

# BUSINESS JUSTIFICATION CASE

PROJECT TITLE:

**COMPLETION OF YSGOL GYMRAEG DEWI SANT,  
LLANTWIT MAJOR,  
THE VALE OF GLAMORGAN.**

December 2013



DEPARTMENT OF LEARNING AND SKILLS  
THE VALE OF GLAMORGAN COUNCIL



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# 1. PURPOSE

1.1. The purpose of this paper is to set out the business justification for investing **£2,739,000** into Ysgol Gymraeg Dewi Sant to facilitate the completion of the school to accommodate 210 pupils. This expansion would be achieved by completing in one construction phase a complete new single form entry school.

1.2. Ysgol Gymraeg Dewi Sant is located on Ham Lane East, Llantwit Major. It opened in September 2011 as a “seed” school providing Welsh Medium Primary education. Presently the school has a population of 33 pupils in Reception, Year one and two and a further 20 children attending the nursery who will be eligible to progress the reception in 2014. The school operates mixed classes to comply with KS1 class size limit of 30 pupils.

1.3. As a “seed” school its existing accommodation is now insufficient to cater for parental demand for Welsh Medium education within its catchment area. The Council has a legal responsibility to meet parental preference in terms of delivering Welsh Medium education. Hence, the investment proposed is essential in order to meet this need and allow the school to expand and offer enhanced school buildings and open spaces in accordance with the Welsh Government’s 21<sup>st</sup> Century Schools Programme.

1.4. This document follows the HM Treasury guidance for the production of a Business Justification Case (BJC). It sets out the background to the proposed investment, makes the case for change from the current arrangements and outlines the benefits gained therein. In recommending a preferred option, it sets out briefly the financing, procurement and management arrangements for that option.



## 2. STRATEGIC CONTEXT

This section outlines the strategic national and local policy context within which the proposed investment at Ysgol Gymraeg Dewi Sant will be made (i.e. the project's strategic fit) ranging from the national level policy context provided by the Welsh Government's 21<sup>st</sup> Century Schools Programme; to the local level and the Vale of Glamorgan Council's "Education 2015" (the Council's strategic vision for the delivery of education services in its area); "Welsh Education Scheme (2009-2014); Strategic Outline Programme (SOP) and "Schools Investment Programme" (SIP).

### 2.1. National Policy Context

#### 21<sup>st</sup> Century Schools Programme

2.1.1. In March 2010 the Welsh Government formally launched the present capital-funding regime the 21<sup>st</sup> Century Schools Programme. This national Programme is a **One Wales commitment** launched as a collaboration between the Welsh Government (WG), the Welsh Local Government Association (WLGA) and local authorities across the Principality.

2.1.2. The 21<sup>st</sup> Century Schools Programme is regarded as a major, long term and strategic capital investment programme supporting large-scale capital building projects across Wales with the aim of enhancing school buildings to meet 21<sup>st</sup> Century educational needs. The Programme focuses resources

*"...on the right school in the right places, for early years through to post-16, with funding jointly provided by WG and local authorities..."*

(Source: 21stcenturyschools.org).

2.1.3. The Welsh Government, in collaboration with Local Government is aiming to deliver through the 21<sup>st</sup> Century Schools Programme:

1. "Learning Environments for children and young people in Wales aged from 3 to 19 that will enable the successful implementation of strategies for school improvement and better educational outcomes;
2. A sustainable education system through better use of resources to improve the efficiency and cost effectiveness of the education estate, and which enhances local public service provision; and
3. A 21<sup>st</sup> Century Schools Standard for all schools in Wales which reduces recurrent costs, energy consumption and carbon emissions."

(Source: 21<sup>st</sup> Century Schools Summary, March 2010  
– Welsh Assembly Government, WLGA, CLILC).

2.1.4. Further information on the 21<sup>st</sup> Century Schools Programme is available via the following website link:

*www.21stcenturyschools.org*

## 2.2. **Local Policy Context:**

### **“Education 2015”**

2.2.1. The Council has a duty under the School Standards and Framework Act (1998) to raise standards in schools. On 24<sup>th</sup> June 2009 the Vale of Glamorgan Council’s Cabinet endorsed **“Education 2015”**, the Vale of Glamorgan **Council’s strategic vision for its education services** (Cabinet Minute C505). The vision is:

#### **Our Vision – “Achievement for All”**

“Everyone in the Vale of Glamorgan will have equal access to a comprehensive range of high quality education, training and learning opportunities, appropriate to their needs and aspirations”

2.2.2. A copy of Education 2015 is available on the Vale of Glamorgan Council’s website link:

*[http://www.valeofglamorgan.gov.uk/working/education\\_and\\_skills/schools/school\\_improvement/education\\_2015.aspx](http://www.valeofglamorgan.gov.uk/working/education_and_skills/schools/school_improvement/education_2015.aspx)*

2.2.3. Education 2015 outlines the Vale of Glamorgan Council’s “statements of purpose” or **“mission”** explaining why its education services exist, namely:

#### **“It is our Purpose to:**

- Develop effective, confident and independent learners who enjoy a sense of personal well-being, enabling them to share their learning with others and to contribute to their community and society;
- Monitor, challenge, support and develop schools, promoting excellence and intervening as necessary to ensure that underperformance, or potential underperformance, is addressed;
- Identify and disseminate best practice and take every opportunity to celebrate and communicate excellence;
- Promote the concept of “community focused schools” as a strategy for enhancing learning and social cohesion and, whilst rooted in school

improvement, is relevant to all members of the community;

- Secure the engagement of parents/carers as the first and co-educators of their children;
- Design exciting, innovative and relevant learning opportunities for all learners in the Vale;
- Promote learning as a lifelong process and remove the barriers which prevent learners accessing learning opportunities;
- Listen to and value the “learners voice” in the design of services;
- Promote collaboration between services, learning centres and schools to create a culture of shared responsibility for the progress of all learners;
- Secure the best possible learning environment, safe for every child, young person and adult within the Vale in order that they can develop their full potential;
- Ensure that resources are allocated fairly, reflecting the Directorate’s strategic priorities;
- Secure good communication across the Directorate and between the Directorate and all its key stakeholders; and
- Support and develop all practitioners in their efforts to improve achievement for all learners.”

2.2.4. Education 2015 sets out and defines the Council’s “**Core Values**” underpinning its education service, namely:

**Our Core Values:**

- Transparency;
- Collaboration and Partnership;
- Equality; and
- Improvement.

2.2.5. It goes on to describe the Council’s “**Strategic Priorities**” and lists “**Five Key Priorities**”:

**Our Five Key Priorities:**

- Vulnerable Groups of Learners;
- Engaging Parents and Carers;
- Improving the Learning Environment;
- Raising Pupil Attainment; and
- Post 16 Learning.

