Combined Strategic Outline Case and Outline Business Case:

Ysgol Bro Hyddgen

25th August 2022

Version: Final draft

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1 Executive Summary

1.1 Introduction

The purpose of this combined Strategic Outline Case (SOC) and Outline Business Case (OBC) is to present the case for investment of a project that seeks to deliver a new build 540 place all age school in Machynlleth to replace the current Ysgol Bro Hyddgen primary and secondary phase buildings

The scheme will include early years facilities, a 210-place primary phase, a 330-place secondary phase, a community room and an additional learning needs centre, along with wellbeing areas throughout the school, external areas and a 3G pitch.

The cost of the preferred option **including optimism bias and early-stage risk** is estimated to be **£49,120,375:**

Project Costs	
Capital Cost	£40,595,351
Optimism Bias	£5,277,396
Risk	£3,247,628
VAT (only to be included where non-recoverable by applicant)	N/A
Total Project Cost (inclusive of optimism bias and risk) **Total *(It is assumed that optimism bias and risk will be fully mitigated and that the capital build cost is the actual cost upon which the intervention rate will apply.***	**£49,120,375**

The project will be funded jointly by Welsh Government and Powys County Council (PCC) as follows:

Welsh Government contribution 65%	£31,928,244
PCC 35%	£17,192,131
Total	£49,120,375

With a design and build model using the highest environmental Passivhaus standards, the new school will act as a beacon project for environmental excellence within this area of the County. Enabling pupils at the school to gain a greater degree of insight into the latest technological developments to reduce emissions generated by infrastructure projects, and their ongoing carbon footprint. Incorporating these cutting-edge environmental design technologies will also enable the school to substantially reduce its energy costs, with schemes elsewhere demonstrating reductions in utilities expenditure of between 50 and 80%. This will

provide a considerable cash saving for the school helping to support its long-term financial sustainability.

Building a new school in Machynlleth will also eradicate backlog maintenance costs of nearly £5.5m.

1.2 Project Background

On 14 April 2020, the Council approved the new Strategy for Transforming Education in Powys 2020-30. The new Strategy outlines four strategic aims:

- Strategic Aim 1: We will improve learner entitlement and experience
- Strategic Aim 2: We will improve learner entitlement and experience for post-16 learners
- Strategic Aim 3: We will improve access to Welsh-medium provision across all key stages
- Strategic Aim 4: We will improve the provision for learners with SEN/ALN

The Council's intention is to develop, within the 13 secondary school localities, an infrastructure of all-age schools. Initially, these may be multi-sited all-age schools, however, the ultimate aim is to develop new purpose-built schools that will not only provide state of the art facilities for teaching and learning, but also childcare and early years provision, community and leisure facilities, multi-agency areas that can provide support for learners and their families and SEN/ALN facilities of the highest quality.

However, prior to the development of the new Strategy, the transformation of education in the Machynlleth catchment area had started in 2012 with an area review which resulted in the establishment of Ysgol Bro Hyddgen in September 2014 as an all-age school across two campuses, merging the former Ysgol Bro Ddyfi and Ysgol Gynradd Machynlleth.

The second phase of the transformation was to develop a new build community school, replacing the poor-quality buildings. This project was included in the Council's 21st Century Schools Programme. The Council awarded a design and build contract to Dawnus Construction Ltd, and a combined SOC/OBC was approved by the Welsh Government in January 2017 – the estimated cost at this stage was £23.2m.

The scheme was at RIBA 4 full design stage, and the planning application had been submitted to the planning authority when, in March 2019, Dawnus entered administration. Construction had not yet started on site.

Following the collapse of Dawnus, officers took the opportunity to reconsider the design to see if it was feasible to include leisure and library provision, as well as early years and education provision.

In January 2020, a design team were directly employed by the Council to support a feasibility study, which concluded in May 2020. Information gathered during that feasibility study informed the revised SOC/OBC that was submitted to Welsh Government in the Autumn of

2020. The preferred solution at that time was for a fully integrated community campus model, including leisure and library at a cost of £48m.

At RIBA stage 3 in 2022, a full cost review of the project was undertaken in light of escalating construction inflation. The focus at this point was to:

- Review areas within the scheme
- Reduce the number of pupil places from 620 to 540, based on recent downward revision of pupil projections for the area
- Review energy requirements to see whether the current design could achieve carbon zero in operation, as the scheme had been designed to Passivhaus standard
- Updating condition assessments for both Bro Ddyfi Leisure Centre and Machynlleth Town Library to understand cost implications of maintaining/improving current buildings.

The review indicated that the community campus model was projected to have increased in cost to the region of £59m, which is unaffordable within the Council's Band B Sustainable Communities for Learning Programme totalling approximately £113m.

Just over £59m within this programme is currently allocated to support the development of other school building projects, leaving a maximum of £54m available for the Bro Hyddgen community campus project. To accommodate the expanded scheme, additional funding would therefore need to have been found outside the programme budget, and the cost escalation would have left no flexibility within the funding envelope to support other school projects.

The previous scheme was also designed to achieve Passivhaus energy standard, but the intention is now for the school to also achieve zero-carbon in operation. The energy review carried out on the community campus project, identified that there would be significant challenges to achieving carbon zero in operation due to the inclusion of a swimming pool in the building. Simplifying the scheme to remove the pool from the design mitigates these challenges.

Due to a mixture of cost escalation and design complexity to achieve zero carbon in operation, it was necessary to reconsider all options within the original SOC/OBC, along with new options based on reduced areas, resulting in a new SOC/OBC been developed. This includes a new preferred option of a new all-age school building, with early years, community facilities. The design currently incorporates an area of 225 sqm for a public library, to replace the existing Machynlleth Town Library, should that be required. The cost of this new option is £49,120,375, including risk (£3.2M) and optimism bias (£5.28M). This figure includes:

1. An increase to allow for tender inflation (against the previous cost plan – June 2021, to June 2022).
2. Forecast tender inflation - from base date to tender return.
3. Forecast tender inflation - from tender return to mid point construction.

This inflationary forecasts have been completed using the BCIS indices.

2 Strategic Case

The case for change is based on the need to improve facilities for pupils and wider community, in a rural area of north Powys. The current school infrastructure is in very poor condition. The school also operates under operational constraints as a multi-sited school.

- Headteacher and senior leadership team must split their time between two campuses.
- Due to the success of the amalgamation, specialist teachers teach the primary phase pupils, (science and P.E for example), but are often late to lessons due to the need to travel between lessons.
- Primary phased pupils cannot access specialist secondary site facilities due to the need to walk 1 mile to the site, and the need to cross the busy A487 trunk road.
- Due to the lack of car parking spaces at both sites, especially at the secondary site, cars often park on the netball court, which cause issues around safeguarding and delivering the curriculum.
- Secondary campus school is an old Victorian building which is not fit for purpose. Some classes need to be split for a maximum of 15 pupils due to the lack of classroom space.
- There is a lack of sporting facilities at both primary and secondary campuses, and the school pupils utilise the Bro Ddyfi Leisure Centre for some sports provision.
- Due to the lack of facilities, pupils and the wider community often need to travel out of county to Ceredigion or 30 miles to Newtown to access facilities such as an all-weather pitch. This is especially challenging during winter months.

The requested investment will deliver a brand new 540 place all age purpose-built school, with early years facilities, community use room, additional learning needs centre, along with wellbeing areas throughout the school, external areas and a 3G pitch.

The school building has been designed to support the school to deliver the new curriculum for Wales and will meet Donaldson aspiration of the three-phase approach in teaching and learning.

- Specialist equipment, including ICT and conferencing facilities, to support teaching and learning outcomes which will help to ensure all learners maximise their potential. The ICT facilities will also be available for community use, which will encourage lifelong learning opportunities.
- A fully equipped early years provision with hygiene and outdoor learning and play facilities.
- The school will be able to take full advantage of the all-though school teaching model, ensuring that all pupils are able to access specialist facilities and learning experiences.
- Dedicated outdoor learning areas, including a forest school area.

- A community service approach, with dedicated community facilities to include a community room, 3G pitch, MUGA (multi use games area) and grass pitches. Community groups will be able to access 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.
- The building will aim to achieve Net Zero Carbon in Operation and not exceed embodied carbon limit of 800kgCo2e/m2 and BREEAM Excellent accreditation, having a positive impact on the recently declared Climate Emergency, and contributes to the Welsh Government 'Prosperity for All: A Low Carbon Wales'.

The existing secondary school site will be demolished to make room for a new car park and MUGA.

2.1 Strategic Fit

2.1.1 National Strategies

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

- The Curriculum and Assessment (Wales) Act 2021.
- Additional Learning Needs (ALN) Code for Wales December 2018 and the Additional Learning Needs and Educational Tribunal (Wales) Act 2018.
- Wellbeing and Future Generations Act 2015.
- Sustainable Communities for Learning Programme.
- Skills framework for 3-19-year-olds in Wales 2008.
- One Wales: One planet, a new sustainable development scheme for Wales May 2009. Or any successor strategy.
- Net Zero Delivery Plan.
- Measuring the capacity of schools in Wales – Circular 021/2011.
- Welsh Medium Education Strategy 2010.
- A Living Language: A language for Living: Welsh Language Strategy 2012-17.
- Building a Brighter Future: Early Years and Childcare Plan 2013.

2.1.2 Local Strategies.

- Strategy for Transforming Education in Powys, which sets out Powys' approach to developing school infrastructure and the planning of school places.
- Welsh in Education Strategic Plan 2022-32 sets out the council's priorities for developing Welsh-medium provision within Powys..
- A Strategy For Climate Change-net positive Powys 2021-2030 Net Zero Schools, which identifies that all new schools will be part of a new generation of energy efficient buildings.
- Powys Regeneration 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

2.2.1 Investment Objectives

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

1. To improve the learning provision and outcomes for pupils and learners across the age range.
2. To ensure that pupils in the Machynlleth area can access high quality Welsh-medium provision through all key stages of education.
3. To deliver a fit for purpose building solution that delivers an improved learning environment, meeting zero-carbon in operation requirements, and of the appropriate size.
4. To further improve the transition between all key stages.
5. To ensure the economic, financial, and environmental sustainability of the school.

2.2.2 Targets and measures

The following table identifies the measures and targets that will be used to ensure that the identified investment objectives are SMART.

Table 1 – Targets and Measures

IO	Measure	Target
1.	i. Improved learning outcomes, as measured by relevant data sources: • Estyn inspection outcomes and benchmarks. • Regional / Local Authority Review. • Individual learner and learning centre targets. • Pupil voice / learning centre council feedback. • Whole school end of key stage performance data. • National benchmarking data. • DFES. ii. Improved motivation, engagement, attendance, and extracurricular involvement as evidenced by facilities being used: • Learning centre self-evaluation. • Learning centre improvement plan.	• All lesson observations of the key areas of all key stages to be reported as 'Excellent' or 'Good' within 18 months of new school opening. • To achieve 'Excellent' or 'Good' Estyn and/or Local Authority judgements for the three Key Questions within 18 months of new school opening. • All lesson observations reported by Estyn as 'Excellent' or 'Good' for Teaching and Learning within 18 months of new school opening. • To achieve a judgement of at least 'Good' or 'Excellent' for learner outcomes as a result of Estyn inspections within 18 months of new school opening. • To gain a positive stakeholder satisfaction report based on Estyn, Learner and Parent questionnaires within 18 months of new school opening. • Post 16 education to be categorised as 'Excellent' across DFES and Estyn benchmarks.

IO	Measure	Target
	• Estyn inspection outcomes Local Authority review outcomes.	• Attendance of school percentage rate to increase to at least 94% for the academic year 2018/19 (92.6% in 2012/2013). • To Interview 10% of pupils and 5% of parents to evaluate the effectiveness of the learning center's policies and practices in promoting learners' wellbeing seeking a satisfaction classification of at least 'good' (reference Parental survey annexe 5 Estyn guidance).
	iii. Pupil voice / school council.	
2.	i. Increased number of learners studying through the medium of Welsh. ii. Broader Welsh medium curriculum available to learners at all key stages.	• 100% of learners in the Ysgol Bro Hyddgen catchment area have the option to study through the medium of Welsh by 2026. • Curriculum fully available through the medium of Welsh.
3.	i. Reduction in energy use and carbon emissions.	• Circa 90% Reduction in heating and 15% Reduction in Electricity Consumption (Cumulative reduction circa 70%) when measured against Powys County Councils Average DEC Data for schools. Targeted Energy circa ~ 49kWh/m2. Per year.Net Zero Carbon (NZC) in operation & Embodied Carbon below 800 kgCO2/m2.
4.	i. Improved learning outcome as evidenced by: • Estyn inspection outcomes. • Local Authority Review. • Individual pupil and school targets. ii. Pupil Voice /School Council feedback.	• Increase performance between: ○ Key Stages 1 and 2. ○ Key Stages 2 and 3. ○ Key Stages 3 and 4, and ○ Key Stage 4 and Post 16 education. • Ensure that all pupils make at least one level of progress between key stage 2 and 3; and ensure that all pupils achieving the CSI at KS2 do so at KS3.
6.	i. Reduced backlog maintenance and accessibility costs. ii. Reduction in ongoing premises and utility costs.	• Reduction in premises costs per square metreopening. • Removal of existing backlog maintenance liabilities on opening of the new assets. • Reduction in utility costs by 80% at the new school and library, and 50% at the new leisure centre within 12 months of opening.

Existing Arrangements

The location of the existing primary and secondary school infrastructure in relation to both the leisure centre and each other can be seen in figure one below.

While the physical distance between the two school sites is only one mile, as can be seen from the map, both school buildings are located at the opposite ends of the town.

