

# Draft Full Business Case

## New 3-16 Catholic School, Rhyl



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Version	Date Issued	Brief Summary of Change	Owner's Name
1.0	13/11/17	First Draft	Lisa Walchester
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## Contents

1. Executive Summary .....	3
2. Strategic Case .....	5
3. Economic Case .....	10
4. Commercial Case .....	11
5. Financial Case .....	14
6. Management Case.....	15

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## 1. Executive Summary

- 1.1. As part of the Council's 21<sup>st</sup> Century Schools Programme Band A proposals that were submitted to the Welsh Government in 2010 there was a commitment and financial allocation for investment in a Joint Faith Secondary Provision. Over the last six years there has been extensive discussions with partners from the Wrexham Catholic Diocese and from the St Asaph Church in Wales Diocese. In July 2014 a SOC was submitted for a Shared Faith provision in Denbighshire which looked at amalgamating Blessed Edward Jones Catholic High school in Rhyl and St.Brigids in Denbigh. This was subsequently approved.
- 1.2. There was significant opposition from St.Brigids during the school organisation process to the proposal in 2013 and the Cabinet agreed to delay the publication of any statutory notice until a location had been agreed. During this considerable delay St.Brigids made significant improvements to their leadership structure, quality of education and removal of the entrance exam and all parties agreed that the amalgamation of St.Brigids and Blessed Edward Jones was not the best way forward for the school. However the Wrexham Diocese, St.Asaph Diocese and the Council committed to developing a shared faith school which would involve the closure of Blessed Edward Jones.
- 1.3. Discussions during 2016 focused on the location and how this may impact on the future direction of the new school. Another important factor in these discussions have been the deliverability of the project within the timescales for Band A. During 2016 all parties understood for the project to be delivered a consensus was needed in regards to the location of the new school, unfortunately this was not possible and the St.Asaph Diocese stepped away from the project.
- 1.4. As a consequence the project proposal which has emerged as the preferred way forward is for a new 3-16 Catholic School to replace the existing Catholic Provision of St. Marys/ Ysgol Mair (3-11 Primary) and Blessed Edward Jones Catholic High School (11-16 Secondary).
- 1.5. The scheme would provide a new school building and facilities for a 3-16 Catholic offer. The primary section of the building will be built for the capacity of 420 full time pupils (60 part-time nursery) and the secondary section for 500.
- 1.6. St. Marys Catholic Primary school (Ysgol Mair) in Rhyl is English medium, Voluntary Aided and within the designation and provision of the Diocese of Wrexham. In January 2017 the school had 283 full time pupils on roll and 46 part time. The overall capacity is 378 pupils, which equates to a surplus of 25.1% places. The school also has a playgroup onsite which is registered to take 24 pupils per sessions. At January 2017 there were 13 pupils attending the morning session and 10 attending the afternoon.
- 1.7. Next door to St. Marys/ Ysgol Mair is Blessed Edward Jones, an English medium Catholic School 11-16. The school is English medium, Voluntary Aided and within the designation and provision of the Diocese of Wrexham. The school's numbers have fluctuated widely over time affected by the school's level of success and in January 2017 served 313 pupils against an overall capacity of 659 places, which equates to a surplus of 52.5% places.

- 1.8. Both school buildings are in need of investment to bring the buildings up to a satisfactory standard reflective of a 21st Century School. The condition category for Blessed Edward Jones Catholic High School has been given a C (Poor- Major deterioration) as identified by the 21st Century Schools Survey, in the most recent survey undertaken by Welsh Government in 2010. The current building maintenance backlog for the site is currently estimated by DCC as £1,334,802.
- 1.9. In 2010 the 21<sup>st</sup> Century Schools Survey identified that the condition category for St. Mary's/ Ysgol Mair was a B –Satisfactory-Performing as intended but exhibiting minor deterioration. However, in August 2016 a further Property Condition and Suitability Report was commissioned by the Welsh Government on the school and it was graded a C- Poor with major defects. The value of outstanding maintenance works required on St. Mary's/ Ysgol Mair buildings is estimated by DCC as £402,429.
- 1.10. As detailed within the Strategic Case the scheme would therefore deliver the following benefits:
- To offer a new sustainable 3-16 Catholic education provision in Denbighshire, which will promote inclusion, equality and opportunity.
  - The project would improve the condition and suitability of the learning environment and buildings considerably. The current condition and suitability of St. Mary's Ysgol Mair is a 'C' and Blessed Edward Jones a 'C'. The project would deliver 'A' rated school buildings and facilities in a flexible manner in order to adapt easily to the changing curriculum requirements;
  - The overall financial stability for Catholic provision within Denbighshire would be improved significantly;
  - To reduce the ever-growing (cost of the) maintenance backlogs at both schools- Value of outstanding maintenance works on St. Mary's/ Ysgol Mair is estimated as £402,429 and Blessed Edward Jones is estimated as £1,334,802 (figures from January 2017)
  - The need to reduce the carbon footprint of the Council- The project is aiming for BREEAM 'Excellent' and an energy EPC rating of 'A'.
- 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 facility for pupils aged 3-16 in one building capacity 420 full time pupils 3-11, 60 part-time, 500 pupils 11-16 in Rhyl.
- 1.12. Procurement of the project was via the North Wales Schools and Public Buildings Contractor Framework (NWSPBCF). The Framework sets out clear procedures via mini-tender exercises for authorities to follow in procuring teams for specific projects. The Framework was developed and set up following an OJEU compliant procurement exercise that included PQQ and ITT stages to procure a limited number of main contractors to a set number of Lots under the Framework.
- 1.13. Given the anticipated initial project construction value of £21m the project falls within Lot 3 of the framework for projects valued over £15m. Under the guidelines set out within the Framework for call off via mini-tender exercises for individual projects a

number of procurement approaches are possible ranging from Early Contractor Involvement (ECI), through degrees of Design and Build to Full Design or Novation.

