# Powys County Council

## Ysgol Cedewain FBC

## December 2021

## Version 0.5

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# 1 Executive Summary

## 1.1 Strategic Case

The Strategic Case outlined in the Ysgol Cedewain Strategic Outline Case demonstrated the rationale for a new build at Ysgol Cedewain.

The current situation with the school estate being sprawled across 10 separate teaching blocks, the public right of way that currently splits the site in two, the lack of pupil pick up and drop off space, and the deteriorating state and condition of the buildings means that the school is in urgent need of significant investment.

DDA compliance in the school has also been graded as 'partial' and does not meet the needs of pupils and teachers in a special school setting.

### 1.1.2 Case for Change

The case for change is based on the need to improve facilities for pupils at Ysgol Cedewain. The school is in a very poor condition and has significant site constraints.

The current building is in very poor condition, categorised as condition C.

- There is outstanding backlog maintenance on the site, to the sum of £2.4M.
- Most of the classrooms are ageing portable structures and, in some cases, are in need of urgent maintenance and repair, nearing end of usable lifespan.
- It is a sprawling site, spread over a large area.
- The distance and obstacles between classrooms mean that a lot of time and effort is spent safely escorting pupils with complex sensory and physical needs around the school site. This can be particularly challenging during bad weather.
- The buildings and layout also severely limit the provision of specialist equipment for pupils with significant additional needs.
- Specialist equipment is not available in all areas of the school therefore limiting access and mobility for some pupils.
- There are significant health and safety and safeguarding issues with the site, including a public right of way that runs across it, difficult access areas and poor parking facilities.
- The minibus parking area uses up part of the playground, which restricts use at peak times.

### 1.1.3 Investment Objectives

The Investment Objectives underlying the case for change for this project are:

1. To deliver a fit for purpose building solution that delivers an improved learning environment for pupils with significant additional learning needs – minimum condition B and meeting BREEAM requirements;

2. To improve the building's efficiency / running costs;
3. To provide facilities that will accommodate a greater proportion of pupils with significant additional learning needs that are currently accessing provision out of Powys;
4. To provide improved opportunities for pupils with significant additional learning needs;
5. To provide holistic support for Powys children with significant additional needs, incorporating reliable specialised equipment and facilities;
6. Increase the capacity of teaching staff to deliver a 21st century curriculum that meets the needs of learners with significant additional learning needs.

## 1.2 Economic Case

### 1.2.1 Scope Appraisal

**Options**

- Minimum – 2 to 19 School for 102 children with additional learning needs(ALN);
- Intermediate – 2 to 19 School for 102 children with ALN and community facilities;
- Maximum – 2 to 19 School for 102 children with ALN, community and respite facilities.

### 1.2.2 Service Solution Appraisal

**Options**

- Option 1 – Do nothing business as usual;
- Option 2 - Refurbish existing blocks and conduct essential maintenance;
- Option 3 – Remodel and partly rebuild existing blocks;
- Option 4 – New build ALN school on existing site with communities facilities;
- Option 5 – New build ALN school on alternative site with communities facilities;
- Option 6 – New build ALN school on existing site with communities and respite facilities.

### 1.2.3 Shortlisted Options

The shortlisted options are therefore:

- Option 1: Do nothing business as usual;
- Option 4: New Build 2 to 19 Special School with community facilities on existing site;
- Option 5: New Build 2 to 19 Special School with community facilities on alternative site;
- Option 6: New Build 2 to 19 Special School with community and respite facilities on existing site.

### 1.2.4 Economic Appraisal

**Net Present Cost**

The following tables summarise the key results of the economic appraisals for each option. Values used for the economic analysis are expressed in base year terms. Options have been risk-adjusted to account for the 'risk retained' (in £s) by the organisation under each option.

| Discounted Cash flow (DCF) Summary Sheet | | Inc. Optimism Bias | | Excl. Optimism Bias | |
|---|---|---|---|---|---|
| Option No. | Option Name/Description | NPC (£m) | EAC (£m) | NPC (£m) | EAC (£m) |
| Option 1: | Business As Usual | 37.690 | 2.562 | 37.440 | 2.545 |
| Option 4: | New Build 2 to 19 special school with community facilities on existing site | 82.685 | 3.152 | 82.685 | 3.152 |
| Option 5: | New Build 2 to 19 special school with community facilities on alternative site | 85.465 | 3.258 | 84.560 | 3.224 |
| Option 6: | New Build 2 to 19 special school with community and respite facilities on existing site | 85.472 | 3.259 | 84.398 | 3.218 |

## 1.3 Commercial Case

### 1.3.1 Procurement Strategy

The overarching procurement route for the Ysgol Cedewain redevelopment was via the South East & Mid Wales Collaborative Construction Framework Agreement, known as SEWSCAP, Construction Framework.

The advantages of the SEWSCAP3 Construction Framework is that the OJEU process is undertaken when compiling the framework and contractors are assessed as competent in this sector. The disadvantage might be the opportunity to tender is limited to those contractors on the framework list.

To progress the project, the Council commissioned a design team, via Heart of Wales Property Services Ltd (HoWPS), a joint venture company set up by the Council and Kier to provide property design, construction and maintenance services for Band B of the C21st Schools Programme and other capital investments.

The Ysgol Cedewain design team is comprised of a core project management team within HoWPS, supported by Kier architects, structural, civil, mechanical and electrical engineers, and cost consultants. Further expertise is directly employed by the Council to provide landscape, acoustic, surveying and BREEAM services.

This approach is considered to provide the best balance of approach regarding quality of the final, bespoke building which must be constructed on an occupied school site, and the appropriate allocation of risk.

### 1.3.2 Procurement Method

The tender was run as a mini-competition under Lot 9 of the South East & Mid Wales Collaborative Construction Framework Agreement, known as SEWSCAP, seeking tenders from framework contractors to apply for a 2 stage Design and Build contract for the design and construction of a 108 place specialist ALN school with integrated 6th form (2-18 years) with full cooking kitchen, dining area, community café, hall, hydrotherapy pool and specialist teaching areas within the boundary of the existing Ysgol Cedewain and neighbouring Ysgol Maesyrhandir.

### 1.3.3 Tender Evaluation

The evaluation process involved the individual assessment of tender responses by the Council's evaluators. Once assessed a consensus meeting of evaluators was held to decide on the final agreed score and feedback comments for each tender response received.

The evaluators were:

- Diane Rees, Project Manager, Schools Service
- Jim Swabey, Professional Lead, HOWPS
- Calvin Williams, Assistant Project Manager, HOWPS

The role of Lead Evaluator was carried out by:

- Garry Leatherland – Procurement Category Manager, Construction & Associated Works

### 1.3.4 Tender Results

The results of the overall appraisal process were as follows:

| Contractor | Technical Score | Social Value Score | Commercial Score | Final Score | Rank |
|---|---|---|---|---|---|
| Bouygues UK Ltd | 23.10 | 7.64 | 36.12 | 66.86 | 5 |
| C Wynne & Sons Ltd<br>T/A Wynne Construction | 30.80 | 11.31 | 50.00 | 92.11 | 1 |
| Galliford Try Construction Ltd | 23.45 | 5.94 | 42.13 | 71.52 | 4 |
| Morgan Sindall Ltd | 29.40 | 15.00 | 38.85 | 83.25 | 2 |
| Willmott Dixon Construction Ltd | 25.90 | 12.98 | 41.66 | 80.55 | 3 |

On the basis of the above assessment results, it has been recommended to make an award to the most economically advantageous tenderer: C Wynne & Sons Ltd T/A Wynne Construction.

### 1.3.5 Contractual Arrangements

The form of contract proposed is in two distinct phases.

Phase 1 – the design element – will be in the form of a NEC4 Professional Services Contract.

Phase2 – the construction element – will be in the form of a NEC4 Engineering & Construction Contract - Option A:Priced Contract with Activity schedule.

## 1.4 Financial Case

### 1.4.1 Project Summary Costs

| | |
|---|---|
| New Build % (Area) | 100% |
| Description of work & any unusual constraints | New Build Special School to BREEAM Building Requirements |
| # Pupil Places | 108 |
| # SEN Places | 108 |
| Total # Places | 108 |
| # Storeys (including basement) | 2 |
| Delivered through Regional Framework? | SEWSCAP 3 Framework |
| Contract period in weeks | 16 months |
| GFA (M2) | 3,900 |
| Anticipated Community Benefits | Community Café and Hall Hire, Hydrotherapy and Rebound Room Hire |
| # Trainee and apprenticeship opportunities | Commitment to 326 weeks |
| Use of local subcontractors as a % of total cost | 30% |

### 1.4.2 Breakdown of Capital Costs

| Project Costs | |
|---|---|
| Capital Cost | £ 17,717,670 |
| Optimism Bias | £0 |
| Contingencies | £2,000,000 |
| VAT (only to be included where non-recoverable by applicant) | £0 |

| | |
|---|---|
| **Total Project Cost (inclusive of optimism bias and contingencies)** | **£19,717,670** |
| **Total (excluding optimism bias but inclusive of contingencies)** | **£19,717,670** |
| **Welsh Government Contribution** | **£14,788,253 (75%)** |

### 1.4.3 Overall Affordability and Balance Sheet Impact

A balance sheet asset addition of £19,717,670 is made for the new school. Short term additional funding of £19,717,670 for years 0 through 3 is required, inclusive of contingency but excluding VAT and optimism bias. Additional ongoing revenue funding of £23,071 per annum will be required from the inception of the new school, this will be made available through the PCC schools' budget, partially offset by income raised through private hire of new facilities including the Community Café and Hall, Rebound Room and Hydrotherapy Pool.

The Band B submission has been scrutinised and assessed by the Council's Section 151 Officer for affordability in light of the 75% programme intervention rate.

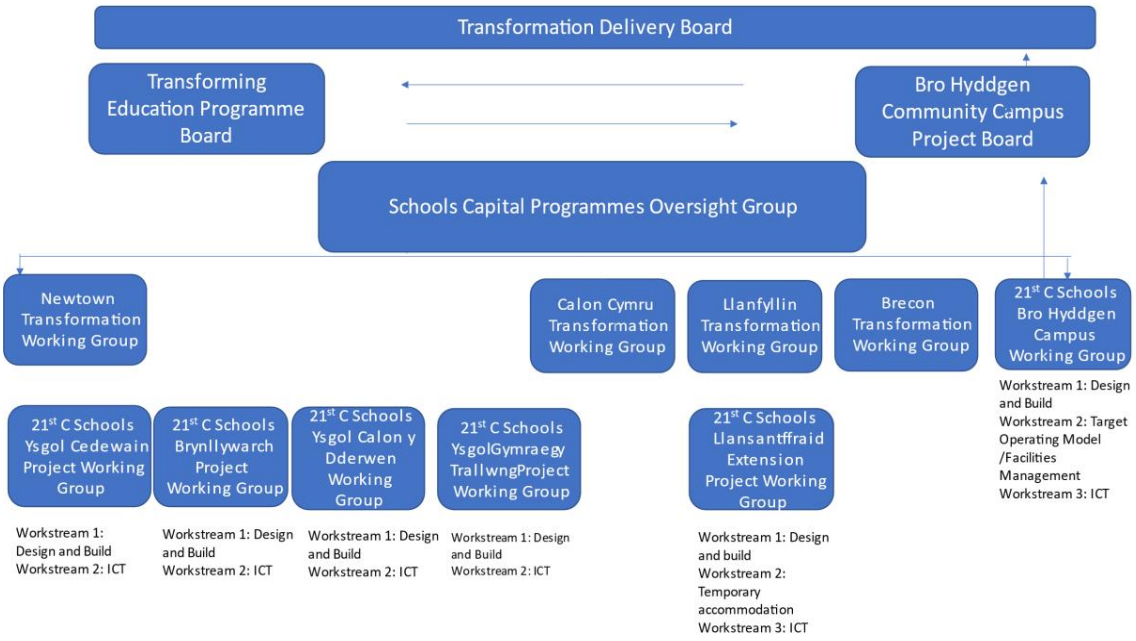
The Council will meet the 25% contribution required to support the overall programme in Band B through prudential borrowing.

## 1.5 Management Case

### 1.5.1 Programme Management Arrangements

This scheme is a constituent of the Powys 21 Century Schools Programme and has been identified within that Programme as a priority. It will be managed in accordance with best practice in programme and project management principles – MSP and PRINCE2 - to provide a systematic and effective delivery framework.

Overall corporate governance for this scheme is provided by the Transformation Delivery Board. The project structure described below is designed to ensure that the preferred option will have a robust project management function in place throughout the proposed timelines. This diagram demonstrates the lines of authority, support and responsibility.




### 1.5.2 Project Management Arrangements

The reporting and governance arrangements for this project are as follows:

Project Manager presents the highlight report to Programme Manager on a monthly basis. These meetings will be chaired by the representatives for each of the Project team areas;

The Programme manager will present summary reports from “Project Team” meetings to the Schools Transformation Programme Board meeting on a monthly basis.

On an exception basis only, the Project Board will report key strategic risks and issues to Programme Board for resolution.

### 1.5.3 Project Structure

The project will be managed in accordance with the general principles of MSP/PRINCE2 methodology. The project management team comprises the Project Board, “Project Team”, the Project Manager and the Team Managers. This “team” is responsible for the day-to-day management and implementation of the project.