2.2.6. For further details on the above Core Values and the Five Key Priorities go to the Vale of Glamorgan Council’s web link identified in paragraph 2.2.2.

**Vale of Glamorgan Council  
Welsh Education Scheme (2009-2014)**

2.2.7. In March 2008 the Vale of Glamorgan Council published a Welsh Education Scheme in accordance with the requirements of the Welsh Language Act 1993. It was approved by the Welsh Language Board, and states how the Council, in its dealings with the public, will treat the Welsh and English languages on the basis of equality. Under Section 5 of the Welsh Language Act 1993, the Local Education Authority is required to provide a Welsh Language Scheme dealing specifically with Education. For ease of reference the Council’s Scheme is called a “Welsh Education Scheme” and is for the years 2009 – 2014.

2.2.8. The Vale of Glamorgan’s Vision under its Welsh Education Scheme is:

“The Vale of Glamorgan Council is committed to continue to seek to extend the choice for parents and pupils within the Vale of Glamorgan to pursue Welsh-medium education. In pursuing this strategic goal, the Council is committed to embracing Welsh as a medium for education and for social and cultural activities. We will have succeeded in our aims when the Vale of Glamorgan is recognized as an area where the Welsh Language is valued, widely used and celebrated.”

2.2.9. Fundamental to achieving this vision is ensuring the Council strategically plans for Welsh-medium provision. In this respect the Council regularly reviews pupil projections for Welsh Medium Education based on a range of factors including NHS birth data, admission data and parental preference. As stated earlier based on projected pupil numbers for Ysgol Gymraeg Dewi Sant there is a need to invest in the school to ensure the school can meet the needs of the local community and thereby the Council can adhere to its obligations under its Welsh Education Scheme.

### **21<sup>st</sup> Century Schools Strategic Outline Programme (SOP) and Schools Investment Programme (SIP).**

2.2.10. As mentioned under the national context, in March 2010 the Welsh Government launched the 21<sup>st</sup> Schools Programme to support large scale capital building projects across Wales with the aim of enhancing school buildings to meet 21<sup>st</sup> century educational needs. At the time projects would receive up to 70% grant funding across four three-year bands starting in April 2012.

2.2.11. However, due to reduced levels of capital funding available to the Welsh Government, in July 2011 it was announced that Local Authorities would be required to fund 50% of the capital costs required to meet the proposed 21<sup>st</sup> century schools programme. In addition the start date of the programme was deferred to April 2014 and the first band of funding extended to six years. The priorities of the revised programme are to reduce the number of surplus school places and to improve building stock that is in a poor condition.

2.2.12. The Council submitted a revised **Strategic Outline Programme (SOP)** in November 2011 in line with the revised priorities and the increased level of funding required from Local Authorities. The Welsh Government confirmed in December that the full programme submitted by the Council had been approved in principle subject to final approval of the business case to be submitted for each project when requested by the Welsh Government.

2.2.13. The Council's revised 21<sup>st</sup> Century Schools SOP includes four projects:

- i. **Completion of Ysgol Nant Talwg** to meet increased parental demand for Welsh Medium primary education in Barry;
- ii. **Completion of Ysgol Gymraeg Dewi Sant** to meet increased parental demand for Welsh Medium primary education in Llantwit Major, the subject of this Business Justification Case;
- iii. **Remodelling of Llantwit Major Comprehensive school** to resolve existing car parking and bus drop off problems, remodelling or replacement of existing buildings to meet 21<sup>st</sup> Century Schools standards including upgrading of heating, ventilation and electrical

systems to meet current needs, improvements to energy efficiency to reduce CO<sub>2</sub> emissions arising from the use of the buildings, enhanced sporting facilities and site wide adaptations to improve disabled access; and

- iv. **Build one new primary school and remodel two primary schools in the Barry cluster** to reduce surplus capacity and increase welsh medium provision to meet continued increasing parental demand.

## **School Investment Programme**

2.2.14. To consolidate the recent history of Welsh Government and Vale of Glamorgan Council funding in schools and the planned capital investment for large scale new build / remodelling projects in to a single document the **School Investment Programme (SIP)** has been prepared by the Council. The document highlights the major projects already completed within the programme and the evolving funding streams available to the Vale of Glamorgan Council to undertake major capital projects culminating in the proposed 21<sup>st</sup> Century schools programme, due to start in 2014 with the Band A schemes listed above.

2.2.15. For more details on the Council's revised 21<sup>st</sup> Century Schools SOP and its SIP refer to:

*[http://www.valeofglamorgan.gov.uk/working/education\\_and\\_skills/schools/21st\\_century\\_schools.aspx](http://www.valeofglamorgan.gov.uk/working/education_and_skills/schools/21st_century_schools.aspx)*

### 3. CASE FOR CHANGE

This section addresses the case for change, i.e. why the investment is required at Ysgol Gymraeg Dewi Sant outlining (A) the business needs, (B) the main benefits associated with the proposed investment, and (C) the key risks.

#### A. Business Needs

3.1. The proposed investment of **£2,739,000** is required because the school presently has insufficient accommodation to cater for increasing local parental demand for Welsh medium education. Phase one of the school comprised a nursery and reception classrooms within a modular building. A double demountable classroom was added in 2013 to provide an additional two classrooms to accommodate increased numbers. However must be considered a short term measure whilst funding is being secured to provide a permanent 210 place school building. Once the new school is built the existing modular building and demountable will be relocated to another school.

3.2. The school was opened to reception and nursery children in September 2011 to accommodate increasing numbers of pupils applying for Welsh Medium education. The school needs to expand as the existing reception class progresses through the school. At present the school comprises three classrooms, a hall, staff accommodation, toilets and external play areas. The project will fund the construction of a new 210-place single form entry school with all the necessary accommodation and facilities.

#### Business Investment Objectives

3.3. The investment objectives for a project should clearly identify what is to be gained from the money that will be invested. The primary investment objectives of this project are:

<b>Business Investment Objective</b>	<b>Description</b>
<b>Strategic Fit</b>	To comply with the national and local policy context for education as per the Welsh Government's 21 <sup>st</sup> Century Schools Programme, the Vale's Education 2015 and Welsh Education Scheme in accordance with the requirements of the Welsh Language Act 1993.
<b>Educational</b>	To cater for the educational needs and preferences of the local community and

	provide school accommodation fit for the 21 <sup>st</sup> Century;
<b>Financial</b>	In terms of <u>capital</u> the aim is to deliver within the available budget school accommodation fit for the 21 <sup>st</sup> Century;  and  In terms of <u>revenue</u> the aim is to deliver new school accommodation that is: (a) energy efficient, and (b) provides for an efficient use of teaching resources.
<b>Environmental Sustainability</b>	To deliver new school accommodation that minimizes the impact on the environment.

