



CABINET

***Following the Policy and Resources/Cabinet Scrutiny on
WEDNESDAY, 4 OCTOBER 2017***

COUNCIL CHAMBER - PORT TALBOT CIVIC CENTRE

Part 1

1. To receive any declarations of interest from Members
2. To receive the Report of the Chief Executive on the City Deal (Pages 3 - 38) Members of the Regeneration and Sustainable Development Scrutiny Committee invited to attend for this item
3. To receive the Report of the Head of Transformation on the Strategic School Improvement Capital Funding Programme Band B (2019-2024) (Pages 39 - 70)
4. Any urgent items (whether public or exempt) at the discretion of the Chairman pursuant to Statutory Instrument 2001 No.2290 (as amended)

S.Phillips
Chief Executive

Civic Centre
Port Talbot

Thursday, 28 September 2017

Cabinet Members:

Cllrs. R.G.Jones, A.J.Taylor, C.Clement-Williams, D.W.Davies, D.Jones, E.V.Latham, A.R.Lockyer, P.A.Rees, P.D.Richards, and A.Wingrave

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NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

4 October 2017

Report of the Chief Executive

SWANSEA BAY CITY DEAL

Matter for Decision

Wards Affected: All

SECTION A

Purpose of Report

1. A progress report on the City Deal and recommendations as to the position the Council should take on the possible next steps in the process.

Background

2. In brief, City Deals are bespoke arrangements between Cities or Regions and Government designed to promote growth, innovation and employment measured in terms of Gross Value Added (GVA) growth and jobs. In the devolved context, they are triangular arrangements between City Regions and the UK and Welsh Governments.
3. On 24 January 2017, Cabinet agreed to delegate to the then Leader of Council authority to sign an in principle City Deal agreement on the basis described in that report (listed as a background paper below).
4. The Cabinet also agreed that the City Deal should be referred to the then Economic and Community Regeneration Scrutiny Committee (or its successor) for further consideration and that officers should bring a further report to Cabinet on any definitive commitments following the local government elections. This report seeks to discharge those commitments.

5. On 20 March 2017, the Prime Minister, the First Minister and the four Council Leaders (Carmarthenshire, Pembrokeshire, Swansea and us) duly signed the Deal (at Appendix 1). The headline figures were a £1.3 billion deal to transform the economic landscape of the area, boost the local economy by £1.8 billion and generate almost 10,000 new jobs over the next 15 years based upon 11 projects (see Section C below).
6. The total investment package is made up of £241 million of UK and Welsh Government funding, £396 million of other public sector money and £637 million from the private sector. The other key partners are the two Health Boards - Abertawe Bro Morgannwg and Hywel Dda – plus the two Universities – Swansea and Trinity St David's.

More Recent Developments

7. A provisional governance structure has been established in shadow form (at Appendix 2). The main focus – led by Carmarthenshire County Council as the accountable body designate - has been on finalising the governance arrangements required to underpin the City Deal. There have been a series of meetings over the summer and in recent weeks at various levels: the Shadow Joint Committee (Leaders); the Programme Board (Chief Executives) and others (finance and legal officers).
8. The governance arrangements are to be the subject of a draft Joint Working Agreement (JWA) – and will include regional scrutiny arrangements. The work has been ongoing for some six months with external legal support; but is not yet complete. In terms of the draft itself, numerous versions and supporting documents have been produced over the summer. The document runs to some 70 pages; but is available to Members (from Legal Services) on request. Thus the process is proving very complicated and resource intensive – and that complexity potentially increases considerably the financial risk to the local authorities. At its most basic level, if Members were to ask for a simple explanation of how it all would work in practice, officers could not provide a clear one as things stand. In recent weeks, it has effectively been decided to start again on the JWA and search for a different, more practical, model.
9. The essential problem is that clarity is required on a number of key issues (detailed in Section B below). This is needed from the region itself and both governments before officers could recommend that the

Council sign it; but the necessary clarity has **not** yet been achieved despite intensive efforts, including discussions with Ministers.

10. The agreement signed in March commits both governments to work with the region to achieve this. This Council is one step removed from the discussions (as Carmarthenshire Council act as the main point of contact). Whilst there has been plenty of contact, there is insufficient evidence of joint problem solving in our view. One issue is that we get very little in writing – certainly by way of definitive commitments - from the two governments. This is important in the context of the financial issues and risk explored below.
11. Moreover, the March agreement also contains two arguably conflicting priorities. The Welsh Government wants the process led by a Joint Committee of local authority leaders (consistent with their approach to local government reform¹) whereas the UK Government has insisted upon a private sector led Economic Strategy Board (ESB) as part of the arrangements. It is worth noting that this is pretty much what we had prior to 31 March 2017 in the form of the Swansea Bay City Region Board; but the Welsh Government effectively abolished it. All this should not be an insurmountable problem; but it is indicative of the complexity as we are now required to go through a quasi-public appointments process to populate the new Board.

SECTION B

Key Legal, Financial and Risk Issues

12. These are all intrinsically inter-linked. At a basic level, local authorities in Wales have the powers to establish Joint Committees under sections 101 and 102 of the Local Government Act 1972 and sections 19 and 20 of the Local Government Act 2000. The JWA would be the legal vehicle for doing so. There has also been debate about whether the existing powers available to local government to promote economic and wider well-being such as the 2000 Act are sufficient in terms of delivering the City Deal – ahead of any general power of competence foreshadowed as part of the Welsh Government's plans for local government reform (but that requires legislation which is at least a year away) - or whether these are constrained to the administrative areas of individual local authorities.

¹ See the statement of the Cabinet Secretary for Finance and Local Government on local government reform of 18 July 2017

13. Crucially, there are a number of key financial issues that remain unresolved and are linked to the delivery of the projects and other material considerations – sections C and D below. What follows is by no means an exhaustive list and the current excess of ambiguity increases risk – a sentiment the Leader expressed clearly in a letter to his regional colleagues in June of this year and in discussion with the Cabinet Secretary (Mark Drakeford) in mid-July. The first three issues below were also the subject of an exchange of letters over the summer between the Leader of Swansea Council and the Cabinet Secretary; but the latter’s response provided no real clarity:

- The March agreement commits the Welsh Government to “explore” the retention of a proportion of any additional National Non Domestic Rates (NNDR) generated by City Deal projects. This has a direct bearing on the business cases under preparation and is a potentially vital means of servicing interest payments on borrowing. However, whilst the Cabinet Secretary has indicated that a scheme may possible, it would operate on a regional basis and it is unclear how that would operate in practice. Therefore the overall position remains unresolved and an early resolution of the issue seems unlikely, if at all. In a different context, there is equal uncertainty at the UK level where the proposed Local Government Finance Bill, which was to have provided for similar reform in England, was dropped from the summer Queen’s Speech.
- The City Deal includes £396m of public sector funding. We have received details of the indicative UK and Welsh Governments funding per project; but we need to see the equivalent for the public sector funding (how much, from what source and over what period etc.?) Without this, we cannot advise Members of the full financial impact. A major issue is the uncertainty around the so called ARCH (regional Health Collaboration) programme which is linked to the City Deal. A bid was submitted to the Welsh Government by the two health boards in the region in January of this year and we are well aware of the competing priorities for revenue and capital funding within the NHS. The ARCH programme has been asked to look at “alternative sources of funding”; but assumes more than £100 million from the City Deal. Increasingly, we do not believe that the ARCH programme will secure significant medium to long term funding from the Welsh Government. If so, there can be no question of Councils being invited to plug any gap. This uncertainty could, in turn, undermine

the ability of projects to attract the even larger required private sector match funding. These matters therefore remain unresolved.

- Local authorities can only capitalise expenditure on the basis that they have long term assets on their balance sheets. In relation to City Deal capital projects, some will be developed and built by Councils; but others may need capital grant payments from a Council(s). Thus local authorities will need Welsh Government (and possibly UK Government) approval to capitalise both the revenue expenditure and capital grant payments made to third parties. This applies to both the Government and the public sector funding streams and without the capital direction, the full extent of the revenue cost and capital grant payment will have to be funded from the Council's revenue account in the year of spend. This is unaffordable unless it is spread over as long a period as possible – up to 40 years. Moreover, unless Capitalisation Directions are provided then our external auditors will not allow us to spread the repayment over time which would place an unsustainable cost on the Council taxpayer and could possibly be judged to be in breach of our fiduciary duty. Again, this matter remains unresolved.
- The March agreement includes a reference to contribution/funding conditions to be imposed by the two governments; but these have yet to be married up with the JWA in final form. Also, there is the issue of who approves these conditions (this must be a matter for individual Councils, not the Joint Committee in our view). We also need the ability to veto flawed business cases or we automatically lose financial control; but if one business case does not proceed, this potentially presents its own set of problems as things stand (see final bullet point below). These conditions also have a bearing on the content of the Implementation Plan required as part of the March Agreement; but one has yet to be produced. Thus the position here again remains unresolved.
- The March document can also be read two ways on the nature of the funding. For some projects, we will require both capital and revenue funding (at least short term) e.g. CENGs – see below. That seems possible on one construction; but elsewhere the document suggests that the funding will be capital only. Once more, the position remains unclear.
- Most importantly, at a meeting in July the Welsh Government indicated that no funding for any project would be released until

business cases for all 11 projects were approved. This position was confirmed in correspondence from the two Governments received during August, commenting on the draft JWA. Given the issues identified in this report, that would effectively mean that no funding could be accessed in the short to medium term and we would be condemned to moving at the pace of the slowest. It could also result in the local authorities taking all the risk by funding projects up front with no absolute guarantee that the Government funding will follow immediately or at all, if one considers how they have been trying to re-write the clauses in the JWA. That would be unacceptable (and not part of the original Deal). As things stand, we cannot envisage circumstances where we would advise Members to sign up on this basis and we have been clear with all parties on this. In recent weeks, there have been indications that the two governments are prepared to drop this requirement; but their stated position has yet to be retracted in writing.

14. Carmarthenshire Council (as the lead body) is doing its best to resolve these issues; but there seems to be an absence of capacity and/or will to resolve key issues. For example, the UK Government seems fixated with the minutiae of how the ESB will function in relation to the Joint Committee; but in truth this is a peripheral issue.

SECTION C

The Projects

15. A description of the full list projects across the region is contained at pages 10-14 of Appendix 1.
16. This Council was assigned the lead on four of them. The picture on progress is mixed (here and elsewhere in the region):
 - **Centre for Next Generation Services (CENGS):** we are in the process of completing a full business case on this project, with a proposed site at Baglan. The aim of CENGS is to bridge, through data analytics, the gap between research and innovation and the commercialisation of products and services to anchor in the region the next generation of global communication services.
 - **Homes for Power Stations:** This project is already well advanced. A site in Neath has been chosen to demonstrate the concept where buildings can generate, store and release their own

energy, to reduce fuel poverty and impact positively on health and wellbeing. The proposed development will provide 16 new homes on the site of the former Hafod Care Home: eight 2 and 3 bedroom homes and eight 1 bedroom apartments.

The application was made by the Council's partners Pobl Group supported by SPECIFIC (a Baglan-based Swansea University/Tata joint venture) and planning consent was granted on 8 August 2017. The project can be rolled out across the region in subsequent phases (perhaps under a different model as, unlike this Council, the other three local authorities have retained their housing stock and access to the Housing Revenue Account).