Figure 1: Location of School in relation to the town

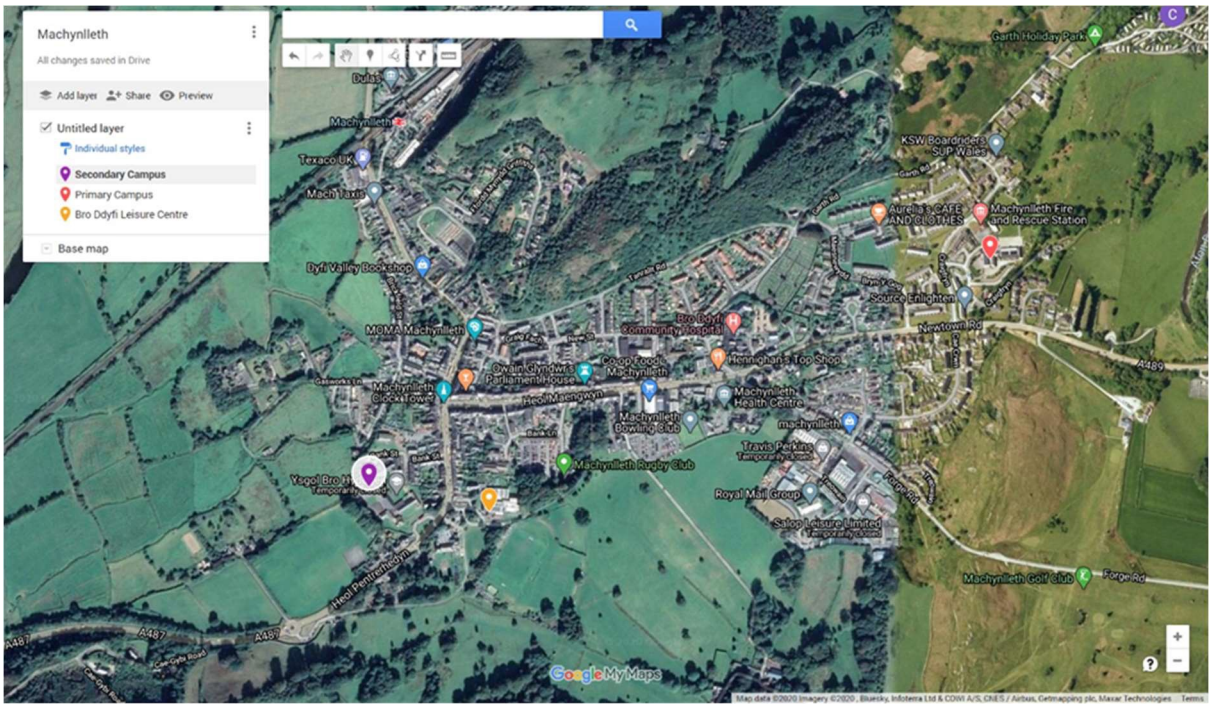


Figure 2: Secondary School Campus

Figure 3: Primary School Campus

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

Table 2 – Summary Information

Language Category	Category T3 (Transitional
Age range	11-18
Total number of places in school	676
Number of pupils	470
Level of surplus places	30.5% (206)
Welsh First Language Pupils	64.5% (303)
Welsh Second Language Pupils	25.1% (118)
ALN/SEN Pupils	7.6%
Free School Meals	17.2%
Pupils from ethnic minorities	3.9%
Total Staff	62
Number of Teachers	39
Pupil Teacher Ratio	12.05

Table 3 – Present & forecast pupil numbers

School	Jan 2022	Jan 2023	Jan 2024	Jan 2025	Jan 2026
Primary	171	171	175	172	171
Secondary	328	335	314	305	285

Table 4 – Number of surplus places

School	Total places	Current places (Jan 2022)	Total surplus (Jan 2022)
Primary	213	166	47 (22.1%)
Secondary/	463	304	159 (34.3%)

Table 5 – Latest condition assessments (2016)

Building	Condition	Suitability	Sustainability
Primary	B/C	A	B
Secondary	C	C	C

Table 6 - Backlog Maintenance Costs

Property	Backlog maintenance costs
Secondary School	£4,133,313
Primary School	£1,341,153
Total	**£5,475,466**

2.2.3 Problems with the status quo - School

Ysgol Bro Hyddgen was established in September 2014 as PCC's first All Through School, providing education for 4–18-year-olds, following the merger of Ysgol Bro Ddyfi and Machynlleth CP School.

The school currently operates across two sites. While the two sites are less than a mile apart the nature of the split site does present some operational efficiency barriers.

The headteacher and senior leadership team share their time between the two campuses and are supported by an administrative team based at each of the two sites. Whole-school staff meetings and training events generally take place at the secondary campus. School meals are prepared in the kitchen on the secondary campus and transported to a server on the primary campus.

Cross-phase teaching and learning already takes place and has been one of the most successful aspects of the amalgamation of the schools. Teaching resources and expertise are shared, and secondary campus teachers travel, on a regular basis, to the primary campus

to deliver specialist classes. This has been particularly successful in delivering Mathematics, P.E and I.C.T lessons.

Due to the location of the secondary and primary campuses, primary pupils rarely attend classes at the secondary campus, with the result that teachers must travel between campuses. During busy times of the week, teachers are often late to lessons or must cut lessons short, which pose difficulties for the senior management team.

Due to the lack of car parking spaces at both sites, but specifically at the secondary campus, teachers and visitors often park on the netball pitch meaning that it is often inaccessible for school pupils. The school drop off area at the secondary campus is significantly insufficient, with only a narrow lay-by off the main road. During rush hour, and especially when work is being undertaken on the roads, the road and drop off area becomes congested and cause lengthy delays within the town.

The current condition and suitability of the school buildings have declined considerably with the passage of time. Issues are particularly acute at the secondary campus. The main problems with the current secondary campus building pose daily challenges to the senior management team, staff, and pupils.

Backlog maintenance costs have inflated such that it is becoming increasingly impossible to keep up with the demand of all the repair work, and the building is no longer considered fit for purpose, with leakages and heating specifically being of concern.

The configuration of the school, which is an old Victorian building, means that there are several educational blocks with insufficient space to effectively teach whole classes. Some classes can only accommodate as few as 15 pupils. This is an incredibly challenging situation for both the teachers and the pupils.

Due to the lack of sporting facilities at both campuses, pupils utilise the facilities at the nearby Bro Ddyfi Leisure Centre. This is a major concern within the local community because there is a need for the pupils to cross the busy A487, where it is argued, the current crossing poses a safeguarding risk.

The lack of state-of-the-art sporting facilities not only on the school sites, but in the Machynlleth area as a whole, means that there are very few opportunities on offer for local children, young people, and the wider community, with the need to travel out of county to Ceredigion or 30 miles to Newtown, to access modern facilities. With the school playing fields often being water-logged, the netball court being used as a car parking space and the current size of the existing school halls, capital investment in improving access to leisure facilities is greatly needed.

2.3 Welsh Medium Education

The Council recently carried out the statutory process to change the school's language category from dual-stream to Welsh-medium on a phased basis, year by year, starting with Reception in September 2022.

Alongside this, the Welsh Government recently published new Welsh language categories for schools, which will start to be rolled out from September 2022. The Council is currently in the

process of agreeing with schools which of the new categories they will transfer into. The expectation is that Ysgol Bro Hyddgen will transfer into Category T3 (Transitional), whilst the phasing out of the English-medium stream continues, and that once this is complete, the school will be categorised as Category 3 – Welsh-medium.

2.4 ALN provision

Improving provision is one of the strategic aims of the Transforming Education Strategy in Powys 2020-30. In future, it is intended that Powys will have in place a range of provision for pupils with ALN including mainstream classes (with support where required), specialist classes, satellites of special schools, special schools, a pupil referral unit, outreach support from special schools and advice and guidance from a small team of highly qualified central staff. It is intended that provision in the Bro Hyddgen catchment will be further developed with a specialist centre at the school along with a suite of dedicated wellbeing rooms within the school.

2.5 Childcare/Nursery Provision

Powys County Council is committed to provide suitable infrastructure to enable providers to provide the 30-hour childcare scheme. Currently, PCC is contracted with two sperate non-maintained settings, one is providing bi-lingual provision, and the other Welsh medium provision. The current arrangements are unsuitable and does not offer equitable service from and infrastructure perspective to the children of Machynlleth, with one setting being housed in demountable accommodation on the primary school site, and the other in an annex at the secondary school site. The current arrangement provides obstacles for the two settings to work more closely together.

Within the new building, a dedicated early years wing will be built incorporating two class bases, offices, hygiene facilities, and dedicated outdoor learning facilities. The school will also work closely with the settings to ensure that they have access to ICT facilities, if and when required.

2.6 Active Travel

It is anticipated that the flagship Community Campus project will improve active travel links within the town of Machynlleth.

As part of the scheme, the authority is looking to improve the active travel links and will ensure that the walking routes to the campus are safe and improvements will be made to the existing footpaths and pedestrian crossings, making the site much more ‘community friendly’ and accessible. The access to the site will be improved by replacing problematic three mini round abouts (which currently sits on the main trunk road connecting Machynlleth to Aberystwyth) with one roundabout and a pedestrian crossing, significantly improving active travel for the site and wider community, which is crucial given the inclusion of community and leisure facilities within the scheme.

A highways travel assessment report has already been undertaken and has identified the need to improve Active travel links, but a further report will be done to expand the scope to include the travel needs of the wider community who will access the leisure facilities, as well as the needs of learners and staff.

The new all-through school serves the town of Machynlleth and wider catchment area. The primary school will continue to meet the needs of primary aged pupils within the town of Machynlleth, whilst the secondary element of the new buildings will serve the wider catchment schools which includes Glantwymyn, Carno and Llanbrynmair Federation.

The new site is situated less than a mile from the current primary school site, therefore there will be no impact in terms of travel and school transport.

Powys County Council will develop any construction project in line with Welsh Government Active Travel Wales Act (2013) and design guidance.

It is the council's view that active travel is essential to encourage staff, pupils, and wider members of the community to walk and cycle to new facilities, meaning that more people can enjoy the benefits of active travel.

2.7 Community Facilities

The proposed scheme will include a mixture of sports facilities that can be accessed by the wider communities located in and around the Machynlleth area. The school already has arrangements with local sports teams to enable access to their pitch and changing facilities and it is expected that this will continue under the proposed development.

Inclusion of a 3G pitch and MUGA within the scheme create new opportunities for both income streams for the school and access for the community to facilities that are not currently found within the area.

Provision has been made for a community room within the school building. This flexible and functional space will be of use for a wide range of community usage including access by community groups and private hire.

2.8 Equalities Impact Assessment & Children's Rights Assessments

The Bro Hyddgen all-through school provides an opportunity to establish an energy efficient building which supports, strengthens, and broadens Welsh medium provision by improving the breadth of Welsh medium options at all key stages and ensuring stronger transition and progress for pupils. The proposal would provide improved, fit for purpose, innovative specialist facilities for the children, young people, and wider community of North West Powys. The scheme will provide the best possible opportunities to all learners in the area, enabling them to reach their full potential.

The impact assessment consistently scores 'very good' in meeting council priorities, the wellbeing of future generations goals, and meets the council's key guiding principles. The project will promote health and wellbeing by establishing state of the facilities and will put equal

emphasis on physical and mental wellbeing. The project is also ground-breaking in supporting Welsh Government's carbon neutral agenda, with the building aiming to achieve both BREEAM Excellent, Passivhaus accreditation and Net Zero in operation. The energy considerations of the scheme ensure that PCC is committed to ensuring a sustainable and environmentally conscious model of delivering buildings to support its residents

The biggest risk to this project is the requirement to secure significant investment to deliver from both PCC and Welsh Government via the Sustainable Communities for Learning programme, which is 65% funded by WG and 35% PCC.

The Bro Hyddgen Impact Assessment (Appendix A) provides full details of the impact on:

- Consultation requirements
- Other services
- Geographical area
- The Powys Vision 2025
- The Welsh Government well being goals
- The councils other key guiding principles
- Our communities
- Service risks .

2.9 Net Zero Carbon and the Environment

The design of the proposed school has been specifically tailored to support the delivery of Net Zero Carbon to meet the Welsh Governments commitment to a carbon neutral public sector by 2030. Detailed below are the 5 ways that will support this aim throughout the build and the lifecycle of the proposed school.

- Implementation of Passivhaus methodology (a rigorous fabric first approach)
- Utilising the use of Cross Laminated Timber for the primary structure.
- Using Ground Granulated Blast Furnace Slag (GGBS) concrete mix.
- Use of low carbon PV panels.
- Locally sourcing manufactured goods (reduce carbon emissions)

By ensuring that rigorous materials (Passivhaus methodology) are used at the initial onset of the build, the school will maintain a constant temperature, through the level of insulation and ventilation. The school will be retaining heat from the sun and the occupants requiring very little additional heating or cooling.

The use of solar panels, air source heat pumps and MVHR (Mechanical Ventilaiton Heat Recovery) will reduce the requirement for the school to pull energy from the national grid reducing the use of carbon produced energy.

Cross Laminated timber adding further good insulation performance and also supporting low carbon impact through utilising sustainably produced wood (new trees planted as cultivated trees utilised for production of wood).

Utilising GGBS concrete (a by-product of making Iron), not only protects natural resources for future generations but reduces the energy intensive CO2 emissions that would be generated in the use of standard Portland cement.

Locally sourcing materials supports local manufacturers and will reduce the transportation related carbon emissions for the proposed school build.

2.10 Main Benefits

The main benefits associated with the strategic case are outlined below.

Table 7 – Benefits by Stakeholder

Investment Objective	Stakeholder	Main Benefits Criteria by Stakeholder Group
1. To improve the learning provisions and outcomes for pupils and learners across the age range.	Learners	Quantifiable Benefits • Enhanced life chances and employment opportunities. • Opportunities to benefit from a wider range of learning. • Opportunities to benefit from a range of key & other learning skills.
		Non-Quantifiable Benefits • Ability to positively contribute to Society and the wider community. • Increased health and wellbeing of staff & students.
	Staff	Quantifiable Benefits • Greater opportunities to use a wider range of different learning / teaching styles. • Increased critical mass of staff that enables the sharing of opportunities via professional learning communities. • Increased critical mass of students supports the development of staff expertise and specialisms.
		Non-Quantifiable Benefits • Professional challenge to deliver subjects in contemporary ways. • Improved professional credibility and integrity. • Increased health and wellbeing of staff & students.
	Employers	Quantifiable Benefits • Improved levels of recruitment, quality, and retention of staff.
		Non-Quantifiable Benefits • Reputational improvement for the County Council. • Improved opportunities to attract and retain high quality staff.
	Wider Community	Quantifiable Benefits • Community regeneration and sustainability. • Reduction in crime, anti-social behaviour, and disaffection.

Investment Objective	Stakeholder	Main Benefits Criteria by Stakeholder Group
		Non-Quantifiable Benefits • Learners/pupils contributing more positively to society. • Improved community links and facilities ensuring community cohesion. • Enhanced local and national reputation of the wider community. • Improved community pride, self-esteem, confidence, and sense of belonging.
2. To ensure that pupils in the Machynlleth area can access high quality Welsh-medium provision through all key stages of education.	Learners	• An annual increase in the % of Welsh first language programmes. • An annual increase in the number of 11 – 16 courses that are available through the medium of Welsh. • An annual increase in the number of pupils taking subjects through the medium of Welsh in KS3 & KS4. • An annual increase in the number of Sixth Form pupils taking subjects through the medium of Welsh. • Wider range of both academic and vocational courses delivered or assessed in Welsh.
	Staff	• Significantly raise the capacity for learning bilingually and through Welsh medium across the authority via 14-19 Learning Pathways option menus developing the number of vocational courses delivered through the medium of Welsh.
	Employers	• More opportunities for Welsh speaking staff. • Bilingual training and employees. • increased availability of suitably qualified Welsh speaking employees in the Machynlleth and North Powys area.
	Wider Community	• Promotes bilingual ethos.
3. To deliver a fit for purpose building solution that delivers an improved learning environment, meeting zero-carbon in operation requirements, and of the appropriate size.	Learners	Quantifiable Benefits • Improved attendance. • Securing positive learning experiences. • Improved learning outcomes for learners and families. • Improved engagement with the learning process. • Improved access to learning materials (physical, academic, and emotional). • Greater potential for social interaction through increased number of peer groups and role models. • Equality of opportunity to access excellent teaching and learning experiences.