3.4. The above investment objectives will be achieved by completing in one construction phase (in accordance with Building Bulletin 99) the full accommodation and facilities required at Ysgol Gymraeg Dewi Sant for a new 210 place single form entry school.

3.5. The benefits that will be generated from implementing these works are outlined as follows under the headings Qualitative, Quantitative and Organisational Benefits. Before addressing these, the paragraph below explains why the status quo is not acceptable.

### **The Problem with the Status Quo**

3.6. The status quo, or Do Nothing option, is clearly not tenable. This is because the existing accommodation at Ysgol Gymraeg Dewi Sant is insufficient to meet projected pupil numbers. As stated the school currently has capacity for 90 children within the existing classrooms. Pupil numbers are increasing more rapidly than originally anticipated and by September 2017 the school is projected to have 140 pupils on roll. If the Council does not implement the investment it will be in breach of its legal obligations or would have to facilitate transport for pupils to other Welsh Medium schools with available places. The latter is not deemed a satisfactory option in education terms because it would lead to the division of cohorts with a very low number of pupils attending another school as well as increasing costs for the local authority.

## **B. Benefits**

3.7. The main benefits associated with the investment are:

### **i) Qualitative**

3.8. Qualitatively the investment will bring the following benefits:

- An enhanced and enlarged school offering high quality, modern educational facilities fit for the 21<sup>st</sup> Century;
- Potential to achieve better educational outcomes at the school through enhancing its learning environment;
- A better use of resources by improving the existing estate at the school and its operational cost effectiveness. For example, the new build will achieve the 21<sup>st</sup> Century Schools Programme aim of reducing running costs by creating buildings with improved energy efficiency and reduced carbon emissions. This will be achieved through renewable energy sources where appropriate, high levels of insulation and sensor controlled lighting etc;
- Avoid the need to transport pupils from the catchment area to other areas, which would have additional financial and environmental costs; and
- Provide accommodation that potentially could be used by the wider community.

### **ii) Quantitative**

3.9. Quantitatively the investment will bring the following benefits:

- A new single form entry school comprising all the necessary accommodation and facilities (approximately 1285 Square Metres of floorspace); and
- Increased school capacity to 210 pupils.

### **iii) Organisational**

3.10. Delivering this project will assist the Council to bring forward the following organisational benefits:

- assist the Council to meet its legal responsibility in accordance with the Schools Standards and Framework Act (1998), namely to meet parental preference in terms of delivering Welsh Medium Education;
- support the Welsh Government's and the Local Authority's 21<sup>st</sup> Century Schools Programme enhancing the school's buildings to meet 21<sup>st</sup> Century needs;
- assist delivering the Vale's Education 2015 Vision;
- assist delivering its Welsh Education Scheme (2009-2014); and
- accord with the Council's Strategic Outline Programme.

3.11. It will also generate positive publicity by responding to local community needs.

### **iv) Educational**

3.12. The core educational benefits that will be achieved by the implementation of the preferred option to provide in one construction phase a complete new single form entry school are listed below:

- Compliance with the national policy context in accordance with the Welsh Government's 21st Century Schools Programme.
- Compliance with local policy context in accordance with the Vale's Education 2015 and Welsh Education Scheme.
- Raising pupil attainment.
- Meeting local parental demand.
- Learners feeling safe, secure and protected from harm.
- Learning environment promotes transformational teaching and learning.
- Learning environment is healthy and safe.
- Engagement of staff and learners in building design.

## v) Community Benefits

### Targeted recruitment and training

3.13. The Vale of Glamorgan council sees the development of the new primary school, Ysgol Dewi Sant, as a vehicle for providing real economic benefits to the local community and the wider Vale. With funding from the Welsh Government, it is critical that the scheme delivers sustainable benefits to those living in the area, particularly those currently out of work.

3.14. With a strategy of targeted recruitment and training, the Vale of Glamorgan Council is committed to creating opportunities for local residents and long-term workless people to move into sustainable jobs.

3.15 The Council intends that for every £1m in contract value provided, the Contractor will provide a minimum of 80 weeks of employment for a new entrant recruited from a source to be agreed with the Council.

3.16. The main principles of targeted recruitment and training for Ysgol Dewi Sant are to ensure that:

- New opportunities are provided for new entrants, trainees and those leaving education including those currently not in employment, education or training
- The development by the contractor in conjunction with the Client and local agencies of realistic recruitment and training processes to ensure successful implementation of the Client's requirements
- The contractor uses and promotes local procurement and looks to work with local suppliers to develop their capacity
- Benefits to the local community are maximised
- Working with local education providers and training bodies including but not limited to Cardiff and Vale College and local schools.

### Definitions

3.17. Definitions of terms used within the Targeted Recruitment and Training Strategy:

Person week - a person employed for five days on the site.

New Entrant - a person who is leaving an educational establishment or a training provider or a non employed person, school or college leaver or an adult who has not been employed within the construction industry.

Other trainees - those who are not apprentices but have a contract of employment or are self employed.

Apprentice - person registered as an apprentice with an industry recognised body.

3.18. Prior to the completion of the second stage tender, the contractor will be required to complete a schedule of the labour skills required in consultation with the Client or their representative. This document, once finalised and agreed will form part of the contractual documentation. It is accepted that certain works packages will be better suited to the delivery of recruitment and training than others and these can be reviewed with the Client during the second stage tender.

3.19. The contractor will be required to develop a schedule of labour skills which will be used to benchmark the progress through the contract with a monthly reporting regime established.

3.20. The proposed schedule will include:

- Trade required
- Number of trade employees required for the contract
- Proposed number of unemployed to be engaged
- Proposed number of trainees to be engaged
- Targeted qualifications i.e. CSCS, NVQ etc.

## **Penalty Clause**

3.21. The contractor will pay the Employer the sum of £100 per new entrant trainee week if they fail to provide the agreed person weeks, i.e. 80 weeks/£1m. It will be incumbent on the contractor to record the progress against targets with the contractor reporting on a monthly basis the figures achieved.

## **Materials Sustainability Matrix**

3.22. As part of the Targeted Recruitment & Training strategy, it is intended that the contractor will, in conjunction with the design team, develop a materials sustainability matrix. This will be a live document and the contractor will be required to review all opportunities for the procurement of materials from local sources. The final decision on use of materials will rest with the Client and consideration will be given in relation to local employment opportunities, cost of alternatives, supply side performance and Green Guide Rating amongst others. Clearly this process needs to run in parallel with the development of the Contractor's Proposals so that they are embedded within the contract.