- **Digital Infrastructure:** This was to be the centrepiece of the strategy – as set out in the “*Internet Coast*” proposal submitted to the two Governments in February 2016. However, that focus has been diluted since. Also, the digital infrastructure agenda was very dependent upon the active engagement of the former City Region Board Chair and his wider senior level network; but the Board was abolished and that opportunity put at risk. The simple truth is that the necessary expertise (or contacts) exists neither in the Welsh Government nor local government. As a consequence, little work has been done in recent months to progress the project, although a part time external advisor has now been appointed. However, it is also worth noting that the region has submitted a circa £30m+ bid to the UK Government’s Local Full Fibre Network Programme. This is not part of the City Deal per se; but is very much complementary to it in terms of enhancing digital connectivity. The UK Government has received some 100 bids (including four from Wales – Cardiff, Gwent, North Wales and ourselves); but, at the time of writing, we do not know whether our bid will be successful.
- **Steel Science:** the original concept - born during last year’s turmoil around Tata – was a project designed to assist the company realise value to their bottom line in the short to medium term to mitigate against the financial and market pressures which the company were facing, as well as to anchor in the region research and development in the steel and related manufacturing sectors (which we are doing regardless of the City Deal).

This was very much the Council’s focus and at one stage government was very keen on the idea (as a possible response to the crisis); but their interest subsequently cooled. We have also

had differences with Swansea University over their approach – to the extent that the University want to lead on the project. Essentially, they are more interested in research based capacity and projects, which have their place; but did not seem to us to be a sufficient response to the situation at Tata. Ultimately, it is the value of any project to Tata that will be decisive. We have also made it clear that we are not in the business of borrowing cash to fund University projects. The uncertainty has been compounded by discussions over a potential merger between Tata and ThyssenKrupp; but on 20 September 2017 it was announced that the two companies had agreed to the “first stage” of a deal to merge. At the time of writing, the full implications of the announcement remain unclear; but officers are re-engaging with Tata, Swansea University and others to identify a way forward.

SECTION D

Other Material Considerations

17. There are several which Members may wish to consider:

- Members will recall the Budget seminar on 19 July where the Director of Finance and Corporate Services outlined the acute pressures facing both the capital and, particularly, the revenue budgets over this Council term. The City Deal featured as a potentially significant financial pressure in that presentation (albeit largely unquantified at this stage), so this begs the question of competing priorities for prudential borrowing and finance.
- There are other priorities for Members to consider including Band B of the Welsh Government’s 21st Century Schools Programme to be launched in 2019 (we have done very well out of Band A); demands to maintain and improve the infrastructure of the County Borough (roads, bridges, etc.); the proposed rollout of the national childcare programme by 2020 and emergency provision for issues such as the Ystalyfera landslip. Accordingly, officers believe that Members should have the opportunity to consider the financial implications of the City Deal set against all of these priorities and during the forthcoming Budget Round.
- There are limited resources (human and financial) available to the Council to promote economic growth and job creation. This raises another question of priorities. Over the past five years or so, we

have devoted huge effort to the City Region/City Deal; but the Welsh Government cut the support funding to the region by 75% when the City Region Board was abolished and failed to deal with proposed secondments to assist in the work. We have agreed to contribute £50,000 during the current financial year provided the other Councils, the two Health Boards and Universities do likewise; but put simply, one could ask whether our time is best spent on this complex process with uncertain outcomes or should we concentrate upon securing funding (as we are currently doing) for the immediate delivery of regeneration schemes in the County Borough, particularly European Funding in advance of Brexit?

- As indicated above, there are (potentially at least) other vehicles for delivery; but outside of this complex governance framework. Moreover, the Valleys Taskforce provides a means of promoting City Deal related activity more locally and, possibly, delivering it more swiftly on the ground² given that the complexity of the framework actually risks delaying the delivery of projects.
- Finally, there may be doubts about the UK Government's commitment to the process given the gap between the rhetoric and the reality on large projects in South West Wales. In July of this year, rail electrification to Swansea was scrapped and UK Ministers have dithered endlessly over the Swansea Bay Tidal Lagoon. Thus it is reasonable to ask why we should currently believe that the City Deal would be any different and why we should carry the substantial risk identified in this report, particularly given the position that both Governments have taken hitherto on the release of funding (see the final bullet of paragraph 13 above).

SECTION E

Next Step Options & Conclusions

18. There are three scenarios (and other possible variations):

- First, officers do not favour establishing the Joint Committee formally in advance of finalising the Joint Working Agreement because we would effectively be committing ourselves to a legal entity which is not currently underpinned by robust governance

² See statement from the Minister for Lifelong Learning and Welsh Language (chair of the Ministerial Taskforce for the South Wales Valleys): 20 July 2017

arrangements and where too many important issues remain unresolved (as described in Section B above). A Joint Committee would also be a legal commitment, making it more difficult for the Council to subsequently withdraw if not satisfied with the position and, in our view, it would not be best practice to sign up on the basis of hoping that fundamental issues are resolved at a later stage. Moreover, it is arguable that as things stand, the arrangements do not meet the tests set out in the Welsh Government White Paper³.

- Second, we could withdraw now. That would not be well received either in the region or by the two governments; but officers do not at present recommend this course of action either. It would be premature. However, it seems to us that the Welsh Government's policy direction of mandatory regional working cannot extend to requiring local authorities to sign up to flawed/incomplete arrangements nor those which might put the Council taxpayer at risk and/or fail to satisfy our external auditors.
- Instead, we recommend a third way. The Council indicates that it is prepared to engage in further discussions; but not yet as a party to a formal Joint Committee should others wish to establish one. In our view, the JWA must be finalised first (including a resolution of the issues identified in Section B above) so as to provide clarity, remove ambiguity and reduce risk. In practice we hardly think the absence of a formal arrangement matters because, as things stand, there is little or nothing that the Joint Committee cannot do in Shadow form compared to a formal entity.

19. This approach has three main advantages. It provides more time to get the job done properly; it reduces the legal and financial risks if progress can be made and it provides Members with the opportunity to consider the advantages and costs of City Deal participation set against the competing priorities identified in this report and any others that Members may wish to consider.

20. The proper place for that is in the Council's 2018/19 Budget Round and it is at that point that we would recommend that final decisions on the City Deal be taken. It should also be noted that a recent meeting of the Shadow Joint Committee agreed in principle that a report to all

³ White Paper - Local Government Reform: "*Resilient and Renewed*": Welsh Government, 31 January 2017

constituent Councils would be made before Christmas if the JWA could be finalised. Meanwhile, the approach outlined above also provides the opportunity for the Council's scrutiny committees to make recommendations as they see fit and tie the process in to the production of our Well Being Plan/objectives (see immediately below).

Sustainable Development

21. The Future Generations and Wellbeing Act aims to make public bodies think more about the long-term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach. The Act places a duty that the public bodies will be expected to carry out. The well-being duty states:

Each public body must carry out sustainable development. The action a public body takes in carrying out sustainable development must include:

Setting and publishing objectives (“well-being objectives”) that are designed to maximise its contribution to achieving each of the wellbeing goals; and

Taking all reasonable steps (in exercising its functions) to meet those objectives.

22. Given the scale of the City Deal it is important that the Future Generations and Wellbeing Act is given due consideration in the development of any proposals, specifically in relation to the well-being ‘goals’ identified in the Act. The Public Service Board (PSB) is currently leading the development of our Well Being Plan/objectives as a requirement of the Act. There is a statutory duty upon the Council to approve both the Plan and objectives and on the PSB to approve the Plan by May 2018. Thus the decision making on the City Deal should inform this process (and vice-versa), if properly aligned.

Workforce Implications

23. None at this stage.

Equality Impact Assessment

24. Not required at this interim stage; but the Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific

Welsh public sector duties) having due regard the need to eliminate unlawful discrimination; advance equality of opportunity and foster good relations on the basis of 'protected characteristics'.

RECOMMENDATIONS

Members agree:

(1a) That the Council's position should be that the Joint Working Agreement (JWA) must be finalised (including a resolution of the issues identified in Section B above) before we could consider consenting to the establishment of a formal Joint Committee;

(1b) To request that officers bring a further report to Cabinet should a revised JWA be produced for decision, also to take account of any views expressed by the Scrutiny Committee [see recommendation (3) below];

(2) To authorise Cabinet Members and officers to continue to engage in informal discussions with a view to a decision on participation in the City Deal being taken by the end of the current financial year (in the context of the Council's 2018/19 Budget Round); and

(3) To refer this report to the Regeneration and Sustainable Development Scrutiny Committee for further discussion as Members see fit.

Reasons for proposed decision

To invite Members to provide direction on the conduct of further discussions on the City Deal.

Implementation of the decision

The decision is proposed for implementation after the three day call in period.

Appendices

Appendix 1 – Swansea Bay City Region City Deal – 20 March 2017

Appendix 2 – Provisional/Shadow Governance Arrangements

Background Documents

Draft Joint Working Agreement (JWA)

The Swansea Bay City Region “*Internet Coast*” Strategy – February 2016

Report to Cabinet, 24 January 2017

ARCH Portfolio Delivery Plan 2017

Letter from the Leader of Neath Port Talbot County Borough Council to the other Council Leaders in the region, 26 June 2017

Letter from the Leader of the City & County of Swansea (on behalf of the region) to the Cabinet Secretary for Finance and Local Government, 7 July 2017

Response from the Cabinet Secretary, 9 August 2017

Joint letter from the Wales Office/Welsh Government to Carmarthenshire County Council on the draft Joint Working Agreement, 17 August 2017

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UK Government
Llywodraeth y DU



Llywodraeth Cymru
Welsh Government

Swansea Bay City Region City Deal



Executive Summary

1. The Swansea Bay City Region is a critically important driver for the Welsh and UK economy. It is a region with strong urban centres complemented by a wider rural landscape and a significant coastal footprint that has created a diverse economic profile with numerous opportunities and challenges.
2. This City Deal will provide the region and its partners with the new ways of working and resources to unlock significant economic growth across the Swansea Bay City Region. It is a Deal where both Welsh and UK Governments have committed to jointly invest, subject to the submission and approval of full business cases in relation to the eleven identified projects and the agreement of governance arrangements for the deal, up to £241 million on specific interventions which seek to support and further build on the region's strengths which include health, energy and manufacturing sectors and are underpinned by a world-class digital infrastructure, successful universities and innovative health boards.
3. The Deal provides an opportunity to continue tackling the area's barriers to economic growth through: developing higher value sectors and higher value employment opportunities to match; increasing the number of businesses within these sectors to widen the economic base; and improving the region's GVA level against the UK average.
4. As well as taking forward programmes to drive economic growth the City Deal commits local leaders and partners to implementing effective leadership across the City Region. In agreeing this deal, the four local authority Leaders across the Swansea Bay City Region have agreed to create an Economic Strategy Board and Joint Committee to join up decision making and oversee the delivery of this City Deal.
5. These new governance arrangements demonstrate the benefits of taking a collaborative approach and will also enable local authorities to plan and deliver services at an appropriate scale for more effective delivery including strategic land-use planning, strategic transport and economic development.
6. Local partners within the Swansea Bay City Region estimate that this City Deal will lead to:
 - Funding of nearly £1.3 billion for interventions to support economic growth
 - Over £600 million of direct private sector investment levered to deliver interventions
 - Investment spread across the whole of the region to ensure all localities and citizens can benefit

- An overall increase to the economy of over 9,000 gross direct jobs
- A contribution to regional GVA of £1.8 billion

Our signing of this document confirms our joint commitment to ensure full implementation of the Swansea Bay City Region City Deal proposed by: Pembrokeshire County Council, City and County of Swansea, Neath Port Talbot Council and Carmarthenshire County Council.



