

Report

Cabinet

Part 1

Date: 12 September 2016

Item No:

Subject Education Capital Programme

Purpose

- To note information on the education capital programme.
- To seek a decision to either fund or defer elements of the programme.
- To endorse recommendations for the programme.

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Summary This report describes the development of the education capital programme since 2011 to the present day and sets out how a funding challenge has now emerged.

A new scheme is introduced as the Maes Ebbw extension of 7 classrooms, as an addition to the current programme.

Cabinet are then presented with options for funding the education capital programme either by deferring some projects into future years, or by funding the entirety of the programme.

Proposal To note the contents of this report providing information on the education capital programme and also to accept an additional scheme onto the current capital programme for the Council. At the same time endorse the recommendations for future management of the education capital programme and take a decision on the options for funding the programme.

Action by Chief Education Officer

Timetable Immediate

This report was prepared after consultation with:

- Cabinet Member for Education & Young People
- Cabinet Member for Assets & Resources
- Strategic Director – People
- Strategic Director – Place
- Senior Leadership Team
- Capital Strategic Asset Management Group
- Education Capital Programme Board

Signed

1.0 Background

In 2011 Newport City Council bid for £7.5m of Welsh Government (WG) 21st Century Schools (21CS) matched funding capital financing to create a total package of 21CS project funding worth £15m. In 2014, an additional bid was submitted for the new Welsh-medium secondary school for £6.5m with match funding of £6m provided by Newport City Council and £0.5m provided by Monmouthshire County Council. These bids together comprised the £28m 21CS programme to be delivered by Newport for the Band A period 2014 to 2019. Cabinet will receive a further report in the autumn concerning the potential bid to WG for Band B funding for the **period 2019 to 2024**.

The education capital programme funding journey from 2011 to the present day is set out in Appendix One over pages 10 and 11. The programme comprises projects funded by several sources such as Section 106, additional NCC capital sums in the form of reserves, Invest to Save, as well as 21CS financing. A fuller explanation of those funding sources is included in Appendix Two on page 12.

Since the start of the 21CS programme in April 2014, the Council has successfully delivered flagship projects on time and within budget – such as 6 new nursery units supporting the 3 – 11 strategy for primary schools and consolidation of the 2 Welsh-medium primary schools.

The education capital programme has evolved and will continue to develop to meet the demands of our population demographics, to a current level of £38.6m set out in Appendix One on page 11. The increased programme now requires decisions on what elements are funded, and which might be deferred or dropped.

The financial position of the education capital programme is set out in some detail in Appendix Three pages 13 and 14.

2.0 Funding Challenge

A review of the current and potential programme has confirmed the following challenges:

1. Building Inflation

- The original 21CS programme bids required by WG in 2011 specifically excluded any allowance for building inflation.
- At that time and since, all local authorities have objected to the absence of building inflation in all programme schemes as it sets up projects with immediate budget challenges.
- The implementation start date of 21CS programme was 2014, some three years after allocation.
- The Building Cost Information Service for Wales in respect of the Tender Price Index for the period between Q4 2011 & A2 2016 identifies an increase of **30.55%** building inflation over the period.
- By comparison, the increase for the adjoining region of South West England is 30.10% and for West Midlands is 35.24%, hence this is a common challenge.

2. Fixtures, Fittings & Equipment

- The original 21CS programme bids required by WG excluded any allowance for Fixtures, Fittings & Equipment
- They are now deemed a capital cost with the burden falling to NCC
- Section S106 developer led new school build schemes on housing developments do not currently have a budget for Fixtures, Fittings & Equipment.

The Section 106 Housing Contributions policy now incorporates Fixtures, Fittings & Equipment into all legal agreements. Existing agreements that do not include this element can be renegotiated but positive outcomes should not be anticipated.

