

Report to	Cabinet
Date of meeting	23 rd April 2024
Lead Member / Officer	Councillor Gill German – Lead member for Education, Children and Families
Head of Service	Geraint Davies – Head of Education
Report author	James Curran – Principal Manager – School Support
Title	Sustainable Communities for Learning – Rolling Programme

1. What is the report about?

1.1. The Welsh Government has changed its approach to how it plans to deliver its Sustainable Communities for Learning Programme (formerly known as 21st Century Schools). The report explains the new process and seeks agreement on how to outline our intentions for phasing our proposed school investment over the next 9 years.

2. What is the reason for making this report?

2.1. A decision is required on the submission to Welsh Government of our Strategic Outline Programme for investment in the Sustainable Communities for Learning Programme.

3. What are the Recommendations?

3.1 That the draft Strategic Outline Programme (SOP) for the Sustainable Communities for Learning programme as contained in Appendix 1 be submitted to the Welsh Government for their consideration.

3.2. That the Cabinet confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 3) as part of its consideration.

4. Report details

- 4.1. For the next stage of investment in the school estate the Welsh Government have moved away from 5 year bands of investment (Band A and Band B of the 21st Century Schools Programme) to a more flexible approach over a longer 9-year time period with the 9 years divided into 3 blocks of 3 years each. All local authorities have been requested to update their vision to Welsh Government via the Strategic Outline Programme for investment by March 2024. For this revised Strategic Outline Programme local authorities have been asked to identify projects which are essentially ready for Business cases to be brought forward in the first three years, projects being developed and going through statutory consultation in the second three years and then pipeline projects for the final/third three years. These programmes will then be reviewed every three years.
- 4.2. The delivery of the formally committed 4 Band B projects (Ysgol Plas Brondyffryn, Denbigh; Ysgol Pendref, Denbigh, Ysgol Bryn Collen / Ysgol Gwernant, Llangollen and Denbigh High School) have been impacted by various delays. This effectively means that these projects are not going to be delivered within the original Band B timescales. It is therefore recommended that they be incorporated into the new Strategic Outline Programme.
- 4.3. Given the current financial pressures faced by the Council we need to reconsider what is affordable over what time period, given the Council's capital contribution to any project will have to be funded by prudential borrowing, which adds to the annual budget pressures on our revenue account.
- 4.4. It is recommended we retain our commitment to developing all 4 Band B projects, but that the development timescales are reprofiled to spread out the revenue pressures over a longer period.
- 4.5. There is also scope to include an additional project within the Programme. Discussions have taken place regarding a small extension at Ysgol y Castell in Rhuddlan originally to be funded from Section 106 funds from a local housing development in Rhuddlan. The costs of the project have increased and the option of inclusion in the Programme would allow the project to proceed. With the 65% /35 % intervention rate the £384k of Section 106 funding could draw in an additional £713k from Welsh Government to provide a potential budget of

£1.1m. There would be no borrowing requirement from this project as the Council contribution would come entirely from S106 developer contributions that (i) have already been received from the developer and (ii) need to be spent by 2029 otherwise the risk is they are returned to the developer. It is recommended that Ysgol y Castell be added to the Programme to join the existing commitment to the 4 former Band B Projects.

- 4.6. In addition, beyond these identified projects there remains a need for further investment in the wider school estate. The SOP (see Appendix 1) describes where potentially this investment may be needed from 2030 onwards. In the primary sector there remains a need to meet areas where there is a current deficit of provision, responding to demographic changes particularly in the North of the county and ensuring that the demand for Welsh Medium education can be met. In the secondary sector there remains a need for investment in those sites which have not benefited from large scale investment, namely, Prestatyn High School, St Brigid's, Ysgol Brynhyfryd and Ysgol Dinas Bran. It is suggested that targeted investment be made to replace or refurbish the poorer areas of the secondary school estate as part of this phase of the Programme. Further work is also needed to identify potential work to school buildings to enable support to be provided for pupils where alternative provision beyond mainstream provision will be required.
- 4.7. These areas are currently high level considerations and further work is required in advance of the next submission of the Strategic Outline Programme in the spring of 2027 to identify where this investment could be made during the 2030/2033 period. It is important to note that this latter part of the programme is seen as a potential marker for ambitions and not as clear commitments. The ambition shown could be scaled up or down dependent on our financial position at the time.
- 4.8. The approach outlined seeks to retain the Council's ambition to invest in our school estate as per the corporate plan pledge to provide quality buildings and facilities that support learning but through an approach which assists affordability. The approach to staggering these projects, which have already experienced delays during the Band B period, will see a delay in respect of commencing construction on sites. Importantly this approach will also spread the revenue pressure over a longer period during a challenging time for the

Council's finances to ensure that we can both deliver on our overall ambition whilst reducing the wider financial pressures arising from this investment. This will limit revenue pressures on front line services such as schools over the coming years. The addition of the project at Rhuddlan funded from a commuted sum and the proposals for significant new projects beyond 2030 will demonstrate our clear ambition to build on previous investment in the school estate.