The Rt Hon Theresa May
Prime Minister

Y Gwir Anrhydeddus Theresa May
Prif Weinidog



The Rt Hon Carwyn Jones
First Minister of Wales

Y Gwir Anrhydeddus Carwyn Jones
Prif Weinidog Cymru



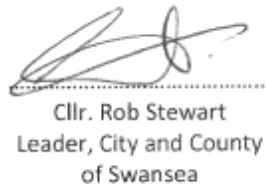
The Rt Hon Alun Cairns
Secretary of State for Wales

Y Gwir Anrhydeddus Alun Cairns
Ysgrifennydd Gwladol Cymru



Mark Drakeford AM
Cabinet Secretary for Finance and Local
Government

Mark Drakeford AC
Ysgrifennydd y Cabinet dros Gyllid a
Llywodraeth Leol



Cllr. Rob Stewart
Leader, City and County
of Swansea

Y Cynghorydd Rob Stewart
Arweinydd Dinas a Sir Abertawe



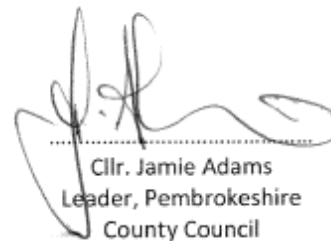
Cllr. Ali Thomas
Leader, Neath Port
Talbot Council

Y Cynghorydd Ali Thomas
Arweinydd Cyngor Castedd-nedd Port Talbot



Cllr. Emlyn Dole
Leader, Carmarthenshire
County Council

Y Cynghorydd Emlyn Dole
Arweinydd Cyngor Sir Gâr



Cllr. Jamie Adams
Leader, Pembrokeshire
County Council

Y Cynghorydd Jamie Adams
Arweinydd Cyngor Sir Penfro

Introduction

7. The Swansea Bay City Region is comprised of four local authorities: Pembrokeshire County Council, the City and County of Swansea, Neath Port

Talbot Council and Carmarthenshire County Council. It is a major driver of the Welsh economy and has a resident population of 688,000 supporting some 302,000 jobs and containing around 22,000 businesses.

8. The region is large and diverse containing both urban centres and a wide array of rural locations with distinctive yet inter-connected economies and communities. This diversity helps to position the region as a desirable location to live, work, visit and invest.
9. Whilst it is home to a range of major employers in key strategic sectors including manufacturing, healthcare and the public sector, it also includes a number of invaluable natural resources and infrastructure. For example, Milford Haven is one of the largest natural harbours in the world through which 28% of natural gas imports into the UK pass.
10. These existing strengths and assets are underpinned by a supportive network, including the region's further education establishments: Coleg Ceredigion, Pembrokeshire College, Coleg Sir Gar, Gower College Swansea and Grwp NPTC. This is also supported by Swansea University and University of Wales Trinity St David's which both deliver world-leading research and the skills and talent to drive growth.
11. However, despite these strengths the region is underperforming economically. Overall productivity (GVA) growth is consistently below that of the UK and Wales over the past two decades with GVA per employee in the region at £34,300 in 2015 (at 2011 prices), 74% of the UK average. This statistic is reinforced through the sectoral mix of the economy which, as a whole, is geared towards lower value sectors compared to the UK and therefore the nature of the jobs within these sectors is generally of a lower value.
12. Regional partners understand both the opportunities which the region's strengths could exploit and its weaknesses that must be addressed to deliver growth and have collaborated extensively to propose a City Deal with absolute focus on collective action over the next two decades.

Key Elements of the Deal

13. The Swansea Bay City Region partnership, through the 'Internet Coast' publication and subsequent discussions with the Welsh and UK Governments, has developed a clear strategy which has been underpinned with identified interventions to deliver widespread and sustainable economic growth across the region. These interventions, subject to the submission and approval of detailed business cases for the eleven identified projects by the Welsh and UK Governments, and the agreement of necessary governance agreements and a delivery model, form this City Deal and will represent a 15 year, £1.3 billion commitment for the region.
14. Both the Welsh and UK Governments will contribute up to £241 million into this Deal respectively. The four local authorities and other public sector bodies in the region will contribute £396 million over the period of this Deal.
15. It is anticipated that up to £637 million of direct private sector investment will be secured for this Deal across all interventions.
16. The Swansea Bay City Region believes that this investment will support the creation of over 9,000 additional jobs and contribute to increasing GVA by £1.8 billion.

Investment Themes

17. A future-proofed digital infrastructure will provide the transformative foundations for interventions in the Deal which, when combined, create a paradigm shift in the design, development and the application of technology within key sectors across the region. These interventions will centre on:
 - **The Internet of Economic Acceleration.** To deliver a coherent and integrated economic development strategy for the region that incorporates the identification of demand for and potential delivery of a next generation digital infrastructure and the creation of a digital district in Swansea and its hinterland. In addition, supporting the growth in the creative industries within the region through optimising the benefits of S4C's relocation, providing a recognised, world leading supportive environment for technology businesses and start-ups; and the development of the skills required to support growth.
 - **The Internet of Life Science & Well-Being.** To build on the existing regional assets through the expansion of research and innovation infrastructure and the piloting of a digitally integrated healthcare environment.

- **The Internet of Energy.** To place the region at the forefront of energy innovation in the areas of sustainable house building to address fuel poverty and in the creation of a centre of excellence to develop and exploit aspects of marine and other energy.
- **Smart Manufacturing.** To support the critically important regional manufacturing economy through aligning digital assets and research and development provision under Industry 4.0 principles to improve products, services and processes. In addition, developing a leading-edge innovation capability to support R&D within the steel industry in Wales and the wider UK.

Government Funding

18. The UK and Welsh Government commit to providing £241 million of capital funding to support this City Deal, with £115.6 million being contributed by the UK Government and £125.4 million by the Welsh Government, reflecting the balance of reserved and devolved areas of spending in the proposed projects.
19. The Governments will provide the funding over a 15 year period. Funding will be released following the agreement of full business cases for the projects by both Governments.

Local Authority Borrowing

20. Throughout the course of the City Deal programme the four Swansea Bay City Region local authorities will be responsible for financing the capital investment programme. The cost of any external borrowing is the responsibility of the relevant local authority or local authorities and is to be managed in accordance with prudential principles – it must be prudent, affordable and sustainable.
21. In a scenario where future City Deal delivery is not within agreed limits, leading to any reduction or cessation of City Deal grant, then it will be the responsibility of individual local authorities within the Swansea Bay City Region to manage the financial impact of this within their local authority budget, utilising reserves or surpluses as required.

Additional Funding Flexibilities

22. To support the Swansea Bay City Region's City Deal commitments and further underpin the resourcing of interventions to deliver economic growth, the four local authorities would welcome greater levels of financial autonomy and flexibility.

23. As part of this City Deal the Welsh Government will explore with the Swansea Bay City Region:

- the devolution of business rate income above an agreed growth baseline to provide funding for the City Deal programme;
- providing the ability to levy an infrastructure supplement;
- creating the option for the local authorities to use alternative finance sources; and
- removing conditions around some specific Welsh Government grants, to allow funding to be pooled at the regional level in areas such as school support and interventions that seek to address poverty.

Delivering Strategic Regional Functions

24. The Swansea Bay City Region, in partnership with the Welsh Government, will commit to delivering a number of key strategic functions at a regional level to support both the implementation of this Deal and wider development activity.

25. These functions will include strategic land-use planning and economic development however the four local authorities are free to agree to others where they demonstrate significant regional benefit.

26. As part of this commitment, local authorities will develop a timetable for implementation.

The Internet of Economic Acceleration

27. The Internet of Economic Acceleration theme seeks to position the region as an internationally recognised location for the industry led exploitation of next generation digital networks and innovation systems.
28. It aims to build on existing assets within the region with interventions focused on both the need and potential provision of digital infrastructure together with the physical space, support networks and skills required to develop technology focused businesses across knowledge based sectors.
29. Identified interventions will complement any existing provision in the region and will be subject to the submission of detailed business cases and implementation plans for approval by the Welsh and UK Governments. Under this theme interventions include:
- **Digital Infrastructure.** The local partnership will explore the demand and investment case for the provision of a state of the art digital infrastructure for the region that will underpin all interventions within this Deal. This infrastructure could potentially include the creation of a full-fibre network with gigabit speeds and the expansion of existing 4G and WiFi capabilities. The UK Government's 5G Strategy published at Budget 2017 sets out the steps that the Government will take to achieve its ambition to be a global leader in 5G, including the creation of a new national 5G Innovation Network. The local partnership will investigate how investment in 5G technology and applications through the City Deal could support projects within the area. The UK Government would encourage engagement from the local partnership to identify how the Swansea Bay City Region might link with the wider 5G Innovation Network programme.
 - **Swansea City & Waterfront Digital District.** The Digital District initiative aims to create a vibrant and sustainable city centre that facilitates the growth of higher value activities (particularly tech businesses) and acts as a key driver for the regional economy. It will create incubation space and co-working areas for start-ups and small businesses at the Waterfront development; create a new City Centre Business District to support the growth of tech businesses and other higher value added activities and; develop digitally orientated physical assets to help revitalise the City Centre.
 - **Centre for Excellence in Next Generation Digital Services.** The Centre aims to act as a systems and solutions hub for the internet coast. Operating from a purpose-built facility which will offer incubation, laboratory and 2nd stage space, the Centre will bridge the gap between research and innovation and the ability to launch, develop and grow commercial opportunities.

- **Yr Egin – Creative Digital Cluster.** Building on the decision by S4C, the Welsh language broadcaster, to establish its headquarter presence in Carmarthen, Yr Egin aims to develop a new digital creative cluster. This will seek to attract creative SMEs to start up or expand through providing next generation digital infrastructure, business accelerator facilities, incubation space, and networking opportunities.
- **Skills and Talent Initiative.** Delivered through the Regional Learning and Skills Partnership which is made up of private and public sector members, this initiative seeks to ensure the creation, attraction and retention of a workforce equipped to deliver each of the City Deal interventions. It will focus on a number of strands including advanced skills, HE/FE provision, Continuing Professional Development, apprenticeships and school engagement amongst others to contribute to a broader uplift in productivity across the wider economy.

The Internet of Life Science & Wellbeing

30. The Internet of Life Science & Wellbeing theme seeks to act as a catalyst for the specific economic development ambitions of the existing ARCH (A Regional Collaboration for Health) partnership.
31. This partnership is unique, bringing together the regional Health Boards and the life science expertise within Swansea University, with a focus on open-innovation harnessing research capability, digital connectivity, clinical expertise and citizen access to enhance the impact of the life science and healthcare sectors on economic growth.
32. Identified interventions will complement any existing provision in the region and will be subject to the submission of detailed business cases and implementation plans for approval by Welsh and UK Governments. Under this theme interventions include:
 - **Life Science & Well-being Campuses.** Built upon an ‘open access-open innovation’ philosophy, the Campus project will expand research and innovation infrastructure at the Morriston campus alongside world-leading clinical delivery. This will allow for significantly larger levels of both technology and clinical innovation to strengthen the regions capacity to commercialise research in partnership with international business, indigenous SMEs and university spin outs. In addition, a reconfiguration in real estate will see an expansion of the Singleton Campus where a growing cluster of medical and health technology businesses currently operate and collaborate.
 - **Life Science & Well-being Village.** The development of a Health & Well-being Village will be a truly unique initiative within the UK and at its heart would be the objective of integrating business development, education, wellness initiatives, research and development and healthcare into a single physical locality. The Village will contain a primary/community care facility, an Institute of Life Science facility to support research and provide incubation space, an education and skills development capability, and leisure and tourism facilities each element integrating to create a ‘Living Lab’ environment. The Village will be digitally connected to the campuses utilising the transformative digital infrastructure supported through the Internet of Economic Acceleration supporting interconnection across the region and creating life science and health employment and investment opportunities.

