

<b>SUBJECT:</b>	<b>ESTABLISHMENT OF A PROJECT TEAM TO SUPPORT MONMOUTHSHIRE'S 21st CENTURY SCHOOLS' DEVELOPMENTS</b>
<b>MEETING:</b>	<b>Full Council</b>
<b>DATE:</b>	<b>20<sup>th</sup> December 2018</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>North Monmouthshire Wards and Lower Wye Wards</b>

## **1. PURPOSE:**

1.1 The purpose of this report is to seek Council's agreement for the creation of a new team, funded through the Authority's 21<sup>st</sup> Century Schools' capital programme. The purpose of the team is to support the development of a Full Business Case (FBC) for the next tranches of capital investment in Monmouthshire County Council's 21<sup>st</sup> Century Schools' redevelopment programme. Beyond that initial substantive phase, the team will be responsible for all liaison and programme management of the build programme itself.

## **2. RECOMMENDATIONS:**

2.1 It is recommended that Council:

2.1.1 Approve the creation of the Project Team to ensure the completion of a robust and extensive FBC, undertake appropriate de-risking activity to ensure that the programme remains within the parameters of affordability and act as the client liaison side in the construction phase.

2.1.2 Approve that this team is funded by the capital programme in preparation for the commencement of construction of a new all-through school in Abergavenny. In the event that the FBC does not gain support of the Council or the Welsh Government these costs will have to be written off to a revenue account; if this is the case they should be met by the Capital Investment Reserve.

- 2.1.3 Approve the creation of a team to be made up of seconded officers from the local authority's existing establishment and agree that these posts should be back filled where appropriate and necessary
- 2.1.4 Note that the shape and purpose of this team will flex and change over time depending on the stage of the programme's development and that there may be future amendments in the future. In light of the potential requirement to change the shape of the team it is recommended that Council delegates responsibility for future amendments to the Cabinet Member for Education in consultation with the Chief Officer, Children and Young People.

### **3. KEY ISSUES:**

#### **Current Context**

- 3.1 In October 2017 Cabinet approved the submission to Welsh Government of a Strategic Outline Programme (SOP) for the investment in Band B of the 21<sup>st</sup> Century Schools Programme. The focus of this investment was the creation of an all age through school; this will be achieved through the consolidation of King Henry VIII Comprehensive School and Deri View Primary School onto the same site. This would allow the local Welsh language primary school, Ysgol Y Fenni to relocate to the former Deri View site providing the potential to extend their capacity from a 262<sup>1</sup> capacity to a two-form entry school of 420 pupils. There is also a proposal to develop a two-form entry Welsh Medium stream on the King Henry VIII site. These Welsh language provisions are both included in the recently approved Welsh in Education Strategic Plan (WESP).
- 3.2 The Welsh Government announced on 21 November that it has changed the funding intervention rate for Band B schools. In Band A the funding of new school investments was 50:50 between the local authority and Welsh Government. In Band B this will change to a 65:35 split. Welsh Government will meet the 65% element.

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<sup>1</sup> This is the current capacity of the school, it may be subject to change in the near future depending upon school based decisions about accommodation.

3.3 Welsh Government agreed Monmouthshire's SOP in full in December 2017. This is subject to the development and agreement of a Full Business Cases (FBC). Band B funding becomes available in April 2019 and it is important that the authority is prepared to progress.

3.4 It is important to note that the efforts of CYP Directorate and colleagues in Resources have focused on the delivery of the new schools in Monmouth and Caldicot in the past year. In particular, the delivery of Monmouth Comprehensive School was subject to a number of challenges, both technical and in the supply chain that required significant attention.

3.5 As we move into the completion phases of Monmouth Comprehensive there is a requirement to prepare a team to lead the development of the Band B programme.

#### **Future Work Required**

3.6 The work associated with Band B is likely to be more complex than Band A. This is because the scope of the redevelopment is broader than the redevelopment of the two secondaries in Band A. The creation of a through school at the same time of the introduction of the new purpose led curriculum (as set out in Successful Futures, Professor Donaldson's report of 2015) offers huge potential and opportunities but this will be a substantive change to both schools and there will be extensive school reorganisation consultation and activity.

3.7 The work to create a through school will require significant public consultation and engagement. There are numerous routes to establishing a single school and these will have to be evaluated and considered by the programme team alongside the Access team in the CYP Directorate that oversee all school organisation matters.

3.8 Officers from CYP, Enterprise and Resources directorates have already met internally to discuss the scope of the redevelopment of the site. This 'redlining' of the potential elements included the adjacent land at what is currently the Abergavenny Thursdays' pitch and the community-learning center in Pen Y Pound. This extended scope will afford the authority the opportunity to strategically masterplan a significant investment in the

north of Abergavenny. This extends the potential to allow the development to address some of the community and social aspirations identified in the SOP.

