



Stage 2 – Full Business Case/ Project Approval (Commit to Spend/ Contract)

DIVISIONS AFFECTED:

Barton & Sandhills
Ward

TOTAL CAPITAL BUDGET:

£6.6m

APPROVAL NO:

ED750

Programme/ Project:	Oxford, Bayards Hill Primary School
Ref: (as in the capital programme)	Primary Capital Programme
Date:	February 2013
Author:	Ken Davis, Project Manager
Programme Manager:	Mark Holmes, Programme Manager
Sponsor: (where exist)	Roy Leach
Version No:	3.0
Distribution:	Ray Sturgeon, Peter Galley, Mark Holmes, Jennifer Makkreel, Graham Clare, Simon Pickard, Len Key, Kevin Griffin,

Guidance Notes

1. You must use this report if you already have an allocation within the capital programme. The aim of this report is to seek permission to commit the project delivery budget on the final project proposal following the work carried out including the detail design and tender where relevant.
2. This document must contain sufficient detail to enable the decision-maker to make an informed decision. Ideally all elements of the project must be fully defined and completed at this stage.
3. You need to specify any unknowns, any deviations from the original budget requirement, agreed scope or delivery timescales based on the feasibility studies and provide more details on the risks, deliverability and value for money.
4. Please use your previous stage reports as background documents to help you fill this template.
5. This form **must** be accompanied by the risk register (where available costed risk register to justify the project level contingencies).
6. **To make your business case easier to read, please delete all the guidance notes (blue / italic text) before submitting the Business Case for approval.**

1 Sign-off & Approval

The input must be obtained from the following:

Responsible Owner	Name	Date	Relevant Signature
Service Manager/ Client (Contributor)	Kevin Griffin		
Delivery Team Representative working on project delivery (Author)	Ken Davis		
Service Finance Business Partner or Management Accountant in Consultation with E&E Finance Business Partner (Contributor - checks against the Business Strategy & revenue implications)	Simon Pickard		
The Capital Finance Team (Contributor - checks against the capital programme & cost of capital financing)	Graham Clare		
Other Technical Contributors	Emily Williams Jennifer Makkreel		

The final approval must be obtained from one of the following:

Approval Level	Name	Date	Relevant Signature
Cost Centre or Service Manager (up to £500k) Optional for controversial/ sensitive programmes/ projects			
PDGs/ On behalf of PDGs (£500k to £1m) [KSMs responsible for H&T or P&F delivery teams in consultation with the relevant Deputy Director]			
C&APB / On behalf of C&APB (£1m to £2m) [Deputy Directors responsible for H&T or P&F delivery teams in consultation with the Chief Finance Officer & Director for E&E]			
CIB / On behalf of CIB (£2m to £5m) [The Chief Finance Officer & Director for E&E for transport & property programmes/ projects]			
Cabinet/ On behalf of Cabinet (over £5m) [Leader of the Council]	Ian Hudspeth		
Council (Proposals outside the approved Policy & Budgetary Framework)			

Please note that forms with no names will not be put forward for approval. Using officers' name without their permission is a disciplinary offence and will be escalated as required.

2. EXECUTIVE SUMMARY

2.1 Purpose of Report

The purpose of this report is to recommend to the Council the letting of the contract for construction of refurbishment of Bayards Hill Primary School. The report sets out the justification for this recommendation.

2.2 Background

The replacement of Bayards Hill Primary School was one of 2 projects in Oxfordshire to be funded from the first wave of the previous governments Primary *Capital Programme* (PCP), this programme was intended to rebuild or refurbish at least half of all primary schools nationally over a 15 year period. The criterion from identifying priorities included levels of attainment and deprivation indices. As part of the deficit reduction measures implemented by the coalition government soon after the election in May 2010 the Primary Capital Programme was cancelled and the scheme at Bayards Hill was unable to be taken forward as originally proposed.

The majority of pupils At Bayards Hill Primary School are from White British backgrounds and other pupils are from a wide range of ethnic heritages. Children enter the school with skills and abilities that are well below the levels expected for their age. The percentage who speak English as an additional language is above average. The proportion of pupils known to be eligible for free school meals is well above the national average. The proportion of pupils with special educational needs and/or disabilities is above average. Most of those pupils have moderate learning difficulties. Pupil mobility is above that seen nationally.

In January 2011 Cabinet approved a revised Capital Programme which included £6.6m to address the priority suitability/condition requirements at Bayards Hill Primary School and ensure sufficient space is provided for the school to operate as a 2 Form Entry (2FE) primary school.

The new project was briefed with a view to adapt at and refurbish significant elements of the existing school accommodation rather than replace with new as proposed in the PCP project.

The construction work will be carried out by a contractor selected from the OCC framework contract, as the value of the construction work is beyond the exclusivity limit of £4 million set for self-delivery by Carillion. The nominated contractor is Stepnell Ltd who has been closely involved in the project during design development. The design and administration of the construction contract will be carried out by Carillion.

