

CABINET

7 AUGUST 2012

OUTLINE BUSINESS CASE FOR WAINSCOTT PRIMARY SCHOOL EXPANSION

Portfolio Holder: Councillor Les Wicks, Children's Services

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Summary

This business case seeks approval of the Outline Business Case and proposed procurement route, based on an initial feasibility study and evaluation of procurement and construction options, for the expansion of Wainscott Primary School from 1FE to 1.5FE and then on to 2FE, and permission from Cabinet to proceed to detailed design stage and Gateway 2 before requesting approval at Gateway 3.

1. BUDGET AND POLICY FRAMEWORK

- 1.1 This report is seeking Cabinet approval of the Wainscott Primary School Outline Business Case (OBC) for expansion to 1.5FE by September 2013 and then on to 2FE.
- 1.2 This project supports the Council's School Organisation Plan 2011 – 2016, approved by Cabinet on 1 November 2011 (decision number 143/2011), which highlights the need for more pupil places in Wainscott. The Council has a statutory duty to ensure there are sufficient school places as set out in the Education & Inspections Act 2006.
- 1.3 Subject to the approval of the OBC and the recommendations in this report, officers will develop the design and report to Cabinet for approval in compliance with the Council's procurement rules. This will then lead to Gateway 2 where a tender exercise will be undertaken in compliance with applicable EU rules and Medway Council's internal procurement processes and contract rules.
- 1.4 The Outline Business Case confirms the level of funding required from the capital programme to expand Wainscott Primary School and makes a recommendation on the procurement option for delivering the expanded buildings.

2. RELATED DECISIONS

2.1 Wainscott Primary School has been identified for expansion to accommodate increasing pupil numbers arising from the Liberty Park development as well as the movement of families into the Medway area. Following the Cabinet decision on 1 November 2011, (decision number 143/2011), a public consultation commenced in January 2012 on the proposals to make prescribed alterations to Wainscott Primary School to:

- expand the lower age limits and size of buildings;
- increase the number of pupils from 1FE to 1.5FE.

2.2 The outcome of the consultation and any subsequent prescribed alterations to the school was presented to Cabinet on 17 April 2012 and it was agreed to undertake the statutory consultation, which will be reported back to Cabinet on 4 September 2012. The purpose of the associated building project is to provide accommodation to enable up to an additional 1FE to be accommodated at Wainscott Primary School. Current analysis of pupil need in Wainscott shows there will be a need to accommodate an additional 0.5FE at Wainscott Primary School for September 2013, with a further requirement to accommodate a further 0.5FE extra pupils in September 2014.

2.3 In February 2011, Cabinet approved the list of schools on the Future Schools Agreement (decision 37/2011) including Wainscott Primary School. This decision gives the Council the option to issue a notice to BAM Construction Limited, the Framework Contractor, to provide a proposal for the expansion of Wainscott Primary School in accordance with the brief. Following consultation with the Council's procurement team and external legal advisors, this is the route that will give best value for money and the most expedient programme. Further details on the procurement options and the advice received are outlined below in section 6.

