

**BUILDING SCHOOLS FOR THE FUTURE – COUNTY SCHOOL (FENLAND LEARNING BASE) FINAL BUSINESS CASE**

**To:** Cabinet

**Date:** 12<sup>th</sup> June 2012

**From:** Executive Director: Children & Young People's Services

**Electoral division(s):** Chatteris, Forty Foot, March East, March North, March West, Roman Bank and Peckover, Waldersey, Whittlesey North, Whittlesey South, Wisbech North, Wisbech South

**Forward Plan ref:** **Key decision:** No

**Purpose:** To seek Cabinet endorsement for the Final Business Case for the County School (Fenland Learning Base)

To seek Cabinet approval to enter into contracts with the Local Education Partnership to build the County School (Fenland Learning Base)

**Recommendation:** Cabinet is recommended to:

- a) Confirm that the Building Schools for the Future (BSF) Contract Documents listed at Annex 1 of this report and any other related contracts, agreements and instruments required to give effect to the County School project (including, but not limited to, collateral warranties and direct agreements) may be entered into once (a) final and formal confirmation of BSF funding for the project has been received from the Education Funding Agency; and (b) any final outstanding issues have been addressed to the satisfaction of the Executive Director: Children & Young People's Services and Adult Social Care and the Section 151 Officer for Cambridgeshire County Council in consultation with the Cabinet Members for Learning and Resources;
- b) Note the summary of the Final Business Case at paragraph 2.2 and endorse the strategy for funding this project at paragraph 4.1 of this report.

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|-------------------------|--|-----------------------|--|
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## **1. BACKGROUND**

- 1.1 The County School (Fenland Learning Base) is the sixth and final project in the Fenland Building Schools for the Future (BSF) programme. Formerly the Fenland Junction Pupil Referral Unit, the Fenland Learning Base of the County School provides supported learning for Key Stage 4 students (13-16) who are unable to attend mainstream school for a variety of reasons including as a result of their behaviour or disengagement from learning.
- 1.2 The BSF programme provides £2.5m of capital funding to re-locate the Fenland Learning Base from its current, time-expired premises in March to a new purpose-built facility providing 35 places to serve the Fenland area of the county.
- 1.3 Planning permission for the new facility on a site at Coalwharf Road in Wisbech was secured on 26<sup>th</sup> April 2012.
- 1.4 This report summarises the Final Business Case (FBC) for the County School (Fenland Learning Base) and seeks Cabinet's consent to enter into contracts with the Local Education Partnership to build this scheme once confirmation of the funding has been received from the Education Funding Agency and outstanding commercial and contractual matters have been satisfactorily resolved.
- 1.5 Children & Young People's Overview and Scrutiny Committee reviewed the County School (Fenland Learning Base) project at their meeting on 16<sup>th</sup> May 2012. The committee was fully supportive of the project and the proposal to re-locate the unit to a new site in Wisbech which, the committee agreed, would represent a considerable improvement on the current provision.

## **2. FINAL BUSINESS CASE**

- 2.1 The Council is required to submit a Final Business Case (FBC) for this project to the Education Funding Agency. Approval of the FBC by the Education Funding Agency will provide final confirmation of the funding and the Council will then be in a position to enter into contracts with the Local Education Partnership to construct the facility.
- 2.2 The Final Business Case will be submitted to the Education Funding Agency later in June. Among other things, the Final Business Case confirms that:
  - the key objectives set out in the Outline Business Case (OBC) have been (or will be) delivered by the procured solution;
  - the project scope is not materially different from the Outline Business Case for the County School project;
  - a comprehensive and robust design development and new project approval process has been carried out to ensure the value-for-money of the project;
  - the scheme is considered to be affordable within the available funding;

- risk transfer within the Design & Build (D&B) contracts under which this scheme will be built is in line with the standard form BSF contracts and established market practice in which design and construction risk is borne principally by the contractor with the Council retaining risk in relation to certain title matters, planning judicial review risk and certain latent defect risks;
- the scheme, and its implications, are acceptable to the Council and the Management Committee of the County School;
- an appropriately experienced and resourced team is in place to manage this project through to completion; and
- arrangements for the provision of Information Communication Technology (ICT) and Facilities Management (FM) services for the Fenland Learning Base are being put in place which are appropriate to the circumstances of the County School which operates out of three centres across the county, two of which do not benefit from BSF investment.