- 1.14 The proposed cost of the project is £23,813,671. The current breakdown takes into account the overall balance of the Denbighshire Programme and spend to date by both parties within this Programme. As of September 2017 from the overall £43.050M within the Welsh Government Funding envelope £35.606M has already been committed to other projects leaving £7.443m across the remaining 3 projects. Accordingly Denbighshire will provide approximately 77% of the funding for the project.
- 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.
- 1.16 Please see Appendix 1 which details Welsh Government feedback and DCC's response to queries raised from the combined SOC/OBC.

## 2. Strategic Case

### **Strategic Fit**

- 2.1. The SOC/OBC was submitted to the Welsh Government at the end of October and is due to be considered in November 2017. Due to the close proximity very little has changed in terms of the strategic fit.

### **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.

The Corporate Plan included £23.8m allocated to this project. The overall approved programme of £86.1m is funded 50/50 between Welsh Government and Denbighshire. However there is flexibility within individual projects for reallocation of this split so long as the overall programme remains 50/50. Based on spend to date the ratio of funding on this project will be geared towards Denbighshire providing the majority of the funding.

- 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. A specific priority is Young People so that Denbighshire is a place where younger people will want to live and work and have the skills to do so. Specifically this states that "we want Denbighshire to be a place where young people can and want to flourish. To do this there must be excellent education provision working alongside a strong employment offer for all. We will work with our partners, schools and businesses to make this happen." It states that to achieve this we will continue to modernise schools via the 21<sup>st</sup> Century Schools Programme". Existing commitments within the plan will be met subject to approval of relevant Business Cases etc.

### **Planning**

- 2.4. Pre-planning consultation commenced on the 23<sup>rd</sup> October and ran until 25<sup>th</sup> November. Overall positive feedback was received from the majority of respondents. The planning application is currently being reviewed based on this feedback and we will submit the planning application in December 2017.

### **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.

### **Current demand for places**

- 2.7. The Town of Rhyl is served by 6 primary schools. The overall yearly capacity for the town is approximately 380 pupils of which 320 places are for English medium provision. Most pupils that attend Ysgol Dewi Sant continue their education at the secondary Welsh medium Ysgol Glan Clwyd in St.Asaph.

The table below show the Rhyl- primaries- Full time numbers on roll from January 2017, along with capacity/ surplus:

School	NOR	Capacity	Surplus	%
<b>Ysgol Bryn Hedydd</b>	416	381	-35	-9.2
<b>Christchurch</b>	391	397	6	1.5
<b>Ysgol Dewi Sant (Welsh med)</b>	473	440	-33	-7.5
<b>Ysgol Emmanuel</b>	411	424	13	3
<b>Ysgol Llywelyn</b>	575	611	36	5.9
<b>St.Mary's/ Ysgol Mair</b>	283	378	95	25.1
<b>Total</b>	2,549	2,631	82	3.1

2.8 The table above shows that St. Mary's/ Ysgol Mair currently has 25.1% surplus places. It also shows 2 primaries in the town are over their capacity, one is Welsh medium. The other schools have limited surplus. The current administrative arrangements for admissions together with approaches towards class structures may have an impact on the demand and subsequent allocation of places for Ysgol Mair. The current financial management of the school has seen decisions made to reduce elements of the school closer to 1.5 form entry to ensure that the school remains financially viable. However this approach by Ysgol Mair is clearly to the detriment of Blessed Edward Jones, illustrating the need for a change in approach. Denbighshire have discussed the need for a more long term perspective towards this approach to allow the school numbers to grow to previous levels, which will also increase the viability of Blessed Edward Jones.

2.9 The Council and the Diocese strongly believe that the investment in a new facility alongside the 3-16 offer will stimulate the demand for Faith education in the area. We believe that this proposal will assist the overall capacity in the Rhyl primaries providing an even spread of available pupil places, ensuring those schools who are over their capacity can look to reduce their numbers to fall in line with their capacity.

**Projections in the future (with no changes)**

2.10 The projections below show that the situation in Rhyl remains fairly constant and that the demand in the primary sector will remain steady.

Standard Pupil Projections Rhyl Primary Schools 2018 - 2022							
School Name	Actual 2017	2018	2019	2020	2021	2022	Projected Trend 2018 - 2022
<b>Christ Church CP School</b>	391	400	396	393	390	385	-6
<b>Ysgol Llywelyn</b>	575	595	593	594	603	600	25
<b>Ysgol Emmanuel</b>	411	414	416	419	419	419	8
<b>Ysgol Dewi Sant</b>	473	465	456	456	455	448	-25
<b>Ysgol Bryn Hedydd</b>	416	417	416	415	415	412	-4
<b>St.Mary's/ Ysgol Mair</b>	283	300	299	280	283	275	-8
<b>Pupil Total</b>	2549	2591	2576	2557	2565	2539	-10

2.11 The re-vitalisation of the offer should reduce the initial burden on the more popular primary schools in the town and the slightly increased capacity will increase the

provision of surplus places to 5% in the town. Long term there remains concern over the impact of deficit places for Welsh Medium education in the town and these issues may be addressed via the Council's Band B proposals.