3. BACKGROUND

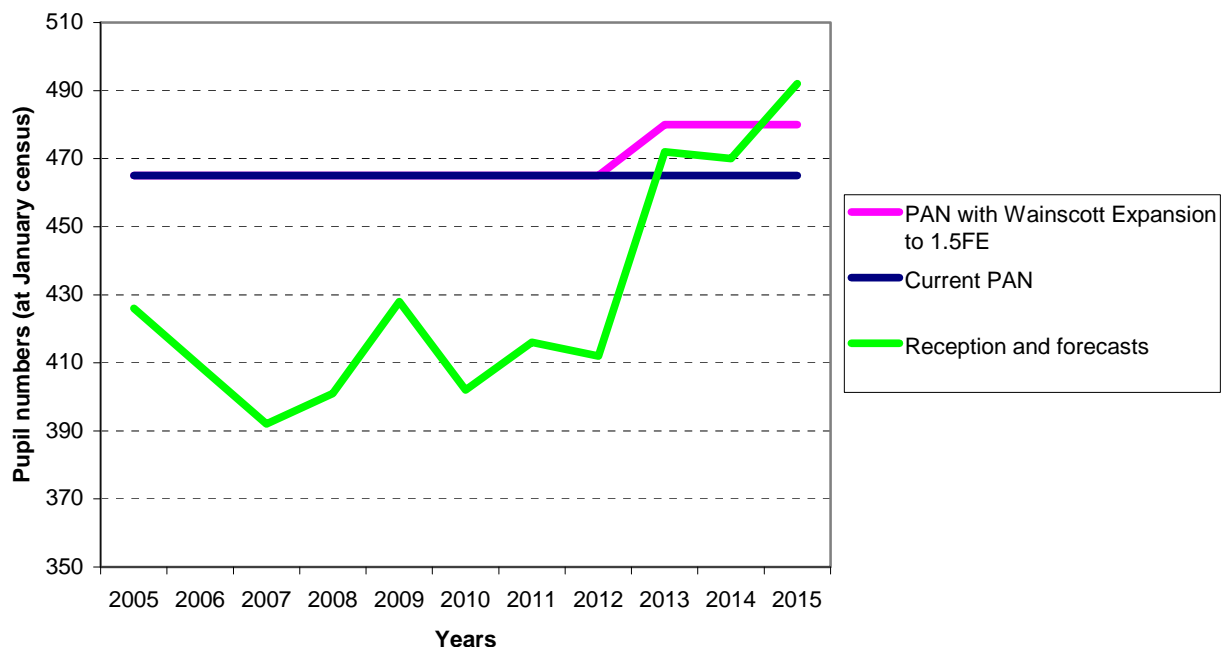
3.1 Wainscott is a community primary school, which currently provides education for pupils aged 4 to 11. The school is popular with parents, and at its last Ofsted inspection in 2012 was rated as 'Good'. The school is now working towards becoming an 'Outstanding' school by its next inspection.

3.2 Under its current admissions arrangements (PAN 30), the school has been consistently oversubscribed and for the September 2011 reception class intake received 53% more first preferences than places available.

3.3 The proposals to expand the provision at Wainscott Primary School are demand led, and the popularity of the school is likely to continue due in the main to an increasing local population, with ongoing developments including the adjacent Liberty Park and Sandacres at Upnor likely to continue to produce future demand.

- 3.4 In the recent round of school admissions consultations, to take effect from September 2013, consultation took place to increase Wainscott's Published Admissions Number (PAN) from 30 to 45.
- 3.5 National policy emphasises that the local authority has a key role to support parents and families through promoting a good supply of strong schools and should focus on supplying enough good spaces rather than reducing surplus places. Medway's School Organisation Plan principles state that popular and successful schools should expand.
- 3.6 It is not expected that the proposals will have a detrimental impact upon the numbers or standards at the other primary schools in Strood. Forecasts indicate that without expansion of provision in the area, there will most likely be a shortage of spaces in reception classes from 2013, and the expansion of Wainscott will help to alleviate that pressure.

This graph shows the increase expected in the Strood area for reception classes



- 3.7 Wainscott Primary School has a private nursery located on its site in a leased building. The options considered in this business case allow for continuation of nursery provision at the school with the required enhancements to accommodate sufficient nursery places for pupils progressing through the foundation stage and on to Key Stage 1 and 2 in the expanded provision.
- 3.8 Full Council agreed the Council's capital programme at their meeting on 23 February 2012. This includes DfE Basic Need Grant and developer contributions from Liberty Park, which could be used to fund the expansion at Wainscott. More detail on funding the project is included in section 5.3 dealing with whole life costing and budget.

3.9 Impact of the proposals on arrangements for looked after children

The development of additional school provision in the Wainscott area will ensure that all children including looked after children are able to access good local school provision. Looked after children and adopted children receive the highest priority for admission to schools. If necessary, the Admissions Code allows the Council to place looked after and adopted children in schools that otherwise be deemed full. This ensures that the Council can secure appropriate provision for children that are looked after or adopted.

4. BUSINESS CASE DEVELOPMENT

4.1 Issues for Consideration

4.1.1 The OBC follows the H M Treasury Green Book methodology, which looks at project costs, life-cycle costs, benefits and constraints in the widest sense. This is the national approved methodology for business case development. Business case development has been undertaken with the support of Selsby Consulting, who have prepared cost models and tools for use on this project and future projects, giving the school organisation team an HMT Green Book compliant methodology for project costing. The project team has also consulted with colleagues in legal, procurement, property, finance and building & design services.

