

## Draft Full Business Case

### Replacement Building and Facilities for Ysgol Llanfair Dyffryn Clwyd



#### Version Control

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## 1. Executive Summary

- 1.1. This Full Business Case presents a proposal to build a new school building, on a new site, in the village of Llanfair Dyffryn Clwyd to replace the existing Ysgol Llanfair Dyffryn Clwyd (Ysgol Llanfair DC).
- 1.2. The initial proposal as detailed within the Ruthin Primary Area Strategic Outline Case (presented in November 2015) was for the amalgamation of Ysgol Llanfair DC and Ysgol Pentrecelyn followed by the building of a new 3-11 area school to serve Llanfair and Pentrecelyn on a new site for 140 learners. Following completion of the school organisation process and publishing of the statutory notice, a Cabinet meeting in October 2015 approved a recommendation to close Ysgol Llanfair DC and Ysgol Pentrecelyn and open a new dual-stream Category 2 Church in Wales primary school. However, in June 2016 that decision was challenged via Judicial Review and quashed on procedural grounds in August 2016. The Court had not criticised the merits of the proposal and suggested that a similar decision would be possible following a further consultation exercise. However, there was a need to consider afresh any future proposal based on the wider impact and current circumstances with due regard to community cohesion and learners.
- 1.3. After discussions with both school communities it was clear there was no appetite to revisit the same proposal and pursuing that option would risk further community divisions and legal challenges. It was also clear that the status quo for Ysgol Llanfair could not continue and there was a need for a sustainable Category 2 school in the area. In light of those considerations it was recommended not to consult afresh on the original proposal. Instead, in November 2016, Cabinet agreed to take no further action over the future of Ysgol Pentrecelyn, which would remain a Category 1 school, and to consider proposals to re-build Ysgol Llanfair on a new site (for which the case is presented within the Full Business Case).
- 1.4. Ysgol Llanfair DC is a Category 2 (bilingual) Voluntary Controlled school providing education for pupils aged 3-11 years old aligned with the Church in Wales in the Diocese of St Asaph.
- 1.5. The condition of the school was assessed as 'C' (poor-exhibits major defects) in 2012. The suitability of the school was assessed in 2014 as 'B/C' with deficiencies identified in terms of car parking, staff areas, public areas and accessibility.
- 1.6. The school currently have two mobile classrooms which provide accommodation for years 5 and 6, with year 4 accommodated in a first floor area which is accessed via a narrow staircase. There are currently no separate hall or dining facilities, with classrooms in the main building doubling up as dining area and assembly areas. At present the school use the community hall

for events and the church for services; unfortunately these are both located on the opposite side of the A525 resulting in pupils and staff having to cross a busy road to access these facilities.

- 1.7. A major concern for the current site is the arrangement for parking and the lack of suitable drop off/ pick up and pedestrian facilities. Currently, there is an agreement with the village hall and the local authority that for a small charge per day staff are able to park at the church hall- this cost is met by the local authority. There is also limited parking for deliveries.
- 1.8. The toilet provision is also a major concern at the school as it is below the statutory minimum for current pupil numbers. Furthermore, a significant maintenance backlog exists of £70,343.16 (assessed in 2012). This cost is estimated to increase to £87,776 by 2019 (based on an uplift calculation for 1Q 2019).
- 1.9. The capacity of the current school (including mobile accommodation) is for 113 full time learners. As of January 2017, 92 pupils were recorded on roll at Ysgol Llanfair, however an application for a proposed new development of 63 dwellings within the village (which was approved by Denbighshire planning officers in June 2017) has been estimated to generate an additional 15 pupils for the school. If this increase in pupil numbers became a reality this could increase projected pupil numbers to 114 by 2020 which would result in the school being at full capacity with a deficit of 1 place (based on their current maximum capacity of 113FTE). The prospect of having no surplus places by 2020 could bring into question the sustainability of a school capacity of 113 FTE as the school would be unable to accommodate any additional pupils which are likely to be attracted by the new school.
- 1.10. As detailed within the Strategic Case the scheme would therefore deliver the following benefits:
  - Provision of sufficient school places - *A new school with a capacity of 126 FTE places would provide enough space to accommodate all current pupils (thereby negating the need for the two mobile classrooms currently in place) along with enough surplus places to accommodate future projected pupil numbers.*
  - Removal of temporary accommodation – *resulting in an annual revenue saving of £18,000 (note since the drafting of the OBC/SOC one of the mobiles has been purchased by Denbighshire reducing the revenue saving to £15,000)*
  - Improved access to school facilities - *The new building would also include school hall/dining/gym facilities which would therefore remove the need to cross a busy road to utilise the community hall for events. The new site would provide greater opportunities to deliver an innovative 21st century curriculum along with sufficient parking spaces and a drop off/pick up area, which would improve safety and reduce*

*revenue costs due to no longer having to fund access to parking at the village hall.*

- *Improved condition and suitability of the learning environment - The condition and suitability of the building would be increased from a Category C and Category B/C respectively to a Category A. The investment would also provide the school with buildings and facilities in line with the Welsh Government's 21st Century Schools standard which should therefore ensure high quality educational provision.*