The Project Delivery team will remain actively involved throughout the duration of the project fulfilling the intelligent client role once the project is passed over to the successful contractor, thus ensuring continuity of professional staff representing Powys CC during all stages of the project programme.

### 1.5.4 Outline Project Plan

Key dates for the remainder of the Project are as follows:

| Date | Actions (commencement) |
|---|---|
| 10/04/21 | RIBA 4 – Contract awarded to successful contractor |
| 01/11/21 | Planning Application Submitted |
| 08/02/22 | FBC: Cabinet approval |
| 17/02/22 | FBC: WG approval |
| 09/03/22 | RIBA 5 – Construction phase commences |
| 01/05/23 | RIBA 5 – Commissioning commences |
| 25/04/23 | School Opens |
| 01/09/23 | Defects RIBA 6 |
| 01/09/24 | Closure report |

# 2 Strategic Case

## 2.1 Strategic Fit

The Strategic Case outlined in the Ysgol Cedewain Strategic Outline Case demonstrated the rationale for a new build at Ysgol Cedewain.

Since OBC submission and subsequent approval, no change in strategy or project direction has incurred, however, having undertaken further assessments and engagement with Powys CC specialist ALN team, some elements of the accommodation schedule have been redefined to reflect the high dependency nature of future pupils attending the school. The architects were unable to accommodate the design amendments within the designed building footprint, therefore the building has had to be expanded, and therefore incurring more capital costs than anticipated at OBC stage.

The strategic case to replace the existing school estate remains strong and is strengthened by Estyn's latest inspection report, which was issued on Estyn's website in April 2020, following SOC submission and approval. Within the report, Estyn highlights significant safeguarding concerns and the first recommendation within the report is for the school to address the shortcomings in the management of safeguarding identified during the inspection.

The current situation with the school estate being sprawled across 10 separate teaching blocks, the public right of way that currently splits the site in two, the lack of pupil pick up and drop off space, and the deteriorating state and condition of the buildings means that the school is in urgent need of significant investment.

DDA compliance in the school has also been graded as 'partial' and does not meet the needs of pupils and teachers in a special school setting.

The following National and Local Strategies will be addressed or met as a result of progressing this project.

### 2.1.1 National Strategies

The proposals contained within this business case contribute to the following national and international strategies and policies:

- United Nations Convention on the Rights of the Child;
- Wellbeing of Future Generations Act 2015;
- Prosperity for All: the national strategy (2017)
- Education in Wales – Our National Mission Action Plan 2117 – 2021
- Qualified for life: An education improvement plan for 3 to 19-year-olds in Wales (2014)
- A curriculum for Wales – a curriculum for life (2015)
- Taking Wales Forward 2016–2021 (2016)

- One Wales: One planet, a new sustainable development scheme for Wales May 2009 or ant successor strategy;
- Learner Travel Statutory Provision and Operational Guidance -; 2014
- Measuring the capacity of schools in Wales – Circular 021/2011;
- A Living Language: A language for Living: Welsh Language Strategy 2012-17;
- Building a Brighter Future: Early Years and Childcare Plan 2013;
- School Standards and Organisation (Wales) Act 2013;
- School Organisation Code 2013;
- School Organisation: Consultation with Children and Young People – Guidance Document 2013;

### 2.1.2 Local Strategies

- Vision 2025 sets out the Cabinet's priorities for the council up to 2025. 'Strengthening Learning and Skills' is one of the four priorities outlined within this vision;
- Welsh in Education Strategic Plan 2017-20 sets out the council's priorities for developing Welsh-medium provision within Powys;
- Strategy for Transforming Education in Powys, which sets out Powys' approach to developing the school infrastructure and the planning of school places;
- Powys Community Focused Schools Strategy, which ensures that key services are sufficiently integrated and able to work collaboratively;
- Powys Carbon Reducing & Sustainability Strategies, which identifies that all new schools will be part of a new generation of energy efficient buildings;
- Powys Regenerations Strategy aims to deliver outcomes which will have a positive impact upon the physical, social, environmental, economic and cultural attributes of the county; and
- Powys ICT Strategy which aims at delivering learners' entitlement to use technology to support their learning and to enable schools to become more innovative and effective in their teaching and learning.

## 2.2 Case for Change

The case for change is based on the need to improve facilities for pupils at Ysgol Cedewain. The school is in a very poor condition and has significant site constraints.

- The current building is in very poor condition, categorised as condition C.
- There is outstanding backlog maintenance on the site, to the sum of £2.4M.
- Most of the classrooms are ageing portable structures and, in some cases, are in need of urgent maintenance and repair, nearing end of usable lifespan.
- It is a sprawling site, spread over a large area.

- The distance and obstacles between classrooms mean that a lot of time and effort is spent safely escorting pupils with complex sensory and physical needs around the school site. This can be particularly challenging during bad weather.
- The buildings and layout also severely limit the provision of specialist equipment for pupils with significant additional needs.
- Specialist equipment is not available in all areas of the school therefore limiting access and mobility for some pupils.
- There are significant health and safety and safeguarding issues with the site, including a public right of way that runs across it, difficult access areas and poor parking facilities.
- The minibus parking area uses up part of the playground, which restricts use at peak times.

### 2.2.1 Investment Objectives

The Investment Objectives underlying the case for change for this project are:

1. To deliver a fit for purpose building solution that delivers an improved learning environment for pupils with significant additional learning needs – minimum condition B and meeting BREEAM requirements;
2. To improve the building's efficiency / running costs;
3. To provide facilities that will accommodate a greater proportion of pupils with significant additional learning needs that are currently accessing provision out of Powys;
4. To provide improved opportunities for pupils with significant additional learning needs;
5. To provide holistic support for Powys children with significant additional needs, incorporating reliable specialised equipment and facilities;
6. Increase the capacity of teaching staff to deliver a 21st century curriculum that meets the needs of learners with significant additional learning needs.

### 2.2.2 Existing Arrangements

Ysgol Cedewain is a special school for children with additional learning needs (ALN). It is situated in Newtown in North Powys and provides education for pupils from aged 2 to 19 years old, with wide range of complex educational, sensory and physical needs. Most pupils have a statement of special educational needs (SEN). Almost all pupils are local authority pupils drawn from a wide catchment area in the north of Powys.

The school is currently operating at about full capacity. The total full capacity is 120 pupils and, at September 2021, there are 116 pupils on the roll.

It is anticipated that the school will be at full capacity for at least the next 5 years; whilst there is a waiting list, it is very difficult to provide more accurate figures as the needs of each pupil are not known fully until they approach school age.

Because of the condition of and facilities at the school, some 7 learners choose to travel out of county to access fit for purpose facilities.

Key information about the existing arrangements is held within tables 1-3 below:

**Table 1 – Present & forecast pupil numbers**

| School | Sep 2021 | Jan 2022 | Jan 2023 | Jan 2024 | Jan 2025 |
|---|---|---|---|---|---|
| Ysgol Cedewain | 116 | 120 | 120 | 120 | 120 |

**Table 2 – Number of surplus places**

| School | Total places | Current places (Sep 2021) | Total surplus (Sep 2021) |
|---|---|---|---|
| Ysgol Cedewain | 120 | 109 | 11 |

**Table 3 – Latest condition assessments**

| School | Condition | Suitability | Sustainability |
|---|---|---|---|
| Ysgol Cedewain | C | C | C |

### 2.2.3 Clarifications to the OBC

WG's Minister for Education has approved the OBC for progression to Full Business Case (FBC) stage without clarification.

### 2.2.4 The Proposal

The requested investment will deliver a brand new, purpose-built school with 108 places in age-appropriate environments. In general, the new build will deliver the following:

- Specialist support and provision to pupils with significant additional learning needs, in a modern and innovative learning environment, and will better equip teachers to tailor lessons to meet the specific needs, and improving accessibility to learners across the North of Powys;
- Appropriate learning spaces to deliver the new curriculum;
- Specialist equipment, including IT facilities, to support teaching and learning outcomes which will help to ensure all learners maximise their potential;
- More effective use of the site - the school will no longer be dependent on demountable accommodation, which is currently dispersed across the site;
- A holistic integrated multi agency approach, with dedicated physiotherapy and medical rooms, and also a hydrotherapy pool and sensory rooms and garden. The facilities will

support the school's well-established relationships with the specialist services and will also further cement the Council's relationship with Powys Teaching Health Board;

- A fully equipped early years class base, with breakout space, calming room, laundry and hygiene facilities, together with an individual outdoor learning area, which will enable the school to increase their early years provision. The facilities would also enable the school to consider providing after school care, holiday play schemes and wrap around childcare and to support the childcare offer for learners with additional needs;
- A flagship community focused school, with community groups being able to access the facilities out of school hours. Safeguarding will be ensured as the school will be able to lock down the teaching areas while enabling community access to the community zone;
- Therapeutic facilities available to hire, - these include a hydrotherapy pool and changing facilities, rebound room, touchtrust room, community kitchen and café, meeting room and hall. The hire of the facilities will be managed by the school and provide additional revenue income. There are very few therapeutic facilities within the locality, and it is anticipated that there will be a strong demand.

The new school will be built on a part of the current site of Ysgol Cedewain and part of the adjoining primary school – Maesyrhandir CP School. There will be a new grassed sports pitch and Multi Use Games Area for shared usage by Ysgol Cedewain & Maesyrhandir CP School.

The proposed completion timeframe for the project is Spring 2023 and a Benefits Realisation Plan will be included in the Management Case.

### 2.2.5 Other Changes to the Scheme Since the OBC

It has been agreed that the scope of the project will be extended slightly to include the following new items for construction, at an additional projected cost of £433,815.40

- Erection of an external canopy as a Taxi Drop-off area;
- Stair widths to be increased from ERD/tender to reflect SEN standards;
- Addition of half-leaf & associated ironmongery to internal doors;
- Allowance made for 2 passenger lift upgrades to full bed lifts;
- Allowance for additional fencing/segregation strategies.

Otherwise:

- The main benefits of the project are unchanged from OBC.
- The OBC carried the results of the Risk Appraisal from a workshop, where the risk scores were assigned on the basis of participants' judgment and assessment of previous procurements. The range of scales used to quantify risk followed the

corporate risk assessment process. Those results helped in the outcome of the tender process and, with a successful contractor being appointed, the Management Case of the FBC now contains updated details on the Risk Register, where the 34 risks identified at the Appraisal Workshop are now recorded and added to; and

- There have been no changes in the constraints of the project, nor to project dependencies.

# 3 Economic Case

## 3.1 Critical Success Factors

***CSF1: Strategic Fit***

- The option must satisfy all 5 investment objectives and business needs
- The option must optimise the benefits as presented in the Main Benefits Criteria
- The option must be aligned with and promote the national, regional and local strategies

***CSF2: Potential Value for Money (VFM)***

- The option must optimise the resources available for the delivery of learning
- The option must provide value for money in the delivery of learning

***CSF3: Potential Achievability***

- The option must be acceptable to learners, staff, governors and the wider community;
- The option must be politically acceptable at local, county and national level;
- The option must be achievable within current legislation;
- The options must be operationally achievable/physically achievable.

***CSF4: Supply side Capacity and Capability***

- The option must secure sufficient appropriate resources and expertise to be deployed within Powys to achieve the investment objectives.

***CSF5: Potential Affordability***

- The extent to which the option is affordable within the forecasted revenue of participating organisations;
- The extent to which the option is affordable within the forecasted capital finding of participating organisations.

## 3.2 Long List Options

The long list of options was generated by a cross departmental group of stakeholders at a workshop held on 19 March 2020. The following individuals were present at this workshop:

- Marianne Evans – Senior Manager Education Services;
- Betsan Ifan – Programme Manager;
- Diane Rees – Project Manager.

Each option was evaluated against the agreed investment objectives and critical success factors in order to determine whether they were to be discounted or carried forward to the short list for further consideration.

## 3.3 Scope Appraisal

### 3.3.1 Options

- Minimum – 2 to 19 School for 102 children with additional learning needs(ALN);
- Intermediate – 2 to 19 School for 102 children with ALN and community facilities;
- Maximum – 2 to 19 School for 102 children with ALN, community and respite facilities.