The scope of the works have been developed from the Stage 1 Outline Business Case (attached) approved by the Leader of the Council on 9th March 2012.

The need for Bayards Hill Primary School to operate as a 2FE Primary School (Admission Number 60) is one part of the county council's strategy to meet the need for primary school

places in Oxford.

At the meeting 17 July 2012 Cabinet approved the Council's Policy on Academies with priority being given to working with schools that are persistently at, or below, current "floor" targets, and/or are in an Ofsted category or at risk of going into an Ofsted category and, therefore, deemed under-performing schools. All schools that fall into this category will be encouraged to move towards sponsored Academy status.

Bayards Hill Primary School was the only school in Oxfordshire below floor targets in 2012 with less than 60% of pupils achieving level 4 or above in English and maths at the end of Key Stage 2 (KS2). The floor changed from 55% to 60% two years ago, the only year the school have been above the Floor Target is 2010 when they got 60%.

The school is improving with formal support from two primary schools (Wood Farm and Windmill) in their partnership. This is an interim arrangement pending the identification of a future academy sponsor for the school which is expected to be confirmed for autumn 2013.

2.3 Funding

A budget provision of £6.6m including contingency for this project was approved by the Leader of the Council on 9th March 2012.

Following detailed design, a tender has now been submitted by Stepnell Ltd which will deliver the scheme within the identified budget of £6.6m (details contained within Appendix B)

3. DESCRIPTION OF THE PROJECT

The school currently occupies buildings from the 1960's with later accommodation circa 2000. Teaching accommodation is split into 3 distinct separate areas. School classrooms and the County Music Service share part of one block. The current arrangement of the classroom accommodation, with key stages split, does not allow a natural flow of pedestrian traffic through the school with resultant operational and day to day management issues. The flow of circulation for access to the Music Service accommodation causes concern over safeguarding.

This project will rationalise, remodel and redevelop the school. The project will remove or refurbish existing poor quality buildings and provide extensions and infill accommodation. This will provide a natural flow through the Key Stages and deliver 21st Century accommodation to support the school in order to raise levels of educational attainment and aspiration. The proposed improvements will support the strategic provision of primary phase 'basic need' pupil places by providing sufficient infrastructure to allow the school to operate as a 2 Form-Entry (2FE) Primary school. Consequential alterations to the County Music Service accommodation on the site will create a secure and appropriate learning environment for the school.

The project will address over 95% of the value of the building condition issues identified in the condition survey carried out in August 2012, which total circa £1.3m

The scheme will also address current suitability issues relating to:

- Poor internal organisation of spaces
- Site security issues associated with a multi-use site
- Inadequate withdrawal/SEN spaces for small group and 1:1 support
- accessibility issues due to changes in levels within the building

The work will include a significant amount to improve the energy efficiency of the building by replacing the boiler and heating system, reducing the overall footprint of the building by 569m², installing modern standards for glazing and insulation and photovoltaic panels to meet the "Part L" requirements.

The project will be delivered with the following milestones:

No	Key Project Milestones	Start Date	Finish Date
1	Tender reviewed and recommended by CCS	1/3/13	8/3/13
2	Stage 2 Full Business Case Approval	22/2/13	15/3/13
3	Contract Award	25/3/13	29/3/13
4	Enabling works and Mobilisation	25/5/13	31/7/13
5	Phase 1 and Phase 2 Construction	31/7/13	24/7/15

4. EXPECTED BUSINESS BENEFITS & CONTRIBUTION TO THE COUNCIL'S BUSINESS STRATEGY

The project meets two of the County Council's four corporate priorities identified in the Stage 1 Outline Business Case attached

The project meets one of the 6 corporate principles for capital prioritisation which is identified in the Stage One Outline Business Case attached

The project meets two of the core themes of the Corporate Asset Management Plan 2010 identified in the Stage One Outline Business Case attached

5. SUMMARY OF OPTIONS CONSIDERED AT OUTLINE BUSINESS CASE STAGE

Options Considered and Discounted

The following options were considered and discounted, during the feasibility stage and were documented within the attached Stage 1 OBC approved in March 2012.

- Do nothing
- Integrate children's centre on the site as originally proposed
- Deliver an 'off the shelf' new school solution

Recommended Option Approved at Stage 1 OBC and taken forward to detailed design to inform this Full Business Case

The agreed option was to carry out partial demolition and build new accommodation to enhance the existing, where such is retained, to bring the school up to modern standards.

This option provides a cost-effective solution which can be delivered within the required timescale. Disruption to pupils and staff will be minimised by careful phasing and by provision of temporary classrooms on site for the relevant periods of the construction period.

The school's senior teaching staff & governors, and the County Music Service management team, have been fully engaged in the development of the detailed design through direct participation in design team meetings.