- 1.11. The Economic Case provides detailed information on cost, benefit and risk appraisals undertaken to confirm a preferred option as a way forward to address the critical success factors for the project and make these a reality. The Economic Case concludes that the preferred solution is a new build in Llanfair on a new site with a capacity of 126 full time pupils and 18 part time pupils.
- 1.12. The procurement for the project has been progressed through a traditional route. Given that the estimated construction value of the project is £3.7m it has fallen below the Lot 1 threshold for the North Wales Construction Framework and therefore was procured via the Sell 2 Wales portal.
- 1.13. This project forms part of Denbighshire County Council's Strategic Outline Programme for 21<sup>st</sup> Century Schools funding. The cost of the preferred option is to be £5.4 million of which we are seeking approval for a contribution of £1,379,847 from Welsh Government (as per the overall programme matrix for DCC submitted in March 2017).
- 1.14. When the project was initially proposed in 2015 the Strategic Outline Case estimated the total project costs to be around £3.5 million. However, based on the initial feasibility works which highlighted the requirements for additional external works and the need to meet the additional land purchase costs a provisional allowance within the Council's Corporate Plan of £5.234 million for the project was made. Following this allowance a report was presented to Denbighshire's Strategic Investment Group in January 2017 which highlighted a need to increase this allocation to around £5.4 million in order to take account of higher utility provision costs including electricity substations and sewerage treatment along with tender price inflation. However no additional funding has been requested from the Welsh Government as part of the revision of costs. For more information please see the Financial Case.
- 1.15. In terms of the management of the project, the Council is in the process of amending its Programme Management arrangements. A number of Board's are being disbanded including the Council's Modernising Education Programme Board, and their remit will be replaced by 2 Boards. The progress of the Modernising Education agenda will fall within the remit of the Young People and Housing Programme and this will provide the strategic leadership

for the overall programme moving forward. The project has an identified Project Sponsor and Project Manager to ensure clear leadership and direction throughout the lifecycle of the project. Details of the project management structure are contained within the Management Case.

## 2. Strategic Case

### Strategic Fit

- 2.1. The SOC/OBC was considered and approved in September 2017. Due to the close proximity very little has changed in terms of the strategic fit. The main changes relate to the potential size of the school and the reviewed delivery mechanism for the corporate priorities.

### Business Strategies

- 2.2. The project was identified by the Council during the delivery of its Corporate Plan for the period 2012-2017. This identified 7 priority areas for Council activity and action and contextualises national and regional policy developments for Denbighshire. Specifically within this plan there is a priority work stream for:-

- Improving performance in education and the quality of our school buildings

This priority includes the following intended outcomes:-

- We will invest significantly to improve school buildings and facilities and provide improved learning environments for pupils
- We will continue to review school provision across the county to ensure that we provide the right number of school places, of the right type, in the right location.

- 2.3. Following the approval of the Council's New Corporate Plan for the period 2017-2022, the Councils' Modernising Education strategy will be governed via the Younger People and Housing Programme Board. This board has responsibility to oversee strategic delivery of the Corporate Plan and the key projects therein.

### Planning

- 2.4. A planning application (20/2017/0819) has been submitted and is currently in the consultation period. The purchase of the land has been agreed with the transaction to be completed should planning approval be received.

## **Welsh in Education Strategic Plan –**

- 2.5. The Council recognises the importance of bilingualism in 21st Century Wales and has adopted a long term aspiration that all children and young people in the County will leave full-time education being competent and confident in using both Welsh and English languages. The Council recognises that this is a long term aspirational aim that will not be achieved for a number of years.
- 2.6. The objectives of the new Welsh in Education Strategic Plan 2017-20 includes ensuring and developing sufficient Welsh Medium school places and increasing the proportion of learners studying Welsh as a 1st language. The aim is to ensure that through the 21st Century Schools programme there is sufficient capacity to ensure Welsh medium education is accessible throughout the County.
- 2.7. The current Ysgol Llanfair DC is a Category 2 (bilingual) school and has developed an excellent track record in terms of the number of pupils entering the school as part of the English medium stream and later choosing to transfer to the Welsh medium stream.
- 2.8. As the preferred option for this project is to maintain the Category 2 status of Ysgol Llanfair DC and to develop a new school building on a new site within the village, with an increased capacity of 126 full time pupils and 18 part time pupils, then this would be fully aligned with the aims of the Welsh in Education Strategic Plan.
- 2.9. Discussions during the submission of the OBC / SOC highlighted queries over pre-school provision. The exact use of the community room will be carefully considered by the school and governors to ensure that the risk of duplication of services is minimised within the village and that the facility is seen as a useful resource by the community. The arrangements for use, associated charges and administration of the community facilities will be the responsibility of the school and governors to finalise. The community room is currently designed as a multi-functional space and as such has not been specifically designed to meet the CSSIW requirements, however we would be open to discussions around integrating this into the future design or modifications at a later stage.
- 2.10. Higher level discussions were undertaken with Mudiad Meithrin in August 2016 around the overview of provision as part of the programme. Links were also provided to ensure the continued engagement of Mudiad Meithrin with the progress of the various projects.

## **Current demand for places**

- 2.11. Including both the current school building (62 places) and mobile accommodation (51 places) Ysgol Llanfair DC has a maximum capacity of 113 pupils.
- 2.12. The table below shows the pupil number over the past 6 years and the current demand for places at Ysgol Llanfair DC:

Full Time pupil numbers – January PLASC						
2011	2012	2013	2014	2015	2016	2017
96	93	90	84	94	89	92

## **Pupil projections**

- 2.13. The table below shows the projected pupil numbers for Ysgol Llanfair DC for the next 5 years:

Full Time pupil numbers – Projections				
2018	2019	2020	2021	2022
96	95	99	99	99

- 2.14. Planning has been granted by Denbighshire's planning committee for the development of 63 dwellings within the village (20/2016/1137). If the development is undertaken this will increase pupil numbers by 15 based on new development calculations for the likely demand. This could increase projected pupil numbers to 114 by 2020 which would result in the school being at full capacity with a deficit of 1 place based on their current maximum capacity of 113FTE.
- 2.15. As such a new school was proposed with a capacity of 126FTE pupils would provide sufficient capacity for current and projected pupil numbers thereby meeting demand for school places. Following queries at the SOC/OBC stage the option of a smaller school has been discussed with the Head teacher, Chair of governors and diocese of St Asaph. Further guidance is awaited from Welsh Government before the FBC is finally submitted to Welsh Government.