### 3.3.2 Advantages and Disadvantages

**Table 4 - Scope advantages and disadvantages**

| Do Minimum: 2 to 19 School for 102 children with additional learning needs(ALN) | |
|---|---|
| **Advantages** | **Disadvantages** |
| • Minimises the capital investment required;<br>• Simplifies design. | • Does not enable wider integration of school within the community;<br>• Does not offer any 'value add' to indirect stakeholders of the scheme;<br>• Does not create new opportunities for additional income streams for the school. |
| Intermediate: 2 to 19 School for 102 children with ALN and community facilities | |
| **Advantages** | **Disadvantages** |
| • Increased opportunities for school and community cohesion;<br>• Increased benefits for communities able to access specialist therapeutic facilities;<br>• Fits with areas of learning in the new curriculum;<br>• Creates opportunities for additional income streams for the school<br>• Contributes towards positive perception of PCC within wider community | • Increases capital investment required in the project;<br>• Reduces the capital funding available for other projects in the Band B programme |
| Maximum: 2 to 19 School for 102 children with ALN, community and respite facilities | |
| **Advantages** | **Disadvantages** |
| • As above plus:<br>• Allows for increased integration of services to parents of ALN children;<br>• Supports the wellbeing of unpaid carers;<br>• Increased integration between education and social care. | • Maximises capital investment required in the project;<br>• Further reduces the capital funding available for other projects in the Band B programme;<br>• Likely unaffordable under the current PCC capital programme<br>• Increases complexity of design. |

### 3.3.3 Conclusion

**Table 5 - Scope appraisal summary**

| Reference to: | Do Nothing | Intermediate Scope | Maximum Scope |
|---|---|---|---|
| 1. To deliver a fit for purpose building solution that delivers an improved learning environment for pupils with significant additional learning needs – minimum condition B and meeting BREEAM requirements | ✓ | ✓ | ✓ |
| 2. To improve the building's efficiency / running costs | ✓ | ✓ | ✓ |
| 3. To provide facilities that will accommodate a greater proportion of pupils with significant additional learning needs that are currently accessing provision out of Powys | ✓ | ✓ | ✓ |
| 4. To provide improved opportunities for pupils with significant additional learning needs | ✓ | ✓ | ✓ |
| 5. To provide holistic support for Powys children with significant additional needs, incorporating reliable specialised equipment and facilities | ✓ | ✓ | ✓ |
| 6. Increase the capacity of teaching staff to deliver a 21st century curriculum that meets the needs of learners with significant additional learning needs. | ✓ | ✓ | ✓ |
| Strategic Fit | | | |
| Strategic Fit | x | ✓ | ✓ |
| Potential VFM | x | ✓ | ✓ |
| Potential achievability | ✓ | ✓ | ✓ |
| Supply side capability | ✓ | ✓ | ? |
| Affordability | ✓ | ✓ | ? |
| Summary | Carry Forward for Comparison | Preferred | Possible |

## 3.4 Service Solution Appraisal

### 3.4.1 Options

- Option 1 – Do nothing business as usual;
- Option 2 - Refurbish existing blocks and conduct essential maintenance;
- Option 3 – Remodel and partly rebuild existing blocks;
- Option 4 – New build ALN school on existing site with communities facilities;
- Option 5 – New build ALN school on alternative site with communities facilities;
- Option 6 – New build ALN school on existing site with communities and respite facilities.

### 3.4.2 Advantages and Disadvantages

**Table 6 - Service solution advantages and disadvantages**

| Option 1: Do nothing business as usual | |
|---|---|
| **Advantages** | **Disadvantages** |
| • No capital spend required immediately;<br>• Enables alternative use of capital funding within the programme envelope. | • Inadequate school buildings that are in poor condition will continue in use;<br>• Does not meet the requirement of Estyn recommendations;<br>• Will not generate any lifecycle efficiencies;<br>• Will not generate any property revenue efficiencies;<br>• No new potential for additional revenue income streams;<br>• School will not become financially viable;<br>• Does not address safeguarding and access issues;<br>• Current layouts are inappropriate;<br>• Will not optimise the learning skills measure;<br>• Will result in significant investment required in medium term;<br>• Will not in result in a 21st Century standard school. |
| **Option 2: Refurbish existing blocks and conduct essential maintenance** | |
| **Advantages** | **Disadvantages** |
| • Extends the life of the building.<br>• Addresses immediate issues easily;<br>• Reduces the probability of disruption to service delivery;<br>• Less immediate drain on Council's capital resources;<br>• Continuity of education on sites;<br>• Enables alternative use of capital funding within the programme envelope. | • Inadequate school buildings continue with poor suitability and sustainability factors, R & M funding would not stop further deterioration;<br>• Unlikely to generate any lifecycle efficiencies;<br>• Unlikely to generate any property revenue efficiencies; |

| | |
|---|---|
| | • No new potential for additional revenue income streams;<br>• Financially unviable as it will not attract 21st Century School funding;<br>• Does not enhance current public perception of the condition of the specialist school facilities campus;<br>• Some noise disruption to pupils;<br>• Does not improve the learning environment and does not provide a suitable environment suitable for the needs of vulnerable pupils and staff;<br>• Does not enhance current public perception of the condition of the specialist school facilities campus, may be viewed as a stop gap solution<br>• The works required at Ysgol Cedewain could severely impact the Major Improvement Programme fund, which will decrease the amount of funding available for much needed improvements at other schools;<br>• Will not in result in a 21st Century standard school. |
| Option 3: Remodel and partly rebuild existing blocks | |
| **Advantages** | **Disadvantages** |
| • Extends the life of some blocks;<br>• Addresses immediate issues easily;<br>• Less immediate drain on Council's capital resources in Band B;<br>• Enables alternative use of capital funding within the programme envelope. | • Disruption to pupils;<br>• Inadequate school buildings continue with poor suitability and sustainability factors, R & M funding would not stop further deterioration on blocks not rebuilt;<br>• Unlikely to generate substantial lifecycle efficiencies;<br>• Unlikely to generate substantial property revenue efficiencies;<br>• No new potential for additional revenue income streams;<br>• Financially unviable as it will not attract 21st Century School funding<br>• Does not enhance current public perception of the condition of the specialist school facilities campus, may be viewed as a stop gap solution<br>• Does not improve the learning environment overall and does not provide a suitable environment suitable for the needs of vulnerable pupils and staff.<br>• The works required at Ysgol Cedewain could severely impact the Major Improvement |

| | |
|---|---|
| | Programme fund, which will decrease the amount of funding available for much needed improvements at other schools<br>• Will not in result in a 21st Century standard school. |
| Option 4: New build ALN school on existing site with communities facilities; | |
| **Advantages** | **Disadvantages** |
| • Will generate 21st Century standard school;<br>• Improves access, egress and circulation on site;<br>• Mitigates safeguarding issues with current arrangements;<br>• Rebuilt premises will have a positive impact on teaching and learning experiences and educational outcomes;<br>• Creates a carbon efficient building;<br>• Optimises utility costs;<br>• Reduces lifecycle costs;<br>• New facilities will prove attractive to potential learners and employees;<br>• New facilities offer the potential for increasing revenue raising opportunities;<br>• New facilities will be viewed positively within the community.<br>• Will provide greater opportunity for extra-curricular activities | • Potential transport disruption within the locality during construction;<br>• Larger capital requirement. |
| Option 5: New build ALN school on alternative site with communities facilities; | |
| **Advantages** | **Disadvantages** |
| • Will generate 21st Century standard school;<br>• Improves access, egress and circulation on site;<br>• Mitigates safeguarding issues with current arrangements;<br>• Rebuilt premises will have a positive impact on teaching and learning experiences and educational outcomes;<br>• Creates a carbon efficient building;<br>• Optimises utility costs;<br>• Reduces lifecycle costs;<br>• New facilities will prove attractive to potential learners and employees;<br>• New facilities offer the potential for increasing revenue raising opportunities;<br>• New facilities will be viewed positively within the community.<br>• Will provide greater opportunity for extra-curricular activities | • Potential transport disruption within the locality during construction;<br>• Most capital intense solution.<br>• Larger capital requirement;<br>• Alternative site complexities have the potential to delay the delivery of the scheme significantly;<br>• Ground surveys for alternative site have not yet been conducted which increases the requirement for risk contingency within the scheme. |

| Option 6: New build ALN school on existing site with communities and respite facilities | |
|---|---|
| **Advantages** | **Disadvantages** |
| • Will generate 21st Century standard school;<br>• Improves access, egress and circulation on site;<br>• Mitigates safeguarding issues with current arrangements;<br>• Rebuilt premises will have a positive impact on teaching and learning experiences and educational outcomes;<br>• Creates a carbon efficient building;<br>• Optimises utility costs;<br>• Reduces lifecycle costs;<br>• New facilities will prove attractive to potential learners and employees;<br>• New facilities offer the potential for increasing revenue raising opportunities;<br>• New facilities will be viewed positively within the community.<br>• Will provide greater opportunity for extra-curricular activities | • Potential transport disruption within the locality during construction;<br>• Most capital intense solution. |

### 3.4.3 Conclusion

**Table 7 - Service Solution appraisal summary**

| Reference to: | Option 1 | Option 2 | Option 3 | Option 4 | Option 5 | Option 6 |
|---|---|---|---|---|---|---|
| 1. To deliver a fit for purpose building solution that delivers an improved learning environment for pupils with significant additional learning needs – minimum condition B and meeting BREEAM requirements | × | × | × | ✓ | ✓ | ✓ |
| 2. To improve the building's efficiency / running costs | × | ? | ✓ | ✓ | ✓ | ✓ |
| 3. To provide facilities that will accommodate a greater proportion of pupils with significant additional learning needs that are currently accessing provision out of Powys | × | × | ? | ✓ | ✓ | ✓ |
| 4. To provide improved opportunities for pupils with significant additional learning needs | × | × | ? | ✓ | ✓ | ✓ |
| 5. To provide holistic support for Powys children with significant additional needs, incorporating reliable specialised equipment and facilities | × | ? | ? | ✓ | ✓ | ✓ |
| 6. Increase the capacity of teaching staff to deliver a 21st century curriculum that meets the needs of learners with significant additional learning needs. | × | × | ? | ✓ | ✓ | ✓ |
| Critical Success Factors | | | | | | |
| Strategic Fit | × | × | × | ✓ | ✓ | ✓ |
| Potential VFM | × | × | × | ✓ | ✓ | ✓ |
| Potential achievability | × | × | × | ✓ | ✓ | ✓ |
| Supply side capability | ✓ | ✓ | ✓ | ✓ | ✓ | ? |
| Affordability | ✓ | ✓ | ✓ | ✓ | ? | ? |
| Summary | Discount but Carry Forward | Discounted | Discounted | Preferred | Possible | Possible |

## 3.5 Service Delivery Appraisal

### 3.5.1 Options

- Minimum – Local Authority delivery;
- Intermediate – Local Authority and Private Sector partner arrangements;
- Maximum – Private Sector partnership (PPP);

### 3.5.2 Advantages and Disadvantages

**Table 8 - Service delivery advantages and disadvantages**

| Minimum: Local Authority | |
|---|---|
| **Advantages** | **Disadvantages** |
| • All requisite delivery structures are already in place;<br>• Local Authority has extensive experience in delivering this service delivery model;<br>• Cost effective model;<br>• Strategic link to Councils School Transformation Programme;<br>• Most expedient model for delivery;<br>• Politically acceptable;<br>• Limited risk due to specialist support within LA | • May stifle innovation. |
| Intermediate: Local Authority and Private Sector Partner arrangements | |
| **Advantages** | **Disadvantages** |
| • All requisite delivery structures in place;<br>• Local Authority has extensive experience in delivering this service delivery model;<br>• Cost effective model;<br>• Strategic link to Councils School Transformation Programme<br>• Most expedient model for delivery;<br>• Politically acceptable;<br>• Limited risk due to specialist support within LA | • Will prove more expensive for the Local Authority<br>• Contractor may not be au fait with the workings and culture of Local Authority |
| Maximum: Private Sector partnership (PPP) | |
| **Advantages** | **Disadvantages** |
| • Private sector suppliers will provide specialisms and capacity that the Local Authority alone cannot provide<br>• Services can be delivered relatively quickly | • Private contractor is an unknown quantity<br>• Contractor may not be au fait with the workings and culture of Local Authority<br>• Any private sector partnership will be unlikely to include local contractors;<br>• Profit element of partnership may impact on funds available for development |

### 3.5.3 Conclusion

**Table 9 - Service Delivery appraisal summary**

| Reference to: | LA | LA & PSP | PPP |
|---|---|---|---|
| 1. To deliver a fit for purpose building solution that delivers an improved learning environment for pupils with significant additional learning needs – minimum condition B and meeting BREEAM requirements | ✓ | ✓ | ✓ |
| 2. To improve the building's efficiency / running costs | ✓ | ✓ | ✓ |
| 3. To provide facilities that will accommodate a greater proportion of pupils with significant additional learning needs that are currently accessing provision out of Powys | ✓ | ✓ | ✓ |
| 4. To provide improved opportunities for pupils with significant additional learning needs | ✓ | ✓ | ✓ |
| 5. To provide holistic support for Powys children with significant additional needs, incorporating reliable specialised equipment and facilities | ✓ | ✓ | ✓ |
| 6. Increase the capacity of teaching staff to deliver a 21st century curriculum that meets the needs of learners with significant additional learning needs. | ✓ | ✓ | ✓ |
| Critical Success Factors | | | |
| Strategic Fit | × | ✓ | × |
| Potential VFM | ? | ✓ | × |
| Potential achievability | × | ✓ | ✓ |
| Supply side capability | × | ✓ | ✓ |
| Affordability | × | ✓ | × |
| Summary | Discounted | Preferred | Discounted |

## 3.6 Implementation Appraisal

### 3.6.1 Options

- Minimum – New School opens September 2023;
- Intermediate – New School opens Spring Term 2023;
- Maximum - New School opens September 2022;