3.23 The materials sustainability matrix will include the following headings:

- Proposed construction material
- Green Guide Specification rating
- List of potential suppliers of the material and distance from the site
- Manufacturers location
- Recycled/reused content
- Summary and reason for using alternative materials

## C. Risks

3.24 As with all capital investment projects there will be risks requiring careful management in order to avoid project failure. The Vale of Glamorgan Council implements projects in accordance with its Corporate Project Management Guidelines, which are derived from PRINCE2, and are underpinned with risk management, which is fundamental to successfully project delivery.

3.25. In terms of the investment proposed at Ysgol Gymraeg Dewi Sant the table below lists the key headline risks the Council will ensure are managed efficiently and effectively in order to achieve project success. The risks are categorized under the headings:

- a) **Design/Initiation Risks;**
- b) **Build Risks; and**
- c) **Operational Risks.**

## a) Design/Initiation Risks

Risk Item	Likelihood	Consequence/ Impact	Mitigation/ Minimisation
1. Insufficient Capital Funding	Low	Project cannot commence or would have to be reduced in scope.	Ensure robustly costed scheme and quality BJC submission to Welsh Govt.
2. Planning Permission Refused	Low	Project delay/failure	Ensure early pre planning discussions with Development Control
3. Ground Conditions	Low	Increased costs most likely risk	Ensure robust SI surveys at early stage.
4. Design and Preparation of Pre Contract Tender docs not completed on time.	Low	Classrooms are not opened by September 2015	Develop a robust Programme

## b) Build Risks

Risk Item	Likelihood	Consequence/ Impact	Mitigation/ Minimisation
1. Threat to health and safety of pupils and staff and general public during works	Low	Injury and Fatality	Works area to be secured with high fencing, gates, health and safety signage. Contractor to carry out Risk Assessment and Health and Safety planning.
2. Noise, dust and disturbance affecting delivery of education at	Low	Undermines ability of staff and pupils to work	If possible works to be focused on maximizing as

the school			much progress as possible during school holidays. Contractor to prepare and implement methodology that will minimize noise, dust and disturbance.
3. Poor weather	Low	Time delays and increased costs	Contractor's programme to accommodate risk of poor weather.
4. Ground Contamination	Low	Increased costs and potential delays	Ensure a contingency sum is in the budget and allowance within the Programme

### c) Operational Risks

Risk Item	Likelihood	Consequence/ Impact	Mitigation/ Minimisation
1. End user needs not met	Low	The end product not being fit for purpose	Ensure design team consults the Head, staff and pupils as part of design process.
2. Maintenance problems encountered	Low	Increased maintenance and asset renewal costs	Construction Contract to include a 12 months defects liability period.

## 4. AVAILABLE OPTIONS AND IDENTIFYING THE PREFERRED OPTION

This section identifies four available options for the Council and completes an Investment Appraisal identifying the Preferred Option for the completion of Ysgol Gymraeg Dewi Sant. The Investment Appraisal uses weighted evaluation criteria under the heading of each Business Investment Objective to score each option.

Prior to arriving at the four options included within the Business Justification Case, the School Investment Programme core officer group considered a range of options that could meet the need for additional places in Welsh Medium education in Llantwit Major. For the reasons provide below these options were discounted prior to the detailed investment appraisal stage and therefore not included within the final submitted BJC.

### 4.1. Utilise surplus capacity within English medium schools to accommodate the 210 place Ysgol Gymraeg Dewi Sant.

4.1.1. Whilst surplus capacity exists within the English Medium primary sector in Llantwit Major there is insufficient capacity within any one school to allow surplus capacity to be used to accommodate the growing demand for Welsh Medium education. Although initially the pupil numbers arising from Ysgol Dewi Sant will be low these children must be accommodated from the reception class through to year 6 and numbers will increased incrementally each year.

4.1.2. The Education Department's opinion is that children should be allocated a school for the complete duration of their school phase. Otherwise the disruption caused by re-locating school buildings could result in a detrimental impact to their education.

4.1.3. There is insufficient capacity to accommodate all of the 210 pupils from Ysgol Dewi Sant within a single school therefore this option cannot be progressed.

### 4.2 Stream Welsh Medium and English medium within the same school

4.2.1. The operation of English and Welsh medium streams within the same school is practiced within a number of Local Authorities across Wales.

4.2.2. However this relies upon there being sufficient surplus capacity within existing schools to accommodate the additional seven classes comprising the stream, which is not the case in Llantwit Major. In addition, a very high proportion of parents applying for places for their children in Welsh Medium schools do not speak Welsh to a high standard. The Vale of Glamorgan therefore implements total immersion in the Welsh language in all phases of education to ensure that children's language skills are developed to the required level to ensure that children achieve a high academic standard when taught fully

through the medium of Welsh. This would be very difficult to achieve in a school operating English and Welsh medium streams and therefore this approach is not supported by the Vale of Glamorgan Council.

4.2.3. This option was therefore discounted and not progressed to the final investment appraisal stage.

#### **4.3. Provide additional accommodation comprising entirely of demountable buildings**

4.3.1. Ysgol Dewi Sant could be extended to a 210 place school through the addition of demountable or temporary buildings.

4.3.2. Whilst providing sufficient space for the school this could not be considered a long term solution providing 21<sup>st</sup> Century schools standards for children attending Ysgol Dewi Sant. Recent projects undertaken by the Local Authority have also confirmed that the cost differential between permanent buildings and the installation of demountables has been steadily decreasing. In addition to not meeting the required standards this could still be a relatively expensive option.

4.3.3. This option was therefore discounted and not progressed to the final investment appraisal stage.

### **The Options**

4.4. In order to deliver the business investment needs of the Council and to achieve the Council's legal responsibility of meeting parental preference of delivering Welsh Medium education, the following **four options** are available to the Council:

#### **A) Do Nothing:**

Refer to Paragraph 3.6.

#### **B) Transport pupils to alternative Welsh Medium Schools:**

This option would involve the Council transporting pupils via coaches or mini buses as required to other Welsh Medium Schools. The cost of this is estimated to be up to £40,000 per annum dependant upon the number of pupils requiring transport.

#### **C) New Build (Two Phase Delivery):**

This option would cost an estimated £3,129,000 and comprise the expansion of the school over two separate phases of construction:

- a) The **first phase** would involve the traditional construction of two new classrooms and facilities accommodating an additional 60 pupils. This phase is estimated to cost £700,000; and

- b) The **second phase** would result in the completion of the school providing the traditional construction of accommodation and facilities required for the projected total population of 210 pupils. This phase is estimated to cost £2,429,000.

#### **D) New Build (One Phase Delivery):**

This option would realise the delivery of a complete new school in one construction phase comprising all the necessary accommodation and facilities for 210 pupils. The cost of this is estimated to be £2,739,000.

