

CAPITAL INVESTMENT BUSINESS CASE

School Estate Expansion and Condition Works Programme



EXECUTIVE SUMMARY

The Executive Summary is a short summary of the Business Case and should be the last section you complete, this will enable you to extract or only the key facts from relevant sections i.e. 'project on a page'. The summary is a 'snapshot' of the business case which will need to tell the story and sell the proposal.

Key Notes.

There is an acute shortage of SEND places in the City and it's a statutory duty placed on PCC to provide these places.

We also have a school that has severe condition issues with one of its temporary Early Years Foundation Class Rooms that was life expired 15 to 20 years ago and is now totally unfit for purpose.

L A (code)	Establishment Number	Establishment Name	Type Of Establishment (name)	Establishment Type Group (name)	School Capacity	Census Date	Number Of Pupils	Number Of Boys	Number Of Girls	Administrative Ward (name)
879	2638	College Road Primary School	Early Years Foundation school	Local authority maintained schools	210	20-01-2022	206	94	112	Devonport
879	7063	Cann Bridge School	Community special school	Special schools	92	20-01-2022	93	70	23	Moor View
879	7069	Mill Ford School	Community special school	Special schools	108	20-01-2022	121	88	33	Honicknowle

College Road's Foundation unit is well beyond its designed life expectancy and is dilapidated to the extent that it now needs urgent replacement. The unit is badly affected by rot, mould and other age related issues. The unit is in constant use throughout the school year and the only effective means of replacing it quickly and effectively is by way of a Modular Unit. **Cann Bridge** has a number of pupils waiting for the school places that they have already been allocated to be made available to them. There is a small area of space on the site, in which two modular units (stacked) can be sited and this will increase the capacity of the school by 16 places. The Modular units at **Mill Ford** are intended to re-provide the classroom space no longer available at the adjacent **Ernesettle School** site. Due to various reasons there is no longer space available for **Mill Ford** pupils on the existing **Ernesettle** school site. Modular units are the only viable option due to the time scale and the ability to relocate the units in the future as required.

Due to the nature of the sites and urgent need for provision of school places the preferred solution is **Modular Units** that can be constructed off site, delivered to site and commissioned with minimal disruption, H&S and or Safeguarding issues.

The units, as indicated above, would potentially be required to expand the **SEND** estate and replace a life expired unit (**Condition Works**) in the main school estate.

The second element of this Business Case is the authorisation, to procure the units identified within the Business Case as a **Programme of Planned Works**.

There is currently a time pressure for delivering the Modular units and we need these in place for **Cann Bridge** no later than **January 2024** with the necessary planning approvals in place. We cannot obtain planning approvals until we have the Modular Contractor in place, as the units are all bespoke and will also require a manufacturing slot once orders are in place.

The units for **Mill Ford** and **College Road** need to be fully commissioned and installed during the summer holiday period 2023 and it may be possible to also try to align **Cann Bridge** with these units as package. Again, We cannot obtain planning approvals until we have the Modular Contractor in place, as the units are also bespoke and will also require a manufacturing slot once the necessary orders are in place.

Key Risks:-

The residual risks are :-

- Failure to be able to provide sufficient SEND places, if no actions are taken.
- Potential closure of a Early Years Foundation unit, if no actions are taken.
- Timing, the Cann Bridge places are required as soon as possible and the other proposed projects need to be delivered by **September 2023**.
- Failure to achieve the above would leave pupils without places or a safe learning environment.
- Time is required to develop the designs for the bespoke units, for them to be manufactured, planning approvals to be in place and the units installed on the various sites.
- We are still feeling the impacts of Covid on manufacturing along with cost inflation and uncertainties associated to the economy. Due to the markets there is cost uncertainty and **only** when orders are placed will the final outturn costs be fully confirmed.

