

FULL BUSINESS CASE

LLANTWIT LEARNING COMMUNITY
THE VALE OF GLAMORGAN

NOVEMBER 2014



SPONSORING DEPARTMENT:

DEPARTMENT OF LEARNING AND SKILLS
THE VALE OF GLAMORGAN COUNCIL

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1. EXECUTIVE SUMMARY

1.1 Introduction

The Full Business Case (FBC) seeks approval to invest **£19.75 million** to deliver the **Llantwit Learning Community (LLC)**, a flagship project of the Vale of Glamorgan Council's 21st Century Schools Investment Programme. Due to the limited time available since the Strategic Outline Programme (SOC) was submitted to and approved by the Welsh Government, the Welsh Government has agreed for the Council to submit this FBC in effect as a joint Outline Business Case (OBC) / Full Business Case (FBC) document.

The new LLC will comprise:

- An "enhanced" Llantwit Major Comprehensive School comprising of a refurbishment of existing block and demolition and rebuilding of the remaining blocks;
- An amalgamated 420 place English medium primary school for Llanilltud Fawr and Eagleswell built on the Llanilltud Fawr site and associated external works, car park and 3G all weather pitch.

1.2 Strategic Case

1.2.1. Strategic Context

As outlined in the Strategic Outline Case, the strategic drivers for the project are:

- The need to tackle surplus places in secondary education;
- Improve educational facilities for the community in and around Llantwit Major, where schools are life limited or in need of substantial improvement;
- Improve academic performance and outcomes of designated schools to improve onward learning through education pathways and onwards into higher education or employment.

- 1.2.2. The case for change outlines performance outcomes of designated schools to improve onward learning through educational pathways and onwards into higher education or employment.

As at January 2014 there was a surplus of pupil places in all schools that will be part of the LLC and a marked disparity between the two primary schools

School	Capacity	Pupil Numbers	Surplus %
Eagleswell	210	166	20.48%
LLaniltud Fawr	210	205	2.3%
Llantwit Major Comp	1205	896	25.6%

The proposed investment will address the issue around surplus places and alleviate

the disparity between the two primary schools making it a more equitable teaching environment. Amalgamating the two primary schools will provide onward resource savings over the life of the project of approximately £238k per annum, once initial amalgamation costs have been incurred.

The new LLC will benefit teachers, pupils and the local community. Local schools are already working in partnership to develop strategies for pupil performance, through key stage transition planning and engagement. This will be strengthened through unified policies for transition planning and vulnerable pupils which will support a 3 to 19 learning pathway based on one site.

Improved post 16 facilities, will be developed as part of the programme. Current retention rates of 64.7% for pupils moving from Year 11 to Year 12 mean that a large number of pupils are currently finding post 16 education provision elsewhere. Improved GCSE and A level results supported through a bespoke senior learning suite will support the school in its on-going delivery plan for A level and post 18 onward education or career development (Appendix 10a).

Although the school is located within close proximity to Llantwit Major Leisure centre, there are currently no 'all weather' facilities that the schools and the local community can utilise. Improved internal and external facilities that can be used for adult learning and sporting purposes, out of school hours will enable the school to become an intrinsic part of the community.

The new primary school will address the problem that both primary schools have with the condition of their existing buildings. Currently 9 buildings have been deemed to be in very poor condition or have a life limit of 10 years.

1.3 Economic Case

1.3.1 The Long List or Preferred Way Forward

From the long list of 6 options (Appendix 3), the Council's preferred way forward is Option 5. This is to amalgamate the two primary schools delivering a new 420 place English Medium Primary School and enhancing the foot print of the existing secondary school, locating both schools and Ysgol Dewi Sant, the new Welsh Medium School on one site.

1.3.2 The Short List

Options have been assessed to deliver the Llantwit Learning Community:

Option 1: Do Nothing

Option 3: Remodel the Secondary School, repair Eagleswell and build a new Llaniltud Fawr

Option 5: Delivery of an enhanced Secondary School and build a new Primary School, replacing both existing primary schools.