Investment Objective	Stakeholder	Main Benefits Criteria by Stakeholder Group
		Non-Quantifiable Benefits • Inspired learning. • Greater learning opportunities to improve learners' key skills. • Creating independent learners. • Improved self-esteem and well-being. • Raising aspirations.
	Staff	Quantifiable Benefits • Access to a wider range of teaching materials (state of the art ICT and other emerging technologies). • Greater opportunities to use a wider range of different learning / teaching styles. • Increased opportunities for continuous professional development. • Increased critical mass of staff that enables the sharing of opportunities via professional learning communities. • Increased critical mass of pupils supports the development of staff expertise and specialisms.
		Non-Quantifiable Benefits • More opportunities to facilitate distributed leadership and increased responsibilities. • Working environment – motivated learners as a result from a more vibrant classroom experience.
	Employers	Quantifiable Benefits • Improved levels of recruitment, quality, and retention of staff.
		Non-Quantifiable Benefits • Reputational improvement for the County Council. • More effective staffing structures – management and support.
	Wider Community	Quantifiable Benefits • Localised access to learning, sporting, and cultural opportunities. • Reduction in crime, anti-social behaviour, and disaffection. • Increase uptake of and access to healthy active lifestyles.
		Non-Quantifiable Benefits • Securing local provision. • Improved community pride, self-esteem, confidence, and sense of belonging. • Improved community links and facilities ensuring community cohesion.

Investment Objective	Stakeholder	Main Benefits Criteria by Stakeholder Group
4. To further improve the transition between all key stages.	Learners	• An annual increase in the % of KS2 pupils that transfer to Welsh first language programmes in KS3. • An annual increase in the number of pupils taking subjects through the medium of Welsh in KS4. • An annual increase in the number of pupils taking subjects through the medium of Welsh in the Sixth Form from September 2022.
	Staff	• Increased opportunities for Welsh speaking staff.
	Employers	• Bilingual training and employees. • Larger and better qualified pool of potential employees with a greater range of qualifications. • Greater learning capability attracts business to the area. • Young People do not have to leave the area to learn.
	Wider Community	• Reduction in the number of young people who are NEET.
5. To ensure the economic and financial sustainability of the school.	Learners	<u>Quantifiable Benefits</u> • More funding due to redistribution of resources. • Greater learning opportunities to improve learners' key skills. • Wider range of curricular and non-curricular opportunities. • Economies of scale (from closing two sites and opening a 'new' 4-18 school).
		<u>Non-Quantifiable Benefits</u> • Greater potential for social interaction through increased number of peer groups and role models. • Greater understanding of the importance of sustainable development and environmental issues.
	Staff	<u>Quantifiable Benefits</u> • Sustainability and retention of staff. • Greater staff expertise and specialisms. • Increased opportunities for continuous professional development. • Greater opportunities to use a wider range of different learning / teaching styles.
		<u>Non-Quantifiable Benefits</u> • More opportunities to facilitate distributed leadership and increased responsibilities. • Greater opportunity for flexible working practices e.g., team teaching. • Improved professional credibility and integrity.

Investment Objective	Stakeholder	Main Benefits Criteria by Stakeholder Group
	Employers	<u>Cash Releasing Benefits</u> • Reduction in advertising costs for teaching staff. • Income from community use of facilities. • Potential for commercial lettings. • Backlog maintenance savings.
		<u>Quantifiable Benefits</u> • Securing long-term opportunities for employment in the community. • Sustaining local business community. • Greater potential to reinvest revenue and capital. • Greater ability to target specific need. • Greater ability to share resources. • Greater consistency in managing employment issues. • Improved borrowing capacity (prudential borrowing).
		<u>Non-Quantifiable Benefits</u> • Improved financial management reputation and confidence that public funds are being used efficiently. • Futureproofing of rural communities. • Backlog maintenance costs removed for the first five years post new build (NB. This will be included in the economic analysis, but not as a benefit).
	Wider Community	<u>Quantifiable Benefits</u> • Securing long-term opportunities for employment in the community. • Community regeneration and sustainability.
		<u>Non-Quantifiable Benefits</u> • Improved financial management reputation and confidence that public funds are being used efficiently. • Futureproofing of rural communities. • Sustaining local business community. • Enhanced local and national reputation of wider the community. • Improved community links and facilities ensuring community cohesion. • Improved community pride and sense of belonging.

2.11 Main Risks

The main risks associated with the strategic case are outlined below.

Table 8 – Strategic Risks and Countermeasures

Main Risk	Counter Measures
Business and Political Risks	
An unexpected reduction in the level/ availability of capital or revenue funding leads to delays and reduction in the scope of the project.	No contractual commitments will be made until firm assurances have been given regarding the affordability and availability of funding.
Contract sum exceeds the approved budget due to price volatility, inflation, or instability in supply chain market conditions with wider economic factors.	Costs in SOC/OBC have factored in inflationary costs using BCIS indexes to the mid-point of construction. Optimism Bias and Risk also applied.
The project requires political endorsement.	Cabinet and Welsh Government approval is being sought.
Project fails to achieve net zero carbon and unable to draw down additional funding from Welsh Government.	Coordinated design approach through subsequent design stages with scheme assessment and gateway reviews utilising consultant design teams and specialists.
Service Risks	
Legislative changes.	Plan flexibility into the options where possible.
WG policy changes.	Plan flexibility into the options where possible.
External Environmental Risks	
Issues relating to planning permission or planning constraints.	There has been early engagement with the Local Authority Planning Department on the proposed site and to identify any issues relating to planning permission or planning constraints.
Covid 19.	Early engagement with contractors to establish an appropriate risk response.
Geographic location is not attractive to contractors	Early engagement with SEWSCAP contractors to ascertain interest

2.12 Project Constraints

The project is subject to the following constraints:

- Availability of capital funding from Welsh Government and Powys County Council for any new build required.
- Any planning consent which may be required for any new build required.'
- Requirement to meet zero-carbon in use standards.
- Need to minimise negative impact on current pupils.

2.13 Project Dependencies

The project dependencies are as follows:

- Political support at local and national level.
- Stakeholder support – parents, governors, community, diocesan education authority.
- Capital funding from Welsh Government and Powys County Council.
- Internal officer capacity.
- Capacity of other service areas to provide support.
- Planning permission and any other statutory consents that may be required.

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: Business Need

- The option must satisfy all of the Investment Objectives and associated business needs determined for the initiative.
- The option must also optimise compliance with these objectives throughout any phased implementation.
- The option must be the best fit with the demands for skills of the business and commercial communities within the area.

CSF3: 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.

CSF4: 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.

CSF5: Supply side Capacity and Capability

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

CSF6: 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 Thursday 26th May 2022.

Each option was evaluated against the agreed investment objectives and critical success factors 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 – 4 to 16 All through School.
- Intermediate – 4 to 18 All through School.
- Expansive – 4 to 18 All through School and community facilities.
- Maximum – 4 to 18 All through School with community & leisure facilities.

3.3.2 Advantages and Disadvantages

Table 9 – Scope advantages and disadvantages

Do Minimum: 4 to 16 All through School.	
Advantages	**Disadvantages**
• Aligns to the strategic approach to education of Powys County Council. • Will contribute towards the wider efficiency of sixth form funding across the whole county. • Pupils accessing further and higher education elsewhere will have access to a wider range of courses than can currently be offered at Ysgol Bro Hyddgen's sixth form. • Provides new MUGA, 3G pitch and playing filed facilities for school use. • Scheme would not require any potentially complex legal agreements over the asset with a third-party organisation (leisure). • Does not require any additional land to complete the development. • Cost of scheme unlikely to impact PCC's other Band B proposals. • Within the cost envelope for PCC.	• Requires consultation to close the sixth form. • Increased travel to learn time for sixth form pupils. • Does not address condition issues with the current leisure centre building. • Does not help to create sustainable leisure facilities within the Machynlleth catchment area. • Loss of sixth form provision in the locality may be unpopular with the local community. • Does not help to safeguard local jobs at the leisure centre for the long term.
Intermediate: 4 to 18 All through School.	
Advantages	**Disadvantages**
• Provides continuity for pupils progressing from secondary to further education at the same site. • Minimises travel to learn time for learners access the sixth form at the	• Current sixth form is small and therefore cannot offer a wide range of course choices to learners. • Does not contribute towards PCC creating a sustainable financially affordable

site. • Provides new MUGA, 3G pitch and playing filed facilities for school use. • Scheme would not require any potentially complex legal agreements over the asset with a third-party organisation (leisure). • Does not require any additional land to complete the development. • Cost of scheme unlikely to impact PCC's other Band B proposals. • Within the cost envelope for PCC.	approach to sixth form provision. • Does not address condition issues with the current leisure centre building. • Does not help to create sustainable leisure facilities within the Machynlleth catchment area. • Does not help to safeguard local jobs at the leisure centre for the long term.
Expansive: 4 to 18 All through School with community facilities.	
Advantages	**Disadvantages**
• Provides continuity for pupils progressing from secondary to further education at the same site. • Minimises travel to learn time for learners access the sixth form at the site. • Provides new MUGA, 3G pitch and playing filed facilities for both school and community use. • Creates new revenue stream opportunities for the school. • Provides new community focused facilities that can be assessed by local stakeholders and groups outside of school opening hours. • Offers the potential for inclusion of a community library either within the baseline scheme or at some later date. • Does not require any additional land to complete the development. • Scheme would not require any potentially complex legal agreements over the asset with a third-party organisation (leisure). • Cost of scheme unlikely to impact PCC's other Band B proposals. • Within the cost envelope for PCC.	• Current sixth form is small and therefore cannot offer a wide range of course choices to learners. • Does not contribute towards PCC creating a sustainable financially affordable approach to sixth form provision. • Does not address condition issues with the current leisure centre building. • Does not help to create sustainable leisure facilities within the Machynlleth catchment area. • Does not help to safeguard local jobs at the leisure centre for the long term.
Maximum: 4 to 18 All through School with community & leisure facilities.	
Advantages	**Disadvantages**
• Provides continuity for pupils progressing from secondary to further education at the same site. • Minimises travel to learn time for learners access the sixth form at the site. • Removes safeguarding issue crossing A487 road to the leisure site.	• Current sixth form is small and therefore cannot offer a wide range of course choices to learners. • Does not contribute towards PCC creating a sustainable financially affordable approach to sixth form provision. • Requires negotiation with third party (Freedom Leisure).

• Increases opportunities for learners to access modern, fit for purpose leisure facilities. • Presents opportunities for expanding pupil access to leisure facilities. • Maintains the sustainability of leisure facilities within the community for the long term. • Help to safeguard leisure centre jobs within the community for the long term. • Maintains gross value add benefits achieved through the leisure centre provision to the local economy.	• Site constraints affect design. • Requirement for additional land acquisition to make site feasible. • Solution may be cost prohibitive. • High costs would have a significant impact on the rest of PCC's Band B proposals. • Due to size of the development this solution would prevent a full 3G pitch from being included within development.

3.3.3 Conclusion

Table 10 – Scope appraisal summary

Reference to:	Do Minimum	Intermediate Scope	Expansive Scope	Maximum Scope
To improve the learning provision and outcomes for pupils and learners across the age range.	✓	✓	✓	✓
To ensure that pupils in the Machynlleth area are able to access high quality Welsh-medium provision through all key stages of education.	✓	✓	✓	✓
To deliver a fit for purpose building solution that delivers an improved learning environment, meeting zero-carbon in operation requirements, and of the appropriate size.	✓	✓	✓	✓
To further improve the transition between all key stages.	✓	✓	✓	✓
To ensure the economic and financial sustainability of the school.	✓	✓	✓	✓
Strategic Fit				
Strategic Fit	×	✓	✓	✓
Business Need	×	✓	✓	?
Potential VFM	✓	✓	✓	?
Potential achievability	✓	✓	✓	✓
Supply side capability	✓	✓	✓	✓
Affordability	✓	✓	✓	?
Summary	Discounted	Possible	Preferred	Possible

The Expansive scope is the preferred option as it aligns with all the schemes investment objectives and critical success factors. The intermediate scheme to provide a 4-18 school without community facilities, which is the current arrangements, is also possible, as is the need to investigate further the Maximum option, including a leisure element.

3.4 Service Solution Appraisal

3.4.1 Options

- Option 1 – Dual site solution. Undertake essential maintenance only to both primary and secondary school sites. No community facilities.
- Option 2 – Dual site solution. Refurbish secondary campus and conduct essential maintenance to primary campus. No community facilities.
- Option 3 – Dual site solution. Remodel secondary campus and conduct essential maintenance to primary campus. No community facilities.
- Option 4 – Dual site solution. New build secondary campus and conduct essential maintenance to primary campus. No community facilities.
- Option 5 – Dual site solution. New build secondary campus with new community use facilities and conduct essential maintenance to primary campus.
- Option 6 – Dual site solution. New build secondary and primary campus buildings. No community facilities.
- Option 7 – Dual site solution. New build secondary campus with new community use facilities and new build primary campus.
- Option 8 – Single site solution. New build all through school on the existing secondary school site. No community facilities.
- Option 9 – Single site solution. New build all through school on the existing secondary school site. With community facilities.
- Option 10 – Single site solution. New build all through school on the existing secondary school site, with community facilities in a leisure campus.

3.4.2 Advantages and Disadvantages

Table 11 – Service solution advantages and disadvantages

Option 1: Dual site solution. Undertake essential maintenance only to both primary and secondary school sites. No community facilities.	
Advantages	**Disadvantages**
• No capital spends required immediately. • Enables alternative use of capital funding within the programme envelope. • No significant construction disruption to pupils and learners.	• Inadequate school buildings that are in poor condition will continue in use. • Current cohort of learners continues to be taught in sub-standard accommodation. • Does not provide a single sited All Through Campus. • Piecemeal school estate (at Ysgol Bro Hyddgen). • Does not fully realise the benefits of an All Through School in terms of cross-phase teaching and learning/transition, or use of specialist teaching facilities. • Will still require significant investment in the short/medium term. • Does not address issue of surplus places. • Will not generate any lifecycle efficiencies. • Will not generate any property revenue efficiencies. • Solution does not offer any new facilities for the communities in proximity to the site. • No new potential for additional revenue income streams. • Current layouts are inappropriate. • Will result in significant investment required in medium term. • Will not in result in a 21st Century standard school. • Does not free up sites for capital release. • Does not provide opportunity for new housing on existing primary school site.
Option 2: Dual site solution. Refurbish secondary campus and conduct essential maintenance to primary campus. No community facilities.	
Advantages	**Disadvantages**
• Extends the life of the secondary school building. • Addresses immediate issues easily. • Reduces the probability of disruption to service delivery. • Less immediate drain on Council's capital	• Inadequate school buildings continue with poor suitability and sustainability factors, R & M funding would not stop further deterioration. • Current cohort of learners continues to be taught in sub-standard accommodation.

resources. • Continuity of education on sites. • Enables alternative use of capital funding within the programme envelope.	• Does not provide a single sited All Through Campus. • Piecemeal school estate (at Ysgol Bro Hyddgen). • Does not fully realise the benefits of an All Through School in terms of cross-phase teaching and learning/transition, or use of specialist teaching facilities. • Does not address issue of surplus places. • Unlikely to generate lifecycle efficiencies. • Unlikely to generate property revenue efficiencies. • Solution does not offer any new facilities for the communities in proximity to the site. • No new potential for additional revenue income streams. • Financially unviable as it will not attract 21st Century School funding. • Does not enhance current public perception of the condition of the specialist school facilities campus. • Some noise disruption to pupils. • Does not improve the learning environment and does not provide a suitable environment suitable for the needs of vulnerable pupils and staff. • Does not enhance current public perception of the condition of the specialist school facilities campus, may be viewed as a stop gap solution. • The works required at Ysgol Bro Hyddgen could severely impact the Major Improvement Programme fund, which will decrease the amount of funding available for much needed improvements at other schools. • Will not in result in a 21st Century standard school. • Does not free up sites for capital release. • Does not provide opportunity for new housing on existing primary school site.
Option 3: Dual site solution. Remodel secondary campus and conduct essential maintenance to primary campus. No community facilities.	
Advantages	**Disadvantages**
• Extends the life of some secondary school blocks. • Addresses immediate issues easily.	• Disruption to pupils. • Inadequate school buildings continue with poor suitability and sustainability factors, R & M funding would not stop further

