



Better Schools, Brighter Prospects
Ysgolion Gwell, Rhagolygon Gwell

strategic school improvement programme

rhaglen strategol gwella ysgolion

New 3-16, 21st Century School for Learning Communities of Aberafan, Baglan, Briton Ferry, Port Talbot and Sandfields

Final Business Case (FBC)

Submitted by Neath Port Talbot County Borough Council

Presented by: Andrew Thomas

Richard Gordon

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1.0 Executive Summary

1.1 Introduction

This Final Business Case (FBC) seeks approval to invest £40.711m (excluding VAT, optimism bias or risk) over 3 years, to establish a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.

In order to take this specific project from Outline Business Case (OBC) to Final Business Case (FBC), members of the Council's Strategic School Improvement Programme (SSIP) team have reviewed the Strategic Case for a new 21st Century 3-16 English Medium School for 1,500 pupils on Council owned playing fields at Western Avenue in the Baglan Bay area of Neath Port Talbot, following the closure of three Secondary schools (Cwrt Sart, Glanafan and Sandfields) and a Primary school (Traethmelyn). The new school has a working title of 'Ysgol Newydd (Bae Baglan)'.

1.2 Strategic Case

1.2.1 Strategic Outline Programme

Neath Port Talbot's Initial Strategic Outline Programme (SOP) was submitted to Welsh Government (WG) on 10th December 2010 and structured in accordance with the published guidance at that time.

In July 2011 as a result of the Comprehensive Spending Review, WG invited all local authorities to resubmit a Revised Strategic Outline Programme for their Band A 21st Century Schools proposals on an affordability basis given confirmation that local authorities would now have to match any capital funding by WG at an intervention rate of 50% of programme value.

Furthermore, the prioritisation of projects would be considered against a revised set of criteria over an extended funding timeframe (2014 - 2020). These are focused on tackling estate efficiencies, surplus places and building condition with funding being made only available to support new build and/or remodelling and reconstruction type projects clearly linked to transformational school improvement.

Refurbishment projects promoting a 'patch and mend' approach, would not receive capital support from the 21st Century Schools Programme at this stage.

Neath Port Talbot's **Initial Strategic Outline Programme** Band A (2012 – 2014) submission comprised of the following 6 projects:



- A new build 21st Century 3-16 (all through) school on a new site to replace Glanafan, Cwrt Sart and Sandfields Comprehensive schools and Traethmelyn Primary schools which would subsequently close;
- A new build 21st Century 3-11 school on the existing Glanymor Primary school site, to replace Glanymor and Tirmorfa Primary schools which will subsequently close;
- A new Welsh-medium 11-16 Secondary school on the site of the vacated Sandfields Comprehensive school and federate with a reconfigured 11-18 YG Ystalyfera. Both schools require refurbishment;
- A new build 21st Century 3-16 (all through) faith school on the existing St Joseph's Comprehensive school site, to replace St Joseph's Infant, Junior and Comprehensive schools which will subsequently close;
- The roll out of the NPT ICT Learning Gateway; and
- A new build 21st Century 3-11 school (Phase 1) in the Coed Darcy urban village development.

The total Initial Strategic Outline Programme Band A investment cost envelope amounted to £92M.

Future investment requirements were identified as:

- Band B - 7 projects with capital costs of £88M, reducing surplus places by 1,431, and generate savings of £42.5M backlog maintenance;
- Band C - 4 projects with capital costs of £79M, reducing surplus places by 504, and generate savings of £11.8M backlog maintenance;
- Band D - 2 projects, capital costs of £30M, and generating savings of £24M backlog maintenance.

Neath Port Talbot's **Revised Strategic Outline Programme** Band A (2014 – 2020) comprised of the following 7 projects and was submitted to Welsh Government on 18th November 2011:

- Establish a new, 21st Century, 3-16, 'all through' English medium school in a new build on a new site in the Baglan area of Port Talbot;
- Establish a new, 21st Century, 3-11, English medium school in a new build on an existing site in the Sandfields area of Port Talbot;
- Establish a new, 21st Century, 3 – 18, 'all through' Welsh-medium school in a new build/part reconstruction on an existing site in Ystalyfera in the North of the County Borough;
- Replace an existing 11-18, Faith secondary school in the Aberafan area of Port Talbot with an 11 – 16, 21st Century school, in a new build on the existing site;



- Establish a new, 21st Century, 3-11, English medium school in a new build on an existing site in the Briton Ferry area;
- Establish a 11 – 16, Welsh-medium secondary school – South Campus;
- Establish a new, 21st Century, 3-11, primary school in a new build at Coed Darcy, Neath.

The total Revised Strategic Outline Programme Band A investment cost envelope amounted to £93M.

The Council's Revised Strategic Outline Programme Band A proposals comprise projects that are strategically linked and interdependent which will deliver the following benefits:

- Deliver 21st Century schools
- Use resources efficiently and effectively
- Provide the right schools in the right places
- Reduce surplus capacity
- Promote Welsh-medium education
- Promote diversity and equality

Additionally, the proposals will contribute positively to realising the challenges of the 'One Wales' agenda as well as other key national, international and local strategies and policies, including:

Internationally:

- United Nations Convention on the Rights of the Child

Nationally:

- The Learning Country: Vision into Action 2008
- Skills framework for 3-19 year olds in Wales 2008
- One Wales: One planet, a new sustainable development scheme for Wales May 2009 or ant successor strategy
- Learner Travel Operational Guidance - April 2009
- A Curriculum for all Learners 2010
- Measuring the capacity of schools in Wales – Circular 021/2011
- Welsh-medium Education Strategy
- Improving Schools National Implementation Plan 2012-2015



- A Living Language: A language for Living: Welsh Language Strategy 2012-2017
- Building a Brighter Future: Early Years and Childcare Plan 2013
- School Standards and Organisation (Wales) Act 2013
- School Organisation Code 2013
- School Organisation: Consultation with Children and Young People – Guidance Document 2013

Locally:

- Single Integrated Plan 2013-2023
- Local Development Plan
- Forward Financial Plan 2014-18
- Corporate Improvement Plan “Rising to the Challenge” 2013-16
- Property Asset Management Plan 2011-2016
- Inclusion Strategy 2011 – 2014
- Welsh in Education Strategic Plan (to be made under part 4 of the 2013 Act)
- Strategic Performance Improvement Plan – “Becoming Excellent” 2013-2016

The strategic and transformational projects outlined within the Revised Band A SOP, demonstrates the vision of the authority to address prominent issues, significantly raise the standards of schools for learners and link strategically with regeneration initiatives.

Analysis of data captured through the Council’s 2010 Condition and Accessibility Survey Review and Welsh Government’s School Estate Survey concluded that there was a backlog of maintenance across the school estate amounting to £111M, of which £6M related specifically to making schools accessible and compliant with Equality legislation.

Overall, it emerged that Neath Port Talbot County Borough Council had a greater percentage of the poorest school buildings both regionally and nationally with 20% of its Primary schools and 57% of its Secondary schools receiving the lowest banding for Total Weighted Scores.

The cost of maintaining significant surplus capacity and falling school rolls, together with old and deteriorating building stock, and high 'per pupil' costs constrains the Council's ability to invest in teaching and learning. Further, this does not represent an efficient use of public money.

As at January 2012, NPT Primary schools were the third highest in Wales for unfilled places and the third highest in Wales for significant surplus capacity, whilst NPT Secondary schools



are the third highest in Wales for unfilled places and the fourth highest in Wales for significant surplus capacity.

Proposed projects across funding Bands A to D address these issues. The proposals also encourage collaboration and innovation (locally and regionally) whilst engaging with key stakeholders and maximising opportunities within the local community.

The Revised Band A SOP links increased Welsh-medium provision in the South of the County to other strategic initiatives within Band A.

Backlog maintenance and accessibility costs within the overall school estate at April 2012, following the implementation of 3 Primary school closures and the decommissioning of a Secondary PRU remain in the region of £108M.

A summary of the building condition gradings show that there are only 4 schools with an 'A' grade, 34 with 'B', 39 with 'C' and 5 with 'D'.

This clearly illustrates that NPT has an ageing and deteriorating school building stock.

The projects identified within the Revised Band A SOP address the issue of school condition by prioritising (wherever possible) schools that have significant backlog maintenance issues and are assessed as being 'poor' (Grade C) or 'life expired' (Grade D).

There are 6486 (September 2011 capacities & January 2012 pupil numbers) unfilled places within NPT primary and secondary schools.

The Council has a duty to secure efficient educational provision, promote high standards and the fulfilment of every child's potential and through its Strategic School Improvement Programme intends to continue to drive forward an approach to school improvement based on a strategic programme for change underpinned by a clear set of principles that help to maintain a clear focus on:

- Standards in Education
- The need for places and the accessibility of schools
- The quality and suitability of school accommodation
- Effective financial management

The direct impact of the proposed schemes (within Band A), is as follows:

- Surplus places will be addressed, with over 1,327 being reduced as a result of the initial (Band A) proposals.
- Statutory consultation will be required in all schemes in Band A.
- Transformational "all-through" education (3-16) is integral to 2 schemes in Band A.



- The demand for increased Welsh Medium Education (WME) will be met in the South of the County, while delivering enhanced provision in the County's Welsh speaking heartland (Ystalyfera).
- Inter-authority discussions will be on-going where collaboration is appropriate and opportune.

This FBC seeks to establish a new 21st Century 3-16 English Medium School for 1,500 pupils on Council owned playing fields at Western Avenue in the Baglan Bay area of Neath Port Talbot ('Ysgol Newydd (Bae Baglan)'). Addressing the major issues of significant surplus capacity, falling school rolls and high backlog maintenance costs associated with ageing and deteriorating school buildings that do not meet relevant legislative and recommended standards.

For the purposes of this FBC we have reviewed information contained within the aforementioned Revised Band A SOP and can confirm that there have been no changes that affect the strategic case.

1.2.2 The Strategic Context

NPT delivers its educational provision through 66 primary schools, 11 secondary schools, 3 special schools and 2 pupil referral units (based in a Primary & Special school setting).

Although the Council has invested significantly in the school estate since its inception in 1996 (£120M+), there remains a significant challenge, even after implementing current school re-organisation proposals contained within the NPT Strategic School Improvement Programme (SSIP).

The principles of the SSIP underpin the educational needs of children and young people delivered in an efficient and cost effective manner. These principles are:

- Standards in education;
- The need for places and the accessibility of schools;
- The quality and suitability of school accommodation; and,
- Effective financial management.

1.2.3 The Case for Change

Through SSIP, the Council has approved an approach to school improvement based on a strategic programme for change underpinned by a clear set of principles.

In March 2009, the Council prioritised areas requiring priority actions on the basis of:

- Underperforming schools causing significant concern;
- Schools with significant building maintenance issues;



- Additional Learning Needs efficiency savings;
- Pupils with high risk behaviours;
- Opportunities to implement change;
- Welsh-medium provision; and
- Temporary classrooms

1.2.4 Investment Objectives

The investment objectives for this project are as follows:

- To provide a stimulating teaching and learning environment in state of the art, 21st Century facilities that will impact positively on the self-esteem and well-being of all pupils.
- To improve the learning outcomes for all pupils across the ability range.
- To reduce the number of surplus pupil places in Neath Port Talbot schools.
- To achieve efficiencies (economic and environmental) through economies of scale and single management arrangements.
- To ensure the school is a fully integrated community school providing access to its learning resources.



1.3 Economic Case

1.3.1 Overall Conclusion of Scoping and Service Options

Table 1: Overall Conclusion of Scoping and Service Options

Options	Findings
1.0 Scope	
i. Option 1: 'Do minimum' - Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.	<ul style="list-style-type: none"> • Possible as this does not meet all Investment Objectives and Critical Success Factors. Retained for comparison in accordance with HM Treasury Guidance.
ii. Option 2: 'Intermediate scope' - Federate the existing three schools.	<ul style="list-style-type: none"> • Discounted because this option does not meet all of the Investment Objectives.
iii. Option 3: 'Maximum scope' - Close three secondary schools (possibly with adjacent primary) and transfer pupils to one school.	<ul style="list-style-type: none"> • Preferred because this option meets all of the Investment Objectives and Critical Success Factors
2.0 Service solutions	
i. Option 3.1: Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.	<ul style="list-style-type: none"> • Preferred as this option delivers against all of the Investment Objectives and Critical Success Factors.
ii. Option 3.2: Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn). This will include a new build element and full refurbishment of the existing premises.	<ul style="list-style-type: none"> • Possible as this option needs further appraisal despite not delivering comprehensively against the Investment Objectives and Critical Success Factors.
iii. Option 3.3: Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on a <u>new site</u> in the Sandfields area.	<ul style="list-style-type: none"> • Discounted as this option meets few of the Investment Objectives and the Critical Success factors and there are potentially substantial risks associated with building a school on a site that previously hosted a chemical plant.



Options	Findings
<p>iv. Option 3.4: Close two of the secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area, <u>as well</u> as building a new 430 place secondary school at Cwrt Sart.</p>	<ul style="list-style-type: none"> • Possible as this option needs further appraisal despite not delivering comprehensively against the Investment Objectives and Critical Success Factors.
<p>3.0 Service delivery</p>	
<p>i. In-house</p>	<ul style="list-style-type: none"> • Discounted option without appraisal.
<p>ii. Outsource</p>	<ul style="list-style-type: none"> • Preferred as design, delivery partnership and project management skills are specialised within the Private sector and provides capacity for speedier delivery.
<p>iii. Strategic partnership</p>	<ul style="list-style-type: none"> • Discounted option without appraisal.
<p>4.0 Implementation</p>	
<p>i. Big bang</p>	<ul style="list-style-type: none"> • Preferred due to a lesser demand on resources and additional time allowed to secure the required land. The new school will need to be built irrespective of any partial delay from public consultation
<p>ii. Phased</p>	<ul style="list-style-type: none"> • Discounted due to the complex nature of the changes and the availability of land for new build sites.
<p>5.0 Funding</p>	
<p>i. Private Funding</p>	<ul style="list-style-type: none"> • Discounted option without appraisal
<p>ii. Public Funding</p>	<ul style="list-style-type: none"> • Preferred – WG to fund in line with 21st Century Schools Band A conditions (50% of the Programme cost envelope).



1.3.2 The Short List

The 'preferred' and 'possible' options identified have been carried forward into the short list for further appraisal and evaluation. All the options that were discounted as impracticable have been excluded and on the basis of this analysis, the recommended short list for further appraisal within this FBC is as follows:

- **Option 1:** 'Do minimum' – Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.
- **Option 3.1:** Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.
- **Option 3.2:** Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn). This will include a new build element and full refurbishment of the existing premises.
- **Option 3.4:** Close two secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area, as well as building a new 430 place secondary school at Cwrt Sart.

A SWOT analysis was undertaken on the short-listed options and these options were reviewed and remained valid for further assessment in this FBC.



1.3.3 Key Findings

The key results from the economic appraisal are detailed below.

Table 2: Key Results of Economic Appraisals - Option 1

Option 1: "Do Minimum" - Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.		
	Undiscounted (£'000s)	Net Present Value (£'000s)
Capital (Backlog Maintenance)	-£16,770	-£16,486
Asbestos Removal & Demolition	£0	£0
Revenue/Current Cost	-£354,862	-£200,254
Risk Retained	-£760	-£747
Optimism Bias	-£687	-£675
Total costs	-£373,079	-£218,163
Less: cash releasing benefits	£480	£271
Costs net cash savings	-£372,599	-£217,892
Total	-£372,599	-£217,892

Table 3: Key Results of Economic Appraisals - Option 3.1

Option 3.1: Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.		
	Undiscounted (£'000s)	Net Present Value (£'000s)
Capital	-£39,168	-£35,486
Asbestos Removal & Demolition	-£1,543	-£1,345
Revenue/Current Cost	-£298,870	-£171,237
Risk Retained	-£1,740	-£1,573
Optimism Bias	-£447	-£404
Total costs	-£341,768	-£210,045
Less: cash releasing benefits	£490	£128
Costs net cash savings	-£341,278	-£209,917
Total	-£341,278	-£209,917



Table 4: Key Results of Economic Appraisals - Option 3.2

Option 3.2: Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn).		
	Undiscounted (£'000s)	Net Present Value (£'000s)
Capital	-£35,837	-£32,468
Asbestos Removal & Demolition	-£1,543	-£1,345
Revenue/Current Cost	-£307,025	-£175,414
Risk Retained	-£8,321	-£7,524
Optimism Bias	-£3,203	-£2,896
Total costs	-£355,929	-£219,646
Less: cash releasing benefits	£490	£128
Costs net cash savings	-£355,439	-£219,518
Total	-£355,439	-£219,518

Table 5: Key Results of Economic Appraisals - Option 3.4

Option 3.4: Close two of the secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on a Council owned playing fields at Western Avenue in the Baglan Bay area, as well as building a new 430 place secondary school at Cwrt Sart.		
	Undiscounted (£'000s)	Net Present Value (£'000s)
Capital	-£44,035	-£39,895
Asbestos Removal & Demolition	-£1,543	-£1,345
Revenue/Current Cost	-£353,610	-£199,274
Risk Retained	-£7,386	-£6,678
Optimism Bias	-£1,942	-£1,756
Total costs	-£408,516	-£248,948
Less: cash releasing benefits	£910	£343
Costs net cash savings	-£407,606	-£248,606
Total	-£407,606	-£248,606



1.3.4 Option Appraisal Conclusions

The results of investment appraisal are outlined below.

Option 3.1 has the best aggregate score, followed by Option 1, Option 3.4 and finally option 3.2. Option 1 entails, by definition, the least risk but Option 3.1 requires the least financial investment and provides the most benefit.

The overall conclusion from the analysis, however, is that Option 3.1 offers the best mix of economic value and derived benefits as Option 1 cannot deliver against the Council's strategic objectives. Therefore, the preferred option is Option 3.1 'Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with adjacent primary school (Traethmelyn) and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.

This conclusion has been ratified as part of the review of the business case in the move to FBC.

Table 6: Summary of Overall Results

Evaluation Results	Option 1	Option 3.1	Option 3.2	Option 3.4
Economic appraisals	2	1	3	4
Benefits appraisal	4	1	3	2
Risk appraisal	1	2	4	3
Overall Ranking	2	1	4	3



1.4 Financial Case

1.4.1 Summary of Financial Appraisal

A summary of the financial appraisal for the preferred Option 3.1 is included in the next table.

Table 7: Option 3.1 - Summary of the Financial Appraisal

All figures in £'000s	Total Cost	Years (years 8-40 same as year 7)						
		1	2	3	4	5	6	7
		12/13	13/14	14/15	15/16	16/17	17/18	18/19
Preferred way forward:								
Capital	-39,168	-350	-350	-12,000	-17,968	-7,900	-600	0
Asbestos & Demolition	-1,543					-1,543		
Revenue costs	-298,870	-8,597	-8,597	-8,597	-8,597	-8,597	-7,311	-7,311
Cash releasing benefits	490	12	12	12	12	12	294	4
Total	-339,091	-8,935	-8,935	-20,585	-26,553	-18,028	-7,617	-7,307
Funded by:								
Existing Revenue	343,880	8,597	8,597	8,597	8,597	8,597	8,597	8,597
Total Existing	343,880	8,597	8,597	8,597	8,597	8,597	8,597	8,597
Additional Funding Required	4,789	-338	-338	-11,988	-17,956	-9,431	980	1,290

1.4.2 Overall Affordability and Balance Sheet Treatment

A balance sheet asset addition of £39.168M is made for the new school. Short term additional funding is required of £40.711M for the first 6 years, excluding VAT, retained risks and optimism bias.

The revised Band A submission has been scrutinised and assessed by the Council's Section 151 Officer for affordability in light of the 50% intervention rate and authorised by the Chief Executive on 18th November 2011.

The Council, as part of its commitment to meet 50% of the 21st Century Schools Programme cost envelope, is required to provide match funding of c£21million in relation to the Ysgol Newydd (Bae Baglan) Project.



The Council will meet the 50% contribution required to support the overall programme in Band A through a combination of prudential borrowing and a Section 106 agreement.

1.5 Commercial Case

The commercial case details the procurement of the services and the contractual arrangements being considered.

1.5.1 Procurement Strategy

Neath Port Talbot County Borough Council will be using the South West Wales Regional Contractors Framework. This framework was re-let during Spring 2011 and applications were assessed for the framework, which has been set up for a duration of four years (from July 2011). This framework, now with a regional bias, will cover all potential requirements arising from this initiative.

1.5.2 Required Services

This section of the FBC sets out the negotiated arrangements to provide a new (3-16) 21st Century School for the learning communities of Aberafan, Baglan, Briton Ferry, Port Talbot and Sandfields, with all associated external works, drainage and incoming service mains and some off-site highways adjustments and drainage, to achieve BREEAM 'excellent' standard.

The contract utilised for this project is NEC3 Engineering and Construction Contract (Option A), priced contract with activity schedule, and additional conditions of contract as set out in the Z clauses and amendments resulting from The Local Democracy Economic Development and Construction Act 2009.

The products and services under contract are covered by the following schedule of activity:

- Provision of site accommodation, furniture and telecoms;

- Provision of project specific management and staff;

- Provision of facilitating works;

 - Toxic/hazardous material removal;

 - Specialist ground works;

 - Temporary diversion works;

 - Extraordinary site investigation works;

- Completion of substructure;

- Completion of superstructure;

 - Frame;



Upper floors;

Roof;

Stairs and ramps;

External walls;

Windows and external doors;

Internal walls and partitions;

Internal doors;

Completion of internal finishes;

Wall finishes;

Floor finishes;

Ceiling finishes;

Provision and completion of fittings, furnishings and equipment;

Service installations;

Sanitary installations;

Services equipment;

Disposal installations;

Water installations;

Heat source;

Space heating and air conditioning;

Ventilation;

Electrical installations;

Fuel installations/systems;

Lift and conveyor installations;

Fire and lightning protection;

Communication, security and control systems;

Special installations/systems;

Builders work in connection with services;



- Minor demolition works and alteration works;
- Repairs to existing services;
- Completion of external works;
- Site preparation works;
- Roads, car parks, paths and pavings;
- Soft landscaping, planting and irrigation systems;
- Playing fields and all weather pitches
- Fencing, railings and walls;
- Site/street furniture and equipment;
- External drainage;
- External services;
- Minor building works and ancillary buildings.

1.5.3 Agreed Risk Transfer

The final assessment of how the associated risks might be apportioned between the public sector (Neath Port Talbot County Borough Council) and the private sector (Main Contractor) has not yet been undertaken. In some instances, risks will be shared between the two nominated organisations and a suggested schedule is outlined in the table below. The general principle throughout this process has been to ensure that risks are passed to ‘the party best able to manage them’, subject to Value for Money (VfM). The table below outlines the allocation of risk.

Table 8: Risk Transfer Matrix

Risk Category	Potential Allocation		
	Public	Private	Shared
Design risk		✓	
Construction and development risk		✓	
Transition and implementation risk			✓
Availability and performance risk		✓	
Operating risk	✓		
Variability of revenue risks	✓		
Termination risks		✓	



Risk Category	Potential Allocation		
	Public	Private	Shared
Technology and obsolescence risks	✓		
Control risks	✓		
Residual value risks	✓		
Financing risks	✓		
Legislative risks			✓
Other project risks			✓

1.6 Management Case

The management case describes the detailed arrangements for the day-to-day project management of the project and by setting out in more detail the actions that will be required to ensure the successful delivery of the scheme, in accordance with best practice and also describing the proposals that have been implemented to date.

1.6.1 Management arrangements

The Council has adopted a Programme/Project management governance model that is underpinned by PRINCE2 principles.

The structure and membership of programme and project boards has been detailed to ensure effective management of the projects.

1.6.2 Programme Management arrangements

Delivery of the Programme is managed by a Programme Board which reports to the Council's Cabinet. The Senior Responsible Officer is the Corporate Director for Education, Leisure and Lifelong Learning and there is appropriate senior officer representation in the areas of Business Change, Senior Users and Senior Suppliers. The Programme Board is supported by Programme Managers and a Programme Team, which is responsible for the day to day delivery of the Programme.

The Programme Board is accountable for delivery of the SSIP and will oversee the whole programme. In overseeing this programme, Programme Board will:

- Ensure high level stakeholder involvement;
- Provide strategic direction for the project;
- Address the needs of the locality;



- Ensure continuing commitment to stakeholder support;
- Monitor the master programme and interdependencies;
- Ensure the preferred option is satisfactory to funders;
- Direct the Project Board and advise the local (Baglan Bay area) level issues and external risks.

1.6.3 Project Management arrangements

The project is governed by the Project Board of which the membership and terms of reference have been developed to ensure the most effective management of this strategic project. This was considered essential in order for the project to achieve its Investment Objectives and manage the risks accordingly. The membership of the Project Board and all roles, responsibilities and terms of reference in relation to this project are included within this section of the Management Case. Under the general principles of PRINCE2 methodologies, the Project Board will manage the activities and outputs of the project, meet Welsh Government requirements and deal with any specific guidance, issued during the project's lifespan.

1.6.4 Benefits Realisation

Benefits that will be realised may be either financial or qualitative (for example improvement in educational standards). A strategy and supporting Plan for Benefits which clearly shows what will happen, where and when the benefits will occur and who will be responsible for their delivery has been developed for the preferred option for the FBC.

The plan for benefits will be coordinated with the project plan and is very clear regarding handover and responsibilities for on-going operations in the changed state (where the benefits will actually accrue). There will be a Tracking Process, which monitors achievement of benefits against expectations and targets. The tracking process will be capable of tracking both 'hard' (e.g. cost, headcount) and 'soft' (e.g. image) benefits and operates alongside the changing operation. The progress of this plan will be reported by the Project Manager to the Project Board.

1.6.5 Risk Management

In developing the economic case, an updated risk workshop was held on 20th November 2013, to understand the risks associated with the preferred option and to analyse the financial value of those risks. The Council's SSIP, particularly its intention to deliver education in 21st Century settings, will be seriously compromised if risks are not managed adequately.

All projects have an element of risk and there must be a proactive approach to risk management to balance risks against the potential rewards and plan to minimise or avoid them. It is also acknowledged that taking some amount of risk will be inevitable to the success of the project. The strategy, framework and plan for dealing with the management of risk for the preferred option follows a PRINCE2 methodology.



1.6.6 Post Project Evaluation (PERs) Arrangements

PERs appraise how well the project was managed and delivered compared with expectations. The purpose of a PER is to determine whether the project was successful and identify any lessons learned. A PER also looks at whether the project produced the required deliverables within the agreed timeframe.

The Council plan to conduct a PER after the project has been completed. By then, the project deliverables will have been handed over to the Council by the contractor. A PER is a critical part in the project life cycle, as it's during this review that the success of the project is measured. In this instance the review is timed to take place in March 2017, 6 months post-handover of Ysgol Newydd (Bae Baglan).

1.7 Recommendation

The preferred Option 3.1 Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area, identified within the Final Business Case is recommended for approval to be taken forward for submission (via grant form) to the Welsh Government.

Signed:

Date:

Senior Responsible Owner

Project team



2.0 The Strategic Case

2.1 Introduction

The purpose of this section is to explain and revisit how the scope of the proposed project or scheme fits within the existing business strategies of the organisation and provides a compelling case for change, in terms of the existing and future operational needs of the organisation.

In order to take this specific project from Outline Business Case (OBC) to Final Business Case (FBC), members of the Council's SSIP team have reviewed the Strategic Case for a new 21st Century 3-16 English Medium School for 1,500 pupils on Council owned playing fields at Western Avenue in the Baglan Bay area of Neath Port Talbot, following the closure of three Secondary schools and a Primary school. The new school has a working title of 'Ysgol Newydd (Bae Baglan)'. The review took place on 26th November 2013, at Awel Y Môr Primary School, with the following participants:

Andrew Thomas – Head of Resources and Commissioning

Richard Gordon – Programme Manager, SSIP

Roger Bowen – Educational Estates Manager

Julie Merrifield – Strategic Information and Data Analysis Manager

Debora Holder – Education and Legislation Manager

Minor changes have been made to the Strategic Case, particularly in respect of updated educational data. The team believe that the Strategic Case remains as robust as ever.

2.1.1 Strategic Outline Programme

Neath Port Talbot's Initial Strategic Outline Programme (SOP) was submitted to Welsh Government (WG) on 10th December 2010 and structured in accordance with the published guidance at that time.

In July 2011 as a result of the Comprehensive Spending Review, WG invited all local authorities to resubmit a Revised Strategic Outline Programme for their Band A 21st Century Schools proposals on an affordability basis given confirmation that local authorities would now have to match any capital funding by WG at an intervention rate of 50% of programme value.

Furthermore, the prioritisation of projects would be considered against a revised set of criteria over an extended funding timeframe (2014 - 2020). These are focused on tackling estate efficiencies, surplus places and building condition with funding being made only available to support new build and/or remodelling and reconstruction type projects clearly linked to transformational school improvement.



Refurbishment projects promoting a 'patch and mend' approach, would not receive capital support from the 21st Century Schools Programme at this stage.

Neath Port Talbot's **Initial Strategic Outline Programme** Band A (2012 – 2014) submission comprised of the following 6 projects:

- A new build 21st Century 3-16 (all through) school on a new site to replace Glanafan, Cwrt Sart and Sandfields Comprehensive schools and Traethmelyn Primary schools which would subsequently close;
- A new build 21st Century 3-11 school on the existing Glanymor Primary school site, to replace Glanymor and Tirmorfa Primary schools which will subsequently close;
- A new Welsh-medium 11-16 Secondary school on the site of the vacated Sandfields Comprehensive school and federate with a reconfigured 11-18 YG Ystalyfera. Both schools require refurbishment;
- A new build 21st Century 3-16 (all through) faith school on the existing St Joseph's Comprehensive school site, to replace St Joseph's Infant, Junior and Comprehensive schools which will subsequently close;
- The roll out of the NPT ICT Learning Gateway; and
- A new build 21st Century 3-11 school (Phase 1) in the Coed Darcy urban village development.

The total Initial Strategic Outline Programme Band A investment cost envelope amounted to £92M.

Future investment requirements were identified as:

- Band B - 7 projects with capital costs of £88M, reducing surplus places by 1,431, and generate savings of £42.5M backlog maintenance;
- Band C - 4 projects with capital costs of £79M, reducing surplus places by 504, and generate savings of £11.8M backlog maintenance;
- Band D - 2 projects, capital costs of £30M, and generating savings of £24M backlog maintenance.

Neath Port Talbot's **Revised Strategic Outline Programme** Band A (2014 – 2020) comprised of the following 7 projects and was submitted to Welsh Government on 18th November 2011:

- Establish a new, 21st Century, 3-16, 'all through' English medium school in a new build on a new site in the Baglan area of Port Talbot;
- Establish a new, 21st Century, 3-11, English medium school in a new build on an existing site in the Sandfields area of Port Talbot;



- Establish a new, 21st Century, 3 – 18, 'all through' Welsh-medium school in a new build/part reconstruction on an existing site in Ystalyfera in the North of the County Borough;
- Replace an existing 11-18, Faith secondary school in the Aberafan area of Port Talbot with an 11 – 16, 21st Century school, in a new build on the existing site;
- Establish a new, 21st Century, 3-11, English medium school in a new build on an existing site in the Briton Ferry area;
- Establish a 11 – 16, Welsh-medium secondary school – South Campus;
- Establish a new, 21st Century, 3-11, primary school in a new build at Coed Darcy, Neath.

The total Revised Strategic Outline Programme Band A investment cost envelope amounted to £93M.

The Council's Revised Strategic Outline Programme Band A proposals comprise projects that are strategically linked and interdependent which will deliver the following benefits:

- Deliver 21st Century schools
- Use resources efficiently and effectively
- Provide the right schools in the right places
- Reduce surplus capacity
- Promote Welsh-medium education
- Promote diversity and equality

Additionally, the proposals will contribute positively to realising the challenges of the 'One Wales' agenda as well as other key national, international and local strategies and policies, including:

Internationally:

- United Nations Convention on the Rights of the Child

Nationally:

- The Learning Country: Vision into Action 2008
- Skills framework for 3-19 year olds in Wales 2008
- One Wales: One planet, a new sustainable development scheme for Wales May 2009 or ant successor strategy
- Learner Travel Operational Guidance - April 2009
- A Curriculum for all Learners 2010



- Measuring the capacity of schools in Wales – Circular 021/2011
- Welsh-medium Education Strategy
- Improving Schools National Implementation Plan 2012-2015
- A Living Language: A language for Living: Welsh Language Strategy 2012-2017
- Building a Brighter Future: Early Years and Childcare Plan 2013
- School Standards and Organisation (Wales) Act 2013
- School Organisation Code 2013
- School Organisation: Consultation with Children and Young People – Guidance Document 2013

Locally:

- Single Integrated Plan 2013-2023
- Local Development Plan
- Forward Financial Plan 2014-18
- Corporate Improvement Plan “Rising to the Challenge” 2013-16
- Property Asset Management Plan 2011-2016
- Inclusion Strategy 2011 – 2014 (currently being reviewed)
- Welsh in Education Strategic Plan (to be made under part 4 of the 2013 Act)
- Strategic Performance Improvement Plan – “Becoming Excellent” 2013-2016

The strategic and transformational projects outlined within the Revised Band A SOP, demonstrates the vision of the authority to address prominent issues, significantly raise the standards of schools for learners and link strategically with regeneration initiatives.

Analysis of data captured through the Council’s 2010 Condition and Accessibility Survey Review and Welsh Government’s School Estate Survey concluded that there was a backlog of maintenance across the school estate amounting to £111M, of which £6M related specifically to making schools accessible and compliant with Equality legislation.

Overall, it emerged that Neath Port Talbot County Borough Council had a greater percentage of the poorest school buildings both regionally and nationally with 20% of its Primary schools and 57% of its Secondary schools receiving the lowest banding for Total Weighted Scores.

The cost of maintaining significant surplus capacity and falling school rolls, together with old and deteriorating building stock, and high 'per pupil' costs constrains the Council's ability to invest in teaching and learning. Further, this does not represent an efficient use of public money.



As at January 2012, NPT Primary schools were the third highest in Wales for unfilled places and the third highest in Wales for significant surplus capacity, whilst NPT Secondary schools are the third highest in Wales for unfilled places and the fourth highest in Wales for significant surplus capacity.

Proposed projects across funding Bands A to D address these issues. The proposals also encourage collaboration and innovation (locally and regionally) whilst engaging with key stakeholders and maximising opportunities within the local community.

The Revised Band A SOP links increased Welsh-medium provision in the South of the County to other strategic initiatives within Band A.

Backlog maintenance and accessibility costs within the overall school estate at April 2012, following the implementation of 3 Primary school closures and the decommissioning of a Secondary PRU remain in the region of £108M.

A summary of the building condition gradings show that there are only 4 schools with an 'A' grade, 34 with 'B', 39 with 'C' and 5 with 'D'.

This clearly illustrates that NPT has an ageing and deteriorating school building stock.

The projects identified within the Revised Band A SOP address the issue of school condition by prioritising (wherever possible) schools that have significant backlog maintenance issues and are assessed as being 'poor' (Grade C) or 'life expired' (Grade D).

There are 6486 (September 2011 capacities & January 2012 pupil numbers) unfilled places within NPT primary and secondary schools.

The Council has a duty to secure efficient educational provision, promote high standards and the fulfilment of every child's potential and through its Strategic School Improvement Programme intends to continue to drive forward an approach to school improvement based on a strategic programme for change underpinned by a clear set of principles that help to maintain a clear focus on:

- Standards in Education
- The need for places and the accessibility of schools
- The quality and suitability of school accommodation
- Effective financial management

The direct impact of the proposed schemes (within Band A), is as follows:

- Surplus places will be addressed, with over 1,327 being reduced as a result of the initial (Band A) proposals.
- Statutory consultation will be required in all schemes in Band A.
- Transformational "all-through" education (3-16) is integral to 2 schemes in Band A.



- The demand for increased Welsh Medium Education (WME) will be met in the South of the County, while delivering enhanced provision in the County's Welsh speaking heartland (Ystalyfera).
- Inter-authority discussions will be on-going where collaboration is appropriate and opportune.

This FBC seeks to establish a new 21st Century 3-16 English Medium School for 1,500 pupils on Council owned playing fields at Western Avenue in the Baglan Bay area of Neath Port Talbot ('Ysgol Newydd (Bae Baglan)'). The new school will provide excellent opportunities to improve educational standards and will address the major issues of significant surplus capacity, inefficient financial management, high backlog maintenance costs and the increased risk of business continuity failure associated with aging and deteriorating school buildings that do not meet relevant legislative and/or recommended minimum standards.

For the purposes of this FBC we have reviewed information contained within the aforementioned Revised Band A SOP and can confirm that there have been no material changes that affect the strategic case.

2.2 Part A: the Strategic Context

NPT delivers its educational provision through 66 primary schools, 11 secondary schools, 3 special schools and 2 pupil referral units (based in a Primary & Special school setting).

Although the Council has invested significantly in the school estate since its inception in 1996 (£120M+), there remains a significant challenge, even after implementing current school re-organisation proposals contained within the NPT Strategic School Improvement Programme (SSIP).

The principles of the SSIP underpin the educational needs of children and young people delivered in an efficient and cost effective manner. These principles are:

- Standards in education;
- The need for places and the accessibility of schools;
- The quality and suitability of school accommodation; and,
- Effective financial management.



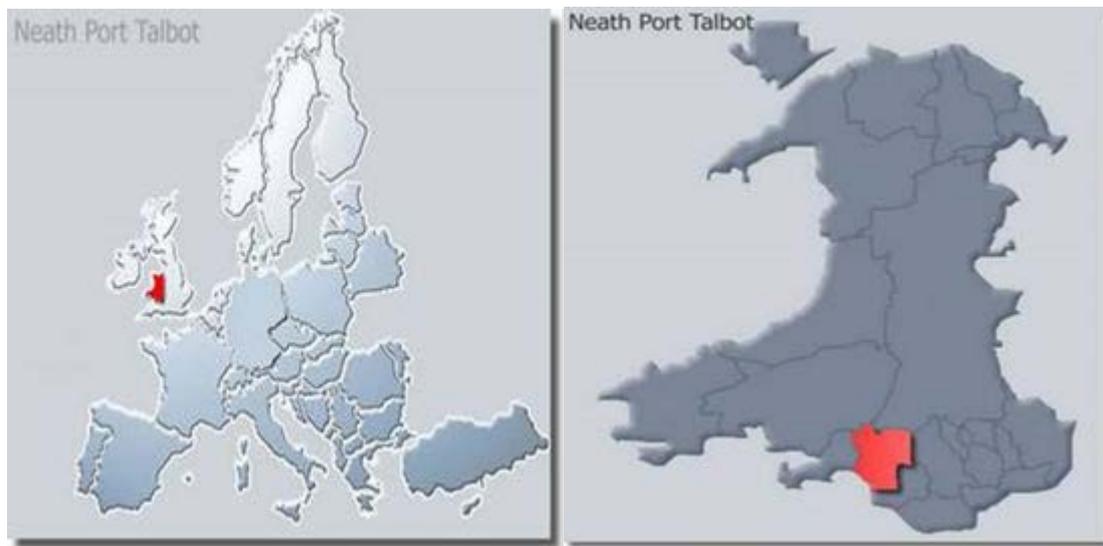
2.3 Organisational Overview

2.3.1 The Authority, its Geographical Area and the Population served

Neath Port Talbot (Castell-Nedd Port Talbot) is a County Borough Council which lies at the western end of South Wales. It borders the other principle areas of Bridgend and Rhondda Cynon Taff to the east, Powys and Carmarthenshire to the north and Swansea to the west. Its principal towns are Neath, Port Talbot and Pontardawe.

Neath Port Talbot County Borough is located in the centre of the South Wales economy along the M4 corridor with direct access to London, the South East of England and other parts of the UK and Europe. The A465 also provides access to the Heads of the Valleys with linkages to the Midlands.

Figure 1: Location of Neath Port Talbot



Employment opportunities within the County Borough help meet regional need and support the role of the City of Swansea which has been identified in the Wales Spatial Plan (WSP) as the powerhouse for economic growth within the Swansea Bay Waterfront and Western Valleys region and also within the Economic Growth Strategy for South West Wales. Due to its geographical location the area has a large travel to work area which extends to Swansea, Llanelli, Bridgend, and increasingly includes Cardiff and Eastern Valley areas.

The County Borough Council covers an area of approximately 442 Kilometres squared. This an area which stretches from borders of the Brecon Beacons National Park to the coast rising from sea level in the west, to 600 metres at Craig y Llyn, above Glynneath. The majority of land is upland or semi-upland in character and the large majority of this land is covered by forestry with mainly conifer plantations.

The upland areas are cut by five valleys, the Vale of Neath, Dulais Valley, Afan Valley, Swansea Valley and Upper Amman Valley. Most low lying land is near to the coast around the town of Port Talbot. Today's settlement patterns reflect the industrial history of the area, with urban development along the low lying areas of the valleys and some parts of the coast.



Neath Port Talbot County Borough has a population of just under 140,000. This represents around 4.6% of the total Welsh population of 3.063 million. Population is forecasted to grow by around a further 11% between 2011 and 2021. The County Borough's population density is also well above the average for Wales, reflecting the industrial nature of much of the region and the County Borough's relatively small geographical area. The South of the County Borough is considerably more populous than the North.

Neath is the County Borough's largest town, with a population of around 47,000. Port Talbot is the second largest urban centre with 35,000. Other urban centres include the towns of Briton Ferry (7,000), Pontardawe (5,000) and Glynneath (4,500). The Welsh Index of Multiple Deprivation 2011 ranks areas in Wales in terms of deprivation. On this scale, fourteen Lower Level Super Output Areas (LLSOAs) in Neath Port Talbot fall in the 10% most deprived areas in Wales and the majority of its LLSOAs areas are more deprived than the Wales average.

At the time of the 2011 census, 62.3% of the population were economically active in Neath Port Talbot of which 55.6% were in employment. This is lower than the economically active average for Wales (65.8%) and also England and Wales (69.7%).

Neath Port Talbot has a greater percentage of economically inactive people than the National average of 37.7%. This is compared to 34.2% in Wales and 30.3% in England and Wales. Neath Port Talbot also has a large percentage of long term sick or disabled, at a rate of 9.6%. This is higher than the Welsh average (6.3%) and over double the average for England and Wales (4.2%). This suggests a high number of residents relying on government benefits and can also indicate social exclusion.

There are many reasons for the high unemployment rates, including the decline of major industries such as coal mining and petro-chemicals, limited success over recent years in attracting new employment opportunities to the Valley communities, the skill base of the population and problems many experience with poor health which may be impacting upon their ability to access jobs.

Unemployment trends have also fluctuated in recent years largely due to the unstable economic climate. Over the period July 2011 to June 2012, 9.3% of the working age population were unemployed. This is a greater percentage than the average for Wales (8.5%) and the UK (8.2%). This figure has decreased slightly from the previous year, which saw unemployment at its highest rate over recent years at 10.3%.

The 2011 Census indicates there are a lower percentage of professional occupations within Neath Port Talbot than the national average. They constitute 12.9% of the population which is lower than average for Wales (15.8%) and the England and Wales (17.4%). The largest percentage of the workforce is employed in skilled trade occupations, at 13.4%. This figure is equivalent to the Welsh average and higher than the England and Wales average of 11.5%.

Neath Port Talbot has a high percentage of process plant and machine operatives, which at 10% is greater than the England and Wales average of 7.2%. This reflects the large manufacturing base and presence of large employers in this field, such as Tata steel.

Reflecting the lower level of professional occupations, the average weekly full time earnings £446.00 for residents is below the average for Wales (£455.00) and the UK (£505.90).



However, the increase from the previous year was +2.6% in Neath Port Talbot, a greater percentage increase than for Wales (0%) and UK (1.5%).

Business start-ups including self-employment in Neath Port Talbot are currently running at a relatively low level. This suggests a lack of entrepreneurship within Neath Port Talbot and a possible area for future growth. The percentage of self-employed residents is lower than both the Welsh and UK average although there has been a gradual increase over the period 2004-2012, with the gap being reduced to 2.3% by 2012 down from 4.1% in 2004.

The County Borough has a significantly smaller proportion of residents obtaining NVQ level 4 and above compared to the Welsh average. At the time of the 2011 Census, only 18.8% of the population of Neath Port Talbot had a NVQ 4 (and above) qualification. This is lower than the average for Wales (24.5%) and England and Wales (27.2%). The percentage of the population with no qualifications was also higher than the national average, amounting to 30.9% in Neath Port Talbot, 25.9% in Wales and 22.7% for the England and Wales average. The percentage of residents with trade apprenticeships amounted to 5.1% of the population, which is greater than the Welsh average (3.9%) and England and Wales average (3.6%). Lower levels of qualifications within the area suggest a lower skilled workforce which could be viewed as a barrier to attracting highly skilled and high wage employment.

The majority of people living within Neath Port Talbot are white British, with over 75% of residents considering themselves Welsh. Around 20% of the population speaks Welsh and English.

The local economy is based on a strong manufacturing base, (almost twice the UK average), with a steady increase in the service sector within the automotive sector, consumer electronics and components, general and precision engineering and other light operations. Neath Port Talbot is also home to a wide range of national and international companies such as Amazon, GE Energy, Intertissue and Ecolab. The Corus Group, taken over by India's Tata Steel in early 2007 created the world's fifth-largest steel group which directly employs some 3000 people at its plant in Port Talbot and also provides numerous contracting opportunities for local people and businesses. Close links to universities support research and development opportunities.

Multi million pound infrastructure and regeneration projects are generating a significant increase in construction employment while the growing tourism industry now provides jobs to more than 1000 people, attracting over 1.3m visitors contributing up to £73.9 million to the local economy.

When complete, the £1.2 billion Coed Darcy urban village will feature four new schools, health and sports facilities, a community centre, shops as well as some 4,000 homes. Other developments include an £80m redevelopment of Neath Town Centre, and over £30m of private sector investment to date on the regeneration of Aberafan Seafront.

Baglan Energy Park is the first stage in the regeneration of Baglan Bay, a single development site to eventually total 1,500 acres. Opportunities exist for both manufacturing and service industries on this prestigious and ideally located strategic site adjacent to Junction 41 of the M4 motorway. This development which revived a former industrial area has won the British Urban Regeneration Association (BURA) for best practice in regeneration, one of only two projects in Wales to win an award. World class companies are attracted to the Energy Park, which when completed, is expected to create approximately



3000 jobs. Wales' first biomass renewable energy plant has been constructed while GE Energy, one of the world's largest companies invested £500m in a power station containing the latest gas turbine technology.

A new road link from Junction 38 (M4), Margam through Port Talbot Docks and Baglan Energy Park has opened up additional areas of land in the Docklands for redevelopment opportunities. A master-plan has been designed for the central Port Talbot area and a mixed use development scheme encompassing residential, bulky goods retail, leisure, office, business and storage opportunities will lead to the redevelopment of the Harbourside.

Such developments and continued investment are providing increased employment opportunities and a growing confidence in the regeneration of the County Borough.

2.3.2 Education Provision

As of September 2013 Neath Port Talbot currently has:

- 66 Primary Schools;
- 11 Secondary Schools; and,
- 3 Special Schools.

A review of the Local Authority's school improvement protocols and the drafting of a primary strategy has been undertaken. Current outcomes (2012/13) are as follows:

Foundation Phase – 81.7% achieved the Foundation Phase Outcome Indicator (outcome 5 or above in PSD, LCE/LCW & MDT). This is 1.3% below the Welsh average and NPT is ranked 15th.

Key Stage 2 – 82.0% achieved the CSI in 2013- a 8.4% increase since 2009. The difference between NPT & Wales has been reduced from 3.4% in 2009 to 2.3% in 2013. NPT is ranked 20th in Wales

Key Stage 3 – 73.1% achieved the CSI in 2013, - a 14.2% increase since 2009. The difference between NPT & Wales has risen slightly from 2.5% in 2009 to 3.9% in 2013. NPT is ranked 19th in Wales.

Key Stage 4 – 56.0% achieved L2+ in 2013, a 6.2% increase since 2009. NPT are ranked 6th In Wales. The all Wales average is 52.7%. 87% achieved L2, the highest in Wales – a 23.9% increase since 2009. The all Wales average is 77.8%.

The Local Authority's regional strategy demonstrates ERW's mission in making every school a good school and this will be achieved by implementing the Welsh Government's Improving Schools Plan that includes:

- Improving the quality of teaching and learning.
- Strengthening approaches to inclusion and safeguarding.
- Effective leadership at all levels.
- Building effective partnerships around schools.



As published by the Welsh Government as part of the School Census release (July 2013), pupil teacher ratios across all schools in the County Borough at 18.2:1, ranked 13th and slightly higher than the Welsh average class sizes of 17.9:1.

The school population in January 2013 was recorded at 20,509 pupils, consisting of 12,213 Primary school pupils; 8,100 Secondary school pupils and 196 Special school pupils.

The % of pupils eligible for free school meals across all sectors is 23.2%, which is above the Wales average of 19.5% and the 5th highest in Wales.

The % of NEETs (Not in Education, Employment or Training) is 3.1%, less than the Wales average (4.2%) for the first time, resulting in Neath Port Talbot being ranked 7th in Wales.

The total budget for all schools in the Council is £79,106,831 with the average expense per primary school pupil amounting to £3,517 and secondary school pupil £4,441 (2013/14).

This FBC seeks to establish a new, 1500 pupil, 21st Century 3-16 English Medium School in the Baglan Bay area of Neath Port Talbot ('Ysgol Newydd (Bae Baglan)'). This information has been updated as part of the review of the Strategic case.

Figure 2: Location of New School - Ysgol Newydd (Bae Baglan)





2.4 Strategic Aims and Objectives

NPT's School Improvement Strategies reflect the Council's core values - as articulated in the 2014-17 Corporate Improvement Plan's second objective: to raise standards and attainment for all young people.

The overarching aim for NPT's Strategic School Improvement Programme is:

“To enable the Authority to respond to changing circumstances that impact upon its ability to meet its duty to secure efficient Primary and Secondary education, promote high standards and the fulfilment of every child's potential”.

Rigorous self-evaluation practices and data analysis have resulted in drafting a School Data Management Protocol and a draft Primary Strategy with effect from September 2012 to tackle the current pupil achievement issues summarised below:

The LA will continue to build upon the successful KS4 outcomes, including the 14-16 agenda and share sector leading aspects with other LAs.

The LA will:

- Continue with the delivery of the Strategic School Improvement Programme, so that all schools become fit for purpose, which includes relocating some schools and building new schools.
- Continue to implement our strategy for the provision of Welsh-medium education in Neath Port Talbot.
- Improve literacy and numeracy across all key stages and improve attendance in primary and secondary schools.
- Continue to work with young people Not in Education, Employment or Training (NEET) at post 16.

In partnership, the LA will:

- Continue to deliver school improvement through partnership in Education through Regional Working (ERW) by monitoring school performance and ensure that the delivery of the Literacy and Numeracy Framework is effective across all schools

NPT will use challenge advisers in line with the national model for Regional Working in Wales. NPT recognises the benefits of adopting collaborative approaches to the provision of education and specific examples of this include: researching Welsh Medium Education provision across neighbouring authorities, utilisation of joint agreements in relation to IT infrastructure developments and the procurement of external support through the South West Wales Regional Partnership (SWWRP) Forum for Construction and Professional Service.



2.5 Business Strategies

This section has been reviewed following the delivery of the OBC and, while there have been no changes to the associated business strategies, the links remain robust.

2.5.1 National Strategies

The Council aims to deliver **Making Connections** and **One Wales** agendas by linking together a wide range of concurrent WG initiatives (including the implementation of the skills curriculum 3-19) to yield the benefits to learners envisaged by **Beecham** and the **Skills that Work for Wales** documents.

The authority also plans to link closely with **The Learning Country** document, the **Schools Effectiveness Framework**, which sets out the Welsh Government's programme to increase the life-long education and training opportunities that are available in Wales (from early years through to old age).

The Learning Country aims to implement the complex technological change required and meet huge shifts in competitive pressures from within Europe and beyond. This is supported by the **One Wales Laptop** project, which demonstrates Welsh Government's commitment to delivering ICT facilities to encourage digital inclusion in deprived areas, which in turn will encourage children to engage in learning and help pupils to improve their literacy, numeracy and ICT skills.

2.5.2 Local Initiatives

Current projects / initiatives include:

- Finalising the Education through Regional Working (ERW) approach and relevant policy documentation re support and challenge for all schools in the consortium;
- Developing an 'Authority-wide' pupil voice approach – involving pupils' intervention in policy making and curriculum planning in line with the SEF;
- Developing a range of Professional Learning Communities (PLC) e.g. visits to other schools in a 'family' to discuss school improvement strategies; 'in-county' catchment areas PLC; and Welsh-medium PLC;
- Outcomes of visits to 21st Century Schools in England shared with head-teachers and LA officers to improve understanding of the link between pupils' learning environment and outcomes;
- 'All Authority' involvement in mid-cycle reviews of all schools on a rolling programme. This involves lesson observations that serve as a catalyst for professional dialogue and challenge regarding sector-learning practice in teaching and learning. Inspirational teaching and learning is populated on the Neath Port Talbot Learning Gateway;



Running alongside these initiatives is the Council's Strategic School Improvement Programme (SSIP) which has the following strategic aims:

'To enable the authority to respond to changing circumstances that impact upon its ability to meet its duty to secure efficient Primary and Secondary Education, promote high standards and the fulfilment of every child's potential.'

2.5.3 Assist ICT

NPT has a vision that will deliver a culture of learning which prepares young people to face the challenges of the 21st Century. Its primary function is to address learners' diverse learning styles, needs and interests through innovative use of 21st century teaching and learning environments. The authority is currently populating the NPT Learning Gateway (NPTLG), with exemplars of effective, pupil-centred learning. NPT's proposals for transformation include:

- Developing the role of pupils in the teaching and learning process;
- Dissemination of 'sector leading practice' via established Professional Learning Communities (PLCs);
- A clear focus on literacy and numeracy as a key skill across the ability range – as a means of accessing both the National curriculum and schools' curriculum enrichment programmes; and
- Maximising opportunities offered through Welsh Government's HWB.

NPT has a proven track record of delivering cutting edge technology to the learning community and aims to build on this to facilitate transformation across all learning establishments. NPT has a whole authority approach to ICT development to ensure that all learners have the same opportunities. Significant investment in new technology has assisted in realising the vision for teaching and learning throughout the authority. New technologies have been prioritised and implemented in consultation with all the key stakeholders who are referenced through established forums and governance groups. The key Investments made to date include:

- All Primary and Secondary schools in Neath Port Talbot have achieved their internet connection targets;
- The Council has had its internet feed increased to 500Mb and will upgrade to 1Gb as soon as traffic demands;
- The server infrastructure underpinning schools based internet filtering and centralised pupil data has been fully replaced;
- A new internet filtering system has been introduced for schools and libraries;
- All schools have been provided with high density wireless solutions; available both inside and outside school buildings;



- All schools wired networks have been upgraded to provide fully manageable solutions which meet the Welsh Government mandate of 1Gb to the desktop;
- Network Management solutions have been installed which will allow centralised management of schools based networks for those that require the service and will also provide a devolved management solution for those schools who would like to take more control;
- BYOD (Bring Your Own Device) solution is being tested which will allow teachers and pupils access to school based facilities from their own laptops, tablets and phones.

Next Steps

- Welsh Government has recently agreed that Primary schools within excess of 300 pupils will be provided with the same internet facilities as Secondary schools – that is 100 Mb connections. Neath Port Talbot has 10 schools that fall into this category that is ongoing with the LiDW (Learning in Digital Wales) team to promote these upgrades;
- Working groups have been set up with schools to determine what they want in wireless and BYOD solutions to look like and how they should operate;
- Organising an NPTC specific HWB day at which Secondary and Primary teaching staff can engage with Welsh Government representatives and the Local Authority teams to learn from good practice examples, talk through any school or class specific issues they have encountered and to determine where HWB might fit with their school strategies;
- Working with EDIS and schools in developing web filtering strategies that recognise the changing land-scape in school based web access whilst following the latest safeguarding advice and guidance provided by Welsh Government;
- Meeting with ERW ICT group to identify and determine the best use of any regional resource(s) in helping deliver our local programme and to ensure that we identify any opportunities to configure our local solutions to benefit regional strategies and initiatives.

The use of NPTLG and HWB will create an integrated learning platform that matures upon the concept of the connected learning community, focusing on four key elements: access to 21st Century technology in schools; managed learning; managed technology environments and effective management information systems (MIS) with integration.

HWB is also integrated with Office 365, Microsoft's cloud based system, and by utilising their unique login identifier, all pupils and teachers are provided with email, office and secure storage which is cloud based, physically secured, available 24/7 x 365, device independent and delivered via a web browser from wherever an internet connection can be obtained.

Continued investment in the VLE will realise the following benefits to our learners: Simple sign on; effective communication across all areas, including parents, governors, teachers and the community; facilitate collaborative working; personalised learning space; access to



core MIS and potentially virtual staff rooms and classrooms for dynamic learning communities.

NPT will target raising standards of literacy and numeracy via collaborative literacy and numeracy centres, facilitated by HWB and the NPTLG. The Council will continue to collaborate with others at a regional and national level to maximise the opportunities and to establish pan regional/national ICT systems, infrastructure and learning platforms.

2.5.4 Assist Welsh-medium Provision

Within Neath Port Talbot, 15.3% of people aged 3 and over speak Welsh, compared to the Welsh average of 19% (2011 Census). The opportunities to develop the Welsh language skills of young learners and hence their bilingualism, is an important aspect of the work of NPT schools.

NPT currently only has one Welsh-medium secondary school which is situated in the North of the County Borough on the boundary with a neighbouring authority. Due to its location, a substantial number of pupils have long daily travel journeys to school and research has shown that many parents choose not to send their children to Welsh-medium primary schools because of the travel distance at secondary transfer. A feasibility study undertaken by the Local Authority identified the greatest demand for Welsh Medium Education (WME) to be in the South of the County, specifically in the Port Talbot area.

All four schools subject to closure in this proposal teach Welsh as a second language in line with the National Curriculum. The proposed new school will continue to teach Welsh as a second language. The Council is satisfied that Welsh language provision at the proposed new school will be comparable with the provision currently available.

For those pupils wishing to be educated through the medium of Welsh current arrangements will continue to apply. Welsh-medium secondary education is available at Ysgol Gufyn Ystalyfera, which serves the whole of the County Borough, whilst Welsh-medium primary education for the area served by Traethmelyn Primary school, will continue to be available at Ysgol Gynradd Gymraeg Rhosafan.

Current provision of Welsh-medium education for the areas served by other schools engaged in this proposal remains unchanged.

The successful implementation of this proposal also links strategically to two other projects identified within the Council's SSIP and Band A 21st Century Schools submission to WG.

The Council is seeking to establish an "all through" 3– 18 Welsh-medium school in the North of the County Borough at the existing YG Ystalyfera site and an 11-16 Welsh-medium secondary school in the South of the County Borough at the vacated Sandfields Comprehensive school site that will be released as a result of the proposal articulated in this FBC.



2.5.5 Assist Economic Development

This specific proposal assists one of the key themes (**Making Wales a Learning Country**) of the national economic development plan 'A Winning Wales' by:

- Increasing the skills of the workforce (in the longer term) and tapping the potential of our diverse population;
- Driving up standards and attainment;
- Removing the barriers to learning;
- Strengthening links between learning and business (in the longer term);
- Providing lifelong learning opportunities for all.

It also supports the WG objectives as stated within **The Learning Country**, to transform Wales into a place where high quality and lifelong learning realises the potential of all learners and extends opportunities.

Levels of achievement will raise empowering young people and adults to strive for social and economic well-being. Consequentially, communities become empowered, with better jobs and skills offered to enable business and people to prosper in a new economy and secure sustainable futures.

2.5.6 Spatial Plan

The Council will adhere to the agenda and overall role, purpose and principles of the Wales Spatial Plan by:

- Making sure that decisions are taken with regard to their impact beyond the immediate sectoral or administrative boundaries and that the core values of sustainable development govern everything we do;
- Setting the context for local and community planning;
- Influencing where money is spent by the Welsh Government through an understanding of the roles of and interactions between places;
- Providing a clear evidence base for the public, private and third sectors to develop policy and action.

It is a principle of the Wales Spatial Plan that development should be sustainable. Sustainable development is about improving wellbeing and quality of life by integrating social, economic and environmental objectives in the context of more efficient use of natural resources.

Although this project specifically address educational provision for the learning communities in the Sandfields area, it also supports the WG Winning Wales agenda by creating 80 to 90 construction jobs during the construction period and, as an additional benefit, will create and provide access for all to the learning resources of a fully integrated 21st Century Community School.



2.5.7 Organisation and Regeneration strategies

The revised Band A proposals have considered the location of accommodation to ensure the widest access for local communities, and integration with regeneration schemes where possible.

The school will benefit from an integrated **Learning Support Centre** providing specialist support within a main stream setting for pupils with Moderate Learning Difficulties, Profound and Multiple Learning Difficulties, Autistic Spectrum Disorder, Emotional and Behavioural difficulties, Hearing Impairment and Speech Language and Communication needs. The reconfiguration of schools affected by this proposal will embed WG strategies to up-skill local people, and ensure the skills generated in the region, remain within the region to assist with economic development.

The closure of Cwrt Sart Comprehensive school and the vacation of that site provides an opportunity to establish a new 21st Century Community Primary school, which will positively contribute to future regeneration of the Briton Ferry area, by securing and improving learning, health, fitness and sporting opportunities locally.

The closure of Glanafan Comprehensive school will link with emerging plans to regenerate the Port Talbot Town Centre and Docks area. Glanafan Comprehensive occupies a town centre location fronting pedestrianised retail areas and its closure will complement a number of strategic goals in the Council's draft 'Waterfront Strategy':

- To develop the town of Port Talbot as a hub for commercial, residential, social and employment activities through an integrated physical regeneration of the town centre and the attraction of new investment.
- To bring forward the development of major strategic regeneration sites in the area of Port Talbot that will attract major new investment and create employment within surrounding communities.
- To develop existing and establish major new employment sites within the area of Port Talbot that meet the needs of modern business, strengthen the local economy and ensure the provision of employment opportunities.

2.6 Part B: the Case for Change

Through SSIP, the Council has approved an approach to school improvement based on a strategic programme for change underpinned by a clear set of principles.

In March 2009, the Council prioritised areas requiring priority actions on the basis of:

- Underperforming schools causing significant concern;
- Schools with significant building maintenance issues;
- Additional Learning Needs efficiency savings;
- Pupils with high risk behaviours;



- Opportunities to implement change;
- Welsh-medium provision; and
- Temporary classrooms

The proposals contained within the Authority's Revised Band A SOP and included within future investment Bands B-D constitute part of the Authority's strategy for the future provision of 21st Century Schools that are fit for purpose and will provide the following improvements in the delivery of public services for learners in particular:

- Inspirational learning facilities that will result in improved outcomes for all pupils, promote equality and inclusion by providing facilities which can be accessed by all pupils and which the school can share with the community;
- Allow delivery of a pupil centred, inclusive and skills based curriculum that extends to social and sporting activities;
- Afford an opportunity to re-appraise Welsh language policies and provision, further promote Welsh language and Welsh Medium Education and progress along the language continuum within 3-18 educational establishments;
- Contributes to the primary and secondary modernising programme.

The main drivers for taking forward this proposal that seeks to establish a new, 21st Century, 3-16, English medium school in a new build on Council owned playing fields at Western Avenue in the Baglan Bay area are:

- Existing schools have significant building maintenance issues;
- Existing schools have significant levels of surplus capacity;
- Opportunities to implement change;
- Opportunity to facilitate Secondary Welsh-medium provision in the south of the County Borough; and
- Opportunity to replace 3 Primary schools with a new build Primary school in the Briton Ferry area (included as a separate Band A proposal).

2.7 Investment Objectives

The investment objectives for this project are as follows:

- To provide a stimulating teaching and learning environment in state of the art, 21st Century facilities that will impact positively on the self-esteem and well-being of all pupils.
- To improve the learning outcomes for all pupils across the ability range.
- To reduce the number of surplus pupil places in Neath Port Talbot schools.



- To achieve efficiencies (economic and environmental) through economies of scale and single management arrangements.
- To ensure the school is a fully integrated community school providing access to its learning resources.

2.8 Existing arrangements

2.8.1 Staff and Pupil Numbers

The staffing complement at each of the schools is outlined in the table below.

Table 9: Staff numbers at the Secondary and Primary Schools

School	Head Teacher	Dep. Head Teacher	Ass. Head Teacher	Senior Teachers	Teachers	Totals
Cwrt Sart	1	1	2	0	29	33
Glanafan	Shared with Sandfields Comprehensive	1	1	0	26.4	28.4
Sandfields	1	1	2	0	42.3	46.3
Traethmelyn	1	1	0	0	7.8	9.8
Total	3	4	5	0	105.5	117.5

The pupil numbers at each of the schools is listed in the table below.

Table 10: Pupil numbers at the Secondary and Primary Schools

School	Total pupils (Excluding Nursery) Jan 2013	Excess places Jan 2013	Pupil / Teacher ratio 2013	LA Projections for each school				Capacity
				Sept 2013	Sept 2014	Sept 2015	Sept 2016	
Cwrt Sart	480	382	15:1	456	428	428	411	822
Glanafan	391	312	13.77:1	361	343	332	346	703
Sandfields	616	396	13.6:1	606	574	569	575	945
Traethmelyn	262	25	29.77:1	259	273	287	294	231
Total	1,749	1,115		1,682	1,618	1,616	1,626	2701

Pupil numbers of the Primary school are predicted to show some growth over the next 3 years. Pupil numbers at the Secondary schools are predicted to steadily decline over the next 3 years, resulting in significant surplus pupil places.



By 2016, the combined school rolls of both the Primary and Secondary schools are predicted to have a total pupil population in the order of 1,626, equating to only 60% occupancy of pupil places available (a 40% surplus) across the current arrangement of the schools.

The predicted variance on existing pupil numbers over the 3 year period (January 2013 to September 2016) is as follows:

- Cwrt Sart - 10%
- Glanafan - 4%
- Sandfields - 5%
- Traethmelyn + 14%

The combined revenue budgets for the existing Primary and Secondary schools amount to £8.6M per annum. The economic case will show that revenue cost for the new school (Ysgol Newydd Bae Baglan) will amount to £6.8M per annum, a saving of £1.8M.