3. Demountable Replacement Project Specific Issues

- The demountable replacement programme was established in 2011 and is subject to the building inflation challenge. Also, until the detailed design work is completed for each it is not possible to identify exact costs.
- Bassaleg School needs demountable classrooms replacing with cost estimates in excess of budget availability

- Caerleon Comprehensive School needs demountable classrooms replacing with cost estimates in excess of budget availability
- Pentrepoeth Primary School needs a demountable classroom replaced and also a nursery which has been legally established following statutory consultation, the cost estimate for this project are in excess of budget availability

3.0 Specific Projects affected by the funding challenge

It is appropriate to highlight four programme schemes that are directly and significantly affected by the funding challenge:

- New Welsh-medium secondary school;
- Caerleon Lodge Hill replacement build;
- Demountable replacements for Bassaleg School, Caerleon Comprehensive and Pentrepoeth Primary (which also includes a nursery legally established through statutory consultation);
- The Fixtures, Fittings and Equipment in S106 developer led new schools builds.

The values for these schemes are set out in Appendix Three on pages 13 and 14.

4.0 Summary of programme

The overall education capital programme has been delivered successfully for the last two years. For reasons identified within the body of the report a shortfall has emerged. This report explains why there is a shortfall and provides options. Officers have been in discussion with Welsh Government on an approach to potential match funding. Appendix Five on page 16 sets out the status of all schemes.

5.0 Additional Education Capital Programme Scheme

The Council has provided capital funding to meet the demand for extra school places across the City. Similarly the pressure for more special school places has also risen. This will be addressed by the new ASD school and a proposed new project to expand Maes Ebbw special school. By replacing the demountable accommodation and consolidating the facilities on site to deliver education in the form of 7 new classrooms, the Maes Ebbw Special School can help to meet the special school place pressures. This scheme is designed to consolidate Maes Ebbw for 148 pupils, at a cost of circa £3.312m which includes fixtures, fittings and equipment – it has an estimated delivery timeline for September 2018. The financing solution is set out in section 7.0 below under Financial Implications.

6.0 Programme Options

The overall education capital programme has been delivered successfully for the last two years as evidenced in Appendix Three on pages 13 and 14 with most projects delivered on time and within budget. As sections 2 and 3 identify however, a funding challenge exists that requires addressing either by funding, deferral or cancellation.

This section identifies the options available. Any decision to provide further funding will be followed by a submission for matched funding to WG. The current timescale allows for a submission to be made for a decision at the October WG 21CS Panel.

6.1 Option 1:

The current potential shortfall in funding is identified in Appendix Three on pages 13 and 14. This option is to defer a number of schemes into future years or even into the next financing phase (Band B) in order to reduce the funding shortfall in the first instance, with the financing for the remaining shortfall following this. The potential deferrals are split into two categories:

- Firstly, where there is the recommendation to defer;
- Secondly where a scheme can be deferred as it is not yet complete, but this is not recommended due to the level of risk if it is delayed.

Details of the budgets, actuals and projected variances for the schemes below and reasons for deferral are within Appendix Three of this report. The funding shortfall gap can be reduced by £6.575m by deferring the schemes as detailed below:

<u>Deferral Recommended</u>	Current Scheme Variance Shortfall	Variance / Budget availability if deferred	Difference to reduce shortfall	Note
	£000	£000	£000	
Caerleon Comprehensive School	431	(526)	(957)	
Bassaleg School	4,660	(106)	(4,766)	
Maesglas Primary: Nursery Provision	146	(315)	(461)	
Monnow Primary	(48)	(309)	(261)	
Primary Place Challenge contingency	(108)	(238)	(130)	
Total recommended for deferral	5,081	(1,494)	(6,575)	

A further £7.421m could be reduced by deferring the following schemes, but as these have progressed substantially and have specific risks if delayed, it is not recommended these are deferred.