### Secondary Sector in Rhyl:

- 2.12 The new building for Rhyl High School opened its doors to pupils in April 2016. The new school has an overall capacity of 1200 pupils. This has had a significant impact on pupils' numbers at the school especially in the lower years.

Pupil numbers from the January 2017 PLASC :

School	Year 7	Year 8	Year 9	Year 10	Year 11	Total
Rhyl High School	233	190	165	163	134	885
Blessed Edward Jones	56	46	64	60	87	313

- 2.13 Current pupil numbers at October 2017 for Year 7 at Rhyl High School is 231 and at Blessed Edward Jones is 32. DCC to date have received 231 applications so far for Year 7 2018 intake at Rhyl High.
- 2.14 The projections below shows an increase in the numbers in the secondary sector which reflects the growth in the primary sector in previous years.

Standard Pupil Projections Rhyl Secondary Schools 2018 – 2022						
School Name	2018	2019	2020	2021	2222	Projected Trend 2018 - 2022
Blessed Edward Jones	258	258	271	283	294	+36
Rhyl High School	991	1077	1166	1221	1245	+254
<b>Pupil Total</b>	<b>1245</b>	<b>1335</b>	<b>1437</b>	<b>1504</b>	<b>1539</b>	<b>+294</b>

- 2.15 The admission number at Rhyl High is currently 240 and as the numbers above highlight the school is close to this number in Year 7. Long term the increase in pupil demands highlights the importance of retaining a second secondary school in Rhyl.
- 2.16 The proposal of a 500 secondary sector (as a minimum), would mean a 4 form entry, admission number of 100. At secondary transfer, Year 6 pupils on roll at the school will automatically transfer to secondary phase education at the school and, as such, this would result in a minimum of 40 extra places. Pupils attending Blessed Edward Jones have come from the following primaries- St. Mary's/ Ysgol Mair, Christchurch, Ysgol Emmanuel, Ysgol Bryn Hedydd and Ysgol Llewelyn, historically smaller numbers of pupils have also travelled from Conwy and Gwynedd.
- 2.17 The capacity of the secondary section would allow at least an additional 40 pupils coming from other primary schools in the area, assuming all pupils would continue from the primary into the secondary section of the school.
- 2.18 The expectation has traditionally been that the majority of pupils from St. Marys/ Ysgol Mair would continue their education through the Catholic education system and therefore go into Year 7 at Blessed Edward Jones. In recent years this has seen a change as an increasing numbers of pupils leave St Mary's / Ysgol Mair. In addition the new build at Rhyl High impacted greatly on the numbers for 2016/17 with 31.7% of the cohort going to Rhyl High and only 48.8% attending Blessed Edward Jones.



- 2.19 Clearly a combination of factors is having a detrimental impact on the vitality of pupil numbers for the two Catholic schools which serve the Rhyl area and beyond. Improvements in arrangements together with the changes for the transition should have a positive impact on demand for places for the new school.
- 2.20 Other implications of the current situation around demand for places associated with Rhyl High being full in lower year groups and the current situation and status of Blessed Edward Jones is a considerable increase in transport costs for the Local Authority. Of interest is the change in demand for places at Prestatyn High, the neighbouring town. The Business Case for Rhyl High School included reference to reversing the trend of pupils leaving the town to seek education in an alternative town to avoid attending Rhyl High. This trend has been reversed but conversely the high demand for Rhyl High and an unwillingness to attend the current Blessed Edward Jones has seen a small return to pupils leaving the town for secondary provision. The authority is of the view that the improved offer with the 3-16 will change this. Currently as of June 2017 the Local Authority have to meet the costs of transport to Prestatyn High, Denbigh High or Ysgol Emrys Ap Iwan for a total of 37 pupils, table 8 below shows this in more detail as well as the costs.

School	Number of pupils transported	Cost
Prestatyn High school	25	£215 per pupil= £5,375 per year
Denbigh High school	10	Approx. £530.10 per pupil = £5301 per year
Ysgol Emrys ap Iwan, Abergele	2	Approx. £619.40 per pupil= £1,238.80 per year
<b>TOTAL</b>	<b>37</b>	<b>£11,914.80</b>

- 2.21 Taking all the above into account- total cost for the Local Authority is **£11,914.80** and this would increase considerably if we were to lose the provision of a second secondary school in Rhyl.
- 2.22 In considering all options it is clear that a second secondary offer is still required in the town to meet current demand from the primary sector in Rhyl. The option of simply closing Blessed Edward Jones would lead to 268 pupils having to travel out of the town for secondary education with resultant transportation costs.