• Less immediate drain on Council's capital resources in Band B. • Enables alternative use of capital funding within the programme envelope. • Provision matches current and long-term pupil projections. • Partially addresses surplus places issue. • Provides a clear learning pathway (4-18yrs). • No significant construction disruption and continuity of education on the current site. • Provides flexibility within (SOP) cost envelope to focus on other priorities. • Marginal improvements in premises result in improved teaching and learning experiences and outcomes. • Improves the condition of the school estate.	deterioration on blocks not rebuilt. • Potential reduction in outdoor space. • Does not provide a single sited All Through Campus. • Piecemeal school estate (at Ysgol Bro Hyddgen). • Does not realise the benefits of an All Through School in terms of cross-phase teaching and learning/transition, or use of specialist teaching facilities. • Unlikely to generate substantial lifecycle efficiencies. • Unlikely to generate substantial property revenue efficiencies. • Solution does not offer any new facilities for the communities in proximity to the site. • No new potential for additional revenue income streams. • Does not enhance current public perception of the condition of the specialist school facilities campus, may be viewed as a stop gap solution. • Does not improve the learning environment overall and does not provide a suitable environment suitable for the needs of vulnerable pupils and staff. • Will not in result in a 21st Century standard school. • Does not free up sites for capital release. • Does not provide opportunity for new housing on existing primary school site.
Option 4: Dual site solution. New build secondary campus and conduct essential maintenance to primary campus. No community facilities.	
Advantages	**Disadvantages**
• Will generate 21st Century standard school for secondary pupils. • Creates a carbon efficient building. • Optimises utility costs. • Reduces lifecycle costs. • New facilities will prove attractive to potential learners and employees. • New facilities will be viewed positively within the community. • Enhanced teaching and learning facilities result in enhanced educational outcomes. • Provision matches current and long-term pupil	• Does not provide 21st Century standard school for primary cohort. • Potential transport disruption within the locality during construction. • Larger capital requirement. • Current cohort of primary learners continues to be taught in sub-standard accommodation. • Potential reduction in outdoor space. • Does not provide a single sited All Through Campus. • Piecemeal school estate (at Ysgol Bro Hyddgen).

projections. • Partially addresses surplus places issue.	• Does not realise the benefits of an All Through School in terms of cross-phase teaching and learning/transition, or use of specialist teaching facilities. • Lack of parity between primary and secondary sector in terms of building conditions. • Solution does not offer any new facilities for the communities in proximity to the site. • No new potential for additional revenue income streams. • Does not fully realise the benefits of an All Through School in terms of cross-phase teaching and learning/transition, or use of specialist teaching facilities. • Does not free up sites for capital release. • Does not provide opportunity for new housing on existing primary school site.
Option 5 – Dual site solution. New build secondary campus with new community use facilities and conduct essential maintenance to primary campus.	
Advantages	**Disadvantages**
• Will generate 21st Century standard school for secondary pupils. • Creates a carbon efficient building. • Optimises utility costs. • Reduces lifecycle costs. • New facilities will prove attractive to potential learners and employees. • New facilities will be viewed positively within the community. • Enhanced teaching and learning facilities result in enhanced educational outcomes. • Provision matches current and long-term pupil projections. • Partially addresses surplus places issue. • Offers new facilities for the communities in proximity to the site. • Community use facilities provide potential for additional revenue income streams.	• Does not provide 21st Century standard school for primary cohort. • Potential transport disruption within the locality during construction. • Larger capital requirement. • Current cohort of primary learners continues to be taught in sub-standard accommodation. • Potential reduction in outdoor space. • Does not provide a single sited All Through Campus. • Piecemeal school estate (at Ysgol Bro Hyddgen). • Lack of parity between primary and secondary sector in terms of building conditions. • Does not realise the benefits of an All Through School in terms of cross-phase teaching and learning/transition, or use of specialist teaching facilities. • Does not free up sites for capital release. • Does not provide opportunity for new housing on existing primary school site.
Option 6 – Dual site solution. New build secondary and primary campus buildings. No community facilities.	
Advantages	**Disadvantages**
• Will generate 21st Century standard school for secondary pupils.	• Potential transport disruption within the locality during construction.

• Creates a carbon efficient building. • Optimises utility costs. • Reduces lifecycle costs. • New facilities will prove attractive to potential learners and employees. • New facilities will be viewed positively within the community. • Enhanced teaching and learning facilities result in enhanced educational outcomes. • Provision matches current and long-term pupil projections. • Addresses surplus places issue.	• Larger capital requirement. • Does not provide a single sited All Through Campus. • Piecemeal school estate (at Ysgol Bro Hyddgen). • Solution does not offer any new facilities for the communities in proximity to the site. • No new potential for additional revenue income streams. • Does not realise the benefits of an All Through School in terms of cross-phase teaching and learning/transition, or use of specialist teaching facilities. • Does not free up sites for capital release. • Does not provide opportunity for new housing on existing primary school site. • Reduces capital funding availability for other schemes.
Option 7 – Dual site solution. New build secondary campus with new community use facilities and new build primary campus.	
Advantages	**Disadvantages**
• Will generate 21st Century standard school for secondary pupils. • Creates a carbon efficient building. • Optimises utility costs. • Reduces lifecycle costs. • New facilities will prove attractive to potential learners and employees. • New facilities will be viewed positively within the community. • Enhanced teaching and learning facilities result in enhanced educational outcomes. • Provision matches current and long-term pupil projections. • Addresses surplus places issue. • Offers new facilities for the communities in proximity to the site. • Community use facilities provide potential for additional revenue income streams.	• Potential transport disruption within the locality during construction. • Larger capital requirement. • Does not provide a single sited All Through Campus. • Does not fully realise the benefits of an All Through School in terms of cross-phase teaching and learning/transition, or use of specialist teaching facilities. • Does not free up sites for capital release. • Does not provide opportunity for new housing on existing primary school site. • Reduces capital funding availability for other schemes.
Option 8 – Single site solution. New build all through school on the existing secondary school site. No community facilities.	
Advantages	**Disadvantages**
• Will generate 21st Century standard school for secondary pupils.	• Potential transport disruption within the locality during construction.

• Creates a carbon efficient building. • Optimises utility costs. • Reduces lifecycle costs. • New facilities will prove attractive to potential learners and employees. • New facilities will be viewed positively within the community. • Enhanced teaching and learning facilities result in enhanced educational outcomes. • Provision matches current and long-term pupil projections. • Addresses surplus places issue. • Provides a clear learning pathway (4-16yrs). • Creates a single sited all through campus. • Maximises the benefits of an all through school in terms of cross-phase teaching and learning/transition, or use of specialist facilities. • Facilitates the capital receipt opportunity from the sale of the primary school site. • Enables new housing development opportunity on the old primary school site;	• Larger capital requirement. • Reduces capital funding availability for other schemes. • Solution does not offer any new facilities for the communities in proximity to the site. • No new potential for additional revenue income streams.
Option 9 – Single site solution. New build all through school on the existing secondary school site. With community facilities.	
Advantages	**Disadvantages**
• Will generate 21st Century standard school for secondary pupils. • Creates a carbon efficient building. • Optimises utility costs. • Reduces lifecycle costs. • New facilities will prove attractive to potential learners and employees. • New facilities will be viewed positively within the community. • Enhanced teaching and learning facilities result in enhanced educational outcomes. • Provision matches current and long-term pupil projections. • Addresses surplus places issue. • Provides a clear learning pathway (4-16yrs). • Creates a single sited all through campus. • Maximises the benefits of an all through school in terms of cross-phase teaching and learning/transition, or use of specialist	• Potential transport disruption within the locality during construction. • Larger capital requirement. • Reduces capital funding availability for other schemes.

facilities. • Facilitates the capital receipt opportunity from the sale of the primary school site. • Enables new housing development opportunity on the old primary school site. • Offers new facilities for the communities in proximity to the site. • Community use facilities provide potential for additional revenue income streams.	
Option 10 – Single site solution. New build all through school on the existing secondary school site, with community facilities in a leisure campus.	
Advantages	**Disadvantages**
• Will generate a 21st Century standard school for pupils. • Creates a carbon efficient building. • Optimises utility costs. • New facilities will be viewed positively within the community. • Provision matches current and long-term pupil projections. • Facilitates the capital receipt opportunity from the sale of the primary school site. • Enables new housing development opportunity on the old primary school site. • Design is in place. • Provides continuity of the majority of Leisure facilities in Machynlleth. • Target Operating Model identifies that there is capacity for the school and Freedom Leisure to operate facilities to meet demand within the designed facilities.	• Reduces capital funding availability for other schemes earmarked under the 21st Century Schools Programme. • Current site is constrained and there is a requirement to purchase additional land adjacent to the site. • Target Operating Model identifies that it is unlikely that the School and Freedom Leisure will be able to operate the campus in the most efficient way, meaning a duplication of operational time and cost. • This scheme is the most expensive capital option reviewed.

3.4.3 Conclusion

Table 12 – Service Solution appraisal summary

Reference to:	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8	Option 9	Option 10
To improve the learning provision and outcomes for pupils and learners across the age range.	×	×	×	?	?	✓	✓	✓	✓	✓
To ensure that pupils in the Machynlleth area are able to access high quality Welsh-medium provision through all key stages of education.	×	?	✓	✓	✓	✓	✓	✓	✓	✓
To deliver a fit for purpose building solution that delivers an improved learning environment, meeting zero-carbon in operation requirements, and of the appropriate size.	×	×	?	?	?	✓	✓	✓	✓	✓
To further improve the transition between all key stages.	×	×	×	×	×	×	×	✓	✓	✓
To ensure the economic and financial sustainability of the school.	×	×	×	?	?	?	?	✓	✓	✓
Critical Success Factors										
Strategic Fit	×	×	×	×	×	×	×	✓	✓	✓
Business Need	×	×	×	×	×	×	×	✓	✓	?
Potential VFM	×	×	×	×	×	×	×	✓	✓	?
Potential achievability	×	×	×	✓	✓	✓	✓	✓	✓	✓
Supply side capability	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Affordability	✓	✓	✓	✓	✓	×	×	✓	✓	?
Summary	Discount but Carry Forward	Discounted	Discounted	Discounted	Discounted	Discounted	Discounted	Possible	Preferred	Possible

Options 8, 9 and 10 meet or may potentially meet all of the scheme's investment objectives and critical success factors and are therefore shortlisted.

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 13 – Service delivery advantages and disadvantages

Minimum: Local Authority.	
Advantages	**Disadvantages**
• All requisite delivery structures are already in place. • Local Authority has extensive experience in delivering this service delivery model. • Cost effective model. • Strategic link to Councils School Transformation Programme. • Most expedient model for delivery. • Politically acceptable. • 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. • Local Authority has extensive experience in delivering this service delivery model. • Cost effective model. • Strategic link to Councils School Transformation Programme. • Most expedient model for delivery. • Politically acceptable. • Limited risk due to specialist support within LA.	• Will prove more expensive for the Local Authority. • 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. • Services can be delivered relatively quickly.	• Private contractor is an unknown quantity. • Contractor may not be au fait with the workings and culture of Local Authority. • Any private sector partnership will be unlikely to include local contractors.

	• Profit element of partnership may impact on funds available for development.

3.5.3 Conclusion

Table 14 – Service Delivery appraisal summary

Reference to:	LA	LA & PSP	PPP
To improve the learning provision and outcomes for pupils and learners across the age range.	✓	✓	✓
To ensure that pupils in the Machynlleth area are able to access high quality Welsh-medium provision through all key stages of education.	✓	✓	✓
To deliver a fit for purpose building solution that delivers an improved learning environment, meeting zero-carbon in operation requirements, and of the appropriate size.	✓	✓	✓
To further improve the transition between all key stages.	✓	✓	✓
To ensure the economic and financial sustainability of the school.	✓	✓	✓
Critical Success Factors			
Strategic Fit	✓	×	×
Business Need	✓	×	×
Potential VFM	✓	?	?
Potential achievability	✓	×	×
Supply side capability	✓	×	×
Affordability	✓	?	?
Summary	Preferred	Discounted	Discounted

3.6 Implementation Appraisal

3.6.1 Options

- Minimum – New School opens Autumn Term 2026.
- Intermediate – New School opens Summer Term 2026.
- Maximum – New School opens Autumn Term 2025.

3.6.2 Advantages and Disadvantages

Table 15 – Implementation advantages and disadvantages

Minimum: New School opens Autumn Term 2026.	
Advantages	**Disadvantages**
• Lack of disruption to education in the short term.	• Local community disruption due to extended period of works. • Delayed to accrual of scheme benefits. • Immediate cohorts of learns miss out unnecessarily on 21st Century school facilities.
Intermediate: New School opens Summer Term 2026.	
Advantages	**Disadvantages**
• Increased cohorts of learners enjoy 21st Century school facilities within a reasonable period of time. • Allows time for innovation in design but ensures completion within a reasonable time scale. • Limits the ongoing effect of local community disruption.	• Partial delay to accrual of scheme benefits.
Maximum: New School opens Autumn Term 2025	
Advantages	**Disadvantages**
• Maximise the cohorts of learners who enjoy 21st Century school facilities within a reasonable period of time. • Minimises disruption to learners once school becomes operational. • Ensures completion in a timely manner. • Minimises local community disruption.	• Potential for rushed design (lack of innovation). • Timescales may be unrealistic due to lead in time for sourcing materials. • Requires additional bespoke resource for project in order to deliver upon demanding timescale.

3.6.3 Conclusion

Table 16 – Implementation appraisal summary

Reference to:	Autumn 2026	Summer 2026	Autumn 2025
Investment Objectives			
To improve the learning provision and outcomes for pupils and learners across the age range.	✓	✓	✓
To ensure that pupils in the Machynlleth area are able to access high quality Welsh-medium provision through all key stages of education.	✓	✓	✓
To deliver a fit for purpose building solution that delivers an improved learning environment, meeting zero-carbon in operation requirements, and of the appropriate size.	✓	✓	✓
To further improve the transition between all key stages.	✓	✓	✓
To ensure the economic and financial sustainability of the school.	✓	✓	✓
Critical Success Factors			
Strategic Fit	✓	✓	✓
Business Need	✓	✓	✓
Potential VFM	×	✓	✓
Potential achievability	?	✓	?
Supply side capability	✓	✓	✓
Affordability	✓	✓	✓
Summary	Discounted	Preferred	Possible

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 17 – Funding advantages and disadvantages

Minimum: Wholly Local Authority funded from capital programme.	
Advantages	**Disadvantages**
• Would not require any additional Local Authority borrowing. • Maximum control over scale and timescale of scheme.	• Diverts capital from other community priorities such as Social Care and highways. • Cost prohibitive. • Affordability.
Intermediate: Mix of Local Authority borrowing and Welsh Government funding.	
Advantages	**Disadvantages**
• Ensures affordability of scheme. • Provides certainty to Welsh Government i.e., the scheme fits strategically. • Allows for the direction of capital monies to other community priorities.	• Repayment costs for Local Authority may impact on revenue budgets. • Welsh Government grant funding requirements may be onerous. • 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. • Application process may delay delivery. • May stifle innovation.
Alternative: Mutual Investment Model.	
Advantages	**Disadvantages**
• No capital funding required up front. • Sponsorship from Welsh Government. • Cost certainty (capital and revenue). • Welsh Governments preferred model.	• Scheme is already developed to RIBA 2 stage therefore not eligible for MIM. • Development partners may not be interested. • Complex ownership and governance model. • Multifaceted governance may stifle innovation.