SECTION I: PROJECT DETAIL

Project Value (indicate capital or revenue)	£2,500,000 funded from the HNP CA (High Needs Provision Capital Allocations SEND Grant) and Condition Funding	Contingency (show as £ and % of project value)	£257,917.40 (11.5%) (including anticipated design costs and surveys)
Programme	Modular Provider to provide various modular units to expand/replace current education provision.	Directorate	Place - ED
Portfolio Holder	Cllr Charlotte Carlyle	Service Director	Annie Gammon
Senior Responsible Officer (client)	Amanda Paddison	Project Manager	Ian Baker
Address and Post Code	Citywide	Ward	Citywide

Current Situation: (Provide a brief, concise paragraph outlining the current situation and explain the current business need, problem, opportunity or change of circumstances that needs to be resolved)

The Local Education Authority (LEA) has statutory duties, including **School place planning duties (S13-14 Education Act 1996)**: this encompasses securing sufficient school places and fair access to education. The LEA is also responsible for the provision of education for children with special educational needs (SEN) (**Part 3 Education Act 1996**).

The local authority also has a duty under (**S6,7,9 Childcare Act 2006**) to secure sufficient childcare places, so far as is reasonably practicable, for working parents or parents who are studying or training for employment, for children aged 0-14 (or up to 18 for disabled children).

The city experienced a population growth and an increase in live births (2010-2016) which led to both primary and secondary schools being expanded to provide the additional pupil places under Basic Need to accommodate these children. This overall population growth within the City has also impacted on the Special School Estate however this was not expanded.

The DfE suggest that LEAs maintain an 8% surplus of places to enable parental choice and to allow for 'in-year' pupil movement in mainstream schools. Surplus capacity is not available in the **SEND schools** within the city and the pupils are given placements based on their needs and the specific school identified on their EHCP (Education Health Care Plan).

The City currently has a slightly higher percentage of SEND pupils compared to the National figure. If a child cannot access the specified school, the parents utilise the tribunal route which generally forces the school to accommodate the pupil, this is regardless of the safe operating capacity and this leads to over occupancy in the special schools which becomes a significant risk to health, safety and safeguarding for both staff and pupils.

Additional pupils within special schools means a staff increase in line with the pupil numbers, which is also driven by individual pupils EHCP.

The number of pupils with an EHC plan has increased by 4.8% between 2020/21 and 2021/22, and by a total of 9.9% since 2015/16. The number of pupils with SEN support has increased by 1.0% between 2020/21 and 2021/22 and by a total of 12.8% since 2015/16. Between 2015/16 and 2021/22 the total pupil population increased by 2.5%.

Plymouth has incurred a growth in SEND pupils, which has impacted on all of our SEND provision being full and over capacity, with a register for further special school places currently required to meet the specific needs for each child. Currently there are circa 112 special needs pupils with an EHCP requiring a special school placement however the schools have not been expanded, this now must be addressed.

Please note: between 2015/16 and 2021/22 the total number of SEND pupils (EHCP and SEN Support combined) has risen by 759 pupils! (143 more EHCP pupils & 616 SENS pupils)

Source: <https://explore-education-statistics.service.gov.uk/data-tables/permalink/12d5c8e7-415f-4940-8139-08dae43019f8>

SEND Works

The national and local shortage of SEND school places is reflected across the City. Minimal additional capacity has been added to any Plymouth SEND provision to meet this increased demand. Plymouth is experiencing significant SEND school place pressure with a continued upward trend for SEND pupil numbers growth in the coming years. The factors that contribute to this are significant decreases in birth mortality due to successful medical interventions, inward migration and increased house sales and housing developments in the city. Plymouth has seven specialist SEND schools and places are always in high demand. The Placement Panel awards places to pupils who meet the criteria of access in each specific school. Appeal Tribunals for placements occur more frequently, whereby the Tribunal will still award a place which doesn't exist but the school and the LA is then legally bound to accommodate the pupil placement. This has led to the current situation whereby all of the SEND schools are full to overflowing, which then creates both safeguarding and health and safety issues.

It is proposed, in order to deal with the above issues, that a **Framework** is utilised to appoint a modular contractor in order to facilitate the provision of **Modular units, and any associated works**, to expand the overall **SEND Estate**. This is explained in further detail within the procurement section below.

PCC would oversee and monitor the design and delivery as the **Intelligent Client**., monitoring the Design, Quality and Cost during the lifetime of the project and overseeing the delivery of the project to the expected standard(s)

The schools for proposed SEND works are:-

Cann Bridge (two units) to increase capacity

Mill Ford (three units), to accommodate pupils displaced from Ernesettle with the units available for reallocation in the future.