1.3.3 Indicative Cost

The indicative costs of the three options are shown in the table below;

	Option 1 : “Do Nothing/Status Quo”	Option 3 (the “Current Scheme”):	Option 5 (“the Preferred Option”):
	£000’s	£000’s	£000’s
Undiscounted Cost	8,596	23,612	18,225
Discounted Costs NPV	6,900	19,648	17,026

1.4 Commercial Case

1.4.1 Procurement Case

The Council intends to procure the build in accordance with the Council’s Contract Standing Orders and Financial Regulations in line with EU regulations. It will utilise the SEWSCAP framework to competitively tender and select a contractor based on an equal and fair process of selection.

1.4.2 Risk Analysis

A full analysis of risks and their mitigation has been created as part of the tender process and for subsequent usage as part of the governance of the project (Appendix 5).

Key risks identified include:

- Project delivery – in time and on budget
- End user needs not met
- Financial contributions not realised

1.4.3. Contractor Appointment

The Council received 3 tender submissions through the SEWSCAP framework:

- **Bouygues UK**
- **Morgan Sindall**
- **Wilmott Dixon**

The Council have appointed **Bouygues UK**.

1.5 Financial Case

1.5.1 Financial Appraisal

Indicative capital costs have remained unchanged. The project is targeted to achieve revenue savings of £238k per annum once initial amalgamation costs have been incurred.

1.5.2 Overall Affordability

The Council has confirmed that it will provide 56% match funding through:

- General Capital Funding
- Capital Receipts -
- School Investment Strategy Reserve
- Prudential Borrowing (limited)

Limited prudential borrowing will be incurred. The revenue cost will be funded through cash releasing savings. The Council is reviewing the potential to sell the Eagleswell Primary site to developers.

1.6 Management Case

1.6.1 Project Management arrangements

21st Century School projects have a unified governance structure and are managed through a Strategic Investment Management Board, which meets monthly and reports routinely to the Council's Cabinet.

2 STRATEGIC CASE

2.1 Introduction

The strategic context to this project was outlined and approved through the Strategic Outline Case (SOC). The case was outlined in direct response to national, regional and local policy on Schools that are fit for purpose for the 21st century for the citizens of the Vale of Glamorgan. The Llantwit Learning Community project formed part of the Council's 21st Century Schools Strategic Outline Programme presented in November 2011.

The case outlined in the FBC continues to be aligned to national, regional and local strategy for Education. The case continues to provide synergy with other school investment projects outlined in the Council's SOP.

There has been no change to the overall recommendation of Option 5 as the preferred option, or to the design of the project. The recommended option continues to satisfy spending objectives and will continue to provide current and future services outlined in the SOC.

2.2. Business Objectives – The Case for Change

It is recognised that all three schools identified in the SOC, require major capital investment to improve their buildings and grounds. The comprehensive school has received a formal warning letter in 2013 from the Council in respect of its performance and Eagleswell Primary School was inspected by Estyn in February 2014 and was judged to be in need of 'significant improvement'. The Council is confident that the improved

learning environment will support improved key stage performance outcomes for all schools with the LLC.

A full statutory consultation process has been undertaken.

The amalgamation of Eagleswell and Llanilltud Fawr Primary Schools' consultation was completed in June 2014. Cabinet approved the amalgamation on 30th June 2014 and the amalgamated school will become operational in September 2015.

2.3. Investment Objectives

The Strategic Outline Case (SOC) confirmed 3 main Investment Objectives:

- To tackle surplus places in the primary and secondary schools within Llantwit Major;
- Improve educational facilities for the community in and around Llantwit Major, where schools are life limited or in need of substantial improvement;
- Improve academic performance outcomes of designated schools to improve onward learning through educational pathways and onwards into higher education or employment.

In response to feedback from 21st Century Schools, an extended set of objectives, including measures and SMART targets have been developed and are located in Appendix 1. All objectives are aligned to educational performance and targets have been developed in consultation with the 3 schools and the Central South Consortium Joint Education Service (CSCJES).