### 3.6.2 Advantages and Disadvantages

**Table 10 - implementation advantages and disadvantages**

| Minimum: New School opens September 2023 | |
|---|---|
| **Advantages** | **Disadvantages** |
| • Lack of disruption to education in the short term | • Local community disruption due to extended period of works;<br>• Delayed to accrual of scheme benefits<br>• Immediate cohorts of learns miss out unnecessarily on 21st Century school facilities |
| **Intermediate: New School opens Spring Term 2023** | |
| **Advantages** | **Disadvantages** |
| • Immediate cohorts of learns enjoy 21st Century school facilities within a reasonable period of time<br>• Minimises disruption to learners once school becomes operational;<br>• Ensures Local Authority funding allocation is spent within Welsh Government timescales<br>• Allows time for innovation in design but ensures completion within a reasonable time scale;<br>• Minimises local community disruption. | • Partial delay to accrual of scheme benefits |
| **Maximum: New School opens September 2022** | |
| **Advantages** | **Disadvantages** |
| • Immediate cohorts of learns enjoy 21st Century school facilities within a reasonable period of time<br>• Minimises disruption to learners once school becomes operational;<br>• Ensures Local Authority funding allocation is spent within Welsh Government timescales<br>• Ensures completion in a timely manner;<br>• Minimises local community disruption. | • Potential for rushed design (lack of innovation);<br>• Timescales may be unrealistic due to lead in time for sourcing materials<br>• Requires additional bespoke resource for project in order to deliver upon demanding timescale. |

### 3.6.3 Conclusion

**Table 11 - implementation appraisal summary**

| Reference to: | Sept 23 | Spring 23 | Sept 22 |
|---|---|---|---|
| 1. To deliver a fit for purpose building solution that delivers an improved learning environment for pupils with significant additional learning needs – minimum condition B and meeting BREEAM requirements | ✓ | ✓ | ✓ |
| 2. To improve the building's efficiency / running costs | ✓ | ✓ | ✓ |
| 3. To provide facilities that will accommodate a greater proportion of pupils with significant additional learning needs that are currently accessing provision out of Powys | ✓ | ✓ | ✓ |
| 4. To provide improved opportunities for pupils with significant additional learning needs | ✓ | ✓ | ✓ |
| 5. To provide holistic support for Powys children with significant additional needs, incorporating reliable specialised equipment and facilities | ✓ | ✓ | ✓ |
| 6. Increase the capacity of teaching staff to deliver a 21st century curriculum that meets the needs of learners with significant additional learning needs. | ✓ | ✓ | ✓ |
| Critical Success Factors | | | |
| Strategic Fit | ✓ | ✓ | ? |
| Potential VFM | × | ✓ | ✓ |
| Potential achievability | ✓ | ✓ | ? |
| Supply side capability | ✓ | ✓ | ✓ |
| Affordability | ✓ | ✓ | ✓ |
| Summary | Discounted | Preferred | Discounted |

## 3.7 Funding Appraisal

### 3.7.1 Options

- Minimum – Wholly Local Authority funded from capital programme;
- Intermediate - Mix of Local Authority borrowing and Welsh Government funding;
- Maximum - Wholly Welsh Government grant funded.
- Alternative – Mutual Investment Fund (MIM).

### 3.7.2 Advantages and Disadvantages

**Table 12 - Funding advantages and disadvantages**

| Minimum: Wholly Local Authority funded from capital programme. | |
|---|---|
| **Advantages** | **Disadvantages** |
| • Wouldn't require any additional Local Authority borrowing;<br>• Maximum control over scale and timescale of scheme. | • Diverts capital from other community priorities such as Social Care and highways;<br>• Cost prohibitive.<br>• Affordability |
| Intermediate: Mix of Local Authority borrowing and Welsh Government funding. | |
| **Advantages** | **Disadvantages** |
| • Ensures affordability of scheme;<br>• Provides certainty to Welsh Government i.e. the scheme fits strategically;<br>• Allows for the direction of capital monies to other community priorities. | • Repayment costs for Local Authority may impact on revenue budgets;<br>• Welsh Government grant funding requirements may be onerous;<br>• Application process may delay delivery. |
| Maximum: Wholly Welsh Government grant funded. | |
| **Advantages** | **Disadvantages** |
| • Enables major capital investment in other community priorities. | • Welsh Government grant funding requirements may be prohibitive;<br>• Application process may delay delivery.<br>• May stifle innovation. |
| Alternative: Mutual Investment Model | |
| **Advantages** | **Disadvantages** |
| • No capital funding required up front;<br>• Sponsorship from Welsh Government;<br>• Cost certainty (capital and revenue);<br>• Welsh Governments preferred model; | • Development partners may not be interested;<br>• Complex ownership and governance model;<br>• Multifaceted governance may stifle innovation;<br>• |

### 3.7.3 Conclusion

**Table 13 – Funding appraisal summary**

| Reference to: | WG 100% | Mix | LA 100% | MIM |
|---|---|---|---|---|
| 1. To deliver a fit for purpose building solution that delivers an improved learning environment for pupils with significant additional learning needs – minimum condition B and meeting BREEAM requirements | ✓ | ✓ | ✓ | ✓ |
| 2. To improve the building's efficiency / running costs | ✓ | ✓ | ✓ | ✓ |
| 3. To provide facilities that will accommodate a greater proportion of pupils with significant additional learning needs that are currently accessing provision out of Powys | ✓ | ✓ | ✓ | ✓ |
| 4. To provide improved opportunities for pupils with significant additional learning needs | ✓ | ✓ | ✓ | ✓ |
| 5. To provide holistic support for Powys children with significant additional needs, incorporating reliable specialised equipment and facilities | ✓ | ✓ | ✓ | ✓ |
| 6. Increase the capacity of teaching staff to deliver a 21st century curriculum that meets the needs of learners with significant additional learning needs. | ✓ | ✓ | ✓ | ✓ |
| Critical Success Factors | | | | |
| Strategic Fit | × | ✓ | ✓ | ? |
| Potential VFM | ✓ | ✓ | ✓ | ✓ |
| Potential achievability | ✓ | ✓ | ? | ? |
| Supply side capability | ? | ✓ | ? | ? |
| Affordability | × | ✓ | ✓ | ✓ |
| Summary | Discounted | Preferred | Discounted | Discounted |

## 3.8 Summary of appraisals

**Table 14 – Long List Summary**

| | | | | | | |
|---|---|---|---|---|---|---|
| **Scope appraisal** | Minimum: 2 to 19 Special School for pupils with ALN | | Intermediate: 2 to 19 Special School for pupils with ALN and community facilities | | Maximum: 2 to 19 Special School for pupils with ALN, community and respite facilities | |
| Service solution (Long list appraisal) | Option 1: Do Nothing (BAU) | Option 2: Refurbish existing blocks and conduct essential maintenance; | Option 3: Remodel and partly rebuild existing blocks Remodelling | Option 4: New Build School existing site with community facilities | Option 5: New Build School alternative site with community facilities | Option 6: New Build School existing site with community & respite facilities |
| Service Delivery | Minimum: LA Delivery | | Intermediate: LA and Private Sector Delivery | | Maximum: Private Sector partnership (PPP) | |
| Implementation | Minimum: New School opens September 2023 | | Intermediate: New School opens Spring Term 2022 | | Maximum: New School opens September 2022 | |
| Funding | Minimum: Wholly LA Funded | Intermediate: Mixed LA & WG Funded | Maximum: Wholly WG Funded | Alternative: Mutual Investment Fund | | |

The shortlisted options are therefore:

- Option 1: Do nothing business as usual;
- Option 4: New Build 2 to 19 Special School with community facilities on existing site;
- Option 5: New Build 2 to 19 Special School with community facilities on alternative site;
- Option 6: New Build 2 to 19 Special School with community and respite facilities on existing site.

## 3.9 Economic Appraisal

### 3.9.1 Net Present Cost

The following tables summarise the key results of the economic appraisals for each option. Values used for the economic analysis are expressed in base year terms. Options have been risk-adjusted to account for the 'risk retained' (in £s) by the organisation under each option.

**Table 15 – Summary of Economic Appraisals**

| Discounted Cash flow (DCF) Summary Sheet | | Inc. Optimism Bias | | Excl. Optimism Bias | |
|---|---|---|---|---|---|
| **Option No.** | **Option Name/Description** | **NPC** (£m) | **EAC** (£m) | **NPC** (£m) | **EAC** (£m) |
| **Option 1:** | Business As Usual | 37.690 | 2.562 | 37.440 | 2.545 |
| **Option 4:** | New Build 2 to 19 special school with community facilities on existing site | 82.685 | 3.152 | 82.685 | 3.152 |
| **Option 5:** | New Build 2 to 19 special school with community facilities on alternative site | 85.465 | 3.258 | 84.560 | 3.224 |
| **Option 6:** | New Build 2 to 19 special school with community and respite facilities on existing site | 85.472 | 3.259 | 84.398 | 3.218 |

## 3.10 Qualitative Benefits Appraisal

All of the benefits from the OBC were grouped into four categories, and the benefit groups were then weighted by the project team in order to provide an assessment against the five options.

**Table 16 – Benefit Group Weighting**

| Benefit Groups | Example of Benefits *(info in brackets = how achieved)* | Weight |
|---|---|---|
| Standards and Breadth of Education | • Improved learning outcomes for learners and families (Achieved through better facilities and learning environments)<br>• Improved levels of recruitment, quality, retention and reputation of staff (New environments will assist this)<br>• Opportunities to benefit from a wider range of learning opportunities and skills. (Better learning facilities)<br>• Access to a wider range of teaching materials (state of the art ICT and other emerging technologies) (Better learning facilities)<br>• Produces a more skilled set of students, prepared for entry into Further Education or employment. (Better learning facilities)<br>• Enables holistic & integrated multi agency response further enhancing the Council's relationship with Powys Teaching Health Board (Through site facilities) | 20% |
| Standards of Estate and Facilities | • Zoned and bespoke facilities for flexible community use (Design)<br>• Improved energy efficiency of estate (Through environmental initiatives)<br>• Increased flexibility of accommodation to meet demands and expectations of stakeholders (Flexibility through design)<br>• More efficient use of premises / estate (Efficiency through design)<br>• Improved accessibility to all areas of the site (school site disparate and layout poor)<br>• Improved access to specialist and therapeutic facilities (Through design) | 20% |
| Financial Sustainability | • Creation of new opportunities for revenue generation (New community focussed facilities)<br>• Reduced building operating costs (Through environmental initiatives)<br>• Ensure the viability of educational provision (In the longer term, as other local school estate deteriorates) | 20% |
| Specialist, Enhanced Care & Wellbeing | • Supporting established relationships with multi-agency partners (Through provision and access to specialist facilities) | 40% |

| Benefit Groups | Example of Benefits *(info in brackets = how achieved)* | Weight |
|---|---|---|
| | • Extended access to specialist facilities (Achieved through after school care, holiday play schemes and wrap around childcare )<br>• Lessons increasingly tailored to the specific needs of individual learners (Modern and innovative learning environment) | |

Each of the benefit groups were scored on a range of 0-10 for each option. These scores were agreed by the workshop participants to confirm that the scores were fair and reasonable.

**Table 17 – Benefits Appraisal**

| Benefit Group | Weight | Maximum Score | Raw | | | | Weighted | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Option 1 | Option 4 | Option 5 | Option 6 | Option 1 | Option 4 | Option 5 | Option 6 |
| Standards of Education | 20 | 10 | 3 | 9 | 9 | 9 | 60 | 180 | 180 | 180 |
| Estate and facilities | 20 | 10 | 2 | 10 | 10 | 10 | 40 | 200 | 200 | 200 |
| Financial Sustainability | 20 | 10 | 3 | 9 | 7 | 9 | 60 | 180 | 140 | 180 |
| Specialist, Enhanced Care & Wellbeing | 40 | 10 | 3 | 8 | 9 | 8 | 120 | 320 | 360 | 320 |
| **Total** | **100** | **10** | **11** | **36** | **35** | **36** | **280** | **880** | **880** | **880** |
| **Rank** | | | **4** | **=1** | **3** | **=1** | **4** | **=1** | **=1** | **=1** |

## 3.11 Risk Appraisal

The workshop assigned the risk scores shown in the following table on the basis of participants' judgment and assessment of previous procurements. The range of scales used to quantify risk followed the corporate risk assessment process. The likelihood and impact scores are summarised below:

Probability:

- Low = 1 - Not likely to occur or may happen once every 20 years;
- Medium = 2 - Possible or may happen within 10 years;
- High = 3 - Likely or may happen once a year;
- Very High = 4 - Certain or happens several times a year.

Impact:

- Low = 1;
- Medium = 2;

- High = 3;
- Catastrophic = 4.

The likelihood is multiplied by the impact score to provide a “risk score”. The main risks fall into three categories namely Service Risk (SR), Business Risk (BR) and External environmental risk (EER).

**Table 18 – Costed Risk Register**

There are a number of Contractor’s risks remaining, which have been treated as ’abnormals’ in the total cost. These risks are low likelihood, but high impact (cost):

| Headline Description | Notes | Treatment | Client Provisional Sum |
|---|---|---|---|
| Planning - Re-route of Public Right of Way (PROW) | Included within the Contractor's design and included within the tendered total of the Prices | Residual risk sits with client. Client (via their consultant) has chosen route of diversion | £100,000.00 |
| Existing Water Mains affects design | The design has been developed following consultation with HD Cymru. HD Cymru feedback has been incorporated into the current design and included within tendered price. | Residual risk sits with client. Possible, high impact risk of HD Cymru requiring alternative strategy involving redesign of scheme and diversion of mains. | £1,500,000.00 |
| Site Investigation - Unknown Service | Hand dig been carried out and consultation with Utility Companies has now lead to identification of service. | Residual risk sits with client. Confirmation of service not supplied in writing by utility provider. | £200,000.00 |
| Design is affected by unknown ground conditions | Contractor has carried out further site investigation. All known and reasonably foreseeable requirements included in within the Contractor's design and included within the tendered total of the Prices | Residual risk sits with client. Limitation to contractor's reasonable allowance. | £200,000.00 |

# 4 Commercial Case

## 4.1 Procurement Strategy

The overarching procurement route for the Ysgol Cedewain redevelopment was via the South East & Mid Wales Collaborative Construction Framework Agreement, known as SEWSCAP, Construction Framework.