The Internet of Energy

33. The Internet of Energy theme seeks to build on the significant and diverse energy asset base within the region. It will align conventional and renewable energy production and storage capabilities, world leading research in areas such as tidal, materials and energy systems with the strategic energy hub at Milford Haven and transformative initiatives such as SPECIFIC.
34. This alignment will provide significant economic benefits positioning the region as a centre for energy related innovation as well as responding to critical regional issues such as the shortage of affordable homes and fuel poverty.
35. Identified interventions will complement any existing provision in the region and will be subject to the submission of detailed business cases and implementation plans for approval by Welsh and UK Governments. Under this theme interventions include:
- **Homes as Power Stations.** Building on the capabilities of existing organisations and research facilities within the region that are developing new technologies to allow buildings to generate, store and release energy, this initiative seeks to undertake an extensive new house build and retrofit programme which integrates such technologies. Whilst this programme will help to generate sustainable and affordable homes and address fuel poverty, it will also develop and seek to attract new sector supply chains incorporating leading research and high value manufacturing and construction operations. The UK and Welsh Governments expect the Swansea Bay region's proposals to be ambitious and also additional to the existing innovation landscape.
 - **Pembroke Dock Marine.** This project will unlock local growth and regeneration opportunities in the area, exploring marine and other energy sectors. The ambition will be that this project will create a cluster of resources, knowledge and capabilities in marine energy and other energy sectors to accelerate technological development and lead to indigenous business growth, new start up business and an attraction for international business in this field.

Smart Manufacturing

36. The Smart Manufacturing theme seeks to provide clear alignment between the region's critically important manufacturing sector, including both multi-nationals and SMEs, with existing and newly emerging R&D capability to deliver a step change in improving new products, services and industrial processes.
37. This new approach will have the aim of ensuring all businesses across the region can benefit from the increasing marriage between information, data, technology and the manufacturing process to exploit new markets and improve competitiveness, export capability, supply chain opportunities and the marketability of the region as a strong base within Europe for the sector.
38. Identified interventions will complement any existing provision in the region and will be subject to the submission of detailed business cases and implementation plans for approval by Welsh and UK Governments. Under this theme interventions include:
- **Factory of the Future.** To support and continue to build the region's strong manufacturing base, this initiative will create a network of smart manufacturing innovation centres which will provide SMEs with an opportunity to invest in leading edge technologies and opportunities associated with a digital manufacturing revolution. Informed by industry 4.0 principles, and supported by world class industrial innovators, this initiative will put the region and its enterprises at the forefront of this digital and data based manufacturing movement, creating a regional integrated manufacturing ecosystem.
 - **Steel Science Centre.** The Centre will focus on providing commercial R&D to address the current and future challenges of sustaining steel-making capacity in the region and the UK. In doing so it will work with industry to reduce its carbon impact and place the region at the cutting edge of low carbon production. It will also provide support for the developments in the steel supply chain and downstream operations. Local partners commit to working with the UK Government, and other stakeholders across the UK industrial innovation landscape, to ensure that this centre aligns with and strengthens future proposals within a potential sector deal for the UK steel industry.

Swansea Bay City Region Governance

39. The leadership and governance arrangements across the Swansea Bay City Region will be strengthened through the development of a transparent, stable and clearly accountable leadership structure which will provide a direct line of responsibility to the electorate of the four local authorities.
40. At the heart of these arrangements is an agreement that local partners will create two new bodies to oversee the implementation of this deal: an Economic Strategy Board, chaired by a private sector business person and with membership drawn from across the public and private sectors, and a Joint Committee of the local authorities and chaired by a local authority leader.
41. The Economic Strategy Board will set the strategic direction for the City Deal and will provide strategic advice to the Joint Committee on matters relating to the City Deal. The board will oversee the production of the final business cases for City Deal projects before referring them to the Joint Committee and receive regular monitoring reports to assure and if necessary challenge delivery of the deal.
42. The chair of the Economic Strategy Board will be appointed, following nominations, by unanimous agreement of: the Welsh Government, of the UK Government, and of the local partners (through a vote of the Joint Committee). Other members of the Board will be appointed through an open recruitment and nomination process. Swansea Bay partners will submit proposals for the recruitment and nomination process. This will be subject to unanimous agreement by local partners, the Welsh Government and UK Government.
43. The Joint Committee will be responsible and accountable for all financial, staffing and legal decisions in the delivery of this deal. The Joint Committee would need to agree to make decisions on City Deal funding based only on business cases on interventions previously agreed by the Economic Strategy Board.
44. The Joint Committee will also embrace the wider opportunities presented through a regional approach to strategic functions such as planning, transport and economic development.
45. The interventions outlined in paragraphs 29, 32, 35 and 38 will be subject to the submission and approval of detailed business cases by the Welsh and UK Governments.
46. The Regional Learning and Skills Partnership for South West and Mid Wales will also have a central role to play in leading on the strategic approach to the delivery of employment and skills in the region.

47. Formal governance arrangements and a delivery model will need to be agreed as part of a Joint Working Arrangement by the four local authorities and approved by the UK and Welsh Governments.

City Deal Delivery Team

48. To manage the implementation of the City Deal, partners will create a dedicated Operational Delivery Unit. This Unit will be resourced through an appropriate recruitment process. It will report directly to the Joint Committee and have day to day responsibility for managing the identification, assessment, approval, monitoring and evaluation processes for interventions and projects.
49. It will also deliver all appropriate administrative functions necessary to the implementation of the Deal including specific duties to service respective Committees.
50. The City Deal Delivery Team will be appointed by and report to the Joint Committee and will provide monitoring reports to both the Joint Committee and Economic Strategy Board.

Local Government Service Reform

51. The Swansea Bay City Region through the Joint Committee and in partnership with the Welsh Government, will commit to deliver service reforms that will see a number of strategic functions delivered at the Regional level. This will include land use planning, transport planning and economic development and will provide the underpinning blueprint and delivery mechanism for development across the region.
52. Proposals for local government reform include the development of joint governance committees covering three regions. These three joint governance committees would be required to determine and keep under review the arrangements for discharging those local authority functions which might be mandated to be exercised regionally. Potentially there are a range of functions which might be mandated including economic development, transport, land use planning, education improvement and social services.
53. The relevant region for the Swansea Bay Region City Deal would include the four local authorities which are part of the deal together with Powys and Ceredigion. These two authorities are developing 'Growing Mid Wales' and it is our expectation that these two sets of distinct arrangements would continue under the umbrella of the Central and South West Wales joint governance committee area. This Committee would then have a role in ensuring the coherence of these arrangements with those relating to other economic development and relevant functions within its area.

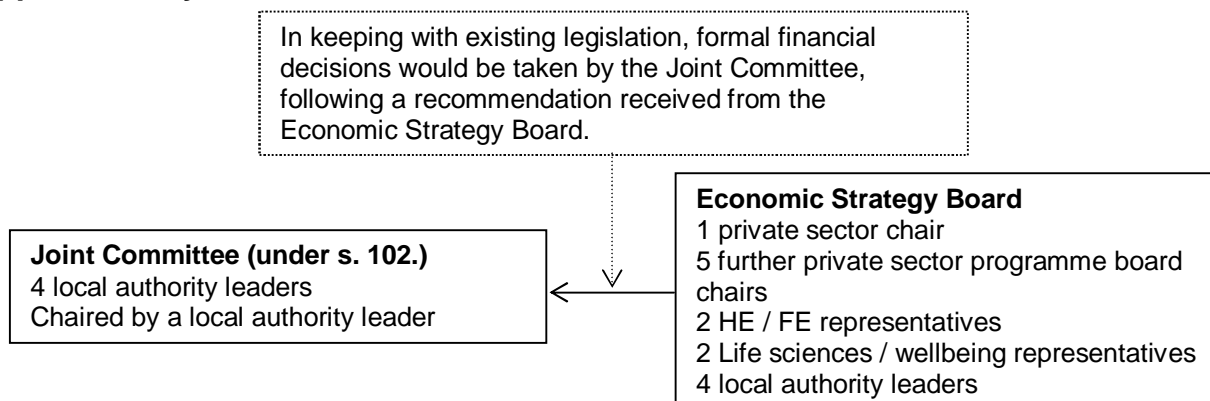
Delivery, Monitoring and Evaluation

54. Swansea Bay City Region will work with the UK Government and the Welsh Government to develop an agreed implementation, monitoring and evaluation

plan in advance of implementation, which sets out the proposed approach to evaluating the impact of delivery.

55. If the City Deal is not delivered as set out in the implementation plan agreed by the Swansea Bay Joint Committee, the Welsh Government and UK Government, or if any of the commitments in this deal document are not fulfilled, the Governments will review and may halt the payment of any unpaid funding for this deal.
56. The Swansea Bay City Region City Deal will be monitored by the Joint Committee. The City Deal Delivery Team will provide the UK and Welsh Governments with a quarterly performance report that will:
- Highlight City Deal successes.
 - Provide a performance narrative for each element of the City Deal against agreed implementation plan timescales.
 - Provide information on outputs and outcomes agreed.
 - Identify mitigating actions for projects and programmes that are not being delivered to agreed timescales.
57. The UK Government and Welsh Government will work with the Swansea Bay City Region to agree a timetable for the production of these reports and the Swansea Bay City Region will convene regular progress meetings.
58. A joint scrutiny committee will be drawn from the membership of the four authorities to provide an independent scrutiny function to ensure greater public accountability over decisions made by the Joint Committee and any of its sub-committees and related entities.
59. The Swansea Bay City Region commit to recognising the “City Deal” in promoting and branding investments made as a result of this Deal. This includes acknowledging Welsh Government and UK Government equally alongside other funding partners. The City Region may wish to explore a single unique brand identity that represents the whole City Region area and all the partners involved in delivering the City Deal.

Appendix: City Deal Governance¹



The Joint Committee's role is :

- UK and Welsh Governments funding would flow into the Joint Committee
- All financial decisions would be taken by the Joint Committee of Local Authority Leaders.
- The Committee has ultimate responsibility and accountability for decisions taken in the Deal.
- The Joint Committee will be chaired by one of the Local Authority Leaders.
- The Joint Committee would make investment decisions on the basis of a recommendation received from the Economic Strategy Board, of which they are all members.
- The Joint Committee can refer new proposals to the Economic Strategy Board for advice.
- The Joint Committee would need to agree to make decisions on City Deal funding based only on business cases on interventions previously agreed by the Economic Strategy Board, of which they are all members.