## **Issues from SOC / OBC Stage**

- 2.16. The discussions between DCC and WG clarified the following strategic issues during the approval process:-

### **Childcare arrangements**

- It is the intention that childcare arrangements will continue as they are at the current school in that Breakfast club is available daily from 8am and an after school club is offered for KS2 pupils every Tuesday from 3:15pm-4:15pm. The nursery places proposed are part time.

- The Childcare sufficiency audit published and conducted by Denbighshire's childcare team in March this year confirmed that no deficiencies have been identified in this area in terms of the provision of childcare.
- Furthermore, the Cylch meithrin which already exists in the nearby village of Pwllglas have expressed a desire to remain in their current location. We would therefore be mindful around putting in place any additional childcare provision within the new school as this would risk causing competition for and duplication of existing provision and could weaken provision in the long term.

### **Sports Provision**

- A grass pitch which will be sized to Welsh FA U12 size with gradients to be in accordance with Sport England guidelines. The proposed design for the new school includes an access point to the football pitch from the car park thus facilitating community use. A general games court is also provided adjacent to the hard play areas incorporating ball stop fencing. The surface is proposed as Macadam paving suitable for pedestrian/playground use. The exact arrangements for community use, associated charges and administration of the school facilities will be the responsibility of the school and governors to finalise.

### **Investment Need**

- 2.17. The investment needs have been reviewed and the investment needs remain based on the key issues within the current school the following priorities for investment remain:

#### *Minimum Scope*

- *Addressing maintenance backlog*

#### *Intermediate Scope*

- *Addressing maintenance backlog*
- *Removal of mobile accommodation*
- *Increased capacity to accommodate pupils previously accommodated in mobile classrooms*

#### *Maximum Scope*

- *Addressing maintenance backlog*
- *Improved parking/pick up/drop off area*
- *Removal of mobile accommodation*
- *Increased capacity to accommodate increased pupil numbers due to housing development*
- *Safer access to dining/hall facilities*
- *All facilities made fully accessible*

## Project Impacts

- 2.18. This project is anticipated to primarily benefit Ysgol Llanfair DC pupils via the provision of sufficient school places and improved educational environment and access to facilities. Conversely, the project is anticipated to have a minimal impact on nearby schools.

## 3. Economic Case

- 3.1. In accordance with the 21st century schools and education funding programme business case guidance document and the requirements of HM Treasury's Green Book, this section of the business case documents the range of options that have been considered in response to the potential scope identified within the SOC. This FBC seeks approval for the identified 'preferred' option to deliver a replacement Building and Facilities for Ysgol Llanfair Dyffryn Clwyd.
- 3.2. The SOC/OBC was considered and approved in September 2017. Due to the close proximity very little has changed in terms of the Economic Case.
- 3.3. The critical success factors as outlined in the SOC/OBC remain valid and are displayed in the table below;

Reference	Critical Success Factors
CSF1	Improvement in educational attainment and achievement
CSF2	Removal of mobile classrooms and detached teaching areas and resource areas
CSF3	Reduce the ever growing maintenance backlog
CSF4	Meet demand for school places
CSF5	Increase the efficiency and effectiveness of the school estate
CSF6	Improve the learning environment to meet 21 <sup>st</sup> century school standards and allow for the delivery of a fluid and innovative 21 <sup>st</sup> century curriculum

- 3.4. These key drivers and critical success factors have been used to assess the options for progression for the Ysgol Llanfair DC project.

### Revisited Options – January 2017

- 3.5. The identified options submitted at SOC/OBC are summarised below:

#### **Option 1 - Retain the Status Quo (Do Nothing)**

- The school would be retained as it is with no changes or improvements to existing facilities.

#### **Option 2 - Clear Maintenance Backlog - Remedial Repair (Do minimum)**

- Complete any remedial repairs to the current school buildings. This option would address the maintenance backlog at the site.

### **Option 3 - Refurbishment of the Existing Building**

- This would mean retaining the current school site. The existing school site would be refurbished and a small extension would be built to accommodate a standalone hall and to provide additional classrooms to allow for the removal of the mobile classrooms.

### **Option 4 – New build in Llanfair on a new site with a capacity of 126 full time pupils and 18 part time pupils**

- A new school would be built in the village of Llanfair with a capacity of 126 full time pupils and 18 part time pupils, on a new site with suitable facilities. The existing site would then be declared surplus. This option would address the condition of the existing buildings, reduce the maintenance backlog, improve facilities and would provide a 21st century learning environment.

### **Option 5 - New 180 FTE build in Llanfair on a new site (Do Maximum)**

- A new school would be built in the village of Llanfair with a capacity of 180 full time pupils, on a new site with suitable facilities. The existing sites would then be declared surplus. This option would address the condition of the existing buildings, reduce the maintenance backlog, improve facilities and would provide a 21st century learning environment.

### **Preferred Option**

- 3.6. The analysis of the advantages and disadvantages of each of the identified options along with review of the project investment objectives and critical success factors within the SOC/OBC identified option 4 the new build in Llanfair on a new site with a capacity of 126 full time pupils and 18 part time pupils as the preferred option.