The extended investment objectives have been developed under three main criteria – Education, Financial and Sustainability and through 8 headline objectives.

All objectives have measures and targets set against them:

1. To achieve inspirational settings and learning opportunities appropriate for new education developments;
2. Provision of enhanced learning opportunities across year groups encompassing new technologies which can be adaptable to cater for the changing needs of future educational standards;
3. To raise standards and achievement across all Key Stages;
4. To achieve inclusive settings, providing for individual learning needs for all pupils. Providing pleasant and appropriate spaces for all school users. Spaces in which pupils including those with additional learning and disabilities can be accommodated within main stream education facilities whilst ensuring that their needs are respected.
5. To provide educational facilities that use their resources to productively improve cost effectiveness;
6. To achieve greater economy and efficiency through appropriate sized schools, ensuring that the LLC encompasses the right type of schools, of the right size in

- the right place;
7. To ensure that the new and remodelled buildings are built with sustainable materials reflecting the need to provide resource and environmental improvements;
 8. To ensure that new and remodelled school buildings meet national building standards for sustainability, reducing the recurrent costs of energy consumption and reducing the carbon footprint;
 9. To provide local community and commercial opportunities for employment, training and commerce within the Vale of Glamorgan.

2.3.1. Education Objectives

2.3.1.1 Post 16 Retention, Performance and Exit Routes

As part of the overall performance improvement plan and targets (2014/15) developed by Llantwit Major school, there has been significant emphasis put on improving retention. The 2014/15 sixth form population is 162 which represents a retention rate of 64.7%. The School has now set itself a target of 70% which it expects to achieve by 2016. Retention will be supported through improved GCSE results, better facilities and improved A Level results resulting in successful application and receipt of University placements. In 2014 82% of Year 13 pupils applied to University with a 100% success rate.

2.3.1.2 Performance Improvement Targets

Eagleswell, Llanilltud Fawr and Llantwit Major Schools are committed to develop performance improvement plans working with the Consortium to address and develop priorities (Appendix 10 & 10a). Each school has set targets for 2014/15. These are set to exceed Welsh Government targets for all Core Subject Indicators at each Key Stage. This process of annual review will continue and will be aligned to school strategies as part of the continued partnership approach for all schools within the LLC.

The schools prioritise the educational and pastoral needs of vulnerable groups, including those pupils who have free, school meals, potential for NEET (Year 11 +), and those pupils with Special Educational Needs. All schools are currently meeting or exceeding their Local Authority and Family Fisher Trust targets. Recognition for onward support for educational outcomes and attendance are outlined as part of the Transition Planning document (Appendix 4) and through Consortia target setting. Objectives have been included in the Specific and Measurable Investment Objective Focus document (Appendix 2).

2.3.1.3 Key Stage Transition Plans for Learners

Transition plans for each Key Stage are reviewed annually. Llantwit Major School and its feeder schools have now entered into a Transition Planning process supporting pupils moving from Key Stage 2 to Key Stage 3 (Appendix 4). Actions include developing bilingual skills in primary schools to improve and facilitate consistency in KS3; review of the KS3 curriculum to meet needs of pupils aligning with changes at KS4 and provision of parent workshop sessions as part of transition

days. The schools have worked with the Consortium to develop, ambitious, yet realisable targets.

2.3.1.4 Community Outcomes

The schools believe that the new LLC will provide greater engagement with the community. Congestion concerns will be alleviated through the development of improved parking and the building of a bus turning circle. New building facilities will be made available to community groups and adult learning providers to offer courses which are cost recoverable. The all-weather pitch will provide opportunities for local sporting clubs to train across the seasons. There is a shortage of such facilities within the rural Vale.

2.4 Risk Evaluation

The main risks and options for transference of risk are outlined in Appendices 5, 6 & 7. A risk log has been developed as part of the procurement process alongside the development of the key investment objectives.

2.5. Benefit Realisation

Anticipated benefits and their realisation have been developed to align with the Strategic Investment Objectives (Appendices 1 & 2). These will be monitored by the Programme board and undergo a full evaluation at each scheduled gate way.