2.8.2 Configuration and Suitability of Estates

Neath and Port Talbot Council has invested significantly in the school estate since its inception in 1996 (£120M+). However, there remains a significant challenge in bringing all schools up to a standard where buildings will be in good physical condition and fit for 21st Century teaching and learning even after implementing the school reorganisation proposals contained within its Strategic School Improvement Programme and revised Band A 21st Century Schools submission.

Analysis of data captured in the Council's 2010 Condition and Accessibility Survey Review and Welsh Government School Estate Survey, concluded that there was a backlog of maintenance across the schools' building portfolio amounting to £111M, of which £6M related specifically to making schools accessible and compliant with Equality legislation. At that time, it emerged that Neath Port Talbot County Borough Council had a greater percentage of the poor school buildings both regionally and nationally, with 20% of its primary schools and 57% of its secondary schools receiving the lowest banding for Total Weighted Scores.

Since the initial data capture, the Council has reduced its number of primary schools from 71 to 66, resulting in a notional reduction in backlog maintenance and accessibility costs of £5.6M (5%).

From September 2012 and as part of Welsh Government's Transitional Capital arrangements, Dwr Y Felin Comprehensive relocated onto a single site with the resultant closure and demolition of the Lower School buildings providing a further reduction in backlog maintenance and accessibility costs of £8.5M (7.7%). Additionally, a £603K (0.5%) reduction in backlog maintenance and accessibility has been achieved as a result of the decommissioning and closure of Ty Afan Secondary Pupil Referral Unit.

There has been no supplementary detailed assessment of any additional costs associated with the continuing deterioration of the school building stock over the last three years, although sample desktop surveys of schools (where proposals are being considered within



Band A), indicate that the backlog maintenance liability could well have increased overall by a further 10% over this period. On that assumption, and taking the base 2010 backlog maintenance and accessibility liability of £111M (although having been reduced by £14.7M following the implementation of the school reorganisation proposals mentioned above), the backlog figure still remains in the region of £106M as of September 2013.

Notwithstanding any other projects identified and submitted to WG within the Council's Revised Band A proposals, the successful implementation by September 2016 of the specific projects articulated in this FBC will reduce the primary schools' portfolio further by 1, to 65 and the secondary schools' portfolio by 3, to 8 (9 sites), resulting in the further removal of some £16.8M from the notional September 2013 backlog maintenance and accessibility figure of £106M.

Ysgol Newydd (Bae Baglan) will become Neath Port Talbot County Borough Council's first 21st Century "all through" 3-16 school, providing the highest levels of sustainable state of the art teaching and learning facilities for the communities of Aberafan, Baglan, Briton Ferry, Port Talbot and Sandfields.

2.8.3 Primary Schools' Condition Overview

- 35 (53%) of primary schools are in 'good' or 'satisfactory' condition; and
- 31 (47%) of primary schools are in 'poor' condition showing major levels of deterioration (will improve with the successful implementation of this specific proposal).

Following implementation of this project, the Primary Schools Condition Overview as of September 2016 will be:

- 35 (54%) of primary schools will be in 'good' or 'satisfactory' condition; and
- 30 (46%) of primary schools will remain in 'poor' condition showing major levels of deterioration (improved with the successful implementation of this specific proposal).

2.8.4 Primary Schools' Suitability Overview

- 12 (18%) of primary schools are assessed as category A with 'good' levels of suitability for teaching, learning and wellbeing;
- 50 (76%) of primary schools fall within category B, being described as having 'satisfactory' levels of suitability, performing as intended, but not effectively supporting the delivery of the curriculum in some areas; and
- 4 (6%) of primary schools have been identified as category C and having 'poor' levels of suitability that adversely impact and inhibit teaching methods and school organisation.

Following implementation of this project, the Primary Schools Suitability Overview as at September 2016 will be:



- 12 (19%) of primary schools are assessed as category A with 'good' levels of suitability for teaching, learning and wellbeing;
- 49 (75%) of primary schools fall within category B, being described as having 'satisfactory' levels of suitability, performing as intended, but not effectively supporting the delivery of the curriculum in some areas; and
- 4 (6%) of primary schools have been identified as category C and having 'poor' levels of suitability that adversely impact and inhibit teaching methods and school organisation.

2.8.5 Primary Schools' Sustainability Overview

- 2 (3%) of primary schools are assessed as Grade A, with 'excellent' levels of sustainability;
- 10 (15%) of primary schools fall within Grade B, being described as having 'good' or 'above average' levels of sustainability; and
- 54 (82%) of primary schools are identified as falling within Grade C, having 'poor' levels of sustainability.

Following implementation of this project, the Primary Schools Sustainability Overview as at September 2016 will be:

- 2 (3%) of primary schools will be assessed as Grade A, with 'excellent' levels of sustainability;
- 10 (15%) of primary schools will fall within Grade B, being described as having 'good' or 'above average' levels of sustainability; and
- 53 (82%) of primary schools will be identified as falling within Grade C, having 'poor' levels of sustainability.

The acceptance of this FBC and the successful implementation of the proposal by September 2016 will impact on the existing primary schools' portfolio, with a subsequent net reduction in the number of NPT primary schools by 1 to 65.

- £1M will be removed from the Council's estimated backlog maintenance and accessibility liability – and surplus places in the Primary sector will be reduced by 9% based on projected January 2017 figures.

2.8.6 Secondary Schools' Condition Overview

- 2 (18%) of secondary schools have been assessed as being in 'good' or 'satisfactory' condition;
- 7 (64%) of secondary schools are described as being in 'poor' condition showing major levels of deterioration; and
- 2 (18%) of the secondary schools are identified as being bad or life expired.



Following implementation of this project, the Secondary Schools' Condition Overview as at September 2016 will be:

- 2 (25%) of secondary schools will be in 'good' or 'satisfactory' condition;
- 4 (50%) of secondary schools will remain in 'poor' condition showing major levels of deterioration; and
- 2 (25%) of secondary schools remain identified as being bad or life expired.

2.8.7 Secondary Schools' Suitability Overview

- 2 (18%) of secondary schools are assessed as category A with 'good' levels of suitability for teaching, learning and wellbeing; and
- 9 (82%) of secondary schools fall within category B, being described as having 'satisfactory' levels of suitability, performing as intended, but not effectively supporting the delivery of the curriculum in some areas.

Following implementation of this project, the Secondary Schools Suitability Overview as at September 2016 will be:

- 2 (25%) of secondary schools are assessed as category A with 'good' levels of suitability for teaching, learning and wellbeing; and
- 6 (75%) of secondary schools fall within category B, being described as having 'satisfactory' levels of suitability, performing as intended, but not effectively supporting the delivery of the curriculum in some areas.

2.8.8 Secondary Schools' Sustainability Overview

- 1 (9%) of secondary schools have been assessed as Grade A with 'excellent' levels of sustainability;
- 1 (9%) of NPT secondary schools have been assessed as Grade B with 'good or above average' levels of sustainability; and
- 9 (82%) of secondary sector schools have been identified as being Grade C, having 'poor' levels of sustainability.

Following implementation of this project, the Secondary Schools Sustainability Overview as at September 2016 will be:

- 1 (13%) of secondary schools will be assessed as Grade A, with 'excellent' levels of sustainability;
- 1 (13%) of secondary schools will fall within Grade B, being described as having 'good' or 'above average' levels of sustainability; and
- 6 (74%) of secondary schools will be identified as falling within Grade C, having 'poor' levels of sustainability.



The acceptance of this FBC and the successful implementation of the proposal by September 2016 will impact on the existing secondary schools’ portfolio, with a subsequent net reduction in the number of NPT secondary schools by 3 to 8.

- £15.8M will be removed from the Council’s estimated backlog maintenance and accessibility liability – and surplus places in the Secondary sector will be reduced by 31% based on projected January 2017 figures.

Ysgol Newydd (Bae Baglan) will become Neath Port Talbot County Borough Council’s first 21st Century “all through” 3-16 school, providing the highest levels of sustainable state of the art teaching and learning facilities for the communities of Aberafan, Baglan, Briton Ferry, Port Talbot and Sandfields.

2.9 Business needs

Table 11: Problems with Current Arrangements for the Schools

School	Problems associated with current arrangements
<p>Cwrt Sart Comprehensive</p>	<ul style="list-style-type: none"> • Unsuitable educational premises for 21st Century standard <ul style="list-style-type: none"> – Condition Grade C – Accessibility Grade B – Block 1 DEC Grade E (103 Rating) – Block 2 DEC Grade E (109 Rating) – External learning and play facilities do not fully meet with BB98 and Learning Through Landscapes’ recommendations. • Surplus pupil places 46% • Future pupil projections show a decrease of 10% • Backlog maintenance and accessibility costs £4.86M • Difficult building footprint, layout and zoning which inhibits flexible and/or extended community use • Asbestos containing materials are widely presented in CLASP buildings and will have a significant impact on any proposed refurbishment works. • Block 1 - Classrooms <ul style="list-style-type: none"> – This main building was constructed in 1973 and major building elements are nearing the end of their life span including roof coverings, windows and external cladding – Many classrooms are undersized with very poor levels of natural ventilation as a result of old single glazed windows being inoperable. This adds to solar gain during hot weather. – There is a mixture of old and new light fittings with many areas having insufficient levels of lighting – Acoustics are poor (some improvements have been made in a good spread of curriculum areas accessed by HI pupils) • Block 2 - Classrooms <ul style="list-style-type: none"> – Classrooms are undersized, lack storage and suffer from poor acoustics (some improvements have been made to classrooms



School	Problems associated with current arrangements
	<p>accessed by HI pupils)</p> <ul style="list-style-type: none">- Building has undergone a phased window renewal and pitched roof replacement in recent years to ensure business continuity and safeguard health and safety requirements, however internal areas require refurbishment.• Block 3 - Classrooms<ul style="list-style-type: none">- Classroom areas are undersized with poor levels of storage, natural lighting and acoustics- Building has received minor external remedial works and requires internal refurbishment.• Block 4 - Multi-Gym<ul style="list-style-type: none">- An aging building that houses which is in extremely poor condition with insufficient levels of natural lighting and ventilation- Lacks changing facilities• Block 5 - Gymnasium<ul style="list-style-type: none">- Has been refurbished relatively recently following an arson attack- Generally a good facility, however size, location and flexibility of space are poor- Changing facilities require updating• Block 6 - Drama<ul style="list-style-type: none">- Poor natural lighting, ventilation and increased levels of solar gain impact on overall suitability of facility- Requires minor internal and external works• Hall and Library<ul style="list-style-type: none">- Both undersized, lack storage and acoustic qualities- Hall is undersized for multi-use• Parking<ul style="list-style-type: none">- Insufficient car parking throughout the site, which encourages ad-hoc parking and impinges on access for service vehicles- Pupils have to navigate through parked cars when travelling between the various teaching blocks• Overall Suitability Category B – Reasonable but behaviour, morale and management adversely affected*
Glanafan Comprehensive	<ul style="list-style-type: none">• Unsuitable educational premises for 21st Century standard<ul style="list-style-type: none">- Overall Condition Grade C- Overall Accessibility Grade C- Main Block DEC Grade D (99 Rating)- Technology Block DEC Grade D (99 Rating)- External learning and play facilities do not meet with BB98 and Learning Through Landscapes' recommendations• Surplus pupil places 44%• Future pupil projections show a decrease of 4%• Backlog maintenance and accessibility costs £4.45M



School	Problems associated with current arrangements
	<ul style="list-style-type: none">• Buildings vary in age and type of construction, and are in a poor to fair condition, requiring a substantial amount of maintenance, remodelling and modernisation• Difficult building footprint, layout and zoning which inhibits flexible and/or extended community use• Asbestos containing materials in vinyl floor tiles, textured ceilings, insulation boards and flue pipes present a low risk that is well managed. However, this impedes further enhancement of the site and has a significant impact on any refurbishment works• The site extremely restricted with poor access, limited parking and no sports fields• School is located within the Port Talbot Town Centre.• Block 3 – English Classrooms<ul style="list-style-type: none">– Classrooms are too small, poorly lit and offer little scope for flexible use• Science Faculty<ul style="list-style-type: none">– Poorly suited to requirements (curriculum and learning experience)– Facilities spread across the school site• Block 5 - Classrooms<ul style="list-style-type: none">– a three storey teaching block with classrooms undersized with poor levels of flexibility, storage and FF&E• Block 7 – Various<ul style="list-style-type: none">– Classrooms, Music, Drama and Staff/Admin rooms– All rooms are undersized with high ceilings, poor lighting, ventilation, acoustics, storage and flexibility.• Block 8 – Various<ul style="list-style-type: none">– Classrooms, Gymnasium, Library and Staff/Admin rooms– All rooms are undersized with high ceilings, poor lighting, acoustics, storage and flexibility.• Gymnasium<ul style="list-style-type: none">– Unable to fulfil curriculum requirements and has aging FF&E.• Block 11 - SENCO<ul style="list-style-type: none">– A former end of terrace house utilised to locate the SENCO and specialist support staff– Whilst accommodation is reasonable, location is poor• Block 20 - Classrooms<ul style="list-style-type: none">– A relatively new build teaching block, but due to site restrictions the design was compromised and provision is slightly undersized with poor levels of storage• Playing Fields<ul style="list-style-type: none">– Due to the site being over developed, the area afforded to play and recreation is significantly lacking.– The school's playing fields are located 2 miles away from the main school site. This significantly impacts on lesson times and budget (transport costs)



School	Problems associated with current arrangements
	<ul style="list-style-type: none">• School Kitchen and Dining Facilities<ul style="list-style-type: none">– Too small to cater for the number of pupils appropriately– Poor flexibility, ventilation and acoustics• Pupils Toilet Areas<ul style="list-style-type: none">– Too large and poorly located– Too few sanitary fittings to adequately cater for the number of pupils on site• Overall Suitability Category B – Reasonable but behaviour, morale and management adversely affected*
Sandfields Comprehensive	<ul style="list-style-type: none">• Educational premises not of 21st Century standard<ul style="list-style-type: none">– Overall Condition Grade C– Overall Accessibility Grade C– Upper Block DEC Grade D (93 Rating)– Lower Block DEC Grade D (93 Rating)– External learning and play facilities do not fully meet with BB98 and Learning Through Landscapes' recommendations. The site offers a reasonable spread of formal / informal hard and soft play areas which have potential for further enhancement.• Surplus pupil places 42%• Future pupil projections show a decrease of 5%• Backlog maintenance and accessibility costs £6.46M• Difficult building footprint, layout and zoning which inhibits flexible and/or extended community use• The site has received moderate investment in recent years. However, further works are required to external hard surfaces, flat roof surfaces, curtain walling systems and heating distribution.• Block 1 – Classrooms<ul style="list-style-type: none">– Asbestos containing materials (although low risk and well managed) are widely present and will have a significant impact on any refurbishment works.• Block 2 – Classrooms Main Block<ul style="list-style-type: none">– A large number of classrooms are undersized with insufficient levels of storage and poor access to some classrooms above Ground Floor.– Access and circulation is difficult over 2 floors with some areas not having interconnecting corridors between stairwells.• Gymnasium<ul style="list-style-type: none">– Undersized with poor acoustics and storage which hinders full curriculum delivery.• Dining Room<ul style="list-style-type: none">– Has poor acoustics and ventilation– Reliant on the Great Hall also being utilised to accommodate pupils



School	Problems associated with current arrangements
	<ul style="list-style-type: none"> • Insufficient storage in Staff and Admin spaces • Insufficient storage in the Music and Drama areas • Specialist Art, Science and Technology teaching areas <ul style="list-style-type: none"> – Generally meet requirements although there are issues concerning acoustics • Overall Suitability Category B – Reasonable but behaviour, morale and management adversely affected*
Traethmelyn Primary School	<ul style="list-style-type: none"> • Educational premises not of 21st Century standard <ul style="list-style-type: none"> – Overall Condition Grade C – Overall Accessibility Grade C – DEC Grade D (83 Rating) – External learning and access to play facilities are reasonable but do not fully meet with BB99 and Learning Through Landscapes' recommendations. • Surplus pupil places 11% • Future pupil projections show an increase of 14% • Backlog maintenance and accessibility costs £1M • Restrictive and difficult building layout managed over 2 floors with poor zoning that inhibits flexible and/or wider community use • Asbestos containing materials are present in insulation board fire breaks to stairwells but are low risk and well managed. • The building is over 50 years old and requires an external refurbishment to renew cladding and glazing. Internal elements are generally sound requiring isolated refurbishment, repairs and minor upgrading • Classrooms have poor levels of ventilation and lighting with large single glazed windows that result in solar gain. Older steel windows are ill fitting adding to this issue • Hall is utilised as a dining area which restricts use and flexibility of use • Insufficient on-site parking or designated access for service vehicles • Overall Suitability Category B – Reasonable but behaviour, morale management adversely affected*

Suitability Categories:

- A → Good – Suitable levels for teaching, learning and wellbeing in schools
- B → Reasonable – Behaviour, morale and management adversely affected
- C → Poor – Teaching methods inhibited
- D → Bad – Severe situation and/or unable to teach the curriculum

Condition Gradings:

- A → Good/performing as intended and operating efficiently
- B → Satisfactory - performing as intended but exhibiting minor deterioration
- C → Poor - exhibiting major defects and/or not operating as intended
- D → Bad - life expired and/or risk of imminent closure



Accessibility Gradings:

- A → Fully accessible building compliant with Equalities requirements
- B → Largely accessible building largely compliant with Equalities requirements but some works still needed
- C → Largely inaccessible building non-compliant with Equalities requirements but could be made so subject to extensive work
- D → Inaccessible building non-compliant with Equalities requirements and cannot be made so at reasonable expense if at all

**as defined within the Welsh Government’s National School Data Capture Exercise 2010*

Table 12: Investment Objectives, Current Position and Business Needs

Investment Objective	Current Position	Business Needs
<p>1. To provide a stimulating all through teaching and learning environment in state of the art, 21st Century facilities that will impact positively on the self-esteem and well-being of all pupils.</p>	<ul style="list-style-type: none"> • Inadequate facilities do not support a 21st Century curriculum for all learners or secure positive self-esteem of all pupils. • Existing school buildings are in poor condition (largely Grades D and C respectively) with many time expired elements. • Working conditions and business continuity are a cause for concern, with significant backlog maintenance issues. 	<ul style="list-style-type: none"> • Maximise state of the art facilities to deliver the full 21st Century curriculum and secure positive self-esteem of all pupils. • Meet statutory obligations and government guidelines (e.g. meeting Equality legislation, relevant Building Bulletin – BB98, BB99 and 21st Century Schools guidance). • All aspects of pupil wellbeing (as detailed in Estyn guidance) to be awarded a judgement of Excellent by March 2017.
<p>2. To improve the learning outcomes for all pupils across the ability range.</p>	<ul style="list-style-type: none"> • Inadequate facilities which do not support a 21st Century curriculum for all learners. 	<ul style="list-style-type: none"> • State of the art facilities that underpin pupil achievement. • 21st Century standard teaching resources and capabilities. • To transfer a higher % of Level 4/5 Year 6 pupils into the Secondary sector. • To maximise the number of pupils who move into Further and Higher Education, as per WG guidelines. • Appropriate and consistent staff/pupil ratios for effective curriculum delivery.
<p>3. To reduce the number of surplus places in Neath Port Talbot (Aberafan, Baglan, Briton Ferry, Port Talbot and</p>	<ul style="list-style-type: none"> • There is an excess of surplus pupil places in Cwrt Sart, Glanafan, Sandfields and Traethmelyn: <ul style="list-style-type: none"> – Traethmelyn –11% surplus places 	<ul style="list-style-type: none"> • Secure future provision by reducing surplus places in line with WG requirements. • Efficient and effective use of finite resources.



Investment Objective	Current Position	Business Needs
Sandfields area) schools.	<ul style="list-style-type: none"> - Cwrt Sart – 46% surplus places - Glanafan – 44% surplus places - Sandfields – 42% surplus places • Inefficient and ineffective use of finite resources. 	
<p>4. To achieve efficiencies (economic and environmental) through economies of scale and single managements arrangements.</p>	<ul style="list-style-type: none"> • All three existing secondary schools and the associated primary school have significant surplus places. • School budget allocations have resulted in pressure on schools at a time when there is an expectation to provide more for learners. As a result the three secondary schools are facing increasing financial pressures. Schools are aware that they are working with fewer resources and with the annual efficiency expectations it is likely that the pressures imposed by the budget will increase. In running the schools separately, there is a duplication of costs: <ul style="list-style-type: none"> • Duplication of managerial, teaching and support staff. • Duplication of pupil funding budgets. • Duplicated fixed contract costs for supplies and services. • High environmental (energy) costs in running schools separately, including inefficient carbon emissions due to aged heating distributions systems and poor thermal building qualities. 	<ul style="list-style-type: none"> • Efficient and effective use of finite resources, resulting from the removal of surplus places. To realise cashable savings by achieving economies of scale through consolidation of resources (including staff), reduced management costs and a greater critical mass allowing strategic alignment of spend to the education of pupils. • To reduce accommodation costs by sharing school facilities. • To provide a more efficient management structure. • To provide a more efficient staff structure to deliver the full 21st Century curriculum. • Efficient and effective use of finite resources resulting in more efficient budget allocations. • To procure more cost effective services. • To modernise schools to comply with the WG 21st Century agenda, including environmental efficiencies.
<p>5. To ensure the school is a fully integrated community school providing access to its learning resources.</p>	<ul style="list-style-type: none"> • Current facilities do not facilitate easy, safe and zoned community use: • Inappropriate or disruptive building access. • Limited access to meeting or 	<ul style="list-style-type: none"> • To maximise community usage. • More appropriate community facilities (flexibility of use). • More opportunities to develop and expand local and national community initiatives



Investment Objective	Current Position	Business Needs
	<p>workshop rooms, insufficient 21st Century provision.</p> <ul style="list-style-type: none"> • Duplication of community provision e.g. after school clubs. • Schools not fully compliant with Equality legislation in terms of accessibility. • Restricted provision for multi-agency working. 	<p>(Breakfast/After school clubs).</p> <ul style="list-style-type: none"> • To maximise opportunities for all vulnerable members of the community, including those with disabilities. • To maximise opportunities for multi-agency working.

2.10 Potential Business Scope and Key Service Requirements

This section describes the potential business scope and key service requirements for the project in relation to the above business needs. The business scope and service requirements identified within the two following tables provide the ranges within which options are considered in the economic case. The proposed initiatives identified and short-listed within this document will seek to address all of these requirements.

Table 13: Business Scope

Service Requirements	Business Scope
Core (minimum)	<ul style="list-style-type: none"> • A new all through school facility which meets basic 21st Century standards; • A new teaching and support staff structure and ancillary staff structure; • A new robust management structure; • Appropriate curriculum for all pupils; • A fully inclusive school; • Efficient and effective funding arrangements; appropriate provision for vulnerable families and learners.
Desirable (Intermediate)	<ul style="list-style-type: none"> • A new school facility which meets all 21st Century school standards • Specialist provision for Foundation Phase learners to access on-site outdoor learning; • State of the art ICT facilities to support teaching and learning throughout school; • State of the art ICT facilities to support the management and administration of the school; • Fully integrated transport links including safe walking and cycling routes within communities; • Zoned and bespoke facilities for after school learning and community



Service Requirements	Business Scope
	<p>learning;</p> <ul style="list-style-type: none"> • Facilities for an integrated Learning Support Centre, for pupils with speech, language, communication and learning difficulties; • Highly effective links with the business community and world of work (entrepreneurship); • Extensive sporting and cultural facilities available for community use; • Flexible meeting spaces for community groups, multi-agency working and third sector organisations.
Optional (Maximum)	<ul style="list-style-type: none"> • A state of the art school facility which exceeds 21st Century school standards; • An integrated high specification community hub; • Sector leading ICT facilities to support teaching and learning throughout school; • Sector leading ICT facilities to support the management and administration of the school; • A sector leading, bespoke Learning Support Centre for pupils with speech, language, communication and learning difficulties; • Outstanding facilities for after school learning and community learning; • Outstanding sporting and cultural facilities available for fully integrated community use year round e.g. ATP, flood lighting, changing rooms; • Co-location of multi-agency and Council services.

Table 14: Service Requirements

Service Requirements	Educational	Site and Buildings
Core (minimum)	<ul style="list-style-type: none"> • Curriculum that meets statutory National Curriculum requirements; • Development of pupils' key skills; • A support programme to ensure pupil wellbeing and self-esteem; • Appropriate ratio of teaching staff to pupils; • A programme for the training and development of staff; • Effective leadership and management; • Provision for ALN learners within statutory requirements; • Support, administrative and technical staff structure. 	<ul style="list-style-type: none"> • Suitable Site (size and location); • BB98/99 Area Guidelines to form the basis of the design but applied flexibly; • Sustainable design – BREEAM Excellent and a low carbon footprint; • Appropriate provision throughout foundation phase (indoor and outdoor); • Secured by Design certification; • Effective and secure access control; • Wet sprinkler installation; • Accessible and inclusive



Service Requirements	Educational	Site and Buildings
		<p>accommodation;</p> <ul style="list-style-type: none"> • Flexible and adaptable accommodation to meet the demands and expectations of 21st Century teachers and learners; • Provision of basic ICT facilities to support teaching and learning; • Areas that can if required be utilised by the Community; • Internal and external assembly spaces (e.g. hall, dining area); • Appropriate staff facilities; • Sufficient and appropriate pupil toilets; • Central and local storage (internal and external); • General administrative and support accommodation; • Modern production kitchen and dining facilities; • External spaces in line with BB98/99 and Learning Through Landscapes' recommendations; • Safe access, secure staff/visitor parking and segregated vehicular/pedestrian movement; • Compliance with all H&S legislation; • High levels of natural light and passive ventilation throughout; • Acoustic design to follow recommendations of BB93; • Appropriate levels of controlled/zoned heating & lighting to facilitate community and external use during and outside of the normal school day; • Appropriate communication systems; • Good infrastructure.
<p>Desirable (Intermediate)</p>	<ul style="list-style-type: none"> • Differentiated and enhanced curriculum; • Effective ratio of teaching staff to 	<ul style="list-style-type: none"> • Suitable Site (size and location) on which to construct an iconic Landmark Building;



Service Requirements	Educational	Site and Buildings
	<p>pupils;</p> <ul style="list-style-type: none"> • A structured programme of training and development for all staff linked to the school's strategic priorities; • Pupil Voice / School Council informing aspects of teaching and learning and curricular planning; • Integrated planning and promotion of pupils' key skills across the curriculum; • Opportunities for pupil centred learning; • An enhanced support programme ensuring pupil wellbeing and self esteem; • Effective leadership and management reflecting the requirements of the WG distributed leadership programme; • Enhanced provision for ALN learners; • Community focussed school; • Collaboration with the community and partner agencies, e.g. health, social services. 	<ul style="list-style-type: none"> • High quality foundation phase provision and delivery (indoor and outdoor); • Integrated bespoke childcare facility for external providers e.g. Flying Start; • Fully accessible and inclusive accommodation; • Highly flexible and adaptable accommodation to meet the demands and expectations of 21st Century teachers and learners; • State of the art ICT facilities to support teaching and learning; • Community Focused school; • Flexible internal and external assembly spaces (e.g. hall, dining areas); • Enhanced staff facilities including confidential meeting rooms and PPA areas; • High quality pupil toilet facilities appropriately distributed that can be readily supervised; • General administrative and support accommodation appropriately located, sufficient in size and number; • Modern production kitchen and dining facilities to promote healthy lifestyles; • Integrated communication systems • Effective infrastructure; • Integrated facilities for a bespoke Learning Support Centre; • A fully integrated ICT-rich learning environment combining fixed work areas and wireless connectivity; • Enhanced accommodation to provide for greater collaboration with the following services within the school environment: <ul style="list-style-type: none"> - EYDCP - Celtic Leisure Trust - Library and Cultural Services - Police - Local Health Board



Service Requirements	Educational	Site and Buildings
		<ul style="list-style-type: none"> - Social Services • Provide a Multi-Use Games Area (MUGA).
<p>Optional (Maximum)</p>	<ul style="list-style-type: none"> • A structured programme of extensive training and development for all staff linked to the school's strategic priorities; • Differentiated and enhanced curriculum ensuring motivational learning experiences for all pupils; • Pupil Voice / School Council informing curricular planning, delivery and evaluation of provision; • Integrated planning and promotion of pupil key skills maximising learning opportunities across the curriculum including pupil centred learning; • An enhanced well-being and self-esteem support programme ensuring access to specialist support and advice, available to all pupils; • Effective leadership and management reflecting the requirements of the WG distributed leadership programme with a relentless focus on improving pupil outcomes; • A bespoke, specialist provision for ALN learners; • Extensive collaboration with the community and partner agencies, e.g. health, social services including Child care and crèche facilities; • Community IT resource base; • Community regeneration; • A fully integrated school-based Children's Service; • Fully integrated community school catering for all age learning, cultural, sporting and multi-agency activities. 	<ul style="list-style-type: none"> • Using new school facilities in tandem with the local community. For example: <ul style="list-style-type: none"> - Community hub - Community leisure centre - Community sports fields and changing facilities - Community flood lit all-weather sports facilities • Sector leading state of the art ICT facilities; • Stand-alone multi-agency facility;



2.11 Main Benefits Criteria

This section describes the main outcomes and benefits associated with the implementation of the potential scope in relation to business needs. Satisfying the potential scope for this investment will deliver the following high-level strategic and operational benefits. The investment objectives, and the potential benefits to different stakeholder groups, are included in the following table.

Table 15: Investment Objectives and Benefit Criteria

Investment Objectives	Stakeholder Group	Main Benefits Criteria by Stakeholder Group
<p>1. To provide a stimulating all through teaching and learning environment in state of the art, 21st Century facilities that will impact positively on the self-esteem and well-being of all pupils.</p>	Learners	<p><u>Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Improved attendance • Securing positive learning experiences • Improved learning outcomes • Improved engagement with the learning process • Improved access to learning materials (physical, academic and emotional) • Higher number of positive learning role models • Equality of opportunity to access excellent teaching and learning experiences <p><u>Non Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Inspired learning • Better promotion of key skills • Creating independent learners • Improved self-esteem and well-being • Raising aspirations • Continuity in pastoral care i.e. seamless progression from primary to secondary schools.
	Staff	<p><u>Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Access to a wider range of teaching materials (state of the art ICT and other emerging technologies) • Greater opportunities to use a wider range of different learning / teaching styles • Increased opportunities for continuous professional development



Investment Objectives	Stakeholder Group	Main Benefits Criteria by Stakeholder Group
		<u>Non Quantifiable Benefits</u> <ul style="list-style-type: none"> • Access to and sharing of sector leading practice via Professional Learning Communities • Greater job security • More opportunities to facilitate distributed leadership and increased responsibilities
	Employers	<u>Quantifiable Benefits</u> <ul style="list-style-type: none"> • Improved levels of recruitment, quality and retention of staff • Reduced sickness levels of staff
		<u>Non Quantifiable Benefits</u> <ul style="list-style-type: none"> • Reputational improvement for the County Borough Council • Assured business continuity • More effective staffing structures – management and support
	Wider Community	<u>Quantifiable Benefits</u> <ul style="list-style-type: none"> • Localised access to learning, sporting and cultural opportunities • Reduction in anti-social behaviour and disaffection
		<u>Non Quantifiable Benefits</u> <ul style="list-style-type: none"> • Securing local provision • Improved community self-esteem and wellbeing • Improved community links and facilities ensuring community cohesion • Improved community confidence and sense of belonging
	2. To improve the learning outcomes for all pupils across the ability range.	Learners



Investment Objectives	Stakeholder Group	Main Benefits Criteria by Stakeholder Group
	Staff	<u>Quantifiable Benefits</u> <ul style="list-style-type: none"> • Increased job satisfaction • Greater opportunities to use a wider range of different learning / teaching styles • Increased opportunities for continuous professional development
		<u>Non Quantifiable Benefits</u> <ul style="list-style-type: none"> • Professional support and challenge • Accessing and sharing sector leading practice via Professional Learning Communities • Improved professional credibility and integrity
	Employers	<u>Quantifiable Benefits</u> <ul style="list-style-type: none"> • Improved levels of recruitment, quality and retention of staff • Reduced sickness levels of staff • Sustainable staffing structures - management and support
		<u>Non Quantifiable Benefits</u> <ul style="list-style-type: none"> • Reputational improvement for the County Borough Council • Assured business continuity • Improved opportunities to attract and retain high quality staff
	Wider Community	<u>Quantifiable Benefits</u> <ul style="list-style-type: none"> • Community regeneration and sustainability • Reduction in anti-social behaviour and disaffection • Improved community and social health
		<u>Non Quantifiable Benefits</u> <ul style="list-style-type: none"> • Pupils contributing more positively to society • Improved community cohesion • Enhanced local and national reputation of the wider community • Opportunities to create an up-skilled local workforce • Improved community links and facilities ensuring community cohesion • Improved community confidence and sense of belonging



Investment Objectives	Stakeholder Group	Main Benefits Criteria by Stakeholder Group
<p>3. To reduce the number of surplus places in Neath Port Talbot (Aberafan, Baglan, Briton Ferry, Port Talbot and Sandfields) schools.</p>	Learners	<p><u>Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • More funding available due to redistribution of resources • Wider curricular and non-curricular opportunities
		<p><u>Non Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Greater potential for social interaction through increased number of peer groups and role models
	Staff	<p><u>Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Sustainability and retention of staff • Greater staff expertise and specialisms • Greater opportunities to use a wider range of different learning / teaching styles • Increased opportunities for continuous professional development
		<p><u>Non Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Maintaining long-term job opportunities • More opportunities to facilitate distributed leadership and increased responsibilities • Greater opportunity for flexible working practices e.g. team teaching • Improved professional credibility and integrity
	Employers	<p><u>Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Ability to distribute funds more equitably • Securing long-term opportunities for employment in County Borough
		<p><u>Non Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Future-proofing of communities • Sustaining local business community • Improved financial management reputation and confidence that public funds are being used efficiently • Sustainable staffing structures - management and support
	Wider Community	<p><u>Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Securing long-term opportunities for employment in the community • Community regeneration and sustainability • Reduction in anti-social behaviour and disaffection within the Sandfields area • Improved community cohesion



Investment Objectives	Stakeholder Group	Main Benefits Criteria by Stakeholder Group
		<p><u>Non Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Confidence in public funds being used efficiently • Future-proofing of communities • Sustaining local business community • Enhanced local and national reputation of the wider community • Improved community links and facilities ensuring community cohesion • Improved community pride and sense of belonging
<p>4. To achieve efficiencies (economic and environmental) through economies of scale and single managements arrangements.</p>	Learners	<p><u>Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • More funding due to redistribution of resources • ‘One stop shop’ for learning • Greater learning opportunities to improve pupils’ key skills • Wider range of curricular and non-curricular opportunities
		<p><u>Non Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Greater potential for social interaction through increased number of peer groups and role models • Greater understanding of the importance of sustainable development and environmental issues
	Staff	<p><u>Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Sustainability and retention of staff • Greater staff expertise and specialisms • Increased opportunities for continuous professional development • Greater opportunities to use a wider range of different learning / teaching styles • Greater understanding of sustainable development and environmental issues in new schools
		<p><u>Non Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Maintaining long-term job opportunities • More opportunities to facilitate distributed leadership and increased responsibilities • Greater opportunity for flexible working practices e.g. team teaching • Improved professional credibility and integrity



Investment Objectives	Stakeholder Group	Main Benefits Criteria by Stakeholder Group
	Employers	<p><u>Cash Releasing Benefits</u></p> <ul style="list-style-type: none"> • Reduction in advertising costs for teaching staff • Income from community use of facilities <p><u>Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Ability to distribute funds more equitably • Securing long-term opportunities for employment in the community • Sustaining local business community • Greater potential to reinvest revenue and capital • Greater ability to target specific need • Greater ability to share resources • Greater consistency in managing employment issues • Improved borrowing capacity (prudential borrowing) <p><u>Non Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Improved financial management reputation and confidence that public funds are being used efficiently • Future-proofing of communities
	Wider Community	<p><u>Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Securing long-term opportunities for employment in the community • Community regeneration and sustainability <p><u>Non Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Improved financial management reputation and confidence that public funds are being used efficiently • Future-proofing of communities • Sustaining local business community • Enhanced local and national reputation of wider the community • Improved community links and facilities ensuring community cohesion • Improved community pride and sense of belonging
5. To ensure the school is a fully integrated community school providing access to its	Learners	<p><u>Quantifiable Benefits</u></p> <ul style="list-style-type: none"> • Improved attendance • Securing positive learning experiences for pupils and families • Improved learning outcomes for pupils and families • Improved access to learning materials (physical, academic)



Investment Objectives	Stakeholder Group	Main Benefits Criteria by Stakeholder Group
learning resources.		and emotional) <ul style="list-style-type: none"> Higher number of positive learning and adult role models Equality of opportunity to access excellent teaching and learning experiences
		<u>Non Quantifiable Benefits</u> <ul style="list-style-type: none"> Better promotion of key skills Local pride – greater sense of involvement and ownership Ability to shape local community – pupil/community voice Community school, owned by the community for the community Raised aspirations across the community
	Staff	<u>Quantifiable Benefits</u> <ul style="list-style-type: none"> Access to a wider range of teaching materials (state of the art ICT and other emerging technologies) Increased opportunities for continuous professional development Improved understanding of community needs and aspirations
		<u>Non Quantifiable Benefits</u> <ul style="list-style-type: none"> Greater engagement with the local community More opportunities to facilitate distributed leadership and increased responsibilities Ability to have an impact on community self-confidence and pride Accessing and sharing sector leading practice via Professional Learning Communities Improved reputation or standing within the wider community
	Employers	<u>Cash Releasing Benefits</u> <ul style="list-style-type: none"> Revenue savings released maintain Council's eligibility for capital (prudential) borrowing Income from community use of facilities
		<u>Quantifiable Benefits</u> <ul style="list-style-type: none"> More efficient use of premises / estate Improved levels of recruitment, quality and retention of staff Reduced sickness levels of staff <u>Non Quantifiable Benefits</u> <ul style="list-style-type: none"> Opportunities to create an up-skilled workforce



Investment Objectives	Stakeholder Group	Main Benefits Criteria by Stakeholder Group
		<ul style="list-style-type: none"> Assured business continuity Development of community spirit and identity
	Wider Community	<p><u>Quantifiable Benefits</u></p> <ul style="list-style-type: none"> Reduction in anti-social behaviour and disaffection Improved community and social health Community regeneration and sustainability Securing long-term opportunities for learning / training in the community Localised access to learning, sporting and cultural opportunities <p><u>Non Quantifiable Benefits</u></p> <ul style="list-style-type: none"> Development of community spirit and identity Use of the wider community as a learning resource Enhanced local and national reputation of wider the community

2.12 Main Risks

The main business and service risks (design, build and operational over the lifespan of the scheme) associated with the scope for this project are shown below, together with their counter measures.

Table 16: Main Risks and Counter Measures

Description - Risk	Risk control measure	Likelihood (1-5)	Impact (1-5)	Risk rating	owner
Budget and Financing					
Planning not achieved	Continue liaising with Planning Authority	2	5	10	
Project delay due to delay in financial approval from Welsh Government	Monitor	1	5	5	
Requirement of a full Environmental Impact Assessment (EIA) as part of the Planning Application	Continue liaising with Planning Authority	2	3	6	
Inflation / increased sub-contractor / materials cost	Realistic budget allowance with packages procured on a fixed price basis	1	2	2	



Change of Government influences funding	Ensure robust and sufficiently developed FBC	1	4	4
Tender based on Stage 3 information - Contractors detailed design doesn't meet client aspiration	Review tender information and include explanatory text with regard to contractor assumptions. Clearly identify and deviation from the specified works within the tender submission	2	3	6
Stage 3 cost plan is inaccurate	Work closely with the cost consultant to agree a robust cost plan at tender stage	2	3	6
Inadequate client contingency	Ensure the scheme fully reflects the brief. Client contingency is to be reviewed prior to contractor appointment	1	4	4
Statutory Requirements				
Other unknown Statutory Approvals conditions	Early identifications and discussion with Authority and the monitoring of conditions and discharges during works.	1	3	3
Third Parties				
BREEAM Excellent required - additional fees	Review BREEAM pre-assessment and make requirements clear to sub-contractors	1	2	2
Current power supplies to the site are not sufficient for new works	Assessment made of power supplies required during the works and final building, early liaison with Stat authorities.	2	4	8
Adequate pressure in existing water main	Liaise with Water Authority to ascertain facts	2	4	8
Design Issues				
Clients zero carbon aspiration	Embed into the early design the zero carbon ethos, ensure design team address all issues and carry out sufficient modelling to achieve	2	3	6



	compliance at the earliest stage				
Change of Building Regulations during the process	Consult LABC at an early design stage to ascertain known future amendments to the Building Regulations	3	3	9	
Sprinkler system compliance with life protection or property protection	Establish the scope during design development stage and liaise with relevant authorities	2	4	8	
Clarification of FFE requirements including appraisal of suitability and condition of existing furniture and equipment to be transferred	Undertake full review of requirements, undertake survey and inventory of existing equipment	2	2	4	
Not achieving desired BREEAM rating	Manage against set criteria and monitor progress. Assign owner to each area to ensure progression. Experienced team with track record and understanding of delivering this requirement.	1	4	4	
Infrastructure capacity not sufficient to meet development needs	Commission early TA based on occupancy figures attained from client	2	5	10	
SWTRA / Highway objections	Ensure early consultation with relevant parties and address issues arising in a timely manner.	1	3	3	
Secure by Design requirements and implications	Establish scope and determine specification impacts during early design - early involvement of ALO	1	2	2	
Change of specification resulting in unavailability / delayed equipment	Early client involvement and sign off of specification in accordance with the construction programme	2	3	6	



Changes to the FFE due to technological advances	Agree specific design freezes with regard to IT, telecoms in a timely manner. Review the requirements at an appropriate time during the construction phase and agree that the specified works are still acceptable.	3	3	9
Additional / unsatisfactory building maintenance requirements imposed through the design	Design team to work with the CDM-C to design out risks where possible and ensure the building is maintainable with limited specialist equipment or personnel.	1	3	3
Fire strategy not appropriate	Early liaison with LABC and Fire Brigade to establish the fire engineering approach to be adopted. Seek early approval with regard the design principal and continue liaison throughout the construction phase.	2	4	8
Decision to use pile foundation	SI suggests poor ground bearing capacity and identifies no suitable strata to depths in excess of 28m. Commission additional SI works to adequately inform the design of pile foundation, allow sufficient design time	2	5	10
Site Issues				
Works outside of the site boundary	Establish scope during the design development stage and liaise with relevant authorities	1	3	3
Presence of contamination / hazardous materials	Check adequacy of the existing reports and carry out further checks / investigations if required.	2	4	8



Existing services running across the site that need diverting or protecting	Complete CAT and Genny survey shortly after contractor appointment. Establish the exact location of the gas pipe to the North of the site at the earliest opportunity	4	3	12
Complaints from neighbours regarding disruption / noise / dust / pollution / access	Produce an environmental management plan during at an early stage. Register the scheme with the Considerate Constructors scheme and abide by the charter. Neighbour liaison and regular newsletter throughout the project.	2	2	4
Procurement				
Failure to secure land purchase	Early involvement of NPT Estates	1	2	2
Poor project / design team	Select a consultant and contractor team with experience of delivering cost effective education developments similar in size and nature to that proposed.	2	5	10
Agreement of Contract amendments	Agree particulars of the Contract, and any variations of standard clauses at tender stage.	2	3	6
Delay in obtaining consent for temporary SUDS system	Contractor to manage discharge of the planning conditions in sufficient time.	2	4	8
Construction				
Site security - theft and vandalism unknown	Employ security guard - develop a security strategy that involves the local community and police authorities	4	2	8
Inclement weather	Ensure current programme allows sufficient scope to accommodate	3	3	9
Sub-contractor failure due to economic	Careful selection process and	2	5	10



climate	management against package, contractors potential and overall commitments				
Local labour / recruitment / supplier targets cannot be achieved	Develop target schedule for package contractors and monitor.	2	2	4	
Ground conditions differ from that of the SI	Check adequacy and timing of the existing records. Allow adequate time early in the programme for carrying out further investigations if required	1	5	5	
Protected species found on site causing programme delays due to licensing and mitigation required	Undertake species specific surveys at the earliest opportunity	1	2	2	
Unforeseen ground conditions - archaeological	Ensure adequate early investigation has reduced this likelihood as much as possible	1	2	2	
WRAP target not met	Manage against set criteria and monitor progress - commitment from package contractors.	1	2	2	
Materials - availability of key materials and lead times, potential for cost escalation	Preparation and maintenance of Material Procurement Schedule during the construction phase to ensure technical and timescale requirements are understood.	2	2	4	
Demolition works	Ensure early possession of buildings and carry out R&D surveys. Programme works accordingly. Contact and arrange Stat Authority disconnections early during the process.	2	2	4	
Quality issues - construction works	Agree a close out programme and method of rectifying defects with Clerk of Works to ensure the	1	2	2	



	delivery of a zero defect building at handover.				
Quality issues - design works	Agree a programme for the detailed design stage and allow adequate time for client consultation and approvals. Obtain sign off of the design at various stages in a timely manner to ensure the programme compliance	1	3	3	
Failure to meet air tightness and sound transfer requirements	Commission early modelling and review detailing. Carry out early site tests on a section of the build to ascertain typical results, adjust further works accordingly	2	3	6	
Contractor not willing to take on construction phase planning conditions	Apply and obtain planning consent prior to end of tender stage and inform contractors of the necessity to comply with the conditions imposed	2	4	8	
Commissioning not completed at handover	Allow ample commissioning time in the construction programme. Work with client to agree a suitable programme early during the construction phase.	2	4	8	
Management of variations	Ensure that a robust system is in place to monitor and record method and date of correspondence. Keep this document live throughout the construction phase and ensure full compliance with the Contract particulars.	2	2	4	
Programme					
Compliance with handover not being met	Planning for handover process embedded from project commencement to	2	5	10	



	ensure all issues are understood and planned for.				
User handover, training, etc., ensure smooth transition to users	Allow adequate time at the end of the project to provide adequate training, embed into the project process.	2	5	10	
Changes to the brief could endanger programme and lead to extra costs	Strong direction from project team and agree clear design freeze / sign-off and change control and monitoring process.	1	4	4	
Unable to satisfy pre-commencement planning conditions	Arrange early consultation with planning authority and obtain planning consent in a timely manner	2	5	10	
Construction phase over-run leading to client phased occupation	Construction programme to allow sufficient time for decan / occupation	2	5	10	
Provisional sums not being instructed in a timely manner	Prepare and maintain a provisional sum tracker, to include costs, instruction dates and schedule information release dates in line with the construction programme	2	4	8	
Project delay due to late decision making by client	Maintain close liaison with client and set clear sign-off dates	2	5	20	



2.13 Constraints

The project is subject to the following constraints:

- WG policy;
- County Borough Council policy;
- Building restrictions, e.g. environmental issues;
- Building control;
- BREEAM excellence;
- Staffing and HR issues in the schools;
- Catchment areas issues and nearest school may affect schooling patterns;
- Availability of capital funding (Grant Funding and borrowing capacity);

Following review by the SSIP team, the constraint 'Future Legislation' previously included in the OBC has been removed.

2.14 Dependencies

The project is subject to dependencies that will be managed carefully throughout the lifespan of the scheme. These external factors need to be actively managed to ensure that any issues can be identified early and resolved or mitigated to reduce the potential effect on the overall success of the project.

Progress has been made in the following areas:

- Availability of funding to conduct feasibility and design work;
- Completion of acceptable feasibility work that can move project forward;
- Changes to educational and curricular policies;
- Availability of land.

The only current dependency is the availability of funding by Welsh Government (acceptance of this FBC).



3.0 Economic Case

3.1 Introduction

In accordance with the HM Treasury's Green Book (A Guide to Investment Appraisal in the Public Sector), this section of the FBC documents the wide range of options that have been considered in response to the potential scope identified within the strategic case.

3.2 Critical Success Factors

The Critical Success Factors (CSFs) are as follows:

CSF1: Business Needs

- The option must satisfy all of the Investment Objectives and associated business needs determined for the initiative.
- The option must also optimise compliance with these objectives throughout any phased implementation.
- The option must be the best fit with the demands for skills of the business and commercial communities within the area.

CSF2: Strategic Fit

- The option must fit within and promote Local, Regional and National strategies presented in Business Strategies.
- The option must complement the transformation plans that NPT County Borough Council have developed for schools.
- The option must be the best fit with the strategies of the business and commercial communities within the area
- The option must fit with the Community Strategies for the area.

CSF3: Potential Value for Money (VFM)

- The option must maximise return on the required investment (benefits optimisation) in terms of economy, efficiency and effectiveness.
- The option must minimise associated risks.



CSF4: Benefits Optimisation

- Achieves an affordable integrated service provision around pupils, families, parents/ carers, and schools/learning settings.
- Sustainable model(s) of learning provision within the Aberafan, Baglan, Briton Ferry, Port Talbot and Sandfields areas which meets the needs and aspirations of all children and young people.
- Educational attainment levels raised to the targets expressed for Investment Objectives.
- Operating costs for delivering learning are optimised at levels that achieve reductions.

CSF5: Potential Achievability

- The option needs to be endorsed by learners, staff, employees and the wider community.
- There must be the management capacity, skills and vision to deliver the transformation, or recognition of the need to recruit assistance.
- Innovative governance and management arrangements need to be deployed.
- Effective and efficient collaborative working for the longer term.

CSF6: Supply side Capacity and Capability

- Sufficient established and reputable construction firms bid for work to ensure both competition and value for money in new building delivery.

CSF7: Potential Affordability

- The required capital investment can be met from grants available from the Welsh Government, realisations from land and property sales and from prudential borrowing.
- Developments can be phased to match the funds available.
- The financial and non-financial benefits must more than repay the investment.



3.3 Services Scoping Options

In accordance with the Treasury Green Book, the “Do nothing” option has been considered as a benchmark for potential VFM.

Within the broad scope outlined in the strategic case, the following main options have been considered:

- **Option 1:** “Do Minimum” - Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.
- **Option 2:** “Intermediate scope” – Federate the existing three secondary schools.
- **Option 3:** ‘Maximum scope’ – Close the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with adjacent primary school (Traethmelyn) and build a new all through 3-16 21st Century school.

3.3.1 Option 1: ‘Do minimum’ – Maintain the status quo

Maintain the status quo i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with adjacent primary school (Traethmelyn), as they currently are.

Advantages

- This option leaves the schools free to continue existing in current shape and form and requires no changes or disruption;
- Capital investment required will be reduced (limited to ad-hoc repairs and maintenance).

Disadvantages

- Does not address the issue of inadequate school buildings by providing 21st Century curriculum facilities;
- Poor condition and sustainability levels of schools are not addressed. Continuing fall in pupil numbers and the associated surplus capacity issues will not be addressed in this option;
- Financially unviable due to the disproportionately high ongoing maintenance costs of the school building estate;
- There is a significant risk to business continuity as buildings inevitably fall further into disrepair.



3.3.2 Option 2: 'Intermediate scope' – Federate the existing three secondary schools

Federate the existing three secondary schools (Cwrt Sart, Glanafan and Sandfields).

Advantages

- This option leaves the schools free to pursue organic federation – collaborate delivery and rationalise courses;
- Capital investment required will be reduced (limited to ad-hoc repairs and maintenance).

Disadvantages

- Does not address the issue of inadequate school buildings by providing 21st Century curriculum facilities;
- Poor condition and sustainability levels of schools are not addressed in this option. Although federating the schools will allow for some rationalisation, continuing fall in pupil numbers year on year, in all the three Comprehensive schools and the associated surplus capacity issues are not addressed;
- Financially unviable due to the disproportionately high ongoing management and maintenance costs of the three schools;
- There is a significant risk to business continuity as buildings inevitably all further into disrepair.

3.3.3 Option 3: 'Maximum scope' – Close the three secondary schools (with adjacent primary school) and transfer pupils to one school

Close the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with adjacent primary school (Traethmelyn) and build a new all through 3-16 21st Century school.

Advantages

- Manageable and realistic option – to convert one of the existing schools or build a new school that can provide 21st Century curriculum facilities;
- Sustainable in addressing the issue of poor condition of one school rather than three/four school buildings;
- Transferring pupils to one school tackles the issue of continuing fall in pupil numbers year on year and associated surplus capacity issues by encouraging more cost effective pupil/teacher ratios;
- Financially advantageous when compared to high levels of monies (capital and revenue) spent on management and maintenance costs of the three/four school buildings.



Disadvantages

- Some pupils may have to travel further;
- There could be an increase in travel cost per Pupil;
- Option may not be endorsed by all stakeholders – pupils, parents, teachers, community and politicians;
- Capital funding for refurbishment of one of the schools or building a new school may not be available.

3.3.4 Summary Assessment of Scoping Options

Table 17: Summary Assessment of Scoping Options

Reference:	Option 1	Option 2	Option 3
Investment Objectives			
1. To provide a stimulating all through teaching and learning environment in state of the art, 21st Century facilities that will impact positively on the self-esteem and well-being of all pupils.	x	?	✓
2. To improve the learning outcomes for all pupils across the ability range.	x	?	✓
3. To reduce the number of surplus places in Neath Port Talbot (Aberafan, Baglan, Briton Ferry, Port Talbot and Sandfields area) schools.	x	✓	✓
4. To achieve efficiencies (economic and environmental) through economies of scale and single management arrangements.	x	?	✓
5. To ensure the school is a fully integrated community school providing access to its learning resources.	x	?	✓
Critical Success Factors			
Strategic Fit	x	x	✓
Business Need	x	x	✓
Potential VFM	x	x	✓
Benefits optimisation	x	?	✓



Reference:	Option 1	Option 2	Option 3
Potential achievability	✓	✓	✓
Affordability	✓	✓	✓
Summary	Discounted	Discounted	Preferred

Although Option 1 (“Do nothing”) is discounted at this stage (as it does not meet the any of the Investment Objectives and only meets 2 of the 6 Critical Success Factors) it will be carried forward for economic comparative purposes only.

Option 2 (Intermediate Scope) is discounted due to it not fitting with the Council's 15 year strategy and only possibly meeting 4 of the 5 Investment Objectives and definitively 2 (potentially 3) of the 6 Critical Success Factors.

Option 3 (Maximum Scope) is therefore the preferred option to be carried forward for full evaluation as it meets all of the Investment Objectives and Critical Success factors.

3.4 Service Solution Options

The service solution options considered for the reconfiguration of educational provision and modernisation/replacement of facilities involve three secondary schools (Cwrt Sart, Glanafan and Sandfields) and one primary school (Traethmelyn). The availability of land around the current Glanafan and Cwrt Sart school sites is limited. There is insufficient available land at both Glanafan and Cwrt Sart to consider creating a school suitable to cater for 1,500 pupils, so options figure on the reconfiguration/extension of Sandfields comprehensive or a new build on land in Council ownership in the Baglan Bay area.

Below is a long list of options considered for the scheme with outline reasons for those carried forward into the evaluation phase (short-list):

3.4.1 Long List Options

1. **‘Do minimum’** – Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are. This is not a financially viable option, nor does it link with the Council’s SSIP in terms of engaging with the 21st Century Schools agenda and addressing surplus places. However, the option is retained for evaluation in lines with HM Treasury guidance. **Retained** for evaluation purposes only.
2. Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), and the adjacent primary school (Traethmelyn) and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area. This is a viable option and fits with the Council’s SSIP particularly with reference to engaging with and developing the 21st Century Schools agenda,



replacing end of life facilities, and addresses the long standing issue of surplus places. **Preferred**

3. Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn). This is a viable option and fits with the Council's SSIP particularly with reference to engaging with and developing the 21st Century Schools agenda, and addresses the long standing issue of surplus places. **Possible**
4. Close Glanafan secondary school and transfer pupils to Sandfields secondary school, and maintain status quo for Cwrt Sart secondary school and Traethmelyn primary school. This is not a viable option due to the deteriorating estate and lack of fit for purpose facilities to support the 21st Century Schools agenda and the Council's SSIP. **Discounted**
5. Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn) and build a new 1,500 place 21st Century 3-16 (all through) school on a new site in the Baglan Bay area. This is a viable option and fits with the Council's SSIP particularly with reference to engaging with and developing the 21st Century Schools agenda, replacing end of life facilities, and addresses the long standing issue of surplus places. **Possible**
6. Close two secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn) and build a new 1,100 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area, as well as building a new 430 place secondary school at Cwrt Sart. This is a viable option and fits with the Council's SSIP particularly with reference to engaging with and developing the 21st Century Schools agenda, replacing end of life facilities, and addresses the long standing issue of surplus places in two of the Comprehensives. However, this option does clash with the Council's intention and strategic approach to minimise surplus places in the Cwrt Sart Comprehensive. **Possible**
7. Federation of the three secondary schools (Glanafan, Cwrt Sart and Sandfields), and maintain the status quo of the adjacent primary school (Traethmelyn). This is not a financially viable option, nor does it link with the Council's SSIP in terms of engaging with and developing the 21st Century Schools agenda, replacing end of life facilities or modernisation to support the SSIP, nor does this option address the long standing issue of surplus places. **Discounted**

From this list, Options 2, 3, 5, and 6 (known henceforth as 3.1, 3.2, 3.3 and 3.4) are carried forward for evaluation. As per HM Treasury requirements, Option 1 – Do nothing is carried forward for evaluation.



3.4.2 Short List Options

3.4.2.1 Option 3.1

Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn) and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.

Advantages

- A new school will enhance standards and provide 21st Century curriculum facilities.
- Land at Western Avenue is already in Council ownership.
- Eliminates backlog maintenance costs identified for current school buildings.
- Allows potential reduction in operational revenue costs.
- OBC accepted by WG and capital funding approved in principle subject to completion of FBC.

Disadvantages

- Some pupils may have to travel further and longer distances, which may increase travel to learn costs.
- Some stakeholders will not endorse the option.

3.4.2.2 Option 3.2

Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn). This will include a new build element and full refurbishment of the existing premises.

Advantages

- Capital investment to upgrade the school would be reduced compared to the cost of building a new school.
- Refurbishment and adaptations will allow for provision of 21st Century curriculum facilities.
- Reduces backlog maintenance costs identified for the two secondary schools (Cwrt Sart and Glanafan).

Disadvantages

- Developing the facilities to the required scale and standard would require considerable investment – which may counterbalance the cost of building a new school building with a longer life.



- Some pupils may have to travel further and longer distances, which may increase travel to learn costs.
- Some stakeholders will not endorse the option.
- OBC accepted by WG and capital funding approved in principle subject to completion of FBC for Option 3.1.

3.4.2.3 Option 3.3

Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn) and build a new 1,500 place 21st Century 3-16 (all through) school on a new site in the Baglan Bay area. The site considered was owned by the BP Baglan Bay plant which closed in 2004 and is now owned by St. Modwen.

Advantages

- A new school will enhance standards and provide 21st Century curriculum facilities.
- Eliminates backlog maintenance costs identified for current school buildings.
- NPT Council may receive a capital receipt from a third party developer on a potential land swap.
- Potential for additional capital receipts from the sale of two vacated secondary school sites (Cwrt Sart and Glanafan).

Disadvantages

- Some pupils may have to travel further and longer distances, which may increase travel to learn costs.
- As the site was previously a chemical plant, levels of ground contamination are unknown and would require further investigation and may result in the need for significant remediation works.
- Some stakeholders will not endorse the option.
- OBC accepted by WG and capital funding approved in principle subject to completion of FBC for Option 3.1.

3.4.2.4 Option 3.4

Close two of the secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn) and build a new 1,100 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area, as well as building a new 430 place secondary school at Cwrt Sart.

Advantages

- A new school will enhance standards and provide 21st Century curriculum facilities.



- Land at Western Avenue and Cwrt Sart are already Council owned.
- Eliminates backlog maintenance costs identified for existing buildings.
- Allows reduction in operational revenue costs.
- Addresses surplus places.

Disadvantages

- Some pupils may have to travel further and longer distances, which may increase travel to learn costs.
- Operational revenue savings will be reduced due to maintenance of a small secondary school (Cwrt Sart), which in turn may impact on the amount of capital that can be prudentially borrowed.
- Cwrt Sart school site is compromised (e.g. there are limited playing fields on site).
- The option does not fit with the stated strategy (within SSIP) of the Council
- OBC accepted by WG and capital funding approved in principle subject to completion of FBC for Option 3.1



3.4.3 Summary Assessment of Service Solution Options

Table 18: Summary Assessment of Service Solution Options

Reference:	Option 3.1	Option 3.2	Option 3.3	Option 3.4
1. To provide a stimulating all through teaching and learning environment in state of the art, 21st Century facilities that will impact positively on the self-esteem and well-being of all pupils.	✓	?	✓	✓
2. To improve the learning outcomes for all pupils across the ability range.	✓	?	✓	✓
3. To reduce the number of surplus places in Neath Port Talbot (Aberafan, Baglan, Briton Ferry, Port Talbot and Sandfields area) schools.	✓	✓	✓	✓
4. To achieve efficiencies (economic and environmental) through economies of scale and single management arrangements.	✓	✗	✓	✗
5. To ensure the school is a fully integrated community school providing access to its learning resources.	✓	✓	✓	✓
Critical Success Factors				
Strategic Fit	✓	?	✓	✗
Business Need	✓	✗	✓	✓
Potential VFM	✓	✗	?	✗
Benefits optimisation	✓	✗	✓	✗
Potential achievability	✓	?	?	?
Affordability	✓	?	?	?
Summary	Preferred	Possible	Discounted	Possible

Although Option 3.3 scores higher than Options 3.2 and 3.4, the risks and achievability associated with building a new school on a land/site (not in Council ownership) that hosted a chemical plant is not viewed as a possible service solution. Therefore Option 3.1, 3.2 and 3.4 are short listed for further appraisal and Option 3.3 is discounted.



3.5 Overall Conclusion of Scoping and Service Options

Table 19: Overall Conclusion of Scoping and Service Options

Options	Findings
1.0 Scope	
i. Option 1: 'Do minimum' - Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.	<ul style="list-style-type: none"> • Possible as this does not meet all Investment Objectives and Critical Success Factors. Retained for comparison in accordance with HM Treasury Guidance.
ii. Option 2: 'Intermediate scope' - Federate the existing three schools.	<ul style="list-style-type: none"> • Discounted because this option does not meet all of the Investment Objectives.
iii. Option 3: 'Maximum scope' - Close three secondary schools (possibly with adjacent primary) and transfer pupils to one school.	<ul style="list-style-type: none"> • Preferred because this option meets all of the Investment Objectives and Critical Success Factors
2.0 Service solutions	
i. Option 3.1: Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.	<ul style="list-style-type: none"> • Preferred as this option delivers against all of the Investment Objectives and Critical Success Factors.
ii. Option 3.2: Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn). This will include a new build element and full refurbishment of the existing premises.	<ul style="list-style-type: none"> • Possible as this option needs further appraisal despite not delivering comprehensively against the Investment Objectives and Critical Success Factors.
iii. Option 3.3: Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on a <u>new site</u> in the Sandfields area.	<ul style="list-style-type: none"> • Discounted While this option meets all of the Investment Objectives and most of the Critical Success factors, there are potentially substantial risks associated with building a school on a site that previously hosted a chemical plant.



Options	Findings
iv. Option 3.4: Close two of the secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area, <u>as well</u> as building a new 430 place secondary school at Cwrt Sart.	<ul style="list-style-type: none">• Possible as this option needs further appraisal despite not delivering comprehensively against the Investment Objectives and Critical Success Factors.
3.0 Service delivery	
i. In-house	<ul style="list-style-type: none">• Discounted option without appraisal.
ii. Outsource	<ul style="list-style-type: none">• Preferred as design, delivery partnership and project management skills are specialised within the Private sector and provides capacity for speedier delivery.
iii. Strategic partnership	<ul style="list-style-type: none">• Discounted option without appraisal.
4.0 Implementation	
iii. Big bang	<ul style="list-style-type: none">• Preferred due to a lesser demand on resources and additional time allowed to secure the required land. The new school will need to be built irrespective of any partial delay from public consultation
iv. Phased	<ul style="list-style-type: none">• Discounted due to the complex nature of the changes and the availability of land for new build sites.
5.0 Funding	
iii. Private Funding	<ul style="list-style-type: none">• Discounted option without appraisal
iv. Public Funding	<ul style="list-style-type: none">• Preferred – WG to fund in line with 21st Century Schools Band A conditions (50% of the Programme cost envelope).



3.6 Short-Listed Options

The ‘preferred’ and ‘possible’ options identified have been carried forward into the short list for further appraisal and evaluation. All the options that were discounted as impracticable have been excluded and on the basis of this analysis, the recommended short list for further appraisal within this FBC is as follows:

- **Option 1:** ‘Do minimum’ – Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.
- **Option 3.1:** Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.
- **Option 3.2:** Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn). This will include a new build element and full refurbishment of the existing premises.
- **Option 3.4:** Close two of the secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area, as well as building a new 430 place secondary school at Cwrt Sart.

A SWOT analysis was undertaken and this is detailed in the following tables.

Table 20: SWOT Analysis - Option 1

Option 1: “Do minimum” - Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Does not require significant funding from 21st Century funds. • Maintains existing public perception of communities. • Maintains open space. • No transitional arrangements required. 	<ul style="list-style-type: none"> • Not an effective use of public funds. • Poor quality environments for pupils. • Does not address the falling school rolls issue, surplus places etc. • Does not release site(s). • OBC accepted by WG and capital funding approved in principle subject to completion of FBC for Option 3.1. • No potential to reduce carbon footprint. • Does not encourage community integration / well-being.



Opportunities	Threats
<ul style="list-style-type: none"> • Potential capital funds could be spent on other issues/plans by the Council. • Maintain a greater sense of community in three secondary school areas. 	<ul style="list-style-type: none"> • Cannot achieve capital / revenue funds. • Long term viability of the three schools (education and financial). • Funds released for other purposes.

Table 21: SWOT Analysis - Option 3.1

Option 3.1: Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.	
Strengths	Weaknesses
<ul style="list-style-type: none"> • 21st Century provision. • Addresses surplus places. • Addresses backlog maintenance. • Availability of land (Council owned). • All on site facilities (single site). • Opportunity to reduce carbon footprint • Addresses issues with small schools and falling rolls (sustainable solutions). • Improves curriculum offer. • Aligns with SEF and other key strategies. • Transport links for the central location. • OBC accepted by WG and capital funding approved in principle subject to completion of FBC. 	<ul style="list-style-type: none"> • Increased travel for some pupils. • Potentially reduced accessibility for community provision (2/3). • Partial loss of some open space (playing fields). • Transition between schools (different examination boards / syllabus).
Opportunities	Threats
<ul style="list-style-type: none"> • Complementary community use in line with regeneration initiatives. • Purpose built accommodation (flexibility). • Effective use of public resources. • Improves community integration. • Additional sites for community use. • Allows a vacated Sandfields Comprehensive school site and building to be used for Welsh Medium Education in the South of the County – where the demand is greatest. 	<ul style="list-style-type: none"> • Pupil drift (pupil flight) to other schools outside of the Baglan area • Loss of highly skilled staff due to rationalisation. • Integration issues may lead to loss of performance. • Lack of public support. • Potentially oversubscribed due to parental choice. • Difficult transition period (managing the cultural differences).