## 4. Commercial Case

### Procurement

- 4.1. Procurement for the preferred option is a Design and Build route. However, given the somewhat complex nature of the project (particularly in relation to land acquisition, drainage and highways considerations etc.), initial design works up to RIBA Stage 3 have been undertaken 'in-house' with an outline design summarising the general working principles that should be carried through the detailed design stage.
- 4.2. Given the anticipated project construction value of £3.7m, the scheme fell outside Lot 1 for the North Wales Construction Framework and as such was issued via the Sell 2 Wales portal. The tender exercise was based on a 70% Quality / 30% price ratio. Currently the project is at tender evaluation stage and a preferred contractor has been identified. Once the preferred contractor is appointed the outline design used to develop the detailed design (see proposed design in Figure 4).



Figure 4 – Proposed design for the new 126 FTE pupil capacity school for Ysgol Llanfair DC.

## **Evaluation**

- 4.3. An explicit and clear evaluation criteria document was issued to the Contractors to accompany the tender to ensure the evaluation process was clear and transparent. The tender submissions were returned on the 27th of September 2017. The tender is currently at tender evaluation stage and were scored by an evaluation panel according to the guidance in the evaluation criteria issued.
- 4.4. The required products and services in relation to the preferred way forward have been defined briefly as follows;
- Appointment of a lead contractor with;
  - A successful recent track record of designing and constructing innovative primary schools;
  - Experience of using 'partnering ethos' arrangements;
  - Ability to provide and lead a team of appropriate technical specialists (education consultants, ICT, energy et al);
  - Understanding of emerging education and economic trends both in a local and national context;
  - A sound reputation for maximising use of local suppliers within the construction supply chain;
  - A history of delivering significant community benefits through their construction ventures;
  - Technical ability to lead a design and build project

## **Proposed Contractual Arrangements**

- 4.5. As set out above, the project will use the JCT Design and Build Contract 2016 and will be procured on a fixed price lump sum basis in accordance with the Councils Financial Regulations. The final decision to enter into a formal contract will be taken by Denbighshire's Cabinet in accordance with the Councils Financial Regulations. The decision will be made following an assessment of the submitted works information by the Contractor.

## **Financial Implications of Proposed Deal**

- 4.6. Under the proposed contractual arrangements and procurement approach the Contractor will be appointed on a lump sum basis to deliver the design and construction for a fixed price contract sum.

## **Risk Transfer Arrangements**

- 4.7. The general principle to be adopted is that risks should be passed to 'the party best able to manage them', subject to value for money considerations. The final allocation of risk within the project will be determined as part of the negotiation with the successful contractor as the project develops. This will involve discussions via dedicated Risk Workshops between Denbighshire and the appointed contractor whereby project risks are allocated to the party best able to manage them and allocation of risk sums to deal with any residual risks

remaining. The risk register will remain a 'live' document as the project develops, risks will be under constant review, with the ownership, likelihood, impact and potential cost associated reviewed; it is anticipated that the level of risk will reduce as the design process progresses.

### **Community Benefits**

- 4.8. The delivery of community benefits is a key component in the framework approach for the region. Although the project is below the framework threshold the same principles will be applied in seeking targets to be applied in respect of community benefits. The priorities, as set out below, have been approved by the 6 North Wales authorities Cabinets (December 2012 through February 2013). The community benefits approach is core (we will evaluate the targeted recruitment and training element) with a target of 78 week apprenticeships/training/work experience/ or employment of disadvantaged person per £1m contract spend) this will vary between projects but it is the overall target for the framework.
- 4.9. The project will include an assessment of community benefits as part of the tender award process. There is expected to be Core and Non-Core elements with all Contractors being expected to use the Value Wales measurement tool to assess the impact of the project.
- 4.10. As part of the tender process the commitment of the contractor to community benefits will be rigorously examined. In particular the contractors will be presented with a summary of the project specific community benefit targets and will be required to outline how they would maximise potential community benefits as part of this project in order to achieve these targets. This will be finalised once the preferred contractor is appointed.
- 4.11. The procurement route and contractual arrangements for the project will set out the community benefits strategy. The progression of the agreed community benefits will be measured during the lifecycle of the project in accordance with the Welsh Government toolkit and reported on quarterly to the Welsh Government.

## 5. Financial Case

- 5.1. The total estimated cost for the preferred option is £5.4 million which would be jointly funded through the Welsh Government's 21<sup>st</sup> century school programme (contributing £1,379,847) combined with a contribution from Denbighshire County Council. Denbighshire's contribution of £3,989,704 was approved by the Strategic Investment Group in January 2017.
- 5.2. When the costs were reviewed at this stage it was clear that the initial indicative budget of £3,471,052 within the revised SOP would not be sufficient to deliver this project and as such an indicative revised budget of £5,239,994 was put forward, subject to further detailed scrutiny. In January 2016 a paper was presented to the Strategic Investment Group which attributed the increase in cost for the Llanfair/Pentrecelyn project to two main factors. There was a significant increase in the indicative purchase costs for the land – this was attributable to the fact that the likely preferred sites for planning purposes were designated as residential within the Local Development Plan and therefore a higher cost would be attributable to the sites most likely for the school to be based upon. In addition the initial estimate did not include external works (as the preferred site had not been identified at this stage and as such the extent of external works required was not easily predicted) and adequate construction contingencies had not been included to cover these costs. At the initial stage in December 2014 a wide range of sites had been identified for potential inclusion and therefore due to the uncertainty of site specific costs this was not included at this stage. The identification of a smaller number of sites enabled an assessment of potential costs to be identified for the external works. These two factors represented an increase in approx. £1.7m, taking into account resultant pro-rata increases in design fees and construction contingency allowance.
- 5.3. The preferred site for the new area school had been identified as a piece of land known locally as the Glebe site which was in the ownership of the Representative Body of the Church in Wales. Following a period of negotiations during 2016 an agreed purchase price was arrived at which reflected the residential status of the land (as it is allocated for housing within the LDP and as such has an associated high residential value). As mentioned previously, as the Glebe land site is held on provincial trust there is a requirement to achieve best value, hence the requirement for the Representative Body of the Church in Wales to sell the site at residential market value regardless of the intended future purpose of that site (i.e. to build a new Church in Wales school).
- 5.4. Following the last estimate in January 2016 of £5,239,994 a review of the estimated costs was undertaken again in July 2017. This was based on the preferred site as identified above. Detailed surveys undertaken on the site identified a number of abnormal costs contained within the Substructure, Externals and Design Costs as follows:
  - Sloping site requiring cut/fill and retaining structures
  - Highway improvement works including bus drop-off point
  - Requirement for foul pumping station