The advantages of the SEWSCAP3 Construction Framework is that the OJEU process is undertaken when compiling the framework and contractors are assessed as competent in this sector. The disadvantage might be the opportunity to tender is limited to those contractors on the framework list.

To progress the project, the Council commissioned a design team, via Heart of Wales Property Services Ltd (HoWPS), a joint venture company set up by the Council and Kier to provide property design, construction and maintenance services for Band B of the C21st Schools Programme and other capital investments.

The Ysgol Cedewain design team is comprised of a core project management team within HoWPS, supported by Kier architects, structural, civil, mechanical and electrical engineers, and cost consultants. Further expertise is directly employed by the Council to provide landscape, acoustic, surveying and BREEAM services.

This approach is considered to provide the best balance of approach regarding quality of the final, bespoke building which must be constructed on an occupied school site, and the appropriate allocation of risk.

### 4.1.1 Procurement Method

The tender was run as a mini-competition under Lot 9 of the South East & Mid Wales Collaborative Construction Framework Agreement, known as SEWSCAP (see Table 19 below), seeking tenders from framework contractors to apply for a 2 stage Design and Build contract for the design and construction of a 108 place specialist ALN school with integrated 6$^{th}$ form (2-18 years) with full cooking kitchen, dining area, community café, hall, hydrotherapy pool and specialist teaching areas within the boundary of the existing Ysgol Cedewain and neighbouring Ysgol Maesyrhandir.

The council's overall combined budget for the 2-stage design and build and all associated works and services was £19.4m with anticipated tender values of circa £18m.

**Table 19 - SEWSCAP Tiers of value**

| Lot Description | | £0.25-£1.5 M | £1.5-£3.0 M | £3.0-£5.0 M | £5.0-£10.0 M | £10.0-£25.0 M | £25.0-£100 M | No. of Contractors |
|---|---|---|---|---|---|---|---|---|
| Provision of Construction services to include new build, extensions and refurbishment under traditional or design and build with all associated works | PCC & others nearby | **Lot 1** | | | | | | 5 |
| | Torfaen CBC & others | **Lot 2** | | | | | | 5 |
| | Rhondda-Cynon-Taf | **Lot 3** | | | | | | 5 |
| | Vale of Glamorgan | **Lot 4** | | | | | | 5 |
| | PCC & others nearby | | **Lot 5** | | | | | 5 |
| | All Potential Employers | | **Lot 6** | | | | | 5 |
| | | | | **Lot 7** | | | | 5 |
| | | | | | **Lot 8** | | | 6 |
| | | | | | | **Lot 9** | | 6 |
| | | | | | | | **Lot 10** | 6 |
| Provision of Construction services for demountable, temporary building hire or purchase with associated | | **Lot 11** | | | | | | 5 |
| **Total** | | | | | | | | 58 |

### 4.1.2 Procurement Outcome

The council sought early expressions of interest from the framework contractors to apply for a 2 stage Design and Build contract, with 6 contractors confirming their wish to apply for the tender. The tender was published to all 6 contractors on the council's eTendering portal on 26th February 2021.

5 contractors submitted tenders, which were received on the 12th March 2021, from the following contractors:

1. Bouygues UK Ltd
2. C Wynne & Sons Ltd T/A Wynne Construction
3. Galliford Try Construction Ltd
4. Morgan Sindall Ltd
5. Willmott Dixon Construction Ltd

The Contract Managers identified for this project are as follows:

- Diane Rees, Project Manager, Schools Service
- Calvin Williams, Assistant Project Manager, HOWPS

It should be noted that a previous tender process was conducted with the same contractors, which had to be set aside due to errors in the evaluation model and a lack of certainty that the council would achieve the most economically advantageous bid. A secondary re-tender was undertaken, with shorter timescales and amended evaluation model utilised, to rectify the issues identified.

Agreement has been forthcoming from the council's Finance Team to proceed to award the Stage 1 design contract, but to ensure that further financial analysis is considered prior to the award of the 2nd stage contract (anticipated December 2021).

Project Managers will need to ensure that the necessary collateral warranties, sub-contractor warranties and contracts are in place with 2nd tier designers. This is a contractual requirement within the Stage 1 contract to be provided by the successful contractor to ensure the council obtains license to utilise the designs, in the event that council does not proceed to Stage 2 with the successful contractor at stage 1.

### 4.1.3 Qualification Evaluation

The Qualification Envelope evaluation was undertaken by the PCC Commercial Services Team (CST).

No tenderers raised conflicts of interest and financial accounts were sought from all bidders and forwarded to the council's finance team for assessment. Once any clarifications were provided, all tendering contractors were accepted and proceeding to full tender evaluation.

### 4.1.4 Commercial Evaluation

The Commercial Envelope required tenderers to complete the Contract Sum Analysis document, which was then reviewed by a Senior Quantity Surveyor with HOWPS, to check for errors, omissions, or issues.

The total of the Contract Sum Analysis was provided as the Tender Sum which was assessed in accordance with the formula below:

$$\text{Commercial score} = \frac{\text{Lowest price bid}}{\text{Bidder's tendered price}} \times \text{Price weighting (50\%)}$$

The commercial assessment of the tender represented 50% of the overall assessment.

### 4.1.5 Quality (Technical) Evaluation

The quality, or technical, assessment of the tender represented 35% of the overall assessment. Tenderers were required to respond to questions in seven areas (summarised from the procedure) as follows:

**Table 20 - Quality (Technical) Competence Areas**

| Question | Weighting % |
|---|---|
| Delivery Team, Challenges Risks & Opportunities | 20 |
| Detailed Design | 20 |
| Large / Complex Sub-Contract Packages | 20 |
| Approach to Quality Management | 15 |
| Programme | 10 |
| Risk Management | 10 |
| Covid-19 | 5 |

### 4.1.6 Social Value Evaluation

The social value assessment of the tender represented 35% of the overall assessment. Social Value has been assessed using the National TOM's (Themes, Outcomes and Measure) as developed by the Social Value Portal, which requires bidders to propose credible targets against which performance of the successful contractor will be monitored.

The TOMs within the tender process were adapted to reflect the specific needs of the council and commitments from the successful contractor will be contractualised and will be monitored and reported on periodically throughout the delivery of the contract.

Each measure has a financial value (proxy value) and these were used to calculate the overall 'value' of each commitment. The aggregate projected Social Value commitment from each contractor formed the basis of the quantitative Social Value evaluation and was subject to an

assessment of the credibility and robustness of the proposals, through the evaluation of Method Statements and Delivery Plans.

### 4.1.7 Total Score

Each contractor's weighted quality, price and social value scores were added together to produce a final percentage score (Quality Score x 35% + Financial score x 50% + Social Value Score x 15% = Overall Project Score). The highest scoring contractor - the most economically advantageous tenderer - was awarded the first stage of the contract.

### 4.1.8 Appraisal

The evaluation process involved the individual assessment of tender responses by the Council's evaluators. Once assessed a consensus meeting of evaluators was held to decide on the final agreed score and feedback comments for each tender response received.

The evaluators were:

- Diane Rees, Project Manager, Schools Service
- Jim Swabey, Professional Lead, HOWPS
- Calvin Williams, Assistant Project Manager, HOWPS

The role of Lead Evaluator was carried out by:

- Garry Leatherland – Procurement Category Manager, Construction & Associated Works

### 4.1.9 Results

The results of the overall appraisal process were as follows:

**Table 21 - Appraisal Results**

| Contractor | Technical Score | Social Value Score | Commercial Score | Final Score | Rank |
|---|---|---|---|---|---|
| Bouygues UK Ltd | 23.10 | 7.64 | 36.12 | 66.86 | 5 |
| C Wynne & Sons Ltd<br>T/A Wynne Construction | 30.80 | 11.31 | 50.00 | 92.11 | 1 |
| Galliford Try Construction Ltd | 23.45 | 5.94 | 42.13 | 71.52 | 4 |
| Morgan Sindall Ltd | 29.40 | 15.00 | 38.85 | 83.25 | 2 |
| Willmott Dixon Construction Ltd | 25.90 | 12.98 | 41.66 | 80.55 | 3 |

On the basis of the above assessment results, it has been recommended to make an award to the most economically advantageous tenderer: C Wynne & Sons Ltd T/A Wynne Construction.

## 4.2 Contractual Arrangements

The form of contract proposed is in two distinct phases.

Phase 1 – the design element – will be in the form of a NEC4 Professional Services Contract.

Phase2 – the construction element – will be in the form of a NEC4 Engineering & Construction Contract - Option A:Priced Contract with Activity schedule.

## 4.3 Service and Outputs Required

The required output for the project is to design and construct a new special school in Newtown, Powys, to BREEAM building standards, replacing the current buildings of Ysgol Cedewain, which are in very poor condition and not fit-for-purpose.

The investment will deliver a brand new, purpose-built school with 108 places in age-appropriate environments, which will be built on a part of the current site of Ysgol Cedewain and part of the adjoining primary school – Maesyrhandir CP School. The contractor will also provide a new grassed sports pitch and Multi Use Games Area for shared usage by Ysgol Cedewain & Maesyrhandir CP School.

### 4.3.1 Required service streams

Under the first stage of the contract the preferred contractor is required to undertake the following:

- In consultation with the authority and all stakeholders develop the design to and including RIBA Stage 4 to achieve BREEAM. “Excellent” and “Secure by Design”;
- Obtain all BREEAM. “Secure by Design” assessments required to achieve a full design to the above standards;
- Obtain or carry out all negotiations, liaison and surveys to include but not exclusively the following: Site Investigations including contamination and Waste Assessment Criteria, Ecology and Protected Species Survey’s, Drainage Survey and Flood Consequence Assessment, negotiations and liaison with Public Authorities, Services companies and stakeholders, etc.). necessary to achieve a full design to the above standards;
- Obtain all statutory approvals (including Pre-Application Consultation, Planning and Building Regulations);
- Prepare and submit Tender Event Schedule;
- Prepare and submit the Priced Contract (priced Activity Schedule);
- Prepare and submit detailed works Programmes;
- Carry out all value and risk workshops (when necessary);
- Prepare and submit to the client monthly status reports commenting on status of the design development, services strategy, BREEAM. and Secure by design, status of; approvals and report on progress in line with the development programme and budgetary issues.
- Prepare and submit to the client reports at each RIBA Stage on the status of the design development, status of approvals and the development programme and provide detailed cost plans.

### 4.3.2 Specification of outputs required

The contractor is required to achieve BREEAM “Excellent” including carrying out a BREEAM Pre-Assessment and all other documentation to achieve this standard and shall take full responsibility for the discharge of the conditions required to be met by the Contractor and for the design and construction of the scheme.

Tetra Tec have been reappointed for RIBA Stages 3 - 7, however PCC are actively targeting low/zero carbon strategies wherever possible, in view of the recent change to Welsh Government expectations/

With this in mind, the Council has sought Welsh Government advice re the Cedewain Net Zero position, specifically the difficulties involved at this late project stage in revisiting the design and to take the scheme to a Net Zero standard. The conversation included the timing of this FBC submission, the contract situation with Wynne and sub-contractors, and how potential project delay could impact on our project costs and the pupils themselves as they are in desperate need for a new building.

Following this discussion, the following approach has been agreed:

- It is anticipated that the current designs will be heading towards Net Zero Carbon, and achieve/exceed BREEAM Excellent, but that there will be changes necessary to ensure that this happens. For example, double glazed windows may need to become triple glazed windows, to ensure the necessary outcome. To assist this process, further Carbon Modelling has been requested from the Contractor (Wynne), with a view to understanding how Net Zero Carbon can be achieved. This modelling is likely to take between 8-13 weeks and will likely result in small design changes to achieve the goal of Net Zero.

## 4.4 Potential for Risk Transfer

This section provides the assessment of how risk will be apportioned between the Public and Private sectors for this project.

Under the Framework Agreements for Capital Projects, risks will be passed to the party deemed most appropriate to manage the risk. The potential for risk transfer has been assessed and will be managed through the procurement of the contract utilising a Design and Build Contract.

Early contractor involvement will assist in bringing the project in within budget. Early contractor involvement will allow the contractor to have significant input into the detailed design and product specification, which should contribute to reducing the risk of abortive works at detailed design stage.

A comprehensive and robust Employers Requirements Document (ERD) will transfer much of the risk generally incurred at construction stage over to the Contractor, as the contractor’s will

employ their own architects to submit the planning application and provide them with a full package of production information.

The ERD will provide as much detailed information about the site that is practically possible. The ERD will provide the bidding contractors with a full topographical survey (including any statutory services) and detailed geotechnical surveys at tender stage, thus reducing and transferring the risk of any potential claim for delay due to ground conditions at construction stage.