Table 22: SWOT Analysis - Option 3.2

Option 3.2: Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn). This will include a new build element and full refurbishment of the existing premises.	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Aligns with SEF and other key strategies. • Addresses surplus places. • Partially addresses backlog maintenance. • Opportunity to reduce carbon footprint • Availability of land (existing school). • Addresses falling rolls issue. • Reduction in revenue costs. • Land availability. 	<ul style="list-style-type: none"> • Difficult (technically) for NPT to remodel. • Interruption to children's provision (during build period). • Whole life costs are high (remodelled school will not last as long as a new school). • Pupil drift – due to parent perceptions. • Increased travel for some pupils. • No carbon reduction. • Investment does not reflect a good use of public money. • OBC accepted by WG and capital funding approved in principle subject to completion of FBC for Option 3.1.
Opportunities	Threats
<ul style="list-style-type: none"> • Release sites for alternative uses and/or capital receipts • Lower capital cost. • Opportunity to align to Council strategies. 	<ul style="list-style-type: none"> • Public perception. • Cultural integration (Short to medium term). • Perception of ‘takeover’ by Sandfields school. • Lack of external support (community, political). • Safety of children at school during construction. • Continuity of Primary School (Traethmelyn).



Table 23: SWOT Analysis - Option 3.4

Option 3.4: Close two secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area, as well as building a new 430 place secondary school at Cwrt Sart.	
Strengths	Weaknesses
<ul style="list-style-type: none"> • 21st Century provision within the Baglan and Briton Ferry areas. • Partially addresses surplus places. • Availability of land (Council land and existing school). • Partially addresses issues with small schools and falling rolls (sustainable solutions). • Improves curriculum offer (new all through school site only). • Aligns with SEF. • Opportunity to reduce carbon footprint. • Transport links for the central location. 	<ul style="list-style-type: none"> • Increased travel for some pupils. • Reduced accessibility for community provision (2/3). • Partial loss of open space (playing fields). • Transition between schools (different examination boards / syllabus). • Limited reduction in revenue savings (due to maintenance of a small secondary school – Cwrt Sart). • Doesn't provide wholesale 21st Century provision (i.e. Cwrt Sart site still likely to have some compromises e.g. insufficient playing fields). • OBC accepted by WG and capital funding approved in principle subject to completion of FBC for Option 3.1
Opportunities	Threats
<ul style="list-style-type: none"> • Complementary community use in line with regeneration initiatives. • Purpose built accommodation (flexibility). • Improves community integration. • Additional sites for community use. • Allows the existing site and building to be used for Welsh Medium Education in the South of the County – where the demand is greatest. 	<ul style="list-style-type: none"> • Retention of Cwrt Sart school reduces level of operational revenue savings, which in turn may impact on the amount of capital that can be prudentially borrowed. • Pupil drift (pupil flight) to other schools outside of the Baglan area. • Loss of highly skilled staff due to rationalisation. • Integration issues may lead to loss of performance. • Lack of public support. • Potentially oversubscribed due to parental choice. • Difficult transition period (managing the cultural differences).



3.7 The Procurement Process

The Council will use the South West Wales Regional Contractor Framework, Lot 1, to procure the above scheme and will issue the following documents to all suppliers on the framework:

1. Tender Document
2. Drawings - Electronic copies (Compact Disc)
3. Specifications - Electronic copies (Compact Disc)
4. Sustainability Statement - Electronic copy (Compact Disc)
5. BREEAM Pre Assessment - Electronic copy (Compact Disc)
6. Planning Requirements - Electronic copy (Compact Disc)
7. Pre-Construction Information - Electronic copy (Compact Disc)
8. Ecology Survey - Electronic copy (Compact Disc)

As the procurement has not yet taken place, this business case is shown as a Final Business Case and not a Full Business Case.

3.7.1 Long List Criteria

All contractors who sit on Lot 1 of the framework (see section above) will be invited to tender.

3.7.2 Long List and Short List

The following contractors (suppliers) were invited to tender, being the successful contractors within the South West Wales Regional contractor framework:

- Carillion
- Laing O'Rourke
- Leadbitter;

As the project is funded and managed within the Public Sector, no Public Sector Comparator has been used within the FBC.



3.8 Economic Appraisal

3.8.1 Introduction

This section provides a detailed overview of the main costs and benefits associated with each of the selected options. Importantly, it indicates how they were identified and the main sources and assumptions.

There is no analysis of providers in this appraisal, nor is there a Public Sector Comparator (PSC), as the project is wholly owned and managed by the County Borough Council.

More detailed information is shown for each cost and benefit line within the economic appraisals in Appendix A Economic and Financial Analysis.

3.8.2 Estimating Benefits

Methodology

The benefits associated with each option were identified utilising a workshop-based methodology. The initial workshop was held on 6th May 2011 (refreshed on 13th July 2012 and again as part of the FBC process on 20th November 2013) with stakeholders from the Education department of the Council. During the workshop, the benefits were initially reviewed to check relevance; the benefits were then grouped according to categories developed by stakeholders. The groups were weighted to allow for the importance of each benefit group to be considered, and after consideration an equal status was allocated to each group. Finally, the groups of benefits were scored (out of 10, with 10 being the maximum score) against each of the three short-listed options to provide an overall score and rank. Benefits scores for each option were discussed by the workshop participants and they agreed and confirmed that the scores were fair and reasonable. The workshop also quantified the financial benefits of the project, for each of the options, so that they could be included in the economic appraisal.

Benefits identified fell into the following categories, and are described as having direct or indirect benefit to the organisation.

- Quantitative (or quantifiable)
- Cash Releasing
- Qualitative (or non-quantifiable)

The benefits identified are described in the following table.



Table 24: Main Benefits

Type	Direct to Organisation(s)	Indirect to Organisation(s)
Quantitative (or quantifiable)	<ul style="list-style-type: none"> • Increased efficiency through school reorganisation and rationalisation. • More efficient use of premises / estate. • Improved pupil attendance • Better ratio of pupils to teachers. • Improvements in staff recruitment, retention and attainment. • Reduced sickness levels of staff. • Employers will have young people with a greater range of employability skills. • Ability to distribute funds more equitably. • More funding due to redistribution of resources. 	<ul style="list-style-type: none"> • Enhanced life chances and employment opportunities. • More opportunities for teachers, professional and personal development. • Greater opportunity for staff to specialise in subject areas. • Increase access to learning, sporting and cultural and development opportunities. • Greater opportunities for a wider range of different learning / teaching styles. • Increased opportunities for continuing professional development. • Increased job satisfaction. • Community use of new facilities. • More pupils with higher qualifications which provide greater opportunities for future employment, training and education. • Greater learning capability attracts business to the area. • Reduction in anti-social behaviour and disaffection.
Cash releasing	<ul style="list-style-type: none"> • Reduction in revenue costs for secondary schools in the Aberafan, Baglan, Briton Ferry, Port Talbot and Sandfields areas. • Removal of unnecessary competition between schools. • Reduction in advertising costs for teaching staff. • Income from community use of facilities. 	<ul style="list-style-type: none"> • Staff will have greater training opportunities to participate in a wider range of courses. • Access to a wider range of course options.



Qualitative (or non-quantifiable)	<ul style="list-style-type: none"> • Assured business continuity. • Social benefits of improved primary and secondary provision. • Improved teaching environment improves morale. • Increased emphasis on individual learners abilities. • More effective staffing structures – management and support. • More opportunities to facilitate distributed leadership and increased responsibilities. • Greater opportunity for flexible working practices e.g. team teaching. 	<ul style="list-style-type: none"> • Learners will have an environment that will motivate their learning: <ul style="list-style-type: none"> – Enhanced local and national reputation of communities – Development of new community spirit and identity – Wider community links and facilities - encouraging greater community cohesion • Job enrichment through improved quality of delivery. • Greater satisfaction through longer and more detailed engagement with learners. • Opportunities to create an up-skilled workforce • Use of the wider community as a learning resource. • The wider community will benefit by new employment opportunities and fewer people on income benefit. • Use of the School as a ‘hub’ for communities to expand social interaction, development and support network. • Confidence in public funds being used efficiently.
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3.8.3 Estimating Costs

Methodology

Costs were estimated by the attendees at the initial Risk workshop notably led by Huw Jones the Council’s Chief Accountant (Exchequer). All costing and values were agreed by the group and, where a formal cost needed development, this was done in accordance with RICS and CIPFA guidelines.

These costs were subsequently reviewed on 20th November 2013 as part of the transition process from OBC to FBC. The cost of the preferred option, while unchanged from the OBC, has remained the same despite an increase in specification for the build.

Description, Sources and Assumptions

The costs identified fell into the following **main** categories:

- Design and build costs for the new school
- Teaching staff costs – minus necessary redundancy costs



- Management and support costs
- Building maintenance
- Running costs (e.g. utilities)

The summary costs are included in the economic appraisals in Appendix A Economic and Financial Analysis.

All costs included in the economic evaluation of the short-listed options are those determined by the Council's Cost Management Team and include fees. There is no PSC in place within this FBC, as the project is funded and managed within the Public Sector. The BAFO process will not be utilised in this procurement process.

Optimism bias has been further adjusted (as part of the FBC review) and reduced to just under £447k. This is under the 2% minimum provided for by HM Treasury guidance, but has been included for the sake of accuracy and completeness.

3.8.4 Net Present Value Findings

The detailed economic appraisals for each option are attached in Appendix A Economic and Financial Analysis. The short-listed options have been risk-adjusted to account for the 'risk retained' (in £s) by the organisation under each option.

The following tables summarises the key results of the economic appraisals for each option.

Table 25: Key Results of Economic Appraisals - Option 1

Option 1: "Do minimum" - Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.		
	Undiscounted (£'000s)	Net Present Value (£'000s)
Capital (Backlog Maintenance)	-£16,770	-£16,486
Asbestos Removal & Demolition	£0	£0
Revenue/Current Cost	-£354,862	-£200,254
Risk Retained	-£760	-£747
Optimism Bias	-£687	-£675
Total costs	-£373,079	-£218,163
Less: cash releasing benefits	£480	£271
Costs net cash savings	-£372,599	-£217,892
Total	-£372,599	-£217,892



Table 26: Key Results of Economic Appraisals - Option 3.1

Option 3.1: Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.		
	Undiscounted (£'000s)	Net Present Value (£'000s)
Capital	-£39,168	-£35,486
Asbestos Removal & Demolition	-£1,543	-£1,345
Revenue/Current Cost	-£298,870	-£171,237
Risk Retained	-£1,740	-£1,573
Optimism Bias	-£447	-£404
Total costs	-£341,768	-£210,045
Less: cash releasing benefits	£490	£128
Costs net cash savings	-£341,278	-£209,917
Total	-£341,278	-£209,917

Table 27: Key Results of Economic Appraisals - Option 3.2

Option 3.2: Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn).		
	Undiscounted (£'000s)	Net Present Value (£'000s)
Capital	-£35,837	-£32,468
Asbestos Removal & Demolition	-£1,543	-£1,345
Revenue/Current Cost	-£307,025	-£175,414
Risk Retained	-£8,321	-£7,524
Optimism Bias	-£3,203	-£2,896
Total costs	-£355,929	-£219,646
Less: cash releasing benefits	£490	£128
Costs net cash savings	-£355,439	-£219,518
Total	-£355,439	-£219,518



Table 28: Key Results of Economic Appraisals - Option 3.4

Option 3.4: Close two of the secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on a Council owned playing fields at Western Avenue in the Baglan Bay area, as well as building a new 430 place secondary school at Cwrt Sart.		
	Undiscounted (£'000s)	Net Present Value (£'000s)
Capital	-£44,035	-£39,895
Asbestos Removal & Demolition	-£1,543	-£1,345
Revenue/Current Cost	-£353,610	-£199,274
Risk Retained	-£7,386	-£6,678
Optimism Bias	-£1,942	-£1,756
Total costs	-£408,516	-£248,948
Less: cash releasing benefits	£910	£343
Costs net cash savings	-£407,606	-£248,606
Total	-£407,606	-£248,606

Please note that the revenue / lifecycle cost totals shown in the tables above consist of the elements shown in the table below.

Table 29: Elements of Revenue/Lifecycle Cost

Option	Years	Cost elements	Undiscounted (£'000s)
Option 1	Years 1 – 40	Existing Revenue Cost	-£8,597
	Years 3 – 40	Lifecycle Cost	-£289
Option 3.1	Years 1 – 5	Existing Revenue Cost	-£8,597
	Years 6 – 40	New Revenue Cost	-£6,820
		Lifecycle Cost	-£491
Option 3.2	Years 1 – 5	Existing Revenue Cost	-£8,597
	Years 6 – 40	New Revenue Cost	-£6,820
		Lifecycle Cost	-£724
Option 3.4	Years 1 – 5	Existing Revenue Cost	-£8,597
	Years 6 – 40	New Revenue Cost	-£8,328
		Lifecycle Cost	-£547



3.8.5 Option Ranking

The results are summarised and shown in the following table.

Table 30: Summary of Results

Option	Description	NPV (£'000s)	Cash benefit	Non cash benefit	Cost net cash savings	Costs net all savings
1	'Do minimum' – Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.	-£217,892	2	4	2	2
3.1	Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.	-£209,917	=3	1	1	1
3.2	Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn).	-£219,518	=3	2	3	3
3.4	Close two secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area, <u>as well</u> as building a new 430 place secondary school at Cwrt Sart.	-£248,606	1	3	4	4

3.8.6 Option Appraisal Conclusions

On aggregate the ranking of Option 3.1 is first amongst all the options considered. The NPV for Option 3.1 is the highest and is in fact £8.0m higher than that of the second best option, which is Option 1 (the “Do nothing” option). Therefore, the preferred option is Option 3.1 (a new 21st Century all through (3-16) School on Council owned playing fields at Western Avenue in the Baglan Bay area) as it has the best NPV and delivers our strategic objectives.



3.8.7 Qualitative Benefits Appraisal

The qualitative benefits associated with each of the short-listed options have been appraised within the following methodology.

Methodology

A common methodology was adopted for the appraisal of all of the benefits and is summarised below:

- The benefits were grouped according to categories developed by stakeholders.
- The benefit groups were weighted (equally, after consideration) to allow for the importance of each benefit group to be considered.
- The groups of benefits were scored (out of 10, with 10 being the maximum score) against each of the four short-listed options to provide an overall score and rank.

Qualitative Benefits Criteria

All of the benefits from the FBC were grouped into three categories, and the benefit groups were then weighted by the project team in order to provide an assessment against the four options. The following table illustrates the four benefit groups and provides examples of the benefits that were aligned to each group. The weighting was agreed by the workshop members.

Table 31: Benefit Grouping and Weighting

Benefit groups	Example of Benefits	Weight
Standards of education	<ul style="list-style-type: none"> • More pupils with higher qualifications that can provide greater opportunities for future employment, training and education. • More opportunities for teachers' professional and personal development (e.g. through access to a wider range of teaching materials [state of the art ICT and emerging technologies] and accessing and sharing sector leading practice via Professional Learning Communities). • Employers will have young people with a greater range of employability skills. 	34%
The need for places and the accessibility of schools – “right school right place”	<ul style="list-style-type: none"> • Local pride - greater sense of involvement and ownership in the community. • Improved community identity, confidence and sense of belonging. • Community regeneration and sustainability. • Enhanced local and national reputation of wider community. Improved community and social health and well-being. Reduction in anti-social behaviour and disaffection within Aberafan, Baglan, Briton Ferry, Port Talbot and Sandfields areas. 	33%
Standards of provision - State of the art facilities and education provision	<ul style="list-style-type: none"> • Securing positive learning experiences • Increased efficiency through school reorganisation and rationalisation. • Facilities which maximise the potential of both teachers and pupils. 	33%



While the OBC contained a benefit group for effective financial management, this was removed on the advice of Welsh Government who confirmed that this amounted to ‘double counting’ of benefits. The refreshed qualitative review of benefits therefore proceeded with the three groups above, all equally weighted.

3.8.8 Qualitative Benefits Scoring

Each of the benefit groups were scored on a range of 0-10 for each option. These scores were agreed by the workshop participants to confirm that the scores were fair and reasonable.

3.8.9 Analysis of Key Results

The results of the benefits appraisal are shown in the table below.

Table 32: Benefits Appraisal Results

Benefit Group	Weight	Maximum Score	Workshop Scores				Weighted Scores			
			Option 1	Option 3.1	Option 3.2	Option 3.4	Option 1	Option 3.1	Option 3.2	Option 3.4
Standards of Education	34	10	4	9	6	9	136	306	204	306
Community enrichment	33	10	2	9	7	8	66	297	237	264
Standards of provision - State of the art facilities and education provision	33	10	2	9	5	9	66	297	165	297
Total	100	30	8	27	18	26	268	900	606	867
Rank			4	1	3	2	4	1	3	2

The key considerations that influenced the scores achieved by the various options were as follows:



Option 1: 'Do minimum' – Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.

- This option ranks as 4th (last) of the short listed options, with a weighted score of 268 points.
- The 'Do Minimum' option is considered to be a 'worse case' scenario, as it does not address the unsustainable maintenance costs and there would be no financial efficiencies generated. It does not promote raising standards in education or accessibility to wider provision.

Option 3.1: Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.

- This option ranks as 1st of the short listed options, with a weighted score of 900 points.
- The new build option on Council owned playing fields at Western Avenue in the Baglan Bay area is considered the most appropriate option, as it has excellent scores on all the four key benefit headings.

Option 3.2: Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn). This will include a new build element and full refurbishment of the existing premises.

- This option ranks as 3rd of the short listed options, with a weighted score of 606 points.
- Although this option allows for some form of effective financial management it does not fare well when looking at benefits associated with raising standards of education and provision – compared to option 3.1.

Option 3.4: Close two secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay areas, as well as building a new 430 place secondary school at Cwrt Sart.

- This option ranks as 2nd of the short listed options, with a weighted score of 867 points.
- Although this option scores highly against the standards of education and standards of provision, similar to option 3.1, as it provides two new schools for use by the communities of Aberafan, Baglan, Briton Ferry, Port Talbot and Sandfields, it scores substantially lower against effective financial management as there will be two schools, with two sets of revenue costs, etc.



3.9 Risk appraisal - unquantifiable

Methodology

Risk appraisal has been undertaken and involved the following distinct elements:

- Identifying the possible Business, Service and External risks associated with each option;
- Assessing the impact and probability for each option; and
- Calculating a risk score, using Likelihood and Impact scores.

Likelihood and Impact Risk Scores

The workshop assigned the risk scores shown in the following table on the basis of participants' judgment and assessment of previous procurements. The range of scales used to quantify risk followed a PRINCE2 methodology and the risk strategy is explained in more detail in the Management Case. The likelihood and impact scores are summarised below:

Likelihood Scores:

- Low equals 1;
- Medium equals 3;
- High equals 5.

Impact Scores:

- Low equals 1;
- Medium equals 3;
- High equals 5.

The key considerations that influenced the scores achieved by the various options – and the likely mitigation were as follows.

Table 33: Summary of the Risk Appraisal Results

	Description - Risk	Risk control measure	Likelihood (1-5)	Impact (1-5)	Risk rating	owner
Budget and Financing						
	Planning not achieved	Continue liaising with Planning Authority	2	5	10	
	Project delay due to delay in financial approval from Welsh Government	Monitor	1	5	5	
	Requirement of a full Environmental Impact Assessment (EIA) as part of the Planning Application	Continue liaising with Planning Authority	2	3	6	



	Inflation / increased sub-contractor / materials cost	Realistic budget allowance with packages procured on a fixed price basis	1	2	2	
	Change of Government influences funding	Ensure robust and sufficiently developed OBC	1	4	4	
	Tender based on Stage 3 information - Contractors detailed design doesn't meet client aspiration	Review tender information and include explanatory text with regard to contractor assumptions. Clearly identify and deviation from the specified works within the tender submission	2	3	6	
	Stage 3 cost plan is inaccurate	Work closely with the cost consultant to agree a robust cost plan at tender stage	2	3	6	
	Inadequate client contingency	Ensure the scheme fully reflects the brief. Client contingency is to be reviewed prior to contractor appointment	1	4	4	
Statutory Requirements						
	Other unknown Statutory Approvals conditions	Early identifications and discussion with Authority and the monitoring of conditions and discharges during works.	1	3	3	
Third Parties						
	BREEAM Excellent required - additional fees	Review BREEAM pre-assessment and make requirements clear to sub-contractors	1	2	2	
	Current power supplies to the site are not sufficient for new works	Assessment made of power supplies required during the works and final building, early liaison with Stat authorities.	2	4	8	
	Inadequate pressure in existing water main	Liaise with Water Authority to ascertain facts	2	4	8	
Design Issues						
	Clients zero carbon aspiration	Embed into the early design the zero carbon ethos, ensure design team address all issues and carry out sufficient modelling to achieve compliance at the earliest stage	2	3	6	



	Change of Building Regulations during the process	Consult LABC at an early design stage to ascertain known future amendments to the Building Regulations	3	3	9	
	Sprinkler system not compliant with life protection or property protection	Establish the scope during design development stage and liaise with relevant authorities	2	4	8	
	Clarification of FFE requirements including appraisal of suitability and condition of existing furniture and equipment to be transferred	Undertake full review of requirements, undertake survey and inventory of existing equipment	2	2	4	
	Not achieving desired BREEAM rating	Manage against set criteria and monitor progress. Assign owner to each area to ensure progression. Experienced team with track record and understanding of delivering this requirement.	1	4	4	
	Infrastructure capacity not sufficient to meet development needs	Commission early TA based on occupancy figures attained from client	2	5	10	
	SWTRA / Highway objections	Ensure early consultation with relevant parties and address issues arising in a timely manner.	1	3	3	
	Secure by Design requirements and implications	Establish scope and determine specification impacts during early design - early involvement of ALO	1	2	2	
	Change of specification resulting in unavailability / delayed equipment	Early client involvement and sign off of specification in accordance with the construction programme	2	3	6	
	Changes to the FFE due to technological advances	Agree specific design freezes with regard to IT, telecoms in a timely manner. Review the requirements at an appropriate time during the construction phase and agree that the specified works are still acceptable.	3	3	9	



	Additional / unsatisfactory building maintenance requirements imposed through the design	Design team to work with the CDM-C to design out risks where possible and ensure the building is maintainable with limited specialist equipment or personnel.	1	3	3	
	Fire strategy not appropriate	Early liaison with LABC and Fire Brigade to establish the fire engineering approach to be adopted. Seek early approval with regard the design principal and continue liaison throughout the construction phase.	2	4	8	
	Decision to use pile foundation	SI suggests poor ground bearing capacity and identifies no suitable strata to depths in excess of 28m. Commission additional SI works to adequately inform the design of pile foundation, allow sufficient design time	2	5	10	
Site Issues						
	Works outside of the site boundary	Establish scope during the design development stage and liaise with relevant authorities	1	3	3	
	Presence of contamination / hazardous materials	Check adequacy of the existing reports and carry out further checks / investigations if required.	2	4	8	
	Existing services running across the site that need diverting or protecting	Complete CAT and Genny survey shortly after contractor appointment. Establish the exact location of the gas pipe to the North of the site at the earliest opportunity	4	3	12	
	Complaints from neighbours regarding disruption / noise / dust / pollution / access	Produce an environmental management plan during at an early stage. Register the scheme with the Considerate Constructors scheme and abide by the charter. Neighbour liaison and regular newsletter throughout the project.	2	2	4	



Procurement					
	Failure to secure land purchase	Early involvement of NPT Estates	1	2	2
	Poor project / design team	Select a consultant and contractor team with experience of delivering cost effective education developments similar in size and nature to that proposed.	2	5	10
	Agreement of Contract amendments	Agree particulars of the Contract, and any variations of standard clauses at tender stage.	2	3	6
	Delay in obtaining consent for temporary SUDS system	Contractor to manage discharge of the planning conditions in sufficient time.	2	4	8
Construction					
	Site security - theft and vandalism unknown	Employ security guard - develop a security strategy that involves the local community and police authorities	4	2	8
	Inclement weather	Ensure current programme allows sufficient scope to accommodate	3	3	9
	Sub-contractor failure due to economic climate	Careful selection process and management against package, contractors potential and overall commitments	2	5	10
	Local labour / recruitment / supplier targets cannot be achieved	Develop target schedule for package contractors and monitor.	2	2	4
	Ground conditions differ from that of the SI	Check adequacy and timing of the existing records. Allow adequate time early in the programme for carrying out further investigations if required	1	5	5
	Protected species found on site causing programme delays due to licensing and mitigation required	Undertake species specific surveys at the earliest opportunity	1	2	2
	Unforeseen ground conditions - archaeological	Ensure adequate early investigation has reduced this likelihood as much as possible	1	2	2



	WRAP target not met	Manage against set criteria and monitor progress - commitment from package contractors.	1	2	2	
	Lack of availability of key materials and lead times, potential for cost escalation	Preparation and maintenance of Material Procurement Schedule during the construction phase to ensure technical and timescale requirements are understood.	2	2	4	
	Demolition works	Ensure early possession of buildings and carry out R&D surveys. Programme works accordingly. Contact and arrange Stat Authority disconnections early during the process.	2	2	4	
	Quality issues - construction works	Agree a close out programme and method of rectifying defects with Clerk of Works to ensure the delivery of a zero defect building at handover.	1	2	2	
	Quality issues - design works	Agree a programme for the detailed design stage and allow adequate time for client consultation and approvals. Obtain sign off of the design at various stages in a timely manner to ensure the programme compliance	1	3	3	
	Failure to meet air tightness and sound transfer requirements	Commission early modelling and review detailing. Carry out early site tests on a section of the build to ascertain typical results, adjust further works accordingly	2	3	6	
	Contractor not willing to take on construction phase planning conditions	Apply and obtain planning consent prior to end of tender stage and inform contractors of the necessity to comply with the conditions imposed	2	4	8	
	Commissioning not completed at handover	Allow ample commissioning time in the construction programme. Work with client to agree	2	4	8	



		a suitable programme early during the construction phase.				
	Management of variations	Ensure that a robust system is in place to monitor and record method and date of correspondence. Keep this document live throughout the construction phase and ensure full compliance with the Contract particulars.	2	2	4	
Programme						
	Compliance with handover not being met	Planning for handover process embedded from project commencement to ensure all issues are understood and planned for.	2	5	10	
	User handover, training, etc., ensure smooth transition to users	Allow adequate time at the end of the project to provide adequate training, embed into the project process.	2	5	10	
	Changes to the brief could endanger programme and lead to extra costs	Strong direction from project team and agree clear design freeze / sign-off and change control and monitoring process.	1	4	4	
	Unable to satisfy pre-commencement planning conditions	Arrange early consultation with planning authority and obtain planning consent in a timely manner	2	5	10	
	Construction phase over-run leading to client phased occupation	Construction programme to allow sufficient time for decan / occupation	2	5	10	
	Provisional sums not being instructed in a timely manner	Prepare and maintain a provisional sum tracker, to include costs, instruction dates and schedule information release dates in line with the construction programme	2	4	8	
	Project delay due to late decision making by client	Maintain close liaison with client and set clear sign-off dates	2	5	10	



3.9.1 Quantifiable Risk Scores

The initial risk workshop was undertaken on 6th of May 2011, refreshed on 10th July 2012 (for the OBC) and again on 20th November 2013 for the transition to FBC. These workshops were conducted to assign, where possible, a value to the key risks to project development. The results can be seen in the following table. In summary, the retained risk levels for each of the options are:

- Option 1: £760,150;
- Option 3.1: £1,740,000;
- Option 3.2: £8,321,161;
- Option 3.4: £7,386,000

Table 34: Risk as a % of Capital (£000s)

	Option 1	Option 3.1	Option 3.2	Option 3.4
Capital / Backlog	£16,770	£40,711	£37,380	£45,578
Risk	£760	£1,740	£8,321	£7,386
Risk % of capital	5%	4%	22%	16%

3.10 The Preferred Option – summary of results

The results of investment appraisal are outlined below.

Option 3.1 has the best aggregate score, followed by Option 1, Option 3.4 and finally option 3.2. Option 1 entails, by definition, the least risk but Option 3.1 requires the least financial investment and provides the most benefit.

The overall conclusion from the analysis, however, is that Option 3.1 offers the best mix of economic value and derived benefits as Option 1 cannot deliver against the Council’s strategic objectives. Therefore, the preferred option is Option 3.1 ‘Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with adjacent primary school (Traethmelyn) and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.

This conclusion has been ratified as part of the review of the business case in the move to FBC.



Table 35: Summary of Overall Results

Evaluation Results	Option 1	Option 3.1	Option 3.2	Option 3.4
Economic appraisals	2	1	3	4
Benefits appraisal	4	1	3	2
Risk appraisal	1	2	4	3
Overall Ranking	2	1	4	3

3.11 Sensitivity Analysis

Results of Scenario Planning and Observations

To assess the sensitivity of the results to changes in capital, revenue and cash benefits a sensitivity analysis has been carried out by amending the NPVs by the factors indicated in the first column of the table below. Under all scenarios Option 3.1 is ranked first, which is to be expected from a ‘Do minimum’ approach. However, the ‘Do minimum’ option is carried forward for comparative purposes only, as it wholly fails to meet the educational benefits required from this project.

Table 36: Sensitivity Analysis

Sensitivity Analysis	
Scenario:	Increase or Decrease
Increase Capital	10%
Increase Revenue Costs	10%
Decrease Capital	-10%
Decrease Revenue Cost	-10%
Decrease Cash Savings	-20%



Table 37: NPV Impacts of Changes

£'000s	Option 1	Option 3.1	Option 3.2	Option 3.4	Ranking
Baseline NPVs	-217,892	-209,917	-219,518	-248,606	Option 3.1 = 1
Increase Capital by 10%	-219,540	-213,600	-222,900	-252,730	Option 3.1 = 1
Increase Revenue Costs by 10%	-237,917	-227,041	-237,060	-268,533	Option 3.1 = 1
Decrease Capital by 10%	-216,243	-206,234	-216,137	-244,482	Option 3.1 = 1
Decrease Revenue Cost by 10%	-197,866	-192,793	-201,977	-228,678	Option 3.1 = 1
Decrease Cash Savings by 20%	-217,946	-209,943	-219,544	-248,674	Option 3.1 = 1

In all cases Option 3.1 (preferred option) has the highest net present value (NPV) whilst Option 1 (the “Do minimum” option) has the second highest NPV. The relative ranking of the options do not change under any of the scenarios indicating that there is no sensitivity to changes in capital, revenue and benefits within the ranges specified.

3.12 Monte Carlo Simulation

In order to make the scenario planning more robust (and less linear), we have completed a Monte Carlo Simulation in this business case. The simulation uses the following cost elements as variables: backlog maintenance/new build capital, old revenue cost, new revenue cost, lifecycle cost, capital receipts and new community lettings. Monte Carlo simulation uses random number generation to provide a set of predictive results. Charting these results can allow you to determine the probability of a particular result or set of results occurring.

Each variable went through 1,000 iterations of number generation to produce a Normal or Gaussian distribution of the potential results obtainable. A normal distribution for the data was chosen as the results should conform to central tendency theorem, being clustered around the estimated value rather than being uniformly distributed between two points.

Once the variables for each option were simulated, the results were used as the input for 27 different potential ‘What if’ scenarios based along the three dimensions of capital, revenue and savings. The scenarios were used to demonstrate the sensitivity between the different variables, providing 27 (+1 base value) different potential outcomes for NPV per option. A list of the 27 (+1) scenarios and the 28 NPV potential results for each option is shown in Appendix 1: Monte Carlo Simulation.

Finally the mean and standard deviation values for the 28 scenarios were used as the input variables for a further 1000 iterations of the simulation to produce a final Normal distribution



curve for each of the four shortlisted options. The results are demonstrated in the two charts below.

Figure 3: Monte Carlo Simulation – Option Distributions

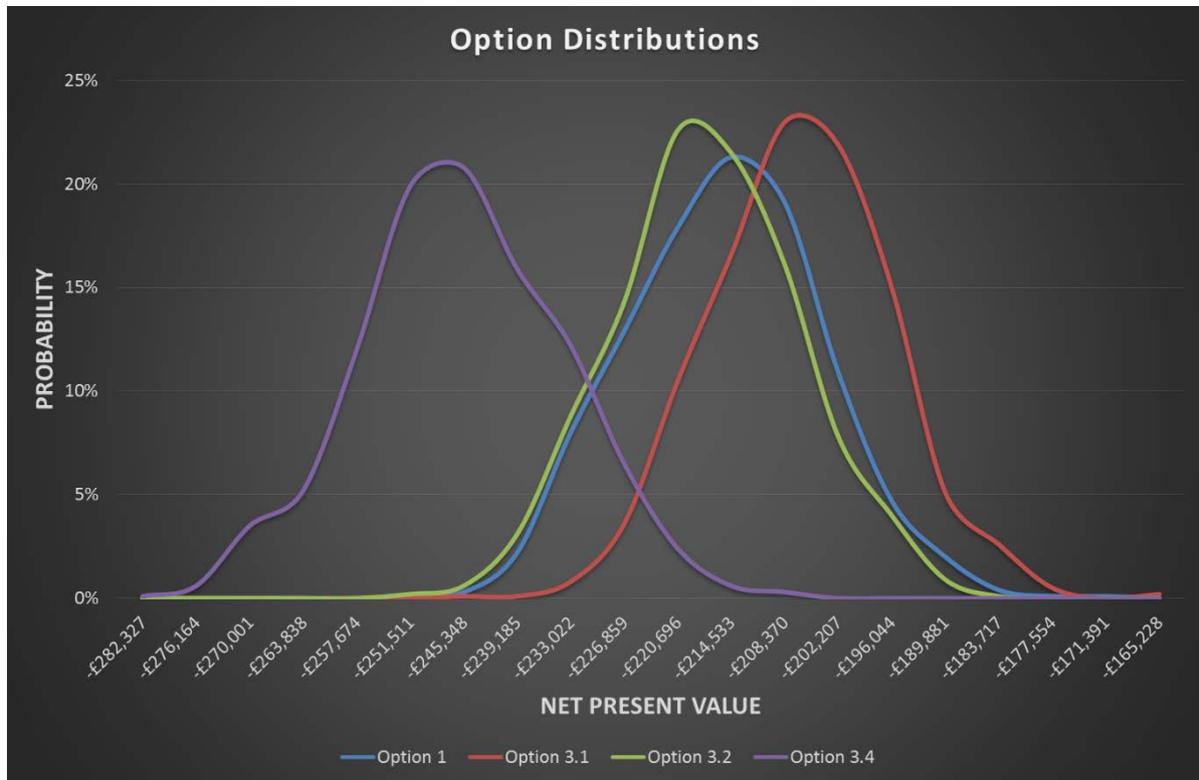
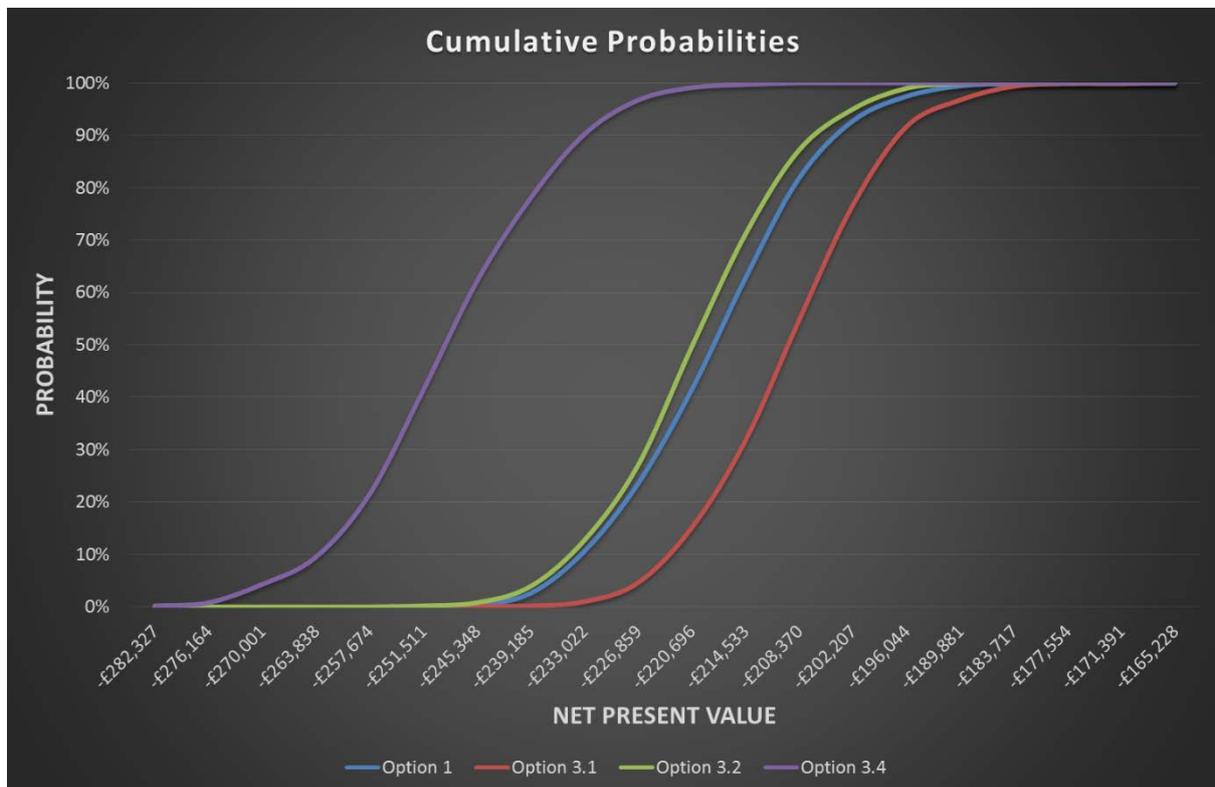


Figure 4: Monte Carlo Simulation – Cumulative Probabilities





As can be seen from the first chart each option displays the typical bell shaped curve indicative of a Normal distribution. The probability of any value occurring within this distribution can be read off the chart. Both charts clearly indicate that option 3.4 is the most expensive option with over 50% of potential NPV outcomes higher than any other options potential results. Option 3.1 has the most cost effective NPV distribution.

In order for option 3.1 to be displaced as the most economically favourable option there would have to be

- a relatively large positive swing in the capital, revenue and savings calculations underpinning option 1 or option 3.2;
- a relatively large negative swing in the capital, revenue and saving calculations underpinning option 3.1;
- a smaller combination of both positive and negative swings identified above.
- both an extreme positive swing in the capital, revenue and saving calculations underpinning option 3.4 and an extreme negative swing in the capital, revenue and saving calculations underpinning option 3.1.

Through ranking the 112 potential NPV results (28 x 4 options), it is possible to generate a total NPV score for each option. Each result was ranked from 1-112 with 112 points allocated for the highest (least costly) potential NPV through to 1 for the lowest (most costly) potential NPV. The full table can be seen in Appendix 1: Monte Carlo Simulation. The scores were then cumulated for each option, with the highest score obtaining a final score of 100% and the other options scoring a percentage of that. The final results are displayed in table 37 below:

Table 38: Final NPV Result after Monte Carlo Simulation

Option No.	Score	Final Score
Option 1	1821	78.83%
Option 3.1	2310	100.00%
Option 3.2	1774	76.80%
Option 3.4	423	18.31%

The conclusion from this evaluation is that the preferred option (3.1) will deliver the greatest financial assurance and educational benefit to Neath Port Talbot and is therefore recommended for Welsh Government approval and financial support. Further details of this simulation are shown at Appendix F.



4.0 The Financial Case

4.1 Introduction

The purpose of this section is to set out the forecast financial implications of the preferred option (as set out in the economic case section) and the proposed deal (as described in the commercial case).

4.2 Impact on the Organisation’s Income and Expenditure Account

The scope for Option 3.1 is to close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.

Construction of the new school takes place over three years, existing revenue costs continue until the new school is available.

Lifecycle costs such as maintenance start in year 6 when the school is occupied. A capital receipt of £290k is realised in year 6 on disposal of surplus land at the vacated Glanafan Comprehensive school site.

It is anticipated that the proposal will have the effect of reducing Council revenue expenditure by c£1.777M per annum excluding profiled lifecycle costs. This figure is calculated as the difference between the costs of running four individual schools compared to the more cost effective model of running one school.

The breakdown of costs and cash releasing benefits for the preferred option are shown in the table below.

Table 39: Option 3.1 - Breakdown of Costs and Benefits

Description	Option 3.1 - All figures in £'000s
Capital works	39,168 over 6 years (years 1 to 6)
Demolition	594
Asbestos removal	949
Optimism bias	447 over 6 years (years 1 to 6)
Project risks	1,740 over 6 years (years 1 to 6)
Revenue cost (current)	8,597 p.a. from year 1 to 5
Revenue cost (“new”)	6,820 p.a. from year 6 to 40



Description	Option 3.1 - All figures in £'000s
Lifecycle cost	491 p.a. starting in year 6
Capital receipts sale of land	290 in year 6
Community lettings (current)	12 p.a. from years 1 to 5
Community lettings ("new")	4 p.a. from years 6 to 40

The anticipated payment stream for the project over its intended life span is set out in the following table for the preferred Option 3.1. The funding line includes the existing funding streams for the schools. All figures exclude VAT. It is assumed that VAT is totally recoverable by the Council but expert tax advice will, as necessary, be sought regarding the payment or avoidance of VAT on new schools.

Table 40: Option 3.1 - Summary of the Financial Appraisal

All figures in £'000s	Total Cost	Years (years 8-40 same as year 7)						
		1	2	3	4	5	6	7
		12/13	13/14	14/15	15/16	16/17	17/18	18/19
Preferred way forward:								
Capital	-39,168	-350	-350	-12,000	-17,968	-7,900	-600	0
Asbestos & Demolition	-1,543					-1,543		
Revenue costs	-298,870	-8,597	-8,597	-8,597	-8,597	-8,597	-7,311	-7,311
Cash releasing benefits	490	12	12	12	12	12	294	4
Total	-339,091	-8,935	-8,935	-20,585	-26,553	-18,028	-7,617	-7,307
Funded by:								
Existing Revenue	343,880	8,597	8,597	8,597	8,597	8,597	8,597	8,597
Total Existing	343,880	8,597	8,597	8,597	8,597	8,597	8,597	8,597
Additional Funding Required	4,789	-338	-338	-11,988	-17,956	-9,431	980	1,290



4.3 Cost Build Up

The net additional funding required over the first 5 years (years 1 through 5) totals £40.051M assuming the delivery of the cash releasing benefits as predicted. Expert tax advice should be sought regarding the payment or avoidance of VAT on new schools.

Table 41: Option 3.1 - Cost Build Up

All figures in £'000s	Total Cost	NPV	Years (years 8-40 same as year 7)						
			1	2	3	4	5	6	7
			12/13	13/14	14/15	15/16	16/17	17/18	18/19
Capital Costs									
New Build Costs	-39,168	-35,486	-350	-350	-12,000	-17,968	-7,900	-600	0
Demolition Costs	-949	-827	0	0	0	0	-594	0	0
Asbestos Removal	-594	-518	0	0	0	0	-949	0	0
Capital Total	-40,711	-36,831	-350	-350	-12,000	-17,968	-9,443	-600	0
Revenue/Current Costs									
Existing Revenue Cost	-42,985	-40,174	-8,597	-8,597	-8,597	-8,597	-8,597	0	0
New Revenue Costs	-238,700	-122,260	0	0	0	0	0	-6,820	-6,820
Lifecycle Costs	-17,185	-8,802	0	0	0	0	0	-491	-491
Revenue/Current Costs Total	-298,870	-171,237	-8,597	-8,597	-8,597	-8,597	-8,597	-7,311	-7,311
Total costs	-339,581	-208,067	-8,947	-8,947	-20,597	-26,565	-18,040	-7,911	-7,311
Cash Releasing Benefits									
Capital Receipts Received	290	244	0	0	0	0	0	290	0
Existing Community Lettings	60	56	12	12	12	12	12	0	0
New Community Lettings	140	72	0	0	0	0	0	4	4
Cash Releasing Benefits Total	490	372	12	12	12	12	12	294	4
Total costs net cash savings	-339,091	-207,696	-8,935	-8,935	-20,585	-26,553	-18,028	-7,617	-7,307



4.4 Impact on the Balance Sheet

Construction of the new school will be treated as an 'Asset under Construction' in line with CiPFA's Accounting Code of Practice and International Accounting Standard 16 'Property, Plant and Equipment'. The value of certificated stage payments will increase the value of the asset under construction; on completion the School will be valued as an operational asset on a Depreciated Replacement Cost (DRC) basis.

In relation to the existing four schools they will remain on the Council's balance sheet as non-operational until such point in time that they are either demolished or brought back into operation. There will be no effect on the taxpayer as a result of these transactions as any effect is neutralised through the balance sheet revaluation and capital adjustment accounts.

4.5 Overall Affordability

A balance sheet asset addition of £39.168M is made for the new school. Short term additional funding is required of £40.711M for the first 6 years, excluding VAT, retained risks and optimism bias.

The revised Band A submission has been scrutinised and assessed by the Council's Section 151 Officer for affordability in light of the 50% intervention rate and authorised by the Chief Executive on 18th November 2011.

The Council, as part of its commitment to meet 50% of the 21st Century Schools Programme cost envelope, is required to provide match funding of c£21million in relation to the Ysgol Newydd (Bae Baglan) Project.

The Council will meet the 50% contribution required to support the overall programme in Band A through a combination of prudential borrowing and a Section 106 agreement.



5.0 The Commercial Case

5.1 Introduction

This section of the FBC sets out the negotiated arrangements to provide a new (3-16) 21st Century School for the learning communities of Aberafan, Baglan, Briton Ferry, Port Talbot and Sandfields, with all associated external works, drainage and incoming service mains and some off-site highways adjustments and drainage, to achieve BREEAM 'excellent' standard.

The contract utilised for this project is NEC3 Engineering and Construction Contract (Option A), priced contract with activity schedule, and additional conditions of contract as set out in the Z clauses and amendments resulting from The Local Democracy Economic Development and Construction Act 2009.

5.2 Required Services

The products and services under contract are covered by the following schedule of activity:

- Provision of site accommodation, furniture and telecoms;

- Provision of project specific management and staff;

- Provision of facilitating works;

 - Toxic/hazardous material removal;

 - Specialist ground works;

 - Temporary diversion works;

 - Extraordinary site investigation works;

- Completion of substructure;

- Completion of superstructure;

 - Frame;

 - Upper floors;

 - Roof;

 - Stairs and ramps;

 - External walls;

 - Windows and external doors;

 - Internal walls and partitions;



Internal doors;

Completion of internal finishes;

Wall finishes;

Floor finishes;

Ceiling finishes;

Provision and completion of fittings, furnishings and equipment;

Service installations;

Sanitary installations;

Services equipment;

Disposal installations;

Water installations;

Heat source;

Space heating and air conditioning;

Ventilation;

Electrical installations;

Fuel installations/systems;

Lift and conveyor installations;

Fire and lightning protection;

Communication, security and control systems;

Special installations/systems;

Builders work in connection with services;

Minor demolition works and alteration works;

Repairs to existing services;

Completion of external works;

Site preparation works;

Roads, car parks, paths and pavings;

Soft landscaping, planting and irrigation systems;



- Playing fields and all weather pitches
- Fencing, railings and walls;
- Site/street furniture and equipment;
- External drainage;
- External services;
- Minor building works and ancillary buildings.

5.3 Agreed Risk Transfer

The final assessment of how the associated risks might be apportioned between the public sector (Neath Port Talbot County Borough Council) and the private sector (Main Contractor) has not yet been undertaken. In some instances, risks will be shared between the two nominated organisations and a suggested schedule is outlined in the table below. The general principle throughout this process has been to ensure that risks are passed to ‘the party best able to manage them’, subject to Value for Money (VfM). The table below outlines the allocation of risk.

Table 42: Risk Transfer Matrix

Risk Category	Potential Allocation		
	Public	Private	Shared
Design risk		✓	
Construction and development risk		✓	
Transition and implementation risk			✓
Availability and performance risk		✓	
Operating risk	✓		
Variability of revenue risks	✓		
Termination risks		✓	
Technology and obsolescence risks	✓		
Control risks	✓		
Residual value risks	✓		
Financing risks	✓		
Legislative risks			✓



Risk Category	Potential Allocation		
	Public	Private	Shared
Other project risks			✓

5.4 Agreed Charging Mechanisms

The payment mechanism agreed with the service provider with respect to the proposed products and services will be in line with the successful supplier's Activity schedule submitted under NEC3 Engineering and Construction Contract (Option A).

The following principles are likely to be implemented:

- Payment will be made at key milestones/staged payments and following evaluation by Neath Port Talbot County Borough Council and its Technical Advisers;
- Payments will only be made by the Council's Head of Finance against invoices which have been certified for payment by the appropriate head of department or budget holder/departmental authorised signatory. Certification of an invoice confirms that;
 - The goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory;
 - Where relevant, the terms and conditions of any prevailing contract have been met;
 - Where appropriate, it is matched to the schedule of activity provided as part of the procurement process;
 - Invoice details (quantity, price, discount) are correct;
 - The invoice is arithmetically correct;
 - The invoice has not previously been passed for payment;
 - Where appropriate, an entry has been made on a stores record or departmental inventory; and
 - An appropriate cost centre is quoted. This must be one of the cost centre codes included in the budget holder's areas of responsibility, and must correspond with the types of goods or service described on the invoice.
- Order numbers must be quoted on the invoice and payment will be made within thirty days of receipt of a correctly submitted invoice; and
- The issue of the invoice and subsequent payment will be the last step in a process of work undertaken by the Project Quantity Surveyor (Cost manager) to verify that the work undertaken is as per the specification and meets the required standards.

Risks transferred to the supplier are treated as deductions against the suppliers invoice(s) until such time that individual mitigation works are complete and the risks wholly mitigated.



5.5 Agreed Contract Length

The timescales for the project will be dependant of the availability of the funding routes. The implementation timescales in the table below imply that construction works will be completed in approximately 29 months from appointment of a successful framework contractor.

Table 43: Proposed Actions

Date	Actions (commencement)
November 2013	Appoint architects Design Phase
March 2014	Design freeze
April 2014	FBC approval
June 2014	Obtain planning consent
August 2014	Contract awarded Discharge planning conditions
September 2014	Approval of Construction Phase H&S Plan
October 2015	Contractor takeover of Youth Centre (Seaway Parade)
May 2016	Complete commissioning
September 2016	Occupation of school Contractor takeover of the changing rooms and playground (Seaway Parade) Handover cleared Glanafan and Cwrt Sart sites

5.6 Key Contractual Clauses

The key contractual issues, such as Contract change control arrangements; remedies for breach of contract and general contract management (including management of disputes and agreements) are included within the standard form of contract that is NEC3 Engineering and Construction (Option A). These key clauses are:

Adding to the Working Areas

The Contractor may submit a proposal for adding an area to the Working Areas to the Project Manager for acceptance. A reason for not accepting is that the proposed area is either not necessary for providing the Works or used for work not in this contract.



Early Warning

The Contractor and the Project Manager give an early warning by notifying the other as soon as either becomes aware of any matter which could

Increase the total of the Prices;

Delay Completion;

Delay meeting a Key Date; or

Impair the performance of the works in use;

The Contractor may give an early warning by notifying the Project Manager of any other matter which could increase his total cost. The Project Manager enters early warning matters in the Risk Register. Early warning of a matter for which a compensation event has previously been notified is not required.

Either the Project Manager or the Contractor may instruct the other to attend a risk reduction meeting. Each may instruct other people to attend if the other agrees. At a risk reduction meeting, those who attend co-operate in:

- Making and considering proposals for how the effect of the registered risks can be avoided or reduced;
- Seeking solutions that will bring advantage to all those who will be affected;
- Deciding on the actions which will be taken and who, in accordance with this contract, will take them; and
- Deciding which risks have now been avoided or have passed and can be removed from the Risk Register.

The Project Manager revises the Risk Register to record the decisions made at each risk reduction meeting and issues the revised Risk Register to the Contractor. If a decision needs a change to the Works Information, the Project Manager instructs the change at the same time as he issues the revised Risk Register.

Ambiguities and Inconsistencies

The Project Manager or the Contractor notifies the other as soon as either becomes aware of an ambiguity or inconsistency in or between the documents, which are part of this contract. The Project Manager gives an instruction resolving the ambiguity or inconsistency.

Illegal or Impossible Requirements

The Contractor notifies the Project Manager as soon as he considers that the Works Information requires him to do anything which is illegal or impossible. If the Project Manager agrees, he gives an instruction to change the Work Information appropriately.



Prevention

If an event occurs which:

- Stops the Contractor completing the works; or
- Stops the Contractor completing the works by the date shown on the accepted programme; and which:

Neither Party could prevent; and

- An experienced contractor would have judged at the Contract Date have such a small chance of occurring that it would have been unreasonable for him to have allowed for it;
- The Project Manager gives an instruction to the Contractor stating how he is deal with the event.

Compensation Events

The following are compensation events.

- The Project Manager gives an instruction changing the Works Information except a change made in order to accept a Defect or a change to the Works Information provided by the Contractor for his design which is made either at his request or to comply with other Works Information provided by the Employer.
- The Employer does not allow access to and use of a part of the Site by the later of its access date and the date shown on the Accepted Programme.
- The Employer does not provide something which he is to provide by the date for providing it shown on the Accepted Programme.
- The Project Manager gives an instruction to stop or not to start any work or to change a Key Date.
- The Employer or Others do not work within the times shown on the Accepted programme; do not work within the conditions stated in the Works Information or carry out work on the Site that is not stated in the Works Information.
- The Project Manager or the Supervisor does not reply to a communication from the Contractor within the period required by this contract.
- The Project Manager gives an instruction for dealing with an object of value or of historical or other interest found within the Site.
- The Project Manager or the Supervisor changes a decision which he has previously communicated to the Contractor.
- The Project Manager withholds an acceptance (other than acceptance of a quotation for acceleration or for not correcting a Defect) for a reason not stated in this contract.
- The Supervisor instructs the Contractor to search for a Defect and no Defect is found unless the search is needed only because the Contractor gave insufficient notice of doing work obstructing a required test or inspection.
- A test or inspection done by the Supervisor causes unnecessary delay.
- The contractor encounters physical conditions which are within the Site, are not weather conditions and an experienced contractor would have judged at the Contract Date to have such a small chance of occurring that it would have been unreasonable for him to have allowed for them. Only the difference between the



physical conditions encountered and those for which it would have been reasonable to have allowed is taken into account in assessing a compensation event.

- A weather measurement is recorded within a calendar month, before the completion date for the whole of the works and at the place stated in the contract data. The value of which, in comparison to the weather data, is shown to occur on average less frequently than once in ten years. Only the difference between the weather measurement and the weather which the weather data show to occur on average less frequently than once in ten years is taken into account in assessing a compensation event.
- An event which is an Employer's risk stated in this contract.
- The Project Manager certifies take-over of a part of the works before both Completion and the Completion Date.
- The Employer does not provide materials, facilities and samples for tests and inspections as stated in the Works Information.
- The Project Manager notifies a correction to an assumption which he has stated about a compensation event.
- A breach of contract by the Employer which is not one of the other compensation events in this contract.
- An event which stops the Contractor completing the works or stops the Contractor completing the works by the date shown on the Accepted Programme, and which neither Party could prevent, an experienced contractor would have judged at the Contract Date to have such a small chance of occurring that it would have been unreasonable for him to have allowed for it and is not one of the other compensation events stated in this contract.

In judging the physical conditions for the purpose of assessing a compensation event, the Contractor is assumed to have taken into account the Site Information, publicly available information referred to in the Site Information, information obtainable from a visual inspection of the Site and other information which an experienced contractor could reasonably be expected to have or to obtain.

If there is an ambiguity or inconsistency within the Site Information (including the information referred to in it), the Contractor is assumed to have taken into account the physical conditions more favourable to doing the work.

Notifying Compensation Events

For compensation events which arise from the Project Manager or the Supervisor giving an instruction or changing an earlier decision, the Project Manager, notifies the Contractor of the compensation event at the time of giving the instruction or changing the earlier decision. He also instructs the Contractor to submit quotations, unless the event arises from a fault of the Contractor or quotations have already been submitted. The Contractor puts the instructor or changed decision into effect.

The Project Manager may instruct the Contractor to submit quotations for proposed instruction or a proposed changed decision. The Contractor does not put a proposed instruction or a proposed changed decision into effect. The Contractor notifies the Project Manager of an event which has happened or which he expects to happen as a



compensation event if the Contractor believes that the event is a compensation event and the Project Manager has not notified the event to the Contractor.

If the Contractor does not notify a compensation event within eight week of becoming aware of the event, he is not entitled to a change in the Price the Completion Date or a Key Date unless the Project Manager should have notified the event to the Contractor but did not.

If the Project Manager decides that an event notified by the Contractor arises from a fault of the Contractor, has not happened and is not expected to happen, has no effect upon Defined Cost, Completion or meeting a Key Date or is not one of the compensation events stated in this contract he notifies the Contractor of his decision that the Prices, -the Completion Date and the Key Dates are not to be changed. If the Project Manager decides otherwise, he notifies the Contractor accordingly and instructs him to submit quotations.

If the Project Manager does not notify his decision to the Contractor within either one week of the Contractor's notification or a longer period to which the Contractor has agreed, the Contractor may notify the Project Manager to this effect. A failure by the Project Manager to reply within two weeks of this notification is treated as acceptance by the Project Manager that the event is a compensation event and an instruction to submit quotations.

If the Project Manager decides that the Contractor did not give an early warning of the event which an experienced contractor could have given, he notifies this decision to the Contractor when he instructs him to submit quotations.

If the Project Manager decides that the effects of a compensation event are too uncertain to be forecast reasonably, he states assumptions about the event in his instruction to the Contractor to submit quotations. Assessment of the event is based on these assumptions. If any of them is later found to have been wrong, the Project Manager notifies a correction.

A compensation event is NOT notified after the 'defects' date.

Quotations for Compensation Events

After discussing with the Contractor different ways of dealing with the compensation event which are practicable, the Project Manager may instruct the Contractor to submit alternative quotations. The Contractor submits the required quotations to the Project Manager and may submit quotations for other methods of dealing with the compensation event which he considers practicable.

Quotations for compensation events comprise proposed changes to the Prices and any delay to the Completion Date and Key Dates assessed by the Contractor. The Contractor submits details of his assessment with each quotation. If the programme for remaining work is altered by the compensation event, the Contractor includes the alterations to the Accepted Programmed in his quotation.

The Contractor submits quotations within three weeks of being instructed to do so by the Project Manager. The Project Manager replies within two weeks of the submission. His reply is either an instruction to submit a revised quotation, an acceptance of a quotation, a notification that a proposed instruction will not be given or a proposed changed decision will not be made or a notification that he will be making his own assessment.



The Project Manager instructs the Contractor to submit a revised quotation only after explaining his reasons for doing so to the Contractor. The Contractor submits the revised quotation within three weeks of being instructed to do so.

The Project Manager extends the time allowed for the Contractor to submit quotations for a compensation event and the Project Manager to reply to a quotation if the Project Manager and the Contractor agree to the extension before the submission or reply is due. The Project Manager notifies the extension that has been agreed to the Contractor.

If the Project Manager does not reply to a quotation within the time allowed, the Contractor may notify the Project Manager to this effect. If the Contractor submitted more than one quotation for the compensation event, he states in his notification which quotation he proposes is to be accepted. If the Project Manager does not reply to the notification within two weeks, and unless the quotation is for a proposed instruction or a proposed changed decision, the Contractor's notification is treated as acceptance of the quotation by the Project Manager.

Assessing Compensation Events

The changes to the Prices are assessed as the effect of the compensation event upon;

- The actual Defined Cost of the work already done;
- The forecast Defined Cost of the work not yet done; and
- The resulting Fee.

The date when the Project Manager instructed or should have instructed the Contractor to submit quotations divides the work already done from the work not yet done.

If the effect of a compensation event is to reduce the total Defined Cost, the Prices are not reduced except as stated in the contract. A delay to the Completion Date is assessed as the length of time that, due to the compensation event, planned Completion is later than planned Completion as shown on the Accepted Programme. A delay to a Key Date is assessed as the length of time that, due to the compensation event, the planned date when the Condition stated for a Key Date will be met is later than the date shown on the Accepted Programme.

The rights of the Employer and the Contractor to changes to the Prices, the Completion Date and the Key Dates are their only rights in respect of a compensation event.

If the Project Manager has notified the Contractor of his decision that the Contractor did not give an early warning of a compensation event which an experienced contractor could have given, the event is assessed as if the Contractor had given early warning.

Assessment of the effect of a compensation event includes risk allowance for cost and time for matters which have a significant chance of occurring and are at the Contractor's risk under this contract. Assessments are based upon the assumptions that the Contractor react competently and promptly to the compensation event, that any Defined Cos. and time due to the event are reasonably incurred and that the Accepted Programme can be changed.

A compensation event which is an instruction to change the Works information in order to resolve an ambiguity or inconsistency is assessed as if the Prices the Completion Date and



the Key Dates were for the interpretation most favourable to the Party which did not provide the Works Information. If a change to the Works Information makes the description of the Condition for a Key Date incorrect, the Project Manager corrects the description. The correction is taken into account in assessing the compensation event for the change to the Works Information.

If the effect of a compensation event is to reduce the total Defined Cost and the event is a change to the Works Information or a correction of an assumption stated by the Project Manager for assessing an earlier compensation event, the Prices are reduced.

Assessments for changed Prices for compensation events are in the form of changes to the Activity Schedule. If the Project Manager and the Contractor agree, rates and lump sums may be used to assess a compensation event instead of Defined Cost.

The Project Manager's Assessments

The Project Manager assesses a compensation event:

- If the Contractor has not submitted a quotation and details of his assessment within the time allowed;
- If the Project Manager decides that the Contractor has not assessed the compensation event correctly in a quotation and he does not instruct the Contractor to submit a revised quotation;
- If, when the Contractor submits quotations for a compensation event, he has not submitted a programme or alterations to a programme which this contract requires him to submit; or
- If, when the Contractor submits quotations for a compensation event, the Project Manager has not accepted the Contractor's latest programme for one of the reasons stated in this contract.

The Project Manager assesses a compensation event using his own assessment of the programme for the remaining work if there is no Accepted Programme or the Contractor has not submitted a programme or alterations to a programme for acceptance as required by this contract.

The Project Manager notifies the Contractor of his assessment of a compensation event and gives him details of it within the period allowed for the Contractor's submission of his quotation for the same event. This period starts when the need for the Project Manager's assessment becomes apparent.

If the Project Manager does not assess a compensation event within the time allowed, the Contractor may notify the Project Manager to this effect. If the Contractor submitted more than one quotation for the compensation event, he states in his notification which quotation he proposes is to be accepted. If the Project Manager does not reply within two weeks of this notification the notification is treated as acceptance of the Contractor's quotation by the Project Manager.



Implementing Compensation Events

A compensation event is implemented when:

- The Project Manager notifies his acceptance of the Contractor's quotation;
- The Project Manager notifies the Contractor of his own assessment; or
- A Contractor's quotation is treated as having been accepted by the Project Manager.

The assessment of a compensation event is not revised if a forecast upon which it is based is shown by later recorded information to have been wrong.

The changes to the Prices, the Completion Date and the Key Dates are included in the notification implementing a compensation event.

5.7 Personnel Implications (including TUPE)

As a result of this proposal, any staffing and personnel issues will be subject to the agreed established policies and procedures of the Council. TUPE will not be required in this instance as the proposed changes will only affect an individual organisation (i.e. Neath Port Talbot County Borough Council).

There will, however, be the potential for redundancy of both teaching and support staff, as the rationalisation of schools in the learning communities of Aberafan, Baglan, Briton Ferry, Port Talbot and Sandfields (i.e. three Secondary schools and a Primary school becoming one 3-16 school) will result in a reduced requirement for staff. Any redundancy and redeployment issues will be addressed in line with the Council's Human Resources policies and procedures.

5.8 Procurement Route and Implementation Timescales

The solution will be procured using the South West Wales Regional Contractors' Framework, followed by a mini tendering process for contractors who sit on the framework. The successful contractors entered into a tender process which required the provision of:

- Drawings;
- Form of Contract;
- The Forms of Tender;
- Certificates of Non Collusion;
- Freedom of Information Act forms;
- Equal Opportunities Questionnaires; and
- Rules and Regulations for Hot Work Acknowledgement Forms were all provided correctly by all tenderers.

A copy of the proposed Bid document (within the framework) is provided at Appendix B Invitation to Tender to the FBC. All Tenderers provided completed Activity Schedules and



Quality Submissions as required. The tender weighting consisted of 50% for cost and 50% for quality.

The framework contractors who will be invited to tender are:

- Carillion;
- Leadbitter;
- Laing O'Rourke

The implementation milestones agreed for the scheme with the service provider are as per Section 4.6 above.

5.8.1 Procurement Strategy - Current Property Frameworks

Neath Port Talbot County Borough Council will be using the South West Wales Regional Contractors Framework. This framework was re-let during Spring 2011 and applications were assessed for the framework, which has been set up for a duration of four years (from July 2011). This framework, now with a regional bias, will cover all potential requirements arising from this initiative.

This collaborative approach has already seen a regional ground investigation contract being agreed and a final "memorandum of understanding" has been established whereby any new projects that cannot be undertaken within the resources of Authorities' existing design teams will be circulated within the four regional Authorities for "first call", before considering engaging external resources. This will ensure that internal capacity can be maximised, thus reducing the costs associated with procuring additional external support. This approach will also enhance the experience of in-house staff and strengthen the collaboration between the member authorities.