- Contribution to upgrading public sewer
- Electric sub-station

Furthermore, due to the proposed school being located adjacent to a main highway there was also a requirement to provide sufficient parking and pick up and drop off facilities to minimise any spill over onto the highway during the busy drop off and pick up periods. In addition the costs have been uplifted to take account of tender price inflation. The net impact of this lead to an overall cost increase in the region of £129,557 and therefore a revised estimate of £5,369,551 against the figure included in the Corporate Plan last February of £5,239,944.

#### Summary of cost changes

	<b>Initial Estimate 2014</b>	<b>Update January 2016</b>	<b>Update July 2017</b>
<b>Construction</b>	£2,172,720	£2,093,026	£2,447,415
<b>Construction Contingency</b>	£271,590	£351,028	£400,408
<b>External Works</b>		£715,000	£755,846
<b>Design Fees</b>	£293,319	£347,517	£450,459
<b>Client Contingency</b>	£15,108	£15,108	£15,108
<b>Project Management Costs</b>	£75,000	£75,000	£107,000
<b>ICT Allowance</b>	£173,817	£173,817	£173,817
<b>Furniture Costs</b>	£119,498	£119,498	£119,498
<b>Land Purchase Costs</b>	£350,000	£1,350,000	£900,000
<b>Others</b>			
<b>Total</b>	£3,471,052	£5,239,994	£5,369,551

- 5.5. The revised figure of circa £5.2m has been used in all returns to the Welsh Government since early 2016 to update on the progress of the Programme. The funding for the increase in costs for projects for Denbighshire has been met from resources identified by Denbighshire through the area

review process and no additional resources have been requested from the Welsh Government.

- 5.6. The indicative financial implication of the proposed 'preferred option' at the tender issue stage was as follows:

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Capital	£19,663	£47,433	£53,473	£1,496,338	£3,666,066	£86,578	£5,369,551
Revenue	<i>Revenue implications of preferred option will be resolved via the standard School Budget Forum &amp; Process</i>						
<b>Total</b>	<b>£19,663</b>	<b>£47,433</b>	<b>£53,473</b>	<b>£1,496,338</b>	<b>£3,666,066</b>	<b>£86,578</b>	<b>£5,369,551</b>

- 5.7. The project cost template for the preferred option as referenced at SOC/OBC is still valid. This will be updated following completion of appointment of the main contractor. All tender proposals are currently within budget.

### Standardised Costs

- 5.8. The table below shows how indicative costs were allocated to a number of key areas within the SOC/OBC. The table also shows the comparison of these indicative costs to those calculated based on the Welsh Government's standardised cost model for a school with a proposed size of 1070m<sup>2</sup>.

Cost allocation	Indicative project costs for 'Preferred Option'	Calculated Standardised Cost for <u>2016</u> <i>(based on proposed school size of 1070m<sup>2</sup> for 126 FTE &amp; 18 part time pupils (135 FTE))</i>	Calculated Standardised Cost for <u>2019</u> <i>(based on proposed school size of 1070m<sup>2</sup> for 126 FTE pupils &amp; 18 part time pupils (135 FTE))</i>
Construction	£3,603,669	£2,675,000	£2,969,250
Design Costs	£450,459	<i>(1070 x £2,500)</i>	<i>(1070 x £2,775)</i>
IT & Furniture	£293,315	£216,000 <i>(135 x £1,600)</i>	£239,760 <i>(135 x £1,776)</i>
Land purchase	£900,000		
Project management	£107,000		
Contingency	£15,108		
<b>Total</b>	<b>£5,369,551</b>		

### BREEAM Rating

- 5.9. Costs have been calculated based on the aim of achieving a BREEAM 'Excellent' rating. Based on an initial assessment by the BREEAM assessor the

achievement of BREEAM 'Excellent' may be feasible. In addition Tender proposals have also been positive on achieving a BREEAM 'Excellent'. However a review may need to be undertaken in terms of the costs associated with achieving some of the more challenging points, which are primarily due to the location of the site, once the contractor is appointed.