3. ECONOMIC CASE

The Critical Success Factors for the project are set out below;

3.1 Critical Success Factors

CSF1:	Business Needs: The Preferred Option must satisfy the existing and future educational needs of learners and staff and the needs of the wider community;
CSF2:	Strategic Fit: The Preferred Option must fit within the national and local policy context for education as set out in the SOC;
CSF3:	Benefits Optimisation: The Preferred Option must provide the best solution to ensure that future demand and provision of learning services can be met at the required standard of performance;
CSF4:	Achievability: The Preferred Option must deliver the best means of delivering the degree of transformation envisaged whilst being acceptable to learners, employers, staff and the community
CSF5:	Affordability: The Preferred Option must be affordable in terms of capital investment and life cycle revenue cost.

The Investment Objectives for the project have been reviewed by the Programme Board and Officers and a revised set of Investment Objectives with SMART targets are set out in Appendices 1&2.

The changes to the Investment Objectives have been made to make the objectives more specific and enable the setting of measurable targets. The long list of options has been revisited and it is not felt that this needs to be revised in light of the amended investment objectives because the overarching objectives for the project have remained the same. The long list of options together with its advantages and disadvantages is set out in Appendix 3.

The resulting short listed options are shown in the table below;

3.2 Short List of Options

- **Option 1:**
“Do Nothing/Status Quo” including repairs to Eagleswell and Llantwit Major Comprehensive funded from Asset Renewal and building a new Llanilltud Fawr Primary School on its existing site (using Band B funding which is due to commence in 2019/20);
- **Option 3**
(the “Current Scheme”): Deliver a “remodelled” Llantwit Major Comprehensive School (using Band A funding), repair Eagleswell (using Asset Renewal funding) and build a new Llanilltud Fawr Primary School on its existing site (using Band B funding which is due to commence in 2020);
- **Option 5**
(“the Preferred Option”): Deliver an “enhanced” Llantwit Major Comprehensive School and an amalgamated new 420 place English Medium Primary School for Eagleswell and Llanilltud Fawr built on the existing Llanilltud Fawr site - all let as one contract (using Band A funding, a capital receipt from the disposal of the Eagleswell site and additional Welsh Government funding).

At Appendix 9 are the costs and quantifiable risks and benefits for the schemes over 30 years broken down over the various capital and revenue elements. These have been reviewed for the FBC stage and the debt charges for prudential borrowing have been reduced along with the capital receipt as these were previously overstated.

Set out below are the projected costs for the short list of options over 30 years;

Table A

	Option 1 : “Do Nothing/Status Quo”	Option 3 (the “Current Scheme”):	Option 5 (“the Preferred Option”):
	£000’s	£000’s	£000’s
Undiscounted Cost	8,596	23,612	18,225
Ranking	1	3	2
Discounted Costs NPV	6,900	19,648	17,026
Ranking	1	3	2

Optimism Bias can be defined as; “The demonstrated systematic tendency for appraisers to be over optimistic about key project parameters.”

The Green Book provides guidance on what level of % uplift to apply for optimism bias based upon the type of construction and the stage of the appraisal. As the project is at the contract award stage the lower bound optimism bias for capital expenditure should be achieved through sufficient risk mitigation. Therefore, the lower bound (2%) uplift for standard buildings is to be applied to the economic costs that have been calculated. The project costs have been amended to include an adjustment for optimism bias and are set out below;

Table B

	Option 1 : “Do Nothing/Status Quo”	Option 3 (the “Current Scheme”):	Option 5 (“the Preferred Option”):
	£000’s	£000’s	£000’s
Undiscounted Cost adjusted for Optimism Bias	8,768	24,084	18,590
Ranking	1	3	2
Discounted Costs (NPV) adjusted for Optimism Bias	7,038	20,041	17,367
Ranking	1	3	2

Option 5 generates savings in future years against the present revenue costs of the schools. These savings are realised as a result of a reduced formula allocation and shared service savings over the life of the project (30 years) and are net of amalgamation costs. Savings may also be generated as a result of a Capital Receipt realised from the sale of surplus land at Eagleswell. An analysis of cashable benefits is set out below;

Table C

	Option 1 : “Do Nothing/Status Quo”	Option 3 (the “Current Scheme”):	Option 5 (“the Preferred Option”):
	£000’s	£000’s	£000’s
Cashable Savings	0	0	8,907
Ranking	3	3	1

Note: The cashable benefits set out above have been included in the Economic costs shown in Table A above.