The framework allocation followed the OGC guidelines (EU rules and regulations) and used the OJEU notice board where relevant. The NEC 3 Engineering and Construction Contract Form of Building Contract (Option A - Activity schedule) was used to set up the Frameworks. The aim of the frameworks is to provide high quality construction, related design and project management services to meet the Council's requirements whilst taking account of the principles of the 'Best Value' process and of 'Re-Thinking Construction'. The objectives are as follows:

- To provide and sustain an open, co-operative and business like culture between the parties;
- To integrate public and private sector skills in delivering services;
- To have access to additional resources and expertise;
- To retain and promote core in-house skills;
- To promote continuous improvement;
- To create development opportunities for employees of both private and public sectors.

This form of contract will also ensure that contractors are incentivised to provide the best value for money, through the inclusion of an element of gain share.



Governance arrangements and a plan for future actions have been established. These initially focussed on the development of a regional procurement approach to support the delivery of schemes already announced in the bids, but are now focussing heavily on schemes within Band A of the 21st Century Schools Programme. Proposed bandings have been agreed for the different tiers of value and the authority is concentrating on the three higher value bands for Property Construction Works:

Lot 1 – Regional Framework serving all four Counties for Construction Works exceeding £12 million in Value – involving 3 appointed Contractors;

Lot 2 – East Area serving Neath Port Talbot and Swansea for Construction Works between £3.5 and £12 million – involving 6 appointed Contractors.

Further Lots will also be required to deliver projects up to £3.5 million for each Authority. However, these will be the subject of a separate procurement process which will follow the major works procurement exercise under the current Notice.

In this instance, the Council will use **Lot 1** of the framework to procure contractors for the preferred option.

The inclusion of community benefits/social requirements within contracts will ensure that wider social and economic issues are taken into account when tendering construction and development work. The Council particularly considers that the works afford an ideal opportunity to the contractor to enhance employment prospects and skills through the recruitment, training and retention of economically inactive people at a disadvantage in the labour market. The authority will also benefit from drawing on expertise from this framework by:

- Achieving reduced costs through the economies of scale;
- Accessing lessons learned from previous projects and recognition that best practice(s) will be shared between the member authorities;
- Reducing the amount of time taken to procure external support which will have a beneficial impact on the overall programme time scales and milestones;
- Accessing local firms and the added benefits of geographic and local economic knowledge.

The Evaluation Template will be populated with the evaluation criteria as detailed in the Invitation to Tender and the Team will be fully briefed on the scoring methodology. The average score for each of the scoring elements will then be inputted into a scoring matrix which takes account of the weighting for each element with the highest weighting being attributed to health and safety, and risk. The financial submission will be added to the quality of the proposal, which will then give the most economically advantageous tenders based on a quality / price ratio of 20% framework management (quality), 40% quality and 40% price.



5.8.2 Procurement Option - Mini Tendering

Within these framework arrangements, a mini tendering process, with notice, will be issued to award the contracts for consultancy and construction services. Under this mini tendering process, the framework contractors will be asked to complete a schedule of activity plus:

- Method statements relating to construction;
- Certificates of Non Collusion;
- Freedom of Information Act forms;
- Equal Opportunities Questionnaires; and
- Rules and Regulations for Hot Work Acknowledgement Forms.

In order to evaluate all tenders on a fair and equal basis each contractor will be asked to confirm their agreement that Alternative 2 of Section 6 of the “Code of Procedure for Selective Tendering 1996” be dispensed with and that all priced Activity Schedules forwarded in support of the tenders be arithmetically checked and corrected.

Financial Appraisal

To produce a financial score in accordance with the procedure identified in the Tender Document, the amended tenders together with percentages tendered by the Tenderers will be used.

9. Direct fee percentage;
Subcontracted fee percentage;
10. Percentage for people overhead;
11. Percentage for Design Overheads.

The financial scores produced will then be compared and ranked.

Quality Appraisal

Each of the Tenderers will be required to provide a quality submission in accordance with the tender requirements. These submissions will be examined by a panel of four officers who will each produce a score for each question in accordance with the procedure identified in the Tender Document. The scores will then be averaged and quality scores will then be produced and ranked.

Overall Score

The financial and quality scores will be weighted in accordance with the procedure identified in the Tender Document to produce an overall score for each of the Tenderers which will then be produced and ranked. The Contractor with the **highest overall score** will be awarded the contract.



5.9 FRS 5 Accountancy Treatment

It is anticipated that the proposal will have the effect of reducing Council revenue expenditure by c£1.777M per annum. This figure is calculated as the difference between the cost of running four individual schools (three Secondary schools and a Primary school) compared to the more cost effective model of running one “all through” 3-16 school.

Construction of the new school will be treated as an ‘Asset under Construction’ in line with CiPFA’s Accounting Code of Practice and International Accounting Standard 16 ‘Property, Plant and Equipment’. The value of certificated stage payments will increase the value of the asset under construction; on completion the School will be valued as an operational asset on a Depreciated Replacement Cost (DRC) basis.

In relation to the existing four schools, they will remain on the Council’s balance sheet as non-operational until such a time that they are either demolished or brought back into operation. There will be no effect on the taxpayer as a result of these transactions as any effect is neutralised through the balance sheet revaluation and capital adjustment accounts.



6.0 The Management Case

6.1 Introduction

This section of the FBC addresses the ‘achievability’ of the scheme. Its purpose, therefore, is to set out in more detail the actions that will be required to ensure the successful delivery of the scheme in accordance with best practice. The Council has adopted a structured approach to the rationalisation of educational provision in the County Borough – the Strategic Schools Improvement Programme (SSIP). This Programme is underpinned by four key principles: standards in education; the need for places and the accessibility of schools; the quality and suitability of school accommodation and effective financial management.

This approach will enable the Council to meet its statutory duties to provide ‘fit for purpose’ schools that deliver high quality education across the County Borough. The Strategic Schools Improvement Programme sets the context in which decisions on the organisation of school places in Neath Port Talbot are made. It will facilitate the planned delivery of a managed programme for change. The Council has determined that the Strategic Schools Improvement Programme is a tier 1 priority and, through its Cabinet has identified areas of priority action.

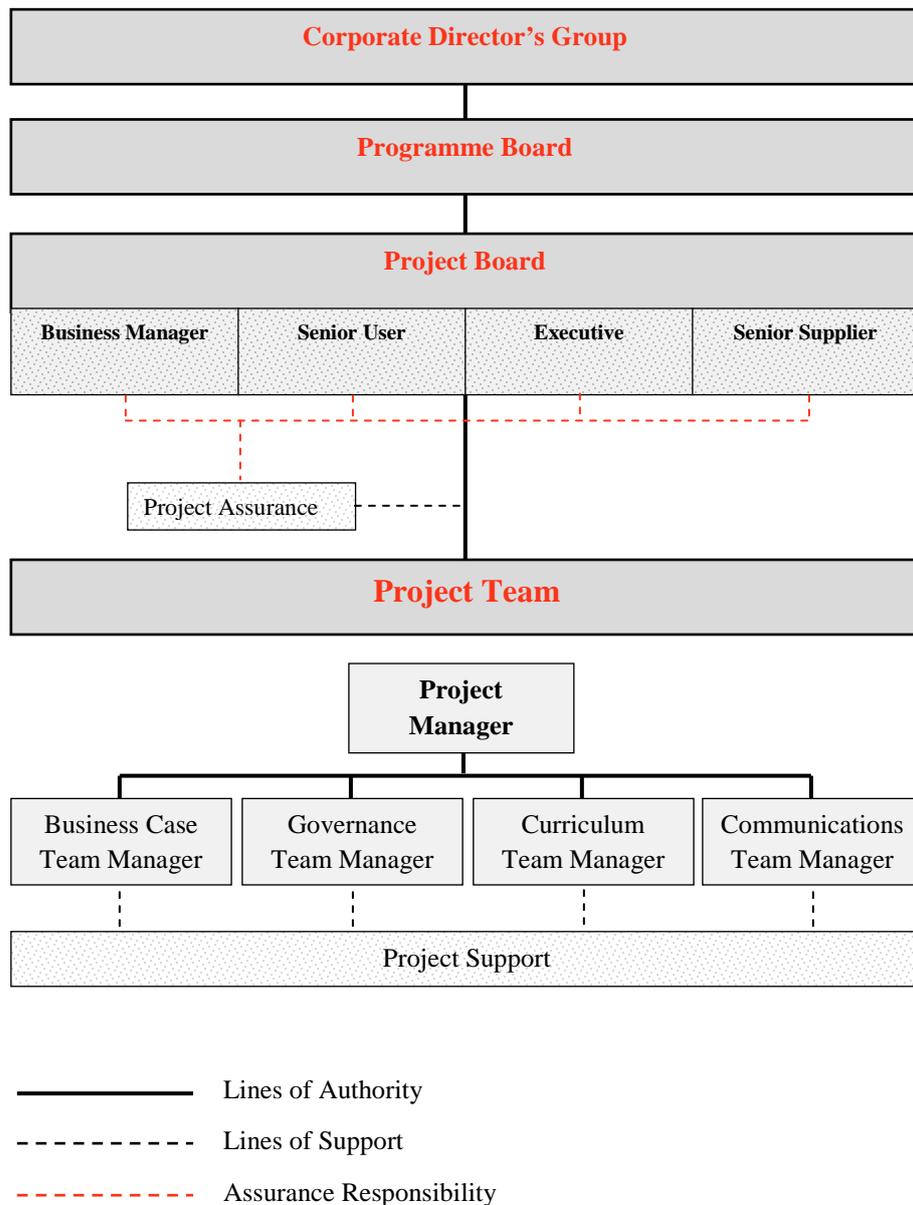
6.2 Programme & Project Management Strategy

The Council has adopted a Programme/Project management governance model that is underpinned by PRINCE2 principles.

The project structure described below has been designed to ensure that the preferred option will have a robust project management function in place throughout the proposed timelines. This diagram demonstrates the lines of responsibilities and how the project will engage with the customer and supplier.



Figure 5: A High Level Project Hierarchy is illustrated in Project Structure

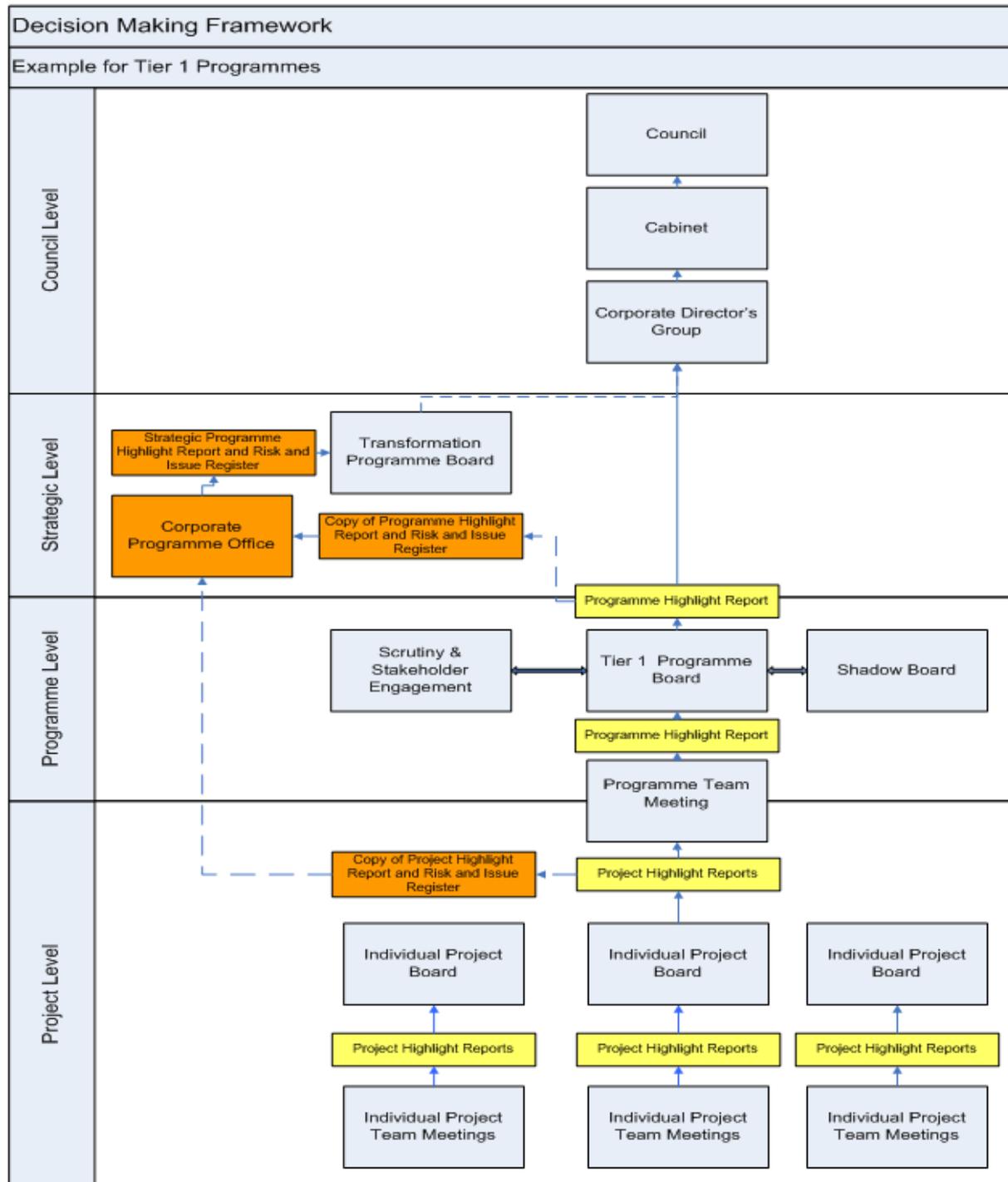


This diagram is specific to the project level and does not take in the wider decision making framework with the Council members or the strategic interaction with the other programmes, for example the SSIP.

The following diagram depicts a generic decision making framework that will be used for the proposed option.



Figure 6: A High Level Decision Making Framework is illustrated for NPT Tier 1





6.3 Programme Management Arrangements

Delivery of the Programme is managed by a Programme Board which reports to the Council's Cabinet. The Senior Responsible Officer is the Corporate Director for Education, Leisure and Lifelong Learning and there is appropriate senior officer representation in the areas of Business Change, Senior Users and Senior Suppliers. The Programme Board is supported by Programme Managers and a Programme Team, which is responsible for the day to day delivery of the Programme.

The specific roles and responsibilities for individual projects will be determined by the NEC form of contract along with the implementation of the Authority's Corporate Procedure "Construction Design and Management" will articulate specifically the respective roles of client, designer, contractor, etc. The ICT element of the project will be managed through the Council's standard (non-construction) form of contract.

6.3.1 Programme Board

The Programme Board is led by a Senior Responsible Officer (SRO). The position is held by the Corporate Director for Education, Leisure and Lifelong Learning. The SRO is supported by two Programme Managers with day to day operational responsibility for developing and delivering the SSIP. The Programme Managers attend the Programme Board; the posts are held by the Head of Resources and Commissioning (a second tier officer) and the SSIP Programme Manager (a third tier officer). Programme Managers are, in turn, supported by a Programme Team of officers with specific disciplines – teaching & learning, data analysis, school building estate, legislative procedures and media/communications. Officers with complementary specialisms are engaged as needs arise.

The Programme Board will be responsible for delivery of content within a Programme, complementing the role of the Project Board, which is more concerned with process. The Programme Board's main role is one of delivery, where the need to identify and resolve cross-cutting issues is essential. This will be particularly important with related school closures being subject to different issues (financial and political). All members of the Programme Board have high level responsibility and are jointly accountable for their own component parts of the Programme. There will be a separate (standard) item held on the Programme Board agenda for the management of the Transformation programme – which will take place on a quarterly basis.

The Programme Board is accountable for delivery of the SSIP and will oversee the whole programme. In overseeing this programme, Programme Board will:

- Ensure high level stakeholder involvement;
- Provide strategic direction for the project;
- Address the needs of the locality;
- Ensure continuing commitment to stakeholder support;
- Monitor the master programme and interdependencies;
- Ensure the preferred option is satisfactory to funders;



- Direct the Project Board and advise the local (Baglan Bay area) level issues and external risks.

6.3.2 Programme Board – Terms of Reference

The Programme Board is concerned more with how those policies and outcomes for which the concerned Programme is responsible are to be achieved, and acts as the key decision making body for Programme by maintaining responsibility for:

- Appointing an Executive and Project Manager;
- Monitoring progress - usually against a high-level Programme plan;
- Agreeing/quality assuring key Programme products - these are usually relatively process focused and are concerned with programme level plans and communications;
- Managing Programme-level risks;
- Managing Programme-level issues;
- Managing (inter) dependencies between the Programme's sub-projects;
- Committing (or sourcing from elsewhere) resources across the Programme to enable the activities to be successfully achieved.

6.3.3 Membership & Responsibilities

To ensure decisions of the Programme Board are informed by a wide base of stakeholders, membership of the Board also includes Senior Suppliers comprising second tier officers representing the Council's Finance, Human Resources, Corporate Strategy, ICT, Property and Regeneration, and Legal and Domestic Services. Service Users are represented on the Programme Board by the Business Change Manager, a post held by the Head of Learning and Inclusion (a second tier officer). Also sitting on the Programme Board as Senior Users are the Head of Partnership & Community Development (a second tier officer representing the CYP Partnership) and head teacher representatives from the primary and secondary sectors. Additional stakeholders and project sponsors are involved on a specific programme/project basis.

Programme Board will have the following standing members (membership names are included in the next table):

- **Chair:** (usually the Programme SRO or Sponsor);
- **Programme Director or Manager** - who reports on progress overall;
- **Programme Executives** - The Chair and Alternate Chair, together with the Programme Executives will provide the Project with clear strategic vision and leadership that reflects the overall corporate aims and objectives of the Project from a local, regional and national perspective. They are the key strategic drivers of the overall business change that is being implemented and supported by the



Project. The Project Chairs and Programme Executives are ultimately accountable for the whole Project;

- **Key Programme** – Stakeholders (represented by Director for Education, Leisure and Lifelong Learning - i.e. those who are so important to the Programme's success that they need to be intimately involved in the decision making processes, e.g. key delivery partners);

In addition to the above the Programme Board will also be attended by the Programme assurance team who will ensure:

- Proper programme management disciplines are being adopted;
- The Programme is continuing to address the business requirements it was designed to fulfil;
- The Programme will deliver outputs which are acceptable to its end users.

Table 44: Programme Board Membership

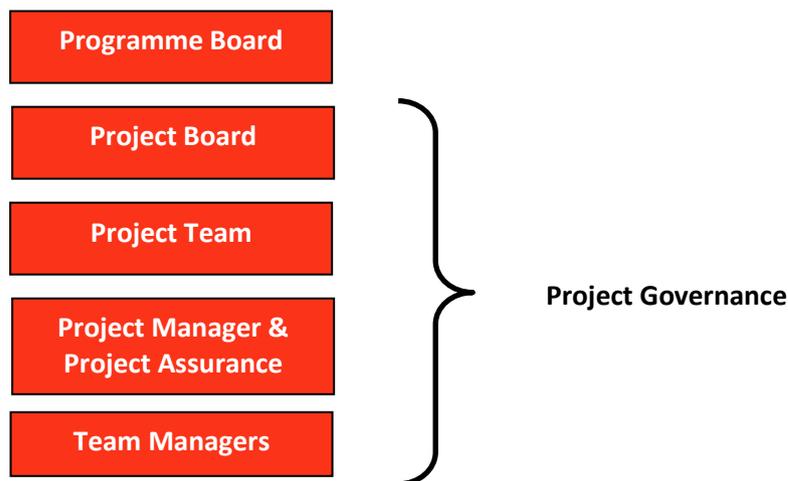
Name	Title	Programme Board Role
Aled Evans	Corporate Director for Education, Leisure and Lifelong Learning	Senior Responsible Officer
Andrew Thomas	Head of Resources and Commissioning	Programme Manager, SSIP
Richard Gordon	Programme Manager, SSIP	Programme Manager, SSIP
Gareth Nutt	Head of Property and Regeneration	Senior Supplier
David Michael	Head of Legal and Domestic Services	Senior Supplier
David Rees	Head of Finance	Senior Supplier
Graham Jones	Head of Human Resources	Senior Supplier
Steve John	Head of ICT	Senior Supplier
Karen Jones	Head of Corporate Strategy	Senior Supplier
Helen Morgan-Rees	Head of Learning	Senior User
Russell Ward	Head of Partnership and Community Development	Senior User



6.4 Project Management Arrangements

The project will be managed in accordance with the general principles of PRINCE2 methodology. The project management team comprises the Project Board, “Project Team”, the Project Manager and the Team Managers. This “team” is responsible for the day-to-day management and implementation of the project. The figure below illustrates the relationship within the overall project governance arrangements.

Figure 7: Overall Project Governance Arrangements



The Project Manager will be assisted by several Project Teams. Each team has an effective and active team leader appointed by the Project Board and formal minutes are taken at each meeting. An agenda is agreed with a nominated Chair and the minutes of the groups form formal records of the overall Project proceedings. These feed into the meetings of the “Project Team” (which meets on a monthly basis) to discuss operational issues and progress. Details of the Project Team are given below:

Table 45: Project Team Membership

Name	Department
Andrew Thomas	Head of Resources and Commissioning (Chair)
Richard Gordon	Programme Manager, SSIP
Julie Merrifield	Strategic Information and Data Analysis Manager
Roger Bowen	Educational Estates Manager
Christopher Millis	Teaching and Learning Manager
Debora Holder	Education and Legislation Manager



The project is governed by the Project Board of which the membership and terms of reference have been developed to ensure the most effective management of this strategic project. This was considered essential in order for the project to achieve its Investment Objectives and manage the risks accordingly. The membership of the Project Board and all roles, responsibilities and terms of reference in relation to this project are included within this section of the Management Case. Under the general principles of PRINCE2 methodologies, the Project Board will manage the activities and outputs of the project, meet Welsh Government requirements and deal with any specific guidance, issued during the project's lifespan.

6.4.1 Project Board

As stated previously, Neath Port Talbot County Borough Council Education Departmental Management Team (Project Board) will act as the project board for this specific proposal. The project board is responsible to the over-arching Programme Board for the direction and management of the project and has responsibility and authority for the project within the remit (Project Mandate) set by Programme Board and confirmed by the Council's Executive Board.

The Project Board is the project's "voice" to the outside world and is responsible for any publicity or other dissemination of information about the project. It is ultimately responsible for assurance that the project remains on course to deliver the desired outcome of the required quality and to fulfil the Business Case defined in the Project Initiation Documentation. According to the size, complexity and risk of the project, the Project Board may decide to delegate some Project Assurance responsibility.

6.4.2 Project Board – Terms of Reference

The terms of reference for the project board are as follows:

- Ultimate responsibility and accountability for the project delivery;
- To provide strategic guidance in line with schemes strategic objectives;
- To advise on the final configuration of the development in terms of estate requirements;
- To report project progress to the Programme Board;
- Approving any major changes to scope of the scheme;
- To approve the procurement method following options appraisal;
- Approve major operational plans;
- Contribute to the negotiations with key project stakeholders to ensure that they are fully informed in respect to changes that will take place;
- To review the risk register from inception to completion of the project. The project board will decide upon corrective action where necessary and inform Programme Board of potential risks and mitigations on an on-going basis;



- Resolve any issues raised to it from the “Project Team”;
- Appoint suitable project assurance representatives to monitor and report on quality aspects of the project;
- Provide user resources;
- Ensure project produces outputs that deliver to user requirements;
- Ensure the product provides the expected stakeholder benefits;
- Formally close the project ensuring lessons learnt are documented and ensure that a comprehensive post project review is completed.

6.4.3 Membership & Responsibilities

The membership and responsibility of the Project Board are as follows:

- **The Project Board Chair** – is responsible for the corporate and programme management and the overall direction and management of the Project. It has the responsibility and authority for the Project within and set by the Programme Board as well as ensuring external strategic alignment.
- **Project Executive** – Ultimately responsible for the project whose role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering a product that will achieve the forecast benefits. The Project Executive is accountable to the Project Chairs and the Programme Executives for designated aspects of project delivery as set out in the agreed work programme in order to meet the strategic aims as identified by the Chairs and Programme Executive. They will be supported by the Senior Supplier(s) and Senior User(s) in the delivery of the agreed work programme. For the purpose of this project it is proposed that the Board Chair and the Project Executive are held by one individual. The person with nominated responsibility in this area is **Andrew Thomas, Head of Resources and Commissioning**.
- **Senior User** – Responsible for specifying the needs of those who will use the final product, for user liaison with the project team and for monitoring that the solution will meet those needs within the constraints of the Business Case in terms of quality, functionality and ease of use. The Senior User representatives provide knowledge and experience of the various recipients of the project. They represent the interests of all who will use (and/or be affected by) the final product(s) of the project. The Senior Users’ responsibility is to ensure that the Project Board fully understands the requirements of the Schools, the wider Community and the Funding Bodies (Welsh Government) and to undertake any monitoring necessary to ensure that the proposed solution meets their needs. Given the complexities of the Sandfields area the Senior User is proposed to be both the **Head of Partnership and Community Development** and the **Head of Learning**. This post is therefore shared by **Russell Ward** and **Helen Morgan-Rees**.



- **Senior Supplier** – Represents the interests of those designing, developing, facilitating, procuring, implementing and possibly operating and maintaining the project product. The Senior Supplier (Coordination, Timeline and Finance) will lead the overall coordination of the project with particular reference to setting and maintaining timelines which not only match project timescales but interface successfully with other major projects which may be affected by this one. He will also liaise with Neath Port Talbot County Borough Council Head of Finance as appropriate. Within the Senior Supplier for this project, there will be four in number, in respect of Compliance and Governance, Finance, Human Resources and ICT, and their roles are described in more detail below.
- **The Senior Supplier (Finance)** will lead the development of the governance & management elements of the project. Involvement in the production of the project deliverables is a key aspect as well as representing other stakeholders' interests in the financial outcomes of the project. The Senior Supplier (Finance) will liaise as appropriate with the Director of Finance in Neath Port Talbot County Borough Council. This role will be fulfilled by **Huw Jones, Chief Accountant (Exchequer)**.
- **The Senior Supplier (Compliance and Governance)** will lead the assurance of the property compliance (including design) elements of the project. Involvement in the production of the project deliverables is a key aspect as well as representing other stakeholders' interests in the governance & management outcomes of the project. The Senior Supplier (Compliance and Governance) will liaise as appropriate with the Head of Regeneration and Property services at Neath Port Talbot County Borough Council. This role will be fulfilled by **Simon Brennan, Strategic Property Manager**.
- **The Senior Supplier (ICT)** will provide knowledge and management of the requirement to provide sector leading ICT facilities for learners in the NPT area. In particular they are responsible for the roll out of the Council's Learning Gateway (NPTLG) policy for the new all through school in the Baglan Bay area. This role will be fulfilled by Steve John, Head of **ICT**.
- **The Senior Supplier (Human Resources)** – will provide knowledge and experience in human resource matters and will guide the human capital and communication elements of the project. Involvement in the development of the human resource plan and the impact upon staff of the proposed reconfiguration(s) is a key aspect of this role as is the representation of other suppliers' interests within the project. This role will be fulfilled by **Graham Jones, Head of Human Resources**
- **Project Manager** – will have the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Board. The Project Manager's main responsibility is for the work of all PRINCE2 processes. The Project Manager will delegate responsibility for the process to the Project Team Managers in the projects using this role. The Project Manager manages the Team Managers and Project Support and is responsible for the liaison with the Project Assurance and the Project Board. This role will be fulfilled by **Roger Bowen, Educational Estates Manager**.



The table below summarises the board membership, together with current titles and their nominated role of the project board

Table 46: Project Team Membership

Name	Title	Project Board Role
Andrew Thomas	Head of Resources and Commissioning	Chair and Project Executive
Russell Ward	Head of Partnership and Community development	Senior User
Helen Morgan-Rees	Head of Learning	Senior User
Simon Brennan	Strategic Property Manager	Senior Supplier (Compliance and Governance)
Huw Jones	Chief Accountant (Exchequer)	Senior Supplier (Finance)
Steve John	Head of ICT	Senior Supplier (ICT)
Graham Jones	Head of Human Resources	Senior Supplier (Human Resources)
Richard Gordon	SSI Programme Manager	Representative of the SSIP, within which this project falls
Roger Bowen	Educational Estates Manager	Project Manager

6.4.4 Project Team

The Council has established structured project management arrangements to ensure that each project within the SSIP has adequate project management resources. The individual projects will report to the Programme Board for assurance and guidance on programme level risks and issues. Day to day management of the Council's Strategic School Improvement Programme is the responsibility of the core programme team. With project management support, they will aim to:

- Deliver the project on time and to budget;
- Ensure effective and proactive lines of accountability and responsibility for the project deliverables; and
- Establish user involvement at all stages of the exercise.

The Ysgol Newydd (Bae Baglan) project will follow this process and will have specialist dedicated in house project managers, from the Council's Property and Regeneration Service, to provide the professional support in managing the design, construction and commissioning elements of any new build project as part of the Strategic School Improvement Programme Board - Senior Suppliers responsibilities. It is the intention that as the project progresses to Construction phase, a PRINCE2 environment will remain, however the structure of the relevant projects teams (and their members) will be amended to ensure they are still relevant and effective. This process demonstrates that the current Neath Port Talbot (NPT) team understand the need for flexibility and that this can be delivered within the framework of PRINCE2.



It is recognised that many construction projects may not use PRINCE2, and developers are often reluctant to provide the necessary reports to those considered to be on the periphery of such projects. While the stakeholder representatives of the NPT Strategic School Improvement Programme (SSIP) team have used this methodology effectively in several construction-related projects, it is felt that Programme Management techniques, backed up by the tight project management of core teams, will prove very effective.

As mentioned in the Commercial Case (Section 4.0), a framework for Construction and Professional Services has been established for ERW. The authority intends to utilise this previously established framework and this approach will reduce costs and time associated with the procurement of external resources. The approach will also enable the authority to share lessons learned from previous projects undertaken by consortium members.

As this project has progressed from OBC to FBC stage a PRINCE2 approach has been adopted and the project is currently governed by a Project Board.

Specialist professional and technical advisers will be employed for those activities where the necessary skills and experience are not otherwise available to the Project team. The transfer of skills and knowledge from specialist advisers to the Project team will be achieved wherever possible and appropriate. The costs of specialist and technical advisers (and in particular knowledge transfer) will be included in the funding bid to the Welsh Government. If such a bid were not to be successful, the key stakeholders would be required to review this position.

6.4.4.1 Business Case Team

The business case project team will have the responsibility to author and produce the OBC/FBC for submission to WG.

Table 47: Business Case Project Team Membership

Name	Title	Role
Richard Gordon	SSI Programme Manager	Team Leader
Roger Bowen	Educational Estates Manager	Technical Support
Mike Hughes	Partner (CPC)	Assurance

6.4.4.2 Curriculum Project Team

The Curriculum Project Team will have responsibility to agree and submit the curriculum requirements of the proposal with respect to education in the Sandfields area. The curriculum Project Team includes curriculum managers and educational specialists from within the Council.

The role of the curriculum project team has been to ensure that pupils within Neath Port Talbot have the most appropriate and widest range of curriculum, available to meet the requirements of the Schools Effectiveness Framework and the 21st Century Schools agenda. In line with this, the curriculum project team help define the options available for education in the Sandfields area.



Table 48: Curriculum Project Team Membership

Name	Title	Role
Helen Morgan-Rees	Head of Learning	Chair
Christopher Millis	Teaching and Learning Manager	Team Member
Peter Curnow	ERW Systems Leader	Team Member

6.4.4.3 Governance Project Team

In addition to the internal responsibility for the quality assurance that is held by NPT SSIP Programme Board, the Authority is considering different avenues for an external review of the programme and projects including gateway reviews. The avenues include participating in the development of a regional gateway review programme through the ERW consortium involving neighbouring authorities. This approach would build on the collaboration encountered during the procurement process. The responsibilities for the assurance of the programme are summarised below:

General Responsibilities

- Liaison is maintained between the business, user and supplier throughout the project.
- Risks are managed in accordance with recognised methods.
- The right people are involved in the decision making process and adequate consultation with stakeholders has taken place.
- Staff are properly trained in the quality methods and their application is monitored.
- The scope of the programme is suitably flexible to react to changes in the external environment.
- Internal and external communications are effective.

Business Assurance Responsibilities

- Robust business cases (aligned to national and local strategies) are developed and appropriate benefit realisation plans are considered.
- Provide appropriate designs for any new build.
- Advise on the selection of appropriate project management team members.
- Advise on the Risk Management Strategy.
- Check that the project remains aligned to the corporate or programme strategy and that it is still representing value for money.
- Project remains viable.



- Assess that the aggregated risk exposure remains within project tolerance.
- Review issues and risks by assessing their impact on the programme.
- Constrain user and supplier excesses.

User Assurance Responsibilities

- Advise on stakeholder engagement.
- Ensure that the specification of the user's needs is accurate, complete and unambiguous.
- Assess whether the solution meets the user's needs and is progressing towards that target.
- Advise on the impact of potential changes from the user's point of view.
- Monitor risks to the user in conjunction with wider risk management.
- Ensure that quality control procedures are used correctly to ensure that products meet user requirements.

The governance project team membership is detailed in the table below.

Table 49: Governance Project Team Membership

Name	Title	Role
Clive Barnard	Head of Architectural Design & Project Management	Chair
Simon Trew	Stride Treglown Architects	Design specialists
Simon Brennan	Strategic Property Manager	Framework and procurement specialist
Roger Bowen	Educational Estates Manager	Education estates specialist

6.4.4.4 Communication & Publicity Project Team

NPT promotes extensive and meaningful consultation with stakeholders on its proposals. Consultation on projects requiring the publication of statutory proposals to reorganise school provision follow WG guidance.

Consultation on 'build design' and construction follow BREEAM requirements. A full range of stakeholders have been involved in both processes, including children and young people, usually through the involvement of School Councils.

The proposal outlined in this FBC that seeks to provide a new (3-16) 21st Century School for the learning communities of Aberafan, Baglan, Briton Ferry, Port Talbot and Sandfields has been subject to informal and formal consultation with all interested parties in line with statutory requirements and the SSIP communications strategy which aims to:



- Support the SSIP through timely, interactive communications, creating an understanding and commitment to the improvement process.
- Enhance the Council’s strong reputation for managing change.
- Ensure that all stakeholders understand the vision and need for change, who it affects and what it means for them.
- Ensure the SSIP process is open and transparent.
- Promote and cultivate an understanding and acceptance of the need for change.
- Ensure all key internal and external stakeholders impacted by SSIP are fully informed.
- Promote effective media relations and encourage accurate and balanced reporting/coverage (recognising that the media may represent alternative views to those held by the Council).

The communications and publicity project team will be responsible for all of the external communications prepared in relation to the Sandfields area.

Table 50: Communications & Publicity Project Team Membership

Name	Title	Role
Andrew Thomas	Head of Resources and Commissioning	Chair
Sylvia Griffiths	Corporate Communications & Equalities Manager	Press liaison
Cllr Peter Rees	Executive Board Member (Education, Leisure and Lifelong Learning services)	Political assurance
Richard Gordon	SSI Programme Manager	Team Leader

The communication strategy focuses on demonstrating the value of the Ysgol Newydd (Bae Baglan) project in terms of improved service delivery and better outcomes for children and young people. In this initiative, there has been a consistent approach to communications across all stakeholder groups and messages have been embedded into corporate priorities.

Stakeholders have been consulted through a variety of means; two way communication channels have been established to enable people to ask questions, provide feedback and raise concerns. Communication activities have also been pro-active, promoting key developments and events, achievements and messages.

Internal communication has been key in gaining stakeholder support. The key messages have been:

- Funding is to be used in the most effective and efficient way possible.
- Changes will be made to further improve educational standards and facilities for the future.



- The new, 'all through' 3-16 school is not just about bricks and mortar, but secures the best possible teaching and learning environments for all learners.

The target audience has been: Service Users; Supplier Stakeholders (including teachers, teaching groups and the NPT Governor Association) and the Welsh Government. The above illustrates meaningful consultation and engagement with stakeholders in the development of this FBC.

6.4.5 Project Team Terms of Reference

The project team members' responsibilities are described above and they will report progress back to the "Project Team" meetings on a monthly basis.

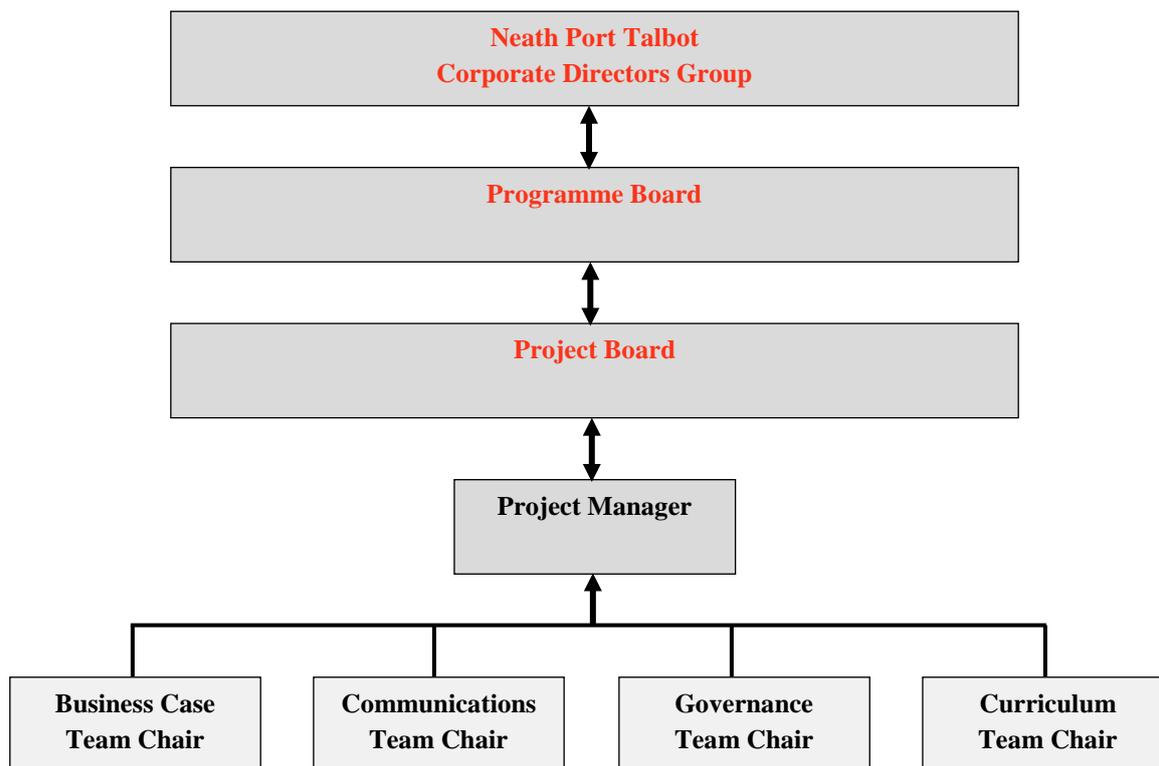
6.4.6 Project Reporting Structure

The reporting and governance arrangements for this project are as follows:

- Teams report into a project manager and present reports at monthly "Project Team" meetings. These meetings will be chaired by the aforementioned representatives for each of the four Project team areas;
- Project manager presents summary of reports from "Project Team" meetings to the Project Board meetings on a monthly basis. Project Board is chaired by Andrew Thomas;
- On an exception basis only, Project Board will report key strategic risks and issues to Programme Board for resolution.



Figure 8: Project Reporting Structure



6.4.7 Project Plan

An indicative project plan has been developed to date and the milestones of activities are included in the next table. The project has been created in conjunction with the Technical team and members of the organisations who undertook the feasibility studies of the short-listed options.

As determined in the Commercial Case to this document, Neath Port Talbot County Borough Council will use The South West Wales Regional Contractors Framework:

- **Lot 1** – Regional Framework serving all four Counties for Construction Works exceeding £12 million in Value – involving 3 appointed Contractors;
- **Lot 2** – East Area serving Neath Port Talbot and Swansea for Construction Works between £3.5 and £12 million – involving 6 appointed Contractors.

Further Lots will also be required to deliver projects up to £3.5 million for each Authority. However, these will be the subject of a separate procurement process, which will follow the major works procurement exercise under the current Notice.

Through this framework, all short-listed contractors are aware of the high level programme of events that will be required to meet the project deadlines. All contractors are awaiting the instruction from the Council to commence the mini tendering process for each project. This process is likely to take five months. Whilst there is a preferred delivery timescale for the project (indicated in the current programme) the authority will work collaboratively with the



preferred bidder to ensure that best value for money can be achieved and timescales are realistic.

Please see the following table for anticipated project milestones.

Table 51: Project Milestones

Date	Actions (commencement)
November 2013	Appoint architects Design Phase
March 2014	Design freeze
April 2014	FBC approval
June 2014	Obtain planning consent
August 2014	Contract awarded Discharge planning conditions
September 2014	Approval of Construction Phase H&S Plan
October 2015	Contractor takeover of Youth Centre (Seaway Parade)
May 2016	Complete commissioning
September 2016	Occupation of school Contractor takeover of the changing rooms and playground (Seaway Parade) Handover cleared Glanafan and Cwrt Sart sites

6.5 Use of Special Advisers

Special advisers have been used in a timely and cost-effective manner in accordance with the Treasury Guidance: Use of Special Advisers. To date, specialist advisors have been used extensively within this project, in areas such as design, cost assessment and control, transport, topographical and geotechnical advice, environmental and business case development/assurance.



Table 52: Use of Special Advisers

Speciality	Adviser
Financial	None - Internal Finance team
Technical	Stride Treglown Architects
Procurement and legal	None – Internal Procurement and Legal team
Business assurance	CPC Project Services LLP
Other (e.g. Transport)	Atkins

6.6 Outline Arrangements for Change and Contract Management

The main aim here is to manage proposed changes to the culture, systems, processes and people working to establish the best option for NPT. Change management is not about the provision of the best option but instead focuses on those actions that are necessary to make the best option a working success. The specific actions noted below come under the overall control of the project board.

Managers responsible for the key areas have adopted appropriate project management disciplines to meet specific responsibilities. The individual activities may be projects in their own right or be work streams within the overall project.

Planning has been developed for all activities within this change management process through the identification of key outcomes and actions required to ensure successful delivery. Timescales for carrying out such actions, the resources required, and where required, the need for additional resources, have also been determined.



Please see the tables below for further details:

Table 53: Change Management - HR/Recruitment

Change Group	HR / Recruitment	
Manager	Andrew Thomas	
Additional Group Members	Graham Jones Karen Holt	
Remit	<ul style="list-style-type: none"> To look at staffing structure and requirements. Agree process for occupying new posts. Agree implementation plan. To consult with existing staff. To consult with Trade Unions. To agree induction training and team building options. To report to the management group. 	
Significant outcomes required	<ul style="list-style-type: none"> An understanding of the level of resource that can be shared Certainty over the capacity to provide sufficient resource to operate relevant services, with respect to academic and support staff Improve the teacher/pupil ratio and the well-being of staff within the Sandfields area 	
Actions needed to achieve these outcomes	1. Quantify new staffing requirement, based on demand	<ul style="list-style-type: none"> July 2015
	2. Complete gap analysis	<ul style="list-style-type: none"> August 2015
	3. Recruit via appropriate trade journals	<ul style="list-style-type: none"> September 2015 – March 2016
	4. Quantify work environment issues to improve conditions	<ul style="list-style-type: none"> April 2016
Resources required	<ul style="list-style-type: none"> No additional resources to the leads (named above) and the administrative staff/HR specialist support Anticipate input to a maximum of two hours per week per individual involved 	
Dependencies	<ul style="list-style-type: none"> None 	



Table 54: Change Management - Finance & Business Processes

Change Group:	Finance and Business Processes'	
Manager	Claire Darracott	
Additional Group Members	Huw Jones Julie Merrifield	
Remit	<ul style="list-style-type: none"> To control the financial aspects of the capital bid process. To oversee the financial aspects of procurement. To put in place financial controls for the agreed option. To set, agree and monitor operating budgets for the agreed option. To optimise property utilisation and backlog maintenance costs for the agreed option To determine the need for any new business processes for the agreed option not met by existing school's processes. Devise and implement new processes. To report to the management group. 	
Significant outcomes required	<ul style="list-style-type: none"> To reduce the financial burden for the agreed option To identify new processes that allows the agreed option to be managed and run in accordance with school's protocol. 	
Actions required to achieve outcomes	1. Understand the financial and business processes that are required	<ul style="list-style-type: none"> August – December 2015
	2. Understand the financial and business processes that currently exist	<ul style="list-style-type: none"> December 2015 – February 2016
	3. Complete a gap analysis of processes	<ul style="list-style-type: none"> March 2016
	4. Compile new financial and business processes	<ul style="list-style-type: none"> April 2016 – July 2016
	5. Implement new working processes and practices	<ul style="list-style-type: none"> August 2016
Resources required	<ul style="list-style-type: none"> Additional finance resource to be seconded into role, to commit 50% of time on new process development. All financial management will be completed within the existing Finance team in the longer term – with no additional resource anticipated. 	
Dependencies	<ul style="list-style-type: none"> None 	



Table 55: Change Management – ICT

Change Group	ICT	
Manager	Steve John	
Additional Group Members	1 x IT infrastructure specialist 1 x Software specialist 1 x Hardware specialist	
Remit	<ul style="list-style-type: none"> • Agree strategy • Define network and equipment needs and costs. • Agree funding mechanisms for initial work. • Procure equipment and manage implementation • Appoint any additional staffing • Testing • Support arrangements • To report to the management group. 	
Significant outcomes required	<ul style="list-style-type: none"> • Understanding of IS infrastructure required for agreed option • Understanding of any new software requirements or software developments required • Understanding of any hardware requirements • Understanding of any new skill-sets required 	
Actions needed to achieve these outcomes	1. Complete analysis of IS infrastructure requirements	• December 2015 – April 2016
	2. Complete analysis of Software and hardware requirements	• January 2016 – April 2016
	3. Complete skills audit for IS/ICT staff	• January 2016 – May 2016
Resources required	<ul style="list-style-type: none"> • 1 x IT infrastructure specialist • 1 x Software specialist • 1 x hardware specialist • No additional resources are required, as maintenance and development will be completed by the existing NPT IS/ICT team. 	
Dependencies	<ul style="list-style-type: none"> • None 	



Table 56: Change Management - Educational Standards

Change Group	Educational Standards	
Manager	Helen Morgan-Rees	
Additional Group Members	Christopher Millis ERW System Leaders	
Remit	<ul style="list-style-type: none"> To agree the process of raising the educational points score for the schools and the learners Agree strategy to ensure that provision and outcomes are judged 'Excellent' or 'Good' Understand the process to improve (GCSE results) KS4 outcomes To look at staffing structure and requirements. Agree the number of subjects to be taught/available to pupils 	
Significant outcomes required	<ul style="list-style-type: none"> An understanding of the educational standards required Certainty over the subjects to be available An understanding of the optimal teacher/pupil ratio to meet the educational standards set 	
Actions needed to achieve these outcomes	1. Quantify new staffing requirement, based on teacher/pupil ratios	<ul style="list-style-type: none"> Completed
	2. Quantify level of subjects required to be available	<ul style="list-style-type: none"> August 2014 – December 2015
	3. Complete gap analysis on proposed improvements to educational standards	<ul style="list-style-type: none"> September 2015 – December 2015
Resources required	<ul style="list-style-type: none"> No additional resources to the leads (named above) and the Council administrative staff specialist support Anticipate input to a maximum of 2 hours per week per individual involved 	
Dependencies	<ul style="list-style-type: none"> Estyn DfES 	



6.7 Arrangements for Benefits Realisation

The strategy, framework and plan for dealing with the management and delivery of benefits are shown below. Benefits that will be realised may be either financial or qualitative (for example improvement in educational standards). A strategy and supporting Plan for Benefits which clearly shows what will happen, where and when the benefits will occur and who will be responsible for their delivery has been developed for the preferred option for the FBC.

The plan for benefits will be coordinated with the project plan and is very clear regarding handover and responsibilities for on-going operations in the changed state (where the benefits will actually accrue). There will be a Tracking Process, which monitors achievement of benefits against expectations and targets. The tracking process will be capable of tracking both 'hard' (e.g. cost, headcount) and 'soft' (e.g. image) benefits and operates alongside the changing operation. The progress of this plan will be reported by the Project Manager to the Project Board.

In particular the Benefits Management Strategy will fully address the following issues:

- That the potential benefits are clearly identified.
- That the benefits are clearly understood across the project and the various Project Teams. It is the role of the Project Manager to ensure that this is achieved.
- That benefits are placed into manageable groups:
 - ✓ Standards of Education
 - ✓ Places, Participation and Accessibility to wider provision
 - ✓ Standards of provision - State of art facilities and education provision
 - ✓ Effective financial management

These groups will be managed individually, with responsibility falling on the Curriculum and Governance project teams to monitor and report on progress.

An example of the project benefits realisation plan is included in the table below. This table describes the benefit, the owner responsible for the delivery of specific benefits, how and when they will be delivered and the method of measurement. A full copy of the benefits realisation plan is shown at Appendix C Benefits Realisation Plan to the FBC.



Table 57: Benefits Realisation Register

Benefit	Owner	Target	Method of Measurement	Responsibility for Measurement	Timing of Measurement	Outcome
Brief description of the benefit (see Business Case guidance for more detail)	Person accountable for delivery of this benefit.	The desired level of benefit, the unit of measure and the timing. If the benefit will gradually build up over a period of time then a set of values should be provided.	The processes, tools, techniques and resources that will be required to measure achievement of the benefit.	The person/role responsible for measuring achievement of the benefit. Unlikely to be the Owner.	May be a repeated event (e.g. every 3 months) or a one-off exercise e.g. as part of a post-project review.	The outcome of the measurement. This will often be a summary of a more detailed report /statistical analysis. The need for further /different measurement might be identified.

6.8 Arrangements for Risk Management

In developing the economic case, an updated risk workshop was held on 20th November 2013, to understand the risks associated with the preferred option and to analyse the financial value of those risks. The Council's SSIP, particularly its intention to deliver education in 21st Century settings, will be seriously compromised if risks are not managed adequately. Attendees were:

- Andrew Thomas (Head of Resources and Commissioning)
- Simon Brennan (Strategic Property Manager)
- Clive Barnard (Head of Architecture and Project Management Services)
- Jonathan Morris (Architect)
- Roger Bowen (Educational Estates Manager)
- Richard Gordon (SSIP Programme Manager)
- Julie Merrifield (Strategic Information and Data Analysis Manager)
- Mike Hughes (CPC – Business Assurance)

All projects have an element of risk and there must be a proactive approach to risk management to balance risks against the potential rewards and plan to minimise or avoid them. It is also acknowledged that taking some amount of risk will be inevitable to the success of the project. The strategy, framework and plan for dealing with the management of risk for the preferred option follows a PRINCE2 methodology.



The register will be a 'living document' and reviewed and amended (where required) during workshops where a risk manager will be appointed to manage the identification, monitoring, updating, control and mitigation of project risks. The framework and plan of the risk register will involve a rated table format. The risk will be described and the date of its identification noted. An initial risk rating will be made and the probability and impact of the risk evaluated, followed by a residual risk rating column. The effects and impact of risk can involve elements such as environment, time, quality, cost, resource, function or safety and regular meetings will be held to review all aspects. Within the format there will also be the facility for proposals to mitigate and manage, identifying the control strategy, risk owner and the current risk status.

The risks and issues identified within this project will be cross referenced with the risks/issues held by the Strategic schools Improvement Programme (SSIP), so that cross cutting issues can be mitigated safely. The SSIP Programme Manager also sits on the project board to cover this responsibility.

The initial risk workshop (for all short-listed options) was held on 10th July 2012, at the Council's Civic Offices (Port Talbot) and was attended by the following:

- Andrew Thomas (Head of Resources and Commissioning)
- Simon Brennan (Strategic Property Manager)
- Clive Barnard (Head of Architecture and Project Management Services)
- Jonathan Morris (Architect)
- Roger Bowen (Educational Estates Manager)
- Richard Gordon (SSIP Programme Manager)
- Julie Merrifield (Strategic Information and Data Analysis Manager)
- Zac Davies (Teaching and Curriculum Manager)
- Huw Jones (Chief Accountant – Exchequer)
- Mike Hughes (CPC – Business Assurance)
- Viv Barnard (CPC – Business Assurance)

In addition to the scoring of the risks for each of the short-listed options, a strategy for on-going risk management was developed and is explained within the following section.

As part of the initial workshop risks were identified, categorised and scored in terms of likelihood 1-5 with 5 being the most likely to occur and impact 1 – 5 where 5 is the most severe. The subsequent risk workshop held on 20th July 2012, also at the Civic offices (Port Talbot), with the same attendees, concentrated on a financial assessment of the risks where a value could be determined.

Mitigating actions undertaken to date were also included, as were the perceived mitigating actions along with an assigned owner for the risk as the project progresses. This approach



underpins the risk management strategy for the Baglan Bay area cluster and has been incorporated as a standard across projects for Neath Port Talbot County Borough Council.

6.8.1 Risk Identification

Risk identification can occur at all levels of the project, whether from the project teams or the project manager regarding the sub-elements of the project or from the Programme Board (where external risks are identified). Initial risks will be identified through structured workshops attended by the relevant experts and these risks will be captured in a formal risk register document.

When a risk is identified, the project manager will be responsible for evaluating each risk in terms of the likelihood and impact. The project manager will also enter this information onto the risk register and assign a risk owner who will update the project manager on the status of the risk including the results of mitigating actions.

6.8.2 Risk Analysis and Mitigation

It is acknowledged that risks will change as the project develops and for that reason the risk mitigation strategy will be fundamental to the success of the project undertaken by the authority. A risk mitigation strategy refers to the additional efforts, if any, that must be taken by management to lower the likelihood of the risk occurring and/or to minimise the impact on the programme if the risk did occur. While risk can never be totally eliminated, it can be managed and mitigated to lessen the likelihood and or impact of the risk on the programme. The process proposed by the authority will include:

Roles and responsibilities for developing, implementing and monitoring the strategy;

- Timelines;
- Conditions present in order for the risk level to be acceptable;
- Resources required to carry out the planned actions;
- Managers responsible for the various areas of the project will need to routinely monitor or review the status of risks. This will be achieved by:
 - Reporting on risk areas along with performance;
 - Developing risk indicators to monitor the status of risks, particularly for those areas of the project which are complex or seen as risky initiatives.

Risk management will be fundamental to the management of the project and as such, the project risk register will be reviewed on a weekly basis by the project manager. All risks arising from the project teams will be sent to the project manager for evaluation.

The total risk score for each risk will be calculated by multiplying the likelihood score (between 0-5 with 5 being certain) and impact score (between 0-5 with 5 being project failure) and all risks scoring 22 and above will be referred to the Project Board for decision. The risk tolerance line for the project is illustrated in the following table.



The Ysgol Newydd (Bae Baglan) project has an aggregated risk value of £1.74M for the preferred option.

6.9 Arrangements for Contract Management

The Council's designated contract manager is Clive Barnard, Head of Architectural Design & Project Management for the Council. The contract will be managed in accordance with the principles of the NEC Engineering and Construction (Option A) form of contract.

6.10 Arrangements for Post Project Evaluation

The arrangements for Post Project Review (PPR) and Project Evaluation Review (PER) have been established in accordance with best practice and are as follows.

6.10.1 Post Project Review (PPR)

In this project, the benefits (or unexpected problems) of a project can't be assessed until the change has been in place for some time. The review process is therefore incomplete without a post project review and evaluation. This is required to check whether:

- Outcomes are those expected;
- Projected benefits have occurred;
- Operational working is as planned; and
- Costs are as expected.

The Project Sponsor has overall responsibility for ensuring that the desired business benefits are achieved and it may be the Sponsor who leads the review, particularly if the Project Manager has gone on to other duties.

The review will also highlight any unanticipated issues and highlight any further changes required.

This review ascertains whether the anticipated benefits have been delivered. The review is timed to take place one year post construction i.e. September 2017. The form for Post Project Review is shown at Appendix D Post Project Review to the FBC.

6.10.2 Project Evaluation Reviews (PERs)

PERs appraise how well the project was managed and delivered compared with expectations. The purpose of a PER is to determine whether the project was successful and identify any lessons learned. A PER also looks at whether the project produced the required deliverables within the agreed timeframe.

The Council plan to conduct a PER after the project has been completed. By then, the project deliverables will have been handed over to the Council by the contractor. A PER is a



critical part in the project life cycle, as it's during this review that the success of the project is measured. In this instance the review is timed to take place in March 2017, 6 months post-handover of Ysgol Newydd (Bae Baglan). Form F132 (Appendix E Project Evaluation Review) is used as the basis of the planned PER.

6.11 Contingency Plans

In the event of project failure, the existing secondary schools and primary school will continue to operate until such time that the project can be righted.

For the purpose of this FBC the Council has considered the effect of likely scenarios that could potentially result in project failure or delay and has, as far as reasonably practicable, put in place measures and controls that will enable business continuity in terms of teaching and learning at all schools involved, until such time as the effects of the project failure or delay can be corrected.

Pre-Construction Phase Delay or Failure

The main risk identified under this heading revolves around the failure of the FBC resulting in delayed or complete withdrawal of WG 21st Century Schools Funding.

The Council has already identified this project as an area for urgent action and if necessary, will fund from resources already earmarked for the delivery of its SSIP.

However, this approach will impact on other prioritised projects within the Revised Band A SOP which are subsequently likely then to be deferred.

In the event of failure or delays occurring in the run up to the construction phase then the Council will continue operationally to maintain all schools until issues can be resolved and the project programme realigned.

Should any of Cwrt Sart, Glanafan or Sandfields Secondary schools or Traethmelyn Primary school suffer any extended business interruption as a result of the failure of building, mechanical/electrical installations or acts of accidental or wilful damage that cannot be easily or economically repaired in a timely fashion then sufficient surplus capacity exists within these schools should the Council need to consider temporarily relocating pupils until such a time the new school is ready for occupation.

Construction Phase Delay or Failure

The main risks likely to contribute to project delay or failure during the construction phase inevitably revolve around unplanned events that fall beyond any reasonable control e.g. inclement weather, unforeseen ground conditions, contractual dispute and contractor's financial stability.

Utilisation of a Regional Framework to some extent ensures the suitability and financial status of the contractor and further detail on the Procurement Strategy is set out in the Commercial Case.



The Commercial Case also provides detail on the Potential for Risk Transfer between the Council and the nominated contractor on the general principle and understanding that risks are passed to the party best able to manage them.

The establishment of structured project management arrangements in line with PRINCE2 methodology and as detailed in the Management Case mitigates delay or failure by adopting a pro-active approach to managing risk including the implementation of a risk mitigation strategy.

The construction phase of the new build has been deliberately phased to allow the existing Sandfields Secondary school and Traethmelyn Primary school to be built on available land nearby whilst the existing schools remain operational until the new school building is completed.

None of the other schools involved (Cwrt Sart or Glanafan Secondary schools) are affected by the build.

The Council's Media & Relations Team will continue to manage and implement a communications strategy throughout the duration of the project that positively manages stakeholder and public interest, locally and nationally.



Appendix A

Economic Financial Analysis

Neath Port Talbot County Borough FBC – Economic and Financial Appraisal

This appendix contains the economic and financial appraisals for the following options:

- **Option 1:** 'Do minimum' – Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.
- **Option 3.1:** Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.
- **Option 3.2:** Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn). This will include a new build element and full refurbishment of the existing premises.
- **Option 3.4:** Close two secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area, as well as building a new 430 place secondary school at Cwrt Sart.

The discount rate used for all options is 3.5% and the assumed life of the options is taken as 40 years in all cases. Costs are estimated on a current year basis – no allowance has been made for inflation and capital costs are shown net of any tax, such as VAT.

The breakdown of costs and cash releasing benefits for the four options are shown in the table below.

All costs in £'000s

Description	Option 1	Option 3.1	Option 3.2	Option 3.4
Capital Related Costs				
Capital works		-£39,168	-£35,837	-£44,035
Optimism bias	-£687	-£447	-£3,203	-£1,942
Backlog maintenance	-£16,770			
Demolition		-£594	-£594	-£594
Asbestos removal		-£949	-£949	-£949
Project risks	-£760	-£1,740	-£8,321	-£7,386
Revenue related				
Revenue	-£343,880	-£281,685	-£281,685	-£334,465
Lifecycle costs	-£10,982	-£17,185	-£25,340	-£19,145
Benefits				
Capital receipts sale of property		£290	£290	£290
Community lettings	£480	£200	£200	£620

Summary of Options

A summary of the economic appraisal for each option is set out in the tables below.

Option 1 - 'Do minimum': Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.		
	Undiscounted (£000s)	Net Present Value (£000s)
Capital (Backlog Maintenance)	-£16,770	-£16,486
Asbestos Removal & Demolition	£0	£0
Revenue/Current Cost	-£354,862	-£200,254
Risk Retained	-£760	-£747
Optimism Bias	-£687	-£675
Total costs	-£373,079	-£218,163
Less: cash releasing benefits	£480	£271
Costs net cash savings	-£372,599	-£217,892
Total	-£372,599	-£217,892

Option 3.1 - Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.

	Undiscounted (£000s)	Net Present Value (£000s)
Capital	-£39,168	-£35,486
Asbestos Removal & Demolition	-£1,543	-£1,345
Revenue/Current Cost	-£298,870	-£171,237
Risk Retained	-£1,740	-£1,573
Optimism Bias	-£447	-£404
Total costs	-£341,768	-£210,045
Less: cash releasing benefits	£490	£128
Costs net cash savings	-£341,278	-£209,917
Total	-£341,278	-£209,917

Option 3.2 - Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn). This will include a new build element and full refurbishment of the existing premises.

	Undiscounted (£000s)	Net Present Value (£000s)
Capital	-£35,837	-£32,468
Asbestos Removal & Demolition	-£1,543	-£1,345
Revenue/Current Cost	-£307,025	-£175,414
Risk Retained	-£8,321	-£7,524
Optimism Bias	-£3,203	-£2,896
Total costs	-£355,929	-£219,646
Less: cash releasing benefits	£490	£128
Costs net cash savings	-£355,439	-£219,518
Total	-£355,439	-£219,518

Option 3.4 - Close two secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area, as well as building a new 430 place secondary school at Cwrt Sart.

	Undiscounted (£000s)	Net Present Value (£000s)
Capital	-£44,035	-£39,895
Asbestos Removal & Demolition	-£1,543	-£1,345
Revenue/Current Cost	-£353,610	-£199,274
Risk Retained	-£7,386	-£6,678
Optimism Bias	-£1,942	-£1,756
Total costs	-£408,516	-£248,948
Less: cash releasing benefits	£910	£343
Costs net cash savings	-£407,606	-£248,606
Total	-£407,606	-£248,606

Ranking of Results

The table below indicates the comparative ranking for the various options.

Description	NPV (£'000s)	Cash benefit	Non cash benefit	Cost net cash savings	Costs net all savings
Option 1: "Do minimum" - Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.	-£217,892	2	4	2	2
Option 3.1: Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.	-£209,917	=3	1	1	1
Option 3.2: Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn).	-£219,518	=3	2	3	3
Option 3.4: Close two of the secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on a Council owned playing fields at Western Avenue in the Baglan Bay area, as well as building a new 430 place secondary school at Cwrt Sart.	-£248,606	1	3	4	4

On aggregate the ranking of Option 3.1 is first amongst all the options considered. The NPV for Option 3.1 is the highest and is in fact £8.0m higher than that of the second best option, which is Option 1 (the "do nothing" option). Therefore, the preferred option is Option 3.1 (a new 21st Century all through (3-16) School on Council owned playing fields at Western Avenue in the Baglan Bay area) as it has the best NPV and delivers our strategic objectives.

Economic and Financial Appraisal for Option 1: Do Minimum

The economic appraisal for Option 1 (Do minimum) is shown in the table below. This is based on the current revenue expenditure for the existing schools. The estimated backlog maintenance for the existing schools is £16,770k expended in Years 1 to 2.

Economic Analysis for Option 1: "Do minimum" - Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.									
£'000s	Years (years 8-40 same as year 7)							NPV	Total Cost
	1	2	3	4	5	6	7		
	11/12	12/13	13/14	14/15	15/16	16/17	17/18		
CAPITAL COSTS									
Backlog Maintenance	-£8,385	-£8,385	£0	£0	£0	£0	£0	-£16,486	-£16,770
Asbestos Removal Cost	£0	£0	£0	£0	£0	£0	£0	£0	£0
Demolition Cost	£0	£0	£0	£0	£0	£0	£0	£0	£0
Capital Cost Total	-£8,385	-£8,385	£0	£0	£0	£0	£0	-£16,486	-£16,770
REVENUE/CURRENT COST									
"Old" Revenue (FF) Cost	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	-£194,291	-£343,880
"New" Revenue (FF) Cost	£0	£0	£0	£0	£0	£0	£0	£0	£0
Lifecycle Cost	£0	£0	-£289	-£289	-£289	-£289	-£289	-£5,963	-£10,982
Revenue/Current Cost Total	-£8,597	-£8,597	-£8,886	-£8,886	-£8,886	-£8,886	-£8,886	-£200,254	-£354,862
RISK RETAINED									
Project Risks	-£380	-£380	£0	£0	£0	£0	£0	-£747	-£760
Optimism Bias	-£344	-£344	£0	£0	£0	£0	£0	-£675	-£687
Risk Retained Total	-£724	-£724	£0	£0	£0	£0	£0	-£1,423	-£1,447
TOTAL COST	-£17,706	-£17,706	-£8,886	-£8,886	-£8,886	-£8,886	-£8,886	-£218,163	-£373,079
BENEFITS									
Cash releasing									
Capital Receipts	£0	£0	£0	£0	£0	£0	£0	£0	£0
"Old" Community Lettings	£12	£12	£12	£12	£12	£12	£12	£271	£480
"New" Community Lettings	£0	£0	£0	£0	£0	£0	£0	£0	£0
Benefits Totals	£12	£12	£12	£12	£12	£12	£12	£271	£480
Cost Net Cash Savings	-£17,694	-£17,694	-£8,874	-£8,874	-£8,874	-£8,874	-£8,874	-£217,892	-£372,599
TOTAL	-£17,694	-£17,694	-£8,874	-£8,874	-£8,874	-£8,874	-£8,874	-£217,892	-£372,599

The financial analysis for Option 1 is shown in the table below.