<u>Deferral can occur but not recommended</u>	Current Scheme Variance Shortfall	Variance / Budget availability if deferred	Difference to reduce shortfall	Note
Pentrepoeth	249	(388)	(637)	
Caerleon Lodge Hill	909	(4,476)	(5,385)	
Langstone Primary	47	(1,352)	(1,399)	*£577k is S106 so may be ring-fenced
Total deferrals that could occur	1,205	(6,216)	(7,421)	

If the schemes recommended for deferral are agreed, this would reduce the funding shortfall by £6.575m to £12.747m. This is on the basis that financing currently earmarked for schemes would be able to be transferred to continuing schemes. If the Council is able to secure 50% match funding from WG - which is detailed in the next section – then the remaining shortfall required to be funded by the Council could be financed from the following options:

1. Use of current earmarked reserves set aside for Capital Expenditure;
2. Undertake borrowing.

The implications of both of these are discussed further below in the financial implications section.

At the same time, an additional item is suggested to be included on the education capital programme in respect of capacity building at Maes Ebbw Special School with a 7 classroom extension – the financial implications are set out in section 7.0 and do not disturb the deferral recommendations above.

6.2 Option 2:

The other option available to Cabinet is to fund the entirety of the current education capital programme to support delivery of intended programme schemes within the Band A period 2014 – 2019. If option 2 was to be chosen, it is unlikely that the shortfall would be deliverable from current earmarked reserves, and

substantial additional borrowing would be required. This would be subject to further analysis on the impact subject to WG funding.

7.0 Financial Implications

As highlighted in the report the current education capital programme has a funding shortfall which needs to be addressed. The report has set out the option of deferring projects into future years, therefore reducing the current funding shortfall. Any decision made on funding the remaining shortfall would be subject to discussions with WG on securing 50% match funding for the remaining schemes.

Initial discussions have indicated that WG would welcome a further capital extension for the schemes which have increased since the 2014 programme was approved. The proposals to WG for increase in schemes would be as follows:

Scheme	Original 2014 Programme	Current Required Programme	Difference	Additional WG Match Funding @ 50%	Match already inc. by NCC
WM2 & John Frost (inc. Demountable and Redevelopment)	£17m	£32m	£15m	£7.5m	£4m for redevelopment of John Frost School
Caerleon Lodge Hill	£5m	£6m	£1m	£0.5m	
ASD / Maes Ebbw Special Sector Capacity Building*	£1m	£8m*	£7m	£3.5m	£3.3m as an extension of the special sector capacity building

*The additional programme is proposed to increase special sector capacity building with a scheme at Maes Ebbw Special School to enable the match funding to be available from WG for the special needs sector.

The above table shows that the Council could secure an additional £11.5m worth of match funding from WG to assist the funding of the current capital programme.

The remaining shortfall to be funded is predicated on the schemes that are chosen to be deferred, and therefore the more schemes that are deferred the lower the immediate financial implication to the Council. However, there are a number of schemes that have progressed to a point where the cost to the Council and risk of deferring the scheme, cause a significant increase in costs or have a negative impact on the delivery of the education programme, these have been highlighted earlier in the report.

The Council has already input a significant value of the match funding required for the above projects, therefore, if a decision was made to defer the recommended projects and the capacity building including Maes Ebbw Special School brought onto the programme, the remaining amount to be funded by Newport Council would be an additional £4.55m.

7.1 Capital Implications

There are two main sources of funding available are use of earmarked reserves and undertaking further borrowing. Currently there is money set aside in earmarked reserves for capital purposes which could be used to fully fund the shortfall, this would not cause any future revenue implications, however this is one-off

funding and if used to fund the capital programme would not be available to use for other regeneration projects or revenue funding that may be required.

The second option of borrowing would have revenue implications due to the capital financing costs that would need to be funded through revenue for the prudent revenue provision (MRP) and interest cost, the benefit of this is the Council may be able to secure preferential borrowing rates for the school programme which will further reduce currently low capital costs. The revenue implications are detailed in the section below.