3.3 Weighted Benefit Evaluation

In addition to the financial benefits shown above the various options generate non-financial benefits; the Programme Officers generated a long list of benefits shown at Appendix 8.

Officers arranged a benefits workshop which was held at Llantwit Comprehensive School and attended by Head of Llantwit Comprehensive School, School Organisation

Manager, Capital Accountant and Principal Accountant. At this workshop officers reviewed the benefits list and prioritised and amended the benefits. This revised list was then weighted by officers and the three options were scored. The results were reviewed by Operational Manager Property and Operational Manager Education. The weighted benefits and reasoning behind the weighting and scoring are shown in Appendix 8a and the results summarised below;

Table D

	Option 1 : “Do Nothing/Status Quo”	Option 3 (the “Current Scheme”):	Option 5 (“the Preferred Option”):
Benefits Score	242	516	900
Ranking	3	2	1

3.4 Risk Analysis

Officers held a risk workshop to compile a list of risks for the project which was attended by; Schools Organisation Manager, Capital Accountant and the Principal Accountant. The Head of Strategy, Community Learning & Resources and Operational Manager Property also fed into the process. The list of risks for the short listed options is set out in Appendix 5.

Officers subsequently met with the Head of Llantwit Comprehensive School to score the risks identified, the scoring of risks is also set out in Appendix 5 and summarised in the table below;

	Option 1 : “Do Nothing/Status Quo”	Option 3 (the “Current Scheme”):	Option 5 (“the Preferred Option”):
Risk Score	259	264	259
Ranking	1	3	1

In addition to the scoring of risks the Council has also considered what mitigating actions can be applied to reduce the value of risk retained by the Council and an analysis of mitigating actions is set out in Appendix 6. As part of this analysis it has also been considered whether these risks can be transferred to a third party or must be retained by the Council, this analysis is set out in Appendix 7.

3.5 Summary of Costs, Benefits and Risk Analysis for Shortlisted Options

The results for the analysis of the short listed options over total scheme costs (Economic Appraisal), non-financial benefits (Benefits Appraisal) and risk (Risks Appraisal) are set out below;

	Option 1 : “Do Nothing/Status Quo”	Option 3 (the “Current Scheme”):	Option 5 (“the Preferred Option”):
Economic Appraisal			
Discounted Cost	6,900	19,648	17,026
Ranking	1	3	2
Benefits Appraisal			
Benefits Score	242	516	900
Ranking	3	2	1
Risk Appraisal			
Risk Score	259	264	259
Ranking	1	3	1
Overall Ranking	2	3	1

3.6 Sensitivity Analysis

In order to test the affordability of the scheme, the scheme costs have been subject to sensitivity analysis using a variety of scenarios. The scenarios tested are set out in the table below, the analysis has been applied to both discounted and undiscounted costs the discounted analysis is set out below and the full analysis is shown in Appendix 11;

	Option 1 : “Do Nothing/Status Quo”	Option 3 (the “Current Scheme”):	Option 5 (“the Preferred Option”):
Original Discounted Costs	6,900	19,648	17,026
Scenario 1: Capital Costs Increase by 10%	7,443	21,293	18,962
Scenario 2: Capital Costs Decrease by 10%	6,357	18,183	15,091
Scenario 3: Revenue Costs Increase by 20%	6,900	19,994	17,750
Scenario 4: Revenue Costs Decrease by 20%	6,900	19,302	16,303
Scenario 5: Risk Cost Increases by 10%	7,047	19,795	17,026
Scenario 6: No Capital Receipt	6,900	19,648	19,552
Scenario 7: Savings Increase by 20%	6,900	19,648	15,721
Scenario 8: Savings Decrease by 20%	6,900	19,648	18,332