2.3 The Final Business Case submission requires evidence that the Council's Cabinet is content to proceed to enter into contracts for the development of this project. The necessary recommendation is proposed at recommendation (a) above. The affordability and resourcing implications will be set out in detail in a letter from the Council's Accounting Officer ("S151 Officer") which will accompany the Final Business Case.

### **3. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING**

#### **3.1 Developing the local economy for the benefit of all**

The following bullet points set out details of implications identified by officers:

- The County School (Fenland Learning Base) will provide a new, high quality environment for the education and development of young people in Fenland outside of the mainstream secondary schools.

#### **3.2 Helping people live healthy and independent lives**

There are no significant implications for this priority.

#### **3.3 Supporting and protecting vulnerable people**

The following bullet points set out details of implications identified by officers:

- The new unit will provide significantly improved facilities for some of the more vulnerable learners in Fenland.

### 3.4 Ways of Working

The following bullet points set out implications identified by officers for ***working locally and investing in growth***:

- A Local Education Partnership joint venture company (Cambridgeshire Learning & Community Partnerships) has been established to deliver the BSF projects in Fenland. Building on the successful delivery of these projects to date, this vehicle has the potential to deliver other schools' and non-schools' capital projects in the future.

## 4. SIGNIFICANT IMPLICATIONS

### 4.1 Resource and Performance Implications

The following bullet points set out details of significant implications identified by officers:

- **Funding Strategy** – The strategy to meet the costs associated with the County School project is as follows:
  - *Build costs*. The project is a conventional Design and Build scheme funded by capital grant from the Department for Education;
  - *FM costs*. Day-to-day facilities management costs will be met by the school;
  - *Lifecycle costs*. It was noted in the Outline Business Case for the Fenland BSF projects that in order to meet the realistic lifecycle maintenance costs of these schools over time, additional capital contributions would be required from the Council to ensure that schools modernised through BSF are appropriately maintained thereafter. For the five design & build schools in Fenland, the capital contribution was estimated to be approximately £11.5m (nominal) over 25 years. The Council is committed to ensuring that schools modernised through BSF are appropriately maintained over the longer term. However, with increasing numbers of Academy schools, a new capital regime likely following the James Review and far less capital funding available generally, there is greater uncertainty and risk around the Council's ability to fund lifecycle costs at the BSF schools in the future;
  - *ICT costs*. ICT contract costs are met through a combination of capital grant from government and revenue contributions from schools. In the case of the County School, because of its small size and federal structure, the existing in-house provision is proposed to continue in place of the third party provided managed service which applies at the other BSF schools.

## 4.2 Statutory, Risk and Legal Implications

The following table sets out details of significant risks identified by officers:

| <b>Risk</b>   | <b>Status</b>  |
|---|--|
| Government funding for the project is withdrawn                     | Medium<br>Whilst this risk remains, it is reduced by the fact that Stage 0 approval and planning consent have now been secured         |
| The funding is not sufficient to meet the costs of the new facility | Low<br>The project is considered to be affordable on the information available to date   |
| The new facility is not ready by September 2013                     | Low<br>If the required approvals and contracts are in place by late July 2012 completing the build by August 2013 should be achievable |

## 4.3 Equality and Diversity Implications

There are no significant implications for this priority.

## 4.4 Engagement and Consultation

The local community in Wisbech has been consulted about development of the County School (Fenland Learning Base) on the Coalwharf Road site as part of the Town & County planning process.

| <b>Source Documents</b>  | <b>Location</b>  |
|--------------------------|--|
| Previous Cabinet reports | <a href="http://www.cambridgeshire.gov.uk/CMSWebsite/Apps/Committees/Committee.aspx?committeeID=11">http://www.cambridgeshire.gov.uk/CMSWebsite/Apps/Committees/Committee.aspx?committeeID=11</a><br>Room 114, Shire Hall, Cambridge |

## **Annex 1 – Building Schools for the Future Contract Documents**

The principal contract to be executed at Financial Close in respect of the County School (Fenland Learning Base) project to which the Council is a party is as follows.

| <b>Contract</b>                       | <b>Parties</b>   | <b>Description</b>   |
|---------------------------------------|--|--|
| Design & Build<br>Contract (Lump Sum) | (1) CAMBRIDGESHIRE COUNTY COUNCIL<br>(2) CAMBRIDGESHIRE LEARNING AND<br>COMMUNITY PARTNERSHIPS LIMITED | Contract with the Local Education Partnership<br>for the design and build the County School<br>(Fenland Learning Base) |