The Economic Strategy Board's role is :

- To provide strategic advice on matters relating to the City Deal and specifically in relation to proposals for investment.
- The Strategy Board would monitor progress with the delivery of the Deal.
- The Board will oversee production of business cases.
- The Economic Strategy Board would take the form of an "unincorporated association". It should set its own membership criteria, decision-making processes etc. but it cannot hold money or employ people.
- The Economic Strategy Board should agree in adopting its constitution that it will appoint as its chair a private sector representative. This person would be in addition to the private sector representatives on the board.
- There would be a three member recruitment panel consisting of one representative of the local area, one representative from Welsh Government and one from UK Government. Unanimous approval would be required to appoint the chair.
- The Local Area will be required to come forward with a proposal for the nomination and recruitment process of the Economic Strategy Board's membership. This will then need to be

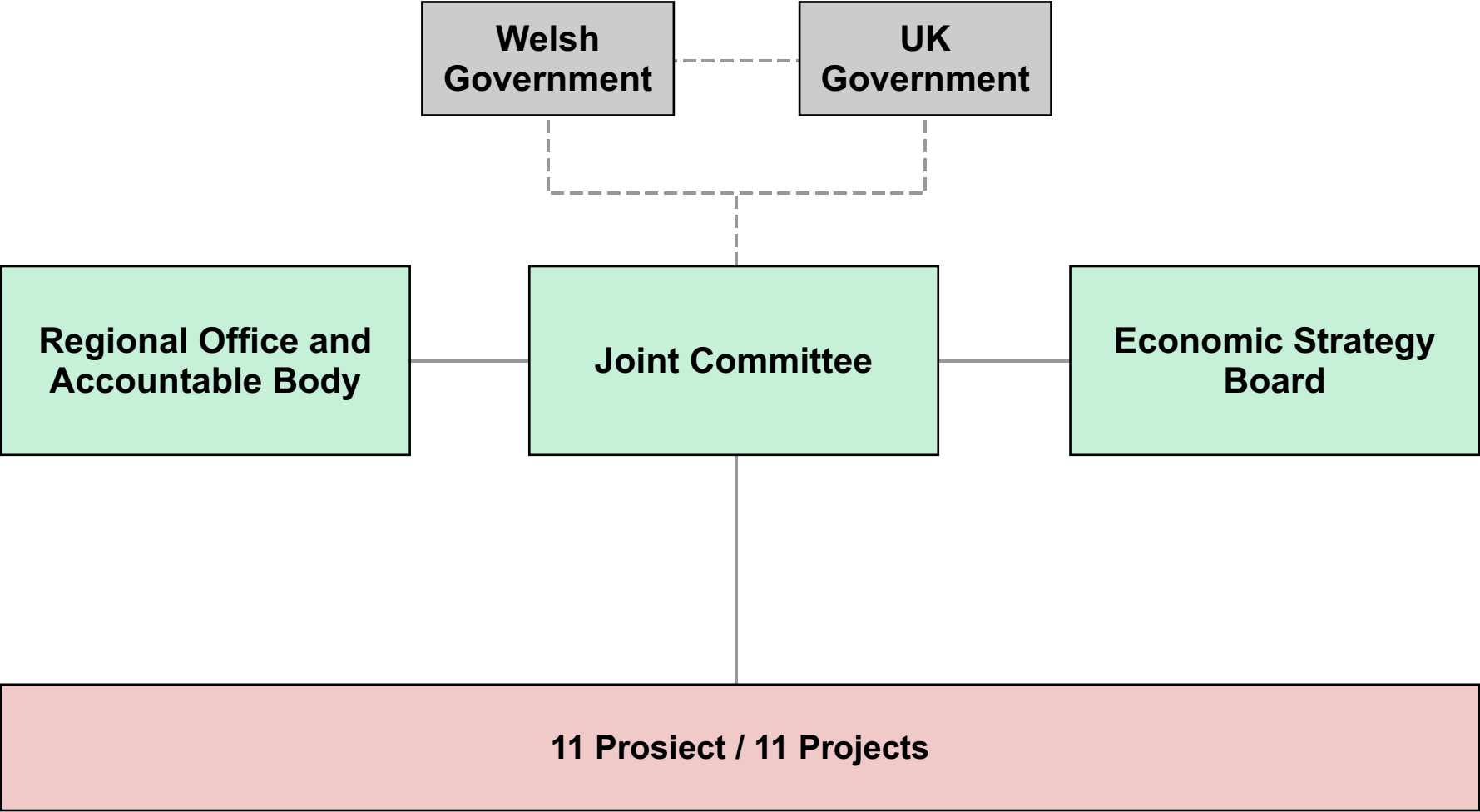
¹ Subject to agreement of Joint Working Arrangements by the four local authorities and approved by the UK and Welsh Governments.

approved by both UK and Welsh Governments.

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SBCR CITY DEAL

GOVERNANCE



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NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

4th October 2017

REPORT OF HEAD OF TRANSFORMATION ANDREW THOMAS

MATTER FOR DECISION

WARDS AFFECTED: All

STRATEGIC SCHOOL IMPROVEMENT PROGRAMME: PROPOSED PROJECTS FOR THE COUNCIL'S 21st CENTURY SCHOOLS CAPITAL FUNDING PROGRAMME - BAND B (2019- 2024)

Purpose of report

1. To obtain approval of the Council's submission for Welsh Government 21st Century Schools and Education Programme of capital funding - Band B (2019 – 2024).

Executive summary

2. The Welsh Government, through its 21st Century Schools and Education Programme of grant funding, supports capital build projects for new and replacement schools. This Council has benefitted from Band A (2014 -2019) of Welsh Government grant funding programme, enabling c.£122m of capital investment to be made in new school builds.
3. The Welsh Government is seeking grant funding submissions from local authorities for the next tranche of 21st Century Schools and Education Programme funding (2019 – 2024). An outline programme of projects for this Council has been submitted to the Welsh Government for initial consideration.
4. Member approval of the outline programme is sought.

5. The projects proposed in the outline Band B submission comprise:
 - a. Cefn Saeson Comprehensive c.£29m**
A new build English-medium school for 900 pupils aged 11-16 years to replace an existing secondary school assessed as building condition category grade D.
 - b. Ysgol Gymraeg Ystalyfera – Bro Dur c.£6m**
New build replacement accommodation as part of the site transformation of the north campus at Ystalyfera. This work complements the new build facilities at the school funded by Band A.
 - c. Ysgol Newydd (Cwmtawe) c.£14m**
A new build English-medium school in the Pontardawe area to accommodate primary age pupils as part of an ‘all-through’, 3-16 development involving Cwmtawe Comprehensive and four existing primary schools.
 - d. Ysgol Newydd (Coed Darcy) c.£9m**
A new build school for 450 pupils aged 3-11 (incl. Nursery) at Coed Darcy urban village. The language medium of the school is yet to be determined. This scheme is carried over from the initial Band A submission.
 - e. Abbey Primary School c.£9m**
A new build English-medium school for 450 pupils (incl. Nursery) on a single site to replace the existing buildings located over 3 sites.
6. These projects address the poorest condition school buildings (building condition category D) whilst also seeking to improve service delivery and address potential risks to business continuity. There are many more schemes that need be tackled with the support of future funding initiatives.
7. To support Band B, the Welsh Government is offering two grant funding options: the traditional capital grant funding route based on a 50% contribution from the Council; and a Mutual Investment Model (MIM) requiring a 25% contribution from the Council.
8. Authorisation is sought for officers to explore with Welsh Government Officials the grant funding opportunities available

within the Band B programme and secure the most beneficial option for the Council.

Background

9. The Council is responsible for promoting high educational standards and for delivering efficient primary and secondary education. Having the right schools in the right place and ensuring that they are fit for the 21st century learner is the ongoing challenge facing the Council. Achieving this involves reviewing the number and type of schools the Council has in its area and assessing whether or not best use is being made of resources and facilities. This will include ensuring suitable provision for those pupils with special educational needs/additional learning needs.
10. The Council established a Strategic School Improvement Programme (SSIP) in 2008; a programme that has brought about significant change to the school estate during the ensuing period, including new build schools supported by Band A of the Welsh Government's 21st Century Schools programme of capital funding.
11. The SSIP is supported by a principles paper that sets out a programme of development ensuring that schools are "fit for purpose" and capable of delivering high quality education. Proposals for change are to be based on:
 - educational standards
 - the need for places and the accessibility of schools
 - the quality and suitability of school accommodation
 - effective financial management
12. Implementing the SSIP has involved reviewing existing provision in order to deliver education effectively and efficiently across the County Borough. It has led to substantial change involving opening new schools, closing existing schools, merging or amalgamating schools, federating schools and promoting new initiatives that support collaborative working between schools. It has also involved re-organising education provision to ensure pupils gain access to and benefit from the specialist support, skills and expertise available within the County Borough.
13. School reorganisation involving capital build projects has been supported by the Welsh Government's 21st Century Schools capital funding programme, Band A (2014 – 2019). This has provided up

to 50% grant funding for capital schemes, the remaining 50% being found from the Council's own resources, substantively from its prudential borrowing capacity.

14. When complete in 2018, Band A capital funding will have delivered two new build, 3-11, English-medium schools (Awel y Môr & Ysgol Newydd Briton Ferry); two new build, 3-16, English-medium middle schools (Ysgol Bae Baglan and Ysgol Newydd Margam); and a new build, 3-18, Welsh-medium middle school on two campuses one in the north and the other in the south of the County Borough (Ysgol Gymraeg Ystalyfera-Bro Dur).
15. Awel y Môr Primary School opened in September 2013 and Ysgol Bae Baglan opened in September 2016. Phase 1 of Ysgol Gymraeg Ystalyfera – Bro Dur (north campus) was occupied January 2017 with phase 2 (primary/lower school - north campus) scheduled to open in the Autumn term 2018. The new build at the south campus is also scheduled to open in the Autumn term 2018 as is Ysgol Newydd Briton Ferry and Ysgol Newydd Margam, completing the Band A programme of projects.

School estate – the context

16. In 2010, Neath Port Talbot supported 71 primary schools, 11 secondary schools and 3 special schools with a school-based pupil population of approx. 21,000.
17. Coupled with Council's overarching programme of school re-organisation the following changes to the school estate will have been effected during the period 2010 - 2018:
 - 7 x primary schools opened (2 x new school builds)
 - 3 x 'all-through' middle schools opened (3 x new school builds – 4 x schemes)
 - 1 x special school opened
 - 2 x specialist units opened
 - 7 x schools federated (2 x subsequently merged to form new school)

 - 26 x primary schools closed
 - 5 x secondary schools closed
 - 2 x special schools closed

- 4 x specialist units closed
 - 3 building condition category grade D schools removed; and
 - c. £40m backlog maintenance removed
18. For Neath Port Talbot County Borough Council, 21st Century Schools and Education Programme of capital investment, Band B, commences with a more efficient and much improved school portfolio which, by September 2018, will consist of:
- 52 x primary schools – no building condition grade D schools although c.50% of schools are assessed as building condition grade C
 - 6 x secondary schools – 1 x building condition grade D, 3 x condition grade C buildings and 2 x condition grade B
 - 3 x ‘all through’ middle schools – 2 x building condition grade A and 1 x substantially A (with condition grade D blocks)
 - 2 x special schools – 1 x building condition grade A and 1 x condition grade B
19. In 2019 the school-based pupil population is estimated to be approx. 20500

The need for change

20. The Council, like many other authorities across Wales, is managing an ageing school estate. Maintaining a school building portfolio where many premises are experiencing deteriorating internal/external fabric and end of life mechanical and electrical services presents a dilemma for the Council financially and operationally.
21. At the start of the SSIP the Council had in excess of c.£100m of backlog maintenance and accessibility costs associated with its schools. This rose to c.£110m as building conditions continued to deteriorate.
22. With limited finances to support this area of work the identified backlog maintenance requirements for schools significantly exceeds the amount of capital resources available annually.