7.2 Revenue Implications

The education capital programme has inherent revenue implications. Firstly the expansion or building of an existing/new school needs to have revenue funding attached to it for the running cost of the school. This includes expenditure on teachers, support staff, utilities, supplies & services etc. The medium term revenue plan for 2017/18 to 2020/21 includes pressures in for the revenue implication of funding the programme. The figures currently included in the Medium Term Financial Plan (MTFP) are shown in the table below:

Project	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Ysgol Gyfun Gwent Is Coed (WM2)	712	202	271	275
New ASD School Provision	576	314	0	0
New Jubilee Park Primary School	396	389	92	90
New Llanwern Primary School	0	0	519	411
New West Glan Llyn Primary School	0	519	411	122
New Primary School at Whiteheads site	0	0	0	519
New Nursery units: Additional Nursery units have been proposed to create the 3 – 11 seamless vision on Primary School Sites, these being Mount Pleasant, Marshfield, Langstone and includes Pentrepoeth.	175	0	0	0
Maes Ebbw School capacity building	40			

The above show the current figures provided for the revenue implications for upcoming schools in the next four financial years. Taking the option to defer schools will remove the revenue implications in the highlighted projects above. The impact of special sector capacity building at Maes Ebbw has already been included in the as pupils are on site in cramped conditions, the remainder of funding is to be delivered in 2017/18 as highlighted above.

Any current capital financing cost on the existing budgeted capital programme would be included in existing revenue budgets and MTFPs. However, as explained, if the shortfall in funding was to be financed through borrowing this would have a revenue implication which would need to be added to the MTFP. The likely borrowing cost to be added to the MTFP is shown as follows:

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Additional MRP and interest cost	184	184	184	184

Considering the preferential borrowing rate that may be available for 21CS, and the current low borrowing costs, to allow flexibility of use of reserves, the recommendation would be to fund any shortfall through borrowing.

8.0 Future Programme Management

The Council must take all opportunities to maximise match funding of capital financing through WG 21CS and other grants.

All bids for capital must include an allowance for future proofing against building inflation to prevent situations arising such as where the original bid to WG 21CS was in 2011 and the programme was not implemented by WG until 2014.

A robust capital governance structure has now been in place for some six months, this will assist in ensuring full financial governance is carried out on all projects, in particular through financial reporting of major projects at individual project boards – with reports to Cabinet on progress and financial position.

A system of annual monitoring and reporting of the capital programme will now be developed to support the regular capital reporting to Cabinet.

Well-being of Future Generations (Wales) Act 2015

Capital investment is not statutory and it is possible to defer projects or make changes to the way investment takes place. However, providing high quality learning environments, in the right schools in the right location is an important focus to ensure access to education. All local authorities have a duty to strive to develop a “Prosperous Wales” by developing “skilled and well-educated population in an economy which generates wealth and provides employment opportunities.”

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Failure to alert Cabinet to the funding gap	H	L	Regular Cabinet reports on the capital programmes across the Council	Head of Finance
Failure to support the funding gap for the education capital programme	H	H	Take remedial measures to cover the funding gap which includes deferring or cancelling some strategic projects	Chief Education Officer
Failure to achieve additional match funding from WG 21CS	H	L	Take forward a robust case for change to request a further extension to the 21CS programme and increase in the 21CS funding envelope for NCC	Chief Education Officer

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Council Improvement Plan
Education Service Plan
21st Century Schools Strategy
Welsh-medium Education Strategy
Wellbeing of Future Generations (Wales) Act 2015

Options Available

Option 1: to defer selected projects. To add the Maes Ebbw capacity building to the education capital programme. This option will rely upon a bid to WG for match funding of the programme and also funding a reduced shortfall.

Option 2: to fund the entirety of the current education capital programme.

Preferred Option and Why

Option 1 is the preferred option for the reasons provided in section 5.1 above denoting the projects in the table for deferral recommended

Comments of Chief Financial Officer

Option 1 relies on the deferral of selected projects to reduce the funding shortfall. This option is also fully reliant on the approval of WG match funding which should be confirmed in the coming months. If the additional funding does not get approved by WG a further report would need to be brought to Cabinet with an alternative proposal. Due to the WG match funding and the way in which it operates, option 1 includes the addition of the Maes Ebbw capacity building onto the capital programme. The value of funding required by the Council to cover the remaining shortfall after deferral and addition of Maes Ebbw is £3.7m. It is proposed that this is funded through borrowing due to the discounted rate available from WG for 21st Century Schools.