4.1.2 The four key issues for consideration in developing the business case are:

- Design and delivery options
- Phasing from 1FE to 2FE
- Construction method
- Procurement route

4.2 Design and delivery options

4.2.1 Work to date has identified six main options (A to F) for delivering the new scheme ranging from a minimum refurbishment option to a completely new 2FE school with some options for capital receipts, which would be used with DfE agreement towards the cost of construction. The OBC describes the viable options based on the available funding and supports the conclusion in this report on the preferred option, based on the construction, educational and community benefits of each.

4.2.2 The options are summarised in the following table.

Option	Description	Construction	Education	Community
A	Reuse of all existing buildings including the modular building. This is the do minimum option. It allows for minor alteration and basic refurbishment.	Condition of the buildings will still be an issue after the refurbishment as there will still be a maintenance and condition backlog for the existing buildings.	<p>Temporary accommodation will be needed whilst the existing buildings are adapted. This will mean a number of decant exercises that will disrupt education.</p> <p>Sport, play and dining facilities will not be increased leaving the school with timetabling issues to ensure that all pupils receive the right amount of sport education. Dining will need to be timetabled over a longer period at lunchtime, interrupting the time that can be allocated to learning.</p>	No additional facilities will be available for use by the community in this option. The existing hall is small and not suitable for some of the community uses that local groups are interested in.
B	This option refurbishes the main school building, but allows for demolition of the old Victorian building and the modular building. New build elements include 7 classrooms, library, nursery, staff and admin areas, plant and circulation.	<p>Easier to phase than option A – the area around the Victorian building could be released for a capital receipt.</p> <p>Victorian building currently needs around £400,000 investing in it to bring it up to the appropriate standard. It is not used by the school at present due to its condition and lack of suitability.</p>	<p>No temporary accommodation needed so less disruptive to education.</p> <p>Sport and play issues still apply as for option A. The space for these activities will not be increased.</p>	As with option A, no additional facilities will be available for use by the community in this option. The existing hall is small and not suitable for some of the community uses that local groups are interested in.

Option	Description	Construction	Education	Community
C	<p>This option reuses part of the existing main school building, but allows for the demolition of the northern area of the site where the current Head Teacher's office is located, as well as the Victorian school house and the modular buildings. This option allows for additional dining and play space to properly support the curriculum.</p>	<p>Easier to phase than option A – the area around the Victorian building could be released for a capital receipt.</p> <p>This is the project team's preferred option given the way it is phased and the accommodation it provides.</p>	<p>No temporary accommodation needed so less disruptive to education.</p> <p>The school will have the correct amount of space for sport, play and dining and so will be able to manage the curriculum more effectively than in options A and B.</p> <p>This is the school's preferred option from an educational perspective.</p>	<p>Increased sport and dining spaces mean that these areas will be available for community use and extended schools activities.</p>
D	<p>Option D is taken from the original feasibility study, which is included in the OBC. It reuses part of the main building as for option C and includes a more extensive range of new build elements. A new activity hall is included in this option.</p>	<p>The way in which this scheme has to be phased means that it has a complex decant process as each area of the project is completed.</p>	<p>This option is the most difficult from a phasing perspective. Temporary accommodation will be needed before demolition can start and will be in use for a longer period than for the other options.</p> <p>Curriculum impact is highest for this option and the school would not support it from an educational point of view.</p>	<p>The final scheme would provide options for community use as in option C.</p>

Option	Description	Construction	Education	Community
E	Option E is a complete new build scheme using traditional construction methods. The location of the buildings is closer to the new access route making the site work better for the school and visitors.	<p>Simple to construct while the existing school carries on as it is until the new buildings are ready. Once the new buildings are complete the old buildings can be demolished.</p> <p>This option is unaffordable within the constraints of the capital programme and so this option is not being explored further.</p>	Educationally the provision of a completely new school is the preferred option for the school, but they appreciate the financial constraints and have agreed to dismiss this option on the grounds of being unaffordable.	Community benefits would be good but option E is too expensive and so it is not recommended that this be pursued.
F	Option F is also a complete new build but using some off-site prefabrication methods.	<p>The off-site construction method would mean that less disruption occurs on site and there are some programme benefits.</p> <p>As with option E this option is unaffordable and is not being explored further.</p>	Educationally the provision of a completely new school is the preferred option for the school, but they appreciate the financial constraints and have agreed to dismiss this option on the grounds of being unaffordable.	Community benefits would be good but option E is too expensive and so it is not recommended that this be pursued.