Financial Analysis for Option 1: "Do minimum" - Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.									
£'000s	Years (years 8-40 same as year 7)							NPV	Total Cost
	1	2	3	4	5	6	7		
	11/12	12/13	13/14	14/15	15/16	16/17	17/18		
CAPITAL COSTS									
Backlog Maintenance	-£8,385	-£8,385	£0	£0	£0	£0	£0	-£16,486	-£16,770
Asbestos Removal Cost	£0	£0	£0	£0	£0	£0	£0	£0	£0
Demolition Cost	£0	£0	£0	£0	£0	£0	£0	£0	£0
Capital Costs Total	-£8,385	-£8,385	£0	£0	£0	£0	£0	-£16,486	-£16,770
REVENUE/CURRENT COSTS									
"Old" Revenue (FF) Cost	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	-£194,291	-£343,880
"New" Revenue (FF) Cost	£0	£0	£0	£0	£0	£0	£0	£0	£0
Lifecycle Cost	£0	£0	-£289	-£289	-£289	-£289	-£289	-£5,963	-£10,982
Revenue/Current Costs Total	-£8,597	-£8,597	-£8,886	-£8,886	-£8,886	-£8,886	-£8,886	-£200,254	-£354,862
Total Costs	-£16,982	-£16,982	-£8,886	-£8,886	-£8,886	-£8,886	-£8,886	-£216,740	-£371,632
BENEFITS									
Cash releasing									
Capital Receipts	£0	£0	£0	£0	£0	£0	£0	£0	£0
"Old" Community Lettings	£12	£12	£12	£12	£12	£12	£12	£271	£480
"New" Community Lettings	£0	£0	£0	£0	£0	£0	£0	£0	£0
Cash Releasing Benefits Total	£12	£12	£12	£12	£12	£12	£12	£271	£480
Cost Net Cash Savings	-£16,970	-£16,970	-£8,874	-£8,874	-£8,874	-£8,874	-£8,874	-£216,469	-£371,152
Total	-£16,970	-£16,970	-£8,874	-£8,874	-£8,874	-£8,874	-£8,874	-£216,469	-£371,152

Economic and Financial Appraisal for Option 3.1: Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.

The economic appraisal for Option 3.1 is shown in the table below. Construction of the new school takes place over three years; existing revenue costs continue until the new school is available. Lifecycle costs such as maintenance start once the school is occupied. A capital receipt of £290k is realised in year 6 on disposal of surplus land.

Economic Analysis for Option 3.1: Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.									
£'000s	Years (years 8-40 same as year 7)							NPV	Total Cost
	1	2	3	4	5	6	7		
	11/12	12/13	13/14	14/15	15/16	16/17	17/18		
CAPITAL COSTS									
New Build Capital	-£350	-£350	-£12,000	-£17,968	-£7,900	-£600	£0	-£35,486	-£39,168
Asbestos Removal Cost	£0	£0	£0	£0	-£949	£0	£0	-£827	-£949
Demolition Cost	£0	£0	£0	£0	-£594	£0	£0	-£518	-£594
Capital Cost Total	-£350	-£350	-£12,000	-£17,968	-£9,443	-£600	£0	-£36,831	-£40,711
REVENUE/CURRENT COST									
"Old" Revenue (FF) Cost	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	£0	£0	-£40,174	-£42,985
"New" Revenue (FF) Cost	£0	£0	£0	£0	£0	-£6,820	-£6,820	-£122,260	-£238,700
Lifecycle Cost	£0	£0	£0	£0	£0	-£491	-£491	-£8,802	-£17,185
Revenue/Current Cost Total	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	-£7,311	-£7,311	-£171,237	-£298,870
RISK RETAINED									
Project Risks	-£15	-£15	-£505	-£756	-£424	-£25	£0	-£1,573	-£1,740
Optimism Bias	-£4	-£4	-£130	-£194	-£109	-£6	£0	-£404	-£447
Risk Retained Total	-£19	-£19	-£635	-£950	-£533	-£32	£0	-£1,977	-£2,187
TOTAL COST	-£8,966	-£8,966	-£21,232	-£27,515	-£18,573	-£7,943	-£7,311	-£210,045	-£341,768
BENEFITS									
Cash releasing									
Capital Receipts	£0	£0	£0	£0	£0	£290	£0	£244	£290
"Old" Community Lettings	£12	£12	£12	£12	£12	£0	£0	£56	£60
"New" Community Lettings	£0	£0	£0	£0	£0	£4	£4	£72	£140
Benefits Totals	£12	£12	£12	£12	£12	£294	£4	£128	£490
Cost Net Cash Savings	-£8,954	-£8,954	-£21,220	-£27,503	-£18,561	-£7,649	-£7,307	-£209,917	-£341,278
TOTAL	-£8,954	-£8,954	-£21,220	-£27,503	-£18,561	-£7,649	-£7,307	-£209,917	-£341,278

The results of the financial analysis for Option 3.1 are given in the table below.

Financial Analysis for for Option 3.1: Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.									
£'000s	Years (years 8-40 same as year 7)							NPV	Total Cost
	1 11/12	2 12/13	3 13/14	4 14/15	5 15/16	6 16/17	7 17/18		
CAPITAL COSTS									
New Build Capital	-£350	-£350	-£12,000	-£17,968	-£7,900	-£600	£0	-£35,486	-£39,168
Asbestos Removal Cost	£0	£0	£0	£0	-£949	£0	£0	-£827	-£949
Demolition Cost	£0	£0	£0	£0	-£594	£0	£0	-£518	-£594
Capital Costs Total	-£350	-£350	-£12,000	-£17,968	-£9,443	-£600	£0	-£36,831	-£40,711
REVENUE/CURRENT COSTS									
"Old" Revenue (FF) Cost	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	£0	£0	-£40,174	-£42,985
"New" Revenue (FF) Cost	£0	£0	£0	£0	£0	-£6,820	-£6,820	-£122,260	-£238,700
Lifecycle Cost	£0	£0	£0	£0	£0	-£491	-£491	-£8,802	-£17,185
Revenue/Current Costs Total	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	-£7,311	-£7,311	-£171,237	-£298,870
Total Costs	-£8,947	-£8,947	-£20,597	-£26,565	-£18,040	-£7,911	-£7,311	-£208,067	-£339,581
BENEFITS									
Cash releasing									
Capital Receipts	£0	£0	£0	£0	£0	£290	£0	£244	£290
"Old" Community Lettings	£12	£12	£12	£12	£12	£0	£0	£56	£60
"New" Community Lettings	£0	£0	£0	£0	£0	£4	£4	£72	£140
Cash Releasing Benefits Total	£12	£12	£12	£12	£12	£294	£4	£372	£490
Cost Net Cash Savings	-£8,935	-£8,935	-£20,585	-£26,553	-£18,028	-£7,617	-£7,307	-£207,696	-£339,091
Total	-£8,935	-£8,935	-£20,585	-£26,553	-£18,028	-£7,617	-£7,307	-£207,696	-£339,091

Economic and Financial Appraisal for Option 3.2: Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn).

The scope for Option 3.2 is to close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn). The estimated capital cost is £35.837m expended in Years 1 to 6.

The table below sets out the results of the economic analysis for Option 3.2

Economic Analysis for Option 3.2: Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn).									
£'000s	Years (years 8-40 same as year 7)							NPV	Total Cost
	1 11/12	2 12/13	3 13/14	4 14/15	5 15/16	6 16/17	7 17/18		
CAPITAL COSTS									
New Build Capital	-£320	-£320	-£10,979	-£16,440	-£7,228	-£549	£0	-£32,468	-£35,837
Asbestos Removal Cost	£0	£0	£0	£0	-£949	£0	£0	-£827	-£949
Demolition Cost	£0	£0	£0	£0	-£594	£0	£0	-£518	-£594
Capital Cost Total	-£320	-£320	-£10,979	-£16,440	-£8,771	-£549	£0	-£33,813	-£37,380
REVENUE/CURRENT COST									
"Old" Revenue (FF) Cost	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	£0	£0	-£40,174	-£42,985
"New" Revenue (FF) Cost	£0	£0	£0	£0	£0	-£6,820	-£6,820	-£122,260	-£238,700
Lifecycle Cost	£0	£0	£0	£0	£0	-£724	-£724	-£12,979	-£25,340
Revenue/Current Cost Total	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	-£7,544	-£7,544	-£175,414	-£307,025
RISK RETAINED									
Project Risks	-£70	-£70	-£2,415	-£3,615	-£2,029	-£121	£0	-£7,524	-£8,321
Optimism Bias	-£27	-£27	-£929	-£1,392	-£781	-£46	£0	-£2,896	-£3,203
Risk Retained Total	-£98	-£98	-£3,344	-£5,007	-£2,810	-£167	£0	-£10,420	-£11,524
TOTAL COST	-£9,015	-£9,015	-£22,921	-£30,044	-£20,179	-£8,260	-£7,544	-£219,646	-£355,929
BENEFITS									
Cash releasing									
Capital Receipts	£0	£0	£0	£0	£0	£290	£0	£244	£290
"Old" Community Lettings	£12	£12	£12	£12	£12	£0	£0	£56	£60
"New" Community Lettings	£0	£0	£0	£0	£0	£4	£4	£72	£140
Benefits Totals	£12	£12	£12	£12	£12	£294	£4	£128	£490
Cost Net Cash Savings	-£9,003	-£9,003	-£22,909	-£30,032	-£20,167	-£7,966	-£7,540	-£219,518	-£355,439
TOTAL	-£9,003	-£9,003	-£22,909	-£30,032	-£20,167	-£7,966	-£7,540	-£219,518	-£355,439

The following table indicates the results of the financial analysis for Option 3.2

Financial Analysis for Option 3.2: Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn).									
£'000s	Years (years 8-40 same as year 7)							NPV	Total Cost
	1	2	3	4	5	6	7		
	11/12	12/13	13/14	14/15	15/16	16/17	17/18		
CAPITAL COSTS									
New Build Capital	-£320	-£320	-£10,979	-£16,440	-£7,228	-£549	£0	-£32,468	-£35,837
Asbestos Removal Cost	£0	£0	£0	£0	-£949	£0	£0	-£827	-£949
Demolition Cost	£0	£0	£0	£0	-£594	£0	£0	-£518	-£594
Capital Costs Total	-£320	-£320	-£10,979	-£16,440	-£8,771	-£549	£0	-£33,813	-£37,380
REVENUE/CURRENT COSTS									
"Old" Revenue (FF) Cost	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	£0	£0	-£40,174	-£42,985
"New" Revenue (FF) Cost	£0	£0	£0	£0	£0	-£6,820	-£6,820	-£122,260	-£238,700
Lifecycle Cost	£0	£0	£0	£0	£0	-£724	-£724	-£12,979	-£25,340
Revenue/Current Costs Total	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	-£7,544	-£7,544	-£175,414	-£307,025
Total Costs	-£8,917	-£8,917	-£19,576	-£25,037	-£17,368	-£8,093	-£7,544	-£209,227	-£344,405
BENEFITS									
Cash releasing									
Capital Receipts	£0	£0	£0	£0	£0	£290	£0	£244	£290
"Old" Community Lettings	£12	£12	£12	£12	£12	£0	£0	£56	£60
"New" Community Lettings	£0	£0	£0	£0	£0	£4	£4	£72	£140
Cash Releasing Benefits Total	£12	£12	£12	£12	£12	£294	£4	£372	£490
Cost Net Cash Savings	-£8,905	-£8,905	-£19,564	-£25,025	-£17,356	-£7,799	-£7,540	-£208,855	-£343,915
Total	-£8,905	-£8,905	-£19,564	-£25,025	-£17,356	-£7,799	-£7,540	-£208,855	-£343,915

Economic and Financial Appraisal for Option 3.4: Close two of the secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on a Council owned playing fields at Western Avenue in the Baglan Bay area, as well as building a new 430 place secondary school at Cwrt Sart.

Construction of the new school takes place over three years and existing revenue costs continue until the new school is available. Lifecycle costs such as maintenance start in year 6 once the school is occupied. A capital receipt of £290k is realised in year 6 on disposal of surplus properties.

The table below sets out the results of the economic analysis for Option 3.4.

Economic Analysis for Option 3.4: Close two of the secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on a Council owned playing fields at Western Avenue in the Baglan Bay area, as well as building a new 430 place secondary school at Cwrt Sart.									
£'000s	Years (years 8-40 same as year 7)							NPV	Total Cost
	1	2	3	4	5	6	7		
	11/12	12/13	13/14	14/15	15/16	16/17	17/18		
CAPITAL COSTS									
New Build Capital	-£393	-£393	-£13,491	-£20,201	-£8,882	-£675	£0	-£39,895	-£44,035
Asbestos Removal Cost	£0	£0	£0	£0	-£949	£0	£0	-£827	-£949
Demolition Cost	£0	£0	£0	£0	-£594	£0	£0	-£518	-£594
Capital Cost Total	-£393	-£393	-£13,491	-£20,201	-£10,425	-£675	£0	-£41,240	-£45,578
REVENUE/CURRENT COST									
"Old" Revenue (FF) Cost	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	£0	£0	-£40,174	-£42,985
"New" Revenue (FF) Cost	£0	£0	£0	£0	£0	-£8,328	-£8,328	-£149,294	-£291,480
Lifecycle Cost	£0	£0	£0	£0	£0	-£547	-£547	-£9,806	-£19,145
Revenue/Current Cost Total	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	-£8,875	-£8,875	-£199,274	-£353,610
RISK RETAINED									
Project Risks	-£63	-£63	-£2,143	-£3,209	-£1,801	-£107	£0	-£6,678	-£7,386
Optimism Bias	-£16	-£16	-£564	-£844	-£474	-£28	£0	-£1,756	-£1,942
Risk Retained Total	-£79	-£79	-£2,707	-£4,053	-£2,275	-£135	£0	-£8,434	-£9,328
TOTAL COST	-£9,069	-£9,069	-£24,795	-£32,851	-£21,297	-£9,685	-£8,875	-£248,948	-£408,516
BENEFITS									
Cash releasing									
Capital Receipts	£0	£0	£0	£0	£0	£290	£0	£244	£290
"Old" Community Lettings	£12	£12	£12	£12	£12	£0	£0	£56	£60
"New" Community Lettings	£0	£0	£0	£0	£0	£16	£16	£287	£560
Benefits Totals	£12	£12	£12	£12	£12	£306	£16	£343	£910
Cost Net Cash Savings	-£9,057	-£9,057	-£24,783	-£32,839	-£21,285	-£9,379	-£8,859	-£248,606	-£407,606
TOTAL	-£9,057	-£9,057	-£24,783	-£32,839	-£21,285	-£9,379	-£8,859	-£248,606	-£407,606

The following table indicates the results of the financial analysis for Option 3.4.

Financial Analysis for Option 3.4: Close two of the secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on a Council owned playing fields at Western Avenue in the Baglan Bay area, as well as building a new 430 place secondary school at Cwrt Sart.									
£'000s	Years (years 8-40 same as year 7)							NPV	Total Cost
	1	2	3	4	5	6	7		
	11/12	12/13	13/14	14/15	15/16	16/17	17/18		
CAPITAL COSTS									
New Build Capital	-£393	-£393	-£13,491	-£20,201	-£8,882	-£675	£0	-£39,895	-£44,035
Asbestos Removal Cost	£0	£0	£0	£0	-£949	£0	£0	-£827	-£949
Demolition Cost	£0	£0	£0	£0	-£594	£0	£0	-£518	-£594
Capital Costs Total	-£393	-£393	-£13,491	-£20,201	-£10,425	-£675	£0	-£41,240	-£45,578
REVENUE/CURRENT COSTS									
"Old" Revenue (FF) Cost	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	£0	£0	-£40,174	-£42,985
"New" Revenue (FF) Cost	£0	£0	£0	£0	£0	-£8,328	-£8,328	-£149,294	-£291,480
Lifecycle Cost	£0	£0	£0	£0	£0	-£547	-£547	-£9,806	-£19,145
Revenue/Current Costs Total	-£8,597	-£8,597	-£8,597	-£8,597	-£8,597	-£8,875	-£8,875	-£199,274	-£353,610
Total Costs	-£8,990	-£8,990	-£22,088	-£28,798	-£19,022	-£9,550	-£8,875	-£240,514	-£399,188
BENEFITS									
Cash releasing									
Capital Receipts	£0	£0	£0	£0	£0	£290	£0	£244	£290
"Old" Community Lettings	£12	£12	£12	£12	£12	£0	£0	£56	£60
"New" Community Lettings	£0	£0	£0	£0	£0	£16	£16	£287	£560
Cash Releasing Benefits Total	£12	£12	£12	£12	£12	£306	£16	£587	£910
Cost Net Cash Savings	-£8,978	-£8,978	-£22,076	-£28,786	-£19,010	-£9,244	-£8,859	-£239,927	-£398,278
Total	-£8,978	-£8,978	-£22,076	-£28,786	-£19,010	-£9,244	-£8,859	-£239,927	-£398,278

Sensitivity Analysis – All Options

The various options have been subject to a sensitivity analysis; the five scenarios evaluated are set out in the table below.

Sensitivity Analysis	
Scenario:	Increase or Decrease
Increase Capital	10%
Increase Revenue Costs	10%
Decrease Capital	-10%
Decrease Revenue Cost	-10%
Decrease Cash Savings	-20%

The results of the analysis are shown in the following table for each option.

All figures in £'000s	Option 1	Option 3.1	Option 3.2	Option 3.4	Ranking
Baseline NPVs	-217,892	-209,917	-219,518	-248,606	Option 3.1 = 1
Increase Capital by 10%	-219,540	-213,600	-222,900	-252,730	Option 3.1 = 1
Increase Revenue Costs by 10%	-237,917	-227,041	-237,060	-268,533	Option 3.1 = 1
Decrease Capital by 10%	-216,243	-206,234	-216,137	-244,482	Option 3.1 = 1
Decrease Revenue Cost by 10%	-197,866	-192,793	-201,977	-228,678	Option 3.1 = 1
Decrease Cash Savings by 20%	-217,946	-209,943	-219,544	-248,674	Option 3.1 = 1

In all cases Option 3.1 (preferred option) has the highest net present value (NPV) whilst Option 1 (the “Do minimum” option) has the second highest NPV. The relative ranking of the options do not change under any of the scenarios indicating that there is no sensitivity to changes in capital, revenue and benefits within the ranges specified.

Impact on Overall Income and Expenditure – Option 3.1

The anticipated payment stream for the project over its intended life span is set out in the following table for the preferred Option 3.1. The funding line includes the existing funding streams for the schools. All figures exclude VAT. It is assumed that VAT is totally recoverable by the Council but expert tax advice will, as necessary, be sought regarding the payment or avoidance of VAT on new schools.

All figures in £'000s	Total Cost	Years (years 8-40 same as year 7)						
		1	2	3	4	5	6	7
		12/13	13/14	14/15	15/16	16/17	17/18	18/19
Preferred way forward:								
Capital	-39,168	-350	-350	-12,000	-17,968	-7,900	-600	0
Asbestos & Demolition	-1,543					-1,543		
Revenue costs	-298,870	-8,597	-8,597	-8,597	-8,597	-8,597	-7,311	-7,311
Cash releasing benefits	490	12	12	12	12	12	294	4
Total	-339,091	-8,935	-8,935	-20,585	-26,553	-18,028	-7,617	-7,307
Funded by:								
Existing Revenue	343,880	8,597	8,597	8,597	8,597	8,597	8,597	8,597
Total Existing	343,880	8,597	8,597	8,597	8,597	8,597	8,597	8,597
Additional Funding Required	4,789	-338	-338	-11,988	-17,956	-9,431	980	1,290

The net additional funding required over the first 6 years (years 1 through 6) totals £40.711M assuming the delivery of the cash releasing benefits as predicted. Expert tax advice will be sought regarding the payment or avoidance of VAT on new schools.



Appendix B

Monte Carlo Simulation

Baglan Economic Summary

Version:

0.2 Date:

20/03/2014

Option 1: 'Do minimum' – Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.

	Undiscounted (£'000s)	Net Present Value (£'000s)
Capital (Backlog Maintenance)	-£16,770	-£16,487
Asbestos Removal & Demolition	£0	£0
Revenue/Current Cost	-£354,862	-£200,254
Risk Retained	-£760	-£747
Optimism Bias	-£687	-£675
Total costs	-£373,079	-£218,163
Less: cash releasing benefits	£480	£271
Costs net cash savings	-£372,599	-£217,892
Total	-£372,599	-£217,892

Option 3.1: Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.

	Undiscounted (£'000s)	Net Present Value (£'000s)
Capital	-£39,168	-£35,486
Asbestos Removal & Demolition	-£1,543	-£1,345
Revenue/Current Cost	-£298,870	-£171,237
Risk Retained	-£1,740	-£1,573
Optimism Bias	-£447	-£404
Total costs	-£341,768	-£210,045
Less: cash releasing benefits	£490	£128
Costs net cash savings	-£341,278	-£209,917
Total	-£341,278	-£209,917

Option 3.2: Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn). This will include a new build element and full refurbishment of the existing premises.

	Undiscounted (£'000s)	Net Present Value (£'000s)
Capital	-£35,837	-£32,468
Asbestos Removal & Demolition	-£1,543	-£1,345
Revenue/Current Cost	-£307,025	-£175,414
Risk Retained	-£8,321	-£7,524
Optimism Bias	-£3,203	-£2,896
Total costs	-£355,929	-£219,646
Less: cash releasing benefits	£490	£128
Costs net cash savings	-£355,439	-£219,518
Total	-£355,439	-£219,518

Option 3.4: Close two secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area, as well as building a new 430 place secondary school at Cwrt Sart.

	Undiscounted (£'000s)	Net Present Value (£'000s)
Capital	-£44,035	-£39,895
Asbestos Removal & Demolition	-£1,543	-£1,345
Revenue/Current Cost	-£353,610	-£199,274
Risk Retained	-£7,386	-£6,678
Optimism Bias	-£1,942	-£1,756
Total costs	-£408,516	-£248,948
Less: cash releasing benefits	£910	£343
Costs net cash savings	-£407,606	-£248,606
Total	-£407,606	-£248,606

NPV variable descriptive statistics after Monte Carlo Simulation

Option 1: Variable Descriptive Statistics	Obs Mean	Est S.Dev	Sim Mean	Sim S.Dev	Sim Min	SIM Q1	Media n	Sim Q3	Sim Max	Std Error	5th %ile	95th %ile
Backlog Maintenance	16,770	1,326	16,796	1,313	12,580	15,917	16,715	17,608	20,757	42	14,683	19,121
Project Risks Total	760	60	755	62	536	713	755	798	953	2	653	857
Optimism Bias	687	54	686	54	537	648	684	721	870	2	599	778
"Old" Revenue (FF) Cost (per annum)	8,597	340	8,602	345	7,595	8,366	8,595	8,825	9,585	11	8,041	9,184
"New" Revenue (FF) Cost (per annum)	8,597	340	8,619	327	7,551	8,398	8,608	8,852	9,893	10	8,082	9,137
Lifecycle Cost (per annum)	289	23	289	22	226	275	289	304	362	1	253	324
"Old" Community Lettings (per annum)	12	1	12	1	9	11	12	13	15	0	10	14
"New" Community Lettings (per annum)	12	1	12	1	9	11	12	13	15	0	11	14

Option 3.1 Variable Descriptive Statistics	Obs Mean	Est S.Dev	Sim Mean	Sim S.Dev	Sim Min	SIM Q1	Media n	Sim Q3	Sim Max	Std Error	5th %ile	95th %ile
New Build Capital	39,168	3,097	39,237	3,066	29,367	37,125	39,346	41,291	49,504	97	33,900	44,124
Asbestos Removal	949	75	948	77	694	898	952	1,000	1,182	2	823	1,071
Demolition	594	47	594	46	455	564	594	625	726	1	518	672
Capital Receipts	290	23	290	22	211	275	290	305	362	1	252	326
Project Risks Total	1,740	138	1,739	138	1,373	1,652	1,741	1,826	2,195	4	1,506	1,970
Optimism Bias	447	35	446	36	347	421	446	469	565	1	385	505
"Old" Revenue (FF) Cost (per annum)	8,597	340	8,592	340	7,536	8,364	8,589	8,815	9,750	11	8,039	9,145
"New" Revenue (FF) Cost (per annum)	6,820	270	6,836	269	5,970	6,652	6,841	7,027	7,671	8	6,387	7,261
Lifecycle Cost (per annum)	491	39	491	39	363	465	491	517	610	1	426	555
"Old" Community Lettings (per annum)	12	1	12	1	9	11	12	13	15	0	11	14
"New" Community Lettings (per annum)	4	0	4	0	3	4	4	4	5	0	3	4

Option 3.2 Variable Descriptive Statistics	Obs Mean	Est S.Dev	Sim Mean	Sim S.Dev	Sim Min	SIM Q1	Media n	Sim Q3	Sim Max	Std Error	5th %ile	95th %ile
New Build Capital	35,837	2,833	35,803	2,676	28,300	33,941	35,804	37,567	44,417	85	31,437	40,323
Asbestos Removal	949	75	946	73	697	895	945	995	1,189	2	824	1,066
Demolition	594	47	595	49	434	564	596	627	744	2	511	673
Capital Receipts	290	23	291	23	213	276	291	306	368	1	253	327
Project Risks Total	8,321	658	8,300	655	6,205	7,878	8,280	8,754	10,282	21	7,245	9,382
Optimism Bias	3,203	253	3,195	247	2,326	3,031	3,190	3,362	4,035	8	2,794	3,592
"Old" Revenue (FF) Cost (per annum)	8,597	340	8,598	357	7,530	8,346	8,608	8,856	9,929	11	8,013	9,158
"New" Revenue (FF) Cost (per annum)	6,820	270	6,824	265	6,040	6,658	6,833	6,994	7,756	8	6,367	7,249
Lifecycle Cost (per annum)	724	57	723	56	550	688	723	760	899	2	629	815
"Old" Community Lettings (per annum)	12	1	12	1	9	11	12	13	15	0	10	14
"New" Community Lettings (per annum)	4	0	4	0	3	4	4	4	5	0	3	5

Variable Descriptive Statistics	Obs Mean	Est S.Dev	Sim Mean	Sim S.Dev	Sim Min	SIM Q1	Media n	Sim Q3	Sim Max	Std Error	5th %ile	95th %ile
New Build Capital	44,035	3,481	44,000	3,400	32,567	41,609	43,800	46,105	55,156	108	38,518	49,583
Asbestos Removal	949	75	952	76	698	906	954	1,003	1,203	2	820	1,071
Demolition	594	47	598	47	429	567	600	631	736	1	518	673
Capital Receipts	290	23	290	23	208	273	290	304	380	1	253	328
Project Risks Total	7,386	584	7,410	563	4,873	7,046	7,420	7,764	9,520	18	6,532	8,320
Optimism Bias	1,942	154	1,941	155	1,397	1,838	1,938	2,048	2,427	5	1,685	2,194
"Old" Revenue (FF) Cost (per annum)	8,597	340	8,591	341	7,298	8,382	8,600	8,814	9,529	11	8,033	9,159
"New" Revenue (FF) Cost (per annum)	8,328	329	8,320	324	7,107	8,098	8,319	8,547	9,235	10	7,788	8,829
Lifecycle Cost (per annum)	547	43	546	43	426	517	546	573	693	1	473	617
"Old" Community Lettings (per annum)	12	1	12	1	8	11	12	13	15	0	10	14
"New" Community Lettings (per annum)	16	1	16	1	12	15	16	17	21	0	14	18

'What If' Scenario Analysis

	Variable Capital:	Variable Revenue:	Variable Savings
Scenario 1	Base NPV	Base NPV	Base NPV
Scenario 2	Worst Case Capital	Worst Case Revenue	Worst Case Savings
Scenario 3	Worst Case Capital	Worst Case Revenue	Expected Case Savings
Scenario 4	Worst Case Capital	Worst Case Revenue	Best Case Savings
Scenario 5	Worst Case Capital	Expected Case Revenue	Worst Case Savings
Scenario 6	Worst Case Capital	Expected Case Revenue	Expected Case Savings
Scenario 7	Worst Case Capital	Expected Case Revenue	Best Case Savings
Scenario 8	Worst Case Capital	Best Case Revenue	Worst Case Savings
Scenario 9	Worst Case Capital	Best Case Revenue	Expected Case Savings
Scenario 10	Worst Case Capital	Best Case Revenue	Best Case Savings
Scenario 11	Expected Case Capital	Worst Case Revenue	Worst Case Savings
Scenario 12	Expected Case Capital	Worst Case Revenue	Expected Case Savings
Scenario 13	Expected Case Capital	Worst Case Revenue	Best Case Savings
Scenario 14	Expected Case Capital	Expected Case Revenue	Worst Case Savings
Scenario 15	Expected Case Capital	Expected Case Revenue	Expected Case Savings
Scenario 16	Expected Case Capital	Expected Case Revenue	Best Case Savings
Scenario 17	Expected Case Capital	Best Case Revenue	Worst Case Savings
Scenario 18	Expected Case Capital	Best Case Revenue	Expected Case Savings
Scenario 19	Expected Case Capital	Best Case Revenue	Best Case Savings
Scenario 20	Best Case Capital	Worst Case Revenue	Worst Case Savings
Scenario 21	Best Case Capital	Worst Case Revenue	Expected Case Savings
Scenario 22	Best Case Capital	Worst Case Revenue	Best Case Savings
Scenario 23	Best Case Capital	Expected Case Revenue	Worst Case Savings
Scenario 24	Best Case Capital	Expected Case Revenue	Expected Case Savings
Scenario 25	Best Case Capital	Expected Case Revenue	Best Case Savings
Scenario 26	Best Case Capital	Best Case Revenue	Worst Case Savings
Scenario 27	Best Case Capital	Best Case Revenue	Expected Case Savings
Scenario 28	Best Case Capital	Best Case Revenue	Best Case Savings

Ranked Table of Scenario Results

Rank	Total NPV	S No.	Option No.	Revenue	Capital	Savings	Points
1	-£193,021	56	Option 3.1	Best Case Capital	Best Case Revenue	Best Case Savings	112
2	-£193,120	55	Option 3.1	Best Case Capital	Best Case Revenue	Expected Case Savings	111
3	-£194,025	54	Option 3.1	Best Case Capital	Best Case Revenue	Worst Case Savings	110
4	-£197,923	47	Option 3.1	Expected Case Capital	Best Case Revenue	Best Case Savings	109
5	-£198,168	46	Option 3.1	Expected Case Capital	Best Case Revenue	Expected Case Savings	108
6	-£198,698	45	Option 3.1	Expected Case Capital	Best Case Revenue	Worst Case Savings	107
7	-£201,310	28	Option 1	Best Case Capital	Best Case Revenue	Best Case Savings	106
8	-£202,309	26	Option 1	Best Case Capital	Best Case Revenue	Worst Case Savings	105
9	-£202,320	27	Option 1	Best Case Capital	Best Case Revenue	Expected Case Savings	104
10	-£202,654	83	Option 3.2	Best Case Capital	Best Case Revenue	Expected Case Savings	103
11	-£202,932	37	Option 3.1	Worst Case Capital	Best Case Revenue	Expected Case Savings	102
12	-£203,154	38	Option 3.1	Worst Case Capital	Best Case Revenue	Best Case Savings	101
13	-£203,174	82	Option 3.2	Best Case Capital	Best Case Revenue	Worst Case Savings	100
14	-£203,219	84	Option 3.2	Best Case Capital	Best Case Revenue	Best Case Savings	99
15	-£203,242	36	Option 3.1	Worst Case Capital	Best Case Revenue	Worst Case Savings	98
16	-£204,688	17	Option 1	Expected Case Capital	Best Case Revenue	Worst Case Savings	97
17	-£204,870	52	Option 3.1	Best Case Capital	Expected Case Revenue	Expected Case Savings	96
18	-£205,120	53	Option 3.1	Best Case Capital	Expected Case Revenue	Best Case Savings	95
19	-£205,224	19	Option 1	Expected Case Capital	Best Case Revenue	Best Case Savings	94
20	-£205,387	9	Option 1	Worst Case Capital	Best Case Revenue	Expected Case Savings	93
21	-£205,437	51	Option 3.1	Best Case Capital	Expected Case Revenue	Worst Case Savings	92
22	-£205,619	18	Option 1	Expected Case Capital	Best Case Revenue	Expected Case Savings	91
23	-£206,480	75	Option 3.2	Expected Case Capital	Best Case Revenue	Best Case Savings	90
24	-£206,713	8	Option 1	Worst Case Capital	Best Case Revenue	Worst Case Savings	89
25	-£206,789	10	Option 1	Worst Case Capital	Best Case Revenue	Best Case Savings	88
26	-£207,064	74	Option 3.2	Expected Case Capital	Best Case Revenue	Expected Case Savings	87
27	-£207,116	73	Option 3.2	Expected Case Capital	Best Case Revenue	Worst Case Savings	86
28	-£209,809	44	Option 3.1	Expected Case Capital	Expected Case Revenue	Best Case Savings	85
29	-£209,866	43	Option 3.1	Expected Case Capital	Expected Case Revenue	Expected Case Savings	84
30	-£209,873	42	Option 3.1	Expected Case Capital	Expected Case Revenue	Worst Case Savings	83
31	-£209,917	29	Option 3.1	Base NPV	Base NPV	Base NPV	82
32	-£211,368	66	Option 3.2	Worst Case Capital	Best Case Revenue	Best Case Savings	81
33	-£211,736	64	Option 3.2	Worst Case Capital	Best Case Revenue	Worst Case Savings	80
34	-£212,032	65	Option 3.2	Worst Case Capital	Best Case Revenue	Expected Case Savings	79
35	-£214,651	34	Option 3.1	Worst Case Capital	Expected Case Revenue	Expected Case Savings	78
36	-£214,825	33	Option 3.1	Worst Case Capital	Expected Case Revenue	Worst Case Savings	77
37	-£214,835	35	Option 3.1	Worst Case Capital	Expected Case Revenue	Best Case Savings	76
38	-£214,890	80	Option 3.2	Best Case Capital	Expected Case Revenue	Expected Case Savings	75
39	-£215,083	81	Option 3.2	Best Case Capital	Expected Case Revenue	Best Case Savings	74
40	-£215,163	79	Option 3.2	Best Case Capital	Expected Case Revenue	Worst Case Savings	73
41	-£215,632	24	Option 1	Best Case Capital	Expected Case Revenue	Expected Case Savings	72
42	-£215,943	25	Option 1	Best Case Capital	Expected Case Revenue	Best Case Savings	71
43	-£216,034	23	Option 1	Best Case Capital	Expected Case Revenue	Worst Case Savings	70
44	-£216,649	49	Option 3.1	Best Case Capital	Worst Case Revenue	Expected Case Savings	69
45	-£217,023	50	Option 3.1	Best Case Capital	Worst Case Revenue	Best Case Savings	68
46	-£217,292	48	Option 3.1	Best Case Capital	Worst Case Revenue	Worst Case Savings	67

47	-£217,775	15	Option 1	Expected Case Capital	Expected Case Revenue	Expected Case Savings	66
48	-£217,823	14	Option 1	Expected Case Capital	Expected Case Revenue	Worst Case Savings	65
49	-£217,871	16	Option 1	Expected Case Capital	Expected Case Revenue	Best Case Savings	64
50	-£217,892	1	Option 1	Base NPV	Base NPV	Base NPV	63
51	-£219,376	70	Option 3.2	Expected Case Capital	Expected Case Revenue	Worst Case Savings	62
52	-£219,388	72	Option 3.2	Expected Case Capital	Expected Case Revenue	Best Case Savings	61
53	-£219,518	57	Option 3.2	Base NPV	Base NPV	Base NPV	60
54	-£219,518	57	Option 3.2	Base NPV	Base NPV	Base NPV	59
55	-£219,574	71	Option 3.2	Expected Case Capital	Expected Case Revenue	Expected Case Savings	58
56	-£219,862	7	Option 1	Worst Case Capital	Expected Case Revenue	Best Case Savings	57
57	-£220,207	6	Option 1	Worst Case Capital	Expected Case Revenue	Expected Case Savings	56
58	-£220,267	5	Option 1	Worst Case Capital	Expected Case Revenue	Worst Case Savings	55
59	-£221,234	40	Option 3.1	Expected Case Capital	Worst Case Revenue	Expected Case Savings	54
60	-£221,347	39	Option 3.1	Expected Case Capital	Worst Case Revenue	Worst Case Savings	53
61	-£222,294	41	Option 3.1	Expected Case Capital	Worst Case Revenue	Best Case Savings	52
62	-£223,722	61	Option 3.2	Worst Case Capital	Expected Case Revenue	Worst Case Savings	51
63	-£223,853	62	Option 3.2	Worst Case Capital	Expected Case Revenue	Expected Case Savings	50
64	-£224,261	63	Option 3.2	Worst Case Capital	Expected Case Revenue	Best Case Savings	49
65	-£226,353	32	Option 3.1	Worst Case Capital	Worst Case Revenue	Best Case Savings	48
66	-£226,688	30	Option 3.1	Worst Case Capital	Worst Case Revenue	Worst Case Savings	47
67	-£227,049	31	Option 3.1	Worst Case Capital	Worst Case Revenue	Expected Case Savings	46
68	-£227,101	78	Option 3.2	Best Case Capital	Worst Case Revenue	Best Case Savings	45
69	-£227,651	77	Option 3.2	Best Case Capital	Worst Case Revenue	Expected Case Savings	44
70	-£227,653	76	Option 3.2	Best Case Capital	Worst Case Revenue	Worst Case Savings	43
71	-£228,667	21	Option 1	Best Case Capital	Worst Case Revenue	Expected Case Savings	42
72	-£229,181	22	Option 1	Best Case Capital	Worst Case Revenue	Best Case Savings	41
73	-£229,872	20	Option 1	Best Case Capital	Worst Case Revenue	Worst Case Savings	40
74	-£230,209	112	Option 3.4	Best Case Capital	Best Case Revenue	Best Case Savings	39
75	-£230,317	111	Option 3.4	Best Case Capital	Best Case Revenue	Expected Case Savings	38
76	-£230,539	110	Option 3.4	Best Case Capital	Best Case Revenue	Worst Case Savings	37
77	-£231,029	13	Option 1	Expected Case Capital	Worst Case Revenue	Best Case Savings	36
78	-£231,088	11	Option 1	Expected Case Capital	Worst Case Revenue	Worst Case Savings	35
79	-£231,712	12	Option 1	Expected Case Capital	Worst Case Revenue	Expected Case Savings	34
80	-£231,739	69	Option 3.2	Expected Case Capital	Worst Case Revenue	Best Case Savings	33
81	-£231,845	68	Option 3.2	Expected Case Capital	Worst Case Revenue	Expected Case Savings	32
82	-£232,220	67	Option 3.2	Expected Case Capital	Worst Case Revenue	Worst Case Savings	31
83	-£232,589	2	Option 1	Worst Case Capital	Worst Case Revenue	Worst Case Savings	30
84	-£233,514	4	Option 1	Worst Case Capital	Worst Case Revenue	Best Case Savings	29
85	-£233,625	3	Option 1	Worst Case Capital	Worst Case Revenue	Expected Case Savings	28
86	-£234,574	101	Option 3.4	Expected Case Capital	Best Case Revenue	Worst Case Savings	27
87	-£235,455	102	Option 3.4	Expected Case Capital	Best Case Revenue	Expected Case Savings	26
88	-£235,597	103	Option 3.4	Expected Case Capital	Best Case Revenue	Best Case Savings	25
89	-£235,904	58	Option 3.2	Worst Case Capital	Worst Case Revenue	Worst Case Savings	24
90	-£236,296	60	Option 3.2	Worst Case Capital	Worst Case Revenue	Best Case Savings	23
91	-£236,961	59	Option 3.2	Worst Case Capital	Worst Case Revenue	Expected Case Savings	22
92	-£240,693	94	Option 3.4	Worst Case Capital	Best Case Revenue	Best Case Savings	21
93	-£240,729	92	Option 3.4	Worst Case Capital	Best Case Revenue	Worst Case Savings	20
94	-£240,915	93	Option 3.4	Worst Case Capital	Best Case Revenue	Expected Case Savings	19
95	-£242,762	107	Option 3.4	Best Case Capital	Expected Case Revenue	Worst Case Savings	18

96	-£243,191	108	Option 3.4	Best Case Capital	Expected Case Revenue	Expected Case Savings	17
97	-£243,917	109	Option 3.4	Best Case Capital	Expected Case Revenue	Best Case Savings	16
98	-£248,539	100	Option 3.4	Expected Case Capital	Expected Case Revenue	Best Case Savings	15
99	-£248,595	99	Option 3.4	Expected Case Capital	Expected Case Revenue	Expected Case Savings	14
100	-£248,606	85	Option 3.4	Base NPV	Base NPV	Base NPV	13
101	-£248,741	98	Option 3.4	Expected Case Capital	Expected Case Revenue	Worst Case Savings	12
102	-£254,058	90	Option 3.4	Worst Case Capital	Expected Case Revenue	Expected Case Savings	11
103	-£254,082	91	Option 3.4	Worst Case Capital	Expected Case Revenue	Best Case Savings	10
104	-£254,317	89	Option 3.4	Worst Case Capital	Expected Case Revenue	Worst Case Savings	9
105	-£256,576	105	Option 3.4	Best Case Capital	Worst Case Revenue	Expected Case Savings	8
106	-£256,736	104	Option 3.4	Best Case Capital	Worst Case Revenue	Worst Case Savings	7
107	-£256,865	106	Option 3.4	Best Case Capital	Worst Case Revenue	Best Case Savings	6
108	-£261,986	96	Option 3.4	Expected Case Capital	Worst Case Revenue	Expected Case Savings	5
109	-£262,227	97	Option 3.4	Expected Case Capital	Worst Case Revenue	Best Case Savings	4
110	-£262,733	95	Option 3.4	Expected Case Capital	Worst Case Revenue	Worst Case Savings	3
111	-£267,047	88	Option 3.4	Worst Case Capital	Worst Case Revenue	Best Case Savings	2
112	-£267,580	86	Option 3.4	Worst Case Capital	Worst Case Revenue	Worst Case Savings	1

112 Potential NPV Values generated by the What IF Scenario Analysis

Option 1 (£'000s)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
Backlog Maintenance	-£16,487	-£18,706	-£18,570	-£18,661	-£18,516	-£18,547	-£18,594	-£18,711	-£18,475	-£18,650	-£16,461	-£16,551	-£16,560	-£16,466	-£16,560	-£16,483	-£16,497	-£16,462	-£16,475	-£14,440	-£14,471	-£14,335	-£14,290	-£14,380	-£14,299	-£14,414	-£14,370	-£14,380
Asbestos Removal & Demolition	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Revenue/Current Cost Total	-£200,254	-£212,695	-£213,899	-£213,731	-£200,570	-£200,507	-£200,148	-£186,817	-£185,763	-£187,023	-£213,438	-£214,005	-£213,353	-£200,169	-£200,071	-£200,270	-£187,003	-£188,011	-£187,632	-£214,249	-£213,046	-£213,733	-£200,557	-£200,104	-£200,529	-£186,709	-£186,800	-£185,814
Retained Risks Total	-£1,423	-£1,425	-£1,425	-£1,429	-£1,418	-£1,424	-£1,425	-£1,420	-£1,419	-£1,424	-£1,427	-£1,427	-£1,424	-£1,423	-£1,417	-£1,424	-£1,422	-£1,418	-£1,423	-£1,419	-£1,421	-£1,421	-£1,422	-£1,419	-£1,422	-£1,420	-£1,423	-£1,425
Total Costs	-£218,163	-£232,826	-£233,894	-£233,821	-£220,504	-£220,478	-£220,167	-£206,948	-£205,658	-£207,096	-£231,325	-£231,983	-£231,336	-£218,059	-£218,048	-£218,177	-£204,922	-£205,891	-£205,529	-£230,109	-£228,938	-£229,489	-£216,269	-£215,904	-£216,250	-£202,543	-£202,592	-£201,618
Cash Releasing Benefit Total	£271	£237	£270	£307	£237	£272	£305	£235	£271	£307	£238	£271	£307	£235	£273	£307	£234	£272	£306	£236	£271	£307	£236	£271	£307	£233	£272	£308
Cost Net Cash Savings	-£217,892	-£232,589	-£233,625	-£233,514	-£220,267	-£220,207	-£219,862	-£206,713	-£205,387	-£206,789	-£231,088	-£231,712	-£231,029	-£217,823	-£217,775	-£217,871	-£204,688	-£205,619	-£205,224	-£229,872	-£228,667	-£229,181	-£216,034	-£215,632	-£215,943	-£202,309	-£202,320	-£201,310
Total	-£217,892	-£232,589	-£233,625	-£233,514	-£220,267	-£220,207	-£219,862	-£206,713	-£205,387	-£206,789	-£231,088	-£231,712	-£231,029	-£217,823	-£217,775	-£217,871	-£204,688	-£205,619	-£205,224	-£229,872	-£228,667	-£229,181	-£216,034	-£215,632	-£215,943	-£202,309	-£202,320	-£201,310
Rank	50	83	85	84	58	57	56	24	20	25	78	79	77	48	47	49	16	22	19	73	71	72	43	41	42	8	9	7

NPV Sensitivity

Option 3.1 (£'000s)	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56
Backlog Maintenance	-£35,486	-£40,042	-£40,206	-£39,818	-£40,170	-£39,939	-£40,200	-£40,003	-£40,143	-£40,345	-£35,465	-£35,480	-£35,515	-£35,451	-£35,467	-£35,472	-£35,667	-£35,514	-£35,534	-£30,946	-£30,884	-£30,920	-£30,878	-£30,905	-£30,780	-£31,004	-£30,606	-£30,609
Asbestos Removal & Demolition	-£1,345	-£1,516	-£1,517	-£1,517	-£1,526	-£1,512	-£1,508	-£1,519	-£1,518	-£1,527	-£1,344	-£1,345	-£1,344	-£1,345	-£1,344	-£1,344	-£1,343	-£1,345	-£1,342	-£1,178	-£1,168	-£1,165	-£1,172	-£1,171	-£1,176	-£1,165	-£1,168	-£1,168
Revenue/Current Cost Total	-£171,237	-£183,266	-£183,480	-£183,187	-£171,261	-£171,348	-£171,295	-£159,856	-£159,427	-£159,450	-£182,674	-£182,564	-£183,598	-£171,220	-£171,207	-£171,159	-£159,822	-£159,457	-£159,213	-£183,304	-£182,740	-£183,109	-£171,526	-£170,947	-£171,337	-£160,017	-£159,488	-£159,371
Retained Risks Total	-£1,977	-£1,977	-£1,974	-£1,975	-£1,979	-£1,980	-£1,977	-£1,975	-£1,971	-£1,976	-£1,976	-£1,972	-£1,982	-£1,969	-£1,976	-£1,978	-£1,978	-£1,980	-£1,978	-£1,975	-£1,985	-£1,973	-£1,973	-£1,975	-£1,971	-£1,982	-£1,986	-£1,983
Total Costs	-£210,045	-£226,801	-£227,177	-£226,498	-£214,936	-£214,779	-£214,980	-£203,353	-£203,060	-£203,298	-£221,459	-£221,362	-£222,440	-£209,984	-£209,993	-£209,953	-£198,809	-£198,296	-£198,067	-£217,404	-£216,776	-£217,167	-£205,548	-£204,998	-£205,264	-£194,168	-£193,247	-£193,131
Cash Releasing Benefit Total	£128	£112	£128	£145	£111	£128	£145	£110	£128	£144	£112	£128	£145	£111	£128	£144	£112	£128	£144	£112	£128	£145	£111	£128	£144	£144	£128	£110
Cost Net Cash Savings	-£209,917	-£226,688	-£227,049	-£226,353	-£214,825	-£214,651	-£214,835	-£203,242	-£202,932	-£203,154	-£221,347	-£221,234	-£222,294	-£209,873	-£209,866	-£209,809	-£198,698	-£198,168	-£197,923	-£217,292	-£216,649	-£217,023	-£205,437	-£204,870	-£205,120	-£194,025	-£193,120	-£193,021
Total	-£209,917	-£226,688	-£227,049	-£226,353	-£214,825	-£214,651	-£214,835	-£203,242	-£202,932	-£203,154	-£221,347	-£221,234	-£222,294	-£209,873	-£209,866	-£209,809	-£198,698	-£198,168	-£197,923	-£217,292	-£216,649	-£217,023	-£205,437	-£204,870	-£205,120	-£194,025	-£193,120	-£193,021
Rank	31	66	67	65	36	35	37	15	11	12	60	59	61	30	29	28	6	5	4	46	44	45	21	17	18	3	2	1

NPV Sensitivity

Option 3.2 (£'000s)	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84
Backlog Maintenance	-£32,468	-£36,737	-£37,085	-£36,828	-£36,664	-£36,543	-£36,563	-£36,629	-£36,355	-£36,615	-£32,415	-£32,429	-£32,282	-£32,374	-£32,524	-£32,370	-£32,409	-£32,499	-£32,433	-£28,231	-£28,234	-£28,301	-£28,314	-£28,241	-£28,156	-£28,118	-£28,124	-£28,014
Asbestos Removal & Demolition	-£1,345	-£1,520	-£1,520	-£1,508	-£1,515	-£1,516	-£1,514	-£1,517	-£1,520	-£1,520	-£1,349	-£1,343	-£1,344	-£1,347	-£1,345	-£1,347	-£1,344	-£1,339	-£1,341	-£1,163	-£1,172	-£1,167	-£1,164	-£1,182	-£1,180	-£1,171	-£1,171	-£1,170
Revenue/Current Cost Total	-£175,414	-£187,335	-£188,053	-£187,663	-£175,229	-£175,483	-£175,893	-£163,259	-£163,855	-£162,950	-£188,111	-£187,777	-£187,842	-£175,349	-£175,408	-£175,391	-£163,047	-£162,934	-£162,429	-£187,952	-£187,986	-£187,365	-£175,396	-£175,147	-£175,442	-£163,585	-£163,107	-£163,724
Retained Risks Total	-£10,420	-£10,423	-£10,431	-£10,440	-£10,424	-£10,438	-£10,437	-£10,443	-£10,429	-£10,427	-£10,457	-£10,424	-£10,416	-£10,417	-£10,425	-£10,424	-£10,427	-£10,420	-£10,421	-£10,417	-£10,386	-£10,413	-£10,400	-£10,448	-£10,450	-£10,412	-£10,380	-£10,455
Total Costs	-£219,646	-£236,015	-£237,089	-£236,441	-£223,832	-£223,981	-£224,406	-£211,847	-£212,160	-£211,512	-£232,332	-£231,973	-£231,884	-£219,487	-£219,702	-£219,532	-£207,227	-£207,192	-£206,624	-£227,763	-£227,778	-£227,246	-£215,274	-£215,017	-£215,228	-£203,286	-£202,782	-£203,363
Cash Releasing Benefit Total	£128	£111	£128	£145	£110	£128	£145	£111	£128	£144	£112	£127	£145	£111	£128	£144	£112	£128	£144	£110	£128	£145	£111	£128	£145	£111	£128	£144
Cost Net Cash Savings	-£219,518	-£235,904	-£236,961	-£236,296	-£223,722	-£223,853	-£224,261	-£211,736	-£212,032	-£211,368	-£232,220	-£231,845	-£231,739	-£219,376	-£219,574	-£219,388	-£207,116	-£207,064	-£206,480	-£227,653	-£227,651	-£227,101	-£215,163	-£214,890	-£215,083	-£203,174	-£202,654	-£203,219
Total	-£219,518	-£235,904	-£236,961	-£236,296	-£223,722	-£223,853	-£224,261	-£211,736	-£212,032	-£211,368	-£232,220	-£231,845	-£231,739	-£219,376	-£219,574	-£219,388	-£207,116	-£207,064	-£206,480	-£227,653	-£227,651	-£227,101	-£215,163	-£214,890	-£215,083	-£203,174	-£202,654	-£203,219
Rank	53	89	91	90	62	63	64	33	34	32	82	81	80	51	55	52	27	26	23	70	69	68	40	38	39	13	10	14

NPV Sensitivity

Option 3.4 (£'000s)	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112
Backlog Maintenance	-£39,895	-£45,060	-£45,227	-£44,842	-£45,390	-£45,126	-£45,360	-£45,385	-£45,597	-£45,391	-£39,719	-£39,949	-£40,148	-£39,885	-£39,853	-£39,860	-£40,004	-£40,046	-£40,062	-£34,888	-£34,847	-£34,847	-£34,568	-£34,554	-£35,049	-£34,657	-£34,785	-£34,419
Asbestos Removal & Demolition	-£1,345	-£1,521	-£1,521	-£1,521	-£1,517	-£1,526	-£1,514	-£1,513	-£1,524	-£1,519	-£1,346	-£1,342	-£1,344	-£1,341	-£1,343	-£1,343	-£1,346	-£1,344	-£1,342	-£1,173								



Appendix C

Benefits Realisation Plan

Project/Programme Name	Ysgol Newydd Bae Baglan
SRO (Sponsor)	Aled Evans
Date Benefits Realisation Plan created	3 rd April 2014
Date last updated	

Benefit	Owner	Target	Method of measurement	Responsibility for measurement	Timing of measurement	Outcome
Reduction in revenue costs	Huw Jones	Reduction of £1,777,000 per annum	New delegated school budget in 2016/17(as at September 2016)	Julie Merrifield	September 2016	
Income from community use of facilities	Huw Jones	Increased income from community lettings	Financial outturn 2016/17	Governing Body & Headteacher	April 2017	
Removal of unnecessary competition between schools	Helen Morgan-Rees	Reduced preferred placement applications	Central admissions register	Helen Lewis	August 2017	
Assured business continuity	Simon Brennan	No forced closures as a result of premises failure	Implementation of closure plan	Governing Body & Headteacher	August 2017	

Benefit	Owner	Target	Method of measurement	Responsibility for measurement	Timing of measurement	Outcome
Improved teaching environment improves morale	Helen Morgan-Rees	A judgement of "Excellent" or "Good" for Estyn Key Question 1.2 - Wellbeing	School self evaluation, Local Authority & Estyn inspections	Governing Body & Headteacher	March 2018	
More effective staffing structures – management and support	Helen Morgan-Rees	A judgement of "Excellent" or "Good" for Estyn Key Question 3 - Leadership & Management	School self evaluation, Local Authority & Estyn inspections	Governing Body & Headteacher	March 2018	
Increased emphasis on individual learners abilities	Helen Morgan-Rees	A judgement of "Excellent" or "Good" for Estyn Key Question 2 - Learning Experiences	School self evaluation, Local Authority & Estyn inspections	Governing Body & Headteacher	March 2018	
More opportunities to facilitate distributed leadership and increased responsibilities	Helen Morgan-Rees	A judgement of "Excellent" or "Good" for Estyn Key Question 3 - Leadership & Management	School self evaluation, Local Authority & Estyn inspections	Governing Body & Headteacher	March 2018	
Social benefits of improved primary provision	Helen Morgan-Rees	A judgement of "Excellent" or "Good" for Estyn Key Question 2 - How good is provision?	School self evaluation, Local Authority & Estyn inspections	Governing Body & Headteacher	March 2018	
Greater opportunity for flexible working practices e.g. team teaching	Helen Morgan-Rees	A judgement of "Excellent" or "Good" for Estyn Key Question 2 - Teaching	School self evaluation, Local Authority & Estyn inspections	Governing Body & Headteacher	March 2018	

Benefit	Owner	Target	Method of measurement	Responsibility for measurement	Timing of measurement	Outcome
Increased efficiency through school reorganisation and rationalisation	Andrew Thomas	Surplus places in the primary sector reduced by 9% and in the secondary sector by 31%	School capacity calculations	Julie Merrifield	September 2018	
More efficient use of premises / estate	Simon Brennan	Reduced backlog maintenance by £16.7M and building portfolio by 3	Condition & Accessibility Survey	Roger Bowen	September 2016	
Better ratio of pupils to teachers	Helen Morgan-Rees	To meet statutory requirements and Welsh Government guidance re: pupil/teacher ratios in all classrooms	Teaching Staff Returns (TSRs)	Julie Merrifield	September 2016	
Improvements in staff recruitment and retention	Graham Jones	Retention of staff higher than the County average	Staff complement records	Governing Body & Headteacher	September 2018	
Reduced sickness levels of staff	Graham Jones	Staff sickness below the County average	Staff sickness records	Governing Body & Headteacher	September 2017	
Ability to distribute funds more equitably	Andrew Thomas	Less variation in primary schools per pupil costs	Formula funding of schools	Julie Merrifield	April 2017	

Benefit	Owner	Target	Method of measurement	Responsibility for measurement	Timing of measurement	Outcome
Improved attendance	Helen Morgan-Rees	A 93% attendance rate	School Attendance Return	John Gould	September 2017	
Staff will have greater training opportunities to participate in a wider range of courses	Helen Morgan-Rees	All staff to have received relevant training and development	Record of staff professional development	Governing Body & Headteacher	September 2017	
Greater opportunities to use a wider range of different learning / teaching styles & specialisms	Helen Morgan-Rees	A judgement of "Excellent" or "Good" for Estyn Key Question 2 - Teaching	School self evaluation, Local Authority & Estyn inspections	Governing Body & Headteacher	March 2018	
Greater learning capability attracts business to the area which supports future proofing of communities	Russell Ward	Improved Welsh Index of Multiple Deprivation ranking	Welsh Index of Multiple Deprivation	Carl Glover	As published by WG	
Reduction in anti-social behaviour and disaffection	Russell Ward	A judgement of "Excellent" or "Good" for Estyn Key Question 1.2 - Wellbeing Reduced instances of anti-social behaviour within community	School self evaluation, Local Authority & Estyn inspections School Vandalism Reports & Insurance Claims	Governing Body & Headteacher	March 2018 September 2017	

Benefit	Owner	Target	Method of measurement	Responsibility for measurement	Timing of measurement	Outcome
Localised access to learning, sporting and cultural opportunities	Russell Ward	Increase the current community use of school resources to 50%	School records of permitted community use	Neil Thomas	September 2017	
Improved community links and facilities ensuring community cohesion, spirit and identity	Russell Ward	Increase the current community use of school resources to 50%	School records of community use	Governing Body & Headteacher	September 2017	
Enhanced local and national reputation of wider community	Russell Ward	Positive reporting and good news stories	Media reports	Owen Jenkins	September 2017	
Greater satisfaction through longer and more detailed engagement with learners	Helen Morgan-Rees	Increased provision of pre-school and wrap-around care	Records of participation e.g. Breakfast Club, Childcare Facility & After School Clubs	Governing Body & Headteacher	September 2017	
Continuity of pastoral case i.e. seamless progression from primary to secondary schools	Helen Morgan-Rees	A judgement of "Excellent" or "Good" for Estyn Key Question 1.2 - Wellbeing	School self evaluation, Local Authority & Estyn inspections	Governing Body & Headteacher	March 2018	



Appendix D

Post Project Review

Post Project Review Form



Reference: _____

Project Title: _____

Summary of Project Objectives

- *List the objectives of the project here.*

Achievement of Planned Benefits

Benefits achieved:

- *What benefits, as planned, have been achieved as a result of the project taking place?*

Benefits not achieved:

- *What planned benefits have not been achieved as a result of the project taking place? What goals were not achieved?*

Incorrect assumptions and common factors affecting benefits realisation:

- *Give an explanation here of anything that impacted on the realisation, or otherwise, of benefits. Were there issues that arose during the project that were not anticipated and planned for and therefore affected the result? Were assumptions made during the planning stages that in reality proved to be incorrect?*

Time

Tasks exceeding time estimates:

- *What tasks took longer than originally planned for?*

Tasks taking less than estimated time:

- *What tasks were finished earlier than anticipated?*

Post Project Review Form



Reference: _____

Project Title: _____

Incorrect assumptions and common factors affecting time estimates:

- *What were the reasons behind inaccurate time estimates? Were there issues that arose during the project that were not anticipated and planned for – e.g. delays in receiving supplies, staff resource, etc. Were assumptions made during the planning stages that in reality proved to be incorrect – e.g. in estimating how long an activity was likely to take.*

Costs

Costs exceeding estimates:

- *What project costs exceeded the original estimates?*

Costs lower than estimates:

- *What project costs came in lower than anticipated?*

Incorrect assumptions and common factors affecting cost estimates:

- *Why were project costs different to originally estimated? Factors impacting on this could include things like changes in exchange rates if supplies coming from abroad, increases or decreases in fuel costs – with knock-on transportation and supply costs. You may have experienced economies of scale that were not apparent from the outset, etc.*

Quality

Outputs that met or exceeded user requirements:

- *Quality outputs are important as is meeting or, hopefully, exceeding user requirements – list here the areas where this has happened during the project.*

Outputs that were not fit for purpose:

- *List here those outputs that were not of appropriate quality or were unfit for purpose.*

Incorrect assumptions and common factors affecting quality:

- *What issues affected quality? What assumptions did you make that turned out to be incorrect during the lifespan of the project? Examples might include assumptions being made incorrectly on the compatibility of new software with systems already in place in the organisation.*

Post Project Review Form



Reference: _____

Project Title: _____

Lessons Learned

Give details of any unexpected outcomes of the project (positive or negative):

- *List the unexpected outcomes and include details on whether they've had a good or bad impact on the project and, perhaps, beyond the planned project results.*

Give details of any lessons learned as a result of the project:

- *What have you learned as a result of embarking on this project? You may have learned that there are some things that you did that you would not do again if you were to work on another project. You may have learned new ways of approaching activities within a project that you would replicate in other projects. Any lessons learned are valuable – whether they are based on good or bad experiences they are very useful for future reference.*

Recommendations

Give details of any recommendations for action in relation to this project:

- *What would you like to happen as a result of this project – what recommendations would you make as a result of undertaking this project? Can you suggest new ways of approaching activities within the organisation as a result of the outcomes of the project?*

Give details of any recommendations for action in relation to future projects:

- *You may, as a result of experience on this project, have a number of recommendations to be taken forward in future projects. These recommendations may, for example, relate to the whole project approach, or the way in which project teams are established and trained. The recommendations can be made as a result of both positive and negative experiences within the project journey but, again, whatever the experience the recommendations for future projects are likely to be valuable.*



Appendix E

Project Evaluation Review Form

CONTRACTORS PERFORMANCE APPRAISAL

CONTRACTOR:

Council's Select List Category:

Name of Contract:

Value: £

Start Date:

Completed:

Contact name for further information on this contract:

Status:

Tel:

Performance	POOR			AVERAGE				GOOD		
Points	1	2	3	4	5	6	7	8	9	10

	POINTS	COMMENTS
HEAD OFFICE ORGANISATION		
SITE ORGANISATION		
CONTROL OF SUB-CONTRACTORS		
CONTRACTOR'S OWN SUPERVISION		
ABILITY TO ACHIEVE PROGRAMME		
COMPLIANCE WITH SPECIFICATION		
RESPONSE TO INSTRUCTIONS		
STANDARD OF WORKMANSHIP		
HEALTH & SAFETY PERFORMANCE		
PLANT RESOURCES		
TRAFFIC MANAGEMENT		
SETTLEMENT OF FINAL ACCOUNT		
ATTITUDE TOWARDS CLAIMS		
PARTNERING APPROACH		

SHOULD THIS FIRM BE INCLUDED ON A SELECT LIST FOR WORK OF A SIMILAR NATURE & VALUE - YES/NO

GENERAL COMMENTS:

Signed:

Status: **Date:**

NOTE: THIS APPRAISAL IS BASED ON THE PERFORMANCE OF THE CONTRACTOR ON THIS PROJECT ONLY, AND SHOULD BE RETURNED TO THE BUSINESS UNIT.



Appendix F

Framework Volume 1 – Information for Tenderers

CYNGOR SIR CAERFYRDDIN
(ar ei ran ei hun ac Awdurdodau eraill sy'n cymryd rhan)

**FFRAMWAITH CONTRACTWYR
RHANBARTHOL DE-ORLLEWIN CYMRU**

CYFROL 1

Cyflwyniad – Gwybodaeth I Dendrwyr

**CARMARTHENSHIRE COUNTY COUNCIL
IN ASSOCIATION WITH NEATH PORT TALBOT, PEMBROKESHIRE AND
THE CITY AND COUNTY OF SWANSEA COUNCILS**

**SOUTH WEST WALES REGIONAL CONTRACTORS
FRAMEWORK**

VOLUME 1

Preamble – Information for Tenderers

Date: APRIL 2011



VOLUME 1 - PREAMBLE INFORMATION FOR TENDERERS

1	Introduction
2	The Counties
3	The Councils
4	Monitoring and Reporting
5	Aims and objectives
6	The Framework Agreement
7	Submissions
8	Scope
Appendix A	Indicative Workloads
Appendix B	Demographic Make up of Counties

PART 1 FRAMEWORK INFORMATION

1 Introduction

1.1 Carmarthenshire County Council in association with Neath-Port Talbot, Pembrokeshire and the City and County of Swansea Councils wishes to appoint Contractors (“The Contractor”) to provide Construction Works for the delivery of Property related Construction Projects. This document provides general information to the Tenderer regarding the Authorities, together with specific information relating to the proposed Agreement for the “South West Wales Regional Contractors Framework” (“Framework Agreement”) and information to be provided by the Contractor and the anticipated scope of works.

1.2 In addition to the four Authorities directly involved with the Framework a number of other Public Bodies and Organisations have noted an option to utilise the Framework for their construction projects. The full list of other organisations who may participate in the Framework is:

Mid and West Wales Fire and Rescue Services, Dyfed Powys Police, University of Wales Trinity St Davids, Llanelli Rural Council, Coleg Sir Gar, Diocese of Minevia, Diocese of St Davids, Diocese of Swansea and Brecon and the Diocese of Llandaff .

2 The Counties

2.1 The four Authorities are located in South West Wales and have a population of approximately 670 thousand covering an area of approximately 1900 square miles. The individual make up of the Counties is set out in Appendix B.

2.2 The main administrative centres for the Authorities are Carmarthen, Port Talbot, Haverfordwest and Swansea.

2.3 Carmarthenshire and Pembrokeshire are predominantly rural Counties, Neath-Port Talbot and Swansea having larger urban and industrial areas, the demographic details is set out in Appendix B. Further information on the Authorities can be found on their individual web sites.