6. RISKS AND ASSUMPTIONS

A complete costed risk register is included in Appendix D

No	Description of areas or sources of risk and impact on project	Mitigation	Owner
1	Asbestos removal. IMPACT: significant increase to project costs	Initial surveys undertaken and contingency sum adequate to meet current understanding of asbestos. Further destructive survey to be carried out under unoccupied conditions to determine complete extent of asbestos to be removed and costs confirmed as early as possible	CCS
2	Archaeology. IMPACT: increase in project costs and programme	Allowance in programme and cost plan to cater for delay in progress	CCS
3	Reg 3 planning approval void on conversion to Academy. IMPACT: Proposed work does not proceed	New gate within perimeter fence being installed to implement planning approval in accordance with planning conditions	CCS
4	The scope of works could change due to the passage of time, new staff / governors or Academy requirements	The existing feasibility design drawings integrating descriptions of fitting out and the like have been agreed by the head teacher in the presence of the governors as the agreed scope of works	OCC

7. SERVICE & STAFFING IMPLICATIONS

Any staffing implications that arise from this project will be managed by the school and funded from the school's delegated revenue budget.

8. ENVIRONMENTAL IMPLICATIONS

The extension element of the project will seek to meet the BREEAM principles of 'VERY GOOD'. Despite the reduction of the old inefficient building floor area by 569m², and the improvement to the retained building with modern standards of glazing and roofing insulation, and heating and lighting, due to the area of the extension, compared with the area of the existing building, the overall project will be in line with that of a 'GOOD' rating.

The replacement boilers, heating system and photovoltaics will reduce the school's energy consumption, as well as its carbon footprint.

9. LEGAL IMPLICATIONS (INCLUDING PROCUREMENT RELATED ISSUES)

This construction works for the project will be procured through the Council's Framework, which has been subject to EU Procurement.

Any works that are to be undertaken after the conversion to academy status will be included in the CTA agreement, and agreed with the academy provider, so that no additional licenses will be required.

10. FINANCIAL IMPLICATIONS & AFFORDABILITY

Capital Implications

Please see Appendix B – Capital Implications and Value for Money Analysis

Revenue Implications

Any on-costs to the school for additional staff to provide for increased pupil numbers will be funded from the school's delegated School Budget Share, which will increase in proportion to increases in pupil numbers. Resources for School Budget Shares are provided by government through the Dedicated Schools Grant, which will increase proportionately to increases in overall pupil numbers in Oxfordshire

Existing Repairs & Maintenance Budget requirements will significantly reduce due to the major refurbishment and the high priority assessed need requirements will be resolved. Energy efficiency of the building will be significantly enhanced and the net floor area of the school will decrease by 569m² as a result of these works.

The school is responsible for running costs which are funded from the school's delegated School Budget Share. The building running costs will be proportionately lower than existing buildings on the site and the savings arising from the reduced area, enhanced insulation and more efficient heating systems can be reinvested by the school.

The County Music Service confirm that they envisage no impact on operating and staffing costs. Floor area occupied by the Music service will notionally increase by 85m² due to more dedicated circulation space. Premises costs will benefit from savings in energy

efficiencies which will help mitigate any costs arising from the increased area.

If the school converts to an Academy, they will be responsible for managing all revenue implications of the project. These will need to be funded from the Academy's delegated Budget Share. Resources for academy budget shares are provided by government through the Education Funding Agency.

Oxfordshire County Council has no responsibility for on-going revenue running costs at the academy.

11. CONSULTATION

The school senior teaching staff, governors and management team within the music service, have continued to be fully engaged in the development of the detailed design through direct participation in design team meetings. Any changes that came from the outcome of the Gateway Reviews have been shared with the stakeholders to ensure that they have been fully integrated within the project team.

12. RECOMMENDATIONS

To approve the Stage 2 Full Business Case to enable the award of the construction contract

Report by

Ken Davis
Project Manager

Report Authors & Contributors

Jennifer Makkreel, Property Programme Office Manager
Ray Sturgeon, Principle Delivery Officer
Graham Clare, Corporate Finance
Kevin Griffin, Service Manager

Background Papers

Accompanying appendices listed below will be circulated separately.

Appendix A – Resource Appraisal Form

[The Resource Appraisal spreadsheet must be completed and attached to this report]

Appendix B – Capital Implications and Value for

Money Analysis

Appendix C – The Latest Cost Plan

[An updated Cost Model spreadsheet must be completed and attached to this report]

Appendix D – The Latest Project Risk Register

[The latest risk register (where available a costed risk register) must be completed and attached to this report.]

Appendix E – The Updated Stage 1 Form

[The Full Business Case Template is produced in line with the Cabinet Reporting Format to ensure that it could be used directly for high level decision-making. It is recommended that before you start writing the full business case, you update the Stage 1 Form in consultation with your client service as part of your regular project management meeting. You can put more technical details in the updated Stage 1 form and use it as a communication tool with your client throughout the life of your project.]