:

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

The Council has a number of legislative responsibilities to assess the impact of any strategic decision, proposal or policy on people that may experience disadvantage or inequality. A Fairness and Equality Impact Assessment (FEIA) has been completed to support the development of this Strategic Outline Programme which is a long term strategy to support capital investment in schools over a 9-year period.

The new rolling programme represents significant investment in the school estate of approximately £110m over the next 9 years. The strategy continues to build on the key themes from the Band B programme around the sufficiency of school places in the right locations and the creation of new and inspiring learning environments to replace those that are old and tired. However, the new programme will also align with the targets outlined in the Council's Climate Change Plan, making best use of opportunities to support the ambition to become carbon neutral by 2030.

The investment objectives are summarised as follows:

- To provide new education facilities to replace poor condition and end-of-life buildings.
- To ensure a sufficiency of Welsh-medium and English-medium secondary school places to meet anticipated demand.
- To promote inclusion, support learners with Additional Learning Needs and encourage community access of school buildings.
- To contribute to the Council's carbon reduction strategy by delivering carbon-neutral buildings.

As such, the FEIA has not identified any perceived negative impacts of this strategy.

This programme has also been developed to support delivery the Council's Welsh in Education Strategic Plan (WESP). The programme will secure a growth pathway for Welsh-medium primary and secondary education delivery into the next decade, ensuring that Newport City Council is able to make the necessary contribution to achieving Welsh Government's Cymraeg 2050 goal. The Strategic Outline Programme will be integral to the delivery of additional capacity to ensure there is a clear and supported 3-19 pathway for increasing the number of Welsh-medium learners across primary and secondary education sectors.

The sustainable development principle and 5 ways of working set out in the Wellbeing of Future Generations Act have been considered as outlined below:

- **Long term:** the importance of balancing short- term needs with the need to safeguard the ability to also meet long-term needs. **The programme represents a long-term investment in education infrastructure, with objectives informed by medium to long term pupil population forecasts. Wherever possible, investment will focus on provision of new buildings with a 60 year design life.**
- **Prevention:** How acting to prevent problems occurring or getting worse may help us meet our objectives. **Ensuring sufficiency of school places for a growing population, the programme will also address building condition concerns and reduce the backlog maintenance burden.**
- **Integration:** Consider how the proposals will impact on our wellbeing objectives, our wellbeing goals, other objectives, or those of other public bodies. **The programme will support delivery of the Curriculum for Wales in modern and sustainable learning environments.**
- **Collaboration:** have you considered how acting in collaboration with any other person, or any other part of our organisation could help meet our wellbeing objectives. **The programme is delivered by Welsh Government and Newport City Council working in partnership, and school leadership teams and other service areas and stakeholders will be consulted on proposals at project level.**
- **Involvement:** The importance of involving people with an interest in achieving the wellbeing goals and ensuring that those people reflect the diversity of the City we serve. **The programme is delivered by Welsh Government and Newport City Council working in partnership, and school leadership teams and other service areas and stakeholders will be consulted on proposals at project level.**

Crime and Disorder Act 1998

Not applicable

Consultation

None, but each project within the overall programme will be subject to formal consultation and / or stakeholder engagement at they are brought forward to be progressed.

Background Papers
FEIA

Dated: 29 February 2024