3 The Councils

- 3.1 The Councils serve the population of South West Wales Area as Unitary Councils. Generally the contractors point of contact will be the Property or Technical Services Divisions/Departments of each Authority and details of the principal points of contact within each Authority is noted below. Projects may be commissioned by other Client Departments and the Contractor must include for liaising with the appropriate Members and Officers as determined by the individual Authority. All appointments will be in accord with the terms and processes set out in the Framework Agreement Documents.
- 3.2 The Authorities will commission works independently of each other although there will be a joint initiatives in relation to delivery and recording of performance. Authorities will determine the appropriate delivery model for each call off contract and it is anticipated that there may be a number of delivery models in being.
- 3.3 The Authorities are generally set up along similar lines although there may be some differences in the detailed Departmental roles and set up. The call off contracts will be managed by the Technical Services Departments of the Authorities and the Senior Management details are set out below:

Carmarthenshire – Head of Property Services – Phil Lumley

Neath Port Talbot – Head of Property & Regeneration - Gareth Nutt

Pembrokeshire – Head of Highways & Construction – Darren Thomas

Swansea – Head of Corporate Building & Property Services – Martin Nicholls

4 Monitoring and Reporting

- 4.1 Contractors will be expected to monitor performance and report on Project Development/Progress to each Authority commissioning Works. Details of the expected process is set out in the documents.
- 4.2 In addition to the individual operation of call off contracts by each Authority Carmarthenshire will carry out an overarching monitoring and reporting role. This role will be carried out by the Framework Manager and will operate across all participating Authorities and all Lots as contained within the Regional Frameworks Tender process.

5 Aims and Objectives

- 5.1 The aims and objectives of the Authorities period 2011 – 2014 are outlined in the Corporate Strategy details published by each Authority.

Key Issues included in the Strategies are as follows-

- Corporate Issues
- Health and Well Being
- Lifelong Learning
- The Economy
- Environment
- Resources

Further details of the Corporate Strategy are available on the websites of the Authorities.

- 5.2 The aims and objectives of the South West Wales Regional Contractors Framework is to develop a mutually beneficial contractual arrangement with Private Sector Contractors. These aims and objectives are provided below to enable tenderers to appreciate the current expectations of the participating Authorities for partnering working.

5.3 The aim of the South West Wales Regional Contractors Framework is to provide high quality Construction Works to meet the requirements of the participating Authorities whilst taking account of the principles of the 'Best Value' process and of 'Re-thinking Construction';

The objectives are as follows-

- To provide and sustain an open, co-operative and business like culture between the parties
- To integrate public and private sector skills in delivering construction projects.
- To have ready access to resources and expertise
- To develop and train a sustainable workforce to deliver construction projects in South West Wales.
- To promote continuous improvement
- To create development opportunities for employees of both private and public sectors
- To maximise the community benefits that may be developed from large construction projects within the Region.

5.4 Some of the Authorities have previous experience of Framework Agreements both for Consultants and Contractors and the South West Wales Regional Framework Contractors will be expected to feedback and contribute to enhance the working agreements between the Authorities and other external providers.

5.5 Carmarthenshire proposes setting up a number of Framework Arrangements for the Property Construction works, namely:

Lot 1 – Regional Framework serving all four Counties for Construction Works exceeding £12 million in Value – 3 No. Contractors to be appointed;

Lot 2 – East Area serving Neath Port Talbot and Swansea for Construction Works between £3.5 and £12 million – 6 No. Contractors to be appointed;

Lot 3 – West Area serving Carmarthenshire and Pembrokeshire for Construction Works between £3.5 and £12 million – 6 No. Contractors to be appointed;

- 5.6 Further Lots will also be required to deliver projects up to £3.5 million for each Authority however these will be the subject of a separate procurement process which will follow the major works procurement exercise under the current Notice.
- 5.7 Carmarthenshire already has in place a Framework Manager who is responsible for managing the existing Frameworks operating in the County, the Framework Manager will co-ordinate all appointments within the new Regional Framework and will also monitor and report on performance across all Lots within the Regional Framework. The commissioning of call off contracts will be made directly by the Authority responsible for the Project.

6. The Framework Agreement

- 6.1 The Framework Agreement is a contract arrangement for a fixed term of four years.
- 6.2 The Framework Agreement (contained in Volume 2) incorporates all of the overarching issues associated with the delivery of services over the period of the contract as well as providing for the contract terms applicable to the call off contracts.
- 6.3 Each Authority will commission Projects by issuing the Works Brief (see Volume 2 for details). The Contractor will be requested to submit a bid in response to the Works Brief, the responses will be in the form of a Project Specific Mini-Competition.
- 6.4 It is envisaged that projects may be commissioned on a two stage basis with the aim of engaging Early Contractor Involvement with a Project. The appointment of a Contractor to the first stage of a Project will not guarantee the award of the formal Works Contract. Whilst the Pre-construction Phase of a Project will be commissioned through the Works Brief, Official Orders will be issued for each Stage of the Project or for any other works or services required to fully develop the Project. An Official Order will be issued before the Contractor proceeds to the commencement of the Works Contract which will contain all relevant contract details appertaining to the specific Works Contract to be executed.

- 6.5 All costs in association with the proposals in responses to Works Briefs by mini-competition are to be borne by the Contractor. The Authority will only pay for costs as set out in Official Orders and any terms contained within the formal Contract Agreements.
- 6.6 Templates for the Contract Data and the Works Brief are provided in Schedule 5 of Volume 2 – Framework Agreement. On receipt of the completed documentation the Employer will decide whether to proceed with the scheme, and will issue the Contractor with an Official Order for the scheme which will form a “contract” between the *Employer* and the Contractor for the provision of the Works contained in the Works Brief .
- 6.7 The Contractor will be required to undertake work which requires liaising and working with other professional disciplines within the County Councils, and in particular the relevant Client Departments and representatives.
- 6.8 The range of services that may be ordered under this Framework Agreement are described in Schedule 1 of Volume 2 – Framework Agreement.
- 6.9 Details of the indicative Workloads for 2011/14 are included in Appendix A in order to give a preliminary indication of the likely volume of work which the Council may require to be undertaken by the Contractors. No guarantee of the volume of work (if any) can be given.

7. Submissions

- 7.1 Tenderers are required to complete a Bid Document for submission with their tender, comprising a ‘Quality’ element and a Financial response.
- 7.2 The Contractors proposals will be required for two separate functions;
1. Management of the Framework which will entail the general monitoring and reporting of performance and delivery of all Projects being undertaken through the Framework. The Contractor is also expected to contribute to

the development and improvement of the operation of the Framework and commissioned Projects.

2. Project specific response. Typical Projects are included within Volume 4 Bid Document for each of the Lots noted in the OJEU Contract Notice. The Contractor will submit a tender response for these Projects and this response will be assessed as set out in the Evaluation Model.
3. The Contractors Framework Tender cost in relation to Overheads and Profit for the model projects will apply to all call off contracts commissioned through the Framework for the full duration of the Framework. All other cost elements of the model projects will be subject to variation in response to each call off contract as part of the mini-competition process.

7.3 Full details of the requirements for both Framework Management and Project Response are set out in Volume 4 Bid Document.

7.4 The submissions for both Framework Management and Project Specific responses must be made as a Quality submission and a Financial submission. The Quality Submission should detail how the Tenderer proposes to deliver the Service and should **not** contain any cost details. Cost information should only be submitted in the Financial Submission.

8. **Scope**

8.1 The Employer will appoint three Contractors for Lot 1 and six Contractors for each of Lots 2 and 3 to carry out Works within each of the defined scopes of the Lots.

- 8.2 Due to the variability of work load, economic climate and availability of capital and revenue expenditure, the Councils cannot guarantee that there will be a constant workload available to any of the Framework Contractors. Projects may also be subject to Grant Funding and the Contractor must allow for compliance with the typical Terms and Conditions of External Grant Funding Bodies.
- 8.3 An indicative works volume is included within Appendix A but this is subject to variation/change.

Notice Calculation

Lot Number	Definite	Possible
1 - Regional	£37.0m	£127m
2 - East		£97.0m
3 - West	£49.3m	£70.4m
Total	£86.3m	£294.4m



Demographic Statistics

Authority	Population	Area (hectares)	Density
Carms	178,043	239,000	0.77
Pembs	117,900	164,000	0.71
Swansea	231,300	37,812	6.1
NPT	139,650	44,217	3.15
Total	666,893	485,029	2.37





Appendix G

Framework Volume 2 – Framework Agreement

CYNGOR SIR CAERFYRDDIN
(ar ei ran ei hun ac Awdurdodau eraill sy'n cymryd rhan)

FFRAMWAITH CONTRACTWYR RHANBARTHOL DE-ORLLEWIN CYMRU

CYFROL 2

Dogfen Ymholiadau Ynghylch y Fframwaith

**CARMARTHENSHIRE COUNTY COUNCIL
IN ASSOCIATION WITH NEATH PORT TALBOT,
PEMBROKESHIRE AND THE CITY AND COUNTY OF
SWANSEA COUNCILS**

VOLUME 2

Framework Agreement

Date: APRIL 2011



DATED

20[..]

(1) CARMARTHENSHIRE COUNTY COUNCIL

AND

(2) [INSERT CONTRACTOR]

SWWRCF FRAMEWORK AGREEMENT

1. INTRODUCTION AND BACKGROUND
 - 1.1 Framework of Contractors
 - 1.2 Scope of this Agreement
2. DEFINITIONS AND INTERPRETATION
 - 2.1 Definitions
 - 2.2 Headings
 - 2.3 Joint and Several Liability
 - 2.4 Periods of Time
 - 2.5 References to Statutes
 - 2.6 Genders and Numbers
 - 2.7 Schedules and Clauses
3. CONTRACTS
 - 3.1 No Obligation
 - 3.2 Role of Employer
 - 3.3 Mini Competitions
 - 3.4 Award of Contract Pursuant to Mini Competition
 - 3.5 Schedule of Staff Rates
 - 3.6 Binding Contract
4. WORKING TOGETHER
 - 4.1 Framework Manager
 - 4.2 Authority of Framework Manager
 - 4.3 Replacement of Framework Manager
 - 4.4 Gateway Manager
 - 4.5 Replacement of the Gateway Manager
 - 4.6 Relationship Manager
 - 4.7 Replacement of the Relationship Manager
 - 4.8 Agreement to Work Together
 - 4.9 Agreement to Work with Other Persons
 - 4.10 ... Participation in Meetings
 - 4.11 ... Effect of the failure to comply with Clauses 4.8, 4.9 and/or 4.10
5. TERM
6. KEY PERFORMANCE INDICATORS
7. CONTINUOUS IMPROVEMENT
8. ASSIGNMENT AND SUB-CONTRACTING
 - 8.1 Assignment by the Employer

- 8.2 Assignment by the Contractor
- 9. TERMINATION
 - 9.1 Termination by the Employer
 - 9.2 Termination by the Contractor
 - 9.3 Effects of Expiry or Termination
- 10. GUARANTEE, BOND, COLLATERAL WARRANTIES, NOVATION
- 11. REQUIRED INSURANCES
- 12. TRAINING AND EMPLOYMENT OPPORTUNITIES
 - 12.1 ... TRT at Framework level
 - 12.2 ... TRT at Contract level
- 13. NOTICES
 - 13.1 ... Notices in writing
 - 13.2 ... Forms of service
 - 13.3 ... Times of service
- 14. NO AGENCY, PARTNERSHIP OR JOINT VENTURE
- 15. DPA
 - 15.1 ... DPA interpretation
 - 15.2 ... DPA general obligations
 - 15.3 ... DPA processing obligation
 - 15.4 ... Notification of request or complaint
 - 15.5 ... Continuance of obligations
- 16. FOIA
- 17. EQUAL OPPORTUNITIES
- 18. CONFIDENTIALITY
- 19. ENTIRE AGREEMENT
- 20. VARIATIONS
- 21. PROCUREMENT ON BEHALF OF EMPLOYER
- 22. WARRANTIES
- 23. CORRUPT GIFTS AND COLLUSION
- 24. NO WAIVER
- 25. DISPUTE RESOLUTION
 - 25.1 ... Notification
 - 25.2 ... Negotiation
 - 25.3 ... Adjudication
 - 25.4 ... Litigation
- 26. JURISDICTION & GOVERNING LAW
- 27. CHANGE IN LAW

27.1 ... No release

27.2 ... Notification

27.3 ... Mitigation

28. RIGHTS OF THIRD PARTIES

Schedule 1 WORKS

Schedule 2 SCHEDULE OF STAFF RATES

Schedule 3 REQUIRED INSURANCES

Schedule 4 KEY PERFORMANCE INDICATORS

Part 1 The Indicative KPI's applicable to the Contractor

Part 2 The Indicative KPI's applicable to the EMPLOYER

Schedule 5 FORM OF CONTRACT

Schedule 6 Social Economic and Environmental Wellbeing and Regeneration

Part 1 Outline requirements of the Employer and Other authorities

Part 2 Contractor's TRT Method Statement

APPENDIX	A	Scope of Pre-Construction Services
	B	Form of Purchase Order/Works Brief
	C	Exemplar Cost Schedule
	D	Parent Co Guarantee
	E	Guarantee Bond
	F	Deed of Collateral Warranty Contractor
	G	Deed of Collateral Warranty – Consultant
	H	Deed of Collateral Warranty – Sub Contractor
	I	Novation Agreement

THIS AGREEMENT IS MADE THE

BETWEEN:-

- (1) **CARMARTHENSHIRE COUNTY COUNCIL** of County Hall Carmarthen Carmarthenshire SA31 1JP including any successors in title (the “**Employer**”); and
- (2) **[insert Contractor] LIMITED** (registered number []) whose registered office is at [] (the “**Contractor**”).

1. INTRODUCTION AND BACKGROUND

1.1 Framework of Contractors

Following a competitive tender process and in reliance on the tenders submitted the Contractor and the Framework Contractors have been selected by the Employer as potential providers to the Employer and to the Other Authorities of Works during the Term.

1.2 Scope of this Agreement

This Agreement governs

- (a) the procedure by which contracts for the carrying out of Works may be formed;
- (b) the terms and conditions which shall apply to any such Contracts; and
- (c) the overall relationship between the Employer and the Contractor with regard to Works during the Term.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this Agreement, the following expressions shall have the following meanings:-

Bond	a bond in the form set out in the relevant Contract;
Collateral Warranty	a deed of collateral warranty in the form set out in the relevant Contract;
Commencement Date	[];
Confidential Information	collectively and individually any and all information whether of a technical, commercial or financial nature relating to the Employer, this Agreement, any Contract entered into between the Employer and the Contractor and/or any Works;

Contract	a contract in the form of the order set out in Schedule 5 entered into by the Employer or an Other Authority (as the case may be) and the Contractor pursuant to clause[s 3.2] ;
Contractor's TRT Method Statement	the Contractor's Targeted Recruitment and Training method statement set out at Schedule 6 Part II to this Agreement submitted by the Contractor as part of the Contractor's bid for selection onto this framework and which sets out the Contractor's minimum obligations for each of the Contracts;
DPA	the Data Protection Act 1998 and any subordinate legislation made under such Act from time to time together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such legislation.
FOIA	collectively the Freedom of Information Act 2000 and the Environmental Information Regulations 2004;
Framework Contractors	those persons (other than the Contractor) with whom the Employer has entered into a framework agreement relating to the Works on terms similar to this Agreement;
Framework Manager	the competent person having experience of framework and other partnering type contracts with public authorities employed by the Contractor and appointed as the Contractor's Framework Manager pursuant to clause 4.1 or any person who replaces such person pursuant to clause 4.3;
Gateway Manager	the person appointed on behalf of the Employer pursuant to clause 4.4 or any person who replaces such person pursuant to clause 4.5;
General Change in Law	a change in Law which comes into effect after the Commencement Date, where the change is of a general legislative nature (including taxation or duties of any sort affecting the Contractor) or which would affect or relate to a comparable supply of services of the same or a similar nature to the carrying out of the Work.
Guarantee	a parent company guarantee in the form set out in the relevant Contract;

Information	has the meaning given to it under section 84 of the Freedom of Information Act 2000;
Key Performance Indicators	the key performance indicators set out in Schedule 4;
Novation	a deed of novation in the form set out in the relevant Contract;
Other Authorities	such other local authorities within the neighbouring areas of Pembrokeshire, Neath-Port Talbot, Swansea together with Mid and West Wales Fire and Rescue Services, Dyfed Powys Police, University of Wales Trinity St. Davids, Llanelli Rural Council, Coleg Sir Gar, Diocese of Minevia, Diocese of St. Davids, Diocese of Swansea and Brecon and Diocese of Llandaff which may from time to time wish to enter into a contract with the Contractor for Works pursuant to this Agreement;
Persistent Breach	any breach which occurs on three (3) or more occasions within a 6 month period after the date on which the Employer has issued a final warning;
person	any individual, firm, corporation, government, state or agency of a state or any joint venture, trust, association or partnership (whether or not having separate legal personality);
Professional Indemnity Insurance	a policy insurance in relation to any Contract for a sum stipulated by the Employer on a Contract specific basis, in respect of each and every claim (except in respect of any claim for pollution or contamination where the cover shall be in the aggregate) to cover the Contractor's obligations relating to the Contract, the insurance to be with a reputable insurance company carrying on insurance business in the United Kingdom, not to be subject to any unusual terms or excesses having regard to the cover which is available in the insurance market to competent contractors with good claims records and who are of similar size and experience as the Contractor, to be maintained for a period of twelve years from Practical Completion of the Works under the Contract and for such period as it may have any liability to the Employer (howsoever arising), and for so long as cover remains available on commercial rates and terms to competent contractors with good claims records and who are of a similar size and experience as the Contractor.

Required Insurances	the insurances detailed in Schedule 3;
Relationship Manager	the person appointed on behalf of each of the Other Authorities to provide a coordinating role between the Other Authorities, the Employer and the Contractor or any person who replaces such person pursuant to clause 4.7;
Schedule of Staff Rates	the schedule of staff rates set out in Schedule 2 submitted by the Contractor as part of the Contractor's bid for selection onto this framework. The rates shall be fixed for the Term save that on the 1st day of December in each year commencing on 1st December 2012, the rates shall be adjusted to reflect any percentage increase in the Local Government Services Pay Award, as set out in the percentage increase current at that time. The percentage increase will be taken to the first two decimal points without any rounding up or down. The rates set out in Schedule 2 shall be deemed to be inclusive of all matters listed in Schedule 2.
Specific Change in Law	a change in Law which comes into effect after the Commencement Date that relates specifically to the business of the Employer, and which would not affect a comparable supply of services of the same or a similar nature to the carrying out of the Works.
Statutory Obligations	all relevant statutory authorities, requirements, regulations and permissions, current British or European Union Standards, any other approved criteria relevant codes of practice or other recognised best practice;
Term	the period during which this Agreement is in force pursuant to clause 5;
Works	works of the type briefly described in Schedule 1 including any pre-construction services that the Contractor may be instructed to undertake as part of the Contract and as more particularly defined in the Contract;
Working Days	any day (other than Sundays or public holidays in Wales).

2.2 Headings

The headings in this Agreement are included for ease of reference only and shall not affect the interpretation or construction of this Agreement.

2.3 Joint and Several Liability

Where the Contractor comprises more than one person, references to "Contractor" shall include all persons comprising the Contractor and all obligations and warranties on the part of the Contractor under this Agreement shall be deemed to be made and undertaken by such persons jointly and severally.

2.4 Periods of Time

Any periods of time referred to in this Agreement and expressed in days or months shall refer to calendar days or calendar months (as the case may be).

2.5 References to Statutes

A reference to any statute or statutory provision shall include any subordinate legislation made under the relevant statute or statutory provision and shall be construed as a reference to such statute, statutory provision or subordinate legislation as it may have been, or may from time to time be, amended, modified or re-enacted (with or without modification);

2.6 Genders and Numbers

Words importing one gender shall include all other genders and words importing the singular shall include the plural and vice versa.

2.7 Schedules and Clauses

References to clauses and Schedules are references to clauses of and schedules to this Agreement; the Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include the Schedules.

3. CONTRACTS

3.1 No Obligation

The Employer and each of the Other Authorities shall be entitled (but not required) at any time during the Term to request in accordance with the provisions of this clause 3 the Contractor to carry out Works. For the avoidance of doubt the Contractor acknowledges that neither the Employer nor the Other Authorities are under any obligation to procure any Works from the Contractor during the Term and the Employer makes no representation to that effect.

3.2 Role of Employer

The Employer has no liability to the Contractor in respect of the award process and Contracts entered into between the Contractor and the Other Authorities.

3.3 Mini Competitions

If at any time during the Term, the Employer or any Other Contracting Authority has a requirement for any Works that it considers that the Contractor or a Framework Contractor may be able to provide on the most economically advantageous basis and considers that a mini competition relating to the provision of such Works is required between the Contractor and any other Framework Contractors, the Employer or such Other Authority (as the case may be) shall issue a call for mini competition to the Contractor and such other Framework Contractors as the Employer or such Other Authority (as the case may be) considers appropriate. If the Contractor wishes to respond to such a call for mini competition it shall comply with the timescales and requirements set out in the call for mini competition.

3.4 Award of Contract Pursuant to Mini Competition

If the Employer or an Other Authority issues a call for mini competition pursuant to clause 3.3 and decides to award a Contract as a result of such mini competition such Contract shall be awarded to the person who submitted the most economically advantageous tender on the basis of the criteria set out in the call for mini competition and, where such person is the Contractor, the Contractor shall enter into a contract in respect of such works with the Employer or such Other Authority (as the case may be) in the form set out in Schedule 5.

3.5 Schedule of Staff Rates

The sums payable to the Contractor in respect of any Contract shall be based on the Schedule of Staff Rates where applicable.

3.6 Binding Contract

The issue of a Contract by way of signed purchase order to the Contractor in the form set out in Schedule 5 shall constitute a binding contract between the Employer, the Other Authorities and the Contractor for the performance of the relevant Works set out in the Contract.

4. WORKING TOGETHER

4.1 Framework Manager

Within 7 days of the date of this Agreement the Contractor shall, subject to the prior approval of the Employer, appoint an employee of the Contractor to act as the Contractor's Framework Manager.

4.2 Authority of Framework Manager

The Framework Manager shall act as the Contractor's principal contact for the purposes of this Agreement and shall have full authority to act on behalf of the Contractor for all purposes of this Agreement. Any notice, information, instruction or other communication given by or to the Framework Manager shall be deemed to have been given by or to the Contractor.

4.3 Replacement of Framework Manager

The Contractor may at any time during the Term and subject always to the prior approval of the Employer terminate the appointment of the Framework Manager and appoint a substitute.

4.4 Gateway Manager

Within 7 days of the date of this Agreement the Employer shall notify the Contractor of the person appointed by the Employer to act as its principal contact for the purposes of this Agreement.

4.5 Replacement of the Gateway Manager

The Employer shall notify the Contractor of any change in the identity of its Gateway Manager

4.6 Relationship Manager

Within 7 days of the date of this Agreement the Employer shall notify the Contractor of the persons appointed by the Other Authorities to act as the principal contact of each of the Other Authorities for the purposes of the framework.

4.7 Replacement of the Relationship Manager

The Employer shall notify the Contractor of any change in the identity of the Relationship Managers.

4.8 Agreement to Work Together

The Employer and the Contractor agree to work with each other in relation to this Agreement and each contract entered into between the parties under this Agreement in a co-operative and collaborative manner and in a spirit of mutual trust and respect. To this end, each party shall give to, and welcome from, the other party feedback on performance and shall draw the other party's attention to any difficulties and shall share information openly, at the earliest practicable time

4.9 Agreement to Work with Other Persons

The Contractor shall work with any persons engaged or appointed or employed by the Employer in connection with any works or projects or services relating to or in any way connected with the Works or any of them in a co-operative and collaborative manner.

4.10 Participation in Meetings

The Contractor shall (at the request of the Employer) participate in meetings with the Employer either with or without the Relationship Managers other persons engaged or appointed or employed by the Employer in connection with any works or projects or services relating to or in any way connected with the Works or any of them to discuss actual or potential improvements to the delivery of Works.

4.11 Effect of the failure to comply with Clauses 4.8, 4.9 and/or 4.10

In the event of any dispute between the parties, any court or adjudicator or other forum to which the dispute is referred may take into account the parties' failure to comply with clauses 4.8, 4.9 & 4.10.

5. TERM

This Agreement shall commence on the Commencement Date and, unless terminated earlier in accordance with the provisions of clause 9, shall end at midnight on the day immediately preceding the fourth (4th) anniversary of the Commencement Date

6. KEY PERFORMANCE INDICATORS

Throughout the Term the performance of the Contractor in relation to each Contract shall be measured against the Key Performance Indicators. The Employer shall be entitled, in its absolute discretion, to add to, amend or delete any of the Key Performance Indicators. The parties shall meet at such intervals set out by the Employer from time to time but in any event at least once in each year of the Term. The purpose of the meeting is to review the Contractor's performance in relation to the Key Performance Indicators on each Contract. The Employer shall maintain a record of all Key Performance Indicators collected in relation to each Contract and of a summary of the review meetings that take place.

7. CONTINUOUS IMPROVEMENT

During the Term and in relation to each and every Contract entered into between the Employer and the Contractor, the Contractor shall identify and achieve continuous improvement in the quality of and the way in which the Works are carried out and a reduction in the costs, wastage, construction related accidents and the time taken to deliver completed Works.

8. ASSIGNMENT AND SUB-CONTRACTING

8.1 Assignment by the Employer

The Employer shall be free to assign, novate, transfer, sub-contract or otherwise dispose of any or all of its rights and obligations under this Agreement and/or any Contract and the Contractor shall enter into such deeds of novation in respect thereof as the Employer shall reasonably require.

8.2 Assignment by the Contractor

This Agreement and any Contract are personal to the Contractor and the Contractor shall not be entitled to assign, novate, transfer, sub-contract or otherwise dispose of any or all of its rights and obligations under this Agreement .

9. TERMINATION

9.1 Termination by the Employer

Without prejudice to any other rights or remedies to which it may be entitled under this Agreement or any Contract entered into between the Employer and the Contractor or at law or in equity, the Employer may terminate this Agreement with immediate effect at any time on notice to the Contractor if any of the following occur:

- (a) any breach of the terms of this Agreement by the Contractor (other than a breach which is notified to, and remedied by, the Contractor within 10 Working Days of the notice); or
- (b) [the Contractor suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or (being a company) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986; or
- (c) the Contractor commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors other than (where a company) for the sole purpose of a scheme for a solvent amalgamation of that other party with one or more other companies or the solvent reconstruction of that other party; or
- (d) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or on connection with the winding up of the Contractor (being a company) other than for the sole purpose of a scheme for a solvent amalgamation of the Contractor with one or more other companies for the solvent reconstruction of that Contractor; or
- (e) an application is made to court, or an order is made, for the appointment of an administrator or a notice of intention to appoint an administrator is given or if an administrator is appointed over the Contractor (being a company); or
- (f) a floating charge holder over the assets of the Contractor (being a company) has become entitled to appoint or has appointed an administrative receiver; or
- (g) a person becomes entitled to appoint a receiver over the assets of the Contractor or a receiver is appointed over the assets of the Contractor; or
- (h) a creditor or encumbrancer of the Contractor attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its assets and such attachment or process is not discharged within 14 days; or
- (i) any event occurs, or proceeding is taken, with respect to the Contractor in any jurisdiction to which it is subject that has an effect

equivalent or similar to any of the events mentioned in clause 9.1.2 to clause 9.1.11 (inclusive); or

- (j) the Contractor suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of its business; or
- (k) there is a change of control of the Contractor (within the meaning of section 1124 of the Corporation Tax Act 2010);
- (l) any warranty given in clause 20 (Warranties) is found to be untrue or misleading; or
- (m) in the opinion of the Employer whose opinion shall be final and binding an irreconcilable conflict of interest between the interests of the Employer and the Contractor arises or is likely to arise; or
- (n) a Persistent Breach; or
- (o) a Contract is terminated early by the Employer; or
- (p) any serious breach of a health and safety obligation under any Contract.

9.2 Termination by the Contractor

The Contractor may terminate this Agreement:

- (a) at any time by serving not less than two (2) months' prior notice on the Employer; and
- (b) following any material breach by the Employer (other than a material breach which is notified to, and remedied by, the Employer within 10 Working Days of the notice).

9.3 Effects of Expiry or Termination

- (a) Upon expiry or termination of this Agreement howsoever arising and subject always to the other provisions of this clause 9.3 all rights and obligations hereunder shall immediately cease and determine without prejudice to any rights of action then accrued under this Agreement including any rights which either party may have in respect of a claim for damages for breach by the other party of any of the terms of this Agreement.
- (b) The expiry or termination of this Agreement shall not automatically terminate any Contract in force at the date of expiry or termination unless in the case of termination of this Agreement the reason for termination of this Agreement is also a ground for the termination of such Contract and where such termination is optional such option is exercised.
- (c) The following clauses shall survive expiry or termination of this Agreement (howsoever arising): clause 11 and clause 9.3.

10. GUARANTEE, BOND, COLLATERAL WARRANTIES, NOVATION

If so required under any Contract the Contractor shall within 14 days of entering into such Contract provide or procure the provision of a Guarantee, Bond, Collateral Warranty and/or Novation.

11. REQUIRED INSURANCES

11.1 The Contractor shall within 7 days of the Commencement Date take out and thereafter maintain at all times during both the Term and where the Contract extends beyond the Term, for the term provided for in the Contract, the Required Insurances. Where the Employer instructs the Contractor to take out and maintain Professional Indemnity Insurance in relation to any Contract the term Required Insurance shall be deemed to include Professional Indemnity Insurance.

11.2 Whenever requested by the Employer, the Contractor shall provide to the Employer, copies of all insurance policies (including any variations or amendments) in relation to the Required Insurances and evidence that all premiums thereunder have been fully paid.

11.3 The Contractor shall comply on a day to day basis with the terms, conditions and limitations of the Required Insurances throughout the Term. In particular, the Contractor shall notify the Employer if any matter or element is refused insurance cover or the cover therefore is withdrawn or if there any exclusions from such cover or deductions in respect of any insured risks.

11.4 The Contractor shall not do or allow to be done anything whereby any Required Insurance may lapse or become wholly or partly void or voidable.

12. TRAINING AND EMPLOYMENT OPPORTUNITIES

12.1 TRT at Framework level

The Contractor shall actively participate in the potential for economic, social and environmental wellbeing and regeneration which results from any Contract. The Employer and the Other Authorities' outline requirements in this regard are set out in Schedule 6. The Contractor shall deliver the outputs set out in the Contractor's TRT Method Statement as part of the Contractor's obligations under any Contract. .

12.2 TRT at Contract level

The Contractor shall review and update the Contractor's TRT Method Statement and in particular to tailor the Contractor's TRT Method Statement to the specific economic social and environmental wellbeing and regeneration needs in relation to each specific Contract.

13. NOTICES

All notices required to be given under the terms of this Agreement must be given via E-mail to the SWWRCF Portal SWWRCF@cararthenshire.gov.uk

14. NO AGENCY, PARTNERSHIP OR JOINT VENTURE

Nothing contained in this Agreement shall be construed as creating an agency, partnership or joint venture relationship between the parties.

15. DATA PROTECTION ACT

15.1 DPA interpretation

For the purposes of this Clause, the terms “Data Controller”, “Data Processor”, “Data Subject”, “Personal Data”, “Process” and “Processing” shall have the meaning prescribed under the DPA.

15.2 DPA general obligations

The Contractor shall (and shall procure that any of its Staff involved in the provision of this Contract) be registered under the Data Protection Act 1998 (“DPA”) and both Parties will duly observe all their obligations under the Act which arise in connection with this Agreement and any Contract.

15.3 DPA processing obligation

Notwithstanding the general obligation in Clause 15.2, where the Contractor is processing Personal Data (as defined by the DPA) as a data processor for the Employer the Contractor shall:

- (a) Process the Personnel Data only in accordance with instructions from the Employer (which may be specific instructions or instructions of a general nature) as set out in this Contract or as otherwise notified by the Contracting Authority;
- (b) comply with all applicable laws;
- (c) Process the Personal Data only to the extent; and in such manner as is necessary for the provision of the Provider’s obligations under this Agreement and under any Contract or as is required by Law or any Regulatory Body;
- (d) implement appropriate technical and organisational measures to protect the Personal Data against unauthorised or unlawful Processing and against accidental loss, destruction, damage, alteration or disclosure. These measures shall be appropriate to the harm which might result from any unauthorised or unlawful Processing, accidental loss, destruction or damage to the Personal Data and having regard to the nature of the Personal Data which is to be protected;
- (e) take reasonable steps to ensure the reliability of its staff and agents who may have access to the Personal Data;
- (f) obtain prior written consent from the Employer in order to transfer the Personal Data to any sub-contractor for the provision of the Works;
- (g) not cause or permit the Personal Data to be transferred outside of the European Economic Area without the prior consent of the Employer;

(h) ensure that all staff and agents required to access the Personal Data are informed of the confidential nature of the Personal Data and comply with the obligations set out in this clause 15;

(i) ensure that none of the staff and agents publish disclose or divulge any of the Personal Data to any third parties unless directed in writing to do so by the Employer;

(j) not disclose Personnel Data to any third parties in any circumstances other than with the written consent of the Employer or in compliance with a legal obligation imposed upon the Employer; and

15.4 Notification of request or complaint

Notify the Employer (within [five] Working Days) if it receives:

(a) a request from a Data Subject to have access to that person's Personal Data; or

(b) a complaint or request relating to the Employer's obligations under the DPA;

15.5 Continuance of obligations

The provisions of this Condition shall apply during the continuance of this Agreement and any Contract and indefinitely after their respective expiry or termination.

16. FREEDOM OF INFORMATION ACT (FOIA)

The Contractor acknowledges that the Employer is subject to the requirements of the FOIA and shall assist and co-operate with the Employer (at the Contractor's expense) to enable the Employer to comply with its Information disclosure requirements.

The Contractor shall and shall procure that its sub-contractors shall:

(a) transfer any Request for Information to the Employer as soon as practicable after receipt and in any event within two (2) Working Days of receiving a Request for Information;

(b) provide the Employer with a copy of all Information in its possession or power in the form that Employer requires within 7 Working Days (or such other period as the Employer may specify) of the Employer requesting that Information; and

(c) provide all necessary assistance as reasonably requested by the Employer to enable the Employer to respond to a Request for Information within the time for compliance set out in the FOIA

The Employer shall be responsible for determining at its absolute discretion whether any Information

- (i) is exempt from disclosure in accordance with the provisions of the FOIA; and
- (ii) is to be disclosed in response to a Request for Information

and in no event shall the Contractor respond directly to a Request for Information unless expressly authorised to do so by the Employer.

The Contractor acknowledges that the Employer may be obliged under the FOIA to disclose Information:

- (iii) without consulting with the Contractor, or
- (iv) following consultation with the Contractor and having taken its views into account

Without prejudice to the provisions of this clause 15, the Contractor shall ensure that all information produced in the course of this Agreement or any Contract between the parties or relating to this Agreement or any Contract is retained for disclosure and shall permit the Employer to inspect such records as requested from time to time.

17. EQUAL OPPORTUNITIES

- 17.1 Without prejudice to the Contractor's obligations to undertake the Works in accordance with all the Statutory Obligations, the Contractor shall at all times during the Term and for the term of each of the Contracts operate an equal opportunities policy that complies with the statutory obligations set down in the Equality Act 2010 and such provisions of the following statutes that have not been amended or repealed by the Equality Act 2010 : Race Relations Act 1976, the Race Relations (Amendment Act) 2000, Equal Pay Act 1970 and 1983, Sex Discrimination Act 1976 and 1986 and the Disability Discrimination Act 1995, Maternity and Paternity Leave etc Regulations 1999. Protection from Harassment Act 1997, Human Rights Act 1998 and the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000 and it shall not treat one group of people less favourably than others because of their colour race nationality ethnic origin gender sexual orientation disability age or religion in relation to decisions to recruit train or promote staff.
- 17.2 The Contractor shall take all reasonable steps to ensure that all agents and sub-contractors or sub-consultants engaged in the delivery of the Works pursuant to any Contract between the parties do not unlawfully discriminate and comply with the provisions equivalent to those set out in this clause.

18. CONFIDENTIALITY

- 18.1 The Contractor shall:
- (a) keep the Confidential Information confidential;
 - (b) not use the Confidential Information otherwise than for the purposes of this Agreement and the relevant Contracts between the parties; and
 - (c) disclose the Confidential Information only on a need to know basis and in confidence to those of its employees who require knowledge

thereof for the purposes of this Agreement and/or the relevant Contracts between the parties and who are subject to obligations of confidentiality to the Contractor [and in confidence to those of its professional advisors and/or auditors who are required to provide advice in respect of this Agreement and/or any Contract between the parties].

- 18.2 The restrictions on disclosure contained in clause 18.1(c) shall not apply to information which is in the public domain at the date of disclosure or which subsequently enters the public domain otherwise than as a consequence of any unauthorised disclosure, act or omission by the Contractor, its employees, its professional advisers or auditors. For the purposes of this clause 18.2, Confidential Information shall not be considered to be in the public domain merely because parts of it are known or because it is known to a few people but is not generally freely available.
- 18.3 No announcement concerning the existence or subject matter of this Agreement, any Contract between the parties or any ancillary matter shall be made by the Contractor at any time except as required by law or by any legal or regulatory authority or with the prior written approval of the Employer.
- 18.4 The Contractor shall not take any photograph film tape or other recording of any Works or publish the same without the Employer prior written consent.

19. ENTIRE AGREEMENT

With the exception of the Contractor's tender representations and statements made fraudulently, this Agreement and any and all Contracts between the parties set out the entire agreement between the parties relating to the subject matter hereof and supersedes all prior negotiations representations and undertakings all previous agreements between the parties relating to the subject matter of this Agreement.

20. VARIATIONS

No modification or alteration to the terms of this Agreement shall have effect unless the same is agreed in writing and signed by a duly authorised representative of each of the parties.

21. PROCUREMENT ON BEHALF OF EMPLOYER

Where the Contractor is required to secure the provision of goods and services (including equipment) on behalf of the Employer or as an element of any Contract this shall be effected in accordance with

- (a) any terms instructed by the Employer to comply with the Employer's Financial Regulations; and
- (b) the terms of this Agreement.

22. WARRANTIES

- 22.1 The Contractor warrants to the Employer as follows:

- (a) it has the power to enter into and perform its obligations under this Agreement and any and all Contracts;
- (b) it is not under any obligation to any person whether express or implied which would or might conflict with the full and proper performance of its obligations under this Agreement and any and all Contracts; and
- (c) any and all information provided to the Employer by the Contractor in connection with the Employer's tender process in respect of this Agreement prior to the Commencement Date is true, complete and accurate and is not misleading in any respect

22.2 Each of the warranties set out in clause 22.1 shall be interpreted and construed as a separate warranty and shall not be limited or restricted by reference to any other warranty or any other provision of this Agreement or of any Contract and shall be deemed to have been repeated by the Contractor at the date of execution of each and every Contract.

23. CORRUPT GIFTS AND COLLUSION

23.1 In relation to this Agreement or any Contract between the parties the Contractor shall not give nor offer to give any gift or consideration of any kind whatsoever as an inducement or reward to any employee or agent of the Employer. The Contractor shall not take any gift or consideration from any other contractor or consultant with an interest in this Agreement any Contract or any Works.

23.2 The Contractor warrants that it has not breached and will not breach any competition law and has not colluded nor unlawfully collaborated with any person.

24. NO WAIVER

No delay by either party in exercising, or failure by either party to exercise, any right, power or remedy provided by law or under this Agreement shall operate as a waiver of that or any other right, power or remedy; or affect the other terms of this Agreement or the relevant Contract between the parties (as applicable). The single or partial exercise of any right, power or remedy provided by law or under this Agreement or any Contract between the parties shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy. A waiver of any breach of or default under this Agreement or any Contract between the parties shall not constitute a waiver of any other breach or default and will not prevent a party from subsequently requiring compliance with the waived obligation.

25. DISPUTE RESOLUTION

25.1 Notification

As soon as any party is aware of any difference or dispute with the other party arising out of, or in connection with, this Agreement which does not fall to be dealt with under a Contract between the parties, it shall give notice to the other party.

25.2 Negotiation

The parties shall endeavour to resolve any difference or dispute by direct negotiation in good faith between senior executives and each party shall give serious consideration to a request by the other party to refer a difference or dispute to mediation.

25.3 Adjudication

Any disputes arising under or in connection with this Agreement may be referred by either party to adjudication in accordance with the Scheme for Construction Contracts at any time. In the absence of agreement between the parties as to the choice of adjudicator, the adjudicator shall be appointed by the Chairman for the time being of the Technology and Construction Solicitors Association or his nominated representative.

25.4 Litigation

The decision of any adjudicator shall be binding on and implemented by the parties pending any final determination of the relevant dispute by the courts of England & Wales, applied in Wales.

26. JURISDICTION & GOVERNING LAW

This Agreement shall be governed by the laws of England and Wales as applied in Wales and the parties submit to the non-exclusive jurisdiction of the Courts of England and Wales

27. CHANGE IN LAW

27.1 No release

The Contractor shall neither be relieved of its obligations under this Agreement nor to carry out the Works under any Contract nor be entitled to an increase in the charges as the result of:

- (a) a General Change in Law; or
- (b) a Specific Change in Law where the effect of that Specific Change in Law on the Works is known at the Commencement Date.

27.2 Notification

If a Specific Change in Law occurs or will occur during the Term (other than those referred to in Clause 25.1), the Contractor shall notify the Employer of the likely effects of that change, including:

- (a) whether any change is required to the Works, the Schedule of Staff Rates, or any prices under any Contracts; and
- (b) whether any relief from compliance with the Contractor's obligations is required, including any obligation to achieve any milestones or to meet any of its obligations at any time.

27.3 Mitigation

As soon as practicable after any notification in accordance with Clause 27.2 the Parties shall discuss and agree the matters referred to in that Clause and any ways in which the Contractor can mitigate the effect of the Specific Change of Law, including:

- (a) providing evidence that the Contractor has minimised any increase in costs or maximised any reduction in costs, including in respect of the costs of its subcontractors;
- (b) demonstrating that a foreseeable Specific Change in Law had been taken into account by the Contractor before it occurred;
- (c) giving evidence as to how the Specific Change in Law has affected the cost of providing the Works; and
- (d) demonstrating that any expenditure that has been avoided has been taken into account in amending the Schedule of Staff Rates and any prices under any Contract.

28. RIGHTS OF THIRD PARTIES

This Agreement is not intended to confer any benefit on any third party nor are any of its terms intended to be enforced by any third party and the provisions of the Contracts (Rights of Third Parties) Act 1999 shall accordingly not apply.

EXECUTED AS A DEED by the

EMPLOYER by the affixing of its Common Seal

in the presence of:-

Authorised Signatory

EXECUTED AS A DEED by the

CONTRACTOR acting by :-

Director

Director/Secretary

[OR

EXECUTED AS A DEED by the

CONTRACTOR acting by :-

Director

In the presence of

Witness signature

Witness Name

Witness Address

Schedule 1 WORKS

[Select the appropriate lot and delete the reference to the others]

[Lot 1 – Regional Property Construction Projects Over £12 million in Value. Tier 1 Construction Works value £12million and over for the whole region to comprise of Neath Port Talbot County Borough Council, City and County of Swansea, Carmarthenshire County Council and Pembrokeshire County Council.

The works will comprise the instruction, design and construction activities in relation to schools and any other public buildings. The contracts allocated under the framework may include refurbishment and/or new build and may involve single site projects or groups of sites including groups involving more than one authority.

Lot 2 – East Division Regional Construction Projects between £3.5 and £12 million in Value. Tier 2 East Area Construction Works value £3.5 to £12million for the whole region to comprise of Neath Port Talbot County Borough Council, City and County of Swansea.

The works will comprise the instruction, design and construction activities in relation to schools and any other public buildings. The contracts allocated under the framework may include refurbishment and/or new build and may involve single site projects or groups of sites including groups involving more than one authority.

Lot 3 - West Division Regional Construction Projects between £3.5 and £12 million in Value. General Description:
Tier 2 Construction Works value £3.5 to £12million for the whole region to comprise of Carmarthenshire County Council and Pembrokeshire County Council

The works will comprise the instruction, design and construction activities in relation to schools and any other public buildings. The contracts allocated under the framework may include refurbishment and/or new build and may involve single site projects or groups of sites including groups involving more than one authority.]

Schedule 2 SCHEDULE OF STAFF RATES

[This is to be the completed Schedule of Staff Rates submitted by the selected Contractor in response to the form set out in the completed Volume 4 at ITT stage]

Schedule 3 REQUIRED INSURANCES

The Contractor shall take out and maintain the following insurances in the following minimum amounts:

Employer's Liability Insurance:

A policy of employer's liability insurance for the benefit of the Insured Parties in respect of personal injury illness disease or death of any persons under a contract of employment with the Contractor arising out of and in the course of such person's employment.

Limit of Liability: £5m each and every claim

Insured Parties: include the Contractor and the Employer

Public Liability Insurance:

A policy of public liability insurance for the benefit of the Insured Parties covering legal liability in respect of personal injury to or death of third parties and/or loss or damage to third party property arising out of or in connection with the Contractor's performance of each and every Contract between the parties.

[for Lot 1]

Limit of Liability: £10m each and every claim

[for Lots 2 & 3]

Limit of Liability: £5m each and every claim

Insured Parties: include the Contractor and the Employer

Contractor's All Risk Insurance

A policy of "all risks" insurance for the benefit of the Insured Party covering legal liability in respect of physical loss or damage to any permanent and temporary works plant and materials, equipment and all other property used in connection with the Works.

Limit of Liability: £10 million each and every claim

Insured Parties: Include the Contractor and the Employer.

Schedule 4 KEY PERFORMANCE INDICATORS

PART 1 THE INDICATIVE KPI'S APPLICABLE TO THE CONTRACTOR

	Indicator	Purpose	Measurement (Using a 1:10 scale where 10 is totally satisfied and 5/6 is neither satisfied nor dissatisfied and 1 is totally dissatisfied)	Score	Benchmark
A	Collaborative Working	[To measure the impact of how collaborative working adds value]	How satisfied is the Employer with the performance of the Contractor and its sub-Contractors in contributing to a collaborative culture of openness and sharing information?		
B	Cost Predictability	To measure the capability of achieving actual outturn costs within projected outturn costs	How satisfied is the Employer with the achievement of actual outturn costs within projected outturn costs		
C	Quality	To measure the quality of the Works delivered at the completion date	How satisfied is the Employer with the overall performance of the Contractor.		
D	Health & Safety	To measure and reduce/eliminate the number of accidents/hazards on site	How satisfied is the Employer with the reduction/elimination of the number of accidents/hazards on site and in the carrying out of the works.		
E	Sustainability & Waste	To measure and reduce/eliminate the amount of waste to landfill and generally	How satisfied is the Employer with the performance of the Contractor with [set out Employer's expectation levels for achieving its sustainability criteria and its reduction and management of		

			waste] [WRAP]		
F	Targeted Recruitment & Training	To measure the economic, social and environmental wellbeing and regeneration outputs offered by the Contractor	How satisfied is the Employer with the type, quality and frequency of TRT being delivered by the Contractor to the Employer		

Schedule 5 CONTRACT DATA

PART 1 - DATA PROVIDED BY THE EMPLOYER

Completion of the data in full, according to the Options chosen, is essential to create a complete contract.

Statements given in all

contracts

1 General

- The *conditions of contract* are the core clauses and the clauses for main Option [A, B, C, D]¹ dispute resolution Option W2 and secondary Options X5, X7, X16² and Z1 to Z10³ of the NEC3 Engineering and Construction Contract (June 2005) with amendments dated June 2006.
- The *Works* are
.....
- The Employer is
Name : [insert name of Employer], its successors and assignees
Address : [insert address and postcode]
- The Project Manager is
Name
Address
.....
- The Supervisor is
Name [NOT USED]
Address
- The *Adjudicator* is [the Adjudicator nominated by the Adjudicator Nominating Body
Name

¹ Delete as appropriate and then delete this footnote.

² Insert secondary options as required on a project by project basis, then delete this footnote.

³ Amend, depending upon which Z clauses actually adopted and then delete this footnote.

Address
.....]

- The Works Information is in
.....
- The Site Information is in
.....
.....
.....
- The *boundaries of the site* are
- The language of this contract is English
- The *law of the contract* is the law of England & Wales as applied in Wales
- The *period for reply* is [two (2)] weeks.
- The *Adjudicator nominating body* is the Chairman for the time being of the Technology and Construction Solicitors Association or his nominated representative.
- The *tribunal* is [litigation]
- The following matters will be included in the Risk Register, [the form of which appears at Appendix []]
.....
.....
.....

3 Time

- *The starting date* is.....

- The access dates are

Part of the Site	Date
1
2
3

- The *Contractor* submits revised programmes at intervals no longer than

..... weeks.

4 Testing and Defects

- The *defects date* is [fifty two (52)] weeks after Completion of the whole of the *works*.
- The *defect correction period* is [four (4)] weeks except that
- The *defect correction period* for is weeks
- The *defect correction period* for is weeks.

5 Payment

- The currency of this contract is pounds sterling
- The *assessment interval* is [four (4)] weeks (not more than five).
- The *interest rate* is [two (2)]% per annum above the base rate of Bank of England

6 Compensation events

- The place where weather is to be recorded is
- The *weather measurements* to be recorded for each calendar month are
 - the cumulative rainfall (mm)
 - the number of days with rainfall more than 5 mm
 - the number of days with minimum air temperature less than 0 degrees Celsius
 - the number of days with snow lying at.....hours GMT
 - and these measurements:

.....
.....
.....

7 Weather

- The *weather measurements* are supplied by.....
- The *weather data* are the records of past *weather measurements* for each calendar month which were recorded at

and which are available from Met Office Sutton House
London Road Bracknell RG12 2SY

[Where no recorded data are available]

- Assumed values for the ten year return *weather data* for each *weather measurement* for each calendar month are
.....
[Not used]
.....
.....

8 Risks and insurance

- The minimum limit of indemnity for insurance in respect of loss of or damage to property (except the *Works*, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the *Contractor*) caused by activity in connection with this contract for any one event is [ten million pounds (£10,000,000)]
- The minimum limit of indemnity for insurance in respect of death of or bodily injury to employees of the *Contractor* arising out of and in the course of their employment in connection with this contract for any one event is [ten million pounds (£10,000,000)]
- [Minimum limit of indemnity for insurance in respect of claims made against the *Contractor* arising out of his failure to use the skill and care normally used by professional providing services similar to those included in the *Works* is two million pounds (£2,000,000).]
- [The minimum limit of indemnity for insurance in respect of a failure by the Contractor to use skill and care to be expected of a competent design and build contractor and competent professional designer for at least [£5m] each and every event without limit on the number of claims for a period of 12 years from the completion date.]

Optional Statements

[If the tribunal is arbitration]

- The *arbitration procedure* is.....
NOT USED.....
- The place where arbitration is to be held is
.....
- The person or organisation who will choose an arbitrator
 - if the Parties cannot agree a choice or
 - if the *arbitration procedure* does not state who

selects an arbitrator is

.....

If the Employer has decided the Completion Date for the whole of the works

- The *Completion Date* for the whole of the *works* is

.....

If the Employer is not willing to take over the works before the Completion Date

- The *Employer* is not willing to take over the *works* before the Completion Date.

If no programme is identified in part two of the Contract Data

- The *Contractor* is to submit a first programme for acceptance withinweeks of the Contract Date.

If the Employer has identified work which is to meet a stated condition by a key date

- The *key dates* and *conditions* to be met are

<i>condition</i> to be met	<i>key date</i>
----------------------------	-----------------

1

2

3

If the period in which payments are made is not three weeks and Y(UK)2 is not used

- The period within which payments are made is.....

If Y(UK)2 is used and the final date for payment is not 14 days after the date when payment is due

- The period for payment is

If there are additional compensation events

- These are additional compensation events

1

2

3

If there are additional Employer’s risks

- These are additional *Employer’s* risks

1

2

3

If the Employer is to provide Plant and Materials

- The insurance against loss of or damage to the *works*, Plant and Materials is to include cover for Plant and Materials provided by the *Employer* for an amount of

.....

If the Employer is to provide any of the insurances stated in the Insurance Table

- The *Employer* provides these insurances from the Insurance Table

1. Insurance against

Cover/indemnity is.....

The deductibles are.....

2. Insurance against.....

Cover/indemnity is.....

The deductibles are.....

3. Insurance against.....

Cover/indemnity is.....

The deductibles are.....

If additional insurances are to be provided

- The *Employer* provides these additional insurances

1. Insurance against.....

Cover/indemnity is.....

The deductibles are.....

2. Insurance against

Cover/indemnity is

The deductibles are

3. Insurance against

Cover/indemnity is.....

The deductibles are

- The *Contractor* provides these additional insurances

1. Insurance against

Cover/indemnity is

2. Insurance against

Cover/indemnity is

3. Insurance against

Cover/indemnity is.....

If Option B or D is used

- **The method of measurement is**
amended as follows
.....
.....

If Option C or D is used

- **The Contractor's share percentages and the share ranges are**

share range	Contractor's share percentage
less than% %
from % to % %
from % to % %
greater than % %.

If Option C,D, [E or F] is used

- The *Contractor* prepares forecasts of Defined Cost for the *works* at intervals no longer than weeks.

- The *exchange rates* are those published in.....
on.....(date).

Price adjustment for inflation

[If Option X1 (Price Adjustment for Inflation) is used

- The proportions used to calculate the Price Adjustment Factor are

- 0. linked to the index for
- 0.
- 0.
- 0.
- 0.
- 0.
- 0. non-adjustable

1.00

- The *base date* for indices is.....
- The indices are those prepared by]

Sectional Completion

[If Option X5 is used

- The completion date for each section of the works is

<i>section</i>	<i>description</i>	<i>completion date</i>
1
2
3
4]

Bonus for early completion for each section [If Options X5 and X6 are used together

- The bonus for each *section* of the *works* is

<i>Section</i>	<i>description</i>	<i>amount per day</i>
1
2
3
4

Remainder of the works

.....]

Delay damages for each section [If Options X5 and X7 are used together]

Delay damages for each *section* of the *works* are

<i>section</i>	<i>description</i>	<i>amount per day</i>
1
2
3
4

Remainder of the *works*]

Bonus for early completion for whole of the works [If Option X6 is used (but not if Option X5 is also used)]

- The bonus for the whole of the *works* is..... per day.]

Delay damages for whole of works If Option X7 is used (but not if Option X5 is also used)

- Delay damages for Completion of the whole of the *works* are per day.

Partnering Option X12 is not used

- The *Client* is
Name
Address
.....
- The Client's objective is
.....
- The Partnering Information is in
.....]

Performance Bond Option X13 is not used

- The amount of the performance bond is

Advanced Payment to the Contractor [If Option X14 is used]

- The amount of the advanced payment is.....
- The *Contractor* repays the instalments in assessments starting not less than weeks after the Contract

Date.

- The instalments are
-

(either an amount or a percentage of the payment otherwise due)

- An advanced payment bond is/is not⁴ required.]

Retention

If Option X16 is used

- The *retention free amount* is.....
- The *retention percentage* is %.

Low performance damages

If Option X17 is used

- The amounts for low performance damages are

amount	performance level
.....	for
.....	for.....

Limitation liability

of Option X18 is not used

- The *Contractor's* liability to the *Employer* for indirect or consequential loss is limited to
- For any one event, the *Contractor's* liability to the *Employer* for loss of or damage to the *Employer's* property is limited to
- The *Contractor's* liability for Defects due to his design which are not listed on the Defects Certificate is limited to.....
- The *Contractor's* total liability to the *Employer* for all matters arising under or in connection with this contract, other than excluded matters, is limited.....
- The *end of liability date* is years after the Completion of the whole of the *works*.]

Key Performance Indicators

If Option X20 is used (but not if Option X12 is also used)

- The *incentive schedule* for Key Performance Indicators is in

⁴ Delete as appropriate then delete this footnote.

- A report of performance against each Key Performance Indicator is provided at intervals of months.

The Contracts (Rights of Third Parties) Act 1999

Option Y(UK)3 is not used

- term person or organisation
-
-
-
-]

Additional Conditions of Contract

If Option Z is used

- The *additional conditions of contract* set out at [] are part of this contract.

PART 2 DATA PROVIDED BY THE CONTRACTOR

Completion of the data in full, according to the Options chosen, is essential to create a complete contract.

Statements given in all contracts

- The Contractor is
Name
Address
.....
- The *direct fee percentage* is %.
- The *subcontracted fee percentage* is %.
- The *working areas* are the Site and
- The key people are
(1) Name
Job
Responsibilities
.....
Qualifications
Experience
.....
(2) Name
Job
Responsibilities
.....
Qualifications
Experience
.....
- The following matters will be included in the Risk Register
.....
.....

Optional statements

.....
.....

If the Contractor is to provide Works Information for his design

- The Works Information for the *Contractor's* design is in
.....
.....
.....
.....
.....

If a programme is to be identified in the Contract Data

- The programme identified in the Contract Data is

If the Contractor is to decide the completion date for the whole of the works

- The *completion date* for the whole of the *works* is

If Option A or C is used

- The *activity schedule* is

If Option B or D is used

- The *bill of quantities* is

If Option A, B, C or D is used

- The tendered total of the Prices is

[If Option F is used

- Work which the *Contractor* will do himself is

activity	price(lump sum or unit)
.....
.....
.....]

**Data for
Schedule of Cost
Components**

If Option A or B is used

- The percentage for people overheads is %.
- The published list of Equipment is the last edition of the list published by.....
- The percentage for adjustment for Equipment in the published list is.....% (state plus or minus)
- The rates for other Equipment are

Equipment	size or capacity	rate
------------------	-------------------------	-------------

.....
.....
.....
.....

- The hourly rates for Defined Cost of design outside the Working Areas are

category of employee	hourly rate
-----------------------------	--------------------

.....
.....
.....
.....

- The percentage for design overheads is%.
- The categories of design employees whose travelling expenses to and from the Working Areas are included in Defined Cost are

.....

**Data for
Schedule of Cost
Components**

If Option C, D or E is used

- The listed items of Equipment purchased for work on this contract, with an on cost charge, are

Equipment	time-related charge	per time period
------------------	----------------------------	------------------------

.....	per
.....	per

..... per

..... per

- The rates for special Equipment are

Equipment	size or capacity	rate
.....
.....
.....
.....

- The percentage for Working Areas overheads is %.

- The hourly rates for Defined Cost of manufacture and fabrication outside the Working Areas are

category of employee	hourly rate
.....
.....
.....
.....

The percentage for manufacture and fabrication overheads is %.

Data for both schedules of cost components

If Option C,D or E is used

- The hourly rates for Defined Cost of design outside the Working Areas are

category of employee	hourly rate
.....
.....
.....
.....

- The percentage for design overheads is %.

- The categories of design employees whose travelling expenses to and from the Working Areas are included as a cost of design of the *works* and Equipment done outside of the Working Areas

are

.....
.....
.....

**Data for the
Shorter Schedule
of Cost
Components**

If Option C, D or E is used

- The percentage for people overheads is%.
- The published list of Equipment is the last edition of the list published by
.....
- The percentage for adjustment for Equipment in the published list is
 -
% (state plus or minus).
- The rates for other Equipment are

Equipment	size or capacity	rate
.....
.....
.....
.....

OPTION Z ADDITIONAL CONDITIONS OF CONTRACT AND AMENDMENTS TO CONDITIONS OF CONTRACT

The contract shall be amended as set out below.

1 General

Clause 11 Identified and defined terms

Insert the following definitions:

Clause 11(23) Defined Cost

Retain the existing text and at the end of the definition add the following words:

“and the Contractor shall at all times present information on Defined Cost to the Project Manager and Employer in the form of the Exemplar Cost Schedule set out at Appendix C

Clause 11(24) Disallowed Cost

Retain the existing text and at the end of the definition add the following words:

“including the examples of Disallowed Cost set out in the Exemplar Cost Schedule at Appendix C which shall be a non-exhaustive list and the Contractor shall at all times present information on Defined Cost to the Project Manager and Employer in the form of the Exemplar Cost Schedule set out at Appendix C

Clause 11.2 (34) Designated Subcontractors

means those sub-contractors appointed by the *Contractor* that have a design responsibility;

Clause 11.2 (35) Professional Team

means any project manager employer’s agent, CDM coordinator, architect quantity surveyor structural engineer mechanical and electrical services engineer and other professional advisers whose services are from time to time appointed by the *Contractor and* references to a ‘member of the Professional Team’ shall be construed accordingly;

Clause 11.2 (37) Contractor’s TRT Method Statement

means the Contractor’s Targeted Recruitment and Training method statement set out at Schedule 6 for this Contract;

Clause 11.2(40) Intellectual Property Rights

means patents, inventions, trade marks, service marks, logos, design rights (whether registrable or otherwise), applications for any of the foregoing, copyright, database rights, domain names, trade or business names, moral rights and other similar rights or obligations whether

registrable or not in any country (including but not limited to the United Kingdom) and the right to sue for passing off.

Clause 11.2(41) Pre-Construction Fee

means the fixed fee set out in the purchase order to be paid by the Employer to the Contractor for the performance of all relevant Pre-Construction Services in relation to the Contract;

Clause 11.2(41) Pre-Construction Services

means such of the services as are set out in the Works Brief (brief particulars of which are attached at Appendix B together with any additional services agreed by the parties and where reference is made to the Works in the Contract, such reference shall at all times be deemed to include the Pre-Construction Services;

Clause 12 Interpretation and the law

Amend sub-clause 12.1: At the end of the clause remove the full stop and add “and any references to any statute or statutory instrument include any amendment or re-enactment of it from time to time and any subordinate legislation or code of practice made under it.”

Clause 14 The Project Manager and the Supervisor

Add the following clause:

Clause 14.5 No inspection testing approval or review nor any omission to inspect test approve or review on the part of the *Employer* is to diminish any duty or liability hereunder of the *Contractor*.

2 The Contractor’s Main Responsibilities

Clause 20.5 Insert new clause 20.5:

"Save to the extent obliged to do otherwise under or pursuant to the contract, the *Contractor* will not specify for use and use reasonable skill, care and diligence to ensure that Subcontractors and/or consultants (including but not limited to the Professional Team) do not specify for use in the Works any materials or substances which at the time of specification are not approved or not recommended or are identified as being deleterious, in the particular circumstances in which they are specified for use. If the *Contractor* becomes aware that any such materials are being used or specified in relation to the works the *Contractor* will notify the *Project Manager* in writing as soon as practicable

Clause 21.1 Delete clause 21.1 and replace with the following:

"The *Contractor* accepts and shall be fully responsible for the design of the *Works* including all designs contained in the *Works Information*, and any design(s) which the *Contractor* prepares or has prepared or has caused or shall cause to be prepared or issued by the Professional

Team or any Subcontractors."

Clause 21.2 Delete clause 21.2 and replace with the following:

The *Contractor* will submit the particulars of his design of the elements of the *Works* set out in the design approval procedure in the Works Information.

Clause 21.4 Insert the following new clause:

The *Contractor* warrants to the *Employer* that it has complied, and will at all times comply, with the terms of this contract and any specifications or requirements included or referred to in this contract and that it has exercised, and will continue to exercise, the degree of skill, care and diligence reasonably to be expected of a competent contractor, and (to the extent that the *Contractor* is responsible for any design under this contract) the degree of skill, care and diligence reasonably to be expected from a competent professional designer or combination of designers, holding himself or themselves out as being competent to carry out the construction and design of the Works.

6 Compensation Events

Delete existing sub-clause 60.3 and replace with: The *Employer* gives no warranty and makes no representation as to the accuracy or completeness of the Site Information. In so far as the *Contractor* relies on the Site Information he does so at his own risk.

Amend sub-clause 60.4: Add new Clause 60.4:
If an event is included as a *Contractor's* risk in the Risk Register it is not a compensation event.

Clause 60.1(10) At the end of Clause 60.1(10) add the following
"or unless the *Employer* had reasonable grounds based on a previous search in the same *section* revealing that materials goods or work of a similar nature in the same *section* were not in accordance with the *contract* for suspecting that such materials goods or work were not in accordance with this *contract*."

Clause 60.1(12) Delete this clause.

Clause 60.1(19) Delete this clause.

Clause 60.3 Delete this clause.

9 Termination

Clause 91 Reasons for termination

Clause 91.1 Delete the line that commences "had an administration order made against it (R8)" and replace it with the following

" an application is made to court against it, or an order if made, for the appointment of an administrator or where there is a notice of intention to appoint an administrator given or if an administrator is appointed over

the Contractor (being a company) (R8)”

Clause Z2

PARENT COMPANY GUARANTEE AND BOND

Insert a new additional condition of contract as follows:

Z2 It is a condition precedent to the obligation of the *Employer* to pay any sums under this Contract that the *Contractor* has provided to the *Employer* those collateral warranties then due under additional condition Z3 and:

(a) delivered to the *Employer* an executed parent company guarantee in the form set out in Appendix D to this contract duly executed as a deed by the *Contractor's* ultimate parent;

(b) delivered to the *Employer* an executed bond in the form set out in Appendix E to this contract by a surety approved in its absolute discretion by the *Employer*.”

Clause Z3

COLLATERAL WARRANTIES

Insert a new additional condition of contract as follows:

Z3.1 "At the request of the *Employer*, whether before or after the completion of the Works, the *Contractor* shall execute as deeds and deliver to the *Employer*, within twenty-one days of any such request any or all of the following one or more deeds of warranty in the form set out in Appendix F to this contract with such amendments as the *Employer* may reasonably require in favour of:

(a) a party or parties purchasing the premises comprising the works or any part thereof;

(b) a party or parties taking, a lease of the premises comprising the works or any part thereof;

(c) a party or parties providing finance to the *Employer* in connection with the works, or any such purchaser or lessee of any part of the works; and

(d) the *Employer* or its successors, in the event the *Employer* or its successor assigns or novates this contract.

Z3.2 *The Contractor*, when requested by the *Employer* procures that any Subcontractor with a design responsibility employed by it in relation to this contract, whether before or after the completion of the works, executes as a deed in the form set-out in Appendix H to this contract with such amendments as the *Employer* or its successor may reasonably require and delivers to the *Employer* within a further twenty one days of any such request the deed to be in favour of the *Employer* or its successor, and any person:

- (a) purchasing the premises comprising the works or any part thereof;
- (b) taking a lease of the premises comprising the works or any part thereof; and
- (c) providing finance to the *Employer* in connection with the works, or any such purchaser or lessee of any part of the works.

Z3.3 The *Contractor* procures that in relation to the any member of the Professional Team engaged by it or novated to it to design any part of the works, whether before or after completion of the works, executes as a deed and delivers to the *Employer* or its successor a deed of warranty in the form set out in Appendix G to this contract with such amendments as the *Employer* or its successor reasonably requires within a further twenty-one days of such request, the deed to be in favour of the *Employer* or its successor, and any person:

- (a) purchasing the premises comprising the works or any part thereof;
- (b) taking a lease of the premises comprising the works or any part thereof; and
- (c) providing finance to the *Employer* in connection with the works, or any such purchaser or lessee of any part of the works.

