

Annex 1: Strategic outline programme (SOP) revision template

Request for change

Key facts

Local Authority.....Newport City Council....
Requested amount of Increase / Decrease to Envelope.....Nil.....
Has this been signed off by the CabinetYes (24 April 2020).....

Please provide a summary of the proposed change.

Maximum 1000 Words (Any words above 1000 will be discounted)

Newport City Council is proposing a change to the funding allocations previously set out for our Band B programme to focus £6m additional resources to deliver greater impact through the Bassaleg School project. In addition we propose a revised scope at Caerleon Comprehensive School, where resources will be focused on providing replacement of poor quality facilities for the current school capacity, and no longer pursue a capacity increase of 300 places as initially outlined.

The proposal will result in three projects which have not yet started being removed from the programme:

- 1) Expansion of Rogerstone Primary School (£3.5m)
- 2) Refurbishment of St. Woolos Primary School (£0.5m)
- 3) Remodelling/extension of Malpas Church in Wales Primary School (£2m)

Newport City Council is not proposing to pursue the expansion of Rogerstone Primary School at this time. Pupil forecasts produced in 2018, 2019 and 2020 indicate declining demand in this area, meaning an overall sufficiency of primary places exists.

The Band B project at St. Woolos Primary School was a refurbishment project with a very limited budget. The listed status of the school building will represent a considerable constraint on the project which, combined with the modest budget available suggest deliverable benefits under the project will be limited. There is therefore a question over the viability of the business case for this Band B project and this project will no longer be included in the programme. However, the school is set to benefit from Infant Class Size grant funding which is expected to deliver a significant proportion of the benefits originally anticipated from the Band B project.

The council does not propose to pursue the Malpas Church in Wales project at this time. The key driver for this project is the lower programme priority - suitability of the classrooms for modern curriculum delivery. The scope of this project has not been explored in any detail and it is expected that far greater benefits can be delivered if the funding for this project is directed to a higher priority project, focussing on building condition and sufficiency of places, as set out below.

What is the reason for this change?

Maximum 1000 Words (Any words above 1000 will be discounted)

Why is this change necessary?

The Bassaleg School project is included in the NCC Band B programme as a priority project intended to ensure sufficiency of places and address building condition issues. Initially, the outline scope for the project was the provision of 300 additional pupil places and the replacement of a number of deteriorating and disparately located demountable classrooms, with a new teaching block. The focus of the project remains unchanged but, during scoping meetings and through site visits, it has been established that a far greater proportion of the school's building stock than initially thought, is in critically poor condition.

The initial budget allocation for this project, at £18.5m, is insufficient to deliver the required additional pupil places **and** replace the large amount of poor quality accommodation on site, presenting a conflict between compliance with the statutory duty to provide a sufficiency of school places and the need to provide safe and suitable learning environments. This has been discussed on site with members of the Welsh Government 21st Century Schools team who clearly expressed the view that the project represented a 'once in a lifetime' opportunity to achieve maximum impact. It was also indicated that a business case for the delivery of a restricted project scope which yields limited benefits would not be considered so favourably as a more ambitious project. With this in mind, consideration has been given to taking the opportunity to increase the project scope to deliver a larger new build teaching block within the Bassaleg project which will enable the replacement of an additional 3 storey teaching block, approximately 2,100m² of 1960's era condition D category building, known as Griffin. It is noted that this building requires backlog maintenance work in excess of £1m and will need to be replaced within 5-8 years. Including the replacement of this facility within this project will be more economically advantageous than returning to site in a few years to build another teaching block under a separate project. Although there is additional S106 funding of around £3.1m available to support this project, it is understood that this will still not be sufficient to meet the identified need at Bassaleg School.

Alongside the additional business need identified at Bassaleg School, it has become apparent that three of our lower-priority Band B projects listed above are affected by changed circumstances and no longer represent strategic fit, or are unlikely to deliver significant benefits or offer value for money investment. For these reasons we consider that the projects could be at risk, even if they were to remain in the programme. It is therefore considered appropriate that the resources previously identified for these projects be diverted to projects where significant benefits can be delivered.

The proposed expansion of Caerleon Comprehensive School was intended to deliver additional secondary school places in response to pupil forecasts showing increased demand at that school. However, subsequent scrutiny of the school population and of forecasts has shown that the unmet demand is principally originating from outside of the school catchment area. Additionally, the Caerleon area has been declared an Air Quality Management Area due to localised high levels of pollution. As such, considerable

challenges would be anticipated during the planning and statutory consultation processes, should we propose a capacity increase at this school. As a result of these considerations it is our intention to maintain the previously identified level of investment for the project, but to focus solely on improving the quality of accommodation provided on site.

What options have you explored?