### **Investment Need**

- 2.24 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*

- *Refurbishment works at both schools*

### *Maximum Scope*

- *New facility for pupils aged 3-16 in one building*

### **Project Impacts**

- 2.25 This project is anticipated to primarily benefit current Ysgol Mair and Blessed Edward Jones pupils with 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 new facility for pupils aged 3-16 in one building.
- 3.2. The SOC/OBC was submitted to Welsh Government end of October. 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;

<b>Reference</b>	<b>Critical Success Factors</b>
<b>CSF1</b>	Improvement in educational attainment and achievement
<b>CSF2</b>	Achievable- can be delivered within the specified period of the DCC capital plan and schedule for the Modernising Education Programme / 21 <sup>st</sup> Century Schools Programme.
<b>CSF3</b>	Low adverse impact on continuing education during project.
<b>CSF4</b>	Reduce the ever growing maintenance backlog
<b>CSF5</b>	Meet demand for school places
<b>CSF6</b>	Consistent with strategic vision for Catholic Diocese.
<b>CSF7</b>	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 project.

### **Revisited Options – January 2017**

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

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

- The schools would be retained with no changes or improvements to existing facilities.

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

- Undertake minor maintenance works at both schools. This option would address the maintenance backlog at the sites.

### **Option 3 - Refurbishment of the Existing Buildings at both schools**

- This would mean retaining both current school sites refurbishing and remodelling where needed.

### **Option 4- Rebuild of existing facilities at both schools**

- This would mean rebuilding both schools.

### **Option 5- Provide a new facility for pupils aged 3-16 in one building**

- A new school would be built on the current school sites for pupils aged 3-16. The existing school buildings will be demolished and make way for new sports pitches etc. This option would address the conditions at both schools, reduce the maintenance backlog, improve facilities and provide a 21<sup>st</sup> Century learning environment.

### **Preferred Option**

- 3.5. 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 5 the new facility for pupils aged 3-16 as the preferred option.

## **4. Commercial Case**

### **Procurement**

- 4.1 This section outlines the proposed deal in relation to the preferred option as outlined in the economic case. The preferred procurement route for the preferred option is a 2 stage Design and Build contract. However, given the fact that the current schools are neighbours, an initial scoping exercise was carried out 'in-house' to determine if a new build could fit onto the current sites. This provided a starting point for the tendering exercise.
- 4.2 Procurement of the project was via the North Wales Schools and Public Buildings Contractor Framework (NWSPBCF). The Framework sets out clear procedures via mini-tender exercises for authorities to follow in procuring teams for specific projects. The Framework was developed and set up following an OJEU compliant procurement exercise that included PQQ and ITT stages to procure a limited number of main contractors to a set number of Lots under the Framework.
- 4.3 Given the anticipated initial project construction value of £21m the project falls within Lot 3 of the framework for projects valued over £15m. Under the guidelines set out within the Framework for call off via mini-tender exercises for individual projects a number of procurement approaches are possible ranging from Early Contractor Involvement (ECI), through degrees of Design and Build to Full Design or Novation.
- 4.4 The conclusion reached given the nature, scale and ambition of the project was to adopt a two stage tender approach. The appointed Contractor will undertake design and survey work under a JCT Pre-Construction Services Agreement (General

Contractor) 2016 as amended by Denbighshire County Council. The main Design and Build Contract will be the JCT Design and Build contract 2016 as amended by Denbighshire County Council.

### **Evaluation**

- 4.5 The tender exercise was conducted using the guidelines set out in the Framework and was issued on the 3<sup>rd</sup> April 2017 to all contractors within Lot 3 of the Framework. This mini-tender exercise was based on a 70% Quality / 30% price ratio.
- 4.6 In addition, 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 submissions were returned on the 28th April 2017. All were scored by an evaluation panel according to the guidance in the evaluation criteria issued. In addition, interviews were held with contractors who submitted a tender to present their written responses and answer any questions or provide clarification that arose out of their written responses. The Evaluation Panel comprised of representatives from Denbighshire County Council, Lawray Architects (advisers to the Diocese of Wrexham) and Mott MacDonald (Adviser to DCC).
- 4.7 The tender process and evaluation exercise was facilitated via the Proactis portal and guided by the County's Procurement Service. As a result of the evaluation of the written tender responses with moderation at interview, a successful contractor, in this case Kier Construction were notified of their success via formal correspondence on the 15<sup>th</sup> May 2017.

### **Proposed Contractual Arrangements**

- 4.8 As set out above, the appointed Contractor will undertake design and survey work under a JCT Pre-Construction Services Agreement (General Contractor) 2016 as amended by Denbighshire County Council. The main Design and Build Contract will be the JCT Design and Build contract 2016 as amended by Denbighshire County Council. At the end of Phase 1, subject to final approval of the Full Business Case, the intention will be to let a JCT Design and Build Contractor 2016 for delivery of Phase 2- Construction. The final decision to enter into a formal contract for Phase 2 is scheduled to be taken by the appropriate Head of Service should the project remain within allocated budget in accordance with the Councils Financial Regulations. The decision will be made following an assessment of the submitted Contractor's Proposals by the Contractor.

### **Financial Implications of Proposed Deal**

- 4.9 Under the proposed contractual arrangements and procurement approach the Contractor has initially been appointed for a fixed fee to undertake Phase 1- design for the project and prepare a contract sum for agreement. A breakout clause at the end of Phase 1 limits the Client's exposure to financial risk. The contract sum will be developed in conjunction with the Clients cost advisors using an open book and transparent approach with the aim of agreeing a contract sum within the construction

budget. It is then the intention to appoint the Contractor to undertake the construction works for the agreed fixed price contract sum.