23. In very many schools the mechanical and electrical services are in need of replacement due to their age and condition whilst leaking windows, deteriorating kitchens and utilities, damp and flat roof replacements pose challenging problems requiring costly refurbishment solutions. In some instances it may not be fully practicable to undertake a complete refurbishment scheme of the building, due to the dated systems of the original construction and inadequate site conditions.
24. Backlog maintenance costs have been calculated to provide a 'like-for-like' replacement of the element. The maintenance costs only considers the work to be undertaken within the next five years and does not include for future works outside this timescale. Once the identified work is developed into a scheme, these costs can rise considerably to allow for the upgrading of areas for modern and future use, and reorganising layouts to address the current teaching requirements of the school.
25. Undertaking backlog maintenance works identified in the condition reports will have a significant effect on the service delivery of the school. The school would have to close for a substantial period and in certain cases, there would be a need to construct a temporary building of similar size, for teaching pupils in the interim. This cost has not been allowed for within the backlog maintenance estimates.
26. Even if the work was affordable, the effect would be to make good the sustainability of the building but is unlikely to result in the delivery of a 21st century school environment or address provision and sufficiency of places, i.e. having the right school in the right place.
27. The completion of 21st Century Schools' Band A Programme in 2018 along with other school reorganisations, such as school closures, will have removed c.£40m of existing backlog maintenance and accessibility costs. Liabilities for maintaining schools with excess surplus places have also been addressed.
28. Investment in the proposed projects within Band B will result in 4 new build schools replacing 7 existing builds. This will remove a further c.£15m of backlog maintenance and accessibility costs. It will also complete the rebuild and reorganisation of the Welsh-

medium secondary school estate, the latter confirming this Council's long term commitment to Welsh-medium education.

29. Band B does not aspire to fully address building condition liabilities across the school estate as capital investment is limited, not least by the ability of the Council to match fund from its own resources and borrowing capacity.
30. Projects in the Council's Band B programme address the poorest condition school buildings (building condition category grade D) whilst also seeking change to improve service delivery. They also address risks to business continuity, the potential impact of which in a large secondary school setting would be significant. There are many more schemes that need to be tackled with the support of future funding initiatives.

Band B (April 2019 – March 2024)

31. The Welsh Government's 21st Century Schools and Education Band B Programme is anticipated to start in April 2019 and run to March 2024. Planning work for this Programme has started and the Council has been asked for information about emerging priorities and which projects are to be taken forward during this period that address poor condition and sufficiency of places - and are affordable.
32. The proposed Band B programme of projects comprises:

a. Cefn Saeson Comprehensive c.£29m

A new build English-medium school for 900 pupils aged 11-16 years to replace an existing secondary school assessed as building condition category D with c.£7.4m of backlog maintenance and accessibility costs.

The new build school will continue to serve the existing catchment as well as deliver specialist provision, admitting pupils from across the County Borough. It will be of sufficient size to accommodate potential growth.

b. Ysgol Gymraeg Ystalyfera – Bro Dur c.£6m

New build replacement accommodation as part of the site transformation of the north campus at Ystalyfera. This complements the new build facilities at the school funded by

Band A and will see the removal of two teaching blocks assessed as building condition category D, reducing backlog maintenance and accessibility costs by c.£3.6m.

This project will deliver a site suitable to meet demand for Welsh-medium education in the north of the County Borough.

c. Ysgol Newydd (Cwmtawe) c.£14m

A new build English-medium school in the Pontardawe area to accommodate primary age pupils as part of a 3-16 development involving Cwmtawe Comprehensive and four existing primary schools: Alltwen, Llangiwig, Rhydyfro and Godre'rgraig.

The new build will have capacity for approx. 750 pupils aged 3-11 (incl. nursery) and will require the relocation of four existing primary schools. The 'all-through' school will also accommodate 1284 pupils aged 11-16 in the existing accommodation of Cwmtawe Comprehensive school.

This proposal will deliver in a reduction in backlog maintenance and accessibility costs of c.£2.7m

d. Ysgol Newydd (Coed Darcy) c.£9m

A new build school for 450 pupils aged 3-11 (incl. Nursery) at Coed Darcy urban village. This is the first phase of the primary and secondary school builds intended to serve this urban village development.

The language medium of the school is yet to be determined.

This project is carried over from Band A and will be delivered by the developer as part of the existing Section 106 agreement.

e. Abbey Primary School c.£9m

A new build English-medium school for 450 pupils (incl. Nursery) on a single site to replace the existing buildings located over 3 sites.

This will remove c.£1.26m of backlog maintenance and accessibility costs.

Abbey Primary is a school that has recently been established from the amalgamation of separate infant and junior schools. It

hosts a specialist assessment centre for Early Years pupils from across the County Borough. The new build school would include this specialist provision. The school will continue to serve its current catchment area.

33. The total cost of Band B amounts to c.£67m.
34. Where a need has been identified and relevant capital funding is available, Early Years/Child Care provision will be developed alongside Band B projects.

Consultation

35. This report seeks Member approval for a submission to the Welsh Government for funding under its 21st Century Schools and Education capital grant funding programme, Band B.
36. As the programme is developed, each project within this Council's Band B programme of projects will be subject to consultation with the respective school communities. Where a project involves the closure of a school formal consultation will be undertaken in line with legislative requirements.

Impact on pupils

37. There will be no change to catchment areas served by the schools within the outline Band B programme or in the designated partner schools.
38. The arrangements for admission will allow full-time pupils currently on roll at schools within the programme to transfer to the roll of the new school, subject to the wishes of parents or unless pupils are transferring to secondary education. Prospective pupils (including nursery pupils transferring to full-time education) will need to apply for a place at the new school, in line with the Council's school admission policy.
39. Class sizes are set by the head teacher and governing body of the respective schools. When setting the class sizes the relevant Welsh Government legislation and guidelines will be followed, including the recommendation that classes are no larger than 30 pupils.

40. Where pupils are relocating to another site, the Council's home to school travel arrangements will apply. Prior to the new school opening suitable walking routes will be identified to ensure the school is accessible to all pupils.
41. Under the School Travel Plan requirements, all schools, with the support of the Council's Road Safety Team, are committed to meeting the School Travel Plan objectives by :
 - improving road safety within the local community
 - raising awareness about travel issues
 - encouraging walking, cycling and public transport for the school journey where applicable
 - encouraging independent travel where applicable

Impact on special needs education provision

42. There are no additional specialist units for children with statements of special educational needs specific to the Band B programme of projects. Where provision exists in a school associated with a Band B project, it is anticipated that this will transfer to the new facility.
43. Where pupils with additional learning needs, including children with statements of special educational needs, are supported in a mainstream setting the new facility will continue to provide support with appropriate funding for this purpose. In this regard, the Band B programme will provide 21st Century teaching and learning facilities for pupils with additional learning needs, including children with statements of special educational needs.

Financial Impacts

44. To support Band B, the Welsh Government is offering two grant funding options: the traditional capital grant funding route based on a 50% contribution from the Council; and a Mutual Investment Model (MIM) requiring a 25% contribution from the Council.
45. Discussions are ongoing with the Welsh Government over the most beneficial route for the Council to follow.
46. One of the projects contained within the Council's outline Band B submission will generate annual revenue savings. Savings generated as a result of the Strategic School Improvement

Programme (SSIP), of which 21st Century Schools is a significant component part, are ring fenced for further reinvestment in the Education Service. In order to assist with the funding of this programme, opportunities to convert the revenue savings into 'Prudential Borrowing' using its powers under the 2003 Local Government Act and corresponding WAG regulations will be maximised. In addition to utilising Prudential Borrowing, the Council will supplement its funding through the use of capital receipts where available.

47. The combined potential revenue savings generated by the Band B programme of projects and school reorganisation separate to Band B will allow the Council to realise c.£20m+ of capital investment. Should sufficient match funding not be secured then the programme of projects will need to be revised in line with the resources available.
48. The proposals outlined will result in a number of existing school sites being surplus to requirements. Assumptions in relation to potential capital receipts have not been made as there is too much uncertainty surrounding the timing, alternative usage and the amounts of any potential receipts that might be generated. Land values within the County Borough are not generally high, however and as appropriate, receipts will be included as schemes develop and as design details lead to greater cost certainty.

Management of programme

49. Since September 2008, the Council has adopted a structured approach to the rationalisation of educational provision in the County Borough – the Strategic Schools Improvement Programme (SSIP). This Programme is underpinned by four key principles: standards in education; the need for places and the accessibility of schools; the quality and suitability of school accommodation; and effective financial management.
50. This approach enables the Council to meet its statutory duties to provide 'fit for purpose' schools that deliver high quality education across the County Borough. The SSIP sets the context in which decisions on the organisation of school places in Neath Port Talbot are made. It facilitates the planned delivery of a managed programme for change.

51. The programme of projects is overseen by the Council's Corporate Directors' Group (CDG) reporting to the Council's Executive. The Senior Responsible Officer (SRO) is the Corporate Director for Education, Leisure and Lifelong Learning who sits on the CDG.
52. There is appropriate senior officer representation in the areas of Business Change Manager, Senior Users and Senior Suppliers. The SRO and CDG is supported by Programme Managers and a Programme Team, which is responsible for the day to day delivery of the Programme.
53. Programme managers are supported by a programme team of officers with specific disciplines – teaching & learning, data analysis, school building estate, legislative procedures and media/communications. Officers with complementary specialisms are engaged as needs arise.
54. To ensure decisions are informed by a wide base of stakeholders key officers of the Council from Finance, Human Resources, Corporate Strategy, Environment, ICT and Legal Services will be engaged as necessary as will Service Users. Additional stakeholders and project sponsors are involved on a specific programme/project basis.

Equality Impact Assessment

55. An equality impact screening has been undertaken and it has been determined that an equality impact assessment is not required for this report. As the Band B programme of projects is developed, each project will be separately screened for equality impact and an assessment, as required, will be completed as part of the business case approval process to ensure proposals are accessible and inclusive.
56. Where the project involves new build or major refurbishment of buildings, Welsh Government's grant conditions require the Council to comply with equalities and accessibility legislation under the Equality Act 2010 and that schemes are DDA compliant.

Workforce impacts

57. Across the programme of projects that comprise Band B there will be changes that impact on the employment of school staff,

particularly where existing schools will close. Upon closure all staff will cease to be employed at their respective schools. The new school will set a new staffing structure appropriate to its needs and budget.

58. Staff impact will be scheme specific and, as such, will be managed on a scheme by scheme basis. However, in all cases staffing structures will be the responsibility of the head teacher and the school's governing body. In the case of a new school, this will be the temporary governing body. In relation to school closures, the Council's policy is for the posts of head teacher and deputy head teacher to be advertised nationally. For other school based staff, i.e. teaching and support, as part of any re-organisation process staff will be supported by the relevant school policies and procedures which will include full consultation. Previous experience has shown that some staff wish to secure employment in the new school but others take the opportunity to take on new challenges elsewhere. Employees identified at risk of redundancy will be given access to the Council's prior consideration register.
59. The Council is committed to supporting staff at risk of compulsory redundancy and has secured the support and goodwill of the teacher associations/trade unions and governing bodies across the Council, via an employers' pledge. The Council has a good track record for supporting staff in such situations.

Legal impacts

60. Welsh Government's 21st Century Schools and Education Programme funding is granted subject to specific conditions.
61. The Council is required to comply with the European Commission's State Aid Rules.
62. Procurement of contractors in respect of Band B schemes will be in line with the South West Wales Regional Contractors Framework and subsequent arrangements when the current Framework ends in 2020.

Risk management

63. The potential risks associated with the proposal comprise the Council's reputation, educational standards, service delivery,

financial management of public money, procurement and contractual arrangements.

64. The Council will work to manage the risks and associated dependencies and constraints through strong programme/project management and robust governance arrangements.
65. A risk mitigation strategy will be employed to lower the likelihood of the risk occurring and/or to minimise the impact on the programme if the risk did occur.
66. Effective risk management will be fundamental to the successful delivery of the programme and as such, the programme risk register will be reviewed regularly throughout and identified risks arising from the projects will be scrutinised, evaluated and mitigated.