As shown above in all scenarios Option 5 represents the 2nd best net present cost. This shows that uncertainty impacting on the financial costs of the project will not change which option is the “Preferred option”. Although option 1 is the lowest overall net present cost, because of the impact and disruption associated with this option it is felt that taking into account the non-financial benefits and risks Option 5 represents the best overall value for the Council and its stakeholders.

4 COMMERCIAL CASE

4.1. Procurement Process

The Council has implemented the following procurement route based on the Procurement Strategy identified in the SOC as follows:

- procuring the capital build project in accordance with the Council's Contract Standing Orders and Financial Regulations and in line with EU regulations;
- delivering an "enhanced" Llantwit Major Comprehensive School and an amalgamated new 420 place English Medium Primary School for Eagleswell and Llanilltud Fawr built on the existing Llanilltud Fawr on the basis it is intended to be **let as one contract**;
- Due to the anticipated project value the external designers and contractors have been procured using an EU Procurement Directive compliant process. The Council has competitively tendered and selected a contractor under the SEWSCAP framework. This has saved time as the contractors on the said framework have already been short listed through the OJEU PQQ process. Contractors have submitted tender prices and taken part in a pattern book design competition process. The successful designer and contractor has been selected against scored Quality and Price award criteria; and
- In terms of the contract, as proposed in the SOC, the Council is utilising an NEC 3 Option C with design. The Council has facilitated early contractor involvement together with a collaborative approach in order to reduce risk and to endeavour to deliver the greatest benefits to the scheme; an approach supported by the Welsh Government, Constructing Excellence in Wales and the 21st Century Schools Programme.

It is stated in the SOC that the Council was considering selling Eagleswell at market value (subject to Section 123 of the Local Government Act) to the works contractor. After careful consideration the Council concludes that in order to achieve best consideration and satisfy its legal obligations under Section 123 of The Local Government Act 1972 it is intended to separately market and dispose the land at Eagleswell.

4.2 Management of Risk

The procurement process has enabled the Council to identify possible project risk and identify options for risk transfer at an early stage. A risk register was provided to all tender contractors and further risks were identified through the development of the strategic investment objectives. Risks have been identified and evaluated for the transfer and therefore mitigation of risk for the Council have been identified in Appendices (5, 6 & 7).

4.3 Community Benefit for Procurement

The Council's policy for all Capital Projects is where ever possible, to ensure that suppliers are sourced from within 25 miles of the project site. All contractors are encouraged as part of the tender document to source at least 80% of their workforce from within a 25 mile radius of the project site.

The Council's policy is also to encourage contractors to provide opportunities for training and employment for NEETs. Part of the contractual obligation for the contractor is to provide 80 person weeks employment for every £1 million spend.

This strategy will bring economic benefit to the community, whilst encouraging community interest and engagement for those who may not have a direct interest in the schools.

4.4 Contractor Appointment

The Council have evaluated all tenders and have appointed xxx.

5. FINANCIAL CASE

5.1 Financial Cost Review

The financial costs of the short listed options are set out in Appendix 13. The total cost of the preferred option is £19.750M the costs are set out over financial years in the table below;

	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Option 5 Preferred Option	474	5,605	12,402	1,240	29	19,750

The funding of the short listed options is set out in Appendix 14. The funding of the preferred option is set out below by financial year.

	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	£000's	£000's	£000's	£000's	£000's	£000's
General Capital Funding	474	931	3,943	115	29	5,492
Capital Receipts	0	0	2,926	0	0	2,926
School Investment Strategy Reserve	0	0	570	0	0	570
Prudential Borrowing	0	2,000	0	0	0	2,000
WG Grant/LGBI	0	2,674	4,963	1,125	0	8,762
Total Cost	474	5,605	12,402	1,240	29	19,750

5.2 The costs of the preferred option have been included in the Initial Capital Proposals for 2015/16 which were reported to Cabinet 17th November 2014 shown in Appendix 15. The proposals will be taken to full Council 17th December 2014.