3.7.3 Conclusion

Table 18 – Funding appraisal summary

Reference to:	LA 100%	Mix	WG 100%	MIM
Investment Objectives				
To improve the learning provision and outcomes for pupils and learners across the age range.	✓	✓	✓	✓
To ensure that pupils in the Machynlleth area are able to access high quality Welsh-medium provision through all key stages of education.	✓	✓	✓	✓
To deliver a fit for purpose building solution that delivers an improved learning environment, meeting zero-carbon in operation requirements, and of the appropriate size.	✓	✓	✓	✓
To further improve the transition between all key stages.	✓	✓	✓	✓
To ensure the economic and financial sustainability of the school.	✓	✓	✓	✓
Critical Success Factors				
Strategic Fit	x	✓	✓	?
Business Need	✓	✓	✓	?
Potential VFM	✓	✓	✓	✓
Potential achievability	✓	✓	?	x
Supply side capability	?	✓	?	?
Affordability	x	✓	✓	✓
Summary	Discounted	Preferred	Discounted	Discounted

3.8 Summary of appraisals

Table 19 – Long List Summary

Scope appraisal	Minimum – 4 to 16 All through School.			Intermediate – 4 to 18 All through School.		Expansive – 4 to 18 All through School and community facilities.		Maximum – 4 to 18 All through School with community and leisure facilities.	
Service solution (Long list appraisal)	Dual site solution. Undertake essential maintenance only to both primary and secondary school sites. No community facilities. Dual site solution. Refurbish secondary campus and conduct essential maintenance to primary campus. No community facilities.	Dual site solution. Remodel secondary campus and conduct essential maintenance to primary campus. No community facilities.	Dual site solution. New build secondary campus and conduct essential maintenance to primary campus. No community facilities.	Dual site solution. New build secondary campus with new community use facilities and conduct essential maintenance to primary campus.	Dual site solution. New build secondary and primary campus buildings. No community facilities.	Dual site solution. New build secondary campus with new community use facilities and new build primary campus.	Single site solution. New build all through school on the existing secondary school site. No community facilities.	Single site solution. New build all through school on the existing secondary school site. With community facilities.	Single Site solution. New Builf all through school on the existing secondary school site, with community facilities in a leisure campus

Service Delivery	Minimum: LA Delivery.	Intermediate: LA and Private Sector Delivery.	Maximum: Private Sector partnership (PPP).	
Implementation	Minimum: New School opens Autumn Term 2026	Intermediate: New School opens Summer Term 2026	Maximum: New School opens Autumn 2025	
Funding	Wholly Local Authority funded from capital programme	Mix of Local Authority borrowing and Welsh Government funding	Wholly Welsh Government grant funded	Mutual Investment Fund (MIM)

The shortlisted options are therefore:

- Option 1 – Dual site solution. Undertake essential maintenance only to both primary and secondary school sites. No community facilities.
- Option 8 – Single site solution. New build all through school on the existing secondary school site. No community facilities.
- Option 9 – Single site solution. New build all through school on the existing secondary school site. With community facilities.
- Option 10 – Single site solution. New build all through school on the existing secondary school site. With community facilities in a leisure campus.

At this point the preferred implementation plan is for the scheme to be tendered at the end of RIBA stage three, which would enable the school to open for the Summer term of the 2025/26 academic year. It is also possible however to tender the scheme at either the end of RIBA stage two and four which would likely enable the new school to open earlier, potentially after the Autumn Half Term break of the 2025/26 academic year. The full programmes for these possible solutions are set out within the management case.

3.9 Economic Appraisal

3.9.1 Net Present Cost

The detailed economic appraisals for each shortlisted option are attached to this business case in the NPV spreadsheet. The short-listed options have been risk-adjusted to account for the 'risk retained' (in £s) by the organisation under each option. The following tables summarises the key results of the economic appraisals for each option.

Table 20 – Economic Appraisal

DISCOUNTED CASHFLOW (DCF) SUMMARY SHEET

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:	Dual site solution. Undertake essential maintenance only to both primary and secondary school sites. No community facilities.	56.5	3.84	55.9	3.80
Option 8:	Single site solution. New build all through school on the existing secondary school site. No community facilities.	139.8	5.33	132.6	5.06
Option 9:	Single site solution. New build all through school on the existing secondary school site. With community facilities.	139.4	5.32	132.1	5.04
Option 10	Single site solution: New build all through school on the existing secondary school site. With community facilities as a leisure	158.6	6.0	153.7	5.9

DCF = Discounted Cash flow
NPC = Net Present Cost
EAC = Equivalent Annual Cost

Pease note that the revenue / lifecycle cost totals shown in the tables above consist of the elements detailed in table 23 below. For a full breakdown of costs incurred by the PCC please see the excel model appended to this business case. Assumptions underpinning these calculations include:

- There is anticipated to be no change to existing school staffing structure.
- There is a forecasted reduction in the school's utilities costs of 80% due to the introduction of zero-carbon in use technologies, however this will not impact on the funding formula calculations used within PCC savings accrued from the improved energy efficiency of the building will be of direct benefit to the school.

Table 21 – Revenue Components

Option	Years	Cost Elements	Category	Undiscounted Value (£'000)
Option 1	Years 1-2	Backlog Maintenance	Whole life	£5,475,466
	Years 0 – 19	Revenue Costs	Per annum	£2,931,165
	Years 0 – 19	Lifecycle Cost	Whole life	£360,147
Option 8	Years 0-4	Capital Construction	Whole life	£40,332,168
	Years 0-3	Revenue Costs NB year 3 includes a split of old and new costs to reflect September start	Per annum	£2,931,165
	Year 5-59	Revenue Costs	Per annum	£2,997,673
	Years 4-59	Lifecycle Cost	Whole life	£25,325,068
Option 9	Years 0-4	Capital Construction	Whole life	£40,595,351
	Years 0-3	Revenue Costs NB year 3 includes a split of old and new costs to reflect September start	Per annum	£2,931,165
	Year 5-59	Revenue Costs	Per annum	£2,998,652
	Years 4-59	Lifecycle Cost	Whole life	£25,415,958
Option 10	Years 0-4	Capital Construction	Whole life	£57,483,875
	Years 0-3	Revenue Costs NB year 3 includes a split of old and new costs to reflect September start	Per annum	£2,931,165
	Year 4-59	Revenue Costs	Per annum	£3,006,486
	Years 4-59	Lifecycle Cost	Whole life	£34,494,088

3.9.2 Economic Ranking

Table 22 – Economic Summary

Option	Description	NPC (£M)	Discounted Benefits	EAC (£M)
1	Dual site solution. Undertake essential maintenance only to both primary and secondary school sites. No community facilities.	£56.5	£0	£3.84M
8	Single site solution. New build all through school on the existing secondary school site. No community facilities.	£139.8	£0	£5.33
9	Single site solution. New build all through school on the existing secondary school site. With community facilities.	£139.4	£0	£5.32
10	Single site solution. New build all through school on the existing secondary school site. With community facilities in a leisure campus.	£158.6	£0	£6

3.9.3 Monte Carlo Simulation

To make the scenario planning more robust (and less linear), we have completed a Monte Carlo Simulation in this business case. The simulation uses the following cost elements as variables: backlog maintenance/new build capital, old revenue cost, new revenue cost, lifecycle cost, capital receipts and new community lettings. Monte Carlo simulation uses random number generation to provide a set of predictive results. Charting these results can allow you to determine the probability of a particular result or set of results occurring.

Each variable went through 1000 iterations of number generation to produce a Normal or Gaussian distribution of the potential results obtainable. A normal distribution for the data was chosen as the results should conform to central tendency theorem, being clustered around the estimated value rather than being uniformly distributed between two points.

Once the variables for each option were simulated, the results were used as the input for 27 different potentials ‘What if’ scenarios based along the three dimensions of capital, revenue, and savings. The scenarios were used to demonstrate the sensitivity between the different variables, providing 27 (+1 base value) different potential outcomes for NPC per option. A list of the 27(+1) scenario is, and the 28 NPC potential results for each option is shown in Appendix B: Monte Carlo Simulation.

Finally, the mean and standard deviation values for the 28 scenarios were used as the input variables for a further 1000 iterations of the simulation to produce a final Normal distribution curve for each of the four shortlisted options. The results are demonstrated in the two charts below.

Figure 4: Probability Density Function

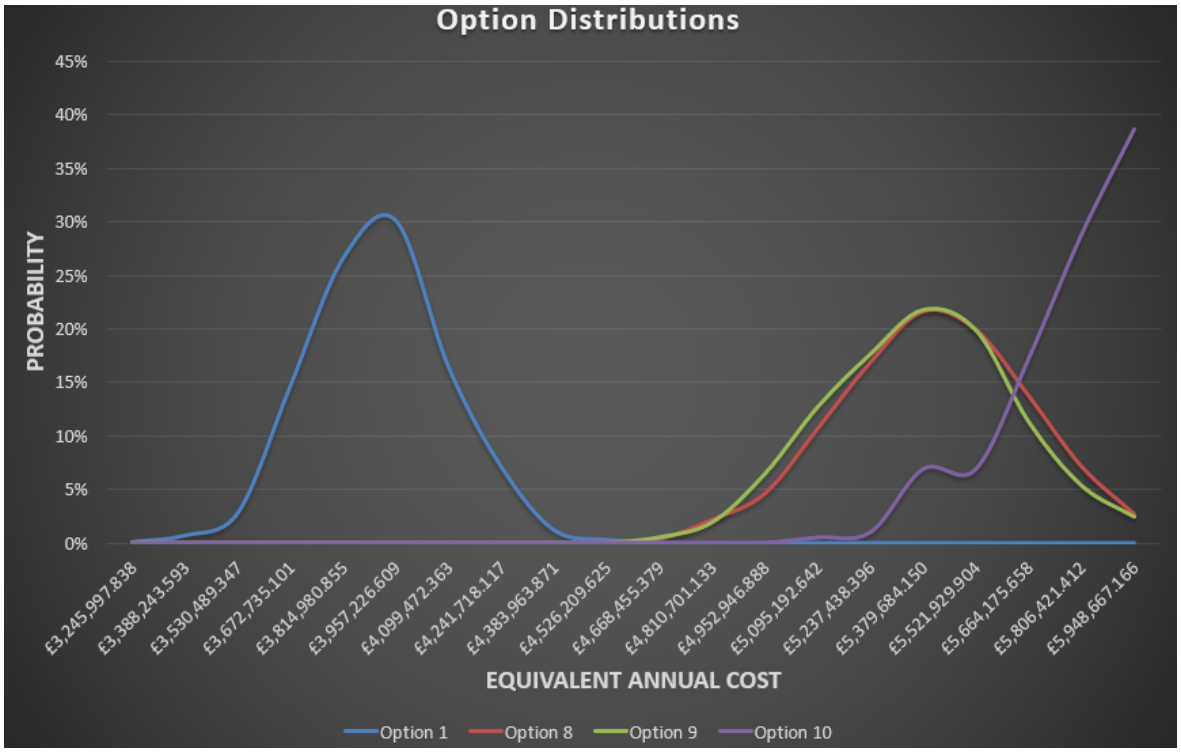
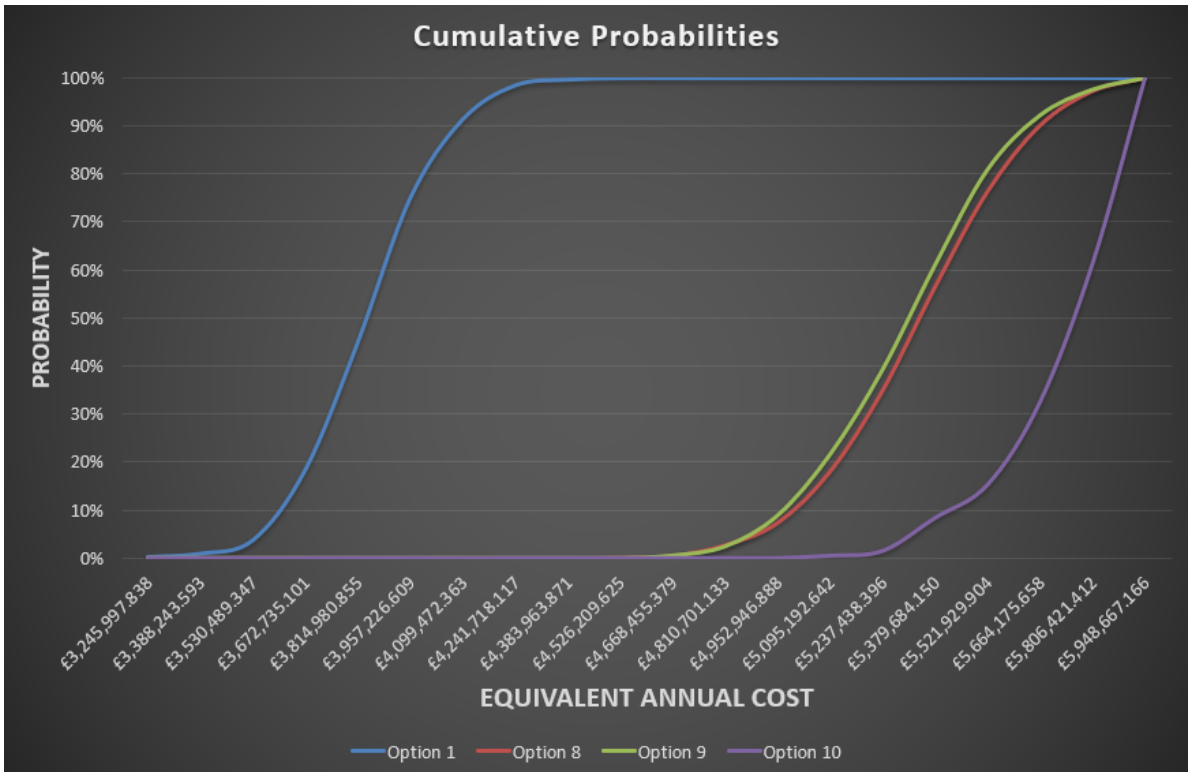


Figure 5: Cumulative Distribution Function



As can be seen from the first chart each option displays the typical bell-shaped curve indicative of a normal distribution. The probability of any value occurring within this distribution can be read off the chart. Both charts clearly indicate that option 6 (red line) has the lowest annual equivalent cost while option 8 (green) line has the highest annual cost.