All projects going forward should be closely monitored against individual budgets and as per Contract Standing Orders at first indication of a significant potential overspend of either £25k or 10% of the contract value (whichever is lowest), the appropriate Head of Service and Head of Finance shall be notified.

It is important to note that deferral of the current schemes into future years, whether that B through the Band B project or not, will need to be fully costed with as reliable estimates as possible, and include all relevant costs including Furniture, Fixtures & Equipment and revenue estimates.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report.

Staffing Implications: Comments of Head of People and Business Change

This proposal considers aspects of the sustainable development principle of the Well-being of Future Generations (Wales) Act by considering a long term plan and involving children and young people at appropriate stages of decision making.

The report states that Fairness and Equality Impact Assessments (FEIAs) have been completed for each project within the capital programme. These FEIAs should be reviewed to ensure there is no additional fairness and equality impact due to the deferring of the schemes specified.

There are no HR implications.

Comments of Cabinet Member for Education & Young People

I support the preferred option on the grounds that this is financially sound. I note it is subject to securing Welsh Government match funding. I am satisfied that there will not be detriment to those schools recommended for project deferral at this time.

Cabinet Member for Finance & Resources:

I agree with the proposals set out in Option 1 of the report. The report clearly identifies the need to defer projects in order to reduce the current funding gap, and the funding required from NCC to deliver the remainder of the programme. This is subject to WG funding and a report will need to come back to me if this funding is not secured.

Local issues

None

Scrutiny Committees

None

Equalities Impact Assessment

The democratic cycle decision making process undertaken within each project for this capital programme is supported by individual Fairness & Equality Impact Assessments, which will be updated in the case of any deferred projects.

Children and Families (Wales) Measure

Children and Young People are consulted at appropriate stages of decision making for individual projects within this capital programme.

Consultation

The original 2011 bid was the subject of a full Member consultation before submission to WG.

Background Papers

21st Century Schools Strategic Outline Programme, 2011
Band A Strategic Outline Programme Extension, 2014
Capital Programme Outturn 2015/16 Report

Dated: 12 September 2016

Education Capital Programme Funding Journey

APPENDIX ONE

The current education capital programme has developed from the 2011 submission, the following tables set out that programme journey from 2011, through 2014 with the programme extension to the present day and a table setting out the additional sums to the 21CS capital programme as at July 2016.

Year	Programme Group	Schools	21CS Allocation
2011	Demountable Replacement Programme for 7 schools -	<ul style="list-style-type: none"> • Lliswerry High School • Caerleon Comprehensive • Bassaleg School • John Frost School • Mount Pleasant (nurs) • Langstone (incl nurs) • Pentrepoeth (incl nurs) 	£7m <i>(of which £4m was allocated to John Frost)</i>
	Nursery Programme for community maintained schools	<ul style="list-style-type: none"> • High Cross • Millbrook • Monnow • Malpas Park • Glasllwch • Clytha • Mount Pleasant (dem) • Langstone (dem) • Pentrepoeth (dem) 	£1m
	ASD capacity building <i>(plus add'n £2.8m Invest to Save)</i>	<ul style="list-style-type: none"> • Gaer Primary • New ASD School 	£1m
	Welsh-medium primary consolidation	<ul style="list-style-type: none"> • Ysgol Gymraeg Ifor Hael • Ysgol Gymraeg Bro Teyrnnon 	£1m
	Caerleon Lodge Hill new build	<ul style="list-style-type: none"> • Lodge Hill Primary 	£5m
Total 21CS programme as at 2011			£15m