Z3.4 If the *Contractor* fails to execute and deliver any such deed pursuant to additional condition Z3.1 above, within a further seven days of the *Employer's* final request, the *Employer* may execute such deed on the *Contractor's* behalf, and the *Contractor* hereby appoints the *Employer* as the *Contractor's* attorney for the purpose of executing any such deed and the *Contractor* agrees to ratify and confirm any act done by the *Employer* pursuant to this power of attorney, and agrees that this power is irrevocable pursuant to Section 4, Powers of Attorney Act 1971."

Clause Z4

NOVATION

Insert a new additional condition of contract as follows:

Z4 If requested by the *Employer*, the *Contractor* shall within 7 days of the request, execute as deeds and deliver to the *Employer* deeds of novation in the form set out at Appendix I of the appointment of the architect and the engineer or any other consultant in the *Employer's* professional team."

Clause Z5

CONTRACTOR'S TRT METHOD STATEMENT

Z5.1 The Contractor shall actively participate in the potential for economic, social and environmental wellbeing and regeneration resulting from this Contract and agrees to deliver the Contractor's TRT Method Statement at the times and in the manner set out therein.

Z5.2 The Contractor agrees to review and update the Contractor's TRT

Method Statement throughout the course of the Contract in discussions with the Employer and Project Manager.

Clause Z6

CONTRACTOR'S CONSULTANTS AND SUBCONTRACTORS

Z12.1 The *Contractor* shall forthwith upon execution thereof provide the *Employer* with a copy of the:

Z12.1.1 deed of appointment (the terms of which shall have been previously approved in writing by the *Employer*) entered into with any consultant the *Contractor* may retain to provide design services to the *Contractor* in relation to the Works; and

Z12.1.2 the subcontract entered into with any Subcontractors with design responsibility. Z12.2 If the *Contractor* shall terminate the appointment of the consultant or Designated Subcontractor referred to in Z12.1 above, the *Contractor* shall forthwith give notice in writing to the *Employer* of such event and as soon as practicable appoint or employ a substitute to be approved by the *Employer* such approval not to be unreasonably withheld or delayed. The *Contractor* shall procure the execution by such substitute of deeds of warranty on like terms to those provided in additional condition Z3 (as the case may be) upon the appointment of any such substitute and deliver the same forthwith to the *Employer*.

Clause Z7

PROFESSIONAL INDEMNITY INSURANCE

Insert a new additional condition of contract as follows:

"Z13.1 Without prejudice to the *Contractor's* obligations under this contract or otherwise at law, the *Contractor* undertakes and warrants that it forthwith procures and maintains at its own cost professional indemnity insurance for a sum not less than [£5,000,000 to £10,000,000] in respect of each and every claim to cover the *Contractor's* obligations relating to this contract.

Z13.2 The insurance is to be with a reputable insurance company carrying on insurance business in the United Kingdom, not subject to any unusual terms or excesses having regard to the cover which is available in the insurance market to competent contractors with good claims records and who are of similar size and experience as the *Contractor*.

Z13.3 The insurance is maintained by the *Contractor* for a period of twelve years from the Completion Date and for such period as the *Contractor* has any liability to the *Employer* (howsoever arising), and for so long as cover remains available on commercial rates and terms to competent contractors with good claims records of a similar size and experience as the *Contractor*.

Z13.4 The *Contractor* produces to the *Employer* on demand (but not less than once in any period of 12 months) reasonably satisfactory evidence that the insurance required is in force, and in any event

notifies the *Employer* as soon as reasonably practicable upon its inability to obtain cover, or the cancellation of the insurance, or its inability to renew the insurance.

Z13.5 In respect of a claim by or on account of the *Employer*, the *Contractor* holds any such money received from such insurance (except for the *Contractor's* legal costs in respect of that particular claim) on trust for the *Employer*, and does not make any deduction from those monies without first obtaining the *Employer's* consent in writing."

Clause Z8

PROMPT PAYMENT

Z14.1 In order that the *Project Manager* can assess the amount due at each assessment date, the *Contractor* shall provide to the *Employer* such written proof of payment of the amount that the *Contractor* has notified that the any Subcontractor is due for payment in accordance with the Subcontracts of Designated Subcontractors in relation to any previously certified amounts and in a manner that the *Project Manager* shall so require.

Z14.2 In the event that the *Contractor* fails to provide such written proof of payment within and at the time of each and every assessment date ("the Discrepant Application") it shall be a condition precedent to the *Contractor's* entitlement to payment of the value of the relevant Designated Subcontractor's work in that interim assessment, in relation to any further assessments that the *Project Manager* may undertake that such written proof of payment is provided to the satisfaction of the *Project Manager*. Once the *Contractor* has satisfactorily provided such proof of payment the value of the relevant Designated Subcontractor's work shall, subject to the terms of this Contract, become due in the next assessment by the *Project Manager*.

Clause Z9

BREEAM

The *Contractor* shall carry out and complete the design and construction of the Works under this Contract in accordance with the [insert the version of BREEAM relevant] and in accordance with the process and rating set out in the Works Information.

Clause Z10

Pre-Construction Services

Agreeing Pre-Construction Services

Z10.1 As a condition to the commencement of this Contract, the Employer shall agree with the Contractor:-

- (a) the Pre-Construction Fee;
 - (b) (in conjunction with the Professional Team) a programme for the carrying out of the Pre-Construction Services and the Works, including a date for commencement and a completion date, which shall be based on the target programme provided to the Contractor by the Employer in reasonable time prior to the entry into the relevant agreement for Pre-Construction Services; and
- 4.2 the precise Pre-Construction Services comprised in the Contract together with any relevant specifications or quality standards to be achieved, which shall be based on the Works Brief provided to the Contractor by the Employer in reasonable time prior to the entry into the relevant agreement.

Effect of failure to reach agreement

Z10.2 The parties will use their respective reasonable endeavours to agree the matters referred to in clause 1 in the shortest practicable time. If they fail to do this within a reasonable time (as determined by the Employer by reference to its need for the Contract to be carried out and its prospects of arranging for someone else to carry it out) the Employer will be at liberty to arrange for others to carry out the relevant services if the Employer considers that agreement has not been, or is unlikely to be, agreed in time to enable the Works to be designed and carried out in accordance with the target programme for these activities. The effect of the failure to reach agreement on the matters referred to in clause 1 shall also be deemed to be a termination by mutual consent of the Contract whereupon the parties shall agree the value of the Pre Construction Services and any balance due to one party shall be paid within 21days of the assessment.

Agreeing matters to go into the Contract

Z10.3 Following completion of the Pre-Construction Services, the Employer shall agree with the Contractor: -

Z10.3.1 if NEC Option C is selected, a “Target Cost” [and “Guaranteed Maximum Cost”](as both terms are defined in the Contract

Z10.3.2 the Accepted Programme and Completion Date and any Key Dates(as all are defined in the Contract);

Z10.3.3 [Defined Cost

Disallowed Cost

The Prices

The Fee

Activity Schedule

Conditions of Subcontract

Risk Register

Contract Data – parts one and two]

Z10.3.4 the precise Works required to be carried out by the Contractor together with any relevant specifications or quality standards to be achieved and any other information necessary to complete the Contract.

Z10.4 The parties will use their respective reasonable endeavours to agree the matters referred to in clause Z10.3 in the shortest practicable time. If they fail to do this within a reasonable time (as determined by the Employer by reference to its need for the Contract to be carried out and its prospects of arranging for someone else to carry it out) the Employer will be at liberty to arrange for others to carry out the Contract if the Employer considers that the Contract has not been, or is unlikely to be, agreed in time to enable the Works to be designed and carried out in accordance with the target programme for these activities. The effect of the failure to reach agreement on the matters referred to in clause Z10.3 shall also be deemed to be a termination by mutual consent of the Contract whereupon the parties shall agree the value of the Pre Construction Services and any balance due to one party shall be paid within 21days of the assessment.

Binding Contract

Z10. 5 The issue of a Contract by way of a signed purchase order substantially in the form set out in Schedule 5 to the Framework Agreement between the Employer and the Contractor shall constitute a binding contract between the Employer and the Contractor.

Schedule 6

Targeted Recruitment and Training Clause

1. Introduction

The Contractor is required to actively participate in the economic and social regeneration of the locality and it is a requirement that at the same time as entering into the Contract the Contractor shall deliver specified targeted recruitment and training outcomes as set out in 2 below.

This requirement will ensure delivery of policies and commitments contained within the relevant strategies of each of the Participating Authorities and will be detailed within the individual contract packages.

2. The Requirements

Contractors are required to submit a Targeted Recruitment and Training Method Statement with each valid tender, using the attached pro-forma, setting out how the following outcomes will be achieved without cost to the Participating Authorities.

2.1 New Entrant Trainees

A minimum number of person weeks will be specified within the contract particulars for the employment of new entrant trainees from sources identified by the Participating Authority where:

- *a person-week is the equivalent to one person being employed for 5 days either on the development site **or on other sites** with the agreement of the client, such agreement not to be unreasonably withheld;*
- *new entrant trainee⁽⁵⁾ is a school or college leaver or an adult that has not been employed in the construction industry during the previous 6 months⁽⁶⁾ and who is undertaking training towards a construction industry recognised qualification.*

2.2 Recruitment

Every vacancy on site, including those with sub-contractors, is to be notified to the person or body identified by the Participating Authority at least 3 working days before recruitment from other sources and all candidates identified are to have equality of opportunity in the selection process.

2.3 Remuneration

Trainees and recruits must, as a minimum, be paid in accordance with industry norms and must have terms and conditions of employment that are at least equivalent to those provided to workers that have equivalent skills and experience.

Employers are encouraged to increase the remuneration of trainees in line with their experience and productivity.

⁵ A trainee could be registered as an apprentice with an industry recognised body (who can be counted as a 'new entrant' for up to 104 weeks) or a person that has a trainee contract or a contract of employment or self-employment that are not apprentices (who can be counted as a 'new entrant' for up to 52 weeks).

⁶ Other than as a 'new entrant trainee' whose existing contract of employment or apprenticeship agreement is being terminated and who is therefore seeking another position through a named agency to complete their training period.

2.4 Opportunities for Sub Contractors /Additional Suppliers

For any sub contracting or supply chain opportunities the Contractor is to include in each list of firms invited to tender at least two firms agreed by the nominated person from the Participating Authority . The suitability of the firms nominated by the Participating Authority shall be assessed by the Contractor. If any of the firms nominated are subsequently deemed unsuitable then the Contractor is to provide a detailed report to the Participating Authority outlining the reasons for not inviting the firm to tender together with suggestions as to how that firm may overcome the identified shortcomings.

2.5 Monitoring & Verification Information

The contractor will develop monthly monitoring reports in partnership with the employer to be submitted at monthly site meetings as an agenda item. TR&T Requirements will be monitored by the employer by a designated team of staff. Pro forma forms to report will be provided to include information such as:

- number of weeks employment of new trainees,
- postcodes of those trainees,
- number of persons employed on the site with their postcodes,
- number of vacancies which have arisen on site,
- details of sub contracting opportunities and postcodes of subcontractors/suppliers to this project

3. Contractor and Sub-contractor Compliance

It is the Contractor's responsibility to develop a working method that will deliver the targeted recruitment and training requirements and supply-chain opportunities and related monitoring and verification data, and obtain the full co-operation of contractors and subcontractors in delivering these requirements.

4. Support

4.1 The inclusion of targeted recruitment and training requirements does not comprise or imply any promise on the part of Participating Authority or their partners or agents to provide suitable trainees or labour. Any action taken by these bodies or their agents to broker relationships between the Contractor and local individuals / firms / agencies does not imply that they or their agents consider the individual / firm / agency as suitable for engagement by the Contractor. All recruitment, supervision and discipline responsibilities rest with the Contractor and Sub-contractors. Within this context, the Participating Authority will work with local agencies to help facilitate the achievement of the recruitment and training requirements;

4.2 Prior to completing the Method Statement bidders are advised to refer to the Targeted Recruitment and Training Information Sheet (~~enclosed with tender pack~~) that will give information on local training and resources and provide some guidance notes for completion of the method statement. All of these providers will operate an appropriate equal opportunities policy.

5. Contacts

The Participating Authority will provide the contact names, e-mail addresses and phone numbers for individuals and/ or bodies in relation to all TRT issues.

Schedule 6 Appendix A

PRO-FORMA TARGETED RECRUITMENT & TRAINING METHOD STATEMENT

PARTICIPATING AUTHORITY

NAME OF PROJECT

Name of Company

Contact Name

Position

Telephone number(s)

E-mail address

I confirm that this Method Statement sets out the actions that will be undertaken to ensure the achievement of the ***Participating Authorities*** Targeted Recruitment & Training Requirements. It is recognised that delivery of these requirements will be a contract condition.

Signed

(Print Name)

Date

Ensure that information is provided in each of the following sections. This document must be submitted as part of each valid tender, you may use supplementary sheets to answer the questions numbered and attached to the original method statement.

Note: Tenderers are recommended to obtain information ***from contact name***

Section 1. Numbers of New Trainees

1.1 Training opportunities to be provided. Please complete Table 1 in relation to the Tender

Table 1 allows the Employer to check that the requirements detailed will be delivered through a suitable mix of apprentices and ‘other trainees’. Clarification may be sought if the selected mix will not maximise opportunities or be easily delivered through the contract. To ensure continuity of training a trainee may be moved to other sites the Contractor is working on to achieve the desired training weeks (conditions may apply)

Table 1 Person-weeks to be delivered by new trainees (excluding work placements)

Trade / occupation	Total Trainee-weeks and Trainees			
	Apprentices		Other Trainees	
	P/wks	No.	P/wks	No.

Notes:

P/wks - A person-week is the equivalent of one person working for 5 days either on site, or through a mix of on-site work and off-site training. To provide continuity of training and employment this can include time on other sites with the agreement of the Employer.

No. - enter here the number of trainees that will be recruited to deliver the p/wks.

A new entrant is a person that is leaving an educational establishment (e.g. school, college or university) or a training provider, or a non-employed person that is seeking employment that includes on-site training and assessment or offsite training, or a mix of these. Or a “new entrant trainee” whose existing contract of employment or apprenticeship is being terminated and therefore seeking another position to complete their training period

An apprentice is a person registered as an apprentice with an industry recognised body. Each apprentice can be counted as a ‘new entrant’ for up to 104 weeks.

Other Trainees – people that have a trainee contract, a contract of employment or self-employment that are not apprentices. Each ‘other trainee’ can be counted as a ‘new entrant’ for up to 52 weeks.

- 1.2 Please show in Table 2 the number or person-weeks that will be offered as work-experience opportunities for unwaged trainees. Some of these opportunities may not be utilised.

The Participating Authority is interested in providing general site experience for under achieving young adults and school leavers of 16+ age group who may benefit from gaining site experience to progress them to employment or training.

Table 2 Un-waged Work-experience Opportunities

Occupation/Activity	No. Person-weeks
Total	

Sections 2 to 5

The answers to sections 2 to 5 should demonstrate that the contractor has understood the requirements, and read the Information Sheet. The answers should satisfy good practice as interpreted by the Employer and the supply-side organisations. Innovations and added value may be included in Section 4. Questions should be answered on a separate sheet of paper and submitted with this pro-forma with tables 1, 2 & 3 completed.

Section 2: Support for Trainees / Training

2.1 Will you be using sub contractors as part of this project?

2.2 if so, will you be employing the trainees referred to in Table 1 yourself or will you be looking to your sub contractors to take on trainees?

2.3 With reference to the question above, what proportion of the trainees in Table 1 will your organisation be employing?

2.4 Tell us about the arrangements you will make to provide mentoring and support for trainees to ensure achievement of industry accreditation?

2.5 What will you do to give the trainees optimum experience on site?

2.6 What arrangements will you make to recruit apprentices and other trainees, including under achieving young people and adults that have been unemployed for over 6 months?

2.7 What agencies do you propose to work with and what training initiatives would you seek to utilise in achieving Targeted Recruitment and Training on this project?

2.8 What steps will you take to maximise the number of new entrant trainees that are retained after the completion of the time they can be counted as 'new entrant trainees', and what percentage of new entrant trainee starts would you hope to retain at this stage?

Section 3: Vacancies / Sub Contractors Management

Notification of Job Vacancies

3.1 What arrangements will you make to notify all job vacancies to **the Participating Authority**, providing time for applications from these sources to be considered?

3.2 What arrangements will you make to ensure candidates identified by **the Participating Authority** have an equality of opportunity in the selection process?

Contractor / Sub contractor Compliance

3.3 If sub contractors are being used, how will you obtain the cooperation of your contractors and subcontractors to ensure the delivery of the TR&T requirements?

Management

3.4 Who will be responsible for the delivery of the TR&T requirements on site and/or for the company?

3.5 How will the monitoring information be collected in order to provide evidence of performance? Who will be responsible for this?

3.6 How will you ensure that personal information on each trainee can be provided to the Employer?

Section 4: Additional Information

4.1 Please provide here any other information about your commitment and the approach and actions you intend to take. How will you ensure delivery of the recruitment and training requirements and assist the **Participating Authority** in demonstrating an impact on deprivation through this contract, including any innovative ideas?

Section 5: Costs

Please complete Table 3 in relation to the resources required to deliver the TR&T Requirements. Please demonstrate by use of this table how the TR&T will be delivered in a cost-neutral way to **the Participating Authority**.

Table 3. Summary of Targeted Recruitment & Training Resources

Cost Item	£	Basis of calculation
Management and administration		
Training costs		
Additional site costs		
Mentoring and support activities		
Total cost		
Sources of Funding and other Resources		
Construction Skills Grants if applicable		
Contribution from company staff / overheads		
Trainees productivity		
Services from other external agencies		
Total of additional resources		
Net Cost	NIL	Difference between Total cost and Total of additional resources. <u>This should be NIL</u>

SWWRCF VOLUME 2

APPENDIX A

Part 1

SCOPE OF PRE-CONSTRUCTION SERVICES

In conjunction with the Employer and the Professional Team

- Prepare and agree with the Employer, an Accepted Programme showing completion of the pre-construction activities and the programme for the construction of the Works.
- Prepare material and component flows for the construction of the Works and identify those which require advance ordering and processing.
- Assist the Employer in developing the Works Brief.
- Provide relevant input to assist the Professional Team in carrying out the design of the Works to meet the Works Brief sufficient to enable construction to proceed under the Contract for the construction of the Works and demonstrate the functionality of the design and its compliance with the Works Brief.
- Formulate and agree proposed construction methods taking into account “buildability” and the need to achieve the efficient delivery of the Works by adequate pre-planning.
- Advise on the provision and layout of site facilities and services to be provided and procured by the Contractor.
- Agree the breakdown of the Works into suitable packages for procurement and agree the Designated Subcontractors and other subcontractors who will be responsible for key subcontract packages with a view to obtaining their input to “buildability” and efficient working practices and overall best value.
- Prepare lists of preferred subcontractors for non-key subcontract packages for the tendering or negotiating of packages of works and consider the most effective method for choosing subcontractors to carry out individual packages of works to deliver best value.
- In conjunction with the Professional Team, agree a Target Cost, Guaranteed Maximum Cost and Contractor’s Margin for the construction of the Works and the basis upon which evidence of Actual Cost will be provided during the construction of the Works.
 - The Employer, involving any relevant specialist contractors, prepare and manage a Risk Register throughout the period of this contract and the proposed separate contract for the construction of the Works.

SW.W.R.C.F. VOLUME 2
APPENDIX B CONTRACT
FORM OF PURCHASE ORDER

	<p>PURCHASE ORDER</p> <p>.</p> <p>[No.]</p> <p>Date:</p>
--	--

Parties and Contacts

<p>The <i>Employer</i> is</p> <p>Name: ...[insert name of Gateway/Relationship Manager]</p> <p>[insert name of authority][Council]</p> <p>Address: [insert address and postcode]</p> <p>Contact Details:</p> <p>.....</p>	<p>The <i>Contractor</i> is</p> <p>Name: ..[insert name of Framework Manager]</p> <p>[The Contractor]</p> <p>Address:</p> <p>.....</p> <p>Company No:.....</p> <p>Contact Details.....</p>
---	--

Works Details

<p>Project Title.....</p> <p>Location /Site:</p> <p>Project Brief No:</p>

Works/Services

PLEASE SUPPLY

Details of Works/Services	£	P
<p>[Perform the Pre-Construction <i>Services</i> which are set out in the Works Brief at [reference] pursuant to this Purchase Order]⁷</p> <p>Fixed Fee</p> <p>Perform the Works/<i>Services</i> which are set out in the Works Brief at [reference] pursuant to this Purchase Order</p>		
TOTAL		

⁷ Delete where Pre-Construction Services are not required

INCORPORATION OF DOCUMENTS

This purchase order written as a Deed, incorporates the following:

1. the NEC 3 Engineering and Construction Contract, third edition June 2005 (with amendments June 2006), [Option A Priced Contract with Activity Schedule, Option B Priced Contract with Bill of Quantities; Option C Target Contract with activity schedule; Option D Target Contract with Bill of Quantities] as amended herein; and
2. the secondary options [X1, X5, X7, X16, 20, Y(UK)2, Y(UK)3] as amended herein and Z; and
3. The Works Brief which includes the Works Information, all Drawings, Specification and such other technical information referred to in the Works Brief; and
4. The Contract Data, parts 1 & 2;
5. The following clauses and associated definitions of the Framework Agreement between the Employer and the Contractor dated [] 4.8 to 4.11; 8; 15 to 28 and those provisions shall apply to this purchase order mutatis mutandis and in the event of conflict between any other provision these provisions shall prevail;
6. [Any other document expressly incorporated by either the Contract Data or the Z clause amendments eg Contractor's TRT Method Statement,]

Execution

Signed As a Deed:

Official Designation:

Signed as a Deed:

[Contractor]

Payment History – for Employer’s use only

Invoice Number	Date Passed	Amount		Initials
		£		

PROPERTY CONSTRUCTION WORKS FRAMEWORK

WORKS BRIEF

[INSERT NAME OF EMPLOYER] WORKS BRIEF			
Project Brief No:		Date Issued	Response Required By:
Location:			Grid Ref:
Scheme Title:			
Scheme Category:			
Description of Work (including outputs and target dates)			
Employer Project Manager			Phone Number
Budget Source/Amount:			

Attachments as Appendices to this Brief

Contract Data Part 1		Ref:	
Works Schedule		Ref:	
Preliminaries			
Programme:		Ref:	
Drawings		Ref:	
NBS		Ref:	
Risk Assessment		Ref:	

**S.W.W.R.C.F VOLUME 2
APPENDIX C**

Exemplar Cost Schedule Tender Response			
Project:		Cost summary - New Build	
		GIFA	m ²
		New Build	m ²

Element	new build	total £
Cost Summary		
1 Substructures		
2 Superstructures		
2A Frame		
2B Upper floors		
2C Roof		
2D Stairs		
2E External walls		
2F Windows and external doors		
2G Internal walls and partitions		
2H Internal doors		
3 Internal finishes		
3A Wall finishes		
3B Floor finishes		
3C Ceiling finishes		
4A Fixtures and fittings		
5 Mechanical and electrical installations		
5A Sanitary appliances		
5B services equipment		
5C Disposal installations		
5D water installations		
5E Heat source		
5F heating and cooling		
5G ventilating system		
5H Electrical installations		
5I Gas installations		
5J lift installations		
5K Protective installations (including internal CCTV)		
5L Communication installations		
5M ICT infrastructure works		
5N Special installations		

50	BWIC		
6	External works		
6A	site clearance		
6B	Hard play, car parks and roads		
6C	soft landscaping		
6D	sports pitches including equipment		
6E	Incoming services and statutory connections		
6F	Drainage		
6G	site lighting		
6H	Fencing		
6I	External CCTV		
6J	Other works		
7	Abnormal costs		
7A	site restrictions		
7B	site conditions		
7C	Infrastructure		
7D	other abnormal with life-cycle		
7E	Temporary accommodation		
7F	Demolitions		
7G	other abnormal without life-cycle		
8	Preliminaries		
		Sub-total	
9	Fees (where applicable)		
9A	Contractor Pre Construction costs		
9B	Design team fees		
9C	statutory fees and charges		
	Planning		
	Building control		
9D	survey fees-allowances		
	Fabric condition survey		
	structural survey		
	m&e survey Asbestos		
	survey Drainage		
	survey Geotechnical		
	Topographical survey		
	Traffic/green tp		
	Part L-air pressure test		
	Archaeological / ecology / environmental surveys		
	BREEAM assessor		
	Planning supervisor		

9E	Sundry fees & expenses-finance		
10A	Overheads		
	Bond		
	CITB levy		
	Project management-bid cost		
	Buying margin		
10B	Profits		
11	Contingencies		
11A	Design and construction contingency		
11B	Risk allowance		
	Total construction costs		

Exemplar Cost Schedule-Preliminaries					
Cost Component	Defined Costs		Disallowed Costs	Head Office Overheads (Fee)	Comments
	Site	Prelims			
Contractors Labour					
All Trades					
Base Labour Cost	X				
Productivity Bonuses	X				
Overtime	X				
Labour on Cost					
Holiday Pay	X				
Employers NI	X				
Pension	X				
Union Subs	X				
Health Insurance	X				
Lodge	X				
Travel	X				
Subsistence	X				
Employers & Public Insurances / Levies	X				
CITB Levy	X				
Sickness				X	
Severance Pay				X	
Training Costs				X	
Small tools		X			
Vans		X			
Van running costs		X			
PPE		X			
Material Costs					
Invoice material costs and any discounts	X				
Equipment - hired & Owned					
Hire Rate	X				
Depreciation/ maintenance costs	X				
Transporting costs	X				
Damage				X	
Cost to replace stolen items				X	
Sub - Contractors					
Subcontractor payments including discounts	X				
Contractors Staff					
Site Staff					
Project/ Contractors Manager		X			
Site Agents/ Planners		X			
Foreman		X			
Surveyor		X			
Engineers		X			
Tenant Liaison		X			
Admin Staff		X			
Trainees		X			
Others - Please specify		X			
Staff on Costs					
Bonuses		X			
Overtime		X			
Pension		X			

Union Subs		X			
Professional Subscriptions fees		X			
Health Insurance		X			
Lodge		X			
Travel		X			
Insurances/ levies EL &PL etc.		X			
Sickness				X	
Severance Pay				X	
Training costs				X	
Company Cars		X			
Travel Expenses, including to and from working area		X			
Site/ Project Specific					
Cleaning/ Drying Costs	X				
Site Operating Expenses		X			
Stationary				X	
Contract Insurances/ Bond Costs		X			
Non Mechanical Plant	X				
Mechanical Plant	X				
Tools/ PPE		X			
Site Office/ Welfare - including site office furniture		X			
Site Transport		X			
Site Security		X			
Scaffolding	X				
Hoarding/ Fencing	X				
Setting Out	X				
Unload/ double handling	X				
Temporary Works	X				
Fees - eg Considerate Constructors		X			
Temporary power		X			
Temporary Water		X			
Communications - site mobiles, fax, photocopier, telephone.				X	
QA Testing				X	
Safety & Training (site specific only, approved by employer)	X				
Maintenance		X			
Protection	X				
Traffic Management	X				
Example of Disallowed Costs					
Insufficient proof payments have been made					
Incorrect amount being paid to contractor					
Cost of plant & materials not being used to provide a service					
Any pain/ gain outside the main contract agreement (Design and sub contract pain/gain to be paid from contractor main share)					
Correcting defects that have already been corrected previously					
Time spent in agreeing final account after completion of the works					
Preparation of and conduct of an adjudication or proceedings tribunal					
Head Office Set up					
Directors				X	
Purchasing department				X	
Accounts department				X	
Estimating department				X	
Managing Quantity Surveyors				X	
PR/ Marketing/ Advertising				X	
Human Resources				X	

Head office administration				X	
Training				X	
Office Equipment etc				X	
Computers/ IT					
Head Office Telephones / It				X	
It, software & Hardware including laptop computers				X	
Office postage				X	
Trade subscriptions				X	
legal; fees				X	
Head office building costs				X	
IT hardware				X	
Laptops				X	
IT software - Contractor				X	
Mobile phones & calls				X	
Cameras				X	
Overhead projectors etc.				X	
Photocopiers				X	
Fax Machines				X	
Desk telephones & calls				X	
stationary				X	
Financing charges				X	

DATED

20[.]

SWWRCF VOLUME 2 APPENDIX D

(1) [GROUP] LIMITED/PLC
(2) [INSERT EMPLOYER NAME]

PARENT COMPANY GUARANTEE
RELATING TO
[DETAILS OF CONTRACT]

THIS DEED IS MADE AND DELIVERED ON THE
20 []

DAY OF

BETWEEN:

- (1) [] whose registered office is at [] ("**Guarantor**"), and
- (2) [**insert name of Employer**] of [**insert address of Employer including postcode**] together with its successors and its permitted assigns ("**Employer**").

INTRODUCTION:

- A The Employer and [] ("**Contractor**") have entered into a Framework Agreement ("**the Framework Agreement**") dated [] for the calling off of design and construction works contracts under the framework.
- B By a contract dated [] the Employer and the Contractor have entered in a contract for design and construction works ("**the Contract**")
- C The [Guarantor is the ultimate parent company of the Contractor] [Guarantor is a [wholly-owned] subsidiary of the Contractor], and has received and considered a copy of the Framework Agreement and the Contract.
- D It is a condition of the Framework Agreement and the Contract that the Contractor procures the execution and delivery of a parent company guarantee in the terms set out below.
- E The Guarantor has agreed, amongst other matters, to guarantee the due and proper performance by the Contractor of the Contractor's obligations arising under in connection with and pursuant to the Contract upon the terms of this Deed.

NOW IT IS HEREBY AGREED AS FOLLOWS:

29. The Guarantor hereby:
- 29.1 guarantees as primary obligor to the Employer the due and proper and punctual performance by the Contractor of each and every obligation and duty of the Contractor arising under in connection with and pursuant to the Contract;
- 29.2 agrees that if the Contractor:
- (a) shall in any respect fail to perform any of its obligations or terms arising under the Contract shall commit any breach of any term set out or implied in the Contract; or
- (b) become insolvent within the meaning of "insolvent" in section 113 of the Housing Grants, Construction and Regeneration Act 1996, or proposes or makes any composition or arrangement with one or more

of its creditors with a view of rescheduling any of its indebtedness, proposes or enters into a voluntary arrangement for the composition of debts or a scheme of arrangement, any liquidator receiver administrative receiver administrator compulsory manager or other similar officer is appointed in respect of the Contractor, an application is made to court or an order is made for the appointment of an administrator or a notice of intention to appoint an administrator is given or if an administrator is appointed over the Contractor or any of its assets or otherwise is unable to pay its debts as they fall due within the meaning of s.123 of the Insolvency Act 1986,

then the Guarantor will forthwith perform and fulfil in the place of the Contractor each and every obligation or term in respect of which the Contractor has defaulted or as may be unfulfilled by the Contractor, and the Guarantor will to the full extent of the Contractor's liability arising under the Contract (but not further) indemnify and save harmless the Employer from and against any and all losses, damages, expenses, liabilities, claims, costs (including the Employer's legal costs on an indemnity basis) or proceedings which the Employer may suffer or incur by reason of the said failure or breach;

- 29.3 acknowledges and agrees that no variation modification amendment supplement alteration or waiver nor any invalidity avoidance unenforceability ineffectiveness void voidable or termination of the terms of the Framework Agreement or the Contract or in the extent, nature or method of performance of matters constituting the works in the Contract and no allowance of time, waiver, forbearance or concession or forgiveness or any other matter or thing concerning the Framework Agreement or the Contract or the conduct or performance by the Contractor of its obligations thereunder shall in any way release the Contractor from any liability under the terms of this Deed, and the Guarantor hereby waives notice to it of any such event;
- 29.4 agrees that this deed shall not be revocable by the Guarantor and that this deed shall be a continuing guarantee, shall be additional to any other guarantee or security from time to time held by the Employer and shall remain in full force and effect notwithstanding the insolvency (as defined above) of the Contractor.
30. Each of the sub-clauses in clause 1 shall constitute separate, independent and enforceable obligations.
31. The Employer may assign this deed or any benefit or part of the benefit of this deed once, and thereafter there may be one further assignment by the Employer pursuant to this clause. The Guarantor may not assign any part of this deed. A reassignment to the Employer on the satisfaction of any security or repayment of a loan or grant shall not count as an assignment for the purposes of the foregoing.
32. This deed shall be governed by the laws of England and Wales as applied in Wales and the parties hereby submit to the non-exclusive jurisdiction of the courts of England and Wales.

IN WITNESS whereof this deed has been executed by the parties and delivered on the day and year first before written.

EXECUTED as a **DEED** by

[GROUP] LIMITED/PLC

acting by a director and its company
secretary or two directors:

Director

Signature

Director/Company Secretary

Signature

**THE COMMON SEAL of the
EMPLOYER**

was affixed

in the presence of:

[affix common seal here]

Authorised signatory

DATED

20[..]

**SWWRCF
VOLUME 2 APPENDIX E**

(1) [CONSTRUCTION] LIMITED

(2) [] INSURANCE LIMITED

and

(3) [INSERT NAME OF EMPLOYER]

GUARANTEE BOND

in relation to

[insert name of project]

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THIS DEED OF GUARANTEE BOND IS MADE THE DAY OF 20[]

BETWEEN:-

- (1) [] **CONSTRUCTION LIMITED** (registered in England and Wales under company number []) whose registered office is at [] (the "**Contractor**");
- (2) **[INSURANCE] LIMITED** (registered in England and Wales under company number []) whose registered office is at [] (the "**Guarantor**");
and
- (3) **[insert name of Employer]** of **[insert name and address of Employer]** ("**the Employer**");

33. DEFINITIONS AND INTERPRETATION

33.1 Definitions

In this Guarantee Bond, unless the context otherwise requires; the following expressions shall have the following meanings:-

Bond Amount	means the sum of £[] ([insert bond amount in words]) Pounds).
Construction Contract	means a contract dated [insert date] between the Employer (1) and the Contractor (2) for the design (where applicable) and construction by the Contractor of the Works at the Site substantially in the form of contract as follows: the NEC 3 Engineering and Construction Contract third edition June 2005(with amendments June 2006) [Target Cost with activity schedule] and any other amendments agreed by the Contractor and the Employer during the period of this Guarantee Bond.
Expiry	means the date being 7 days after the end of the <i>defects correction period</i> under and in accordance with the Construction Contract which shall be conclusive for the purpose of this Guarantee Bond.
Site	means [insert details of the Site and location]
Works	means the design (where applicable), works, services, goods, materials and equipment to be supplied and/or incorporated by the Contractor as

provided for by, or to be inferred from,
the Construction Contract.

33.2 Successors

Reference to the 'Employer' 'Guarantor' and the 'Contractor' shall include the parties' successors in title and assigns.

33.3 Joint liability

Where two or more persons are included in the expressions "Guarantor", "Employer" or "Contractor", the terms "Guarantor", "Employer" or "Contractor" shall include the plural number and any obligations expressed to be made by or with such party shall be deemed to be made and undertaken by such persons jointly and severally.

33.4 Headings

The headings in this Guarantee Bond are inserted for convenience only and shall be ignored in construing the terms and provisions hereof.

34. GUARANTEE BOND

34.1 The Guarantor guarantees to the Employer that in the event of a breach of the Construction Contract (which for the purposes of this Guarantee Bond shall include any occurrence or omission which results in the termination of the Contractor's obligation to provide the Works under the Construction Contract and shall not be limited to a breach per se of any terms of the Construction Contract) by the Contractor the Guarantor shall subject to the provisions of this Guarantee Bond satisfy and discharge the costs expenses losses and damages sustained by the Employer as established and ascertained pursuant to and in accordance with the provisions of or by reference to the Construction Contract and taking into account all sums due or to become due to the Contractor.

34.2 The maximum aggregate liability of the Guarantor and the Contractor under this Guarantee Bond shall not exceed the Bond Amount but subject to such limitation and to clause 4, the liability of the Guarantor shall be co-extensive with the liability of the Contractor under the Construction Contract.

35. ALTERATION OF THE CONSTRUCTION CONTRACT

The Guarantor shall not be discharged or released by any variation modification amendment supplement alteration or waiver nor any invalidity avoidance unenforceability ineffectiveness void voidable or termination of any of the terms conditions and provisions of the Construction Contract or in the extent or nature of the Works and no allowance of time, waiver, forbearance, concession or forgiveness by the Employer under or in respect of the Construction Contract or the Works shall in any way release reduce or affect the liability of the Guarantor under this Guarantee Bond.

36. DURATION OF BOND

The obligations of the Guarantor under this Guarantee Bond shall be released and discharged absolutely upon Expiry save in respect of a demand made in writing by the Employer prior to such date.

37. CONTRACTOR'S UNDERTAKING

The Contractor having requested the execution of this Guarantee Bond by the Guarantor undertakes to the Guarantor (without limitation of any other rights and remedies of the Employer or the Guarantor against the Contractor) to perform and discharge the obligations on its part set out in the Construction Contract.

38. ASSIGNMENT

This Guarantee Bond and the benefits hereof may be assigned by the Employer without limitation provided that the Guarantor and Contractor shall be entitled to receive notice of such assignment in writing within a reasonable period of the assignment taking place.

39. JURISDICTION

This Guarantee Bond shall be governed by, and construed in accordance with, the laws of England and Wales as applied in Wales and the Courts of England and Wales shall have non-exclusive jurisdiction with regard to all matters arising in connection with or under this Guarantee Bond.

IN WITNESS whereof the Contractor and the Guarantor have executed and delivered this Guarantee Bond as a deed on the date first above written.

SIGNED AND DELIVERED as a **DEED** by the
CONTRACTOR by the signatures of:

Director

Director/Company Secretary

SIGNED AND DELIVERED as a **DEED** by the
GUARANTOR by the signatures of:

Authorised signatory

Authorised signatory

SIGNED AND DELIVERED as a **DEED** by the
EMPLOYER by affixing its **Common Seal**
in the presence of:

Authorised signatory

DATED

20[.]

**SWWRCF
VOLUME 2 APPENDIX F**

(1) [CONTRACTOR]

AND

(2) [EMPLOYER]

AND

(3) [BENEFICIARY]

DEED OF COLLATERAL WARRANTY

Relating to the provision of

at {insert details}

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1. INFORMATION

The information completed on page 1 of this agreement forms part of this agreement.

2. BACKGROUND

- 2.1 The Contractor has been appointed by the Employer under the Construction Contract to undertake the construction and the design (if any) of the Works.
- 2.2 The Beneficiary has an actual or prospective interest in the Project.

3. CONSIDERATION

This agreement is made on the date appearing on page 1 between the Contractor and the Beneficiary in consideration of the payment of £1 by the Beneficiary to the Contractor (receipt of which the Contractor hereby acknowledges).

4. WARRANTY AND LIABILITY

- 4.1 The Contractor warrants to the Beneficiary that it has complied, and will at all times comply, with the terms of the Construction Contract and any specifications or requirements included or referred to in the Construction Contract and that it has exercised, and will continue to exercise, the degree of skill, care and diligence reasonably to be expected of a competent contractor, and (to the extent that the Contractor is responsible for any design under the Construction Contract) the degree of skill, care and diligence reasonably to be expected from a competent professional designer or combination of designers, holding himself or themselves out as being competent to carry out the construction and design of the Works.
- 4.2 The Contractor has no liability under this agreement which is greater or of longer duration than it would have had if the Beneficiary had been a party to the Construction Contract as joint employer and the Contractor shall be entitled in any action or proceedings by the Beneficiary under this agreement to rely on any limitation in the Construction Contract and to raise the equivalent rights in defence of liability (but excluding set-offs and counterclaims) as it would have had if the Beneficiary had been named as the Employer under the Construction Contract. It shall not be a defence to any action brought against the Contractor under this Agreement that the Employer has suffered no loss under the Construction Contract previously. Upon the expiration of 12 years from the completion date of the Works in accordance with the Construction Contract the liability of the Contractor under this agreement shall cease, save in relation to any claims made by the Beneficiary against the Contractor and notified previously in writing by the Beneficiary to the Contractor.

5. STANDARDS OF PRODUCTS AND MATERIALS

- 5.1 The Contractor warrants to the Beneficiary that (unless otherwise authorised or instructed by or on behalf of the Employer):

- (a) in relation to any part of the Works for which the Contractor is responsible for the design, it has exercised, and will exercise, all reasonable skill care and diligence in accordance with this agreement to see that it has not specified, selected, approved or authorised for use and will not specify, select, approve or authorise for use; and
- (b) it has not used, and will not use, in connection with the Works any product or material or Construction practice or technique which is prohibited by the Construction Contract or is not in conformity with relevant British or European Union Standards and/or Codes of Practice or which at the time of specification, selection, approval or authorisation is otherwise generally known within the UK construction industry to be deleterious or hazardous to health and safety or to the durability of the Works.

5.2 If in the performance of its duties under the Construction Contract the Contractor becomes aware that it, or any other person, has specified, used, authorised or approved the specification or use by others, of any such products or materials, Construction practices or techniques, the Contractor will notify the Beneficiary in writing forthwith. This clause does not create any additional duty for the Contractor to inspect or check the work of others which is not required by the Construction Contract.

6. INSURANCE

6.1 The Contractor covenants:

- (a) in relation to any design of the Works for which the Contractor is responsible, to take out and maintain with reputable insurers in the UK insurance market professional indemnity insurance in an amount not less than that stated on page 1 for any occurrence or series of occurrences arising out of one event for a period expiring no earlier than 12 years after the completion date of the Works in accordance with the Construction Contract, provided always that such insurance continues to be available in the UK insurance market at commercially reasonable rates. Any increased or additional premium required by insurers by reason of the Contractor's own claims record or other acts or omissions particular to the Contractor shall be deemed to be within commercially reasonable rates;
- (b) to inform the Beneficiary or its assignees in writing immediately of any failure or inability to maintain insurance in accordance with clause 6.1.1, and of any circumstances likely to render such insurance void or voidable, in order that the Contractor and the Beneficiary can discuss the means of best protecting their respective positions in the absence of such insurance; and
- (c) when reasonably requested by the Beneficiary to produce for inspection documentary evidence that its professional indemnity insurance cover is being maintained properly and that payment has been made in respect of the last preceding premium.

7. DOCUMENTS

- 7.1 In relation to all drawings, designs, details, plans, reports, models, specifications, bills of quantities, calculations, software and other documents of any nature whatsoever which have been, or are hereafter, created and developed by the Contractor in the course of performing its obligations under the Construction Contract ("Documents") the Contractor hereby grants, or agrees to grant, to the Beneficiary an irrevocable royalty-free non-exclusive licence to use and reproduce all Documents for any purpose whatsoever connected with the Project and such other purposes as are reasonably foreseeable including, but without limitation, the carrying out, completion, maintenance, letting, advertisement, modification, extension, reinstatement, reconstruction and repair of the Project. Such licence will carry the right to grant sub-licences and will be transferable to third parties but shall not entitle the owner of such licence or any sub-licence to reproduce the designs contained in the Documents. Such licence shall take effect from the date of this agreement or (in relation to Documents not yet in existence) from the date of the creation of the relevant Document and shall continue notwithstanding any termination of this agreement. Neither the Beneficiary nor any recipient of any sub-licence under this clause shall hold the Contractor liable for any use it may make of the Documents for any purpose other than that for which they were originally provided by it.
- 7.2 The Contractor agrees, on reasonable request at any time, and following reasonable written prior notice, to give the Beneficiary or those authorised by it access to the Documents and to provide copies (including copy negatives and CAD disks) thereof at the Beneficiary's expense.
- 7.3 The Contractor warrants to the Beneficiary that it has used the standard of skill, care, and diligence as set out in clause 4.1 to see that the Documents (save to the extent any duly appointed sub-contractors have been used to prepare the same) are its own original work and that in any event their use in connection with the Works will not infringe the rights of any third party.

8. ASSIGNMENT

- 8.1 The benefit of this agreement may be assigned by the Beneficiary to any beneficiary having a bona fide actual or prospective legal or commercial interest in the Project or any part [twice] only without the consent of the Contractor provided that the Contractor shall be entitled to receive notice of such an assignment in writing within a reasonable period of the assignment taking place. The Contractor will not contend that any such assignee is precluded from recovering any loss resulting from any breach of this agreement (whatever the date of such breach) by reason only that that person is an assignee and not the original beneficiary hereunder or by reason that the original beneficiary or any intermediate beneficiary escaped any loss resulting from such breach by reason of the disposal of any interest in the Works or that that original beneficiary or any intermediate beneficiary has not suffered any, or as much, loss.
- 8.2 Notwithstanding clause 8.1 the Beneficiary may assign the benefit of this agreement without restriction to any company within the same "group" as the Beneficiary (as defined by Section 42 of the Landlord and Tenant Act 1954)

9. INSPECTION OF DOCUMENTS

The Contractor's liabilities under this agreement will not be in any way reduced or extinguished by reason of any inspection or approval of the Documents or attendance at site meetings or other inquiry or inspection which the Beneficiary may make or procure to be made for its benefit or on its behalf.

10. [STEP IN RIGHTS]

- 10.1 *The Beneficiary has no authority to issue any direction or instruction to the Contractor in relation to the performance of the Contractor's duties under the Construction Contract unless and until the Beneficiary has given notice under clauses 10.2 or 10.3.*
- 10.2 *The Contractor shall not exercise, or seek to exercise, any right which it may have, or which may become available to it, to terminate the Construction Contract or to treat it as having been terminated or repudiated, or to discontinue or suspend the performance of any duties or obligations to be performed by the Contractor under it, without first giving to the Beneficiary not less than 14 days written notice specifying the Contractor's ground or grounds (the "Specified Grounds") for terminating the Construction Contract or treating it as having been terminated or repudiated or for discontinuing or suspending the performance of any duties to be performed by the Contractor under it, and stating the amount (if any) of any monies outstanding under the Construction Contract. The Contractor's right to terminate the Construction Contract with the Employer, or treat it as having been repudiated or to discontinue or suspend performance shall cease if within such period of notice (and subject to clause 10.6) the Beneficiary shall give written notice to the Contractor requiring the Contractor to accept the instructions of the Beneficiary or its appointee upon the terms and conditions of the Construction contract and to the exclusion of the Employer in respect of the Works.*
- 10.3 *The Contractor agrees that, if so requested by the Beneficiary by notice in writing, and subject to clause 10.6, it will accept the instructions of the Beneficiary or its appointee to the exclusion of the Employer in respect of its duties under the Construction Contract and upon the terms and conditions of the Construction Contract and will if so requested enter into an agreement whereby the Beneficiary is substituted for the Employer under the Construction Contract.*
- 10.4 *The Employer acknowledges that the Contractor shall be entitled to rely on a notice given to the Contractor by the Beneficiary under clauses 10.2 or 10.3 as conclusive evidence that the Beneficiary has taken over from the Employer the obligations and responsibilities of the Employer towards the Contractor, such that the Contractor should accept the instructions of the Beneficiary or its appointee to the exclusion of the Employer.*
- 10.5 *Notwithstanding anything contained in this agreement, and notwithstanding any payments which may be made by the Beneficiary to the Contractor, the Beneficiary will not be under any obligation to the Contractor, nor will the Contractor have any claim or cause of action against the Beneficiary, unless and until the Beneficiary has given written notice to the Contractor pursuant to clauses 10.2 or 10.3 of this agreement.*

10.6 *It shall be a condition of any notice given by the Beneficiary pursuant to clauses 10.2 or 10.3 that the Beneficiary or its appointee accepts liability for the performance of the Employer's obligations under the Construction Contract including the payment of fees and all other sums properly payable to the Contractor by the Employer under the Construction Contract (save that the Beneficiary will, in paying such sums, be entitled to the same rights of set-off and deduction as would have applied to the previous Employer under the Construction Contract) and including the rectification of any outstanding breach or breaches by the previous Employer so far as they have been properly included in the Contractor's Specified Grounds and are capable of remedy by the Beneficiary. Upon the issue of any notice by the Beneficiary under clauses 10.2 or 10.3, the Construction Contract shall continue in full force and effect as if no right of termination on the part of the Contractor had arisen and the Contractor shall be liable to the Beneficiary or its appointee under the Construction Contract in lieu of its liability to the Employer. If any notice given by the Beneficiary under clauses 10.2 or 10.3 requires the Contractor to accept the instructions of the Beneficiary's appointee, the Beneficiary shall be liable to the Contractor as guarantor for its appointee in respect of the payment of all sums from time to time due to the Contractor from the Beneficiary's appointee and in respect of all the appointee's obligations arising pursuant to this agreement.]*

11. SUCCESSORS

References to the Beneficiary shall include the person or persons from time to time entitled to the benefit of this agreement

12. SUBCONTRACTORS

Following a written request from the Beneficiary the Contractor will (unless it has already done so) use all reasonable endeavours to procure that its subcontractors (if any) execute deeds of warranty in the same or equivalent terms as are set out in this agreement in favour of any person in whose favour the Construction Contract obliged the Contractor to give, or procure the giving, of such warranties.

13. NOTICES

Any notice, request, demand, consent or approval given under or in connection with this agreement must be given or confirmed in writing. Any such notice, request, demand, consent or approval shall be delivered personally or addressed to the respective address of the parties set out in this agreement or to the registered office or the principal business address of either party for the time being and, if sent by post, shall be sent by first class pre-paid post or recorded delivery and shall be deemed to have been received on second working day after the same shall have been posted.

14. THIRD PARTY RIGHTS

This agreement is enforceable by the original parties to it and by their successors in title and permitted assignees. Any rights of any person to enforce the terms of this agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 are excluded.

15. APPLICABLE LAW AND JURISDICTION

This agreement will be construed in accordance with the laws of England and Wales as applied in Wales and shall be in all respects subject to the jurisdiction of the courts of England and Wales.

IN WITNESS whereof this agreement has been executed as a deed and delivered on the date stated above.

EXECUTED as a DEED by the CONTRACTOR

by the signatures of:

[Alternative A](#)

Authorised Signatory

Authorised Signatory

[Alternative B](#)

Director

Director/Company Secretary

EXECUTED as a DEED by the BENEFICIARY

by the signatures of:

[Alternative A](#)

Authorised Signatory

Authorised Signatory

[Alternative B](#)

Director

Director/Company Secretary

**THE COMMON SEAL of the
EMPLOYER**

was affixed to this deed
in the presence of:

[affix common seal here]

Authorised signatory

DATED

20[.].]

**SWWRCF
VOLUME 2 APPENDIX G**

(1) {CONSULTANT}

AND

(2) {CONTRACTOR}

AND

(3) {BENEFICIARY}

DEED OF COLLATERAL WARRANTY

Relating to the provision of

at {insert details}

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8.	ASSIGNMENT	99
9.	INSPECTION OF DOCUMENTS	99
10.	SUCCESSORS	99
11.	SUB-CONSULTANTS	99
12.	NOTICES	100
13.	APPLICABLE LAW AND JURISDICTION	100
14.	THIRD PARTY RIGHTS	100

Date of Agreement:

Project:

Contractor:

Company Registration Number:

of/whose registered is at:

Consultant:

Company Registration Number:

of/whose registered is at:

Beneficiary:

Company Registration Number:

of/whose registered is at:

**Services: (as more particularly
described in the Appointment)**

Appointment dated:

**Other parties apart from the
Consultant (if any):**

Professional Indemnity Insurance: £ million
(minimum cover)

1. INFORMATION

The information completed on page 1 of this agreement forms part of this agreement

2. BACKGROUND

- 2.1 The Beneficiary has an actual or prospective interest in the Project.
- 2.2 The Consultant is or has been appointed by the Contractor under the terms of the Appointment to provide the services briefly described on page 1 of this Agreement and more particularly described in the Appointment.

3. CONSIDERATION

This agreement is made on the date appearing on page 1 between the Consultant and the Beneficiary in consideration of the payment of £1 by the Beneficiary to the Consultant (receipt of which the Consultant acknowledges).

4. WARRANTY AND LIABILITY

- 4.1 The Consultant warrants to the Beneficiary that it has complied and will at all times comply with the terms of the Appointment, and any specifications or requirements included or referred to in the Appointment, and that, in the performance of the Services, it has exercised and will continue to exercise the degree of skill, care and diligence reasonably to be expected of a skilled and qualified professional person holding himself out as competent to perform those services in relation to projects of a similar size, scope and nature as the Project.
- 4.2 The Consultant has no liability under this agreement which is greater or of longer duration than it would have had if the Beneficiary had been a party to the Appointment as joint employer and the Consultant shall be entitled in any action or proceedings by the Beneficiary under this agreement to rely on any limitation in the Appointment and to raise the equivalent rights in defence of liability (but excluding set-offs or counterclaims) as it would have had if the Beneficiary had been named as the Contractor under the Appointment. However, it shall not be a defence to any action brought against the Consultant under this agreement that the Contractor has suffered no loss under the Appointment. Upon the expiration of 12 years from the completion date of the Project the liability of the Consultant under this agreement shall cease save in relation to any claims made by the Beneficiary against the Consultant and previously notified in writing by the Beneficiary to the Consultant.

5. STANDARDS OF PRODUCTS AND MATERIALS

- 5.1 The Consultant warrants that it has exercised, and will continue to exercise, all reasonable skill, care and diligence in accordance with this agreement to see that it has not specified or selected for use, and will not specify or select for use, and (as appropriate) it has not authorised or approved, and it will not authorise or approve, the specification, selection or use by others of any product or material or building practice or technique which is prohibited by the Appointment or is not in conformity with relevant British or European Union Standards and/or Codes of Practice or which at the time of specification, selection, approval or authorisation is widely known to members of the Consultant's profession to be deleterious or hazardous to health and safety or to the durability of buildings and/or other structures and/or finishes and/or plant and machinery in the particular circumstances in which it is used.

- 5.2 If, in the performance of its duties under the Appointment, the Consultant becomes aware that it, or any other person, has specified or used, or authorised or approved, the specification or use by others of any such products or materials the Consultant will notify the Beneficiary in writing forthwith. This clause does not create any additional duty for the Consultant to inspect or check the work of others which is not required by the Appointment.

6. INSURANCE

6.1 The Consultant covenants:-

- (a) to take out and maintain professional indemnity insurance with reputable insurers in the UK insurance market in an amount of not less than that stated on page 1 for any occurrence or series of occurrences arising out of any one event for a period expiring no earlier than 12 years after the date of practical completion of the Project in accordance with the Building Contract, provided that such insurance is available in the UK insurance market to members of the Consultant's profession at commercially reasonable rates. Any increased or additional premium required by insurers by reason of the Consultant's own claims record or other acts or omissions, matters or things particular to the Consultant shall be deemed to be within commercially reasonable rates;
- (b) to inform the Beneficiary or its assignees in writing immediately of any failure or inability to maintain such professional indemnity insurance cover in accordance with clause 6.1.1, and of any circumstances likely to render such insurance void or voidable, in order that the Consultant and the Beneficiary can discuss means of best protecting their respective positions in the absence of such insurance; and
- (c) when reasonably requested by the Beneficiary, to produce for inspection documentary evidence that its professional indemnity insurance cover is being properly maintained and that payment has been made in respect of the last preceding premium.

7. DOCUMENTS

- 7.1 In relation to drawings, designs, details, plans, reports, models, specifications, bills of quantities, calculations, software and other documents of any nature whatsoever which have been, or are hereafter, created or developed by the Consultant in the course of performing its obligations under the Appointment ("Documents") the Consultant hereby grants, or agrees to grant, to the Beneficiary an irrevocable royalty-free non-exclusive licence to use and reproduce all Documents for any purpose whatsoever connected with the Project and such other purposes as are reasonably foreseeable including (but without limitation) the carrying out, completion, maintenance, letting, advertisement, modification, extension, reinstatement, reconstruction and repair of the Project. Such licence will carry the right to grant sub-licences and will be transferable to third parties but shall not entitle the owner of such licence or any sub-licences to reproduce the designs contained in the Documents. Such licence shall take effect from the date of this agreement or (in relation to Documents not yet in existence) from the date of the creation of the relevant Document and shall continue notwithstanding any termination of

this agreement. Neither the Beneficiary, nor any recipient of any sub-licence under this clause, shall hold the Consultant liable for any use it may make of the Documents for any purpose other than that for which they were originally provided by it.

- 7.2 The Consultant agrees on reasonable request at any time and following reasonable written prior notice to give the Beneficiary, or those authorised by it, access to the Documents and to provide copies (including copy negatives and CAD disks) thereof at the Beneficiary's expense.
- 7.3 The Consultant warrants to the Beneficiary that it has used the standard of skill, care and diligence as set out in clause 4.1 to see that the Documents (save to the extent duly appointed sub-consultants have been used to prepare the same) are its own original work and that in any event their use in connection with the Project will not infringe the rights of any third party.

8. ASSIGNMENT

- 8.1 The benefit of this agreement be assigned by the Beneficiary to any beneficiary having a bona fide actual or prospective legal or commercial interest in the Project or any part [twice] only without the consent of the Consultant provided that the Consultant shall be entitled to receive notice of such an assignment in writing within a reasonable period of the assignment taking place. The Consultant will not contend that any such assignee is precluded from recovering any loss resulting from any breach of this agreement (whatever the date of such breach) by reason only that that person is an assignee and not the original beneficiary hereunder or by reason that the original beneficiary or any intermediate beneficiary escaped any loss resulting from such breach by reason of the disposal of any interest in the Project or that that original beneficiary or any intermediate beneficiary has not suffered any or as much loss.
- 8.2 Notwithstanding clause 8.1, the Beneficiary may assign the benefit of this agreement without restriction to any company within the same "group" as the Beneficiary (as defined by Section 42 of the Landlord and Tenant Act 1954).

9. INSPECTION OF DOCUMENTS

The Consultant's liabilities under this agreement will not be in any way reduced or extinguished by reason of any inspection or approval of the Documents or attendance at site meetings or other enquiry or inspection which the Beneficiary may make or procure to be made for its benefit or on its behalf.

10. SUCCESSORS

References to the Beneficiary shall include the person or persons from time to time entitled to the benefit of this agreement.

11. SUB-CONSULTANTS

Following a written request from the Beneficiary the Consultant will (unless it has already done so) use all reasonable endeavours to procure that its sub-consultants (if any) execute deeds of warranty in the same or equivalent terms as are set out in this agreement in favour of any person in whose

favour the Appointment obliged the Consultant to give, or procure the giving of, such warranties.

12. NOTICES

Any notice, request, demand, consent or approval given under or in connection with this agreement must be given or confirmed in writing. Any such notice, request, demand, consent or approval shall be delivered personally or addressed to the respective address of each party set out in this agreement or to the registered office or the principal business address of either party for the time being and, if sent by post, shall be sent by first class pre-paid post or recorded delivery and shall be deemed to have been received on the second working day after posting.

13. APPLICABLE LAW AND JURISDICTION

This agreement will be construed in accordance with the laws of England and Wales as applied in Wales and shall be in all respects subject to the jurisdiction of the courts of England and Wales.

14. THIRD PARTY RIGHTS

This agreement is enforceable by the original parties to it and their successors in title and permitted assignees. Any rights of any person to enforce the terms of this agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 are excluded.

IN WITNESS WHEREOF this agreement has been executed as a deed on the date and year stated above.

Alternative A (where the Consultant is a company)

EXECUTED as a DEED by

THE CONSULTANT

acting by a director and its company
secretary or two directors:

Director

Signature

Director/Company Secretary

Signature

Alternative B (where the Consultant is a partnership)

EXECUTED as a DEED by

THE CONSULTANT

by the signatures of those partners
authorised to bind the Consultant:

[Partner]

[Name]

Signature

in the presence of:

WITNESS

Signature:

Print name:

Address:

.....

.....

Occupation:

[Partner]

[Name]

Signature

in the presence of:

WITNESS

Signature:

Print name:

Address:

.....

.....

Occupation:

[Partner]

[Names]

Signature

in the presence of:

WITNESS

Signature:

Print name:

Address:

.....

.....

Occupation:

EXECUTED as a **DEED** by

THE BENEFICIARY

by the signatures of:

Alternative A

Authorised Signatory

Authorised Signatory

Alternative B

Director

Director/Company Secretary

EXECUTED as a **DEED** by

THE CONTRACTOR

by the signatures of:

Alternative A

Authorised Signatory

Authorised Signatory

Alternative B

Director

Director/Company Secretary

DATED

20[.].]

**SWWRCF
VOLUME 2 APPENDIX H**

(1) SUBCONTRACTOR

AND

(2) CONTRACTOR

AND

(3) BENEFICIARY

DEED OF COLLATERAL WARRANTY

Relating to the provision of

{insert details} at {insert details}

1.	INFORMATION ON PAGE 1	107
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Date of Agreement:

Project:

Works:

(as more particularly described in the Building Contract)

Subcontract Works:

(as more particularly described in the Subcontract)

Beneficiary:

Company Registration Number:

of/whose registered is at:

Contractor:

Company Registration Number:

of/whose registered is at:

Subcontractor:

Company Registration Number:

of/whose registered office is at:

Subcontract dated:

Professional/Contractor's Indemnity Insurance:

£ million (minimum cover)
("Nil" if not applicable)

1. INFORMATION ON PAGE 1

The information completed on page 1 of this agreement forms part of this agreement.

2. BACKGROUND

- 2.1 The Contractor has been appointed under the Building Contract to carry out the Works.
- 2.2 The Contractor has entered into, or intends to enter into, the Subcontract with the Subcontractor for the design (if applicable) and construction of the Subcontract Works.

3. CONSIDERATION

This agreement is made on the date appearing on page 1 between the Contractor, the Subcontractor, and the Beneficiary in consideration of the payment of £1 by the Beneficiary to the Subcontractor (receipt of which the Subcontractor hereby acknowledges).

4. WARRANTY AND LIABILITY

- 4.1 The Subcontractor warrants to the Beneficiary that it has complied, and will at all times comply, with the terms of the Subcontract and any specifications or requirements included or referred to in the Subcontract and that it has exercised and will continue to exercise the degree of skill, care and diligence reasonably to be expected of a competent Subcontractor, and (to the extent that the Subcontractor is responsible for any design under the Subcontract) the degree of skill, care and diligence reasonably to be expected of a competent professional designer or combination of designers holding himself or themselves out as being experienced in carrying out works [and design in relation to works] of a similar size, scope and nature to the Subcontract Works.
- 4.2 The Subcontractor has no liability under this agreement which is greater or of longer duration than it would have had if the Beneficiary had been a party to the Subcontract as joint employer and the Subcontractor shall be entitled in any action or proceedings by the Beneficiary under this agreement to rely on any limitation in the Subcontract and to raise the equivalent rights in defence of liability (but excluding set offs and counterclaims) as it would have had if the Beneficiary had been named as such under the Subcontract. Upon the expiration of 12 years from the date of completion of the Subcontract Works in accordance with the Subcontract the liability of the Subcontractor under this agreement shall cease save in relation to any claims made by the Beneficiary against the Subcontractor and previously notified in writing by the Beneficiary to the Subcontractor.

5. STANDARDS OF PRODUCTS AND MATERIALS

- 5.1 The Subcontractor warrants to the Beneficiary that (unless otherwise authorised or instructed by or on behalf of the Beneficiary):
 - (a) in relation to any part of the Subcontract Works for which the Subcontractor is responsible for the design, it has exercised, and will

exercise, all reasonable skill, care and diligence in accordance with this agreement to see that it has not specified, selected, approved or authorised for use and will not specify, select, approve or authorise for use; and

- (b) it has not used, and will not use, in connection with the Subcontract Works: any product or material or building practical or technique which is prohibited by the Subcontract or is not in conformity with relevant British or European Union Standards and/or Codes of Practice or which at the time of specification, selection, approval or authorisation is otherwise generally known within the UK construction industry to be deleterious or hazardous to health and safety or to the durability of the Subcontract Works.
- (c) If in the performance of its duties under the Subcontract the Subcontractor becomes aware that it or any other person has specified, used, authorised or approved the specification or use by others of any such product or materials, building practices or techniques, the Subcontractor will notify the Beneficiary forthwith. This clause does not create any additional duty for the Subcontractor to inspect or check the work of others which is not required by the Subcontract.

6. INSURANCE

6.1 The Subcontractor covenants:

- (a) in relation to any design of the Subcontract Works for which the Subcontractor is responsible, to take out and maintain with reputable insurers in the UK insurance market professional indemnity insurance in an amount of not less than that stated on page 1 for any occurrence or series of occurrences arising out of any one event, for a period expiring no earlier than 12 years after the date of completion of the Subcontract Works in accordance with the Subcontract, provided always that such insurance continues to be available in the UK insurance market at commercially reasonable rates. Any increased or additional premium required by insurers by reason of the Subcontractor's own claims record or other acts or omissions particular to the Subcontractor shall be deemed to be within commercially reasonable rates;
- (b) to inform the Beneficiary or its assignees in writing immediately of any failure or inability to maintain insurance in accordance with clause 6.1.1, and of any circumstances likely to render such insurance void or voidable, in order that the Subcontractor and the Beneficiary can discuss the means of best protecting their respective positions in the absence of such insurance;
- (c) when reasonably requested by the Beneficiary, to produce for inspection documentary evidence that its professional indemnity insurance cover is being maintained properly and that payment has been made in respect of the last preceding premium.

7. DOCUMENTS

- 7.1 In relation to all drawings, details, plans, reports, models, specifications, bills of quantities, calculations and other documents of any nature whatsoever which have been or are hereafter created or developed by the Subcontractor in the course of performing its obligations under the Subcontract ("Documents") the Subcontractor hereby grants, or agrees to grant, to the Beneficiary a royalty-free non-exclusive licence to use and reproduce all Documents for any purpose whatsoever connected with the Project and such other purposes as are reasonably foreseeable including but without limitation, the carrying out, completion, maintenance, letting, advertisement, modification, extension, reinstatement, reconstruction and repair of the Subcontract Works. Such licence will carry the right to grant sub-licences and will be transferable to third parties but shall not entitle the owner of such licence or of any sub-licence to reproduce the designs contained in the Documents. Such licence shall take effect from the date of this agreement or (in relation to documents not yet in existence) from the date of the creation of the relevant Document and shall continue notwithstanding any termination of this agreement. Neither the Beneficiary nor any recipient of any sub-licence under this clause, shall hold the Subcontractor liable for any use it may make of the Documents for any purpose other than that for which they were originally provided by it.
- 7.2 The Subcontractor agrees, on reasonable request at any time, and following reasonable written prior notice, to give the Beneficiary or those authorised by it access to the Documents and to provide copies (including copy negatives and CAD disks) thereof at the Beneficiary's expense.
- 7.3 The Subcontractor warrants to the Beneficiary that it has used the standard of skill, care and diligence as set out in clause 4.1 to see that the Documents (save to the extent any duly appointed sub-subcontractors have been used to prepare the same) are its own original work and that in any event their use in connection with the Subcontract Works will not infringe the rights of any third party.