5.3 Preferred Option Analysis

The preferred option utilises £2.926M of capital receipts, the capital receipts utilised will be general capital receipts and are expected to be refunded when the Eagleswell site is sold. If a receipt is not realised on the site then additional sources of funding will need to be identified to deliver future 21st Century School projects under Band B funding.

The funding of the preferred option requires prudential borrowing of £2M in 2015/16. The cost of debt charges is estimated to be £108K per annum. Central Education has a budget of £122K to fund the debt charges.

Savings of £238k are expected to be realised from the proposed amalgamation and planned use of shared support services as part of the Llantwit Learning Community. It is intended that £110k of these savings will be transferred out of the revenue budget in 2015/16, although, a proportion of this funding is expected to be transferred back to the schools until the amalgamation and construction project is completed and the full savings have been realised.

The request to transfer the savings to fund prudential borrowing has been submitted as part of the Initial Revenue Budget 2015/16 which was approved by Cabinet 17th November 2014 and is due to be reported to Council 17th December 2014. Once these savings have been realised this budget will then be utilised for debt charges freeing up the Central Education budget to support other 21st Century School Programme, Projects. Sensitivity analysis has been carried out increasing the debt charges by 20%, if the projected debt charges were increased by 20% the charges would increase to £130K, the available budget in Central Education and the transferred saving amount would be sufficient to fund these increased charges.

5.4 Project Cost Template

The project costs are shown attached in Appendix 16; The cost per metre squared is £1,748. The cost per pupil is £12,993.

5.5 VAT Treatment

The Council intends to reclaim all VAT paid as part of the Llantwit Learning Community project. The schools included in the project are not Voluntary Aided schools.

5.6 Balance Sheet Treatment

Any new assets will belong to the Vale of Glamorgan Council and as such will be reflected in the land and buildings value for the Council.

5.7 Cash flow Statement

The projected cash flow for the project is included in Appendix 17.

6. MANAGEMENT CASE

6.1. Background

The Llantwit Learning Community project is an integral part of the Vale of Glamorgan Council's 21st Century Schools Investment Programme (SIP).

6.2 Specialist Advisors

Specialist advice has been commissioned from Stride Treglown (Appendix 18). The practice was commissioned to develop a master plan was developed outlining the scope of the project, development plans for each stage and site context and analysis. This report supported the council's evaluations for all options and supported the decision based on the "preferred" option.

Further information around the life expectancy and valuation of the existing school buildings within the proposed development was received from GVA Limited who reported to the council in July 2014. They concluded that Llanilltud Fawr Primary School had an economic life expectancy of 10 years.

6.5. Programme Governance / Management

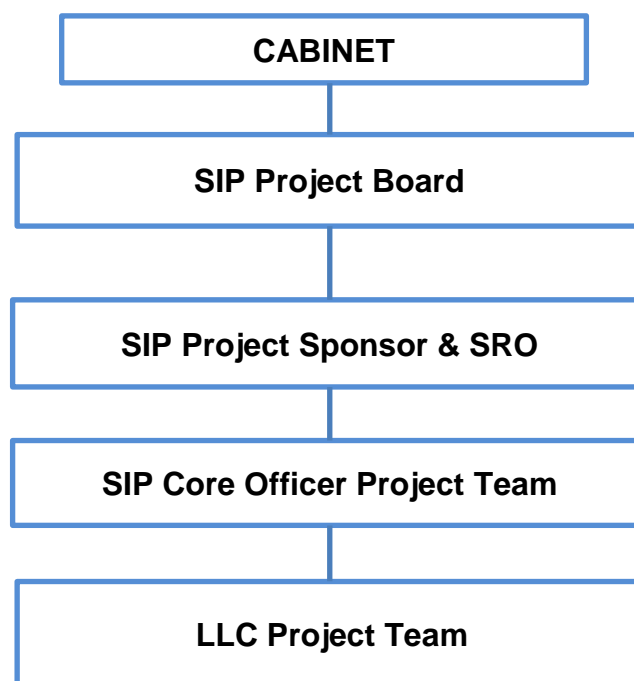
The Vale of Glamorgan Council is responsible for the delivery of the Schools Investment Programme (SIP) within the Local Authority and has a well-established process for project governance for the Programme. The Council has a well-established, dedicated **Project Board (the SIP Project Board)** that meet on a monthly basis and oversee the progress of the SIP and its various projects, with update reports from the **SIP Project Sponsor/Senior Responsible Officer** (Paula Ham, Head of Strategy Community Learning and Resources) and other key officers within a **SIP Core Officer Project Team**.