### **The Investment Appraisal**

4.5. The **Council’s SIP Core Officer Project Team** has completed an Investment Appraisal (refer to **Tables B and C**). In this exercise each option was assessed in terms of the Business Investment Objectives identified in Section 3, namely:

- Strategic Fit;
- Educational;
- Financial; and
- Environmental Sustainability.

4.6. For each Business Investment Objective a set of **evaluation criteria** (refer to **Table A**) were identified and used to score each option. In **Table C** these criteria were weighted by the SIP Core Officer Project Team to reflect their relative importance to the Council.

**Table A – Business Investment Objectives and their Evaluation Criteria:**

<b>Business Investment Objective</b>	<b>Evaluation Criteria</b>
<b>Strategic Fit:</b>	<p>a) Compliance with national policy context as per the Welsh Government’s 21<sup>st</sup> Century School’s Programme; and</p> <p>b) Compliance with local policy context as per the Vale’s Education 2015 and Welsh Education Scheme.</p>

<p><b>Educational:</b></p>	<p>a) Raising Pupil attainment;</p> <p>b) Meeting Local Parental Demand;</p> <p>c) Learners feeling safe, secure and protected from harm;</p> <p>d) Learning environment promotes transformational teaching and learning;</p> <p>e) Learning environment is healthy and safe; and</p> <p>f) Engagement of staff and learners in building design.</p>
<p><b>Financial:</b></p>	<p>a) Delivery within the available <u>capital</u> budget new school accommodation fit for the 21<sup>st</sup> Century; and</p> <p>b) Delivery of school accommodation that is: a) energy efficient; and b) provides for an efficient use of teaching resources.</p>
<p><b>Environmental Sustainability:</b></p>	<p>a) Minimising transport requirements;</p> <p>b) Delivering energy efficient new school accommodation;</p> <p>c) Creating a sustainable school environment; and</p> <p>d) Local labour employed during construction.</p>

## The Scores

4.7. **Table B** provides a **summary of the total weighted scores** by the SIP Core Officer Project Team for the four options in relation to each Business Investment Objective.

4.8. **Table C** provides a more **detailed breakdown of the appraisal** providing for the four options their scores for the Business Investment Objectives broken down to their evaluation criteria.

### **The Preferred Option – Option D**

4.9. As identified in tables B and C the highest scoring option, (i.e. the **Preferred Option**) is **OPTION D the New Build (One Phase Delivery)**. It scores a total weighted score of 1,202 followed by Option C with 1,012 points, Option B with 358 points and Option A with 218 points.

4.10. Option D is identified as the Preferred Option because in the view of the SIP Core Officer Project Team this scheme represents the optimum value for money as it would best deliver within the budget of **£2,739,000** the Council's Business Investment Objectives as follows:

- **Strategic Fit Objective:** Option D offers a good strategic fit in terms of meeting the national and local policy context (i.e. satisfying the Welsh Government's 21<sup>st</sup> Century Schools agenda and the Vale's Education 2015 vision and Welsh Education scheme);
- **Educational Objective:** importantly Option D by completing the school in one phase minimizes the disruption to staff, pupils and parents and creates the best opportunity to achieve the educational objective by potentially raising pupil attainment, meeting local parental demand, providing a safe and secure environment for learners, creating an environment that promotes transformational teaching and learning, and providing a healthy and safe environment. This option would ensure teaching staff and learners are more engaged in the building design process for the full completion of the project;
- **Financial Objective:** in terms of the financial objective, Option D by completing the school in one construction phase would be a more cost effective way of delivering the project. The end result would be the delivery of a single new high quality modern school building that would be more energy efficient and therefore have reduced running costs; and
- **Environmental Sustainability Objective:** in respect of the Environmental Sustainability Objective Option D would deliver a scheme that is highly sustainable because delivering the school in one phase ensures a better designed scheme, minimises transport requirements, delivers energy efficient school accommodation, and creates a sustainable school environment.

**Table B – Summary of Total Weighted Scores and Overall Ranking:**

	Weighted Scores			
<b>Business Investment Objective</b>	<b>Option A</b>	<b>Option B</b>	<b>Option C</b>	<b>Option D</b>
Strategic Fit	0	130	200	200
Education	197	221	392	492
Financial	0	0	135	180
Environmental Sustainability	21	7	285	330
<b>Total</b>	<b>218</b>	<b>358</b>	<b>1012</b>	<b>1202</b>
<b>Overall Ranking</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>

TABLE C - YSGOL DEWI SANT: INVESTMENT APPRAISAL

DATE: 06 DECEMBER 2012.

UNDERTAKEN BY: SIP CORE OFFICER PROJECT TEAM;  
 PAULA HAM (SIP PROJECT SPONSOR AND HEAD OF STRATEGIC PLANNING AND PERFORMANCE);  
 JANE WADE (OPERATIONAL MANAGER, PROPERTY SECTION);  
 MARK HAYNES (SCHOOLS ORGANISATION AND ACCESS MANAGER); AND  
 MARK WHITE (SIP PROJECT MANAGER AND MAJOR PROJECTS MANAGER).

DESCRIPTION OF OPTIONS:

- OPTION A: DO NOTHING;
- OPTION B: TRANSPORT PUPILS TO ALTERNATIVE WELSH MEDIUM SCHOOLS;
- OPTION C: NEW BUILD - TWO PHASE DELIVERY;
- OPTION D: NEW BUILD - ONE PHASE DELIVERY.

