

12/07/2022
G1-OBC
Outline Business Case / Commit to Invest

Project / Programme Name:	The Marlborough CE School Woodstock (Academy) Expansion from 6FE to 7FE Direct Delivery by River Learning Trust (RLT)
Total Capital Budget:	£3.994m
Sponsoring Director:	Kevin Gordon
Strategic Professional Lead:	Jenny Seddon
Delivery Project Lead:	Jenny Seddon (working with the Trust - RLT)
Divisions Affected:	Woodstock
Financial No:	ED982 (WBS C.AE10050.01)

Threshold Change Request (OOT)

Threshold(s) Exceeded:	Requires Approval from:
1. Cost	Cabinet
2. Time	Within Threshold
3. Scope / Benefits	Within Threshold
4. Reputational / Political Risk	Within Threshold

Decision(s) required:

1. To release a development budget of £0.446m to enable River Learning Trust (RLT) to progress the project through the planning stage, detailed design and procurement. This is in addition to the £0.080m released at Gate 0.
2. Note that the G0 IBC budget of £2.210m within the Capital programme was based solely on the S106 monies secured by the Council at the time. The revised budget of £3.994m is based on the feasibility cost plan dated 19 July 2022 as attached within the appendix.
3. Agree for the scheme to be forward funded until the possibility of additional housing agreement is signed to receive S106 developer contribution which will be dependent on the progress of the housing

development. The forward funding could be 3 to 5 years from delivery of the scheme up to £1.6m based on the latest budget requirement.

Record of Decision / Final Approval [as per Financial Procedure Rules]

Decision	Approved by
<u>APPROVED</u>	<u>Agreed by delegated approval by Leader and S151 officer on 27 September 2022, on recommendations from the Strategic Capital Board held on 25 August 2022.</u>

APPROVED

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Sign-off

Sign-offs	Name	Date
Director	Vic Kurzeja	10.08.22
Head of Service & Line Manager:	Liz Clutterbrook	10/08/2022
Strategy / Delivery Professional Lead	Jenny Seddon	10.08.2022
Finance Team	Farhana Munawar	11.08.2022
Confirmation of Consultation with / Input from	Name	Date
Service Area / Key Stakeholder	Kevin Griffin	21.07.2022
Operational Manager – Cost Management	Mark Padbury	22.07.2022
Planning, Environment & Climate Change	Christine Stevenson	10.08.2022

1. Executive Summary

- 1.1 Secondary education provision in Woodstock is provided by The Marlborough School. To ensure sufficient secondary school places are available to support the growing school age population, there is a need to expand The Marlborough School by 1 form of entry (1FE) from 6FE to 7FE. This will increase the admission number from 180 to 210.
- 1.2 The Marlborough School is an academy, under the management of the River Learning Trust (RLT). The Trust will self-deliver the design and delivery of the expansion project, using funding provided by OCC through a formal Funding Agreement.
- 1.3 The Initial Business Case (IBC) for this expansion project was approved in July 2021 with an estimated budget of £2.210m, based on s106 contributions secured at the time. The total amount of s106 expected to be secured for the expansion of Marlborough School is now estimated to be £2.412m.
- 1.4 The capital cost of the expansion is expected to be met by OCC utilising s106 funding secured and in discussion to mitigate the impact of new housing in the local area. Two possible applications are both local plan sites. The forecasted S106 from these two sites will be sufficient to cover the current priorities within this proposed budget provision. As they are not secure, the scheme will have to be forward funded by up to £1.6m until the receipt of S106 contribution which also depends on the timescale of the housing development.
- 1.5 The solution developed during the feasibility stage is as per OCC's brief, with the estimated project cost of £3.994m. This includes sufficient risk and contingency sums and inflation calculated to the mid-point of the contract period to capture inflationary effects for the full period.
- 1.6 The cost build-up of the estimated budget has been reviewed and verified by OCC's Operational Manager - Cost Management.
- 1.7 The IBC included the release of £0.080m for the feasibility stage, and this report requests an additional £0.446m to enable the Trust to progress the project through to the Full Business Case submission.