4.2.3 An assessment of the available options shows that Option C which includes some refurbishment and some new build to provide additional classroom space is the preferred option. This includes the possibility of a capital receipt for part of the site alongside Wainscott Road, which can be used to bring in some additional funding for the project. This option is the school's preferred option given the available funding. Option E or F would be the school's preference if a new school was affordable, but recognising the budget envelope constrains the project to looking at a mix of refurbishment and new. The school supports Option C, which is illustrated below. This provides the right amount of accommodation for the number of pupils and can also be phased so as to minimise disruption to education.



4.2.4 Options A and B have some limitations educationally as they do not provide the full requirement for indoor sport or dining space, which would leave the school with some timetabling difficulties to ensure all pupils could play sport as required by the curriculum. The school would have similar difficulties in encouraging the take up of school meals and ensuring that pupils had the best dining experience with these two options.

4.2.5 All options include the requirement to purchase some land to improve access to the site for children, staff, parents and visitors. Access is currently very restricted and does not provide a welcoming or totally safe arrival at the school. This report includes a recommendation to purchase the land and the Exempt Appendix provides more detail. Allowance has been made in the cost model for this land purchase and appropriate budget provision is included in the OBC.

4.3 Phasing

4.3.1 Following on from design options are the phasing options. This comes down to a decision on whether to develop a 2FE provision in one phase or two. The two-phase option will provide 1.5FE for September 2013 and then 2FE for September 2014.

4.3.2 The key issue affecting the decision on phasing is educational, as the financial difference between the two is relatively small and relates to the cost of having to set up a construction site twice and manage a project twice. Clearly in a single phase these activities only have to be paid for once. Educationally, the disruption to learning is minimised with a single-phase project and the school has confirmed the single phase is their preferred approach. An increase from 1.5FE to 2FE is going to be required soon after the move up to 1.5FE, so a single phase project to 2FE is more practical.

4.4 Construction method

4.4.1 In line with the requirements of the Government Construction Strategy and the Sebastian James Review to introduce greater innovation into public sector construction, the project team has considered two methods of construction as follows:

- Traditional construction (on site traditional brick)
- Off-site system build construction (factory pre-formed timber).

4.4.2 Analysis of costs and delivery so far indicates that the off-site method does not hold any major benefits for this project unless a complete new build scheme is delivered where construction costs would reduce by 4%. This is unaffordable within the constraints of the Council's capital programme. This means that options E and F are not viable given the affordability envelope. It means that no detailed work on a new build school will be required.

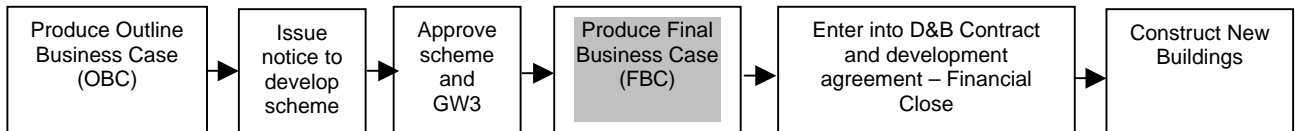
4.5 Procurement route

4.5.1 There are two possible procurement routes for the project:

- The traditional procurement route using an approved framework or select list to secure a design and build contractor, which would also require a tender process to appoint the full design team

- The Education Funding Agency (EFA) process to procure a design and build project based on the contract terms negotiated for the Academy Programme, using the Future Schools Agreement, approved by Cabinet in February 2011

4.5.2 As the EFA procurement route gives a lower overall cost, as shown by benchmarking the construction rates in the EFA Framework against those achieved on school organisation projects over the last two years. This is the recommended route and depicted below is the standard EFA process. This follows the H M Treasury Green Book five case model:



The shaded box is a step that only applies for the FSA procurement route if the scheme is above the EU threshold. The option being recommended for further analysis at detailed design stage falls below the EU threshold for works contracts and so there is no requirement to request formal sign off for the Final Business Case with the EFA. The sign off will be via Procurement Board and Cabinet through the Council's Gateway process.