## **Land Ownership**

- 5.10. Discussions are underway with the Church in Wales to agree arrangements for ownership of the land and building following project completion.
- 5.11. The Glebe land, which is proposed site for the new school, is in the ownership of the Representative body of the Church in Wales. This land is held on provincial trust and as a charity they are required to achieve best value, hence the requirement to sell the site at residential market value (as it is allocated as residential land within the Denbighshire's LDP).
- 5.12. The existing school site extends to a total of approximately 1.45 acres to include the school building, the school yard and the school playing field which is land designated in the LDP as BSC11 Recreation and Open Space. The site has two temporary classrooms, one located on the school yard and another on the school playing field. Denbighshire County Councils ownership extends to approximately 1.33 acres with the remainder of the site being within the ownership of the Diocese of St Asaph.
- 5.13. The Diocese of St Asaph own the main part of the school building extending to approximately 2,427 sq ft / 225.47 sq m (ground floor building footprint only) and Denbighshire County Council own the Old School House extending to approximately 658 sq ft / 61.13 sq m (ground floor building footprint only) located to the west side of the building.
- 5.14. If the preferred option were to be agreed, and the new Church in Wales school built on the Glebe Land site, an agreement has been made in principal that the Diocese of St Asaph would transfer the ownership of their elements of the current school site to Denbighshire County Council which would enable to authority to sell the land as a single block. In return DCC would transfer ownership of the new school building to the Diocese of St Asaph but would maintain ownership of the surrounding land. This agreement is in the process of being formalised.
- 5.15. As the current school playing field is allocated within the current LDP as BSC11 Recreation and Open space, and the proposed new school site is currently allocated within the LDP as BSC1 Housing Allocation, brief discussions have been undertaken with DCC's policy team around the possibility of exchanging the allocations within the LDP (i.e. the recreation and open space allocation would be transferred from the current site to the new school site and the housing allocation would be transferred from the Glebe land site the existing school site). Planning have stated that in principle this would be possible but would be

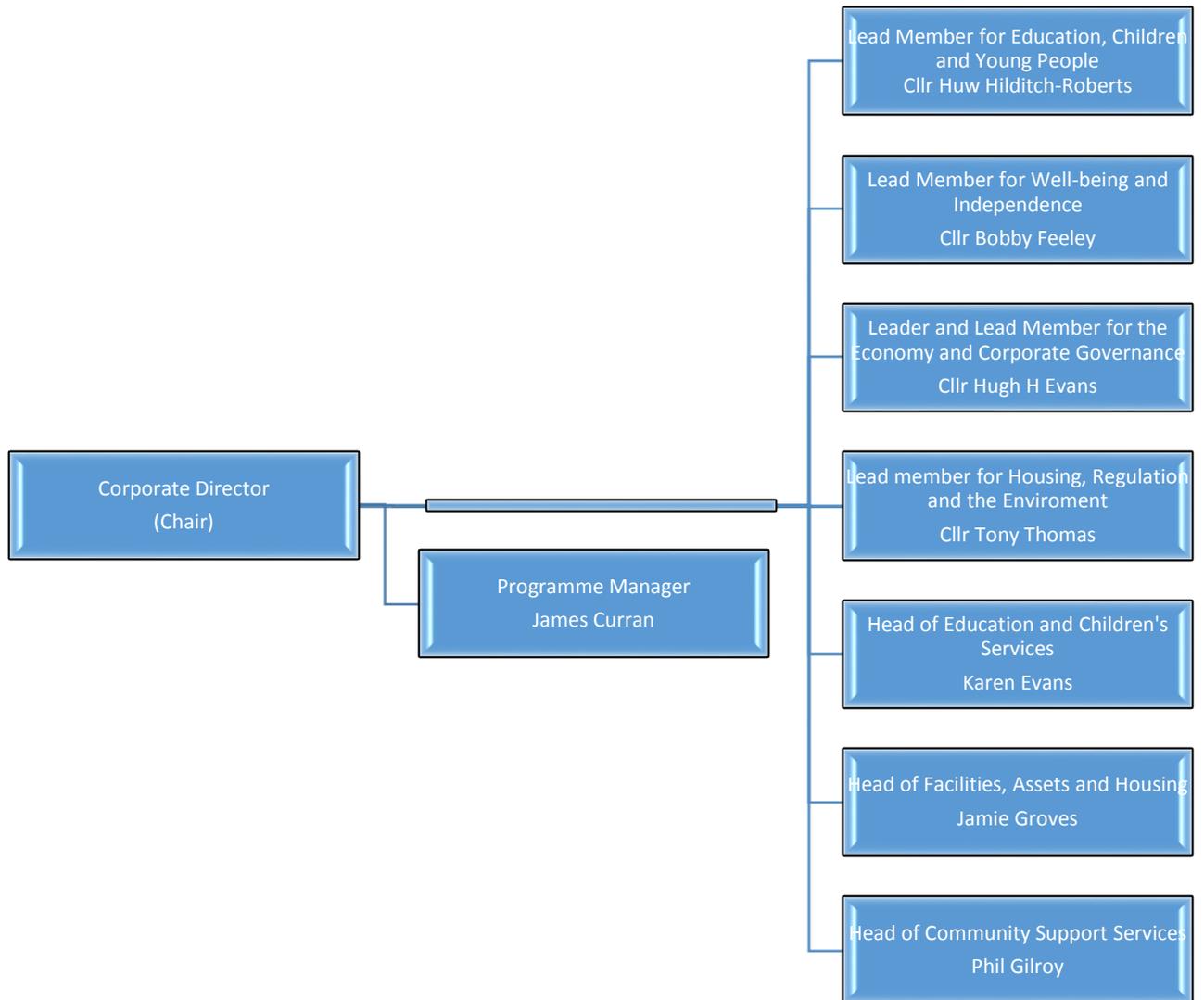
subject to consultation and further consideration. If agreed this would enable the existing school site to be sold for residential value.