2. Description & Objectives of the Desired Outcomes & Business Benefits

- 2.1 This project will provide additional secondary school places in Woodstock to meet the demand generated by the strategic housing development in the town.
- 2.2 The desired outcomes & business benefits are unchanged from the Initial Business Case where further detailed information is provided.
- 2.3 The school are awaiting RSC approval to formally increase its admission number from September 2024.

2.4 The County Council has a statutory duty to ensure that there are sufficient school places; promote high educational standards; ensure fair access to educational opportunity and promote the fulfilment of every child's educational potential.

3. Results of Options Appraisal & Project Scope

3.1 The feasibility report concluded that the Trust within the funding available can undertake the following works to support the school's expansion:

- 6 additional general teaching classrooms in a stand-alone block.
- Additional changing room facilities.
- Toilets and ancillary accommodation
- Direct access from the circulation space into an existing art room.
- Additional hard play.
- External works to create additional car parking and enhanced external works to create minimise the impact of vehicle movements in and around the site following consultation with OCC Highways.

4. Financials: Estimated Final Costs & Proposed Funding Plan

BUDGET	G0 (IBC)	G1 (OBC) (baseline)	G2 (FBC)	G3 (PC)	G4 (FC) Final Close	MOVEMENT
Stage 0 Options Appraisal	£0.009m	Incl below				
Stage 1 Concept Design	£0.070m	£0.080m				
Stage 2 Design & Procurement	£0.152m	£0.134m				
Stage 3 Delivery / Construction	£1.621m	£3.083m				
Stage 4 Close Out	£0.022m	£0.099m				
<i>Contingency</i>	£0.168m	£0.325m				
<i>Risk</i>	£0.168m	£0.273m				
TOTAL	£2.210m	£3.994m				
Reported in Stage		N/A				
<i>Date of Change / Update</i>						

EXPENDITURE	G0 – IBC budget	G1 – OBC baseline	G2 – FBC	G3 - PC	G4 - Final Close	MOVEMENT
Previous Years	£0.009m	£0.009m				
2021/22	£0.070m	£0.071m				
2022/23	£0.152m	£0.114m				
2023/24	£1.621m	£2.365m				
2024/25	£0.022m	£0.837m				
<i>Contingency</i>	£0.168m	£0.325m				
<i>Risk</i>	£0.168m	£0.273m				
TOTAL	£2.210m	£3.994m				

- 4.1 The project will be funded by S106 contributions. To date £1.787m is held, and a further £0.624m secured, total of £2.411m.
- 4.2 The council is currently in negotiation to secure s106 contributions from 2 developments both of which are in the adopted West Oxfordshire Local Plan. It is expected that these sites will contribute between £1.1m and £2.7m towards secondary infrastructure, the total anticipated s106 is therefore £5m+. The total budget required for the new accommodation and alterations/adaptations of the existing is expected to be circa £3.994m.
- 4.3 The cost of providing the additional accommodation in advance of all s106 contributions being received will be met from the capital programme (Pupil Places). Currently is this £1.6m and depending on the progress of the applications and delivery of the housing development, could be in the region of 3 to 5 years after contract let.
- 4.4 The scheme proposal includes for enhanced external works to provide additional coach/bus pick up and drop off provision within the school site at a cost of £130k which addresses congestion and highway safety concerns raised by OCC Highways following recent consultation.
- 4.5 There is a significant costed risk register at £273k which is hoped will be reduced as the project scope is further defined though detailed design.
- 4.6 An allowance of £10k per additional classroom for loose F&E and ICT Hardware has been made, in accordance with the current agreed provisions and guidance from CEF.