4.5.3 Following approval of the OBC, officers will develop the preferred procurement option in compliance with applicable EU procurement law in consultation with the Council's strategic procurement team. This will then lead to Gateway 2 where an EU compliant tender exercise will be undertaken for a Design and Build Contractor in compliance with applicable EU rules and Medway Council's internal procurement processes and contract rules.

4.5.4 Further key milestones for the project include:

- Formal appointment of the contractor
- Approval of a final scheme
- Entering into the Design and Build Contract at Financial Close

4.5.5 Members will receive a Gateway 3 report to deal with these milestones.

4.5.7 Below is an indicative timetable:

Cabinet approve OBC	7 August 2012
Issue FSA Notice	16 August 2012
Detailed designs	Aug/Sept 2012
Gateway 3 to Cabinet	18 December 2012
Financial Close - appoint Design and Build Contractor	December 2012
Commence Construction	January 2013
New buildings opening	September 2013

4.5.6 The relative merits of the two possible procurement options are as follows:

Traditional procurement route:

Benefits

- This is a known procurement route for the Council and has been used for many years on schools projects
- The design team is managed directly by the Council

Constraints/risks

- Additional lead-time needed to procure design team and develop schemes for Gateway process for Gateway 1 and Gateway 3.
- Less cost certainty due to nature of traditional procurement and no reference to any framework rates
- Liability for design team rests with the Council
- Risks on site conditions and design process remain the responsibility of the Council
- Costs of procurement are higher due to requirement to pay full design fees and internal PM costs
- Additional layers of project management between client team and contractor
- More complex communication arrangements required to deal with number of parties involved in project

EFA Future Schools Agreement route:

Benefits

- This is a known procurement route (on the Academy Programme) and is delivering quality schemes on site to budget
- Design team procured by Framework Contractor who retains risk for this aspect
- Contract form is owned by DfE and procedures for contract administration and contract management are tried and tested
- Contract form aligns with requirements of the Government Construction Strategy and the Sebastian James Review of education capital spend
- Due diligence is the responsibility of the EFA and supports the Council when dealing with failure to perform or bankruptcy (see section 5.4.2 below)
- Costs for technical advice are considerably lower than internal fees applicable to traditional route
- Project management processes are based on industry best practice
- Education and employment benefits will be available through the contract as for the Academy Programme
- Risks on site constraints and design process pass to the contractor
- 100% recycling of construction waste through the contract

Constraints/risks

- Revenue pressure of not realising fee income for the Council's internal design team at traditional procurement route rate of 8%.

4.5.7 Based on feedback from the Council's legal advisors Bevan Brittan and discussions with the strategic procurement team, the most advantageous

procurement route in terms of cost and programme is the EFA Framework route. This has overall cost savings of up to £232,000 due to a reduction in the cost of consultancy fees. It also has the benefit of maximum build costs being pre-determined via negotiations by central government with the Framework Contractor meaning costs are capped and only unforeseen risks can cause cost over-runs. Benchmarking of construction rates of projects completed for the Council over the last two years against the current EFA Framework rates shows the EFA rates to be cheaper per square metre.

4.5.8 The conclusion from the work to date is that the preferred option is option C delivered via the EFA Framework route, estimated at a cost of £3,669,000, with the school expanded to 2FE in one phase.

4.5.9 **Residual Risk**

Following Cabinet approval of the OBC, the capital allocation for design development is confirmed from the Council's capital programme and the financial risk needs to be managed through the Council's capital monitoring process. The final allocation of funding from Gateway 3 to completion will be made following Cabinet approval of contract award.

Should any of the residual risk identified below result in additional cost to the project the project team will seek to manage these changes to remain cost neutral overall. Whilst substantial financial risk will pass from Medway Council to the contractor at Gateway 3 contract award, limited residual risks will remain with the Council and will potentially require remedial action by the project. Examples of these risks are detailed below:

- Discovery of asbestos within existing buildings in addition to that identified in the Type 2 survey.
- Discovery of ground obstructions requiring removal or bridging in addition to that identified in surveys.
- Potential requirement for upgrade of existing utilities infrastructure - electricity, water, gas and telecoms (letters of comfort will be obtained from the relevant statutory undertakers to minimise this risk).
- Discovery of existing services requiring diversion or protection in addition to that identified in surveys.
- Insolvency of main contractor leading to potential additional costs in re-procuring and completing the construction works over and above the value of the Guarantee Bond.