One of the greatest risks to a client utilising a Design and Build contract is the changing of the brief. Through thorough preparation and consultation, a design brief, developed floor plan, and comprehensive set room data sheets, should result in minimal changes, thus minimising risk. However, it should be noted that as with all projects, changes to the brief may occur at any stage. In addition, the contract award for Stage 2, the Build, is contingent upon PCC reviewing the Contractor and their performance on Stage 1.

**Table 22 – Risk category**

| Risk Category | Potential allocation | | |
|---|---|---|---|
| | Public | Private | Shared |
| Design risk | | | ✓ |
| Construction and development risk | | ✓ | |
| Transition and implementation risk | ✓ | | |
| Availability and performance risk | | ✓ | |
| Operating risk | ✓ | | |
| Variability of revenue risks | ✓ | | |
| Termination risks | | | ✓ |
| Technology and obsolescence risks | N/A | N/A | N/A |
| Control risks | | | ✓ |
| Residual value risks | ✓ | | |
| Financing risks | ✓ | | |
| Legislative risks | | | ✓ |
| Other project risks | | | ✓ |

## 4.5 Project Bank Accounts (PBAs)

Powys County Council will adopt the Welsh Government policy on Project Bank Accounts (PBAs) in order to demonstrate compliance with the requirements of Principle 6 of the Wales

Procurement Policy Statement to ‘use Project Bank Accounts where appropriate’. In practice this means for any projects with a capital value exceeding £2M.

Project Bank Accounts support ethical business practises through facilitating fair and prompt payments within the supply chain. Procurement can act as a lever for driving economic, social and environmental benefits in Wales and PBAs are a mechanism that supports this.

The process will involve Trustees (Powys County Council) and Beneficiaries (the lead contractor and any sub-contractors). The lead contractor will issue an invoice, at which time the invoice will be evaluated by Powys County Council and its technical advisors. The money will be transferred and held in a PBA until further authorised by the trustees. Contractors will align their supply chain payment cycles with the payment cycle agreed with Powys County Council.

Details around the Council’s approach to PBAs are to be developed as this proposal moves through the various approval gates. This will include the following details:

- Who will approve the PBA documentation and how? For example, who will approve and sign the Deeds of Trust, Deeds of Adherence / Joining Deed, Bank Mandate.
- Who will agree payments due to the lead contractor and each of their named suppliers and how?
- Who will be responsible for paying money into the PBA and authorising payments out?
- Who will agree why certain supply chain members may not be paid directly from the PBA and the criteria this will be based upon?

It is important that the Council ensure the benefits of PBAs are understood, and that prospective tenderers understand that they should communicate these benefits down the supply chain, to maximise sub-contractor sign up to the PBA.

# PBA money route

Lead Contractor/ Sub-Contractor(s) complete Valuations of work completed within payment cycle.
Assessments are approved by the Client - Lead Contractor submits invoice.

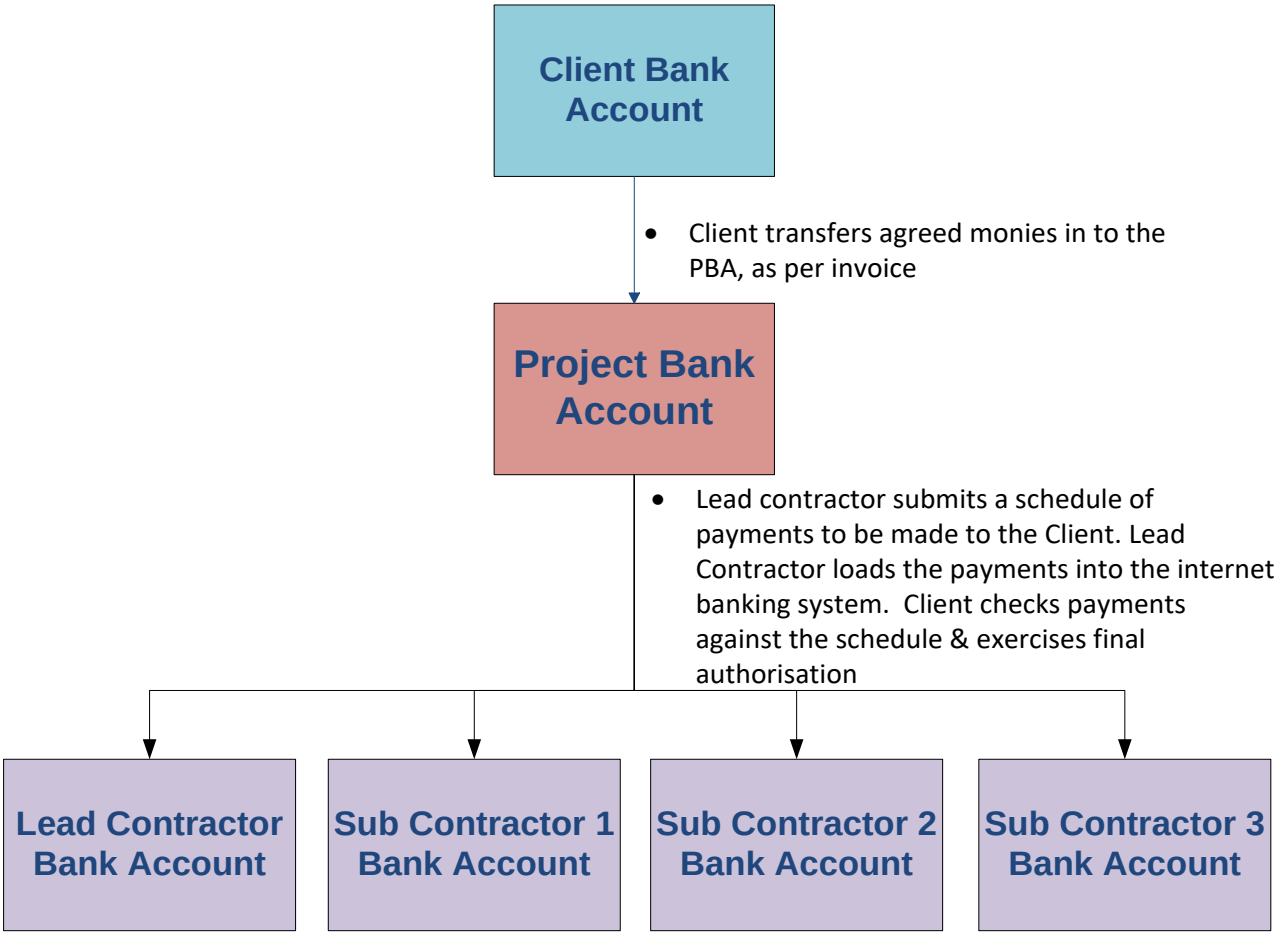



**Figure 1: PBA money route**

## 4.6 Community Benefits

Powys County Council is committed to providing sustainable employment and training to help people into work, sometimes referred to as Targeted Recruitment and Training (TR&T). The TR&T person week target for this contract is 52 weeks of employment for New Entrants, Apprentices or Other Trainees (recruited via the Council's Employer Support Group).

Community Benefit clauses are integral to any future building contract as it is part of the Council's strategic approach to procurement to drive the regeneration of the local economy.

Following the selection and appointment of the successful tenderer, a final Community Benefits Plan specific to the Cedewain project and its location has been agreed by PCC and relevant key stakeholders. This plan, which in addition to the general requirements of the SEWSCAP Framework, will highlight initiatives that benefit the Cedewain community.

PCC is seeking a range of community benefits to emerge from the proposed Ysgol Cedewain procurement including:

- Workforce initiatives – targeted recruitment and training and apprenticeship schemes
- Supply chain initiatives
- Community initiatives
- Educational initiatives
- Environmental initiatives
- Equality and diversity

Potential benefits arising from these programmes include:

- Encouraging people back to work
- Up-skilling to enhance employability
- Improving the local and regional skill pool
- Ensuring opportunities are visible to suppliers and sub-contractors within the locality of the project
- Providing opportunity for smaller and local suppliers
- Facilitating continuity and potential expansion for SMEs
- Enhancing community cohesion
- Practical use of the school curriculum
- Providing a lasting legacy

The Value Wales Community Benefits Toolkit will be adopted and utilised during the delivery of the Community Benefits Plan, to capture all relevant data and ensure that any lessons learned or long-term legacy issues are recorded.

In addition, all data required by SEWSCAP and PCC will be collated and issued in accordance with the agreed requirements for: Project Deliverable KPIs, Meet the Buyer, TR&T and the Skills Academy. The contractor will also be required to utilise a site biometrics system to log information.

The successful tenderer has committed to 76 Social and Local Economic Value Measures (SLEV), worth £1,321,947, as part of their tender submission.

# 5 Financial Case

## 5.1 Project Summary Costs

**Table 23 – Key metrics**

| | |
|---|---|
| New Build % (Area) | 100% |
| Description of work & any unusual constraints | New Build Special School to BREEAM Building Requirements |
| # Pupil Places | 108 |
| # SEN Places | 108 |
| Total # Places | 108 |
| # Storeys (including basement) | 2 |
| Delivered through Regional Framework? | SEWSCAP 3 Framework |
| Contract period in weeks | 16 months |
| GFA (M2) | 3,900 |
| Anticipated Community Benefits | Community Café and Hall Hire, Hydrotherapy and Rebound Room Hire |
| # Trainee and apprenticeship opportunities | Commitment to 326 weeks |
| Use of local subcontractors as a % of total cost | 30% |

## 5.2 Breakdown of Capital Costs

**Table 24 – Breakdown of capital costs**

| Project Costs | |
|---|---|
| Capital Cost | £ 17,717,670 |
| Optimism Bias | £0 |
| Contingencies | £2,000,000 |
| VAT (only to be included where non-recoverable by applicant) | £0 |
| **Total Project Cost (inclusive of optimism bias and contingencies)** | **£19,717,670** |
| **Total (excluding optimism bias but inclusive of contingencies)** | **£19,717,670** |
| **Welsh Government Contribution** | **£14,788,253 (75%)** |

## 5.3 Cost Template

### Table 25 – Elemental Breakdown

| Element | 2021/22 | 2022/23 | 2023/24 | 2024/25 | Total | Cost/m2 | Cost/Pupil |
|---|---|---|---|---|---|---|---|
| **Development costs** | | | | | | | |
| Site investigation (in Design Fees) | | | | | £0.00 | £0.00 | £0.00 |
| Land acquisition (Not included) | | | | | £0.00 | £0.00 | £0.00 |
| **Construction cost** | | | | | **£16,017,014.68** | **£3,656.85** | **£148,305.69** |
| Super structure | | £3,600,431.06 | £1,800,215.53 | £82,243.35 | £5,482,889.94 | £1,251.80 | £50,767.50 |
| Substructure | | £702,315.70 | | £10,695.16 | £713,010.86 | £162.79 | £6,601.95 |
| Abnormals | | £1,000,000.00 | £1,000,000.00 | | £2,000,000.00 | £456.62 | £18,518.52 |
| Externals | | £1,618,005.86 | £809,002.93 | £36,959.52 | £2,463,968.31 | £562.55 | £22,814.52 |
| Internal finishes | | £521,790.58 | £521,790.58 | £15,892.10 | £1,059,473.26 | £241.89 | £9,809.94 |
| Services | | £1,461,466.25 | £1,461,466.25 | £44,511.66 | £2,967,444.17 | £677.50 | £27,476.33 |
| Preliminaries | | £639,152.67 | £319,576.33 | | £958,729.00 | £218.89 | £8,877.12 |
| Overhead/Profit (including Contract Fee) | | £247,666.09 | £123,833.04 | | £371,499.13 | £84.82 | £3,439.81 |
| **Client costs** | | | | | **£3,700,655.32** | **£844.90** | **£34,265.33** |
| ICT | | | £300,000.00 | | £300,000.00 | £68.49 | £2,777.78 |
| FFE | | | £1,427,980.01 | £21,745.89 | £1,449,725.90 | £330.99 | £13,423.39 |
| Design Fees | £767,034.05 | £88,065.00 | £2,000.00 | £2,000.00 | £859,099.05 | £196.14 | £7,954.62 |
| Professional fees | £194,646.73 | £196,115.81 | £151,454.97 | £19,632.36 | £561,849.86 | £128.28 | £5,202.31 |
| Contingencies | | £92,500.00 | £92,500.00 | | £185,000.00 | £42.24 | £1,712.96 |
| Client costs | | £42,490.00 | £302,490.51 | | £344,980.51 | £78.76 | £3,194.26 |
| Inflation (Not included) | | | | | | £0.00 | £0.00 |
| **Total Project Cost** | | | | | **£19,717,670.00** | **£4,501.75** | **£182,571.02** |