Year	Programme Group	Schools	21CS Allocation
2014	New Welsh-medium secondary (WM2) school	<ul style="list-style-type: none"> • Ysgol Gyfun Gwent Is Coed • John Frost School 	£12m
	MCC 21CS programme contribution		£1m
			£13m
Total 21CS programme as at 2014 (£15m + £13m)			£28m

As at 2016: Additional NCC funding to the 21CS programme

Programme Group	21CS Programme as at 2014	Additional funding to date	Total as at July 2016
Demountable Replacement Programme	£7.0m	£0.7m	£7.7m
Nursery Programme	£1.0m		£1.0m
ASD capacity building (including additional ASD financing through Invest to Save and other sums)	£1.0m	£3.3m	£4.3m
Welsh-medium primary consolidation	£1.0m	£0.4m	£1.4m
Caerleon Lodge Hill new build	£5.0m	£0.1m	£5.1m
New WM2 (an additional £4m is shown within Demountable Replacement Programme against John Frost School)	£13.0m		£13.0m
John Frost School redevelopment		£4.0m	£4.0m
Primary Place Challenge		£2.1m	£2.1m
Total Education Capital Programme as at July 2016	£28.0m	£10.6m	£38.6m

The additions above include funding from Invest to Save (in relation to the ASD programme), Section 106 monies, asset maintenance sums and revenue contributions. These have been approved in previous capital reports brought to Cabinet and subsequently added to the Capital Programme.

The current education capital programme is funded from the following sources:

- 21CS WG capital financing – **£28m**
- Additional financing for the **new ASD school of Invest to Save and other sums – £3.3m** not currently match funded by WG
- Additional, separate remodelling – **redevelopment of John Frost School – £4m** not currently match funded by WG
- Cabinet Members may be aware of other projects currently being scoped and in the delivery stage which are financed by a variety of **Section 106 sums** under the Housing Act. This report does not reference those projects as they are delivered under historical legal agreements to a specific criteria and support pupils emerging from local housing developments. Such projects are not able to be match funded by WG.
- Similarly there are projects being scoped and in the delivery stage which are financed purely by a **Primary Place Challenge sum of £2.1m** which is focusing on meeting the immediate and short term demands for school places across the city in the primary sector. This is entirely financed by the Council and does not have the opportunity of match funding by WG or any grant systems at the current time.

EDUCATION CAPITAL PROGRAMME AS AT JULY 2016

APPENDIX THREE

	CURRENT PROGRAMME	ACTUAL + COMMITTED TO DATE	FORECAST	VARIANCE	Project Delivery Status	Can it be deferred?	Risk/Reason for Deferral
	£000	£000	£000	£000			
<u>21C Welsh Medium Primary</u>	1,395	0	1,412	17	Project Completed - Addition funded through asset maintenance - borrowing	N/A	N/A
<u>21C Nursery Programme :</u>							
High Cross Primary	50	50	50	0	Complete	N/A	N/A
Millbrook Primary	20	20	20	0	Complete	N/A	N/A
Monnow Primary	63	63	63	0	Complete	N/A	N/A
Malpas Park Primary	301	0	301	0	Complete - final a/c to be agreed	N/A	N/A
Glasllwch Primary	405	445	445	40	Complete - final a/c to be agreed	N/A	N/A
Clytha Primary	31	0	31	0	Complete	N/A	N/A
Pentrepoeth Primary	130	0	0	-130	Now part of demountables	N/A	N/A
Mount Pleasant Primary	0	67	67	67	Now part of demountables - costs to be transferred	N/A	N/A
Langstone Primary	0	3	3	3	Now part of demountables - costs to be transferred	N/A	N/A
	1,000	647	978	-22			
<u>21C Lodge Hill</u>	5,091	615	6,000	909	Tenders have been returned - favoured contractor identified - no contract let as yet. Additional funding is via S106.	Yes	Lodge Junior premises has been identified as the worst first primary building in the education estate. £615k is sunk to date, and the benefit of this spend would be at risk if deferred.
<u>21C Demountable Replacement:</u>							
Caerleon Comp	570	44	1,001	431	Not started	Yes	Not about capacity. Demountables are in a very poor state, not replacing increasing the risk around H&S, and poor learning environment.
Bassaleg School	140	34	4,800	4,660	Not started. £2m S106 funding is critical to reducing the variance but not receivable until 2019.	Yes	Not about capacity. Demountables are in a very poor state, not replacing increasing the risk around H&S, and poor learning environment.
Mount Pleasant Primary	696	353	640	-57	On site, due for handover Sept 2016	No	N/A
Pentrepoeth Primary	601	213	850	249	Stage 1 Estimate. Additional funding is via S106.	Yes	The nursery has been legally established. Demountable replacement / Nursery classroom & facilities
Llisbury High School	322	317	322	0	On site, due for handover Sept 2016. Additional funding is via S106.	No	N/A