4.5.10 What if the builder goes bankrupt or fails to deliver?

Approving the OBC does not commit the Council contractually to any contractor or other party associated with the project. This occurs at Gateway 3 contract award. This section of the report describes the way in which the National Framework contract terms deal with the scenario of the contractor not performing or going bankrupt.

Due diligence is carried out by the Education Funding Agency on all of the Panel Providers prior to entry on to the framework and this is continually monitored by EFA to identify any changes or potential changes in financial standing.

Further steps will be undertaken to protect the Council's position with the preferred Contractor. The two main mechanisms being:

- Obtaining a Parent Company Guarantee: This ensures that where the preferred bidder is a subsidiary to a larger organisation (parent company) the parent company is obliged to deliver the project as set out in the contract for example failure to deliver to the agreed specification, programme and costs in the event of a breach of contract by the subsidiary and failure on the part of the subsidiary to rectify the breach.

Or

- Obtaining a Bond: This is an independent insurance policy which means that if the contractor goes bankrupt the Council can claim on this insurance to cover associated costs to the amount agreed in the bond. The cost of this bond would be met from within the total capital allocation for the project.

The terms of any contract under the National Framework have already been agreed through the Academy Programme financial close stage. This means the processes and procedures to be followed in the event that the contractor goes into receivership or is declared bankrupt and also the consequences of any such declaration have been agreed and approved by the Council's technical advisors.

5 Outline Business Case Summary

5.1 The Executive Summary for the Outline Business Case for Wainscott Primary School expansion is set out at appendix A (Exempt) attached to this report. Please note that the Outline Business Case documents (Exempt) in full are available in Members' rooms.

5.2 A high-level procurement programme is set out in section 4.5.7 of this report. Section 5.6 of this report also explains in more detail how senior officers in Medway and other stakeholders have so far been engaged within the delivery of this project.

5.3 Whole Life Costing/Budgets

5.3.1 Indicative Funding Allocation

The cost estimate has been prepared to demonstrate the affordability of the options contained in the OBC with reference to the EFA framework rates and benchmarking against recent school projects completed in Medway.

The design of the preferred option is based on a gross floor area of 2396m².

The total estimated project cost for options A to C ranges from £2,669,000 to £3,900,000 dependent on phasing and procurement route. This includes an allowance for the purchase of land to improve site access. The preferred option is estimated at £3,669,000.

This would need to be funded from:

- i) Developer contributions from Liberty Park
- ii) Basic Need Grant funding from DfE
- iii) Developer contributions from Lodge Hill to support the provision of temporary primary provision prior to new school contribution being triggered
- iv) Further developer contributions for education purposes in the Wainscott area.

The total estimated construction cost is consistent with the EFA indicative funding rate. An additional cost of £232,000 would be incurred if the EFA Framework procurement route were not followed through additional internal design fees. It is also likely that the construction costs will be higher through the traditional route based on benchmarking to date undertaken by building & design services and the Council's cost consultants.

5.3.2 Scope of Works

The preferred option in the OBC reflects the following provision:

New Build – 88% for option C

This scope applies only to both new stand-alone buildings and new build extensions to existing buildings.

Refurbishment and remodeling – 12% for option C

This scope involves a complete strip back of building to its frame, replacement of components and reconfiguration of internal spaces. Whereas for the non system buildings, this scope involves a partial strip back replacing of key components of the building fabric except the masonry external walls. It allows for alterations and reconfigurations of external and internal components of the building.

5.3.3 Further details in connection with the funding of the project are given in the Exempt Appendix, where a full cost model is given including 25 year life-cycle costs.

5.4 Risk Management

Risk	Probability (P) (score 1-4)	Impact (I) (score1-4)	Overall Score P x I	Action to avoid or mitigate risk
Failure to provide the appropriate number of school places in Wainscott leading to reputational issues for the Council	3	4	12	Expansion of Wainscott Primary School
No contingency allowance in the Design and Build Contract. (see notes on residual risk in section 5.4.1 below)	1	3	3	Technical Advisors have reviewed residual risk under the EFA design and build contract and informed Medway of the risk profile risk management techniques used on the Academy Programme can be applied to this project; cost planning to allow for appropriate costed risk elements in the budget
Asbestos management during refurbishment of existing buildings	2	3	6	A survey has been undertaken in 2011 to locate likely sources of asbestos and recommend appropriate remedial works. The survey is included in the OBC as one of the documents to be issued to the contractor
Delays to decision making process	2	2	4	Engage and consult with stakeholders and keep each informed via Cabinet Advisory Group, Procurement Board and Cabinet.
Planning issues	3	3	9	Engage and consult with planning officers and, if appropriate, present to committee members early in the process and throughout the process.
Abnormal costs – dealing with site constraints and characteristics	3	4	12	Make appropriate provision within the cost plan to cover possible abnormalities such as land purchase, underground utilities, ecology etc