The cost of not doing anything to increase the number of pupil places equates to approximately £100,000 per pupil per year

Condition works:

There is a severe issue with the **Early Years Foundation** unit at **College Road Primary School**. The Early Years Foundation unit is extremely old (around 40+ years), dilapidated and life expired, although the school have maintained the unit to the best of their ability. The school needs a new Early Years Foundation unit erected on a constrained site. The site limits what type of build can be achieved in the space available following the demolition/removal of the existing unit.

It is proposed that the project is carried out as part of a phased programme of works, making full use of the long school breaks to accomplish the works whilst minimising the disruption to the operation of the school with the units manufactured off site for speed of delivery and deployment of the units onsite.

It is proposed that the **Modular Contractor** that is appointed to deliver the **SEND** elements should also deliver this element and that this project forms part of the wider **Programme of works for Summer 2023 onwards**.

Proposal: *(Provide a brief, concise paragraph outlining your scheme and explain how the business proposal will address the current situation above or take advantage of the business opportunity) and (What would happen if we didn't proceed with this scheme?)*

The proposal addresses both the **SEND** and **Condition Work(s)** related elements.

SEND Element: To accommodate the increase in SEND pupils within the city it is proposed that SEND provision is expanded to accommodate the specific SEND needs where the most increase in numbers has been identified. Some of the Special School estate is unable to be expanded, due to being landlocked or site constrained. The proposed expansions would be by way of **modular units**, specifically designed to accommodate ease of access and egress for pupils who are non-ambulatory. This would be carried out as a phased programme of works.

The High Needs Capital allocation Grant currently has circa **£5.5m** with no other significant commitments currently.

Phase One would be to urgently provide 2 additional modular units within the grounds of the **Cann Bridge School** for the 2023/24 cohort of 16 additional pupils.

Phase Two would be placing three additional modular units within the grounds at **Mill Ford School** for the 2023/24 cohort of pupils together with those pupils being displaced from another local Academy school.

If the project doesn't proceed this will lead to health and safety and safeguarding issues due to the schools being over-capacity. Alternatively, if the project does not gain approval, it would lead to increased costs for the transportation of pupils to out of city special schools for which the city would have to pay for until the pupil left the school or reached the SEND leaving age of, potentially, 25 years old.

The Modular units would offer, cost effective, modern and high spec teaching and SEND facilities with the potential to also offer future-proofing sustainable features such as heat-recovery ventilation and PV panels.

Condition Element: The proposed new Early Years Foundation unit at **College Road** would be a modular unit, designed to accommodate Early Years Foundation pupil needs. This would be carried out as part of a wider phased programme of works at the school. Phase One would be to provide a new (replacement) modular unit within the grounds of **College Road School** for the 2023 Early Years Foundation pupils.

The Condition Budget currently has circa **£1.8m** with no other commitments until the Business Case for the Condition Programme of works is bought forward in the springtime.

Being modular, the bulk of the manufacturing would occur off site and therefore offer less disruption on an operational school site, when being constructed. The modular unit would be a fast and effective solution to an immediate issue which impacts the health and safety of the staff and pupils. If the project doesn't proceed this will lead to potential Health and Safety issues due to the SEND schools being over-capacity and the College Road Early Years Foundation unit being unfit for purpose.

The proposed programme of works would offer modern and high spec teaching facilities with the potential to also offer future-proofing sustainable features such as heat-recovery ventilation and PV panels.

The schools will all need to function with building works on site making modular the most suitable solution. The Project Team(s) would work closely with the Senior Management Team of the schools to ensure that all works and operations were managed and supervised accordingly. The day to day running of the school would not be adversely affected and the project team(s) would make full use of holiday periods to carry out the majority of the works required.

The approval of this **Business Case** will allow both the **Condition** and **SEND** works to be commissioned as a **Programme of Works** for the aforementioned projects, and potentially will allow the **LA** to draw off any additional units in the future.

The Modular contractor will have to work on a case by case scenario to achieve the bespoke design outcomes required. None of the units will be to the same specification and each fit-out will be specified by the LA, in consultation with the **Head Teacher(s)** of each of the schools, as part of the overall design process.

We are looking for a turnkey solution, together with sustainability and environmental options to assist the Council in meeting their goal to become carbon neutral.

A detailed specification has been prepared for the scope of the works required.