3.9 Within the Resources Directorate the Estates team will be closely involved in the programme. This will allow the Authority to ascertain whether within the redlined 'in-scope' area there is potential for development to offset potential capital costs and reduce the need for prudential borrowing in the future.

3.10 The move to a 'through-school' model affords both existing schools the opportunity to reflect on their own professional practice and consolidate good practice that exists in both settings into a new school. It will also be a key opportunity to take lessons learnt from the developments in Caldicot and Monmouth to ensure that the change in the school environment is matched by a change in the pedagogy within the schools. It is likely that beyond the initial investment in the programme team there will be a requirement for further investment in educational change management.

3.11 The work to prepare the FBC will be the first element that the team will have to focus on; this will be completed using the five case business model. This allows decision makers to appraise the programme in five different dimensions or domains: Strategic, Economic, Commercial, Financial and Management.

3.12 There will be considerable attention given to the procurement route for the Band B project. The Cabinet decision taken in October 2017 identified a preferred route of traditional capital financing predicated on prudential borrowing or any future capital receipts. The Welsh Government has also offered an alternative financing mechanism known as the Mutual Investment Model (MIM). Outside of a formal tendering process, this will be a pivotal decision for the programme as it seeks to determine which route offers greater value for money and maximises the greatest affordability for the Council. With the positive recent announcement regarding the increased contribution from Welsh Government (see para. 3.2) there is the potential for further movement in the intervention rate in the MIM.

- 3.13 The project team will also have the task of researching the most efficient and means of construction. The common design approach developed in Caldicot and Monmouth potentially offers some benefits however, there have been developments in the construction sector around modular construction techniques and 'off-site' manufacturing that have the potential to minimise costs and reduce the development time. These have the potential to reduce ancillary costs associated with displacing the existing school.
- 3.14 Both of the previous school projects undertaken in Monmouthshire were affected, to some extent, by environmental and site factors that influenced timelines and cost. A key role for the programme team will be to undertake an extensive programme of testing and assessments as a part of developing the FBC which will seek to de-risk the future development site and mitigate against unforeseen future costs.
- 3.15 As noted in paragraph 3.1 the developments in Abergavenny have the benefit of creating additional capacity for Welsh medium education. These plans are a key part of the current WESP, however, that plan has only 12 months left before it requires renewal. The current indication from the Welsh Government are that the next WESP that is required will have a longer strategic focus (ten years). The programme team will have to take account of the developing Welsh language dimension to learning in the Abergavenny area.
- 3.16 The final area of work for the programme team is to begin the process of establishing a strategic case for the renewal of Chepstow School in Band C of the 21<sup>st</sup> School Programme. This was part of a commitment to a four school renewal programme. Band C is envisaged to start in 2024 at the earliest.

### **Governance**

- 3.17 The oversight of the work of the team will be by the Chief Officer, Children and Young People who will act as the Senior Responsible Officer (SRO) for the programme.
- 3.18 Member oversight of the work in Band B will be through the 21<sup>st</sup> Century Schools Board. The Executive Member for Children and Young People will chair the Board. As in its previous iteration the Board will consist of senior members from the Executive and

representative member[s] from the opposition party. The SRO and senior officers from the Resources and Enterprise Directorates will act as advisors to the Board.

3.19 Beyond the internal governance structures, it is intended to establish a key stakeholder group that will involve the Headteachers and Chairs of Governors from each of the schools affected by the proposal.

### **Design and composition of the team**

3.20 The team has been designed to be small at its core but will flex to include additional resources when required. There is a working assumption within this proposal that the team will undertake the coordination of the FBC but there will be specialist support to write the document.

3.21 All of the posts will be secondments in the first instance.

3.22 There will be four key posts:

#### *3.22.1 21<sup>st</sup> Century School Programme Coordinator*

The purpose of this role is to act as the key contact point for the programme. They will be responsible for establishing the programme plan and liaison with stakeholders including the Welsh Government. They will liaise with the schools. They will report to the 21<sup>st</sup> Century Schools Board (this will be a 0.8 post).

#### *3.22.2 21<sup>st</sup> Century Schools Construction Lead*

The purpose of this specialist post is to provide technical expertise to the programme team in assessing the various models of construction that are available. Initially this will be a 0.4 role but that will increase to a 1.0 FTE equivalent when the project enters the construction phase.

#### *3.22.3 21<sup>st</sup> Century Schools Project Officer*

The purpose of this role is to support the Programme Coordinator and the 21<sup>st</sup> Century School Construction lead in all day-to-day activity. They will act as a key link between the project team and the schools and also be responsible for establishing and managing strong and effective community relationships.