Risk	Probability (P) (score 1-4)	Impact (I) (score1-4)	Overall Score P x I	Action to avoid or mitigate risk
Site access – land purchase required to enable safe access to the expanded school	1	4	4	Ask Cabinet to agree to the purchase of the land necessary to build the new school access road
Insolvency of contractor	1	4	4	Take mitigating action as set out in section 5.4.2 below to obtain a Parent Company Guarantee/Bond from the contractor. This is part of the standard conditions for the EFA contract
Delays due to poor weather conditions on site	2	3	6	Work closely with the contractor to ensure the programme can be adapted to deal with any unforeseen weather conditions
Insolvency of subcontractors leading to issues with sourcing materials and components	2	4	8	Using the EFA Framework Contractor, BAM, means that there is the buying power to respond to the insolvency of a subcontractor effectively. This has happened on the main Academy Programme and the contractor has managed to find alternatives and still finish on time and on budget.

5.5. Market Testing (Lessons Learnt/Bench Marking)

- 5.5.1 The project team has undertaken benchmarking and market testing supported by Selsby Consulting Limited. The purpose of the exercise was to look at all options for procurement and construction of the new accommodation at Wainscott. Details of the benchmarking results are included in the Outline Business Case.
- 5.5.2 Partnerships for Schools (now EFA) have re-negotiated the National Framework for the Design and Build Contractors in line with applicable EU procurement rules. This re-negotiation resulted in a reduction in framework construction rates for both new-build and refurbishment works of 15%. Due diligence is carried out by the EFA on all of the contractors prior to entry on to the Framework and this is continually monitored by EFA to identify any changes or potential changes in financial standing.

5.6 Stakeholders Consultation

- 5.6.1 The following key stakeholders have been consulted from the early commencement stages and have been consulted during the various meetings that have taken place as outlined below:

Children & Adults Capital Programme Cabinet Advisory Group

The Cabinet Advisory Group meets bi-monthly to consider proposals for delivery of capital projects by the directorate of children and adults. This Group considered a briefing paper on the Wainscott expansion project on 19th June 2012.

Attendees of this group are:

- Councillor Wicks (Portfolio Holder for Children's Services) – Chair
- Councillor Jarrett (Portfolio Holder for Finance)
- Councillor Brake (Portfolio Holder for Adult Services)
- Councillor Wildey (Portfolio Holder for Children's Social Care)
- Rose Collinson (Director of Children and Adults
- Mick Hayward (Chief Finance Officer)
- Perry Holmes (AD Legal & Corporate Services)
- Sally Morris (AD Commissioning & Strategy)
- Chris McKenzie (Head of School Organisation)

Project team

The project team will be in place until the building is handed over. The purpose of the project team is to act:

- As guardian of the Council and the school's vision for the education of pupils and the provision of pupil places;
- As the key group responsible for ensuring the design proposals are within the agreed funding envelope);
- As the main stakeholder body for consultation on all design matters;
- To input to the brief for the design of the new accommodation;
- To oversee the delivery of the project

The project team is managed by the school organisation team in children and adults directorate and has the following membership:

- Cathy Arnold, capital programme manager (project sponsor)
- Sarah Woods, capital project manager
- Paul Clarke, school organisation officer
- Liz Edwins, head teacher, Wainscott Primary School
- Peter Castleton, Chair of Governors, Wainscott Primary School
- Graham Halkyard, Selsby Consulting Limited

Other stakeholders consulted:

- Anthony Wallner, Building & Design Services
- Rob Banks, Building & Design Services
- Claudette Rose, Strategic Procurement
- Phil Watts, Finance
- Property Services team for land values
- Highways team for road safety data

6. PROCUREMENT

- 6.1 The project team has consulted with the procurement team to gain their views and input on the business case prior to presentation to Cabinet.
- 6.2 Should Members decide to proceed with the development of one of the business case options to Gateway 1, Procurement Board and then Cabinet will be presented with reports and recommendations for consideration as required by the Council's contract procedure rules.