Risk Assessment

67. New school builds provide greater prospects for improving educational attainment for pupils
68. Realising the benefits of reorganisation together with the planned actions/measures, particularly thorough and detailed preliminary planning and negotiations, will mitigate the effects of identified risks.
69. The Council has demonstrated through its delivery of c.£122m of Band A projects that it has the experience, expertise and capability to successfully deliver the Band B programme of projects
70. The risk assessment is attached to this report as Appendix A.

Impact on community

71. As the Band B programme of projects is developed, each scheme within the programme will be subject to an impact assessment on community usage. Each scheme's delivery should result in an improved community usage offer with a wider range of better quality facilities.
72. Schemes will be developed with a clear focus on community usage, delivering new builds that work hard for the school and

which can be worked equally hard as a resource for the local community. In this regard, the proposal should have no adverse impact on community usage.

73. The Council remains committed to maximising procurement opportunities that contribute to regenerating the area by ensuring wherever practicable, money spent on procuring goods, works and services benefits local people, businesses, communities and the Welsh economy.
74. Since the introduction of the South West Wales Regional Contractors Framework, the Council's Regeneration and Economic Development department have worked successfully with framework contractors to deliver economic and community benefit.
75. Neath Port Talbot Employer Support Group (ESG) is used to manage and bring together a number of organisations that provide services to contractors, ranging from support for training and employment to helping businesses with tendering.

Welsh Language Impact assessment

76. The Council is committed to Welsh language education. Its Welsh in Education Strategic Plan (WESP) is integrally supported by its school reorganisation programme which has used Welsh Government 21st Century Schools Programme capital funding (Band A) together with its own resources to enhance provision for Welsh language education. This has included specific investment in Welsh-medium education, delivering new build, replacement facilities in the north of the County Borough, at secondary and primary phase level, and by establishing a new build facility for pupils aged 11-16 in the south.
77. The expansion of secondary phase education improves access which will have the effect of stimulating demand for education through the medium of Welsh. These developments, combined with reorganisation of primary phase education in the north of the County Borough, ensure a more sustainable Welsh-medium offer and reaffirm the Council's commitment to Welsh language education.
78. The Band B programme seeks to build on Band A investments by further enhancing the quality of the Welsh-medium school estate

by replacing poor condition buildings in the north of the County Borough with new build accommodation. It also supports Welsh second language education by delivering new build English-medium schools.

79. Implementing the Band B programme of projects should result in a positive impact on Welsh language development with increased access to Welsh-medium education and improved provision in Welsh second language settings. The proposal will consolidate Welsh-medium education in the County Borough by creating a viable and sustainable provision. The proposal contributes to the Welsh Government's aspiration for Welsh language and Welsh language education.
80. The provision of services associated with Band B will not treat the Welsh language less favourably than English, in line with the Welsh Language Measure (Wales) 2011.
81. The Welsh language impact assessment is attached to this report as Appendix B.

Recommendation

82. Having given due regard to the impact assessments in relation to equality, risk, and Welsh language, it is recommended that:
 - a. Members approve the Band B programme of projects as submitted to the Welsh Government for grant funding consideration; and
 - b. Officers be authorised to explore with Welsh Government Officials the grant funding opportunities available within the Band B programme and secure the most beneficial option for the Council.

Reasons for proposed decision

83. This decision is necessary to access Welsh Government 21st Century School and Education Band B Programme grant funding for capital projects.
84. Subject to the outcome of the grant funding application, implementation of the programme of projects will enable the

Council to promote high educational standards and the fulfilment of every child's potential. It will also enable the Council to meet its duty to secure efficient education in its area.

Implementation of the decision

The decision is proposed for implementation after the three day call in period.

Appendices

Appendix A: Risk Assessment

Appendix B: Welsh Language Impact Assessment

List of background papers

- a) Strategic School Improvement Programme Principles Paper: September 2008
[https://democracy.npt.gov.uk/Data/Cabinet/20080924/Agenda/\\$CAB-240908-REP-EL-KN.doc.pdf](https://democracy.npt.gov.uk/Data/Cabinet/20080924/Agenda/$CAB-240908-REP-EL-KN.doc.pdf)
- b) Cabinet – reconfiguration of Band A: July 2015
<https://democracy.npt.gov.uk/documents/s16179/CAB.%20090715%20Band%20A%20reconfiguration.pdf>
- c) Welsh Government - School Organisation Code: July 2013
<http://gov.wales/docs/dcells/publications/130719-school-organisation-codes-en.pdf>
- d) School Standards & Organisation (Wales) Act 2013
http://www.legislation.gov.uk/anaw/2013/1/pdfs/anaw_20130001_en.pdf

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Risk Assessment

STRATEGIC SCHOOL IMPROVEMENT PROGRAMME: PROPOSED PROJECTS FOR THE COUNCIL'S 21ST CENTURY SCHOOLS CAPITAL FUNDING PROGRAMME - BAND B (2019-2024)

Context

1. This risk assessment¹ has been carried out in line with the Council's Risk Management Policy 2015.
2. Implementing the proposed programme of projects will result in improvements to the Council's school estate by delivering 21st Century teaching and learning environments leading to improved pupil performance.

The reasons for the proposal

3. The Council is responsible for promoting high educational standards and for delivering efficient primary and secondary education.
4. Having the right schools in the right place and ensuring that they are fit for the 21st century learner is the challenge facing the Council.
5. The Council established a Strategic School Improvement Programme (SSIP) in 2008; a programme that has brought about significant change to the school estate during the ensuing period, including new build schools supported by Band A of the Welsh Government's 21st Century Schools programme of capital funding.
6. Continuing to implement the Council's school reorganisation programme will involve an ongoing review of existing provision to determine the optimum number and type of schools needed to deliver education effectively and efficiently across the County Borough.
7. The Council continues to review its provision on the basis of:
 - educational standards
 - the need for places and the accessibility of schools

¹ First iteration: 060917

- the quality and suitability of school accommodation
- effective financial management

Managing risks associated with the Programme

8. The potential risks associated with the proposal comprise the Council's reputation, educational standards, service delivery, financial management of public money, business continuity, and procurement and contractual procedures.
9. The Council will work to manage the risks and associated dependencies and constraints through strong programme/project management and robust governance arrangements.
10. A risk mitigation strategy will be employed to lower the likelihood of the risk occurring and/or to minimise the impact on the programme if the risk did occur.
11. Effective risk management will be fundamental to the successful delivery of the programme and as such, the programme risk register will be reviewed regularly throughout and identified risks arising from the projects will be scrutinised, evaluated and mitigated.
12. The Council has demonstrated through its delivery of c.£122m of Band A projects that it has the experience, expertise and capability to successfully deliver complex, high value projects. This capacity will carry forward into the Band B programme.

Risks and Benefits

13. The key benefits and risks associated with the Band B programme of projects are described below.

Benefits

14. Implementing the proposal will result in a range of teaching/learning and financial benefits, particularly in relation to:
 - replacing existing poor quality school buildings with 21st Century schools which provide stimulating teaching and learning environments that impact positively on pupils self-esteem and well-being and improve learning outcomes across the ability range

- addressing potential building condition issues that could adversely impact upon business continuity
- broadening curriculum delivery through increased use of I.T.
- more fulfilling teaching environments that improve morale
- delivering more sustainable school buildings (BREEAM standard)
- providing cost effective solutions to reducing backlog maintenance and repair costs
- utilising Welsh Government grant funding to support the enhancement of the Council's school estate
- educational forward planning through identification of need
- the effective use of resources and achieving efficiencies through economies of scale
- enhancing Welsh language development
- enhancing provision for additional learning needs and inclusion
- reducing the number of surplus pupil places
- ensuring that new builds are fully integrated community focussed schools, providing additional benefits to the community including community use of school facilities
- regenerating the local and national economy through community benefits such as the sourcing of labour, works and services, and goods procurement
- actively contributing to the Well-being and Future Generations (Wales) Act 2015

Risks

15. Potential risk areas in implementing the proposal include:

- educational standards not maintained
- less effective support for pupil well-being in larger schools
- increased home to school travel time for some pupils
- staff anxiety about job security and new management arrangements
- loss of school identity from closure of existing establishments
- resistance to change leading to lack of pupil, parent, staff and governing body support
- lack of political/public support for the programme of projects or individual schemes
- forecasted pupil numbers do not materialise/surplus places are not reduced
- budget allocation insufficient to meet needs

- loss of community facilities
- increased governance and staff responsibilities
- affordability of programme of projects and the availability of Welsh Government 21st Century Schools Programme funding
- prioritised schemes do not positively impact on reducing backlog maintenance and repair costs
- projects not delivered on time
- project specifications change during build phase with consequent penalty costs
- ability of supply side (contractors) to respond to demands of the authority
- relevant statutory approvals/planning permissions not secured
- insufficient land available for individual projects
- unexpected ‘abnormals’, demolitions and land purchase costs
- community benefits not realised

Risk assessment

16. Realising the benefits of reorganisation, as set out above, together with the planned actions/measures in the table below will mitigate the effects of identified risks. New school builds provide greater prospects for improving educational attainment for pupils. Estyn (Jan 2007) reported on the performance of schools before and after moving into new buildings, stating that ageing school buildings which are in a poor state of repair cannot meet modern teaching and learning needs. The report also states that inadequate buildings make improvements in standards more challenging and that in nearly all schools with new or refurbished buildings, pupils attainment and achievement have improved and in some cases the improvement has been significant.
17. With effective leadership and pastoral support structures, pupil well-being can be effectively supported in large schools. Similarly, leadership and governance structures will reflect the management responsibilities of larger organisations.
18. Some schools in the programme are new build replacements for existing schools involving no school closure and consequent staff disruption. Where a project involves establishing a new school, to address staff anxiety about their employment situation, a temporary governing body will be established and a head teacher appointed before the opening of the new school. The head teacher together

with the temporary governing body will determine the staffing structure for the new primary school.

19. Where a project involves school closure, as part of the process all school based staff will be supported by the relevant school policies and procedures which will include full consultation. Previous experience has shown that some staff will wish to secure employment in the new school but others will take the opportunity to take on new challenges elsewhere. Employees identified at risk of redundancy will be given access to the Council's prior consideration register. The Council is committed to supporting staff at risk of compulsory redundancy and has secured the support and goodwill of the teacher associations/trade unions and governing bodies across the Council, via an employers' pledge. The Council has a good track record for supporting staff in such situations.
20. The head teacher and the governors together with consultation with stakeholders will provide forums that will allow concerns to be considered particularly in relation to the areas of school identity and resistance to change. In new schools, the temporary governing body will have members with an interest in the areas served by the two existing schools and who will be well placed to ensure concerns are addressed and the new school becomes the school of choice of pupils and parents. The Council's home to school travel policy supports access to schools within the Band B programme.
21. Community and Welsh language impact assessments will be undertaken in relation to each scheme. It is intended that community facilities and activities will be enhanced as part of each project and the Welsh language education supported.
22. The Council annually reviews its arrangements for funding schools. The funding process recognises the changing balance between larger and smaller schools which is reflected in the allocation of the Individual Schools Budget and the level of funding individual schools receive, the Schools Budget Share.
23. The capital grant funding process is ongoing with the Council's submission for Band B currently being considered by the Welsh Government. This process will be subject to approval of business cases on a project by project basis. Officers will be working closely with Welsh Government officials to secure capital grant funding for the Band B Programme of projects and to ensure the Council's own

resources are sufficient to meet its contribution towards capital costs.

24. A number of risks to the build programme are identified as high. The Council has a sound track record at managing complex and high value projects and a risk mitigation strategy will be employed to lower the likelihood of the risk occurring and/or to minimise the impact on the programme if the risk did occur. The programme risk register will be reviewed regularly throughout and identified risks arising from the projects will be scrutinised, evaluated and mitigated.