4.7 The budget at this stage is estimated as £3.994m, broken down as follows:

£2.952m Construction (Cost Estimate 19th July 2022)
£0.048m Feasibility
£0.295m Consultant Fees (RIBA 3-6)
£0.011m Surveys, Statutory Charges and Misc Charges
£0.273m Costed Risks (Risk Register)
£0.325m Client Contingency
£0.030m OCC Staff Costs and Legal
£0.060m F&E and ICT Hardware funding
£3.994m Total Project Cost

The total project cost to OCC for delivery of the project to be £3.994m

4.8 The total sum of £0.446m of funding is requested for release at this stage, made up as below:

£0.009 Ridge Option appraisal/gap analysis
£0.071m RLT feasibility Study Fees and Surveys
£0.295m Fees for Planning, Design, Procurement, Construction & Close
£0.011m Surveys, Statutory Charges and Misc. Costs
£0.020m OCC staff costs (Corporate Landlord, Estates and Legal)
£0.120m Client Risk & Contingency
£0.446m Total

Revenue Implications

4.9 As an academy the school will be responsible for all revenue costs for staffing and repairs and maintenance of the new building. These costs will be funded from the school's delegated budget share.

5. Project Delivery Timetable & Procurement Plan

Below table indicates indicative start dates for each of the stages, reported on at each of the gateways, with target Approval Dates for each of the Gates.

	G0	G1 (baseline)	G2 (FBC)	G3 (PC)	G4	MOVEMENT
Stage 0 Options Appraisal						
IBC Approval	July 21	July 21				
Stage 1 Concept Design	Aug 21	Aug 21				
OBC Approval	Nov 21	Aug 22				
Stage 2 Design & Procurement	Dec 21	Sept 22				
FBC Approval	July 22	May 23				
Stage 3 Delivery/ Construction	Aug 22	July 23				
Handover	Aug 23	July 24				
Project Close	Nov 23	Oct 24				
Stage 4 Close Out	Nov 23	Oct 24				
Final Close	Nov 24	Oct 25				
Months deviation (PC)		+11				
Date reported						

- 5.1 Since IBC approval and following review by both CEF and the Trust, the permanent expansion of the school from September 2023 has been deferred to September 2024 due to the supporting data of pupil numbers and demand for school places.

6. Risks, Constraints, Dependencies & Exclusions

RLT have produced a risk register as part of their feasibility study (attached in the appendix). Outside of the standard design and construction risks, the key project risks are:

Description of areas or sources of risk and impact on project	Mitigation	Owner
Cash-flow: Ensuring RLT have sufficient cash-flow to enable them to procure services as required, without causing a payment delay	Instruction to legal as soon as OBC approved to enable release of initial funding and to form the main Funding Agreement including payment tranches as agreed with RLT.	Jenny Seddon/OCC Legal/Trust
Estates Issues: School/Trust are in discussions with WODC as proposing to build on the land adjacent to the swimming pool that is currently being used by WODC.	Communication being undertaken between School/Trust and WODC as the School/Trust are looking to get the land back under their jurisdiction.	School/Trust
Section 77 Approval	Construction will take place on Trustee land and therefore S77 approval is deemed not required.	School/Trust
Programme: The new build accommodation is not complete by the 2024 September term.	The Trust and School to accommodate additional pupils within existing accommodation in the short term.	School/Trust
Increasing project costs. as a consequence of Covid 19 and inflation	Unknown if additional monies will be required. Increased contingency within Risk Register	OCC/Trust




7. Communication & Consultation (Internal & External)

- 7.1 The accommodation requirements and proposed design solutions have been shared with the Trust, Headteacher and governors of Marlborough CE School and is fully supported.
- 7.2 As an academy, the expansion of Marlborough School will need to be approved by the Regional Schools Director (RSD). CEF have supported RLT to undertake a public consultation and develop the business case for expansion, a final decision is expected from the RSD early autumn 2022.
- 7.3 The building works required to accommodate the expansion will require a planning application to WODC; the District Council will undertake the required consultation process and interested parties will have the opportunity to make their comments or objections.

8. Project Governance

- 8.1 The project will be delivered by the trust (RLT) under the terms of a Funding Agreement with the Council.
- 8.2 The project is part of the Pupil Places element of the capital programme and will follow the capital governance framework.
- 8.3 The project will be included within the Capital Programme and will follow the necessary governance process for funding approvals and technical reviews, where necessary.

9. Appendices

Item	Description	Link
Appendix A	Initial Business Case	 210701 Marlborough School - Expansion by
Appendix B	Cost Plan	 Indicative Cost Estimate V02d_20220
Appendix C	Risk Register	 2117_MARL Feasibility_Project Co