

Report To:	Council
Date of Meeting:	10 th May 2016
Lead Member / Officer:	Councillor Eryl Williams, Lead Member for Education
Report Author:	Nicola Stubbins, Corporate Director for Communities
Title:	Approval of Business Cases for Ruthin Town Schools Development and Ysgol Carreg Emlyn

1. What is the report about?

The report seeks to inform Council of the current position with regard to the Council's submission of the Outline / Final Business Case for the Ruthin Town Schools Development (Ysgol Penbarras and Rhos Street School) and the Business Justification Case for Ysgol Carreg Emlyn, Clocaenog to the Welsh Government.

2. What is the reason for making this report?

The Welsh Government has previously approved the Strategic Outline Case (January 2016) for the three Ruthin Primary Projects. The submission for approval of the Outline / Final Business Case for the Ruthin Town Schools Development (Ysgol Penbarras and Rhos Street School) and the Business Justification Case for Ysgol Carreg Emlyn, Clocaenog to the Welsh Government is now required for these to be considered for approval by the Welsh Government.

3. What are the Recommendations?

Recommend approval of the Business Cases for Ruthin Town Schools Development and Ysgol Carreg Emlyn.

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

- 4.2 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. In 2015 Denbighshire submitted a revised Strategic Outline Programme to include the Ruthin

Primary Projects within the 21st Century Schools Programme. This was approved in September 2015 and this increased the overall value of the Welsh Government contribution from £36.7m to £43.05m.

- 4.3 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.

Ruthin Town Schools Programme

- 4.4 The Ruthin Town Schools Programme project will provide replacement school buildings and facilities on a shared site within the town of Ruthin. The preferred option has been proposed following careful analysis of a wide range of options for the Ruthin area. The overall project estimate is approximately £10.5m.
- 4.5 In February 2016 Wynne Construction 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.
- 4.6 The Outline Business Case / Full Business Case (see Appendix 1) is to seek approximately 42% funding from the Welsh Government to fund the project. This will mean that a sum of £6,081,188 will be required to be provided by Denbighshire. This sum is covered within the overall Corporate Plan and Capital Plan as part of the overall 21st Century Schools Programme funding.
- 4.7 The following draft timescales are anticipated for progression of the project:-

Milestone activity	Dates
Submit Business Case to WG	Apr 2016
Assessment of Business Case by WG	May 2016
Completion of Technical Design	July 2016
Contract Award	Aug 2016
Construction Phase	Sep 2016 – Aug 2017
Final Handover	Aug 2017

Ysgol Carreg Emlyn

- 4.8 The new area school of Ysgol Carreg Emlyn was established on 1st September 2014. The new school was formed to replace the previous schools of Ysgol Clocaenog and Ysgol Cyffylliog and is currently operating on the two existing school sites in Clocaenog and Cyffylliog. The proposed project will enable the school to operate from a single site in the village of Clocaenog.

- 4.9 The Business Justification Case for Ysgol Carreg Emlyn (see Appendix 2) is to seek the approval from the Welsh Government for £1,395,763 as a contribution towards a £4,941,720 investment to build a new school building in the village of Clocaenog for Ysgol Carreg Emlyn.
- 4.10 The initial plans for the new school building have been developed by the internal Design and Construction Team and were submitted for planning approval in April 2016. The project plan seeks to appoint a contractor to develop the detailed design and to progress towards construction by the end of July 2016. This should enable construction to commence by November 2016. Following the appointment of a lead contractor the programme will be reviewed.
- 4.11 The following draft timescales are anticipated for progression of the project:-

Milestone activity	Dates
Submit Business Case to WG	Apr 2016
Assessment of Business Case by WG	May 2016
Appointment of Lead Contractor	July 2016
Contract Award	Aug 2016
Commencement of Construction	Nov 2016

- 4.12 The Business Cases for both projects have been submitted to Welsh Government on 22nd April 2016 on the proviso that formal approval from Cabinet and Council will be sought on 26th April and 10th May 2015, prior to final determination by the Welsh Government Capital Panel during May 2016. It is expected a final decision would be made by the Minister for Education, once appointed following the Welsh Assembly Government elections in May 2016. The third project for the Llanfair / Pentrecelyn new area school building will be submitted to elected members over the coming months.

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 Ruthin Town Schools Development project will be approximately £10.5m and the Ysgol Carreg Emlyn project will be approximately £4.9m. The approval of these Business Case will enable contracts to be agreed with the Welsh Government. The final decision to engage for the construction stage will be made by Cabinet. The projects are being developed in partnership with other services to ensure the impact on other services are managed appropriately.

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 relevant school community in the development of the projects to date. This has included neighbourhood consultation meetings to discuss the proposed plans for the new school buildings. There has also been engagement with the Ruthin Member Area Group on the progression of the project.

The Strategic Investment Group considered the Business Cases at its meeting on the 29th March and following extensive scrutiny was supported for recommendation to Cabinet. Cabinet considered the Business Cases at its meeting on the 26^h April and fully supported recommending approval to Council.

9. Chief Finance Officer Statement

The projects have been assessed by the council's strategic investment group and the costs have been built into the Corporate Plan. The Plan remains fully funded and is financially robust.

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 January 2016 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 project.

The projects will have clear project management arrangements for the delivery of the projects and this will include regular reviews 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