Langstone Primary	1,352	0	1,399	47	Stage 1 Estimate. 3 statutory legal proposals to establish nursery. Additional funding is via S106.	Yes	Significant risk if deferred, due to reputation and legal implications. Would not recommend deferring.
	3,681	960	9,011	5,330			
WM2 - YGGIC	17,000	2,820	28,145	11,145	Scheme substantially progressed	No	N/A
John Frost redevelopment	4,000	2	4,000	0	Scheme substantially progressed	No	N/A
ASD/Gaer Enabling Works	4,265	2,469	5,000	735	Substantial works progressed, final stages of delivery for January-March 2017. Additional funding is via S106 and revenue conts.	No	N/A
Primary Place Challenge:							
Rogerstone Primary	188	166	166	-22	Completed. Additional funding is via S106.	N/A	N/A
Marshfield Primary	380	281	380	0	Completed	N/A	N/A
Maesglas Primary	400	85	546	146	Not started	Yes	We would recommend deferral
Monnow Primary	500	191	452	-48	Not started	Yes	We would recommend deferral
Lliswerry Primary	339	384	349	10	Completed. Additional funding is via S106.	N/A	N/A
Langstone Primary	29	400	28	-1	Completed	N/A	N/A
St Woolos Primary	6	6	6	0	Completed	N/A	N/A
Millbrook Primary	50	50	50	0	Completed	N/A	N/A
Non Allocated	238	0	130	-108	Contingency	Yes	N/A
	2,130	1,563	2,130	-22			
Developer-led New School Builds - FF&E Requirement:							
Jubilee Park Primary	0	0	615	615	Started, school to be established for Sept 2017	No	School Places required
West Glan Llyn Primary	0	0	615	615	Imminent, school to be established for Sept 2018	No	Developer determines build schedule
	0	0	1,230	1,230			
Total	38,562	9,077	57,863	19,322			

Programme (Project) Cost Estimates

APPENDIX FOUR

A separate financing spread sheet is set out in Appendix Three, indicating the current cost estimates, budget allocation and forecast funding gap, the five highlight pressures are:

1. Demountable Replacement (£8.6m against a £3m allocation)
2. New Welsh-medium Secondary School site (£32.1m against a £21m site allocation)
3. Caerleon Lodge Hill Primary new build (£5.6m against an original £5m allocation)
4. New ASD School with enabling works (£4.8m against an original £4.3m)
5. Fixtures, Fittings & Equipment (£1.2m additional cost to the Council)

1. Demountable Replacement:

- The original £7m set in 2011 was allocated for 7 schools.
- In 2014 the decision was taken to allocate £4m for the John Frost School demountable replacement
- This was added to the new WM2 scheme budget allocation of £13m creating a total allocated of £17m, and the essence was to maximise economies of scale and contractor efficiencies working on one expansive site, delivering two schools build schemes.