5. How does the decision contribute to the Corporate Plan 2022 to 2027: The Denbighshire We Want?

- 5.1. A prosperous Denbighshire – the progression of the programme could see significant investment in the County during the construction phases of the projects which will bring economic benefits to Denbighshire through local spend. The programme will be required to demonstrate community benefits.
- 5.2. A learning and growing Denbighshire - the progression of the programme will ensure that we provide high quality buildings and facilities that meet the needs of pupils, their families and the wider community, including working in partnership with Welsh Government's Sustainable Communities for Learning Programme.
- 5.3. A greener Denbighshire - The proposed programme will have a positive contribution to the Council becoming Net Carbon Zero by 2030. Welsh Government announced that from 1st January 2022 all new build projects will be required to demonstrate delivery of Net Zero Carbon in operation. Welsh Government have stated that they will fund 100% of this in line with current benchmarks that they have detailed.
- 5.4. The proposed programme will play a part in achieving one million Welsh speakers in Wales by 2050, by delivering the Welsh Language Strategy with partners and communities. The development of Welsh Medium provision during the programme will support children and families during their early years to develop confidence in using the Welsh Language.

6. What will it cost and how will it affect other services?

- 6.1. The currently identified projects from Band B, plus the additional project at Ysgol y Castell, have a current provisional cost of £67.7m (see Appendix 2).

Based on current intervention rates the contribution from Denbighshire would be £20.6m with the Welsh Government requested to fund £47.1m. This would equate to an overall revenue pressure for borrowing of £1.3m per annum. The Welsh Government contribution would include an additional cost of £5.5m to meet net carbon zero requirements.

- 6.2. The costs included in the Strategic Outline Programme for Years 7 to 9 at this stage are high level estimates and will include an allowance for optimism bias. This level of investment of the region of £88m would see a potential contribution from Denbighshire of £26.6m which would equate to a prudential borrowing cost of £1.75m per annum.
- 6.3. Clearly these are significant costs within a challenging financial environment for local authorities. There will need to be a constant review of the affordability of the programme and the opportunity to resubmit the rolling programme in 2026/27 may see a change in the appetite for investment. However, at this stage a realistic programme has been developed for consideration.
- 6.4. The progression and delivery of the Programme would have an impact on a range of Council Services. Services such as Performance, Digital and Assets, Finance and Audit, People and Planning, Public Protection and Countryside Services will play key roles in the development of proposals, procurement of contractors, change management and the delivery of the required digital infrastructure within the school building. A key aim of the programme is to deliver net carbon zero buildings and this will play a key role in meeting wider Council ambitions.

7. What are the main conclusions of the Well-being Impact Assessment?

- 7.1. The progression of the programme for investment for Sustainable Communities for Learning should have a positive impact on Denbighshire (see Appendix 3). The construction phase will lead to increased investment in local companies and improve employment prospects. Site selection may have a negative impact on a resilient Denbighshire and this will need to be carefully considered. The provision of modern buildings should impact positively on a healthier and equal Denbighshire whilst providing an opportunity for a more cohesive community. The impact on Welsh Language will be guided by where investment is made.

8. What consultations have been carried out with Scrutiny and others?

8.1. The projects listed as those carried over from Band B have been subject to previous Cabinet and Scrutiny discussions. This suggested approach has been recommended by the Council's Corporate Executive Team to ensure that the delivery of the programme remains affordable. The proposals to emerge for future years from 2027 to 2033 will be subject to full discussions with relevant Member Area Groups and Schools prior to any decisions regarding further projects to be confirmed in the programme.

9. Chief Finance Officer Statement

9.1. Given the financial pressure the Council is under in the medium term it is appropriate the revenue consequences of capital decisions are considered as has been set out and recommended within this report. It is important to note that the recommendation is to widen the length of time taken to complete the Band B projects spreading out the impact of the borrowing costs over a longer period of time on our revenue budget. This does not reduce the council's ambition or commitments to those communities affected. The concern is that if we continue to progress all projects further cuts to service budgets will have to be made to afford the borrowing costs which of course includes delegated schools budgets.

10. What risks are there and is there anything we can do to reduce them?

10.1. The current Modernising Education Programme includes clear procedures for the management and escalation of risks at both the Programme and Project level. Should the programme be progressed, these procedures would continue. The main risk associated with the revised Strategic Outline Programme will be around finance affordability. At this stage there will be a need for an element of caution around expectations for the programme moving forward.

11. Power to make the decision

11.1. Section 14 of the Education Act 1996 places a duty on local authorities to secure sufficient schools for providing primary and secondary education.