BUSINESS INVESTMENT OBJECTIVE	CRITERIA	WEIGHTING (1 - 10)	OPTION A (Do Nothing)		OPTION B (Transport)		OPTION C (New Build - Two Phase Delivery)		OPTION D (New Build - One Phase Delivery)	
			Unweighted Score	Weighted Score	Unweighted Score	Weighted Score	Unweighted Score	Weighted Score	Unweighted Score	Weighted Score
1. STRATEGIC FIT	a) Compliance with national policy context as per the Welsh Government's 21st Century Schools Programme.	10	0	0	8	80	10	100	10	100
	b) Compliance with local policy context as per the Vale's Education 2015 and Welsh Education Scheme.	10	0	0	5	50	10	100	10	100
	<b>Sub Total</b>		<b>0</b>	<b>0</b>	<b>13</b>	<b>130</b>	<b>20</b>	<b>200</b>	<b>20</b>	<b>200</b>
2. EDUCATIONAL	a) Raising pupil attainment.	9	8	72	8	72	8	72	10	90
	b) Meeting local parental demand.	8	0	0	3	24	8	64	10	80
	c) Learners feeling safe, secure and protected from harm.	8	5	40	5	40	8	64	10	80
	d) Learning environment promotes transformational teaching and learning.	8	5	40	5	40	7	56	10	80
	e) Learning environment is healthy and safe.	9	5	45	5	45	8	72	10	90
	f) Engagement of staff and learners in building design.	8	0	0	0	0	8	64	9	72
<b>Sub Total</b>			<b>23</b>	<b>197</b>	<b>26</b>	<b>221</b>	<b>47</b>	<b>392</b>	<b>59</b>	<b>492</b>
3. FINANCIAL	a) Delivery within the available capital budget new school accommodation fit for the 21st Century.	9	0	0	0	0	8	72	10	90
	b) Delivery of new school accommodation that is: a) energy efficient, and b) provides for an efficient use of teaching resources.	9	0	0	0	0	7	63	10	90
<b>Sub Total</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>135</b>	<b>20</b>	<b>180</b>
4. ENVIRONMENTAL SUSTAINABILITY	a) Minimising transport requirements.	7	3	21	1	7	10	70	10	70
	b) Delivering energy efficient new school accommodation.	9	0	0	0	0	8	72	10	90
	c) Creating a sustainable school environment.	9	0	0	0	0	7	63	10	90
	d) Local labour employed during construction.	8	0	0	0	0	10	80	10	80
<b>Sub Total</b>			<b>3</b>	<b>21</b>	<b>1</b>	<b>7</b>	<b>35</b>	<b>285</b>	<b>40</b>	<b>330</b>
<b>TOTALS</b>			<b>26</b>	<b>218</b>	<b>40</b>	<b>358</b>	<b>117</b>	<b>1012</b>	<b>139</b>	<b>1202</b>



## 5. FUNDING, AFFORDABILITY AND PROCUREMENT

This section outlines the capital costs of the proposed investment, and how the investment will be funded for the Ysgol Gymraeg Dewi Sant Phase 2 project. It also outlines the proposed procurement route.

### Funding and Affordability

5.1. The capital cost of the Ysgol Gymraeg Dewi Sant Phase 2 project is as follows:

Year	£,000
2015/16	1,823
2016/17	848
2017/18	68
<b>Total</b>	<b>2,739</b>

5.2. The estimated cost of the project is provided by the Council's Property Section based on their professional analysis and experience of similar schemes facilitated by the Council.

5.3. Since the initial approval for the 21<sup>st</sup> Century Schools Programme additional schemes have been included which increases the Council's funding by £1,175,000 above the Welsh Government's contribution. In order to fund the expansion of Ysgol Dewi Sant an additional £543,000 will be required from the Welsh Government. The project cannot progress without this additional funding being agreed.

5.4. If this additional funding from the Welsh Government is approved the Vale of Glamorgan Council will still be contributing 53.3% towards this expanded jointly funded programme.

5.5. Of the £2,739,000 required to fund this scheme, £1,641,000 will be drawn down from the Welsh Government via the 21<sup>st</sup> Century Schools Programme. The remaining £1,098,000 will be funded from the Council's Capital Programme.

### Revenue Consequences

5.6. As stated earlier the capital investment project will result in a better use of resources by improving the existing estate at the school and its operational cost effectiveness. For example, the new build will achieve the 21<sup>st</sup> Century Schools Programme aim of reducing running costs by creating buildings with improved energy efficiency and reduced carbon emissions. This will be achieved through the consideration of appropriate renewable energy solutions, high levels of insulation and sensor controlled lighting. It

is anticipated this will result in significantly lower running costs.

## **Procurement**

5.7. The project will be managed and delivered by the Council's Property Section on behalf of the Client department, Learning and Skills. Where specialist services are required these will be commissioned in accordance with the Council's Contract Standing Orders and Financial Regulations and in line with EU regulations. The construction contract will be procured using the South East Wales Schools Capital (SEWSCAP) Framework.

## 6. MANAGEMENT ARRANGEMENTS

This section outlines the management arrangements for the delivery of the Ysgol Gymraeg Dewi Sant project. It sets out the how the investment will be delivered successfully with reference to project and risk management arrangements.

### Project Governance

6.1. The Council for the delivery of its Schools Investment Programme (SIP) has a well-established process for project governance. As illustrated in **Figure 1** it has a dedicated Project Board (the SIP Project Board) who meet on a monthly basis and receive updates on aspects of the progress with the Programme from the SIP Project Sponsor (Paula Ham, Head of Strategic Planning and Performance) and other key officers.

6.2. The SIP Project Sponsor is responsible for and therefore the owner of the Ysgol Gymraeg Dewi Sant project. The SIP Project Sponsor has identified the Client Project Manager role for the project to be Jane Wade (Operational Manager, Property Section).

### Project Management

6.3. The success of any capital project whether large or small depends very much on whether it is being managed efficiently and effectively. The Vale of Glamorgan Council places a great emphasis on ensuring projects are well managed and has established a comprehensive set of Corporate Project Management Guidelines that staff must adhere to when delivering capital projects of differing sizes.

6.4. Derived from PRINCE 2 (Projects In Controlled Environments) the Council's Corporate Project Management Guidelines provide a method for the controlled delivery of projects of all sizes and differing levels of complexity. The Guidelines are therefore flexible and adaptable and can be tailored accordingly. The proposed completion of Ysgol Gymraeg Dewi Sant project will be implemented strictly in accordance with the Council's Corporate Project Management Guidelines.

6.5. Jane Wade (Operational Manager, Property Section) will be responsible for implementing the project in accordance with the Council's Corporate Project Management Guidelines.

6.6. As mentioned the governance structure for the delivery of the project is provided in **Figure 1**. It identifies the hierarchy of management established for the Council's Schools Investment Programme and how this project fits within that hierarchy as follows:

- Cabinet;
- Schools Investment Programme (SIP) Board;
- SIP Project Sponsor;
- SIP Project Manager;
- SIP Core Officer Project Team;
- Ysgol Gymraeg Dewi Sant Project Team:
  - Client Project Manager: Jane Wade Operational Manager, Property Section;
  - Design Team: in house;
  - Contractor: TBD.

## **Stakeholder Engagement**

6.7. Effective stakeholder engagement is essential for the delivery of this project. The key stakeholders are:

- Head Teacher;
- Pupils;
- School Governing Body;
- Teachers;
- Support and Admin staff;
- Parents; and
- Local Authority.

6.8. The SIP Project Sponsor and the Client Project Manager will ensure that from an early stage there is ongoing consultation and liaison with the Head, governors, staff and pupils. This is important to ensure that the end result is fit for purpose and that during the build the works are implemented with due care for health and safety and minimizing disruption to the operation of the school.

## **Risk Management**

6.9. A risk management process will be facilitated by the Client Project Manager for the delivery of the completion of Ysgol Gymraeg Dewi Sant. At an early stage an initial risk identification workshop will be held to identify risks leading to the creation of a Risk Register. This will be derived from the risks already identified in this BJC.