Milestones and Date:

Contract Award Date	Start On Site Date	Completion Date
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ASAP	ASAP	Initially Phased for September 2023/ January 2024 (programme)
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SECTION 2: PROJECT RISK, OUTCOMES AND BENEFITS

Risk Register: The Risk Register/Risk Log is a master document created during the early stages of a project. It includes information about each identified risk, level of risk, who owns it and what measures are in place to mitigate the risks (cut and paste more boxes if required).

Potential Risks Identified			Likelihood	Impact	Overall Rating
Risk	Failure to provide statutory places.		High	High	High
Mitigation	Appointment of Modular Contractor to provide modular units on a call-off basis as required.		Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	Up to £100,000 per pupil per annum		Annually per SEND pupil place (48) in number educated outside city for the duration of their placement.		

Outcomes and Benefits

List the outcomes and benefits expected from this project.

(An **outcome** is the result of the change derived from using the project's deliverables. This section should describe the anticipated outcome)

(A **benefit** is the measurable improvement resulting from an outcome that is perceived as an advantage. Benefits are the expected value to be delivered by the project, measurable whenever possible)

Financial outcomes and benefits:	Non-financial outcomes and benefits:
<p>Savings: no additional cost for a child to be transported to another LA's facility.</p> <p>Savings: no additional cost(s) for the pupil to be educated within a different LA</p> <p>These savings equate to approximately £100,000 per pupil per year</p>	<p>Pupils educated within the City.</p> <p>Pupils educated in a modern, high quality establishment that is fit for purpose and environmentally sound.</p> <p>Increases LA standing in public domain</p> <p>Increases SEND places available in city</p> <p>Removes dilapidated and life expired accommodation.</p> <p>Less disruptive and stressful for the child.</p>

Low Carbon

What is the anticipated impact of the proposal on carbon emissions	As the units are new modular units, there is a reduced construction period, reduced travel/transport distance and reduced duration of build programme compared to a traditional build. Utilises modern build technology. Compliant with all Building Regulations. New units for Mill Ford Special School would be re-used following the approval of the building programme. It is an environmentally friendly solution.
How does it contribute to the Council becoming Carbon neutral by 2030	Reduces pupil travel to outside city locations. Reduces build time and construction crew travel time and distances. If sustainability and environmental elements are added to units this promotes further carbon savings and works towards carbon neutrality.
Have you engaged with Procurement Service?	Yes
Procurement route options considered for goods, services or works	<p>In line with the Council's Contract Standing Orders (CSO) Key Thresholds Table 1 – Quotation and Tendering, the following procurement route options are available:</p> <p><u>Below GPA Threshold procurement process</u></p>

An 'Invitation to Tender' (ITT) process is followed with or without advertisement. With a non-advertised ITT process, you have to invite a minimum of 3 suppliers to submit a formal quotation, with 2 from PL postcodes where possible. This is a one-stage process which comprises suitability assessment criteria and contract award criteria. The contract will be awarded to the most economically advantageous tender (MEAT). With this option, the suppliers invited to quote will be selected by the Council. The Council can select any supplier it thinks is capable of completing the works including local suppliers within the PL postcode. Formal advertisement of opportunity is optional for a procurement below the procurement regulations threshold value.

Above GPA Threshold procurement process

For all procurements valued above GPA threshold, a tender and contract award procedure must be conducted in accordance with The Public Contract Regulations 2015.

Open or Restricted

An Above GPA Threshold procurement involves a UK wide competitive process to source a contractor in line with the Public Contract Regulations 2015. For procurements subject to GPA thresholds, a contract notice or prior information notice will be published in the Find A Tender Service to invite tenders or expressions of interest. The regulations set out certain rules, such as the need to advertise and adhering to certain timescales. The following procedures are available in line with the regulations:

Open Procedure

- One stage procedure
- Opportunity will be openly advertised
- Any interested party can express an interest and submit a tender
- Suitability and award will be evaluated at the same time

Restricted Procedure

- Two stage procedure
- Opportunity will be openly advertised
- Any interested party can express an interest and submit a PQQ
- Stage 1 is a pre-selection stage and is used to assess the suitability of suppliers. This enables a detailed selection assessment. You can choose to limit the amount of suppliers that can be taken through to the second stage. Only those suppliers selected may be invited to Stage 2.
- Stage 2 is the tender stage and is used to determine a successful supplier to whom a contract will be award