The results also indicate that there is a:

- 91.96% probability that the net present cost of option 6 will fall between £100m and £120m.
- 69.19% probability that the net present cost of option 7 will fall between £100m and £120m: and
- 63.63% probability that the net present cost of option 8 will fall between £100m and £120m.

3.10 Qualitative Benefits Appraisal

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

Table 23 - 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) Improved levels of recruitment, quality, retention, and reputation of staff. (New environments will assist this) Opportunities to benefit from a wider range of learning opportunities and skills. (Better learning facilities) Access to a wider range of teaching materials. (State of the art ICT and other emerging technologies) (Better learning facilities)	30%
Standards of Estate and Facilities	Zoned and bespoke facilities for flexible community use. (Design) Improved energy efficiency of estate. (Through environmental initiatives) Increased flexibility of accommodation to meet demands and expectations of stakeholders. (Flexibility through design) More efficient use of premises / estate. (Efficiency through design) Improved accessibility to all areas of the site. (School site disparate and layout poor)	15%
Financial Sustainability	Creation of new opportunities for revenue generation. (New community focused facilities) Reduced building operating costs. (Through environmental initiatives) Ensure the viability of educational provision. (In the longer term, as other local school estate deteriorates) Ensure the viability of leisure provision. (Through removal of extensive backlog maintenance liabilities)	15%

Benefit Groups	Example of Benefits *(info in brackets = how achieved)*	Weight
A Wales of cohesive communities	• Same site intra-generational opportunities for increased community wellbeing. (Whole community access to facilities)	10%
A Wales of vibrant culture and thriving Welsh language	• Promoting WG aspirations for one million Welsh Language speakers by 2050. (Welsh Medium Language education within a 21st Century School setting)	10%
A globally responsible Wales	• Low carbon strategies at heart of the new developments to reduce energy use and promote resource efficiency. (Passivhaus design)	20%

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 24 – Benefits Appraisal

Benefit Group	Weight	Maximum Score	Raw				Weighted			
			Option 1	Option 8	Option 9	Option10	**Option 1**	**Option 8**	**Option 9**	**Option 10**
Standards of Education	30	10	6	9	9	10	180	270	270	300
Estate and facilities	5	10	4	8	9	10	20	40	45	50
Financial Sustainability	25	10	8	9	9	5	200	225	225	125
A Wales of cohesive communities	10	10	6	9	9	9	60	90	90	90
A Wales of vibrant culture and thriving Welsh language	10	10	8	9	9	9	80	90	90	90
A globally responsible Wales	20	10	6	9	9	9	120	180	180	180
Total	**100**		**38**	**53**	**54**	**52**	**660**	**895**	**900**	**835**
Rank			**4**	**2**	**1**	**3**	**4**	**2**	**1**	**3**

3.11 Risk Appraisal

The workshop assigned the risk scores shown in the following table based on 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 25 – Risk Appraisal

No	Summary of Risk	Category	Option 1	Option 8	Option 9	Option 10
1.	The risk that there will be an undermining of customer's/media's perception of the organization's ability to fulfil its business requirements – for example, adverse publicity concerning an operational problem.	SR	8	8	4	4
2.	Continuity of 21st century funding not sustained by mainstream funding.	SR	0	3	3	3
3.	Newly redeveloped or built school may attract pupils from other schools or catchment areas.	EER	0	4	4	4
4.	Delay in WG approval of FBC.	SR/ EER	0	0	0	0
5.	Availability of Capital funding, both in terms of Capital allocation from WG and prudential borrowing.	SR	12	4	4	8
6.	Feasibility unproven - in terms of SIS/Ecology.	SR / EER	0	0	0	0
7.	Lack of stakeholder support for scheme.	SR	25	9	2	2
8.	Lack of adequate revenue funding stream.	SR	1	4	3	4
9.	Lack of timely decision making at PCC.	SR	0	1	1	1
10.	Unsuccessful schools' reorganisation and consultation process. Low level of public support for scheme.	EER	0	0	0	0
11.	Failure to develop and implement plan and processes to manage staff and learners prior, during and post commissioning of the new/ existing/alternative facilities.	SR	1	1	1	1

No	Summary of Risk	Category	Option 1	Option 8	Option 9	Option 10
12.	For any number of unforeseen reasons, arising from risk and uncertainty, the construction costs increase beyond original cost estimates.	SR / EER	6	4	4	5
13.	Failure to gain planning and environmental approvals or acquire land for new construction.	SR / EER	0	4	4	6
14.	Curriculum developed fails to engage learners - inadequate facilities to deliver broader curriculum.	SR	12	1	1	1
15.	Statutory consultation fails.	EER	0	0	0	0
16.	Health and Safety - e.g., Injuries/incidents during construction leading to delays/injury investigation/claims for compensation/ prosecution.	SR	5	5	5	5
17.	The risk that design cannot deliver the services to the required quality of Educational Provision standards.	SR	12	3	3	4
18.	The risk that the construction of physical assets is not completed on time, to budget and to specification.	SR	2	2	2	2
19.	The risk that the quality/quantity of initial intelligence (for example, preliminary site investigation) will affect the likelihood of unforeseen problems occurring.	SR	8	2	2	2
20.	The risk arising in accommodation projects relating to the need to decant staff/clients from one site to another.	SR	0	0	0	0
21.	The risk that the nature of the project has a major impact on its adjacent area and there is a strong likelihood of objection from the public.	SR	1	2	2	2
22.	The risk that can arise from the contractual arrangements between two parties – for example, the capabilities of the contractor/ when a dispute occurs.	SR	1	1	1	1
23.	The risk that the quantum of service provided is less than that required under the contract.	SR	0	1	1	1
24.	The risk that the demand for a service does not match the levels planned, projected, or assumed.	SR	1	1	1	1
25.	The risk that actual community usage of the service varies from the levels forecast as a benefit.	SR/ EER	1	1	2	5
26.	The risk that changes in technology result in services being provided using sub-optimal technical solutions.	SR / EER	1	1	1	1

No	Summary of Risk	Category	Option 1	Option 8	Option 9	Option 10
27.	The risk relating to the uncertainty of the values of physical assets at the end of the contract period.	EER	0	2	2	2
28.	Profile of capital expenditure incorrect.	SR/ EER	2	2	2	2
29.	The risk that project outcomes are sensitive to economic influences – for example, where actual inflation differs from assumed inflation rates.	EER	1	1	1	1
30.	The risk that policy & legislative change increases costs. This can be divided into secondary legislative risk (for example, changes to corporate taxes) and primary legislative risk (for example, specific changes which affect a particular project).	EER	0	1	1	1
31.	A change in political climate at WG level.	EER	1	4	4	4
32.	A change in political climate at County level.	EER	1	4	4	5
33.	Outcome of internal decision making. (i.e., Decisions made against officer recommendations)	SR	0	0	2	2
34.	Loss of experienced staff	SR	2	2	2	2
35.	The risk that the timescales for the new school will be delayed as a result of Covid-19 impact on the construction process and on the successful contractor's supply-chain.	EER	3	9	9	9
36.	The risk that the cost of materials may increase as a result of reduced supply due to Covid-19.	EER	3	6	6	6
Total			**102**	**93**	**84**	**95**
Rank			4	2	1	3

Option 1 has a considerably higher risk profile than both do something options primarily due to its unacceptability to local stakeholders and the current sites dual location which affects effective working and teaching practices and also the ability of the school to positively affect the delivery of the curriculum. Option 9 has a slightly lower risk profile due to its ability to more widely reflect the needs of the local population through the additional provision of community facilities.

3.12 The Preferred Option

Table 26 – Final Appraisal Scores

Evaluation Results	Option 1	Option 8	Option 9	Option 10
Economic appraisals	1	3	2	4
Benefits appraisal	4	2	1	3
Risk appraisal	4	2	1	3
Total Points	9	7	4	10
Overall Ranking	3	2	1	4

At this SOC/OBC stage each of options 8, 9 and 10 are possible. However, due to the mix of additional benefits and lower risk profile facilitated by the inclusion of community accessible facilities **option 9** is identified as the preferred solution.

4 Commercial Case

4.1 Procurement Method

4.1.1 Procurement Strategy

Three procurement strategy routes were considered in Powys County Council's 21st Century Schools Strategic Outline Programme Commercial Case. Considerations included the following:

- Public/Private partnerships (including via the Mutual Investment Model).
- Joint venture with the private sector.
- Conventional procurement routes utilising framework contractors.

Consideration of these procurement routes concluded that a Joint Venture with the private sector and the Public/Private Partnerships route were unfeasible in this instance of the following reasons:

i. There was no commitment to further commercial opportunities of significant scale that could be offered to a separate private entity. This would reduce the commercial appeal of entering into a formal partnership or joint venture with Powys County Council.

ii. Both Private/Public Partnerships and Joint Ventures are more complex and time consuming to set up and manage. Powys only has limited major construction projects to offer, therefore it is less likely that the fixed costs involved in setting up the partnerships would be recovered through down the line savings or savings achieved through quantities of scale.

iii. Given the scale of development required within the Council's Band A and B 21st Century Schools Programme, it is felt that the additional costs incurred by the complexities of Public/Private partnerships or a Joint Venture with the private sector will not be justified by the potential benefits from entering into these arrangements.

The Council has good experience of working with contractor frameworks and has achieved positive outcomes using such frameworks. The Council has therefore concluded that the optimum procurement route will be to use the revised SEWSCAP framework that was re-launched in June 2019 (SEWSCAP 3). The benefits of utilising contractors from this existing Contractor Frameworks list are as follows:

1. Consultation and design development will be managed and coordinated through Powys County Council's Property and Design Service (Consultancy). The project 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 PCC during all stages of the project programme.
2. Compliant with EU procurement directives and the Public Contract Regulations (2014), offering a swift route to market and opportunities for early contractor involvement.
3. The framework is free to use, offering a variety of contracts, pricing models and the potential for further savings achieved via mini competition.

4. The new SEWSCAP Property Construction Framework is divided into the following lots:

- Lot 1: Provision of Construction services to include new build, extensions, and refurbishment under traditional or design and build with all associated works – (£250,000 to £1,500,000) - Powys County Council and other Potential Employers based or operating in Powys or operating nearby.
- Lot 2: Provision of Construction services to include new build, extensions, and refurbishment under traditional or design and build with all associated works – (£250,000 to £1,500,000) - Torfaen County Borough Council, Blaenau Gwent County Borough Council, Monmouthshire County Council, Caerphilly County Borough Council, or other Potential Employers based or operating near those areas.
- Lot 3: Provision of Construction services to include new build, extensions, and refurbishment under traditional or design and build with all associated works – (£250,000 to £1,500,000) - Rhondda Cynon Taf County Borough Council, Merthyr Tydfil County Borough Council and Bridgend County Borough Council and any Participating Authorities based or operating near those areas.
- Lot 4: Provision of Construction services to include new build, extensions, and refurbishment under traditional or design and build with all associated works – (£250,000 to £1,500,000) - Vale of Glamorgan Council, The County Council of the City of Cardiff Council, Newport City Council, or other Potential Employers based or operating near those areas.
- Lot 5: Provision of Construction services, extensions, and refurbishment under traditional or design and build with all associated works – (£1,500,001 to £3,000,000) - Powys County Council and other Potential Employers based or operating in Powys or operating nearby to include new build.
- Lot 6: Provision of Construction services to include new build, extensions, and refurbishment under traditional or design and build with all associated works – (£1,500,001 to £3,000,000) - All Potential Employers.
- Lot 7: Provision of Construction services to include new build, extensions, and refurbishment under traditional or design and build with all associated works – (£3,000,001 to £5,000,000) - All Potential Employers.
- Lot 8: Provision of Construction services to include new build, extensions, and refurbishment under traditional or design and build with all associated works – (£5,000,001 to £10,000,000) - All Potential Employers.
- Lot 9: Provision of Construction services to include new build, extensions, and refurbishment under traditional or design and build with all associated works – (£10,000,001 to £25,000,000) - All Potential Employers.
- Lot 10: Provision of Construction services to include new build, extensions, and refurbishment under traditional or design and build with all associated works – (£25,000,001 to £100,000,000) – All Potential Employers.

In this instance the Council propose to use Lot 10 (£25M - £100M).

The Core principles of the framework are the over-riding objectives guiding the Authority and the Contractor in the operation of this Framework Agreement, and in entering into and performing Call-Off Contracts. The Authority and the Contractor hereby agree:

- To work together and with the Potential Employers, Employers, and their advisers in good faith and in a spirit of mutual trust and co-operation.
- To act in a co-operative and collaborative manner so as to achieve and advance the relevant Construction Project.
- To share information honestly and openly.
- To highlight any difficulties at the earliest possible opportunity.

The Authority and the Contractor agree to work together in accordance with the terms of this Framework Agreement and in co-operation and collaboration with the Potential Employers, Employers, and their advisers, to achieve the successful delivery of a series of Construction Projects and in particular, the Core Principles.

4.1.2 Current Design Position

The Council is currently engaged with an external design team. This design team were taken on to progress the scheme post Dawnus Construction Ltd Administration. Given the extent of design work completed to date, the Council owns a significant portion of design information relating the scheme. This design information will be passed to the contractor following the Mini Completion for further development and completion. The incoming contractor will take responsibility for the design.

4.1.3 Award methodology

Within this framework two methods may be used by Participating Authorities to award contracts under the framework, as summarised below (Direct award applies to Lots 1-7 and 11 only):

Lot 10 – Contract Option.

1. Mini-tender – Contractors in the relevant Lots will be invited to tender against a range of quality and pricing criteria. This method will apply to all Lots.
2. Early Contractor Involvement mini-tender - Early Contractor Involvement allows the Employer to engage with a Contractor via a contract to carry out services such as review of existing design information and assisting in planning and business cases etc. This process known as a 2-stage design and build requires bidders to submit an overall price for the whole of the works including in this case the completion of the design (extent yet to be determined). This will form the basis for the ECI appointment and will be discussed and refined during ECI with the aim of agreeing prices or a contract sum within the price envelope prior to the start of the construction stage.

Under this mini tendering process, the framework contractors will be asked to price scheme specific Preliminaries and Design Costs including a capped Target Cost as a guide. All other

costs would be in accordance with their (already tendered) framework submission. Under the NEC4 Professional Services Contract and NEC4 Engineering & Construction Contract –

The Council is currently assessing its Contract Options under NEC4. These will be determined following further market engagement and internal review.

Currently under consideration:

Option A: Priced Contract with Activity schedule. The interim valuations will be paid on actual invoiced costs for labour, plant, materials and sub-contractors plus overheads and profit with a gain/pain percentage share on completion.

Option C: Target Cost with Activity Schedule – Outturn financial risk are shared between the Client and the Contractor in an agreed portion.