### **Risk Transfer Arrangements**

- 4.10 The general principle 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 with Kier as the project develops. This will involve discussions via dedicated Risk Workshops between Denbighshire and Kier Construction 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. This work is in progress and an initial draft has been produced. The risk register will remain a ‘live’ document as the project continues to develop, 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**

- 4.11 The delivery of community benefits is a key component in the framework approach for the region. The community benefits Core- evaluated are in the table below:

<b>KPI No.</b>	<b>Please indicate the number of placements that you propose to deliver during the life of this project (Framework target is 78w per million pound spend)</b>	<b>Base line</b>
1	Work Experience Placement (16 plus years)	16
2	Work Experience Placement (14 - 16 years)	4
3	Construction Curriculum Support Activities -individual engagement	8
4	Graduates recruited	1
5	Apprentice starts	6
6	Existing Apprentices	6
7	Apprentice completions	4
8	Jobs Created on Construction Projects	5
9	S/NVQ starts for subcontractors	10
10	S/NVQ completions for subcontractors	8
11	Training Plans for subcontractors - number	5
12	Supervisor training for subcontractors	6
13	Leadership & Management training for subcontractors	4
14	Advanced Health & Safety training for subcontractors	6

- 4.12 There are also non-core community benefits and these can include workshops at the schools and meet the buyer events.
- 4.13 As part of the tender exercise the commitment of the contractor to community benefits was rigorously examined. In particular the contractors were required to outline how they would maximise potential community benefits as part of this project.

## 5. Financial Case

- 5.1 Please state the current estimated funding requirement and how this bid will be match funded.

	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	Total
<b>Welsh Government</b>					£226,294	£5,017,549	£297,671		£5,541,514
<b>Denbighshire</b>	£12,264	£34,965	£19,014	£29,250	£1,712,164	£8,075,503	£8,015,818	£372,819	£18,272,157
<b>Total</b>	£12,264	£34,965	£19,014	£29,250	£1,938,458	£13,093,052	£8,319,489	£372,819	£23,813,671

- 5.2 The contribution of £18.272M is identified within Denbighshire's Corporate Plan and there is a commitment against it for this project.

- 5.3 The £18,272,157 contribution from Denbighshire will be provided from the following sources of funding:

£17,443,246 – Prudential Borrowing  
£1,063,911 – Cash Reserves

- 5.4 As the school will be voluntary aided school the asset will be the responsibility of the respective Diocesan authorities upon completion.

- 5.5 The proposed cost of the project is £23,813,671. The current breakdown takes into account the overall balance of the Denbighshire Programme and spend to date by both parties within this Programme. As of September 2017 from the overall £43.050M within the Welsh Government Funding envelope £35.606M has already been committed to other projects leaving £7.443m across the remaining 3 projects. Accordingly Denbighshire will provide approximately 77% of the funding for the project.

- 5.6 The funding proposal has been shaped in such a way that the Welsh Government funding for the project will be allocated during the 2014-2019 timescales for Band A. Therefore all expenditure after the 1<sup>st</sup> April 2019 will be met by Denbighshire County Council during the completion of the construction works during 2019.