Utilising Framework

There is the option to use Predetermined Framework Agreements. Options via a framework may include direct award or mini competition. These frameworks will have already been through an

	<p>EU wide competitive process and procured in accordance with Public Contract Regulations. Suppliers on the frameworks will be pre-qualified as they have already been through a vetting process, therefore no suitability assessment will be required to be undertaken. Frameworks offer a streamlined and efficient alternative to a traditional Open or Restricted procurement. Use of a framework would reduce procurement costs and timescales.</p>
Procurements Recommended route.	<p>Due to the nature of the sites and urgent need for provision of school places, the recommended route is to utilise a predetermined framework specifically for purchase of modular education buildings.</p> <p>Predetermined frameworks will have previously been through a fully compliant procurement process, subject to Procurement Contract Regulations 2015, and ensures that they offer value for money and satisfy the necessary requirements to procure the units.</p> <p>The preference will be a 'direct award – without further competition' option via a framework where a call off is made with a particular supplier, directly on the terms set out in the framework agreement, which can be easily defined and priced. This option is preferred because of the extremely challenging projects timescales and the need to get a contractor engaged as soon as possible. Initially, the frameworks will need to be reviewed to understand whether the direct award option is available; whether it can meet all of the requirements of the project; whether it is compliant with Public Contract Regulations and will be best value for money for the Council.</p> <p>Alternatively, the second preference will be to undertake a 'mini-competition' between the providers, which are party to the framework agreement, which will involve evaluating certain criteria. This will allow users to outline their own specific requirements. This will add on time to the procurement process, compared to a direct award, but will still be much quicker than an Above Threshold procurement process.</p> <p>Due to the complexity and bespoke nature of the project, it may be that a 'direct award' process is not suitable or permitted.</p> <p>The modular units required will need to be of bespoke nature. Additionally, other associated services will be required such as demolition of an existing unit and groundworks. A turnkey approach is preferred which is a complete end-to-end solution starting from initial consultation to delivery and installation. If a turnkey solution is not offered via a framework, then this will cause delay to the project and separate procurements may have to be undertaken to source individual requirements (e.g demolition or surveys). Further framework and market analysis needs to be undertaken to determine whether it is possible to contract with one supplier to undertake the entire project. We will look to streamline procurement activity where requirements can be combined.</p> <p>Following business case approval, a subsequent options appraisal will be undertaken to review the frameworks available to procure</p>

	<p>the modular buildings. The following frameworks that may be considered, but are not limited to, include South West Procurement Alliance (SWPA) Modular Buildings Framework, ESPO Modular Buildings Framework, and NHS Modular Buildings Framework.</p> <p>The recommendation will be that a subsequent procurement route options analysis will be undertaken between the department and procurement to determine the frameworks which will represent best value for the Council. Formal sign off will be sought for the recommended route, which will be in accordance with Contract Standing Orders and Public Contract Regulations 2015.</p>	
Who is your Procurement Lead?	Simone Newark	
Is this business case a purchase of a commercial property	No	
If yes then provide evidence to show that it is not 'primarily for yield'	N/A	
Which Members have you engaged with and how have they been consulted (including the Leader, Portfolio Holders and Ward Members)	Service Director for Education, Head of Services for EPS and Head of SEND has consulted with Portfolio Holder for Education	

SECTION 4: FINANCIAL ASSESSMENT

FINANCIAL ASSESSMENT: *In this section the robustness of the proposals should be set out in financial terms. The Project Manager will need to work closely with the capital and revenue finance teams to ensure that these sections demonstrate the affordability of the proposals to the Council as a whole. Exact amounts only throughout the paper - not to be rounded.*

CAPITAL COSTS AND FINANCING

Breakdown of project costs including fees surveys and contingency	Prev. Yr.	22/23	23/24	24/25	25/26	26/27	Future Yrs.	Total
£	£	£	£	£	£	£	£	£
Capital (High Needs Provision Capital Allocation SEND Grant.)		718,920.00	1,523,840.00					2,242,760.00
Contingency including design, survey and fees		10,316.70	247,600.70					257,917.40
Total capital spend (High Needs Provision Capital Allocation SEND Grant.)		729,236.70	1,771,440.70					2,500,677.40