6.4 Project Reporting Structure and Roles and Responsibilities

The proposed Llantwit Learning Community will be the responsibility Paula Ham the **SIP Project Sponsor/Senior Responsible Officer (and Head of Strategy, Community Learning and Resources)**.

The structure is summarised below:

Head of Strate



A detailed organogram can be found in Appendix 19.

6.5 Project Management and Delivery

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. 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 project will be managed and delivered by the Council's Property Section on behalf of the Client department, Learning and Skills.

6.6 Project Manager and Responsibilities

The **Client Project Manager** will be **Jane Wade (Operational Manager, Property Section)**.

The Client Project Manager will be responsible for:

- the daily management of the project from inception through to full physical and financial completion;
- overseeing the governance arrangements for the project, including managing the risk register and the benefits realisation plan;
- facilitating the procurement of the project in accordance with the Council's Contract Standing Orders and Financial Regulations and in line with EU regulations;

- managing in house multi-disciplined officers as required; and
- Commissioning and managing specialist consultants as required, putting in place arrangements for the management of the Main Works Contract.

6.7 Arrangements for Gateway and Post Implementation Review

The Strategic Investment Project Board will oversee arrangements for post project evaluation. This will include ensuring appropriate lessons learnt workshops are undertaken.

A Gateway 0 Strategic Assessment undertaken in February 2014 gave a delivery confidence assessment RAG of Green/ Amber.

It is intended that a Gate 3 review will be undertaken prior to planning permission. An updated schedule of the project plan, outlining milestone activity can be found in Appendix 20.

All Gateway Reviews are conducted in accordance with guidance from the Welsh Government and HM Treasury Green Book.

Signed *PA Ham*

PrintedPAULA HAM.....

Position in Organisation..... Head of Strategy, Community Learning & Resources...

Date.....02nd December 2014.....

APPENDIX CONTENTS

	Title	Responsible Officer
1	Strategic Investment Objectives	A Brown
2	Specific and Measurable Targets	A Brown
3	Long list of Options	G Jones / V Williams
4	Transition Plan KS2 and KS3	V Browne
5	Risk Analysis	G Jones / J Wade
5a	Llantwit Risk Register – for the tender & procurement process	J Wade
6	Risk Mitigation Actions	G Jones / V Williams
7	Transfer Risk Table	G Jones / V Williams
8	Long List of Benefits	G Jones / V Williams
8a	Weighted Benefit Analysis	G Jones
8b	Economic Analysis	
9	Long List of Options – Economic Analysis	G Jones / V Williams
10	Llantwit Major School Improvement Plan 2014-15	V Browne
10b	Business Case – additional information	V Browne
11	Sensitivity Analysis	G Jones / V Williams
12	Tender Report Document (to be sent separately)	J Wade
13	Financial Cost	G Jones / V Williams
14	Financial Cost Funding	G Jones / V Williams
15	Initial Capital Proposals	G Jones / V Williams
16	Project Cost Template	G Jones / V Williams
17	Cash flow	G Jones / V Williams
18	Llantwit Major Master Plan (including site plan)	Stridge Treglown
19	Project Governance Organogram	A Brown
20	Project Plan – Milestone Activity	A Brown