## 5.4 Impact on the Organisation's income and expenditure account

**Table 26 – Impact on the organisation's income and expenditure account**

| £s | Total Cost | Years (years 8-60 same as year 7, with the exception of Lifecycle costs, which are shown from year 9, at 5-year periods) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| | | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2031/32 |
| **Preferred way forward:** | | | | | | | | | | |
| New Build Capital | 19.718 | 1.493 | 11.845 | 5.952 | 0.427 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Capital Costs (inc. lifecycle) | 15.952 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.227 |
| Revenue/Current Cost | 129.038 | 2.129 | 2.129 | 2.129 | 2.129 | 2.152 | 2.152 | 2.152 | 2.152 | 2.152 |
| Cash Releasing Benefits | -1.458 | 0.000 | 0.000 | 0.000 | 0.000 | -0.026 | -0.026 | -0.026 | -0.026 | -0.026 |
| **Total** | **163.250** | **3.622** | **13.975** | **8.081** | **2.556** | **2.126** | **2.126** | **2.126** | **2.126** | **2.353** |
| Funded by: | | | | | | | | | | |
| Existing Revenue | -127.746 | -2.129 | -2.129 | -2.129 | -2.129 | -2.129 | -2.129 | -2.129 | -2.129 | -2.129 |
| **Total Existing** | **-127.746** | **-2.129** | **-2.129** | **-2.129** | **-2.129** | **-2.129** | **-2.129** | **-2.129** | **-2.129** | **-2.129** |
| **Additional Funding Required** | **35.504** | **1.493** | **11.845** | **5.952** | **0.427** | **-0.003** | **-0.003** | **-0.003** | **-0.003** | **0.224** |
| Cumulative Funding | | 1.493 | 13.339 | 19.291 | 19.718 | 19.715 | 19.712 | 19.709 | 19.706 | 19.929 |

## 5.5 Cost Build Up

**Table 27 – Cost build up**

| £s | Total Cost | Years (years 9-59 same as year 7, with exception of Lifecycle costs, occurring at 5-year periods) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| | | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2031/32 |
| CAPITAL COSTS | | | | | | | | | | |
| Initial Capital Costs | £19.718 | £1.493 | £11.845 | £5.952 | £0.427 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 |
| Other Capital Costs | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 |
| Lifecycle Cost | £15.952 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.227 |
| Capital Cost Total | £35.670 | £1.493 | £11.845 | £5.952 | £0.427 | £0.000 | £0.000 | £0.000 | £0.000 | £0.227 |
| REVENUE COST | | | | | | | | | | |
| Salaries | £120.640 | £2.011 | £2.011 | £2.011 | £2.011 | £2.011 | £2.011 | £2.011 | £2.011 | £2.011 |
| Building Running Costs | £8.398 | £0.118 | £0.118 | £0.118 | £0.118 | £0.142 | £0.142 | £0.142 | £0.142 | £0.142 |
| Revenue Costs Total | £129.038 | £2.129 | £2.129 | £2.129 | £2.129 | £2.152 | £2.152 | £2.152 | £2.152 | £2.152 |
| Total Costs | £164.708 | £3.622 | £13.975 | £8.081 | £2.556 | £2.152 | £2.152 | £2.152 | £2.152 | £2.379 |
| BENEFITS | | | | | | | | | | |
| Capital Receipts | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 |
| Community Benefits | -£1.458 | £0.000 | £0.000 | £0.000 | £0.000 | -£0.026 | -£0.026 | -£0.026 | -£0.026 | -£0.026 |
| Cash Releasing Benefits Total | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 | £0.000 |
| Cost Net Cash Savings | -£1.458 | £0.000 | £0.000 | £0.000 | £0.000 | -£0.026 | -£0.026 | -£0.026 | -£0.026 | -£0.026 |
| Total | £163.250 | £3.622 | £13.975 | £8.081 | £2.556 | £2.126 | £2.126 | £2.126 | £2.126 | £2.353 |

Nb. Excluding contingencies and optimism bias

Lifecycle costs in years 13 - £333k, 18 - £2.98m, 23 - £1.186m, 28 - £574k, 33 - £2.194m, 38 - £227k, 43 - £4.345m, 48 - £2.98m, 53 - £680k, 58 - £227k

## 5.6 Overall Affordability and Balance Sheet Impact

A balance sheet asset addition of £19,717,670 is made for the new school. Short term additional funding of £19,717,670 for years 0 through 3 is required, inclusive of contingency but excluding VAT and optimism bias. Additional ongoing revenue funding of £23,071 per annum will be required from the inception of the new school, this will be made available through the PCC schools' budget, partially offset by income raised through private hire of new facilities including the Community Café and Hall, Rebound Room and Hydrotherapy Pool.

The Band B submission has been scrutinised and assessed by the Council's Section 151 Officer for affordability in light of the 75% programme intervention rate.

The Council will meet the 25% contribution required to support the overall programme in Band B through prudential borrowing.

# 6 Management Case

## 6.1 Programme Management Arrangements

This scheme is a constituent of the Powys 21 Century Schools Programme and has been identified within that Programme as a priority. It will be managed in accordance with best practice in programme and project management principles – MSP and PRINCE2 - to provide a systematic and effective delivery framework.

Overall corporate governance for this scheme is provided by the Transformation Delivery Board. The project structure described below is designed to ensure that the preferred option will have a robust project management function in place throughout the proposed timelines. This diagram demonstrates the lines of authority, support and responsibility.

**Figure 2: Capital Programme Governance**

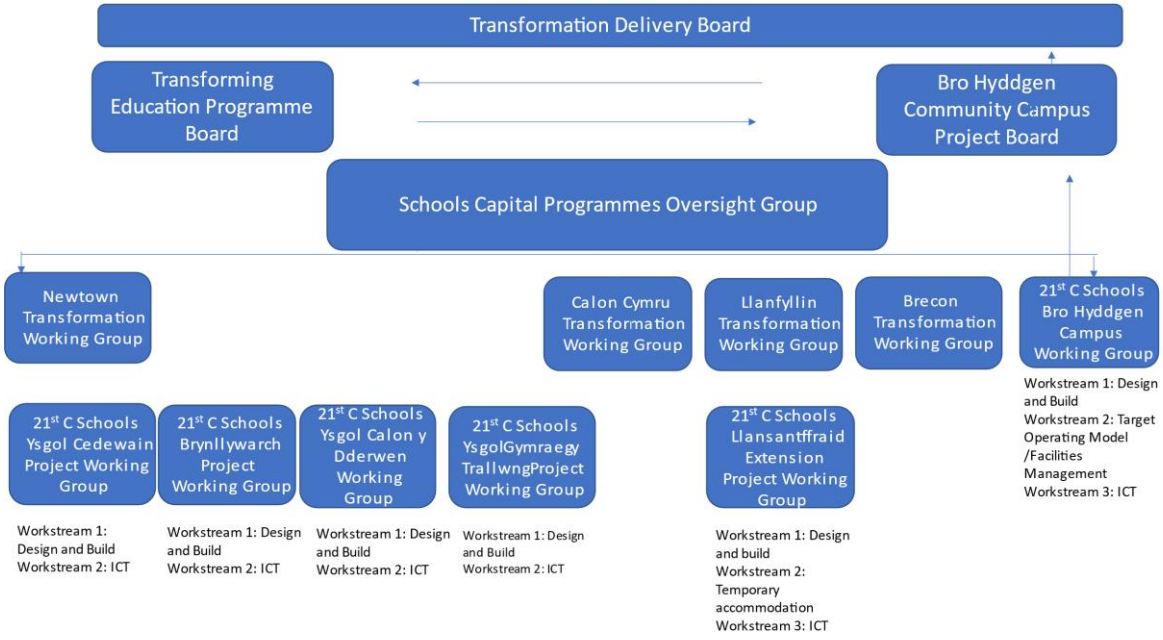



Table 28 – Programme Team

| Name | Programme Role |
|---|---|
| Betsan Ifans | Strategic Programme Manager – 21st Century Schools |
| Diane Rees | Project Manager 21st Century Schools |
| Marianne Evans | Senior Manager, Education School Transformation |

| Name | Programme Role |
|---|---|
| Diane Reynolds | Digital Powys Workstream Lead |
| Paul Bradshaw | Workforce Futures Workstream Lead |
| Hugh Foster-Evans | Welsh-Medium Workstream Lead |
| Huw Griffiths | Post-16 Workstream Lead |
| Hayley Smith | ALN Workstream Lead |

## 6.2 Project Management Arrangements

The reporting and governance arrangements for this project are as follows:

Project Manager presents the highlight report to Programme Manager on a monthly basis. These meetings will be chaired by the representatives for each of the Project team areas;

The Programme manager will present summary reports from “Project Team” meetings to the Schools Transformation Programme Board meeting on a monthly basis.

On an exception basis only, the Project Board will report key strategic risks and issues to Programme Board for resolution.

### 6.2.1 Project Structure

The project will be managed in accordance with the general principles of MSP/PRINCE2 methodology. The project management team comprises the Project Board, “Project Team”, the Project Manager and the Team Managers. This “team” is responsible for the day-to-day management and implementation of the project.

The Project Delivery team will remain actively involved throughout the duration of the project fulfilling the intelligent client role once the project is passed over to the successful contractor, thus ensuring continuity of professional staff representing Powys CC during all stages of the project programme.

**Figure 3: Project Structure**

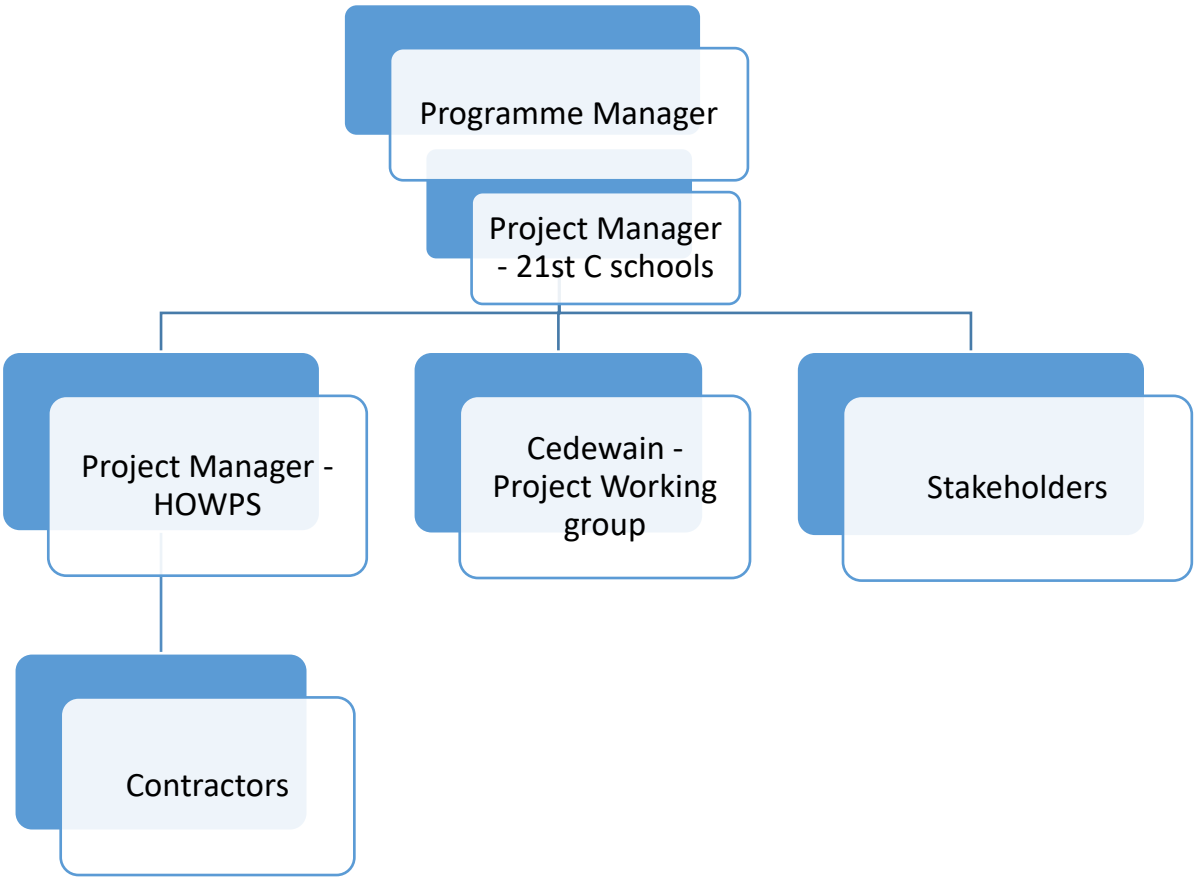



**Table 29 – Project team**

| Name | Project Role |
|---|---|
| Diane Rees | Project Manager 21st C Schools |
| Calvin Williams | Project Manager HoWPS |
| Jim Swabey | Professional Lead, Consultancy Services |
| Amy Jones | Finance Lead (Revenue) |
| Karen Gittins | Executive Head Teacher |
| Angela Davies | Acting Head Teacher |
| James Chappelle | Finance Lead (Capital) |
| Hayley Smith | Serve Manager for Inclusion |
| Simon Anderson | Inclusion Manager - ALN |

| Name | Project Role |
|---|---|
| Gary Leatherland | Procurement Specialist |
| Lee Evans | Communications Team Manager |
| Neil Clutton | Principal Property Manager |

### 6.2.2 Outline Project Plan

Key dates for the remainder of the Project are as follows:

**Table 30 – Outline project plan**

| Date | Actions (commencement) |
|---|---|
| 10/04/21 | RIBA 4 – Contract awarded to successful contractor |
| 01/11/21 | Planning Application Submitted |
| 08/02/22 | FBC: Cabinet approval |
| 17/02/22 | FBC: WG approval |
| 09/03/22 | RIBA 5 – Construction phase commences |
| 01/05/23 | RIBA 5 – Commissioning commences |
| 25/04/23 | School Opens |
| 01/09/23 | Defects RIBA 6 |
| 01/09/24 | Closure report |

### 6.2.3 Benefits Realisation

PCC will arrange for a PIR to take place 2 years following the completion of the school to measure benefits realisation.