## **Benefits Realisation**

6.10. A schedule of benefits will be established by the SIP Core Officer Project Team, in line with good practice, and reviewed regularly to ensure that all benefits are identified and realized.

## **Project Plan**

6.11. The project plan for the construction of Ysgol Gymraeg Dewi Sant is provided as Appendix B.

## WHOLE LIFE COSTS

### Definitions

6.12. BS ISO 15686-5 Building and Constructed assets-services life planning Part 5 Life cycle costing gives the following definitions:

- Life cycle costing is a “methodology for the systematic evaluation of life cycle costs over a period of analysis, as detailed in the agreed scope”
- Whole life costing is a “methodology for the systematic economic consideration of all whole life costs and benefits over a period of analysis, as defined in the agreed scope”

6.13. For the purpose of this exercise the principle period for consideration has been set at 25 years, and also run on a 60 year period.

### The Objectives

6.14. The principle objectives of the life cycle exercise are twofold,

1. To generate a projected spend profile of the works required over the period to maintain the building and its components in accordance with the agreed scope.
2. During the design process to identify the best value for money in a holistic sense reflecting the capital cost (capex), the operational costs (opex) and the life cycle cost over the period.

6.15. The principal aim of the whole life cost exercise is to consider the above issues, but taking into account the possible running costs and other issues to allow objective design decisions to be made in the knowledge of the financial outcome of such decisions.

### The Process

6.16. The rigorous process is structured from the bottom upwards. Building assets are selected that are deemed to be “fit for purpose” and compliant with the basic scope requirements. The final selection is made once it has met the “holistic” best value for money test. Financial appraisals are evaluated on Net Present Value (NPV) criteria which fully reflect 25 or 60 year profiles.

6.17. Life cycle calculations are built up from basic input data of: specification, quality, cost of replacement, the period of replacement and the first year that such an event takes place. All calculations should be made in real terms at the selected base date for the contract.

6.18. Once completed, final financial outcomes are then set against comparable benchmark data to test their veracity.

## **Period for consideration**

6.19. It must be remembered that the life cycle provisions for the project remains for the full period of its active life and it is essential that it is robustly formed to meet the usage and wear and tear that the design profile demands.

## **CONTINGENCY PLAN**

### **Project Risk Management**

6.20. As detailed in section 6.9 the construction project to complete the one form entry school will be project managed in accordance with the Council's Project Management Toolkit including risk management and contingency planning to mitigate the risks identified.

6.21. The full risk register has not been prepared at this early stage of the project but it is recognised that at present the greatest risk to the project is that the funding available may be insufficient to complete the expansion of the school as required to meet the increasing local parental demand for Welsh Medium education.

6.22. A number of measures are being implemented to manage the risk of insufficient funding for the scheme:

### **Procurement Method**

6.23. Traditional school building procurement places significant risk on the client with regards to the final cost and timescale of the completed project. The Project Board has therefore made the decision to adopt a Pattern Book design for the new school utilising a tried and tested school design and construction supply chain. The Pattern Book design utilises a standardised school design instead of the traditional bespoke approach to the provision of new schools.

6.24. This approach reduces design fees and construction costs associated with the new school resulting in reduced capital costs and increased delivery timescale certainty compared to traditional forms of construction. In addition, overall project costs are confirmed at an early stage including external works such as play areas and car parking, an allowance for on site abnormal items and all required fixed furniture and equipment.

6.25. The repetitious nature of this method of delivery provides a number of advantages to improve cost certainty for the project:

- the 'learning curve' for contractor and supply chain for the project will be reduced thereby allowing faster mobilisation;
- the successful contractor will already have gained experience of constructing the building which will reduce the build period;
- costs associated with abortive works due to misinterpretation of the plans/specification or poor design will be reduced;

- previous experience gained from constructing the school for other clients will have enabled the contractor and design team to identify waste reduction measures to further reduce costs.

6.26. By adopting this method of procurement there is a high level of confidence that the funding requirement identified will be sufficient to cover all costs in constructing and equipping the new school.

### **Reduce scope of work**

6.27. If, following the tendering exercise, the total project cost is anticipated to exceed the available budget a value engineering process will be undertaken by Property Section and the design team. This will identify and prioritise all areas where cost savings can be achieved without impacting adversely on educational outcomes and long term revenue running or repair and maintenance costs of the school.

6.28. Potential identified savings will be reported to the SIP Core Officer Project Team prior to the final decision to implement these changes to the project.

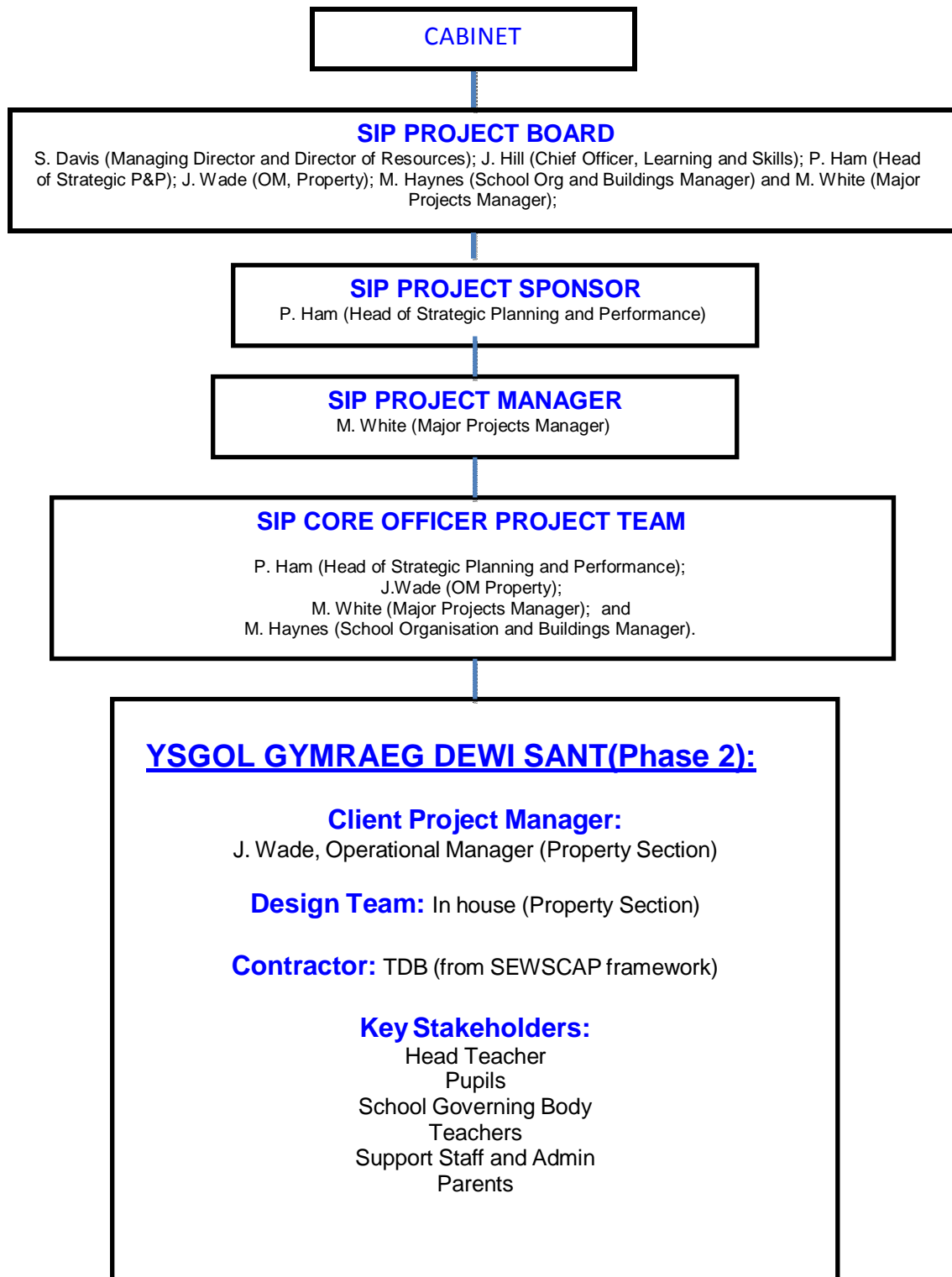
### **Alternative solutions if 21<sup>st</sup> Century School Programme funding is not available**