Table 1

No	Risk description	A	B	Overall Risk (LxI)	Proximity	C			Update	Trend - Up - Down - No change
		L'hood score	Impact score			Planned action to mitigate	Target Date	Owner		
1	Educational standards not maintained	1	4	Low	4	Implementation of proposal together with lead direction from. governing body (inc Temp.GB.) and suitable head teacher, and appropriate support and challenge to ensure entitlements are met and provision delivered	2yrs. post completion date of individual projects	- SSIP team - ELLLS - Governing Body - Head Teacher - Support for inclusion - School governance team		
2	Less effective support for pupil well-being in larger schools	1	4	Low	4	Implementation of proposal together with lead direction from. governing body (inc Temp.GB.) and suitable head teacher, and appropriate support and challenge to ensure provision is at least equal to provision in previous school setting	1yr. from completion date of individual projects	- SSIP team - ELLLS - Governing Body - Head Teacher - Support for inclusion - School governance team		
3	Increased home to school travel time for some pupils leading to poorer attendance	3	2	Low	4	Thorough and detailed preliminary planning	From completion date of individual projects	- SSIP team - Governing Body - Head Teacher - Support for inclusion -		

4	Staff anxiety about job security and new management arrangements	4	3	High	1+	Implementation of proposal together with consultation meetings with staff and teacher associations/trade unions. Ongoing support from HR and clear staff plans agreed with teacher associations/trade unions. Appointment of temp governing body and head teacher as appropriate.	Autumn term 2017 and lead in period to completion of individual projects	<ul style="list-style-type: none"> - SSIP team - ELLLS - Governing Body - Head Teacher - School governance team 		
5	Loss of school identity from closure of existing establishments	4	1	Low	4	Implementation of proposal together with consultation meetings with parents and governors. Appointment of temp governing body and head teacher as appropriate.	1yr. from completion date of individual projects	<ul style="list-style-type: none"> - Temp Governing Body - Head Teacher - School governance team 		
6	Resistance to change leading to lack of pupil, parent, staff and governing body support	4	2	Medium	1+	Consultation meetings. Effective communication with parents and staff	Autumn term 2017 and lead in period to completion of individual projects	<ul style="list-style-type: none"> - SSIP team - Governing Body - Head Teacher 		
7	Lack of political/public support for the programme of projects or individual schemes	3	3	Medium	1+	Member briefings and consultation meetings with key stakeholders. Positive message from an effective communications strategy	Autumn term 2017 and lead in period to completion of individual projects	<ul style="list-style-type: none"> - Political Leadership - SSIP team - Governing Body - Head Teacher 		
8	Forecasted pupil numbers do not materialise/surplus places are not reduced	1	4	Low	1	Thorough and detail planning resulting in informed predications	From completion date of individual projects	<ul style="list-style-type: none"> - SSIP team - Support for inclusion 		

9	Budget allocation insufficient to meet needs	2	5	Medium	3	Thorough and detailed preliminary planning	From completion date of individual projects	- SSIP team - ELLLS SMT - Political Leadership		
10	Commitment to promoting Welsh Language education not supported	1	4	Low	1+	Selection of Band B schemes	Onwards from Autumn term 2017	- SSIP team - ELLLS SMT - Political Leadership		
11	Loss of community facilities, including child care provision (Flying Start)	2	3	Medium	3	Thorough and detailed preliminary planning	Onwards from start of construction of individual projects	- SSIP team - Governing Body - Head Teacher - Participation team		
	Increased governance and staff responsibilities	1	3	Low	4	Thorough and detailed preliminary planning	1yr. prior to completion date of individual projects	- SSIP team - Governing Body - Head Teacher		
13	Affordability of programme of projects and the availability of Welsh Government 21 st Century Schools Programme funding at risk	2	5	Medium	1	Thorough and detailed preliminary planning and negotiations	Onwards from Autumn term 2017	- SSIP team - ELLLS SMT - Political Leadership		
14	Prioritised schemes do not positively impact on reducing backlog maintenance and repair costs	2	5	Medium	4	Thorough and detailed preliminary planning	From completion date of individual projects	- SSIP team - ELLLS SMT		

15	Projects not delivered on time	2	4	Medium	4	Effective risk management	From completion date of individual projects	- SSIP team - Environment Services		
16	Project specifications change during build phase with consequent penalty costs	3	5	High	3	Thorough and detailed preliminary planning	Onwards from start of individual projects	- SSIP team - Environment Services		
17	Supply side (contractors) not responding to demands of the authority	2	4	Medium	3	Appropriate decision making and selection at procurement and contract completion stages	Onwards from start of individual projects	- SSIP team - Environment Services		
Page 66	Relevant statutory approvals/planning permissions not secured	3	5	High	2	Thorough and detailed consultation with relevant stakeholders.	From Autumn to start date of applicable projects	- SSIP team - Environment Services		
	Insufficient land available for individual projects	3	5	High	1	Thorough and detailed preliminary planning & site appraisal	Autumn term 2017 and lead in period to completion of individual projects	- SSIP team - Environment Services		
	Unexpected abnormalities, demolitions and land purchase costs	3	4	High	3	Thorough and detailed site surveys and contingency planning	Onwards from start date of individual project	- SSIP team - Environment Services		
21	Community benefits not realised	2	3	Medium	4	Detailed specifications at procurement and contract completion stages	On completion individual projects	- SSIP team - Environment Services		

Welsh Language Impact Assessment

STRATEGIC SCHOOL IMPROVEMENT PROGRAMME: PROPOSED PROJECTS FOR THE COUNCIL'S 21ST CENTURY SCHOOLS CAPITAL FUNDING PROGRAMME - BAND B (2019-2024)

Context

1. This Welsh language impact assessment¹ has been carried out to inform Member decision making in respect of the proposal's alignment with Council's position on the promotion and celebration of Welsh language and Welsh culture.
2. Implementing the Band B programme of projects will result in improved facilities for delivering Welsh language education and for supporting Welsh cultural activities.

The reasons for the proposed programme of projects

3. The Council is responsible for promoting high educational standards and for delivering efficient primary and secondary education.
4. Having the right schools in the right place and ensuring that they are fit for the 21st century learner is the challenge facing the Council.
5. The Council established a Strategic School Improvement Programme (SSIP) in 2008; a programme that has brought about significant change to the school estate during the ensuing period, including new build schools supported by Band A of the Welsh Government's 21st Century Schools programme of capital funding.
6. Continuing to implement the Council's school reorganisation programme will involve an ongoing review of existing provision to determine the optimum number and type of schools needed to deliver education effectively and efficiently across the County Borough.
7. The Council continues to review its provision on the basis of:
 - educational standards
 - the need for places and the accessibility of schools

¹ First iteration: 190917

- the quality and suitability of school accommodation
 - effective financial management
8. The Council is committed to Welsh language education. Its Welsh in Education Strategic Plan (WESP)² is integrally supported by its school organisation programme, the delivery of which has used Welsh Government 21st Century Schools Programme capital funding (Band A) together with the Council's own resources to enhance provision for Welsh language education. This has included specific investment in Welsh-medium education, delivering new build accommodation in the north of the County Borough, at both secondary and primary phase level, and by establishing a new build school for pupils aged 11-16 in the south.
9. A new school in the south of the County Borough improves access to education through the medium of Welsh, the effect of which will be to stimulate demand for places at Welsh-medium schools. This initiative, combined with reorganisation of primary phase education in the north of the County Borough, delivering a more sustainable Welsh-medium provision, reaffirms the Council's commitment to Welsh language education.
10. The Band B programme seeks to build on Band A investments, further enhancing the quality of the Welsh-medium school estate by replacing poor condition buildings in the north of the County Borough with new build accommodation. It also supports Welsh second language education by delivering new build, fit for purpose, English-medium schools.

Welsh language impacts associated with the proposal

11. The Council recognises that language and culture are essential parts of an individual's identity and it is committed to promoting and celebrating the Welsh language and culture in a pro-active and inclusive way. The Council's Welsh in Education Strategic Plan (WESP) details how it intends to further develop Welsh language education in schools. Welsh-medium education is an integral and essential part of the learning offer in Neath Port Talbot schools where all children benefit from the opportunity to learn, appreciate and understand their lives in a Welsh-medium environment. The Council underpins this principle by ensuring universal access to this provision.

² NPT Welsh in Education Strategic Plan (WESP): 2014 – 2017 & 2017 – 2020 (*awaiting approval*)

BAND B

12. The programme of projects in Band B will enhance pupils' Welsh language experience by creating more stimulating and aspirational teaching and learning environments in state of the art, 21st Century facilities that will impact positively on the self-esteem and well-being of pupils, leading to improved learning outcomes for all children across the ability range.
13. A new school will bring more choices and greater opportunities because there is more space and there are better facilities. Estyn (2007) reports that the attainment and achievement of pupils improves significantly when they move into new or significantly refurbished buildings, particularly when schools are in areas with high levels of social and economic deprivation.
14. New schools will ensure that pupils have adaptable ICT facilities suitable for learning in the 21st century. Mobile technology will be integrated with a sound pedagogical base to provide pupils with enhanced learning experiences, equipping them with the key skills and motivation needed to raise standards.
15. Band B new build schools will be exciting places for pupils and staff both internally and externally. There will be spacious, light and airy classrooms, access to a range of high quality and appropriate spaces for social interaction supporting the delivery of a pupil centred, inclusive and skills based curriculum that extends to social, sporting and cultural activities.
16. The Council supports and promotes the use of Welsh language through the development of Welsh language education policy and practices in first and second language settings. Implementation of proposals for 21st Century schools and school reorganisation plans ensure the delivery of sustainable Welsh language provision.
17. The 21st Century school environments resulting from the Band B programme of projects will contribute to increasing the number of pupils achieving A*-C at GCSE in Welsh second-language. New build schools stimulate effective teaching and learning. All pupils in new build English-medium schools will be given the opportunity to sit an accredited examination in Welsh at the end of Key Stage 4.
18. Within the Band B programme of projects there is support for the successful continuum from Welsh-medium primary schools to Welsh-medium secondary schools, ensuring a greater rate of

transfer from KS2 to KS3 and for ensuring that the post 16 curriculum offered through the medium of Welsh is broad and meets the aspirations of all students. Likewise pupils with ALN will have linguistic equality of opportunity in terms of Welsh-medium education and support.

19. By helping learners achieve fluency in Welsh through promoting easier access to Welsh-medium schools, Band B supports the Council's vision and aims for Welsh-medium education, as set out in the WESP, and also the Welsh Government's Welsh-medium Education Strategy³ and its vision for Welsh speakers by 2050⁴.
20. The Band B programme of projects secures secondary phase Welsh-medium education in the north of the County Borough, including provision for pupils from a neighbouring authority, Powys.
21. The provision of services associated with the delivery of the Band B programme of projects will not treat the Welsh language less favourably than English, in line with the Welsh Language Measure (Wales) 2011.

Welsh language impact assessment

22. In light of the evidence presented it is concluded that:
 - implementing the Band B programme of projects should result in a positive impact on Welsh language development with increased access to Welsh-medium education and improved provision in Welsh second language settings;
 - the proposal will consolidate Welsh-medium education in the County Borough by creating a viable and sustainable provision; and
 - the proposal contributes the Welsh Government's aspiration for Welsh language and Welsh language education.

³ Welsh Government's Welsh-medium Education Strategy: April 2010

⁴ Welsh Government's *Cymraeg 2050* Strategy