Leaving a demountable replacement programme balance of £3m for 6 remaining schools:

- 1 straightforward project – Lliswerry High
- 2 complex as they also incorporate provision of nurseries, complex financing but so far affordable – Langstone and Mount Pleasant
- 1 complex as it incorporates replacement of one demountable classroom as part of the delivery scheme to also create an essential nursery which has been legally established through statutory consultation – Pentrepoeth
- 2 very complex projects predictably high cost being Caerleon Comprehensive and Bassaleg
- Forecast to be £8.6m
- Funding gap of £5.6m

2. New WM2:

- Original allocation to this scheme was £13m
- Existing demountable replacement sum of £4m allocated to John Frost School
- Site also benefitting from the additional separate £4m for John Frost School redevelopment
- Total allocation has therefore been £21m
- Not straightforward, complex and emerging very high cost
- Forecast to be £32.1m
- Funding gap of £11.1m

3. Caerleon Lodge Hill:

- The original £5m set in 2011 was allocated for a new build
- Recent tenders received at circa £3.5m
- NORSE review and risk planning set true cost at potentially circa £6m
- The cost certainty can only be gained by appointment of a Contractor and detailed Design
- Forecast to be £5.6m
- Funding gap of £0.9m

4. New ASD School:

- As a result of considerable numbers of contract variations and budgetary inflation it is predicted this project will be underfunded
- Forecast to be £5.0m
- Funding gap of £0.7m

5. Fixtures, Fittings & Equipment:

- Two new schools are being built – Jubilee Park for September 2017 and West Glan Llyn for September 2018, the original Section 106 agreements did not include for the provision of Fixtures, Fittings & Equipment
- Forecast to be £1.2m
- Funding gap of £1.2m

Programme (Project) Status

APPENDIX FIVE

This appendix is intended to provide some detail and status on the projects, a review of appendix three denotes the financial position of each project:

1. Demountable Replacement Programme is still in scoping phase, costs are therefore estimated particularly for Caerleon Comprehensive and Bassaleg Schools – this programme group of projects also intended to incorporate the inclusion of nurseries at Mount Pleasant, Pentrepoeth (including a nursery) and Langstone (also including a nursery), providing for a complex financing base.
2. Nursery Programme – most projects to deliver community maintained nurseries are now completed, other than Mount Pleasant, Pentrepoeth and Langstone having the benefit of demountable replacement financing.
3. ASD capacity building – construction on the Gaer site is well underway – the enabling works (at Gaer Primary) are expected to conclude by September 2016 and the new ASD school site and premises is to emerge in the spring 2017.
4. Welsh-medium primary consolidation – concluded works on two primary school sites, both schemes are completed, achieved within budget.
5. Caerleon Lodge Hill new build – ready to move to appointment of Contractor to determine Design and cost certainty.
6. New WM2 – this is not a straightforward project, it is running late, has endured complex enabling works and flood management consequential issues.
7. John Frost School – this additional separate redevelopment project has not been straightforward as it has been targeted investment with a focused scope, it is running late, was never intended to represent a complete remodelling or total refurbishment of this school. This is unmatched by WG.
8. Primary Place Challenge cash sums have been made available by NCC with which to inject urgent investments in specific areas of the city to meet the demand for primary school places. Not all projects are achievable as the budget sum is constrained and unmatched by WG.

Summary, the following table sets out all projects in three categories of status:

Project	A: Completed or expected to complete shortly	B: Consider for deferral	C: Recommend for deferral
Demountable Replacement	Lliswerry High; Mount Pleasant;	Bassaleg; Caerleon Comp; Pentrepoeth Langstone;	Bassaleg; Caerleon Comp;
Nursery Programme	High Cross; Malpas Park; Glasllwch; Millbrook; Mount Pleasant;	Pentrepoeth Langstone;	
ASD capacity building	Gaer Primary; New ASD School	New ASD School	
Welsh-medium primary	Ysgol Gym Ifor Hael; Ysgol Gym Bro Teyrnnon		
Lodge Hill new build		Caerleon Lodge Hill	
New WM2		Ysgol Gyfun Gwent Is Coed	
John Frost		John Frost School	
Primary Place Challenge	Rogerstone; Marshfield; Lliswerry; St Woolos; Millbrook;	Maesglas; Monnow	Maesglas; Monnow