The following broad principles are to be pursued, in the area of contractor incentivisation in order to help to implement smart procurement. Their implementation is subject only to agreement on the manner of their application in specific negotiations, and further formal consultation on appropriate contract terms and conditions:

- Making best use of competition at prime and sub-contract level to meet requirements and achieving value for money.
- Making the best use of effective pricing mechanisms to reflect the circumstances of the procurement will be used to promote incentivisation of performance.
- The Council and Industry have common objectives in trying to ensure that incentives produce demonstrable value for money (VFM) benefits for Powys and sustained shareholder value for Industry.
- Risks and rewards should be shared between the Council and Industry in an equitable manner.
- Risk should be owned by those best placed to manage it.
- The prospect of longer-term commercial relationships in return for good performance should be a major spur to good performance supported by incentivisation arrangements.
- The benefits of incentivisation arrangements should apply to the sub-contract supplier base and continue to be nurtured to achieve VFM.
- Gain-sharing opportunities should be actively explored and pursued wherever possible.
- Partnering arrangements for longer term contracts must include a framework for continuing incentivisation.
- Benchmarking of performance against recognised best in class processes and practises will aid assessment of achievement against incentivisation measures.
- Sanctions for unsatisfactory performance against the contract requirement need to be available and will be used where appropriate.
- Sharing of future contract savings in subsequent contracts.

The Core principles of the framework are the over-riding objectives guiding the Authority and the Contractor in the operation of this Framework Agreement, and in entering into and performing Call-Off Contracts. The Authority and the Contractor hereby agree:

- To work together and with the Potential Employers, Employers, and their advisers in good faith and in a spirit of mutual trust and co-operation.
- To act in a co-operative and collaborative manner so as to achieve and advance the relevant Construction Project.
- To share information honestly and openly.
- To highlight any difficulties at the earliest possible opportunity.

4.2 Required Services

4.2.1 The required service streams:

A new 4 to 18 all through school with 540 places, plus early years and SEN / Wellbeing facilities, public library, community room / facilities.

4.2.2 The specification of required outputs:

- Primary Objectives / Employers Requirements to achieve:
  - Passivhaus low energy design standards
  - Net Zero Carbon. Net Zero Carbon (NZC) in operation & Embodied Carbon below 800 kgCO2/m2 in line with the required aims of Welsh Government' Sustainable Communities for Learning Programme.
  - BREEAM Excellent
- Completion of design to achieve primary scheme outputs stated above under NEC 4 Professional Services Contract.
- Construction of new school in accordance with works information and employers' requirements under NEC 4 Engineering and Construction Contract (ECC)

Table 27 – 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	✓		
Control risks	✓		
Residual value risks	✓		
Financing risks	✓		
Legislative risks			✓

Other project risks			✓

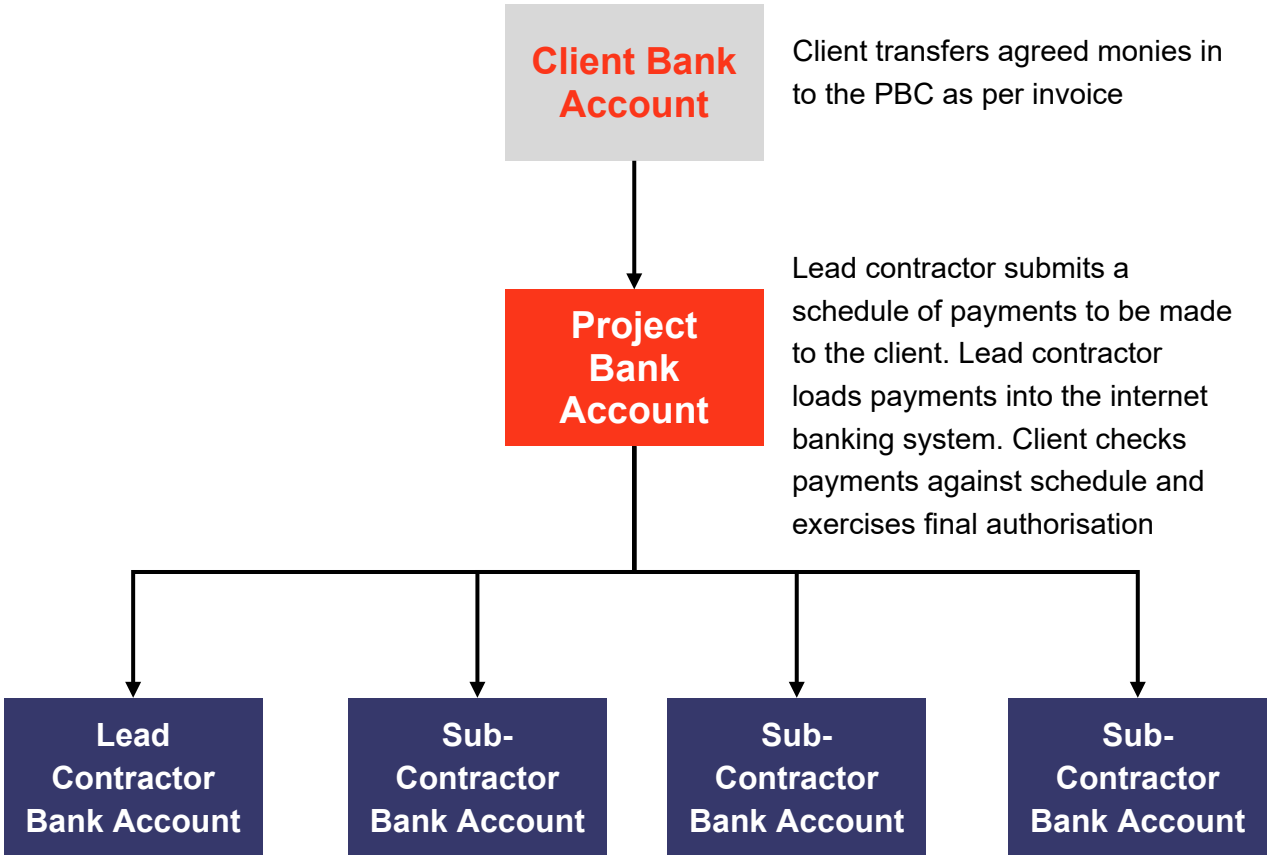
4.3 Project Bank Accounts (PBAs)

Details around the approach to PBAs will be developed as this proposal moves through the various approval gates. This will include details of:

- 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 benefits of PBAs are understood, and prospective tenderers understand that they should communicate these benefits down the supply chain, to maximise sub- contractor sign up to the PBA.
- To support this, a briefing pack and information sheet for tenderers outlining both the benefits and requirements of using a PBA.

Additionally, at tender stage, the procuring party will include clauses in the ITT documentation, referencing the use of PBAs. These clauses will include specific requirements on how the PBA will operate.

Figure 6: PBA money route



4.4 Community Benefits

4.4.1 Agreed schedule

The inclusion of community benefits/social requirements within contracts will ensure that wider social and economic issues are considered when tendering construction and development work. The Council particularly considers that the works afford an ideal opportunity to the contractor to enhance employment prospects and skills through the recruitment, training, and retention of economically inactive people at a disadvantage in the labour market.

Powys County Council is committed to a performance and evidence-based approach to Social Value. Based on the National TOMs (Themes, Outcomes and Measures) developed by the Social Value Wales Portal, bidders will be required to propose credible targets against which performance will be monitored.

4.4.2 Delivery of agreed targets

Powys County Council recognises that measuring and delivering Social Value requires flexibility and a collaborative approach. Agreed Social Value commitments may require a certain amount of refinement as a result.

A key requirement is the willingness of the contracting partner to work openly and transparently with the Authority whilst bearing in mind that the overall value of Social Value commitments made must be delivered by the winning contractor.

Based on previous experience, for a project of this value, we would expect the successful contractor to as a minimum:

- Deliver a Meet the Buyer Event to raise awareness of project to local supply chain;
- Use Sell2Wales to advertise opportunities.
- Conduct pupil interactions.
- Spend at least 85% of contract spend in Wales.
- Divert 85% of waste from landfill.
- Conduct a minimum of 3 Community initiatives throughout the duration of the project.

5 Financial Case

5.1 Project Summary Costs

Table 28 – Key metrics

New Build % (Area)	100%
Description of work & any unusual constraints	Zero-carbon in use.
# Pupil Places	540 + 48 Nursery
# SEN Places	30 places ALN Centre will be established to cater for primary and secondary phase pupils, some who will come from out of catchment
Total # Places	618
# Storeys (including basement)	3
Delivered through Regional Framework?	SEWSCAP 3
Contract period in weeks	Approximately 72
GFA (M2)	7058
# Trainee and apprenticeship opportunities	50
Use of local subcontractors as a % of total cost	To be agreed with contractor at tender stage

5.2 Breakdown of Capital Costs

Table 29 – Breakdown of capital costs

Project Costs	
Capital Cost	£40,595,351
Optimism Bias	£5,277,396
Risk	£3,247,628
VAT (only to be included where non-recoverable by applicant)	N/A
Total Project Cost (inclusive of optimism bias and risk) **Total *(It is assumed that optimism bias and risk will be fully mitigated and that the capital build cost is the actual cost upon which the intervention rate will apply.***	**£49,120,375**
Funding Body Intervention Rate	**(65%)**

5.3 Cost Template

Table 30 – Elemental Breakdown

	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	Total	Cost/m2	Cost/Pupil
Development	£	£	£	£	£	£	£	£
Site investigation	£143,438					£143,438	£20.32	£232.10
Land acquisition	£280,000					£280,000	£39.67	£453.07
Construction								
Substructure	£559,332	£372,888				£932,221	£132.08	£1,508.45
Superstructure		£3,161,646	£4,742,469			£7,904,115	£1,119.88	£12,789.83
Abnormals				£835,217	£556,811	£1,392,028	£197.23	£2,252.47
Externals			£2,461,616	£3,077,019	£615,404	£6,154,039	£871.92	£9,957.99
Internal finishes		£381,386	£381,386	£190,693		£953,465	£135.09	£1,542.82
Services		£864,838	£3,363,258	£576,559		£4,804,654	£680.74	£7,774.52
Preliminaries		£635,453	£635,453	£635,453	£211,818	£2,118,176	£300.11	£3,427.47
Overhead/Profit		£294,022	£294,022	£294,022	£98,007	£980,074	£138.86	£1,585.88
Client costs								
ICT			£67,355	£606,192		£673,547	£95.43	£1,089.88
FFE				£645,314		£645,314	£91.43	£1,044.20
Design Fees	£2,092,120	£284,115	£129,143	£51,657	£25,829	£2,582,864	£365.95	£4,179.39
Professional fees	£538,818	£230,922	£230,922	£256,580	£25,658	£1,282,899	£181.77	£2,075.89
Contingencies	£475,513	£951,027	£1,426,540	£1,426,540	£475,513	£4,755,135	£673.72	£7,694.39
Client costs	£492,541	£84,921	£84,921	£127,381	£59,445	£849,208	£120.32	£1,374.12
Inflation		£1,243,252	£1,243,252	£1,243,252	£414,417	£4,144,174	£587.16	£6,705.78
Total Cost	**£4,581,762**	**£8,504,470**	**£15,060,337**	**£9,965,880**	**£2,482,902**	**£40,595,351**	**£5,751.68**	**£65,688.27**

5.4 Impact on the Organisation's income and expenditure account

Table 31 – Impact on the organisation's income and expenditure account

£s	Total Cost	Years (years 9-59 same as year 8, except for Lifecycle costs, which are shown from year 9, at 5-year periods)								
		0	1	2	3	4	5	6	7	8
		22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Preferred way forward:										
Capital Costs	**£40,595,351**	£4,581,762	£8,504,470	£15,060,337	£9,965,880	£2,482,902				
Lifecycle Costs	**£25,415,958**									£.360,940
Revenue Costs	**£179,688.540**	£2,931,165	£2,931,165	£2,931,165	£2,970,533	£2,998,652	£2,.998,652	£2,998,652	£2,998,652	£2,998,652
Cash Releasing Benefits	**-£541,000**	£0	£0	£0	£0	£0	-£541,000	£0	£0	£0
Total	**£245,158,849**	**£7,512,927**	**£11,435,635**	**£17,991,502**	**£12,936,413**	**£5,481,554**	**£2,457,652**	**£2,998,652**	**£2,998,652**	**£3,359,592**
Funded by:										
Existing Revenue	**£175,869,900**	£2,931,165	£2,931,165	£2,931,165	£2,931,165	£2,931,165	£2,931,165	£2,931,165	£2,931,165	£2,931,165
Total Existing	**£175,869,900**	£2,931,165	£2,931,165	£2,931,165	£2,931,165	£2,931,165	£2,931,165	£2,931,165	£2,931,165	£2,931,165
Additional Funding Req.	**£69,288,949**	£4,581,762	£8,504,470	£15,060,337	£10,005,248	£2,550,389	-£473,513	£67,487	£67,487	£428,427
Cumulative Funding		£4,581,762	£13,086,232	£28,146,569	£38,151,817	£40,702,206	£40,228,693	£40,296,180	£40,363,667	£40,792,094

5.5 Cost Build Up

Table 32 – Cost builds up

£s	Total Cost	Years (years 9-59) same as year 8, with exception of Lifecycle costs, occurring at 5-year periods)								
		0	1	2	3	4	5	6	7	8
		22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
CAPITAL COSTS										
New Build Capital Cost	**£40,595,351**	£4,581,762	£8,504,470	£15,060,337	£9,965,880	£2,482,902				
Lifecycle Cost	**£25,415,958**									£.360,940
Capital Costs Total	**£66,011,309**	**£4,581,762**	**£8,504,470**	**£15,060,337**	**£9,965,880**	**£2,482,902**				
REVENUE COSTS										
School Funding Formula	**£179,688.540**	£2,931,165	£2,931,165	£2,931,165	£2,970,533	£2,998,652	£2,.998,652	£2,998,652	£2,998,652	£2,998,652
Revenue Costs Total	**£179,688.540**	**£2,931,165**	**£2,931,165**	**£2,931,165**	**£2,970,533**	**£2,998,652**	**£2,998,652**	**£2,998,652**	**£2,998,652**	**£2,998,652**
Total Costs	**£245,699,849**	**£7,512,927**	**£11,435,635**	**£17,991,502**	**£12,936,413**	**£5,481,554**	**£2,998,652**	**£2,998,652**	**£2,998,652**	**£3,359,592**
BENEFITS										
Capital Receipts	**-£541,000**						-£541,000			
Benefits Total	**-£541,000**						-£541,000			
Cost Net Cash Savings	**£245,158,849**	**£7,512,927**	**£11,435,635**	**£17,991,502**	**£12,936,413**	**£5,481,554**	**£2,457,652**	**£2,998,652**	**£2,998,652**	**£3,359,592**

Lifecycle costs incurred as follows: Year 13: £531k, Year 18: £4.748M, Year 23: £1.89M, Year 28: £915k, Year 33: £3.495M, Year 38: £361K, Year 43: £6.922M, Year 48: £4.748M, Year 53: £1.085M, Year 58: £361k.

5.6 Overall Affordability and Balance Sheet Impact

A balance sheet asset addition of £40,595,351 is made for the new school. Short term additional funding is required of £40,595,351 for years 0 through 5 excluding retained risks and optimism bias.

There is also an ongoing requirement for revenue funding of £67k per annum from the inception of the new build school because of the funding formula calculation. In addition to this, it is anticipated that there will be a cost increase for rates payable of £86k.

It should be noted that these formula calculations do not take account of the substantial benefits achievable through the introduction of Passivhaus and other net zero carbon technologies and design standards as outlined in the economic case. While this is counterintuitive, the direct financial beneficiary of these savings is likely to be the school.

The Band B submission has been scrutinised and assessed by the Council's Section 151 Officer for affordability in light of the 65% programme intervention rate.