The plan for dealing with the management and delivery of benefits is shown in Table 31 below. The plan will be coordinated with the project plan and highlights ownership and responsibilities for on-going operations in the changed state (where the benefits will actually accrue). There will be a Tracking Process, which will monitor achievement of benefits against expectations and targets. The tracking process will be capable of tracking both 'hard' (e.g. cost, headcount) and 'soft' (e.g. image) benefits and operates alongside the changing operation.

## Table 31 – Benefits Realisation Plan

| Benefit | Owner | Target | Method of measurement | Responsibility for measurement | Timing of measurement | Outcome |
|---|---|---|---|---|---|---|
| Specialist support and provision to pupils with significant additional learning needs, in a modern and innovative learning environment | Project Manager | A judgement of 'Excellent' or 'Good' for Estyn Inspection Area 2 – Wellbeing and attitudes to learning and Area 4 – Care, support and guidance | School self-evaluation, Local Authority & Estyn inspections | Governing Body & Headteacher | July 2024 | |
| Better equipped teachers to tailor lessons to meet the specific needs, and improving accessibility to learners | Head Teacher | A judgement of 'Excellent' or 'Good' for Estyn Inspection Area 3 – Teaching and learning experiences | School self-evaluation, Local Authority & Estyn inspections | Governing Body & Headteacher | July 2024 | |
| Improved accessibility to all areas of the site and extended access to specialist equipment, including IT facilities, to support teaching and learning outcomes | Project Manager | 100% access to site and facilities | School self-evaluation, Local Authority & Estyn inspections | Governing Body & Headteacher | September 2023 | |
| A holistic integrated multi agency approach, with dedicated physiotherapy and medical rooms, a hydrotherapy pool and sensory rooms and garden | Head Teacher | All new facilities available to learners during term time and hydrotherapy pool and sensory room available for nominated hours for the community | School and Leisure delivery partner's records of community use | Governing Body, Headteacher & Leisure delivery partner | September 2023 | |
| A fully equipped early years class base, with breakout space, calming room, laundry and hygiene facilities, together with an individual outdoor learning area | Head Teacher | Facilities fully equipped for learners | School self-evaluation, Local Authority & Estyn inspections | Governing Body & Headteacher | September 2023 | |

| Benefit | Owner | Target | Method of measurement | Responsibility for measurement | Timing of measurement | Outcome |
|---|---|---|---|---|---|---|
| Zoned and bespoke facilities for flexible community use – giving a flagship community focused school, with community groups being able to access the facilities out of school hours | Project Manager | Increase the current Community use of School resources by 5 hrs/week | School and Leisure delivery partner's records of community use | Governing Body, Headteacher & Leisure delivery partner | September 2023 | |
| Safeguarding assured as the school will be able to lock down the teaching areas while enabling community access to the community zone | Project Manager | Zonal security controls in place to optimise safeguarding | School self-evaluation, Local Authority & Estyn inspections | Governing Body & Headteacher | July 2024 | |
| Creation of new opportunities for revenue generation e.g. Therapeutic facilities available to hire - these include a hydrotherapy pool and changing facilities, rebound room, touchtrust room, community kitchen and café, meeting room and hall. | Head Teacher | An increase in self-generated revenue of £5k per annum | Local Authority and School records | Governing Body & Headteacher | July 2024 | |
| Improved learning outcomes for learners and families | Head Teacher | A judgement of 'Excellent' or 'Good' for Estyn Inspection Area 3 – Teaching and learning experiences | School self-evaluation, Local Authority & Estyn inspections | Governing Body & Headteacher | July 2024 | |
| Improved levels of recruitment, quality, retention and reputation of staff | Head Teacher | Retention of staff higher than the County average | Staff complement records | Governing Body & Headteacher | July 2024 | |
| Opportunities to benefit from a wider range of learning opportunities and skills | Head Teacher | All staff to have received relevant training and development | Record of staff professional development | Governing Body & Headteacher | July 2024 | |

| Benefit | Owner | Target | Method of measurement | Responsibility for measurement | Timing of measurement | Outcome |
|---|---|---|---|---|---|---|
| Access to a wider range of teaching materials | Head teacher | A judgement of 'Excellent' or 'Good' for Estyn Inspection Area 3 – Teaching and learning experiences | School self-evaluation, Local Authority & Estyn inspections | Governing Body & Headteacher | July 2024 | |
| A more skilled set of students, prepared for entry into Further Education or employment | Head Teacher | Increase in learner attainment, as measured by Estyn | School self-evaluation, Local Authority & Estyn inspections | Governing Body & Headteacher | July 2025 | |
| Improved energy efficiency of estate | School Estates Manager | To reduce Energy use as follows:<br>- Gas by 20%<br>- More effective use of electricity in the school | Energy output from the new school premises | Governing Body & Headteacher | July 2025 | |
| Increased flexibility of accommodation to meet demands and expectations of stakeholders | School Estates Manager | 50% of estate is suitable for flexible use | Local Authority and School records | Governing Body & Headteacher | July 2024 | |
| More efficient and effective use of premises / estate – with appropriate learning spaces to deliver the new curriculum | Head Teacher | The school will no longer be dependent on demountable accommodation | Local Authority and School records | Governing Body & Headteacher | July 2024 | |
| Reduced building operating costs | School Estates Manager | Reduced backlog maintenance and accessibility costs by £3.3m | Local Authority and School records | Governing Body & Headteacher | July 2024 | |

### 6.2.4 Risk Management

Risks associated with this scheme were identified in the strategic case then refined and assessed in the economic case. These are the core risks and form the initial risk register. The focus and importance of significant risks will change and will, therefore, receive active management as the scheme develops.

PCC's approach will be to ensure that risks are:

- Identified - includes risks being considered that could affect the achievement of the project's objectives, and then described to ensure that there is common understanding of these risks
- Assessed – includes ensuring that each risk can be ranked in terms of estimated likelihood, impact and immediacy, and understanding the overall level of risk associated with the project
- Controlled – includes identifying appropriate responses to risks, assigning risk owners, and then executing, monitoring and controlling these responses

The Schools Transformation Project Board will be responsible for managing and mitigating the risks up to the point of completion of new premises and commencement of the service, and is adopting the strategy of transferring risk to those best placed to manage it (see Commercial Case).

A risk register has been developed and is owned by the Ysgol Cedewain project board which will be reviewed and updated as required on a monthly basis.

The register will be a 'living document' and reviewed and amended (where required). The framework and plan of the risk register will involve a rated table format. The risk will be described and the date of its identification noted. An initial risk rating will be made and the probability and impact of the risk evaluated, followed by a residual risk rating column. The effects and impact of risk can involve elements such as environment, time, quality, cost, resource, function or safety and regular meetings will be held to review all aspects. Within the format there will also be the facility for proposals to mitigate and manage, identifying the control strategy, risk owner and the current risk status.

The total risk score for each risk will be calculated by multiplying the likelihood score (between 1-10 with 10 being certain) and impact score (between 1-10 with 10 being project failure) and all risks scoring above 6 referred to the Project Board for decision. The risk tolerance line for the project is illustrated in the following table.

### 6.2.5 Change and Contract Management

The proposed charging mechanisms will be in line with the NEC4 Option A form of contract. This means that the Council, alongside their preferred contractor will be looking at elements of gain share from the design stage of the project, through feasibility and construction - using techniques such as value engineering to reduce costs (on a shared basis) against target cost.

The following principles, however, are likely to be implemented:

- Payment will be made at key milestones/staged payments and following evaluation by

Powys County Council and its Technical Advisers. This will include payment for feasibility studies and for works contracts arising as a result of the development project;

- Payments will only be made by the Council's Head of Finance against invoices, which have been certified for payment by the appropriate head of department or budget holder/departmental authorised signatory;
- Order numbers must be quoted on the invoice and payment would be made within thirty days of receipt of a correctly submitted invoice; and
- The issue of the invoice and subsequent payment will be the last step in a process of work undertaken by the Project Quantity Surveyor (Cost manager) to verify that the work undertaken is as per the specification and meets the required standards.

The key contractual issues, such as Contract change control arrangements; remedies for breach of contract and general contract management (including management of disputes and agreements) are included within the standard form of contract that is NEC4 (Option A).

Project control documentation will be maintained by the Client Project Manager, reported to the School Transformation Board and escalated to the Transformation Board as necessary.

Monthly Highlight Report, updated Risk Register Report & Change Log (when necessary) will be forwarded to the Programme Manager monthly.

Risks to be escalated, or Changes to be agreed or notified, are reported via the Programme Manager to the School Capital Programme Oversight group.

## 6.3 Post Project Evaluation

PCC recognises the benefits that Post Project Evaluation can bring to the successful delivery and realisation of benefits for a scheme, as well as providing lessons for future investments.

PCC will arrange for a Post implementation review to take place 2 years following the completion of the schools to measure benefits realisation. This review will be based on the principles of a Gateway 5 (Benefits Realisation).

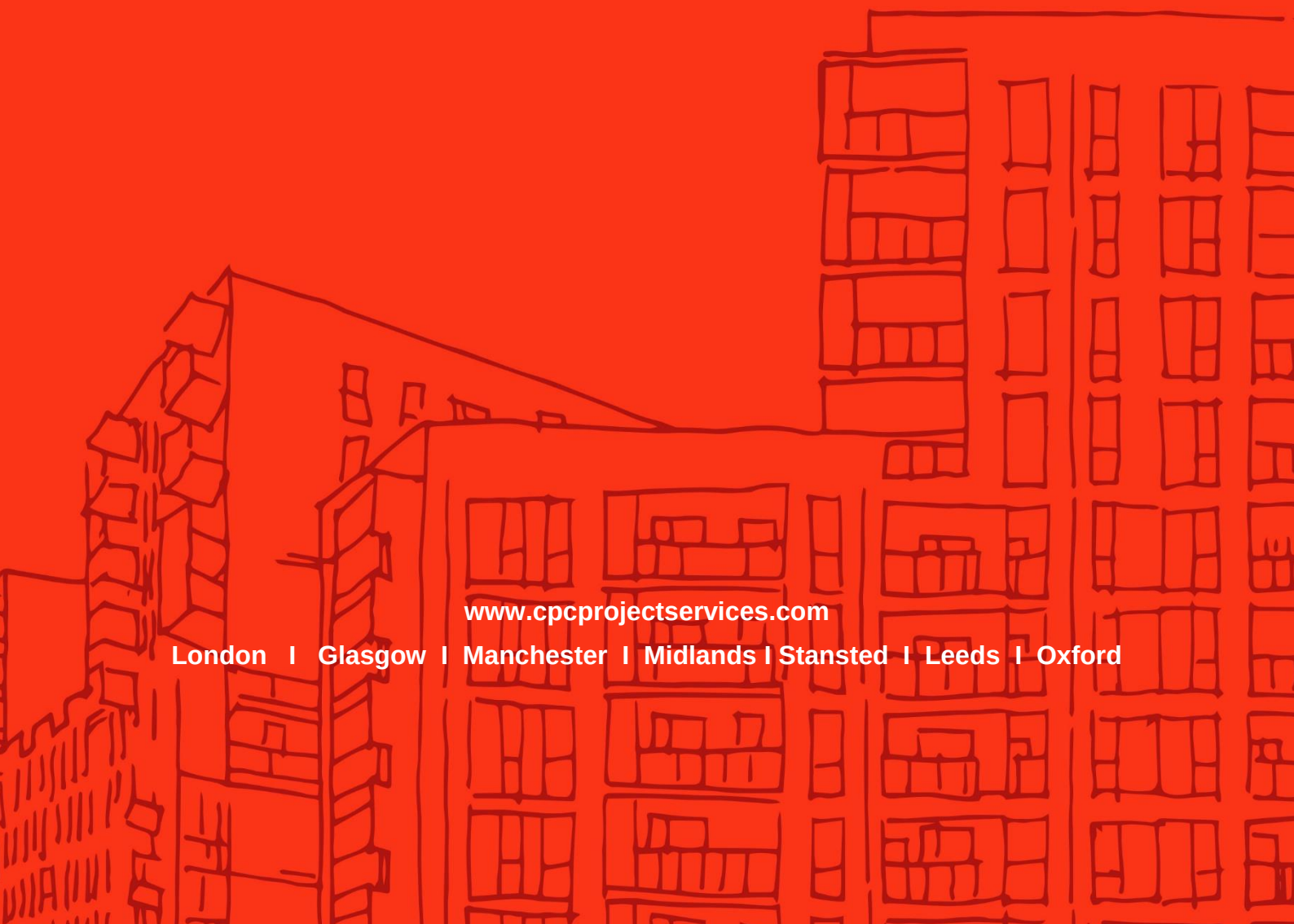
PCC will arrange for a Project Evaluation Review (PER). This review ascertains how well the project was managed and whether or not it delivered to expectations. It is timed to take place within one year post construction.

Both these reviews feed into the Lessons Learned records.

## 6.4 Contingency Plans

In the event of project failure, or should this FBC not be approved, the default will be the 'Business as Usual' option until either the project is righted or an alternative business case is developed.

People who perform, principles that deliver



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