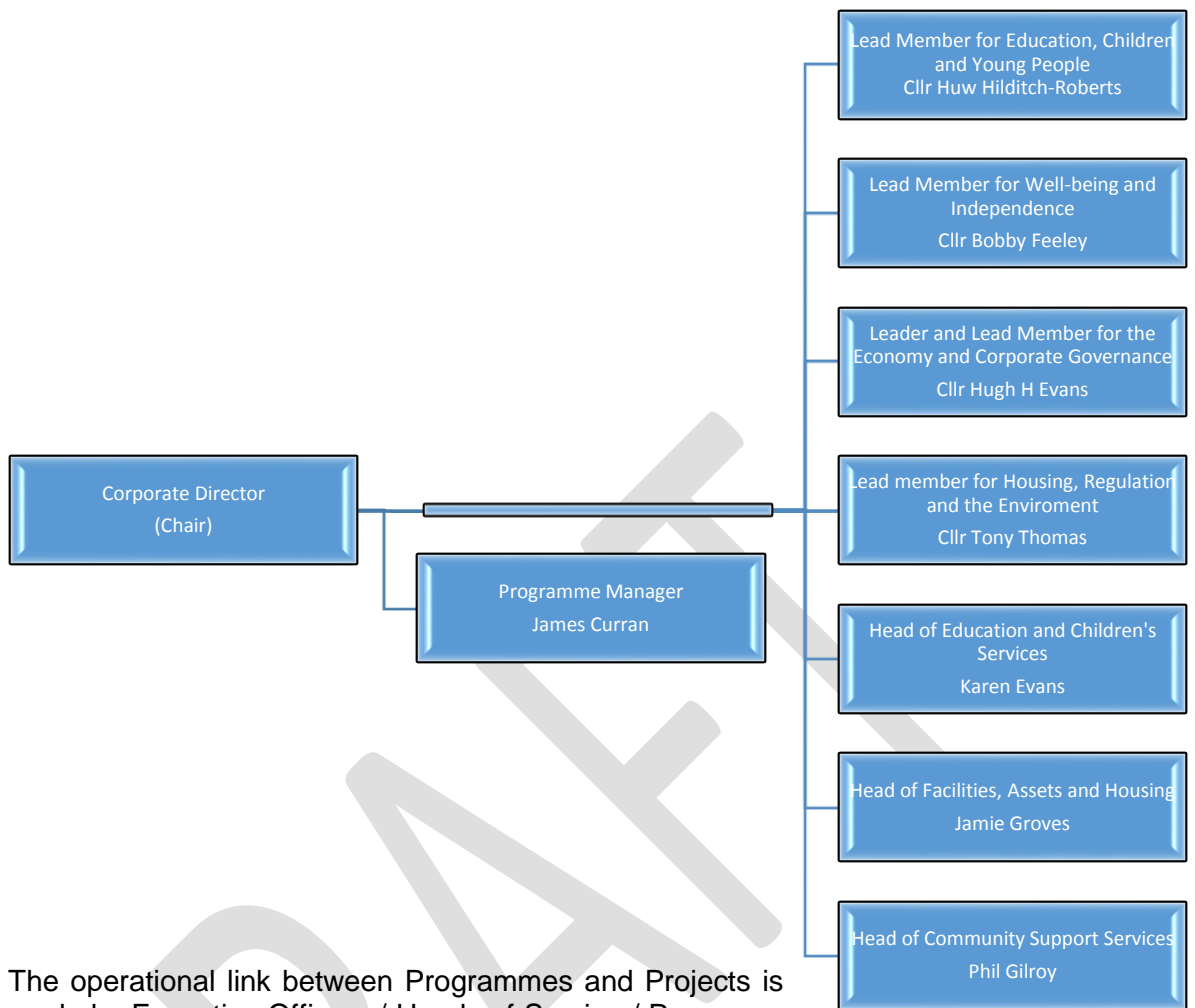
### **BREEAM Rating**

- 5.7 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'.

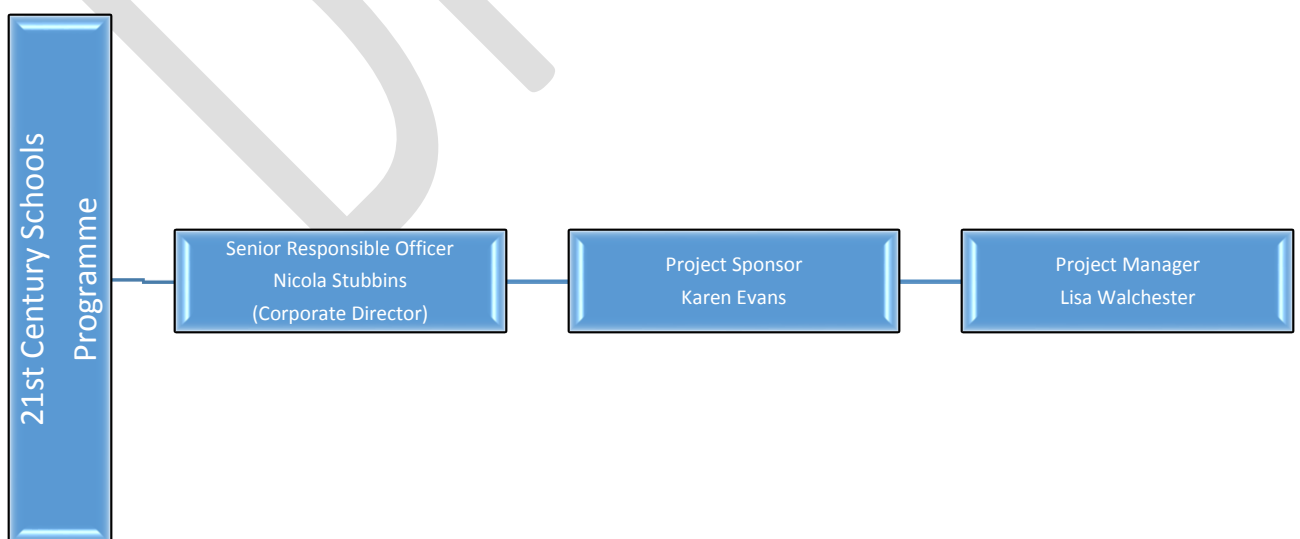
## 6. Management Case

### 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.
- 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 include:
- 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, 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 visions 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:



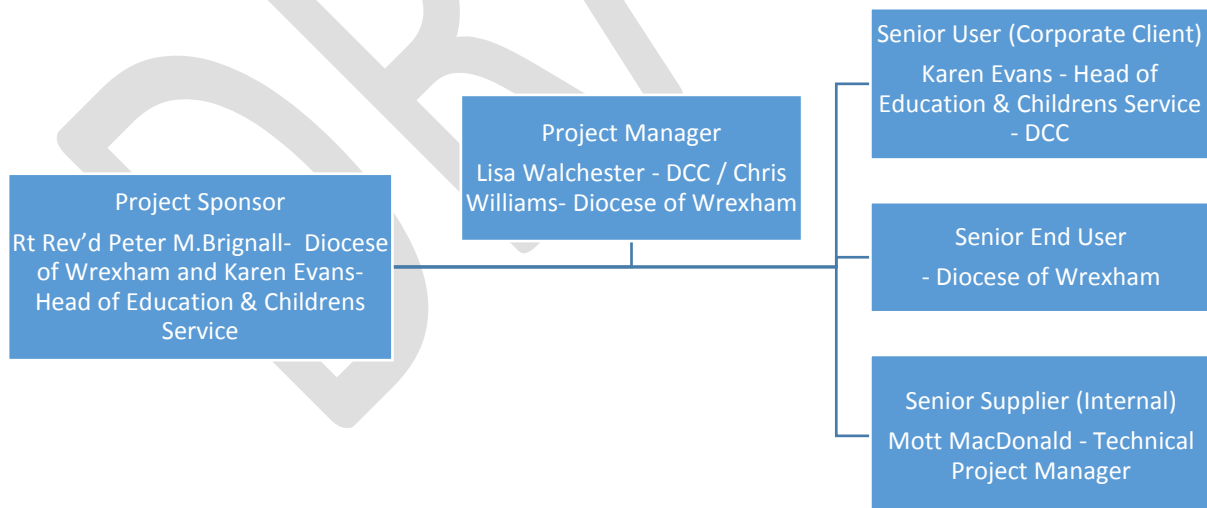
6.4 The operational link between Programmes and Projects is made by Executive Officers / Heads of Service / Programme Manager from the Programme Board being nominated Project Sponsors. The actual operational (service) programme reporting responsibilities for projects and strand activity are:





## Project management arrangements

- 6.5 The project will be managed in accordance with 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 Board has been established to oversee the development and progress of the project. Various project teams to progress specific areas will be established and these will report to and advise the Project Board and will be 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. From an operational element the work of the Project Team will also be directed by the Temporary Governing Body established to oversee the implementation of the new school. This will take a lead role in the delivery of the new curriculum for the school, admission arrangements and ethos etc.
- 6.7 Similarly to the Programme Board, the Project Board will be supported as appropriate by advisers in key areas. Where external advisers are to work on projects consideration will be given to the role of local authority managers to supervise such work and provide line management as appropriate.
- 6.8 The outline reporting arrangements for the project are indicated as below:



- 6.9 The role of Project Sponsor will be undertaken by the Rt Rev'd Peter M. Brignall, Diocese of Wrexham in partnership with Karen Evans, Head of Education and Children's Service for Denbighshire County Council. The Project Manager will be

Lisa Walchester who is based in the Modernising Education Team for Denbighshire County Council and Chris Williams the Deputy Director of Schools and Colleges for the Catholic Archdiocese of Liverpool working on behalf of the Diocese of Wrexham.

- 6.10 Additional formal roles in the Project will see representatives of both the Senior Users and Senior Suppliers along with relevant political representation as indicated in the above organisation chart.

### **Risk Management**

- 6.11 The strategy, framework and plans for dealing with the management of risk are described in risk register contained in Appendix 4. In addition there is a DCC risk register for the preferred option. The DCC risk register is a County specific register that rolls up key general risks, in addition, as referred to in the Commercial Case is the risk profile developed with the main contractor that allocates specific risks to the party best able to deal plus an accompanying risk value.
- 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 a pre and post occupancy evaluation 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 occur after a period of operational use- between 6-12 months- and will again capture feedback from all users on how the new set-up is functioning and to measure the actual outcomes against the

objectives. The project will also utilise the revised Welsh Government guidance for the evaluation of projects.

**Signed:**

**Printed:** Karen Evans

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

**Date:**

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## **Appendix 1**

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

The discussions between DCC and Welsh Government clarified the following strategic issues during the approval process:-

#### **School Reorganisation**

- Clarify the methodology for 100 pupils per year and not 90 pupils in secondary section: After discussions with the Diocese it was agreed that the secondary phase of the school would be a 4 form entry of 25 per year group therefore totalling 100 pupils per year. There were concerns that if the school was designed as a 3 form entry school for 450 pupils this may reduce scope for the future. The current design allows for future flexibility. The design of the school could allow, if the pupil numbers were to increase, for it to become a 4 form entry of 30 pupils per year group, totalling 120 pupils per year.

#### **Welsh Medium Education**

- Confirmation that we have assessed the need/demand for Welsh medium education as part of the proposal: Since 2010 Denbighshire County Council and Welsh Government have jointly funded improvement to Welsh medium education facilities in the north of the County in response to need/demand. Improvements have now been completed to three Welsh medium primary schools in the north of the county – Ysgol Dewi Sant (Rhyl), Ysgol y Llys (Prestatyn) and Ysgol Twm o'r Nant (Denbigh). These were funded as part of the Tranche 3 programme. All three schools feed Ysgol Glan Clwyd (Secondary) in St Asaph and therefore as part of the Band A programme an extension and refurbishment of Ysgol Glan Clwyd has now been completed. As a result of completing these projects, Denbighshire County Council in partnership with Welsh Government have responded to the demand for Welsh medium education in the north of the county and therefore it is not the key driver within this proposal.