The Council will meet the 35% contribution required to support the overall programme in Band B through prudential borrowing.

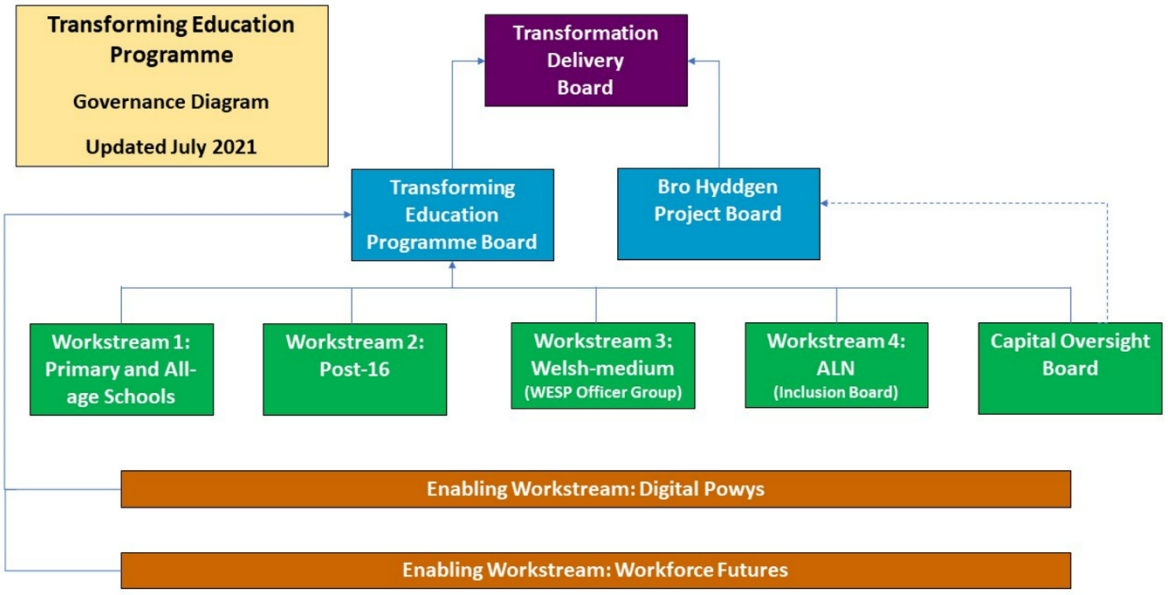
6 Management Case

6.1 Programme Management Arrangements

This scheme is a constituent of Powys County Council's Transforming Education 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 the Transforming Education Programme is in accordance with the governance arrangements for the Council's Transformation Programmes.

Governance arrangements for the Transforming Education Programme are set out in the diagram below:



6.1.1 Project Structure

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

- Project Team, via the Client Lead, prepare monthly highlight reports to the Programme Manager and Service Manager.
- The Service Manager Transforming Education presents summary reports to the Transforming Education Programme Board and Schools Capital Oversight Board meetings on a monthly basis.
- On an exception basis only, the Project Team will report key strategic risks and issues to Programme Board for resolution.

The project will be managed in accordance with the general principles of MSP/PRINCE2 methodology.

The Project 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 PCC during all stages of the project programme.

Figure 7: Project Structure

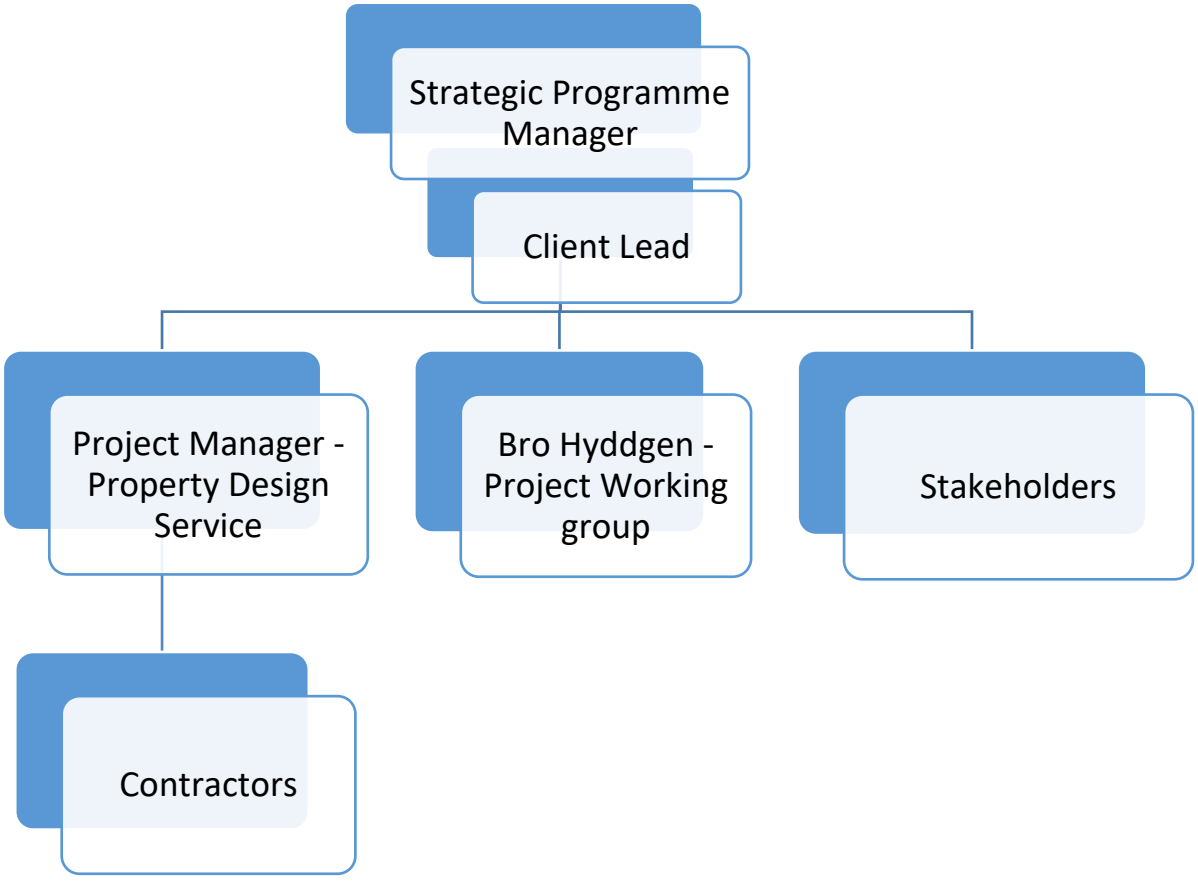


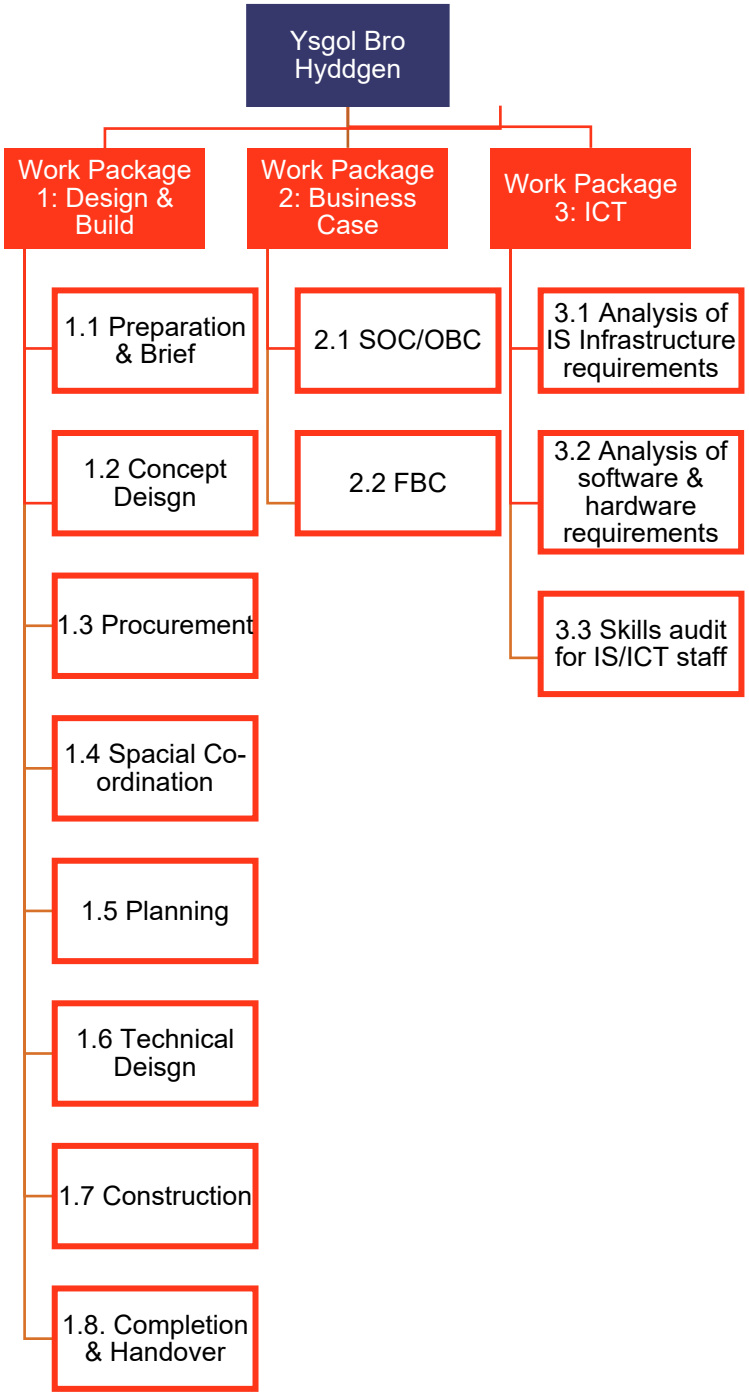
Table 33 – Project team

Name	Project Role
Melany Price	Client Lead
Ian Pilcher	Project Manager Property Design Service
Amy Jones	Finance Lead (Revenue)
Dafydd Jones	Head Teacher
James Chappelle	Finance Lead (Capital)
Gary Leatherland	Procurement Specialist
Lee Evans	Communications Team Manager
Simon Kendrick	Principal Engineer Highways

6.1.2 Project Deliverables

The following (abridged) product breakdown structure depicts the structure of the project:

Figure 8: Product breakdown structure



6.1.3 Outline Project Plan

There are currently three options for the programme to deliver the scheme, each differing on the key dependency of when the scheme is tendered. This could potentially occur at three different junctures along the RIBA stage process, with each option offering different advantages and disadvantages to the overall scheme. At this early stage in the design process, it is considered that the most likely point at which the Council will engage the market

is at the end of RIBA stage 3, although the programmes for all options are set out below pending a final decision by the Programme and Project Board.

Table 34 – Project Plan, tender end of RIBA stage 2

Date	Action/Milestone
Sept 22	End of RIBA 1 Feasibility / Redesign
Oct 22	SOC / OBC- Approval
Oct 22	End of RIBA 2
Nov 22	Publish Tender
March 23	Contract Award
Aug 23	End of RIBA 3
Jan 24	Planning Approval
Jan 24	End of RIBA 4 - Technical Design
Feb 24	WG Approval
Feb 24	RIBA 5 - Phase 1 New Build (Start on Site)
Nov 25	School in Open
Nov 25	RIBA 5 - Phase 2 and 3, Demolition and Associated Works (Start)
August 26	Project Completion

Table 35 – Project Plan, tender end of RIBA stage 3

Date	Action/Milestone
Sept 22	End of RIBA 1 Feasibility / Redesign
Oct 22	SOC / OBC- Approval
Oct 22	End of RIBA 2
Feb 23	End of RIBA 3
July 23	Planning Approval
July 23	Publish Tender
Oct 23	Contract Award
May 24	End of RIBA 4 - Technical Design
June 24	WG Approval FBC
July 24	RIBA 5 Phase 1 New Build (Start On Site)
May 26	School in Use
May 26	RIBA 5 - Phase 2 and 3, Demolition and Associated Works (Start)
Jan 27	Project Completion

Table 36 – Project Plan, tender end of RIBA stage 4

Date	Action/Milestone
July 22	RIBA 1 Feasibility Redesign

Oct 22	SOC / OBC- Approval
Oct 22	End of RIBA 2
Feb 22	End of RIBA 3
July 23	Planning Approval
July 23	RIBA 4 - Technical Design
July 23	Publish Tender
Oct 23	Contract Award
Nov 23	WG Approval FBC
Dec 23	Construction Phase
Oct 25	School in Use
Nov 25	RIBA 5 - Phase 2 and 3, Demolition and Associated Works (Start)
May 26	Project Completion.

6.1.4 Benefits Realisation

An example of the project benefits register is included in the table below. This table describes who is responsible for the delivery of specific benefits, how and when they will be delivered and the required counter measures, as required.

Table 37 – Proposed Benefits Realisation Plan Structure

Benefit	Owner	Target	Method of measurement	Responsibility for	Timing of measurement	Outcome

6.2 Risk Management

All project risks are managed via the Council's JCAD risk management system.

JCAD is a 'living document' and reviewed and amended (where required) during Project Team meetings or risk workshops where the Team manage the identification, monitoring, updating, control, and mitigation of project risks. The framework and plan of the risk register involves a rated table format. The risk is described, and the date of its identification noted. An initial risk rating is 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 risks and issues identified within this project will be cross referenced with the risks/issues held by the Programme Board so that cross cutting issues can be mitigated safely.

The total risk score for each risk will be calculated by multiplying the probability score (between 1-4 with 4 being certain) and impact score (between 1-4 with 4 being project failure) and all risks scoring 16 and above will be referred to the Programme Board for decision. The risk tolerance line for the project is illustrated in the following table.

6.3 Change and Contract Management

The main aim here is to manage proposed changes to the culture, systems, processes, and people working to establish the best option for the council. Change management is not about the provision of the best option but instead focuses on those actions that are necessary to make the best option a working success.

Managers responsible for the key areas will adopt appropriate project management disciplines to meet specific responsibilities. The individual activities may be projects in their own right or be work streams within the overall project.

Planning has been developed for all activities within this change management process through the identification of key outcomes and actions required to ensure successful delivery. Timescales for carrying out such actions, the resources required, and where required, the need for additional resources, have also been determined.

6.4 Gateway Reviews

The Council confirm that it is prepared to complete a Gateway review of the programme at Welsh Government convenience. Further Gateway reviews may then be undertaken during the remaining life of the programme.

6.5 Post Project Evaluation

The outline arrangements for Post Implementation Review (PIR) and Project Evaluation Review (PER) have been established in accordance with best practice and are as follows.

6.5.1 Post Implementation Review (PIR)

These reviews ascertain whether the anticipated benefits have been delivered and are timed to take place a year post construction, i.e., January 2026.

6.5.2 Project Evaluation Reviews (PERs)

PERs appraise how well the project was managed and delivered compared with expectations and are timed to take place one-year post construction, i.e., January 2026.

6.6 Contingency Plans

In the event of project failure, the existing schools will continue to operate until such time that the project can be righted.

7 Appendix

7.1 Appendix A – Ysgol Bro Hyddgen Impact Assessment

July 22 Bro Hyddgen Impact Ass

People who perform, principles that deliver

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