6.29. If 21<sup>st</sup> Century Schools Programme funding is not available from the Welsh Government to fund the construction of a new school, it will still be necessary to provide additional teaching spaces to accommodate the children progressing from year 4 to 5 in September 2016. This could be provided by installing short term demountable classrooms until capital funding is identified.

6.30. This option would only be pursued if no alternative was available as the Vale fully acknowledges that this would not meet 21<sup>st</sup> Schools Standards however the priority is to provide sufficient teaching space to accommodate all children forecast to be attending the school in 2016.



**Figure 1 – Project Governance Chart**





## 7. Contact

**For further information please contact:**

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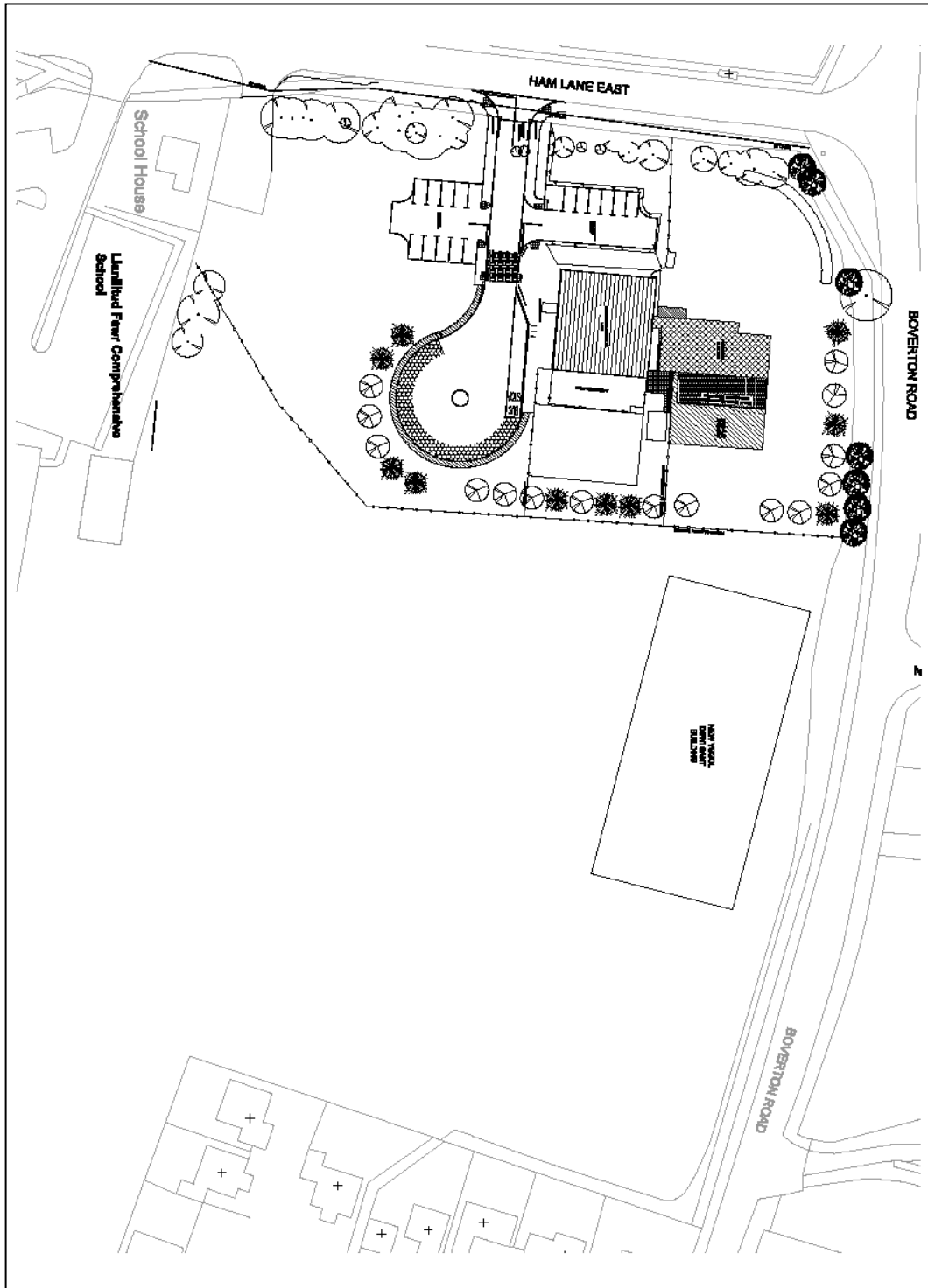
Tel. 01446 700111

# APPENDIX



# APPENDIX A – EXISTING SITE

Ysgol Gymraeg Dewi Sant,  
Ham Lane,  
Llantwit Major  
CF61 1TQ



**YSGOL GYMRAEG DEWI SANT,  
LLANTWIT MAJOR,  
THE VALE OF GLAMORGAN.**



**DEPARTMENT OF LEARNING AND SKILLS  
THE VALE OF GLAMORGAN COUNCIL**