#### **Childcare**

- Future demand has been considered: In terms of future demand in Rhyl, the Childcare Sufficiency Assessment has identified that out of hours provision ie. after 6.00pm and weekend provision is non-existent at present with only 10 providers offering care before 8.00am. The childcare team are working with providers to see how they can support them in offering this in the future should demand be present.
- How the school will meet potential increased demand for wraparound childcare to support increase in provision of part-time nursery places at the school: The current Ysgol Mair has an admission number of 54, the new school will have an admission of 60, an increase of 6 places. Currently the playgroup is not running to its full capacity- obviously we hope with the project that we will see an increase in the number of pupils utilise this and the wraparound care. The design is catering for a similar sized playgroup due to budget constraints - this was discussed with the County's Childcare Development manager and she was happy that this would be sufficient. We would work closely in the future if the playgroup had an increase in demand which they could not facilitate and look at nearby schools who could maybe accommodate the wrap around element or own facility in the town- as part of our Band B proposals.

## **Sports Provision**

- Minimum size football pitch should be 90m x 45m, is it possible to increase the length from 87m? -We can look into the option of increasing the length of the pitch, the current pitch shown of 86m x49m is within range for an under 15-16 football pitch, which is within the age range of the school. At the initial stage a path was planned for the rear of the site, this has now been removed so extending it could be considered. It is important to note that the off- site provision will remain and this includes a range of additional pitches.
- Assume the all weather pitch will be floodlit?- The all-weather pitch will not be floodlit initially due to planning concerns for nearby residents. The pitch backs onto a number of properties along St. Margaret's Drive and in view of the time constraints for delivering this project it was agreed not to progress this option.
- Can the smaller grass pitch be an all-weather surface to provide benefit to the pupils?- We can look into the surface of the smaller grass pitch if budget allows.

## **Commercial Case**

- Has batching of projects been considered? - This was the last project to be allocated via the North Wales Construction Framework so in this instance batching was not an option for delivery. The local authority will be considering options around batching of works during Band B.

## **Economic Case**

- Justification of 920 place school: Primary places in Rhyl are forecasted to remain consistent for the next few years- the main concern is at present we only have 3.1% of surplus places in the town in the primary sector.

Two of the schools are over capacity and as a consequence we have included the option of extending primary provision in the Rhyl area within Band B for the following reasons:-

### **Rhyl**

At the moment there is growing demand for primary provision in the town. At present the Council has a policy that no school should have more than 2 form entry. Both Ysgol Dewi Sant – Welsh medium provision and Ysgol Llywelyn – English medium - regularly operate above this number. Long term there is a requirement to consider whether the policy should be retained, and if so, what is the medium term plan to review planning of places?

We believe this proposal will assist the future decisions regarding this and assist those schools who are over their capacity and allow a more even spread. The proposal increases the primary places by 42 in the town which would mean a 4.7% surplus. Welsh Government guidance within the School Organisation Code “suggests that some places are necessary to enable schools to cope with fluctuations in numbers of pupils.” Within the Primary sector for the Community schools there is a deficit of seven places across the six schools.

In many year groups it is becoming increasingly difficult for the Council's School Admission service to place pupils on a day to day basis in Rhyl. Ysgol Bryn Hedydd currently has all of its year groups above capacity and 4 of these at the maximum class size permitted. Christchurch has 3 year groups at capacity and Ysgol Emmanuel has 5 year groups at capacity. A proposal to reduce the size of the primary intake for the 3-16 school would increase this further, including the consequence of risks of pupil's not being educated within a reasonable distance of their home as the local authority is finding it increasingly difficult to place pupils locally.

In terms of the secondary provision this proposal will see the capacity decrease by 159 places. The aim of the proposal is for the primary section pupils at year 6 - maximum of 60 - that all pupils will stay in the school and not transfer to other secondary schools. Therefore this would only leave an additional 40 pupils to come from the other 4 English medium primary schools in the town as well as neighbouring schools in Prestatyn.

The Diocese believe the school will also be attractive to pupils who attend Catholic primary schools in Conwy- St. Josephs in Colwyn Bay and Blessed William Davies in Llandudno who currently cannot continue their Catholic education into secondary education in the County.

- Please clarify the full refurbishment costs as they seem high- Full refurbishment costs also looks at ensuring the schools would meet 21<sup>st</sup> Century school standards- i.e. the costings take into account a brand new sports hall for Blessed Edward Jones and the re-build of the playgroup facilities at Ysgol Mair.
- Are salaries consistent across options?- Salary costs are excluded due to a significant change management programme to be undertaken over the next 2 years prior to the opening of the new school. The Temporary Governing Body will be established shortly and one of their first roles will be to examine what the staffing and management structure will be- the new school will only have one headteacher but the SLT will be set up very differently as it is now.
- EAC Analysis: For a change in the EAC rankings the costs associated with the main options would have to reduce by approximately 64% for option 3 and 42.3% to achieve a similar EAC as Option 2.

	Option 2	Amended Option 3	Amended Option 5
Capital Costs	1,521,009	7,081,604	11,750,000
Optimism Bias		861,709	1,305,425
Total	1,521,009	7,943,314	13,055,425
EAC	904,646	903,104	904,174

This analysis has focussed solely on the initial capital costs and subsequent optimism bias. Any potential changes to the scope would be likely to impact on the lifecycle costs but further work would be required to comment with authority on this impact. Therefore for the purpose of this analysis the existing costs have been used.

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