Maximum 1500 words (Any words above 1500 will be discounted)

The Question of demand and ability to expand capacity at Caerleon has been considered at termly Planning of School Places (POSP) meetings and quarterly programme meetings with planning, highways and ecology colleagues. The proposed scope reduction at Caerleon is widely supported by officers within the council and is seen as the right decision in light of air quality concerns.

The Bassaleg School issue was initially raised by the school in a scoping workshop on 28th September 2018. At this time it was noted that the budget would not stretch to this scope, but that the project would be planned in order to support a phased approach, enabling the Griffin Block to be replaced at a later date. The condition of the Griffin Block and the opportunity to include it in the band B project was discussed at a meeting with Kathryn Massey and Rachel DeBenedictis at Bassaleg School 16th October 2019. The possibility of allocating more resources to achieve greater impact and deliver more benefits was considered at Newport City Council’s People Services Capital Programme Board on 13th November 2019. Possible scope and high level costs were discussed at a meeting with Newport Norse (Project Manager and Cost Consultant) on 21st November 2019 and the ‘do more’ project was included as a preferred shortlisted option in the Strategic Outline Case, approved in February 2020. Preparation of the internal business case and decision paper to submit a programme revision request was approved at Capital Programme Board on 15th January 2020 (Chief Education Officer, Assistant Head of Finance, 21CS Programme manager). The decision to support the programme revision and the associated re-profiling of funds was taken through a Cabinet Report and was agreed by Newport City Council’s Cabinet Member for Education and Skills on 24th April 2020 under delegated powers due to the Covid-19 outbreak.

SWOT Analysis:

Option A – Continue as per approved SOP.

Strengths	Weaknesses
Projects approved in principle All schools in the programme to benefit	Benefit delivery at Bassaleg restricted. Large D condition building to remain on site at Bassaleg.

	Cost of completing works in two phases at Bassaleg will be higher. Budget will limit benefit delivery at Caerleon Comprehensive.
<p>Opportunities</p> <p>Works to replace other buildings at Bassaleg could be completed under future programme phases (Band C)</p>	<p>Threats</p> <p>Business cases for other primary school projects may not be approved and therefore not proceed. Benefit delivery at St. Woolos will be limited due to budget constraints. Bassaleg building may have to be taken out of use before funding is available to replace it. Future programme funds may not be available for Bassaleg site due to other pressures. Expansion at Caerleon Comprehensive is unlikely to be supported by planning authority. Expansion at Caerleon Comprehensive is likely to be challenged during statutory consultation.</p>

Option B – Revise SOP to remove 3 minor projects and focus resources on benefit delivery at Bassaleg School; alter scope to only replacement facilities at Caerleon Comprehensive School.

<p>Strengths</p> <p>Will enable significantly greater benefits delivery at Bassaleg. More cost effective solution in the long term. Focuses programme resources more appropriately on impact and benefit realisation. Addresses a liability issue now that will only become greater the longer it is left.</p>	<p>Weaknesses</p> <p>3 projects removed from programme.</p>
<p>Opportunities</p> <p>Demolition of additional D category teaching block makes space available for alternative use.</p>	<p>Threats</p> <p>Budget constraints may require some scope reduction once actual market costs are received.</p>

Conclusion:

Although option A represents the implementation of an approved programme, changes in the information available and further consideration of project-level opportunities to achieve impact since the outline programme was approved highlight significant risks:

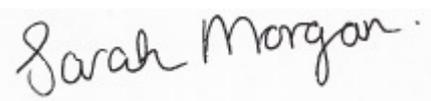
- Bassaleg School project will not deliver adequate replacement of critically poor facilities
- Business need to support expansion of Rogerstone Primary School can no longer be evidenced
- Malpas CIW school project offers less strategic fit (third priority) – impact with available funding will be limited
- Budget and listed building constraints will limit benefit delivery and impact achievable at St. Woolos Primary School
- £6m investment at risk of not being implemented and/or achieving minimal impact.
- Evidence of business need supporting expansion of Caerleon unclear
- Deliverability of expansion at Caerleon is questionable

On balance it is believed that the programme risks noted above will be best managed, and the programme better deliver its stated benefits and achieve far greater impact, if resources from the 3 identified primary school projects are allocated to the bigger secondary school project at Bassaleg, as outlined at option B. Cost estimates produced indicate that replacement of the Griffin building, in addition to the initial project scope, will be achievable within a project envelope of £28m.

How will this affect your ability to match fund?

Maximum 1000 Words (Any words above 1000 will be discounted)

The proposal has no impact on the Band B funding envelope which remains at £70m. As such our match-funding arrangements are unaffected. There is however an impact on the proposed spend profile which is outlined in the revised funding matrix dated XXX

Signed..... 

Printed.....Sarah Morgan.....

Position in the organisation.....Chief Education Officer.....

Date.....02 October 2020.....

PLEASE ENSURE A REVISED FINANCIAL MATRIX IS SUBMITTED WITH THIS FORM TO REFLECT THE PROPOSED CHANGES