7. FINANCIAL, PROCUREMENT AND LEGAL COMMENTS**7.1 Chief Finance Officer Comments:**

As indicated in the OBC, the Council has committed to establish additional pupil provision at Wainscott Primary School following the statutory consultation process. The project is to be funded from developer contributions and DfE Basic Need Grant, with the possibility to generate some capital receipts. Revenue costs will be met from within the schools own budgets.

Full details of the funding sources and life-cycle costings are included in the OBC in the Exempt Appendices.

At OBC stage, the Council is not committed to spending the funds described above. This commitment is not formalised until design options are presented to Cabinet for approval at Gateway 3 contract award.

7.2 Head of Procurement or designated deputy comments:

The use of the EFA framework will enable savings in respect of officer time and associated cost resultant from undertaking a full procurement exercise in relation to this contract value. Strategic Procurement has provided quality assurance from the onset of this procurement process and will continue to do so throughout project life-cycle including a comprehensive review of procurement documentation and evaluation process/criteria at Gateway 2.

7.3 Monitoring Officer or designated deputy comments

The anticipated contract value falls below the EU threshold for works and so formal advertisement in OJEU is not required. Other than the principles of fairness, transparency and equal treatment, there are no other requirements applicable in terms of the EU Procurement. In tendering the contract the Council must comply with its Contract Rules. Contract Rules allow the use of a Framework without further advertising, provided use of the framework has been approved. Use of the EFA framework (formerly known as the PfS Framework) was approved by Cabinet in February 2011. It will be necessary to ensure that the terms of the framework agreement are complied with if procuring through this route.

8. RECOMMENDATIONS

- 8.1 Cabinet is recommended to approve this Outline Business Case and to allow more detailed design work to be undertaken on Option C in a single phase, prior to proceeding with a tender exercise.
- 8.2 Subject to recommendation 8.1, Cabinet is recommended to approve the purchase of land to provide a new school access road as described in the Exempt Appendix section 4.
- 8.3 Cabinet is recommended to approve the use of DfE Basic Need Grant and developer contributions in the capital programme to fund the expansion of Wainscott Primary School.
- 8.4 Cabinet is recommended to approve the virement of funds from cost centre 9X478 to the Wainscott project cost centre 9X826 to support the development of detailed designs, as set out in the Exempt Appendix.

9. SUGGESTED REASONS FOR DECISION(S)

- 9.1 Option C in a single phase is the preferred choice of the project team and the school, as it provides the new accommodation in the most practical and least disruptive way whilst also providing best value for money.
- 9.2 The cost estimates indicate that the preferred scheme, which will deliver the identified accommodation requirements, should be affordable within the provisional budget envelope providing Cabinet support the allocation of DfE Basic Need Grant to this scheme to supplement developer contributions.
- 9.3 As explained in the body of this report the use of the Education Funding Agency (EFA) National Framework for the procurement of the Design and Build Contractor is the best option to allow delivery of the additional accommodation at Wainscott Primary School within the desired timeframes whilst ensuring value for money over the life-cycle of the buildings.
- 9.4 The virement of funding from within the Council's overall capital programme will support the development of detailed designs for the tender stage of the project and is affordable within the overall capital programme approved by Full Council on 23 February 2012.

Lead Officer Contact

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Appendices

Appendix A – Executive Summary of the Wainscott Expansion Outline Business Case (EXEMPT)

Appendix B – Full Outline Business Case with appendices (EXEMPT)

Background papers

Description of document	Location
Cabinet Report on Academies Procurement 15 th December 2009	W:drive Academies folders
Procurement Board update on Academies Programme 12 th May 2010	and
Procurement Board update on Academies Programme 29 th September 2010	Decisions area of Council website
Procurement Board update on Academy Programme 1 st December 2010	
Cabinet Briefing on Academy Programme 21 st December 2010	
Cabinet report on Strood Academy Gateway 3 and Future Schools Agreement 15 February 2011	
Cost planning and benchmarking data to support OBC development	
EFA National Framework Template Document, Outline Business Case	EFA website