

Report To: Cabinet

Date of Meeting: 24th March 2015

Lead Member / Officer: Councillor Eryl Williams, Lead Member for Education

Report Author: Head of Customers and Education Support

Title: Approval of Final Business Case for Ysgol Glan Clwyd Redevelopment

1. What is the report about?

The report seeks to inform the Cabinet of the current position with regard to the Council's submission of the Final Business Case for Ysgol Glan Clwyd, St Asaph to the Welsh Government.

2. What is the reason for making this report?

The Welsh Government has previously approved the Strategic Outline Case (May 2013) and Outline Business Case (October 2013) for this project. Approval is now required for the Final Business Case to be considered for approval by Welsh Government.

3. What are the Recommendations?

To recommend to Council approval of the Final Business Case for Ysgol Glan Clwyd.

4. Report details.

- 4.1 The Council's Corporate Plan details the Council's ambition to deliver significant investment in the Council's School Building's portfolio between 2012-17. A significant element of this work will be the delivery of the Band A projects for the 21st Century Schools Programme.

21st Century Schools Programme

The Welsh Government provided approval in principal for £36.7m as their 50% contribution towards the 21st Century Schools Programme which includes 5 projects in December 2011. Subsequent to this the Welsh Government have worked with all local authorities to ascertain how the overall £1.2 billion investment across Wales can be allocated into deliverable workstreams for individual local authorities.

All projects within the 21st Century Schools Programme (21st CSP) will be required to follow the guidance for Business Case approvals as defined in the

HM Treasury Model. For projects below £5m a Business Justification Case will require approval whilst for projects above £5m approval of the Strategic Outline Case (SOC), Outline Business Case (OBC) and Full Business Case (FBC) will be required.

- 4.2 The Ysgol Glan Clwyd project will provide an extended and refurbished school building to meet the growing demand for Welsh Medium Education in the north of the County.

Cabinet gave approval in July 2013 for approximately £1.0m to fund Phases 1 & 2 (Concept and Detailed Design) works which would enable the project to be progressed to a stage where approval could be sought for the full business case and contractors proposals received.

In August 2014 Willmott Dixon were appointed as the lead contractor following a mini competition amongst the six contractors appointed to the relevant value band for the North Wales Construction Framework. They have been engaged to produce the design stages of the school with appropriate break clauses prior to the construction stage.

The Stage C Design Report was submitted by Willmott Dixon to Denbighshire in late January 2015 and is a key milestone document which summarises the feasibility undertaken over past 4 months.

The key objectives are:

- Give a comprehensive overview of the feasibility undertaken;
- Demonstrate technical proficiency appropriate to the design of the building and site;
- Present costing information which demonstrates that the school can be delivered to an agreed budget;
- Demonstrate an achievable master programme for the project which reflects possible outcomes of the planning process;
- Highlight any risks which remain with the project and show these can be mitigated and managed through the next stages of the project;
- Present a level of information on the feasibility to receive successful Denbighshire / Welsh Government funding approval and to enable the authority to move forward to the detailed stages of the project.

- 4.3 The overall cost for the project within the Stage C report was £14,175,521. This was higher than the previously estimated sum of £13,900,000 for the Willmott Dixon element of the project. An element of this is as a consequence of additional surveys required and a decision to retain the existing science block at the school, which was proposed for demolition, for an additional educational purpose. In approving the Stage C report, Denbighshire has expressed clearly its view that the costs will be reduced by approximately £80,000 prior to approval of the next stage of the project. The overall cost for the project remains at £15,900,000 which includes Denbighshire costs (client and design fees) and Client contingency sums.

- 4.4 The Final Business Case as attached is to seek approximately 47% funding from the Welsh Government to fund the project. This will mean that a sum of £8,410,060 will be required to be provided by Denbighshire. This balance between WG and DCC funding will enable the funding for the 4 Community School projects within 21st Century Schools (Rhyl New School, Ysgol Bro Dyfrdwy and Bodnant Community School, together with Ysgol Glan Clwyd) to be equal at 50/50. This sum is covered within the overall Corporate Plan and Capital Plan as part of the overall 21st Century Schools Programme funding.
- 4.5 The Final Business Case will be submitted to Welsh Government by mid-March 2015 on the proviso that formal approval from Cabinet and Council will be sought on 24th March and 14th April 2015, prior to final determination by the Welsh Government Capital Panel on the 28th April 2015. It is expected a final decision would be made by the Minister for Education in May 2015.
- 4.6 The following draft timescales are anticipated for progression of the project:-

Milestone activity	Date
Submit Business Case to WG	Mar 2015
Assessment of Business Case by WG	Apr 2015
Completion of Phase 2 – Detailed Design	July 2015
Contract Award	Oct 2015
Phase 3 – Construction	Nov 2015 – Aug 2017
Final Handover	Aug 2017

5. How does the decision contribute to the Corporate Priorities?

The development of the 21st Century Schools Programme and the wider Modernising Education Programme will be a factor in ensuring that the Council meets its aspiration to improve performance in education and the quality of our school buildings as documented within the Council's 2012 – 2017 Corporate Plan. The Programme will also assist the Priority of Developing the Local Economy via the investment of capital expenditure towards improving the quality of school buildings.

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

The costs arising from the Ysgol Glan Clwyd project will be approximately £15.9m. The approval of the Final Business Case will enable a contract to be agreed with the Welsh Government to enable the authority to secure approximately 47% of the match funding of the target cost. The final decision to engage Willmott Dixon for the construction stage will be made by Cabinet.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.

The equality impact assessment is of the view that the proposal will have a positive impact of children and young people who share protected characteristics. The impact will be monitored during the lifetime of the project. One of the key benefits of the project will be to resolve significant issues currently on site with numerous levels changes that render large areas of the current buildings inaccessible.

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

There has been extensive consultation with the school community at Ysgol Glan Clwyd in the development of the project to date. This has included a number of neighbourhood consultation meetings to discuss the emerging designs for the new school buildings. There has also been engagement with the Elwy Member Area Group and St Asaph City Council on the progression of the project.

9. Chief Finance Officer Statement

This is a key strategic project both in 21st Century Schools and the Council's corporate plan. The council has already committed around £1.0m to the initial works which have led to this proposal. There is sufficient capital funding available to deliver the project at the projected cost.

This is the second largest capital project ever undertaken by the Council and as such carries financial risk. Good project management is therefore key to this and the project must be carefully monitored.

At each stage the Council must be convinced that each project represents value for money and that the programme overall is affordable and deliverable. At this stage in the programme it is deliverable and affordable.

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

Should the project fail to receive approval there is a risk that the work undertaken to date will not be progressed any further. The approval of the Strategic Outline Case for this project in May 2013 and Outline Business Case in October 2013 could be seen to lessen the risk of the project failing to receive final approval from the Welsh Government. To mitigate this there has been regular discussions with the Welsh Government on the progression of the Ysgol Glan Clwyd project.

The overall project is being managed by an experienced Project Manager with clear arrangements for the management of risk during the project.

11. Power to make the Decision

Section 2 Local Government Act 2000 / Section 111 Local Government Act 1972