## 6. Management Case

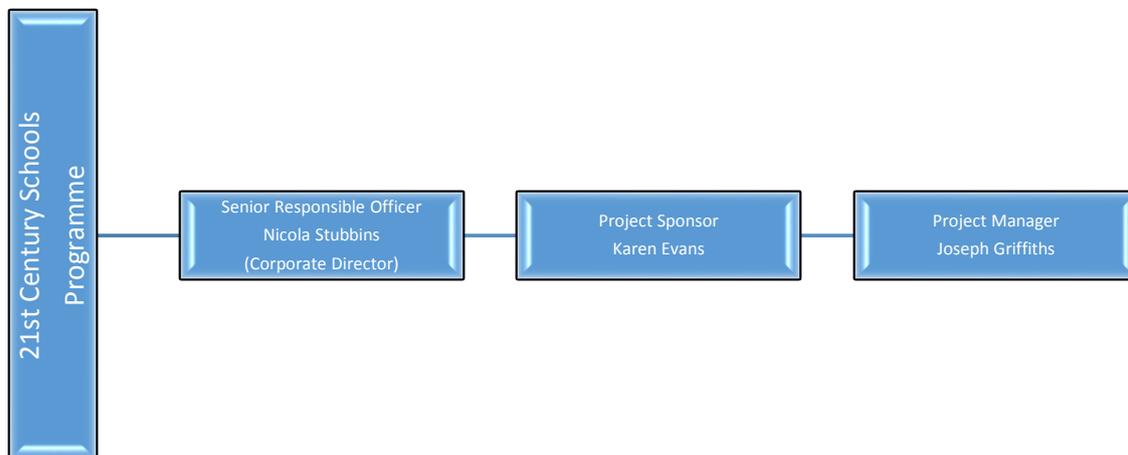
### Programme Management

- 6.1. This scheme is an integral part of the Denbighshire's 21st Century Schools Programme which comprises a portfolio of projects through which Denbighshire will deliver the necessary changes to ensure that the strategic aims of the Welsh Government's 21st Century Schools Programme are fully met. Denbighshire's Strategic Outline Programme (SOP) was agreed by the Welsh Government in December 2011. This SOP was reviewed in 2015 to take into account additional investment from Welsh Government and Denbighshire County Council which increased the value and scope of the Programme. This project is part of that additional scope.
- 6.2. The project management arrangements sit within the context of Corporate Programme Management. DCC's Programme Management Strategy ensures that all project development and delivery is undertaken in concert with the Council's strategic vision and politically supported aspirations and priorities. The key principles of DCC's approach to Programme Management includes;
- Programme ownership at corporate executive level by a nominated Senior Responsible Owner;
  - A programme board with clearly defined Terms of Reference defining its purpose, scope, remit, membership and tenure;
  - Programme board membership comprising relevant Cabinet members, executive officers and service heads;
  - A clear focus at strategic, corporate level on (and ultimate responsibility for) the realisation of identified programme outcomes and the Council's vision and priorities.

6.3. Following the approval of the Council’s New Corporate Plan for the period 2017-2022, the Councils’ Modernising Education strategy will be governed via the Younger People and Housing Programme Board. This board has responsibility to oversee strategic delivery of the Corporate Plan and the key projects therein. The proposed reporting responsibilities and membership at the Younger People and Housing Board level are shown below:

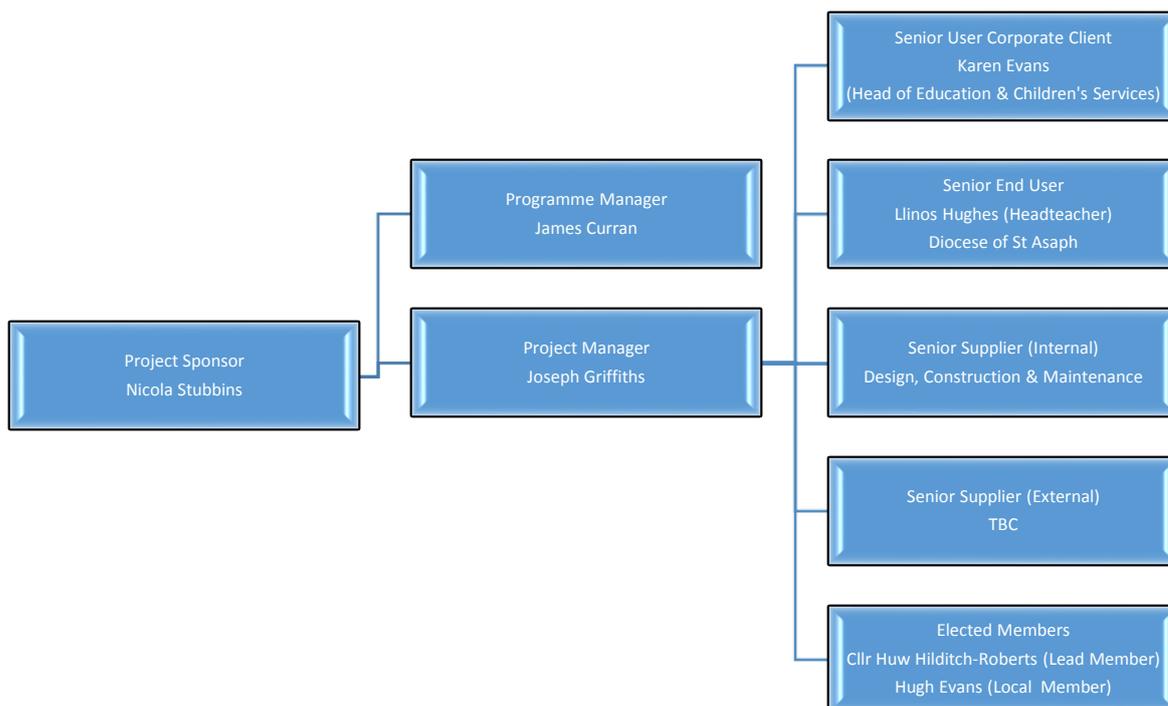


- 6.4. The operational link between Programmes and Projects is made by Executive Officers / Heads of Service / Programme Manager from the Programme Board being nominated Project Sponsors. The actual operational (service) programme reporting responsibilities for projects and strand activity are:



### Project Management Arrangements

- 6.5. Denbighshire County Council has developed and implemented a corporate project management methodology, based on Prince 2 methodology, which ensures that projects are properly led, planned, resourced, monitored and controlled. The methodology has a prescribed structure of governance, structure and reporting for projects tailored according to magnitude, scope and complexity to enable successful and efficient project delivery.
- 6.6. A Project Team has been established to oversee the development and progress of the project. The Project Team is responsible for the development, planning and delivery of the project. The membership of the team is dynamic and evolves over time with some roles increasing or diminishing in profile as the project progresses through its sequential stages. The team is led and coordinated by the Project Manager. The Project manager who drafted the SOC/OBC is on maternity leave and a different project manager has taken over responsibility for the project.
- 6.7. Similarly to the programme board, the Project Team is supported as appropriate by advisers in key areas. Where external advisers are to work on projects consideration will be given to the role of the local authority managers to supervise such work and provide line management as appropriate. The outline reporting arrangements for the project are as indicated below:



- 6.8. It is the intention of the Project Team to meet at key milestones during the project development and delivery where consultation on key stages of the project is required. Additional meetings will be called as and when required. The school will be represented by Mrs Llinos Hughes (Head teacher, Ysgol Llanfair DC) and Mr Geraint Jones (Chair of Governors, Llanfair DC). Representation will also be present from the Diocese of St Asaph, Denbighshire’s Principle Education Support Manager and Project Manager. Further specialist roles and advice will be provided by DCC internal design, construction and maintenance department covering areas including design advice, CDMC, QS and contract administration. Local political representation will be via Councillor Hugh Evans, local member for Llanfair Dyffryn Clwyd/Gwyddelwern. The external senior supplier, as described in the Commercial Case, will be appointed following the appropriate procurement process. The appointed contractor will play a role in the Project Team arrangements as required. There is also included the option for Welsh Government representation at the Project Team as deemed appropriate.
- 6.9. Although the Project Team will be consulted throughout the project development process they will not be responsible for the making of final decisions in relation to the project. Any decisions required in relation to the financing of the project will be the responsibility of the Strategic Investment Group. Membership of the Strategic Investment Group includes:
- Lead cabinet member responsible for Finance (Chair)
  - Leader of the Council
  - Cabinet Member
  - Representative from each scrutiny committee

- Corporate Director
- Head of Finance (S.151 Officer)
- Head of Facilities, Assets & Housing (County Landlord)
- Business Information Team Manager

6.10. Furthermore it will be the responsibility of the Senior User Corporate Client (Karen Evans) to make key project decisions and sign off of the project at key stages before progress is permitted to the next stage, this will include at design stage and pre-contract.

### **Risk Management**

6.11. The strategy, framework and plans for dealing with the management of risk is defined within the overall Programme documentation for the Modernising Education Programme. At a programme level the risks for the overall programme are regularly reviewed. At the project level individual risk registers are managed by the Project Manager via the VERTO system. In addition, as referred to in the Commercial Case, a risk profile will be developed with the appointed contractor that allocates specific risks, and the associated risk value, to the party best able to deal with the risk.

6.12. These risk registers and management plan detail which party is responsible for the management of each risk and the required counter measures as required. All of these documents will be reviewed and updated as the design develops and specific risks are retired or mitigated.

### **Gateway Review**

6.13. For individual projects within Denbighshire a stage review process has been established for all projects. This process allows for relevant professional views to emerge on individual projects prior to moving forward to the next formal stage. A stage review, via the Strategic Investment Group for this project was undertaken prior to submission of this document. Further gateway reviews linked to project board approval are planned for key stages in the development of the design and pre-contract stage. The Council will discuss further proposed engagement with the Welsh Government Programme and Project Management Team regarding securing external gateway reviews of the project as appropriate.

### **Contingency Plans**

6.14. In the event that this project fails, the County will have to maintain the service within the existing facility however it will not meet the aspirations of both the County and WG to provide facilities fit for purpose and suitable in which to deliver a 21st century curriculum.

### **Post Occupancy Evaluation**

6.15. Post Occupancy Evaluation provides a structured review of the process of delivering a capital project as well as a review of operational, functional and

strategic performance of the building following occupation. This is a recognised way of providing feedback on the performance of the project through a buildings lifecycle from the initial concept to occupation and beyond. It is envisaged that both pre and post occupancy evaluations will occur. The pre-occupancy evaluation will enable detail on the issues around the performance of the existing site to be captured and fed into and influence the design process. The post occupancy evaluation will be conducted with staff and pupils at years 1, 2 and 5, in line with the latest WG guidance. This evaluation will capture feedback from all users on how the new set-up is functioning and measure the actual outcomes against the objectives.

**Signed:** 

**Printed:** Karen Evans

**Position in the organisation:** Head of Education and Children's Services (Project Sponsor)

**Date:** 17/10/17