#### *3.22.4 Administrative Support*

The team will require administrative support given the extensive consultation and engagement activity that will be required. It is the intention that an apprentice fulfill this role.

<b>Post Title</b>	<b>Full Time Equivalent</b>	<b>Cost</b>	<b>Annualised cost</b>
21 <sup>st</sup> Century Schools Programme Coordinator	0.8	L Grade (49 – 53) £48,519	£38,815
21 <sup>st</sup> Century Schools Construction Lead	0.4	L Grade (49 – 53) £48,519	£19,407
21 <sup>st</sup> Century Schools Programme Officer	1.0	H Grade (33 – 37) £33,136	£33,136
Administrative Support	0.5	C Grade (13-17) £18,672	£9,336
			£100,694.00

3.23 As set out above the cost of the team for a full year is £128,888 including on costs.

The amount potentially incurred in the remainder of 2018/2019 is £33,000. The funding of these posts would be split at the same intervention rate as the project as a whole, 65:35.

At this rate the cost attributable to Monmouthshire in 2018/2019 would be at a maximum of £11,552. In a full year the amount attributable to Monmouthshire would be £46,208.

3.24 There is the potential for additional costs to be incurred in the commissioning of expert services. These will be allocated using the same intervention rate as above.

#### **4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):**

4.1 The full equality and future generations evaluation through an iterative process alongside the FBC for the investment decision. At this stage of the programme, we are unable to quantify what the benefits will be in a meaningful way.

#### **5. OPTIONS APPRAISAL**

5.1 There are potentially three options available to the Authority.

5.2 *Status Quo* – remain without a project team following the end of contracts of the existing team

5.2.1 The *status quo* would represent a significant risk to the authority. The development in Abergavenny, and the preparations for the Band C development in Chepstow, represent a significant financial investment for the authority. Without appropriate governance and officer capacity, it is possible that the projects could not be developed effectively and risk suboptimal benefits for learners and the community. As the projects develop there will be increasing demand for effective stakeholder management and a failure to manage this effectively could lead to reputational risk

5.3 *In house team* – develop the team as set out in paras. 3.19 – 3.22

5.3.1 This option offers mitigation against the risks identified above. It also provides a team close to decision makers within the authority promoting good sharing of information and effective governance.

5.4 *Outsource the programme development* – procure a consultancy / third party to undertake the role of the programme team

5.4.1 Whilst there are some advantages to outsourcing programme development, for instance specific expertise in the development of business cases, there are also associated risks in the distance that it inevitably creates between the elected member governance, officer management and relationships with stakeholders. This would be an improvement as compared to the *status quo*; however, it does not offer the same level of control and visibility as the creation of an effective internal team.

5.5 It should also be noted that as set out above the team will be a central coordinating resource and it is expected that there will be procurement of specific expert services to complete the FBC and undertake environmental assessments to de-risk the site.

## **6. EVALUATION CRITERIA**

6.1 It is difficult to establish evaluation criteria at this stage of the programme's development. However, when the team is established there will be an agreed full programme delivery



plan that will allow the team and their outputs to be evaluated in terms of timeliness and efficiency.

## **7. REASONS:**

7.1 Monmouthshire has made substantial investments in the first round of 21<sup>st</sup> Century Schools and this proposal now puts in place arrangements to ensure that the FBC for Band B is as strong as it can be. Since the agreement of the initial Band A funding envelope there has been a contraction in the funding available to authority to support its share of the investment cost. This means that the Authority must do all it can to ensure that the proposals put forward in Band B are as economical as they can be. A thorough business case development process will ensure that the most appropriate procurement routes are followed and that the design and specification of the new school provides a setting fit for the opportunities offered by the new curriculum and fit for learners in future generations.

7.2 The proposal is proportionate and affordable.

## **8. RESOURCE IMPLICATIONS:**

8.1 There is an expected level of investment in bringing the Abergavenny scheme to fruition and the initial costs in the financial year 2019/20 are anticipated to be circa. £33,000. Before the complications at the Monmouth Comprehensive site it had been anticipated that there would be a spend of approximately £250,000 in the current year. Whilst this spend has not yet commenced there will be an acceleration in the last quarter of 2018/19.

8.2 These costs are to be capitalised as a direct and relevant cost of bringing the asset (Abergavenny school renewal project) into existence.

8.3 There is a risk that following completion of the FBC the Council determines that it cannot progress with the project for any reason but a key factor could be that the project is

unaffordable the abortive costs would have to be written off to the revenue account. If this were to happen there would be a call upon reserves to cover these costs.

**9. CONSULTEES:**

SLT

Cabinet

Headteachers of King Henry VIII Comprehensive School, Deri View Primary School and Ysgol Gymraeg Y Fenni

**10. BACKGROUND PAPERS:**

**October 2017 Cabinet Paper**

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