Provide details of proposed funding: Funding to match with Project Value

Breakdown of proposed funding	Prev. Yr. £	22/23 £	23/24 £	24/25 £	25/26 £	26/27 £	Future Yrs. £	Total £
High Needs Provision Capital Allocation SEND Grant.		729,236.70	1,346,670.30					2,075,907.00
Condition Funding			424,770.40					424,770.40
Total funding		729,236.70	1,771,440.70					2,500,677.40

Which external funding sources have been explored	None as using allocated funding from SEND HNPCHA (High Needs Provision Capital Allocation SEND Grant.) and School Condition Funding Budget to carry out the works.
Are there any bidding constraints and/or any restrictions or conditions attached to your funding	The funding is being allocated to cover the costs of providing additional classroom space for SEN pupils in the Special School Estate whilst the condition funding is being used to replace the life expired temporary Early Years Foundation unit at College Road Primary. No other restrictions apply to these funding streams.
Tax and VAT implications	<p><u>VAT Implications</u></p> <p>The project relates to the provision of education facilities which is a statutory function of the Council and a 'non-business' activity in terms of VAT. VAT incurred in connection with the development of new classrooms and facilities will be fully recoverable, therefore, provided that the Council lets the contract, receives valid VAT invoices from the contractor which are paid using funds awarded / belonging to the Council. There will be no adverse impact on the Council's partial exemption position.</p>
Tax and VAT reviewed by	Sarah Scott

REVENUE COSTS AND IMPLICATIONS

Cost of Developing the Capital Project (To be incurred at risk to Service area)

Total Cost of developing the project	N/A
Revenue cost code for the development costs	N/A
Revenue costs incurred for developing the project are to be included in the capital total, some of the expenditure could be capitalised if it meets the criteria	N/A
Budget Managers Name	Amanda Paddison

Ongoing Revenue Implications for Service Area

	Prev. Yr. £	22/23 £	23/24 £	24/25 £	25/26 £	26/27 £	Future Yrs. £
Service area revenue cost							
Other (eg: maintenance, utilities, etc)		0	0	0	0	0	0
Loan repayment (terms agreed with Treasury Management)		0	0	0	0	0	0
Total Revenue Cost (A)		0	0	0	0	0	0
Service area revenue benefits/savings							
Annual revenue income (eg: rents, etc)		0	0	0	0	0	0
Total Revenue Income (B)		0	0	0	0	0	0
Service area net (benefit) cost (B-A)		0	0	0	0	0	0
Has the revenue cost been budgeted for or would this make a revenue pressure	N/A						
Which cost centre would the revenue pressure be shown		Has this been reviewed by the budget manager				Y/N	
Name of budget manager		Amanda Paddison					
Loan value	£	Interest Rate	%	Term Years		Annual Repayment	£
Revenue code for annual repayments		N/A					
Service area or corporate borrowing		N/A					
Revenue implications reviewed by							

Version Control: (The version control table must be updated and signed off each time a change is made to the document to provide an audit trail for the revision and update of draft and final versions)

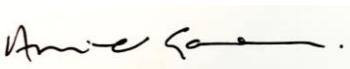
Author of Business Case	Date	Document Version	Reviewed By	Date
	00/00/2022	v 1.0		00/00/2022
	00/00/2022	v 2.0		00/00/2022

SECTION 6: RECOMMENDATION AND ENDORSEMENT

Recommended Decision

It is recommended that the Leader of the Council:

- Approves the Business Case
- Allocates £2,500,677.40 for the project into the Capital Programme funded by
- (High Needs Provision Capital Allocation SEND Grant.) Budget and Schools Condition Funding Budget
- Authorises the proposed procurement process

<ul style="list-style-type: none">To authorise Service Director for Education, Participation & Skills to approve businesses cases and award contracts relating to this project where they would otherwise not have authority to do so	
Councillor Bingley (Leader)	
Either email dated:	<i>Date: 21/03/23</i>
Or signed:	
Date:	
Service Director	
Either email dated:	<i>date</i>
Signed:	
	
Annie Gammon, Interim Service Director, Education, Participation and Skills	
Date: 21/03/2023	
Service Director	
<i>[Name, department]</i>	
Either email dated:	<i>date</i>
Signed:	
Date:	