8. ASSIGNMENT

- 8.1 The Beneficiary shall be entitled to assign the benefit of this agreement or any rights arising hereunder to a purchaser, mortgagee or tenant of the whole or any part of the Project twice only without the consent of the Subcontractor provided that the Subcontractor shall be entitled to receive notice of such an assignment in writing within a reasonable period of the assignment taking place. The Subcontractor will not contend that any such assignee is precluded from recovering any loss resulting from any breach of this agreement (whatever the date of such breach) by reason only that that person is an assignee and not the original beneficiary hereunder or by reason that the original beneficiary or any intermediate beneficiary escaped any loss resulting from such breach by reason of the disposal of any interest in the Subcontract Project or the Project or that the original beneficiary or any intermediate beneficiary has not suffered any, or as much, loss.
- 8.2 Notwithstanding clause 8.1, the Beneficiary may assign the benefit of this agreement without restriction to any company within the same "group" as the Beneficiary (as defined by Section 42 of the Landlord and Tenant Act 1954).

9. INSPECTION OF DOCUMENTS

The Subcontractor's liabilities under this agreement will not be in any way reduced or extinguished by reason of any inspection or approval of the Documents or attendance at site meetings or other enquiry or inspection which the Beneficiary may make or procure to be made for its benefit or on its behalf.

10. SUCCESSORS

References to the Beneficiary shall include the person or persons from time to time entitled to the benefit of this agreement.

11. NOTICES

Any notice, request, demand, consent or approval given under or in connection with this agreement must be given or confirmed in writing. Any such notice, request, demand, consent or approval shall be delivered personally or addressed to the respective address of the parties set out in this agreement or to the registered office or the principal business address of either party for the time being and, if sent by post, shall be sent by first class pre-paid post or recorded delivery and shall be deemed to have been received on the second working day after the same shall have been posted.

12. THIRD PARTY RIGHTS

This agreement is enforceable by the original parties to it and by their successors in title and permitted assignees. Any rights of any person to enforce the terms of this agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 are excluded.

13. APPLICABLE LAW AND JURISDICTION

This agreement will be construed in accordance with the laws of England & Wales as applied in Wales and shall be in all respects subject to the jurisdiction of the courts of England & Wales.

IN WITNESS whereof this agreement has been executed as a deed and delivered on the date stated above

EXECUTED as a **DEED** by the
SUBCONTRACTOR

by the signatures of:

[Alternative A](#)

Authorised Signatory

Authorised Signatory

[Alternative B](#)

Director

Director/Company Secretary

EXECUTED as a **DEED** by the
CONTRACTOR

by the signatures of:

Director

Director/Company Secretary

EXECUTED as a **DEED** by the
BENEFICIARY

by the signatures of:

[Alternative A](#)

Authorised Signatory

Alternative B

Authorised Signatory

Director

Director/Company Secretary

DATED

20[.]

**SWWRCF
VOLUME 2 APPENDIX I**

**(1) [INSERT NAME OF EMPLOYER]
(2) [CONTRACTOR]
and
(3) [CONSULTANT]**

NOVATION AGREEMENT

In relation to

[]

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9.	CONTRACT (RIGHTS OF THIRD PARTIES) ACT 1999	118

BETWEEN:

- (1) **[insert name and address of Employer]** including any successors in title (“the Employer”); and
- (2) **[company name]** (registered in England and Wales No [company number]) whose registered office is at [registered office] **[OR] [individual name]** of [individual address] (“the Contractor”);
- (3) **[company name]** (registered in England and Wales No [company number]) whose registered office is at [registered office] **[OR] [individual name]** of [individual address] (“the Consultant”)

RECITALS

- A By an agreement dated on or about [] (the “**Appointment**”) the Employer has appointed the Consultant to provide [] services (the “**Services**”).
- B Under a Contract dated on or about [] (the “**Construction Contract**”) the Employer has appointed the Contractor to design and construct certain works as described in the Construction Contract (the “**Works**”).
- C The Employer, Consultant and Contractor have agreed that from the date of this agreement the Contractor shall assume the rights, liabilities and obligations of the Employer and that the Consultant shall perform its obligations under the Appointment in favour of the Contractor and that the Employer and the Consultant shall each release the other from any obligations owed by the other to them under the Appointment.

NOW IT IS AGREED AS FOLLOWS:

1. RELEASE BY THE EMPLOYER OF THE CONSULTANT

- 1.1 The Employer releases and discharges the Consultant from any and all obligations and liabilities owed to the Employer under the Appointment.

2. RELEASE BY THE CONSULTANT OF THE EMPLOYER

- 2.1 Subject to all fees properly due and owing under the Appointment at the date of this agreement having been paid to the Consultant, the Consultant releases and discharges the Employer from any and all obligations and liabilities owed to the Consultant under the Appointment, and accepts the liability of the Contractor under the Appointment in lieu of the liability of the Employer.

3. ACCEPTANCE OF LIABILITY BY THE CONSULTANT TO THE CONTRACTOR

- 3.1 Subject to the variations, if any, set out in Schedule 1 to this Deed, the Consultant undertakes to perform the Appointment and to be bound by its terms, in every way as if the Contractor were and had been from inception of the Appointment a party to the Appointment in lieu of the Employer.

- 3.2 All rights of action and remedies against the Consultant under or pursuant to the Appointment vested in the Employer shall from the date of this Deed vest in the Contractor.
- 3.3 The Consultant warrants to the Contractor that, in respect of the duties and obligations which it has already performed under the Appointment, it has performed those duties and obligations in accordance with the standards of skill and care set out in the Appointment. Furthermore, the Consultant shall be liable for any loss or damage suffered or incurred by the Contractor, arising out of any negligent act, default or breach of the Consultant's obligations under the Appointment, notwithstanding that the Employer may not have suffered any or as much loss or damage. No waiver by the Employer, either express or implied, shall affect the Consultant's liability to the Contractor pursuant to this clause.
- 3.4 The liability of the Consultant to the Contractor pursuant to this agreement, or pursuant to the Appointment, shall not be affected by the Contractor's assumption of liability for design to the Employer pursuant to the Construction Contract.
- 3.5 The Consultant acknowledges that the Contractor has relied upon, and will continue to rely upon, the Services carried out by the Consultant.
- 3.6 The Consultant shall have regard to any obligations on the part of the Contractor in the Construction Contract, and shall perform the Services in the Appointment or as amended in the Schedules hereto in such manner and at such times so as not to constitute, cause or contribute to any breach of the Construction Contract by the Contractor.

4. ACCEPTANCE OF LIABILITY BY THE CONTRACTOR

- 4.1 With the exception of any outstanding liability to pay any fees properly owing under the Appointment at the date of this agreement, and subject to the variations if any set out in Schedule 2 to this Deed, the Contractor accepts the liabilities of the Employer, and undertakes to perform the Appointment and to be bound by its terms in every way as if the Contractor were, and had been from inception of the Appointment, a party to the Appointment in lieu of the Employer, and as if all acts and omissions of the Employer under or pursuant to the Appointment prior to the date of this Agreement were the acts or omissions of the Contractor.
- 4.2 All rights of action and remedies vested in the Consultant under or pursuant to the Appointment shall from the date of this agreement vest against the Contractor.

5. AFFIRMATION OF APPOINTMENT

- 5.1 The terms and conditions of this Deed represent the entire agreement between the parties relating to the novation of the Appointment, and except as specifically amended by this Deed, all the terms and conditions of the Appointment remain in full force and effect.

6. WARRANTIES AND ACKNOWLEDGEMENTS

- 6.1 The Employer warrants and acknowledges to the Contractor that:

- (a) it has at all times observed and performed and is not in breach of the Appointment; and
- (b) at the date hereof it has paid to the Consultant the sum of £[] plus VAT in accordance with the terms and conditions of the Appointment; and
- (c) at the date hereof there is no sum or sums due to the Consultant under the Appointment or arising therefrom that have not been discharged by the Employer; and
- (d) it is not aware of any breach of the Appointment committed by the Consultant; and
- (e) it has not assigned the Appointment nor any benefit arising under or from that Appointment to any third party and it is not holding any such benefit on trust for any third party.

6.2 The Consultant acknowledges that, prior to entering into this agreement, it has inspected a copy of the Construction Contract (including all documents comprising the Construction Contract). The Consultant further acknowledges that any breach of the Appointment (whether on or before the date of this agreement or at any time thereafter) may result in the Contractor incurring liabilities under or arising out of the Construction Contract and/or other contracts that the Contractor has or may enter into.

7. EXISTING CLAIMS

- 7.1 In this clause the “Existing Claims” mean such breaches or alleged breaches of obligations under the Appointment as are at the date of this Deed the subject of adjudication, arbitration, litigation or any other form of dispute resolution between the Employer and Consultant, brief details of which are set out in Schedule 3.
- 7.2 Notwithstanding any other provision in this Deed, this Deed shall not operate to release or discharge the Employer or the Consultant in respect of the Existing Claims.
- 7.3 The Employer hereby assigns to the Contractor the right to pursue or defend the Existing Claims in the name of the Employer.
- 7.4 The Contractor shall indemnify the Employer in respect of any costs, damages, or expenses incurred by the Employer in consequence of the Contractor pursuing or defending the Existing Claims.
- 7.5 The Employer shall account to the Contractor in respect of any sums which the Employer receives from the Consultant in respect of the Existing Claims.

8. LAW AND JURISDICTION

- 8.1 This Deed and the rights and obligations of the parties under it shall be governed and construed according to the laws of England & Wales as applied in Wales. Any dispute shall be subject to the jurisdiction of the courts of England & Wales.

9. CONTRACT (RIGHTS OF THIRD PARTIES) ACT 1999

9.1 No provision of this Deed is intended to create or creates any right or benefit enforceable against the parties to this Deed under the Contract (Rights of Third Parties) Act 1999.

IN WITNESS whereof the parties have executed and delivered this document as a Deed on the date and year stated above

[Alternative A](#) (where the Consultant is a company)

EXECUTED as a **DEED** by

THE CONSULTANT

acting by a director and its company
secretary or two directors:
Director

Signature

Director/Company Secretary

Signature

[Alternative B](#) (where the Consultant is a partnership)

EXECUTED as a **DEED** by

THE CONSULTANT

By the signatures of those partners authorised
To bind the Consultant:

Partner

Name

Signature

in the presence of:

WITNESS

Signature:

Print name:

Address:

.....

.....

Occupation:

Partner

Name

Signature

in the presence of:

WITNESS

Signature:

Print name:

Address:

.....

.....

Occupation:

Partner

Name

Signature

in the presence of:

WITNESS

Signature:

Print name:

Address:

.....

.....

Occupation:

in the presence of:

Partner

Name

Signature

in the presence of:

WITNESS

Signature:

Print name:

Address:

.....
.....

Occupation:

EXECUTED as a DEED by THE EMPLOYER

By affixing its Common Seal [affix common seal here]
in the presence of:

Authorised signatory

EXECUTED as a DEED by THE CONTRACTOR

acting by:

Alternative A

Authorised signatory

Authorised signatory

Alternative B

Authorised signatory

Authorised signatory



Appendix H

Framework Volume 3 – Enquiry Document

CYNGOR SIR CAERFYRDDIN
(ar ei ran ei hun ac Awdurdodau eraill sy'n cymryd rhan)

FFRAMWAITH CONTRACTWYR RHANBARTHOL DE-ORLLEWIN CYMRU

CYFROL 3

Dogfen Ymholiadau Ynghylch y Fframwaith

**CARMARTHENSHIRE COUNTY COUNCIL
IN ASSOCIATION WITH NEATH PORT TALBOT, PEMBROKESHIRE AND
THE CITY AND COUNTY OF SWANSEA COUNCILS**

SOUTH WEST WALES REGIONAL CONTRACTORS FRAMEWORK

VOLUME 3

Framework Enquiry Document

Date: APRIL 2011



VOLUME 3 – FRAMEWORK ENQUIRY DOCUMENT

Part 1 Instructions to Tenderers

Part 2 Specific Instructions

- 1 General
- 2 Amendments to tender invitation documents
- 3 Tender enquiries and communications
- 4 Evaluation of tender

Part 3 Tenderers must note

Part 4 Returning completed tender documentation

PART 1 INSTRUCTIONS TO TENDERERS

1. Tenders must be submitted in accordance with the following instructions. The Employer, whose decision in the matter shall be final, may reject any that do not comply.
2. All the tender documentation must be treated as private and confidential. Tenderers should only release details of the tender documentation on a confidential basis to those who have a legitimate need to know or whom they need to consult for the purpose of preparing this tender.
3. Tenderers shall not, at any time, release information concerning the invitation to tender and/or the tender documents for publication in the Press or on radio, television, screen or any other medium without the prior approval of the Employer.
4. Tenderers should not assume that an invitation to tender in any way means the Tenderer has satisfied the Employer regarding any matters raised in the Tenderer's previously submitted Pre-Tender Qualification Questionnaire.
5. The Tender documents are, and shall remain the property and copyright of the Employer.
6. Applications must be made on the Form of Tender incorporated in these Tender Documents. Tenderers will be required to sign and submit this together with the other information requested. In the case of a consortium, confirmation must be made that it will form itself into a legal entity prior to the contract commencing, either by means of incorporation or by a partnership where each party to the consortium will be jointly and severally liable for the performance of the contract.
7. The Tender and supporting documents to be returned must be completed in English. Any resulting contract its formation, its interpretation and performance will be subject to, and in accordance with the Law of England and Wales as applied in Wales.
8. Unit rates where required must be quoted in pounds sterling and decimal fractions of a pound. Such fractions need not be restricted to any specific number of decimal places but the product of multiplying the rate by any guide quantity must be expressed in pounds and whole pence (i.e.; two decimal places). Any lump sum item prices must also be expressed in a similar manner. Every relevant item must be priced. Where there is no charge, a "NIL" figure shall be included.
9. Tenders should be submitted exclusive of Value Added Tax (VAT).
10. Tenderers shall be deemed to have satisfied themselves before submitting their Tender as to the correctness of their tender prices stated which shall (except as insofar as is otherwise provided in the Contract), cover all the obligations under this Contract.

11. Any queries arising from the tender documentation the answers to which may have a material bearing on the offer to be made shall be sent to the Employer at the Portal SWWRCF@carmarthenshire.gov.uk.
12. Tenderers shall raise queries as soon as possible during the tender period and where queries are received at least 28 days before the specified date for return of tenders the Employer will endeavour to provide a written response within 14 days of receipt. Where queries are received after that date it may not be possible to provide responses before the date for return of tenders.
13. Tenderers are referred to Part 2 of these Instructions for further guidance on the handling of queries.
14. Tenderers will be responsible for all expenses incurred by themselves in the preparation of their tender submission.
15. Any alteration or addition to the Framework Agreement enclosed with the tender documentation or other qualification to the tender submission in respect of the standard bid may result in the Tender not being accepted.
16. Where tender submissions are incomplete the Employer reserves the right not to consider them.
17. Tender documents must be completed in black or blue ink.
18. Tenderers are advised to ensure that they are fully familiar with the nature and extent of the obligations to be accepted by them if their Tender is accepted and results in a successful Tender Award.
19. It is the responsibility of Tenderers to obtain for themselves at their own expense all information necessary for the preparation of their Tender. No claim arising out of want of knowledge will be accepted. Any information supplied by the Employer (whether in the Tender Documentation or otherwise) is supplied only, for general guidance in the preparation of Tenders and no warranty is given as to its accuracy or completeness.
20. The Employer is not bound to accept the lowest or any Tender and shall not incur any liability in respect of any Tender submitted.
21. Tenders shall remain open for acceptance for 120 days

22. Tenders shall only be submitted on the basis that they are bona-fide Tenders. In recognition of this principle it is agreed that the Employer shall have the power to cancel the Framework Contract and to recover from the Tenderer the amount of any loss arising from the cancellation if the Tenderer shall have either:
- a. Offered or given or agreed to give any Officer or Member of the Employer any gift or consideration of any kind as an inducement or bribe to influence its decision in the tendering procedure. The word Tenderer for these purposes shall be deemed to include any and all persons employed by either the Tenderer or by any company or consortium acting as the Tenderer, or by any person purporting to act on the Tenderer's behalf whether the Tenderer is aware of their acts or not. The Tenderer's attention is drawn to sections 94 to 98 and section 117 of the Local Government Act 1972 (as amended); or
 - b. Communicated to any person other than the Employer the amount or approximate amount of the proposed Tender (other than in confidence in order to obtain quotations necessary for the preparation of the Tender for insurance), or
 - c. entered into any agreement or arrangement with any person as to the amount of any proposed Tender or that person shall refrain from Tendering. Unless otherwise stated all documents requiring a signature must be duly signed as required below; if a date is required, this must also be shown.
23. No servant or agent of the Employer has authority to vary any part of the Tender Documentation other than through the issue of Instructions to Tenderers (ITT) Circulars
24. If the Employer needs to make alterations to the Tender Documentation following submission of tenders, then the Employer shall have the right to price the changes, using the Tenderers own submitted prices applied on a quantum meruit basis.
25. Tenderers should note that the tender is for a Property Construction Framework and that the Employer will not be compiling an in-house submission for this Contract. Tenderers shall also note that the Employer believes that it is unlikely that TUPE will apply in relation to the award of this contract.

PART 2 SPECIFIC INSTRUCTIONS

1. General

- 1.1 Each Tenderer is required to submit a valid bid. Variant Bids will not be considered.
- 1.2 The Tender Invitation Documents repeat some parts of the Information for Prospective Tenderers document issued in respect of the procurement. They also incorporate additional material reflecting the development of the proposals and of the documentation since then. The Tender Invitation Documents shall take precedence in case of any conflict with earlier information supplied.
- 1.3 A valid bid will contain duly completed bid forms set out in Volume 4 and responses to each of the questions in the Questionnaire set out in Volume 4 and proposals in response to each of the bid requirements set out in Volume 4 and should confirm acceptance of the Framework Agreement contained in Volume 2.
- 1.4 If Tenderers believe that they can only submit a sustainable bid with certain qualifications, the Employer will accept as a bid, which is qualified to the minimum extent necessary. Tenderers should note, however, that the *Employer's* strong preference is for unqualified bids and that accordingly any such qualifications will be taken into account in the evaluation of Tenders

2. Amendments to Tender Invitation Documents

- 2.1 During the Tender preparation period the Employer may issue ITT Circulars which will be identified by sequential numbering.
- 2.2 Such circulars will contain details of any amendments to the Tender Invitation Documents together with any further information, which may assist the Tenderers in the preparation of their Tenders.

3. Tender Enquiries and Communications

- 3.1 Tenderers should note the following procedure for obtaining further information, approval of proposals or clarification on all matters arising during the Tender preparation period.
- 3.2 All communications by the Tenderers during the Tender preparation period should be in writing and/or e-mail (as outlined in Part 1 of these instructions). No communication with any other person representing or acting on behalf of the Council should be made without prior approval. Each communication should clearly state that it relates to the South West Wales Regional Contractors Framework Contract, specifying the applicable Lot. Any

such communication to that person at that address shall be taken to be a communication to the Employer.

3.3 During the Tender preparation period Tenderers may submit queries through a formal query procedure. Tenderers may view some of these queries as confidential, particularly if they believe that the release of the query to other Tenderers may reveal an innovative approach. The following procedure will be adopted:

- (a) If a Tenderer believes that a query is of a confidential nature then it must be marked as confidential.
- (b) For the avoidance of doubt such notification of confidentiality shall not prevent the release of the query or communication to the Employer, its Members, advisers or officers
- (c) If the Employer considers, in its absolute discretion, that it is able to answer the query on a confidential basis (i.e. without disclosing it to other Tenderers), then it will do so.
- (d) If the Employer considers, in its absolute discretion, that it is unable to answer the query on a confidential basis, then it will notify the Tenderer of its decision and the Tenderer will have the opportunity to withdraw the query.
- (e) If the Tenderer does not withdraw the query then the query and its answer will, where appropriate, be released to all Tenderers in an ITT Circular.

3.4 Where necessary, ITT Circulars (including responses to queries) will generally be released on a Monday during the tender period, and the Employer will endeavour to respond to queries submitted by 12 noon on the previous Thursday.

3.5 Tenderers are required to check and undertake responsibility for all aspects of the Tender Invitation Documents, which they choose to incorporate into their own proposals.

4. Evaluation of Tender

- 4.1 The Tenders will be checked initially for compliance with these Instructions to Tenderers and for completeness. Clarification may be sought from Tenderers in order to determine if a Tender is complete and compliant. Tenders which are not substantially complete and/or compliant with these Instructions may be rejected.
- 4.2 An indicative timetable from issue of these Instructions to Tenderers, to Tender submission and contract execution is set out below. This timetable and any revisions thereto or further timetables notified prior to contract execution are for the benefit of the *Employer* and may be changed without prior notice by the Employer. The attention of Tenderers is drawn to the Clarification Meetings included in the proposed schedule. Further details of these meetings will be circulated during the tender period, but it will be expected that the Contractor's nominated Framework Manager (as defined in the Framework Agreement) will attend the Post Tender Clarification Meeting.

Issue of Tender Documents	15th April 2011
Tender Clarification Meeting	TBC—w/c 9th May 2011
Return of Tenders	7th June 2011
Post Tender Clarification Meeting	TBC—w/c 13th June 2011
Award of Tender	July 2011
Commencement of Framework Arrangement	July 2011

PART 3 TENDERERS MUST NOTE THE FOLLOWING

The Tender Invitation Documents are being made available only to those parties who have been pre-qualified and have subsequently been invited to tender for the South West Wales Regional Contractors Framework. They are made available on condition that they are used in connection with the Tender and for no other purpose whatsoever.

Whilst the information in the Tender Invitation Documents has been prepared in good faith, it does not purport to be comprehensive or to have been independently verified. Neither the Carmarthenshire County Council ("the Employer") nor any of the Associated Bodies accepts any liability or responsibility for the adequacy, accuracy or completeness of, or makes any representation or warranty, express or implied, with respect to, the information contained in the Tender Invitation Documents or - on which such documents are based, or with respect to any written or oral information made, or to be made, available to any interested recipient or its professional advisers, and any liability therefore is hereby expressly disclaimed.

Each person to whom the Tender Invitation Documents are made available must make his own independent assessment of the South West Wales Regional Contractors Framework Agreement, after making such investigation and taking such professional advice as he deems necessary to determine his interest in the South West Wales Regional Contractors Framework Agreement.

The information contained in the Tender Invitation Documents and any further information provided by the Employer or its advisers is being made available on the understanding that it will be kept by the bidders and their advisers confidential.

Any such information is released to bidders on condition that it will be used solely for the purposes of submitting bids in response to this invitation. Furthermore it is a condition of bidding that bidders comply with the confidentiality obligations comprised herein. The documents and any information of the type referred to above must not be copied, reproduced, distributed or passed to any other person at any time except to the bidders team advisers and potential investors or funders and then only to the extent that they have undertaken similar confidentiality obligations to the bidder in respect thereof.

Bidders are expressly forbidden from discussing with any other bidder their responses to this ITT or otherwise exchanging information or colluding in respect of this procurement.

Similarly bidders are expressly forbidden from canvassing the Employer or its employees or advisors so as to obtain an unfair advantage. Bidders should note the requirement in this ITT for the submission of Anti-Collusion Certificate contained in the Framework Agreement.

The Tender Invitation Documents are not intended to provide the basis of any investment decision and should not be considered as a recommendation by the Employer or any of the Associated Bodies to any recipient of the Tender Invitation Documents.

Nothing in the Tender Invitation Documents is, or should be relied on as, a promise or representation as to the future. Neither the Employer nor any of the Associated Bodies undertakes to provide the recipient with access to any additional information or to update the information in the Tender Invitation Documents or to correct any inaccuracies which may become apparent. The Employer reserves the right, without prior notice, to change the procedure for the South West Wales Regional Contractors Framework Agreement competition or to terminate discussions and the delivery of information at any time before the signing of any agreement relating to the South West Wales Regional Contractors Framework Agreement.

PART 4 RETURNING COMPLETED TENDER DOCUMENTATION

The tender will comprise two parts: a quality submission and a financial submission.

Package A

This package will comprise 1 No hard copies of the “Quality” Submission together with an electronic copy (including the completed Form of Tender and Anti Collusion Certificate as detailed in Volume 4) and should be submitted in a sealed package clearly marked with the Tenderers name and the letter “**A**” .

Package B

This package will contain one copy of the Financial Submission and should be submitted in a sealed package clearly marked with the Tenderers name and the letter “**B**” .

Submission of Tenders

Tenders should be in sealed packages marked “**A**” and “**B**” each with the Tenderers name clearly marked on it. Both packages should then be returned in a **plain** secured package and delivered to the address below.

Tenders should be sent by registered post, recorded delivery, Red Star Service, Parcel Force Datapost, (or the nearest equivalent postal service from another member state of the European Union), or by Courier or hand delivery. Tenders must be received in a plain sealed envelope or package. Whichever method is used, the envelope or any franking thereon, must not bear any marks, sign or reference which might indicate the name of the Tenderer. If Parcel Force Datapost is used, tenderers will need to ensure that the Post Office waives its requirement for insertion of the sender's name.

The completed tender shall be returned to: -

Chief Executive's Department, - SWWRCF TENDER

Carmarthenshire County Council,

County Hall,

Carmarthen,

Carmarthenshire.

SA31 1JP

Tenders must be marked: -

Private and Confidential

SOUTH WEST WALES REGIONAL CONTRACTORS FRAMEWORK

LOT NO. (To be completed by Tenderer)

LOT TITLE..... (To be completed by Tenderer)

Tenders must be delivered so as to arrive at the above address before **12 noon on Tuesday 7th June 2011**. Tenders received late will not be considered.

Tenderers must submit separate Bids/Tenders for each Lot they wish to be considered for.



Appendix I

Framework Volume 4 – Bid Document

CYNGOR SIR CAERFYRDDIN
(ar ei ran ei hun ac Awdurdodau eraill sy'n cymryd rhan)

FFRAMWAITH CONTRACTWYR
RHANBARTHOL DE-ORLLEWIN CYMRU

CYFROL 4

Dogfen Cynnig

CARMARTHENSHIRE COUNTY COUNCIL
IN ASSOCIATION WITH NEATH PORT TALBOT, PEMBROKESHIRE
AND THE CITY AND COUNTY OF SWANSEA COUNCILS

SOUTH WEST WALES REGIONAL CONTRACTORS
FRAMEWORK

VOLUME 4

Bid Document

Date: APRIL 2011



Neath Port Talbot
Castell-nedd Port Talbot
County Borough Council Cynbor Bwrdeistref Sirul



VOLUME 4 – BID DOCUMENT

Part 1 Anti Collusion Certificate

Part 2 Form of Tender

Part 3 Quality Submission

- 1 Introduction
- A Questions on Framework Management
- B Questions on Model Project

Part 4 Financial submission

Part 5 Tender evaluation

- Annex 1 Standard marks for quality questions
- Annex 2 Tender evaluation form
- Annex 3 Financial Submission Information
- Annex 4 Preliminaries

Appendix 1- Model Project for Tender Response/Assessment – Lot 1- Regional Framework, construction works exceeding £12m in value.

Appendix 2 - Model Project for Tender Response/Assessment – Lot 2 – East Area, construction works between £3.5 and £12m in value.

Appendix 3 - Model Project for Tender Response/Assessment – Lot 3 – West Area, construction works between £3.5 and £12m in value.

PART 1 – ANTI-COLLUSION CERTIFICATE

1 We certify that this tender is made in good faith, and that we have not fixed or adjusted the amount of the tender by or under or in accordance with any agreement or arrangement with any other person. We also certify that we have not and we undertake that we will not before the award of any contract for the work: -

- (i) (a) communicate to any person other than Carmarthenshire County Council the amount or approximate amount of the tender or proposed tender, except where the disclosure, in confidence, of the approximate amount of the tender was necessary to obtain insurance premium quotations required for the preparation of the tender;
- (b) enter into any agreement or arrangement with any person that they shall refrain from tendering, that they shall withdraw any tender once offered or vary the amount of any tender to be submitted;
- (ii) pay, give or offer to pay or give any sum of money or other valuable consideration directly or indirectly to any person [outside this consortium] for doing or having done or causing or having caused to be done in relation to any other tender or proposed tender for the work, any act or thing of the sort described at (i) (a) or (b) above.

2. We further certify that the principles described in paragraphs 1 (i) and (ii) above have been, or will be, brought to the attention of all sub-contractors, suppliers and associated companies providing services or materials connected with the tender and any contract entered into with such sub-contractors, suppliers or associated companies will be made on the basis of compliance with the above principles by all parties.

3. In this certificate, the word 'person' includes any persons and any body or association, corporate or unincorporated; 'any agreement or arrangement' includes any transaction, formal or informal and whether legally binding or not; and 'the work' means the work in relation to which this tender is made.

Signed:

Name:.....

Position:.....

Duly authorised to sign tenders and acknowledge the contents of the Anti-Collusion Certificate for and on behalf of

..... (the Contractor)

Address:

.....
.....
.....

Date:

PART 2 FORM OF TENDER INCORPORATING ANTI-COLLUSION CERTIFICATE

For South West Wales Regional Contractors Framework

Lot No. (Please insert)

Lot Title.....(Please insert)

The Tenderer must complete a separate Form for each Lot they wish to be considered for.

**To: Carmarthenshire County Council, County Hall, Carmarthen,
Carmarthenshire (the Employer)**

We offer to provide Works in accordance with the Framework Agreement for such sums as may be determined by the said Framework Agreement. Unless and until a formal agreement is prepared and executed this tender, together with your written acceptance thereof, shall constitute a binding contract between us.

This offer remains open for acceptance for a period of 120 days.

Yours faithfully

Signed:

Name:

Position:

On behalf of: (the Contractor)

Address:

.....

.....

Date:

PART 3 - QUALITY SUBMISSION

INTRODUCTION

- 1.1 This volume contains a series of questions to be addressed by tenderers. The answers to these questions will form the Quality Submission to be considered alongside the Financial Submission as described in Part 4.
- 1.2 Tenderers should note that their response to the questions must be compiled strictly in accordance with these instructions.
- 1.3 The questionnaire has been supplied in paper format and on a CD. It is expected that tenderers will wish to assemble responses to questions by manipulation of the electronic copy of the file. Responses must be arranged so that each question starts on a fresh page.
- 1.4 The response document must, however, be submitted as a paper document. This document must be contained within a folder of suitable size with all appendices included and clearly indexed. In addition, an electronic copy of the responses is also required.
- 1.5 Applicants must not alter the numbering system or order of questions. Appendices must be cross-referenced to the question number.
- 1.6 Responses to questions shall address all matters contained or implied within the questions and shall be factual, concise and complete. Marks will be lost if the responses are deemed to exceed the limit as set out for each question . However, this should not be seen as a benchmark and answers should be shorter where concise and complete answers can be given in less space and where responses demand more space because, for example, tables, diagrams or schedules are an appropriate means of responding then longer answers can be given. Where appropriate, responses that include reference to a tenderer's achievements will be marked higher than those that refer to aspirations.

The Questions are split into two Sections, (A) Framework Management and Development , and (B) Project Specific.

SECTION A - FRAMEWORK MANAGEMENT AND DEVELOPMENT

The Framework Management and Development function will run for the full duration of the Framework Period and the level of service will **not** be dependant on Project Workloads. To enable the Contractor to make due allowance the Framework Management and Development process will be based on the following principles:

1. The Contractor will be expected to attend and participate at an annual Framework Development Meeting (full day) – which will comprise a joint meeting/workshop with the Authorities, other Framework Contractors and Contractor/Consultant Partners. The Contractor is to include for all preparatory works/services required to fully participate in the meeting and to action any outcome from the meeting.
2. Training and Employment: The Contractor is expected to fully engage with the Authorities and Education providers to maximise the potential for economic and social regeneration. Project Specific Requirements have been set out in the Documents, however the Contractor must ensure that links and relationships are developed and in place for the successful operation of the Framework.
- 3 The Contractor is to include for fully participating in a Meet the Buyer day, to be held annually to identify additional SME suppliers that have not been used before and that are based in and around the localities of the proposed call off contracts.
- 4 The Contractor will provide monthly Progress Reports, presented to the Employer's Framework Manager. The Reports will be in a format to be agreed with the Employer and will report key issues arising from each Individual call off contract.

The Contractors Framework Management and Development Works will not be directly reimbursed by the Employer and the Contractor must make provision for the recovery of all costs through his general operating overheads.

In order that the “Quality” of the Framework Management and Development Provision can be evaluated the Tenderer is requested to provide the following information in his submission:

SECTION A - FRAMEWORK MANAGEMENT QUESTIONS

QUALITY ASSESSMENT

Notes :

- Reference to Font Size – CV’s to be in 11 point font but the remainder of the document to be in the most appropriate font taking account of guidelines on length of responses as stated in Para 1.6 above.

A-Q. 1 Please provide your general method statement for the delivery of the Framework Management and Development function. Your answer should include details of your proposed management structure, senior staff together with details of staff that you would choose to identify as Key Personnel within the terms of the Framework Agreement. Of particular importance is the person who will be the day to day contact for the Framework Agreement (Contractor’s Framework Manager). **(Maximum 3 A4 sides).**

A-Q. 2 Please Provide CV’s of the Personnel directly involved with the Framework (Not the Project Specific Personnel unless they have a dual role) in the following format:-

- Name
 - Date of Birth
 - Qualifications/Dates
 - Position
 - Time in Position
 - Key Skills (including degree of fluency in written and spoken English and Welsh)
 - Career Summary indicating relevant experience
 - Selected Project Experience including dates, name of employer and description of responsibility
-
- Number of CV’s to be sufficient to identify Key Personnel and Senior Staff as required by response to Question A .1
 - **No more than 4 CV’s to be submitted , each CV to be no more than 2 sides A4**

- A-Q.3** Please give details of your corporate structure showing how the management of this Framework would be accommodated and reporting channels with the Company's Senior Management/Directors. **(Max A4 2 sides)**
- A-Q.4** Provide proposals for dealing with potential and actual conflicts of interests. How the Council's work will be given priority bearing in mind that the volume or regularity of commissions cannot be guaranteed. To facilitate operation of an appointment the tenderer is required to indicate the minimum period of notice required for the appointment. **(Max 1 A4 side).**
- A-Q.5** Please provide your proposals for providing Training and Employment Opportunities to comply with the Framework Agreement. **(Max 4 A4 sides).**
- A-Q.6** Please provide any examples of participation in Meet the Buyer or similar initiatives you have carried out on previous Projects. **(Max 2 A4 sides).**
- A-Q.7** Please provide a typical example (either Existing or Proposed) which you would present as your Monthly Report for the Framework. Please highlight the matters you consider to be of importance for the successful delivery of the Projects to which you have been Appointed. **(Max 12 A4 sides).**
- A-Q.8** Do you have IT systems to provide the services noted above? Please describe systems in output terms and describe how relevant information could be transferred to an Employer's system. **(Max 2 A4 sides).**

FINANCIAL ASSESSMENT

- A-Q.9** As noted above and in the Framework Agreement the Framework Management function listed above will not be reimbursed as an itemised cost but will be treated as an overhead, the contractor must allow for the recovery of his costs within his operating costs overheads.

The Contractor is not expected to detail the cost of each element of the services noted for this submission however, he is requested to provide Hourly Cost Information for all Persons identified as having an involvement with the Framework. The Hourly Costs will **not** form part of the Financial Evaluation for the Framework.

SECTION B - PROJECT SPECIFIC

Details of a typical Project are included in Appendix 1,2 and 3. There are Specific Projects for each of the Lots 1,2 and 3 detailed in the Notice and the Tenderer should only provide a response for the Lot(s) which they wish to submit a Tender.

QUALITY ASSESSMENT

The Quality Evaluation will be assessed on the responses to the following for each Project. Full details of the Evaluation Model are included in Annex 2.

B-Q.1 Please provide your Method Statement for the Delivery of the Project. The Method Statement should include your proposals for delivery of the Project from start to completion. Please note that some questions noted below may figure in your Method Statement Response and the Contractor is requested to include the detail as a direct response to the question with a cross reference note in the Method Statement. **(Max 10 A4 sides)**

B-Q.2 Provide details of the Management and Staff who will be responsible for the Delivery of the Project. Please provide CV's for the Personnel listed in the format noted above. The Contractor should also provide details of any other bodies/companies that may be involved with the delivery of the Project (other than works Sub- contractors) detailing their involvement. Please provide details of how the Project Delivery Personnel interact with your Corporate Management Structure. **(Max 8 C.V's to be submitted).**

B-Q.3 Provide details of how you propose Managing Health and Safety to ensure compliance with all Statutory Requirements. Provide CV's of the Personnel responsible for ensuring that all obligations are met. **(Max 4 A4 sides).**

B-Q.4 To comply with WAG requirements the Projects noted for Lots 1, 2 and 3 will be expected to achieve BREEAM Excellent levels. Please detail how this would be delivered. **(Max 4 A4 sides).**

B-Q.5 Please give details of your Waste proposals for the Project. **(Max 4 A4 sides)**

B-Q.6 Please detail how Quality Assurance will be provided through the various Stages of the Project, please provide the detail for the Pre-construction, Construction and post Construction Stages. **(Max 4 A4 sides).**

- B-Q.7** How will you provide Cost Control through the various Stages of the Project. Please provide a Master Budget Plan and Cash Flow Forecast for the Project. **(Max 4 A4 sides)**
- B-Q.8** How will you manage Change Control and Information Control throughout the Project. **(Max 2 A4 sides).**
- B-Q.9** Provide a Master and any Sub-Programmes for the Project. Detail the full duration of the Project from Appointment to Final Completion and include any key dates together with information details required to successfully deliver the Project. **(Max 4 A4 sides)**
- B-Q.10** Provide a Risk Management Plan for the Project to included a fully costed Risk Register. **(Max 8 A4 sides).**
- B-Q.11** What is your strategy for assembling and maintaining sufficient resources to provide the works/services throughout the contract? Detail your current resources including availability and experience. Detail the methods of assessing the suitability and competence of potential sub-contractors and suppliers who would be employed on the Project and evidence of the methods used to maintain the records up to date. How would these processes be managed to ensure a timely mobilisation of the Project. Please give your proposals for engagement of Sub-contractors, the conditions of sub-contract, the methods of allocation of work and proposals for ensuring that sub-contractors' work will meet the requirements of the Contract. **(Max 8 A4 sides)**
- B-Q.12** Please provide details of how you will deliver the Employer's Requirements for Training and Employment Opportunities as set out in Clause 12 of Volume 2 Framework Agreement. **(Max 4 A4 sides)**
- B-Q.13** Please provide details of your proposals for Performance Indicators in respect of the Works to be performed under this Contract. Proposals should include, but not limited to, the KPI details set out in Schedule 4 of Volume 2 Framework Agreement. Detail how the KPI's would be assessed and how you would assist the *Employer* to deliver continuous improvement under Best Value by innovation or other means. **(Max 2 A4 sides)**
- B-Q.14** Drawing on your experience of collaborative working (give examples) please provide proposals and their benefits for improving relationships / collaborative working with both the Employer and its Supply Chains. **(Max 4 A4 sides)**

Note that any Activity Schedule or Resource Schedule required to be provided as part of the Quality Submission should not include any costing information, this is to be provided separately in the Financial Submission.

PART 4 - FINANCIAL SUBMISSION

Reference should be made to Volume 3 - Framework Enquiry Document in the completion of this part of the submission. This form is to be completed for all relevant section.

A - FRAMEWORK MANAGEMENT AND DEVELOPMENT

A-Q.9 FRAMEWORK RELATED COSTS

Name	Job Title	Rate £ per Hour

Please ensure that all Staff/Personnel identified as Participating in the Framework either at Senior Management or Project Specific Level are included above. This Table should not include Site Operatives.

A Q9 will not be scored or will not form part of the Financial Assessment as set out in Annex 2, but must be returned in the financial package envelope B.

FINANCIAL ASSESSMENT

B - PROJECT SPECIFIC COSTS

B-Q.15. Please provide full details of the Pre-construction Costs and Fees for the delivery of the Project.

Highest marks will be awarded to the mean after adjustment to omit the lowest and highest Response.

B-Q.16. Provide a detailed Preliminaries Schedule for the Project. The Preliminaries are to follow the format of the Draft Preliminaries Schedule. (see Annex 4)

The Tenderers should submit any proposed variation to the Draft Preliminary Schedule, 5 working days prior to this Tender Clarification Meeting. Final confirmation of the Preliminaries Schedule will be agreed at the Tender Clarification Meeting.

Any Item not covered within the Schedule is deemed to be included in the O/H %. Highest marks will be awarded to the mean after adjustment to omit the lowest and highest Response.

B-Q.17. Provide the full Elemental Cost details for the Project to include all costs required to establish Target Cost. Also provide a Work Package Cost Breakdown to support the Elemental Breakdown, cross referenced to the Elemental Analysis.

Highest marks will be awarded to the mean after adjustment to omit the lowest and highest Response.

B-Q.18. Set out your Overheads for the Project, this should be noted as a Percentage of the Net Cost and also as a confirmed figure in the Target Cost Calculation.

Please note this will be held for the full duration of the Framework and will apply to each mini competition for Project Award. Highest marks will be awarded to the mean after adjustment to omit the lowest and highest Response.

B-Q.19. Set out your Profit level for the Project, this should be noted as a Percentage of the Net Cost and also as a confirmed figure in the Target Cost Calculation.

Please note this will be held for the full duration of the Framework and will apply to each mini competition for Project Award. Highest marks will be awarded to the mean after adjustment to omit the lowest and highest Response.

B-Q.20. Please provide a fully costed Risk Register if this is included as part of your response to B-Q.10 above.

Highest marks will be awarded to the mean after adjustment to omit the lowest and highest Response.

Please complete the relevant Cost Template including preliminaries for the respective Lot/s applied for. This is to be included in envelope B (Financial Submission).

PART 5 - TENDER EVALUATION

Tenders will be assessed on the basis of Quality and Cost. The tender must be submitted in two envelopes as detailed in Part 4 of the ITT.

Envelope A (Quality submission)

Envelope A shall contain statements in response to the questions contained in Volume 4-Quality Submission.

The intention of the questions is to elicit the tenderer's understanding of the contract requirements and the issues covered by each question. The tenderer is expected to answer the questions clearly and concisely.

Responses to questions shall address all matters contained or implied within the questions and shall be factual, concise and complete. Marks will be lost if the responses are deemed to not comply with this requirement.; this limit excludes tables, diagrams or schedules that can be included for completeness. However, this should not be seen as a benchmark and answers should be shorter where concise and complete answers can be given in less space. Where appropriate, responses that include reference to a tenderer's achievement will be marked higher than those that refer to aspirations.

Envelope B (Financial Submission)

Envelope B shall contain all the information requested in Part 4.

Marking of the Tenders, Quality and Financial Panels

1. Each tender submission will be assessed by two panels: a Quality Panel and a Financial Panel.

2. Quality Panel

The Quality Panel will meet prior to the Clarification Meetings to score the responses to the Quality Assessment. Following this stage, an agenda will be drawn up for the Clarification Meetings. Tenderers will be required to attend the Clarification Meeting (agenda to be advised), with the Framework Manager and the Project Delivery Team. Full details of numbers and format will be circulated with the Agenda prior to the Meeting.

3. Financial Panel

The Financial Panel will appraise the financial element of the tender after the Quality Panel has completed the assessment outlined above. The financial score will be carried forward to the final tender assessment.

Quality Scorings

1. The Quality Panel will award marks against the tender score criteria in Annex 1.
2. Weightings appropriate to the importance of each aspect will be applied to the marks awarded for each question in the quality submission in Annex 2.

Financial Scoring

The financial scoring will be evaluated using the Proposed Financial Model included in Annex 2. The Contractor should note that the highest marks will be awarded for the closest value to the average for all elements. Marks will be lost in proportion to the deviation from the average be they higher or lower.

Final Tender Assessment

The final tender assessment will be based on a weighting of the Quality and Financial submissions, of Framework Management 20 (quality only), Project Response -- Quality 40, Finance 40.

ANNEX 1 – Standards Marks for Quality Questions

Tender Assessment

Standard	Service Delivery Level	Mark
Very high standard	Proposals likely to exceed all delivery targets	17 - 20
Good standard	Proposals likely to meet all delivery targets and exceed some delivery targets	13-16
Acceptable standard	Workable proposals likely to achieve all or most delivery targets	9 - 12
Poor standard	Significant reservations on service delivery targets but not sufficient to warrant exclusion of the bid	5 - 8
Not acceptable	Bid excluded from further consideration	0 - 4

ANNEX 2 – Tender Evaluation Form

TENDERER:				1 of 2
ASSESSOR:				
QUALITY ASSESSMENT		ASPECT WEIGHTING (A)	MARKS AWARDED (B)	WEIGHTED MARKS (C) (AxB=C)
Section A : Management and Development of Framework (20% of Total Score)				
A-Q1	General Method Statement for the management of the Property Consultancy Framework	10	20	200
A-Q2	CV's of senior staff together with details of staff identified as Key Personnel within the Framework Agreement.	9	20	180
A-Q3	Details of Corporate structure and management of this structure.	4	20	80
A-Q4	Conflict of Interest and prioritising Council Works.	2	20	40
A-Q5	Training and Employment Opportunities	10	20	200
A-Q6	Proposals for Meet the Buyer Initiatives .	5	20	100
A-Q7	Monthly Reports	8	20	160
A-Q8	IT Systems.	2	20	40
TOTAL				1000
TOTAL FRAMEWORK QUALITY ASSESSMENT				20%
Section B : Project Specific Response (40% of Total Score)				
B-Q1	Method Statement for Project Delivery	10	20	200
B-Q2	Management and Staff responsible for the delivery of the Project.	10	20	200
B-Q3	Health and Safety	7	20	140
B-Q4	Sustainability/BREEAM	5	20	100
B-Q5	Waste Management Plans	5	20	100
B-Q6	Quality Assurance	7	20	140
B-Q7	Cost Control	8	20	160
B-Q8	Change Control	7	20	140
B-Q9	Programmes	5	20	100
B-Q10	Risk Management	5	20	100
B-Q11	Resource Planning and competency assessments.	7	20	140
B-Q12	Training and Employment	10	20	200
B-Q13	KPI's and Best Value	7	20	140
B-Q14	Collaborative Working	7	20	140
TOTAL				2000
TOTAL PROJECT QUALITY ASSESSMENT				40%

TENDERER:

2 of 2

ASSESSOR:

FINANCIAL ASSESSMENT	ASPECT WEIGHTING (A)	MARKS AWARDED (B)	WEIGHTED MARKS (C) (AxB=C)
Section C : Project Specific Costs (40% of Total Score)			
B-Q15 Pre construction Costs and Fees	15	20	300
B-Q16 Preliminaries	15	20	300
B-Q17 Work Package Costs	20	20	400
B-Q18 Overheads	20	20	400
B-Q19 Profit	20	20	400
B-Q 20 Risk Register	10	20	200
TOTAL			2000
TOTAL FINANCIAL ASSESSMENT			40%

Framework Quality Score (20%)

Project Quality Score (40%)

Project Financial Score (40%)

TOTAL

Assessor:

Date:

ANNEX 3 – Financial Submission

1. Staff Rates - Composition of the Rates

The staff rates are deemed and required to be all inclusive such that no other costs shall be added to them (refer also to section 9.1). This means that they shall include for:

- All-in cost of labour.
- Profit.
- General and head office overheads.
- Ancillary and support staff costs including secretarial staff and staff engaged in providing general administrative and support and Human Resource duties.
- All expenses of any kind whatsoever, including travelling expenses and overnight accommodation costs.
- The cost of Principals, Directors and / or Partners unless directly engaged in the provision of a Time Charge or Works Package Order.

2. Preliminaries

See Annex 4

3. Rates breakdown

Tenderers will be required to provide a breakdown of each staff rate provided as set out in this section.

4. Work undertaken by Directors/Framework Manager

Principals and Directors who undertake work which would normally be done by a member of staff shall be reimbursed at the rate applicable to a professional member of staff in the firm with greater than 10 years experience.

5. Travelling Expenses and Time

No travelling expenses or travelling time will be chargeable under this contract as they are deemed to be included in the tendered rates. Travelling costs and time are deemed to be included within the all inclusive rate tendered.

6. **Subcontractor Costs**

Where the *supplier* elects for whatever reason to provide the services through the engagement of approved subcontractors (other than the primary subcontractors who are collaborating in the provision of the services), then the hourly rates used to establish the cost or price of the service shall be the Supplier's tendered rates unless otherwise agreed with the Employer. Collateral Warranty Agreements between the *Supplier* and any Sub Contractor will have to be entered into prior to any sub contractor undertaking and services. The Collateral Warranty Agreement is given in Framework Agreement, Schedule 4.

7. **Framework Manager**

A Framework Manager will be required to undertake the liaison role with CCC. This individual will act as the one point contact for the CCC Framework. This person should be professionally qualified and have suitable experience in operating and managing a multi-disciplinary team across a wide diversity of consultancy services. See Part 4 Financial Submission for further detail of chargeable elements.

Your Framework Manager will be

.....
.....
.....
.....

Address

.....
.....
.....
.....

Contact Telephone number

.....

Email Address

.....

8. **Standard Hours**

The rates are to be calculated on the basis of a 40 hour working week.

9. **Staff Rates**

The standard hours per day are assumed to be 8 hours and per week are 40 hours. Please insert your actual hours of work in this table:

Standard	Actual working hours
Per Day	
Per Week	

9.1 **Staff Rates Breakdown – TO BE COMPLETED IN RESPECT OF EACH STAFF CATEGORY AND GRADE**

To be enclosed in the Financial Submission, Envelope B

Grade / Position		
	Brief Description of Grade/Position	
	Normal Working Hours per annum	hrs
Item		£ per annum
Salary/Wages (full time equivalent for part time staff) to include Annual/Statutory Holidays, Sickness, Other absence (e.g. Training), any other Payroll burdens.		£
Other payments to include health care, life insurance, bonus, car/car allowance, fuel/fuel allowance, subscriptions, overtime, subsistence, travelling expenses, accommodation, any other payment.		£
Payments in relation to employment (Employer's NI, Employer's Pension etc)		£
Sub-total 1		£
		£ per Hour
Basic Hourly Rate (=sub-total 1 /normal working hours)		£
		%
Overheads		£
Profit		£
Hourly Rate for Time Based Work		£

ANNEX 4

Exemplar Cost Schedule Tender Response		
Project:	Cost summary - New Build	
	Build	m ²
	GIFA	m ²
	New Build	m ²

Element	new build	total £
Cost Summary		
1 Substructures		
2 Superstructures		
2A Frame		
2B Upper floors		
2C Roof		
2D Stairs		
2E External walls		
2F Windows and external doors		
2G Internal walls and partitions		
2H Internal doors		
3 Internal finishes		
3A Wall finishes		
3B Floor finishes		
3C Ceiling finishes		
4A Fixtures and fittings		
5 Mechanical and electrical installations		
5A Sanitary appliances		
5B services equipment		
5C Disposal installations		
5D water installations		
5E Heat source		
5F heating and cooling		
5G ventilating system		
5H Electrical installations		
5I Gas installations		

5J	lift installations		
5K	Protective installations (including internal CCTV)		
5L	Communication installations		
5M	ICT infrastructure works		
5N	Special installations		
5O	BWIC		
<hr/>			
6	External works		
6A	site clearance		
6B	Hard play, car parks and roads		
6C	soft landscaping		
6D	sports pitches including equipment		
6E	Incoming services and statutory connections		
6F	Drainage		
6G	site lighting		
6H	Fencing		
6I	External CCTV		
6J	Other works		
7	Abnormal costs		
7A	site restrictions		
7B	site conditions		
7C	Infrastructure		
7D	other abnormal with life-cycle		
7E	Temporary accommodation		
7F	Demolitions		
7G	other abnormal without life-cycle		
8	Preliminaries		
	Sub-total		
9	Fees (where applicable)		
9A	Contractor Pre Construction costs		
9B	Design team fees		
9C	statutory fees and charges		
	Planning		
	Building control		
9D	survey fees-allowances		
	Fabric condition survey		
	structural survey		
	m&e survey		
	Asbestos survey		
	Drainage survey		
	Geotechnical		

	Topographical survey		
	Traffic/green tp		
	Part L-air pressure test		
	Archaeological / ecology / environmental surveys		
	BREEAM assessor		
	Planning supervisor		
9E	Sundry fees & expenses-finance		
10A	Overheads		
	Bond		
	CITB levy		
	Project management-bid cost		
	Buying margin		
10B	Profits		
11	Contingencies		
11A	Design and construction contingency		
11B	Risk allowance		
	Total construction costs		

Exemplar Cost Schedule-Preliminaries					
	Defined Costs		Disallowed Costs	Head Office Overheads (Fee)	Comments
Cost Component	Site	Prelims			
Contractors Labour					
All Trades					
Base Labour Cost	X				
Productivity Bonuses	X				
Overtime	X				
Labour on Cost					
Holiday Pay	X				
Employers NI	X				
Pension	X				
Union Subs	X				
Health Insurance	X				
Lodge	X				
Travel	X				
Subsistence	X				
Employers & Public Insurances / Levies	X				
CITB Levy	X				
Sickness				X	
Severance Pay				X	
Training Costs				X	
Small tools		X			
Vans		X			
Van running costs		X			
PPE		X			
Material Costs					
Invoice material costs and any discounts	X				
Equipment - hired & Owned					
Hire Rate	X				
Depreciation/ maintenance costs	X				
Transporting costs	X				
Damage				X	
Cost to replace stolen items				X	
Sub - Contractors					
Subcontractor payments including	X				

discounts					
Contractors Staff					
Site Staff					
Project/ Contractors Manager		X			
Site Agents/ Planners		X			
Foreman		X			
Surveyor		X			
Engineers		X			
Tenant Liaison		X			
Admin Staff		X			
Trainees		X			
Others - Please specify		X			
Staff on Costs					
Bonuses		X			
Overtime		X			
Pension		X			
Union Subs		X			
Professional Subscriptions fees		X			
Health Insurance		X			
Lodge		X			
Travel		X			
Insurances/ levies EL &PL etc.		X			
Sickness				X	
Severance Pay				X	
Training costs				X	
Company Cars		X			
Travel Expenses, including to and from working area		X			
Site/ Project Specific					
Cleaning/ Drying Costs	X				
Site Operating Expenses		X			
Stationary				X	
Contract Insurances/ Bond Costs		X			
Non Mechanical Plant	X				
Mechanical Plant	X				
Tools/ PPE		X			
Site Office/ Welfare - including site office furniture		X			
Site Transport		X			
Site Security		X			
Scaffolding	X				
Hoarding/ Fencing	X				
Setting Out	X				

Unload/ double handling	X				
Temporary Works	X				
Fees - eg Considerate Constructors		X			
Temporary power		X			
Temporary Water		X			
Communications - site mobiles, fax, photocopier, telephone.				X	
QA Testing				X	
Safety & Training (site specific only, approved by employer)	X				
Maintenance		X			
Protection	X				
Traffic Management	X				
Example of Disallowed Costs					
Insufficient proof payments have been made					
Incorrect amount being paid to contractor					
Cost of plant & materials not being used to provide a service					
Any pain/ gain outside the main contract agreement (Design and sub contract pain/gain to be paid from contractor main share)					
Correcting defects that have already been corrected previously					
Time spent in agreeing final account after completion of the works					
Preparation of and conduct of an adjudication or proceedings tribunal					
Head Office Set up					
Directors				X	
Purchasing department				X	
Accounts department				X	
Estimating department				X	
Managing Quantity Surveyors				X	
PR/ Marketing/ Advertising				X	
Human Resources				X	
Head office administration				X	
Training				X	
Office Equipment etc				X	
Computers/ IT					
Head Office Telephones / It				X	
It, software & Hardware including laptop computers				X	
Office postage				X	
Trade subscriptions				X	
legal; fees				X	
Head office building costs				X	
IT hardware				X	
Laptops				X	
IT software - Contractor				X	
Mobile phones & calls				X	

Cameras				X	
Overhead projectors etc.				X	
Photocopiers				X	
Fax Machines				X	
Desk telephones & calls				X	
stationary				X	
Financing charges				X	

Appendix 1

Lot 1 – Model Project for Tender Response/Assessment, whole region, construction works exceeding £12m in value.

See CD Lot 1

Appendix 2

Lot 2 – Model Project for Tender Response/Assessment, East Area, construction works between £3.5 and £12m in value.

See CD Lot 2

Appendix 3

Lot 3 – Model Project for Tender Response/Assessment, West Area, construction works between £3.5 and £12m in value.

See CD Lot 3

Carmarthenshire County Council – Regional Contractor Framework

Notice in the Official Journal of the European Union

Ref : 2010/S91 – 123688

Date : April 2011



Appendix J

Optimism Bias Calculation

Option 1: Do minimum' - Maintain the status quo, i.e. maintain the three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), as they currently are.

Capital Value £16,770,000

Classification Standard

Version: 0.1

Date:



Optimism Bias and contributory factors (Top level)	Contributory factors (Detail)	Works duration	Capital Expenditure	Mitigation (Works) %	Mitigation (Capital) %	Mitigation explanation	Mitigated Works duration	Mitigated Capital Expenditure	Capital Expenditure	Mitigated	Residual
<i>Procurement</i>	Complexity of contract structure	1	0				1	0	-	-	-
	Late contractor involvement in design	3	2		90%		3	0.2	80,496	72,446	8,050
	Poor contractor capabilities	4	9		90%		4	0.9	362,232	326,009	36,223
	Government guidelines	0	0				0	0	-	-	-
	Dispute and claims occurred	4	29		97%		4	0.87	1,167,192	1,132,176	35,016
	Design Complexity	3	1		85%		3	0.15	40,248	34,211	6,037
<i>Project Specific</i>	Degree of innovation	1	4		95%		1	0.2	160,992	152,942	8,050
	Environmental impact	0	0				0	0	-	-	-
	Other (specify)	0	0				0	0	-	-	-
<i>Client specific</i>	Inadequacy of business case	32	34		70%		32	10.2	1,368,432	957,902	410,530
	Large number of stakeholders	6	0				6	0	-	-	-
	Funding availability	8	0				8	0	-	-	-
	Project management team	0	1		85%		0	0.15	40,248	34,211	6,037
	Poor project intelligence	6	2		85%		6	0.3	80,496	68,422	12,074
	Other (specify)	0	0				0	0	-	-	-
<i>Environment</i>	Public relations	8	2		30%		8	1.4	80,496	24,149	56,347
	Site characteristics	5	2		80%		5	0.4	80,496	64,397	16,099
	Permits/consents/approvals	10	0				10	0	-	-	-
	Other (specify)	0	0				0	0	-	-	-
<i>External influences</i>	Political	0	0				0	0	-	-	-
	Economic	0	11		90%		0	1.1	442,728	398,455	44,273
	Legislation/Regulations	9	3		60%		9	1.2	120,744	72,446	48,298
	Technology	0	0				0	0	-	-	-
	Other (specify)	0	0				0	0	-	-	-

Capital Expenditure: £4,024,800
 Mitigated: £3,337,767
 Residual: £687,033

Option 3.1: Close three secondary schools (Cwrt Sart, Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,500 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area.

Capital Value £40,711,000

Classification Standard

Version: 0.1

Date:



Optimism Bias and contributory factors (Top level)	Contributory factors (Detail)	Works duration	Capital Expenditure	Mitigation (Works) %	Mitigation (Capital) %	Mitigation explanation	Mitigated Works duration	Mitigated Capital Expenditure	Capital Expenditure	Mitigated	Residual
<i>Procurement</i>	Complexity of contract structure	1	0				1	0	-	-	-
	Late contractor involvement in design	3	2		95%		3	0.1	195,413	185,642	9,771
	Poor contractor capabilities	4	9		95%		4	0.45	879,358	835,390	43,968
	Government guidelines	0	0				0	0	-	-	-
	Dispute and claims occurred	4	29		95%		4	1.45	2,833,486	2,691,811	141,674
	Design Complexity	3	1		93%		3	0.07	97,706	90,867	6,839
<i>Project Specific</i>	Degree of innovation	1	4		95%		1	0.2	390,826	371,284	19,541
	Environmental impact	0	0				0	0	-	-	-
	Other (specify)	0	0				0	0	-	-	-
<i>Client specific</i>	Inadequacy of business case	32	34		99%		32	0.34	3,322,018	3,288,797	33,220
	Large number of stakeholders	6	0				6	0	-	-	-
	Funding availability	8	0				8	0	-	-	-
	Project management team	0	1		85%		0	0.15	97,706	83,050	14,656
	Poor project intelligence	6	2		92%		6	0.16	195,413	179,780	15,633
	Other (specify)	0	0				0	0	-	-	-
<i>Environment</i>	Public relations	8	2		90%		8	0.2	195,413	175,872	19,541
	Site characteristics	5	2		90%		5	0.2	195,413	175,872	19,541
	Permits/consents/approvals	10	0				10	0	-	-	-
	Other (specify)	0	0				0	0	-	-	-
<i>External influences</i>	Political	0	0				0	0	-	-	-
	Economic	0	11		90%		0	1.1	1,074,770	967,293	107,477
	Legislation/Regulations	9	3		95%		9	0.15	293,119	278,463	14,656
	Technology	0	0				0	0	-	-	-
	Other (specify)	0	0				0	0	-	-	-

Capital Expenditure: £9,770,640
 Mitigated: £9,324,122
 Residual: £446,518

Option 3.2: Close two of the secondary schools (Cwrt Sart and Glanafan) and transfer pupils to the third secondary school (Sandfields Comprehensive) with adaptations, maintaining the status quo of the adjacent primary school (Traethmelyn). This will include a new build element and full refurbishment of the existing premises.

Capital Value £37,380,000

Classification Standard

Version: 0.1

Date:



Optimism Bias and contributory factors (Top level)	Contributory factors (Detail)	Works duration	Capital Expenditure	Mitigation (Works) %	Mitigation (Capital) %	Mitigation explanation	Mitigated Works duration	Mitigated Capital Expenditure	Capital Expenditure	Mitigated	Residual
Procurement	Complexity of contract structure	1	0				1	0	-	-	-
	Late contractor involvement in design	3	2		90%		3	0.2	179,424	161,482	17,942
	Poor contractor capabilities	4	9		95%		4	0.45	807,408	767,038	40,370
	Government guidelines	0	0				0	0	-	-	-
	Dispute and claims occurred	4	29		90%		4	2.9	2,601,648	2,341,483	260,165
	Design Complexity	3	1		70%		3	0.3	89,712	62,798	26,914
Project Specific	Degree of innovation	1	4		70%		1	1.2	358,848	251,194	107,654
	Environmental impact	0	0				0	0	-	-	-
	Other (specify)	0	0				0	0	-	-	-
Client specific	Inadequacy of business case	32	34		30%		32	23.8	3,050,208	915,062	2,135,146
	Large number of stakeholders	6	0				6	0	-	-	-
	Funding availability	8	0				8	0	-	-	-
	Project management team	0	1		85%		0	0.15	89,712	76,255	13,457
	Poor project intelligence	6	2		80%		6	0.4	179,424	143,539	35,885
	Other (specify)	0	0				0	0	-	-	-
Environment	Public relations	8	2		50%		8	1	179,424	89,712	89,712
	Site characteristics	5	2		70%		5	0.6	179,424	125,597	53,827
	Permits/consents/approvals	10	0				10	0	-	-	-
	Other (specify)	0	0				0	0	-	-	-
External influences	Political	0	0				0	0	-	-	-
	Economic	0	11		60%		0	4.4	986,832	592,099	394,733
	Legislation/Regulations	9	3		90%		9	0.3	269,136	242,222	26,914
	Technology	0	0				0	0	-	-	-
	Other (specify)	0	0				0	0	-	-	-

Capital Expenditure: £8,971,200
Mitigated: £5,768,482
Residual: £3,202,718

Option 3.4: Close two secondary schools (Glanafan and Sandfields), together with the adjacent primary school (Traethmelyn), and build a new 1,100 place 21st Century 3-16 (all through) school on Council owned playing fields at Western Avenue in the Baglan Bay area, as well as building a new 430 place secondary school at Cwrt Sart.

Capital Value £45,578,000

Classification Standard

Version: 0.1

Date:



Optimism Bias and contributory factors (Top level)	Contributory factors (Detail)	Works duration	Capital Expenditure	Mitigation (Works) %	Mitigation (Capital) %	Mitigation explanation	Mitigated Works duration	Mitigated Capital Expenditure	Capital Expenditure	Mitigated	Residual
<i>Procurement</i>	Complexity of contract structure	1	0				1	0	-	-	-
	Late contractor involvement in design	3	2		90%		3	0.2	218,774	196,897	21,877
	Poor contractor capabilities	4	9		95%		4	0.45	984,485	935,261	49,224
	Government guidelines	0	0				0	0	-	-	-
	Dispute and claims occurred	4	29		90%		4	2.9	3,172,229	2,855,006	317,223
	Design Complexity	3	1		75%		3	0.25	109,387	82,040	27,347
<i>Project Specific</i>	Degree of innovation	1	4		80%		1	0.8	437,549	350,039	87,510
	Environmental impact	0	0				0	0	-	-	-
	Other (specify)	0	0				0	0	-	-	-
<i>Client specific</i>	Inadequacy of business case	32	34		70%		32	10.2	3,719,165	2,603,415	1,115,749
	Large number of stakeholders	6	0				6	0	-	-	-
	Funding availability	8	0				8	0	-	-	-
	Project management team	0	1		90%		0	0.1	109,387	98,448	10,939
	Poor project intelligence	6	2		90%		6	0.2	218,774	196,897	21,877
	Other (specify)	0	0				0	0	-	-	-
<i>Environment</i>	Public relations	8	2		80%		8	0.4	218,774	175,020	43,755
	Site characteristics	5	2		85%		5	0.3	218,774	185,958	32,816
	Permits/consents/approvals	10	0				10	0	-	-	-
	Other (specify)	0	0				0	0	-	-	-
<i>External influences</i>	Political	0	0				0	0	-	-	-
	Economic	0	11		85%		0	1.65	1,203,259	1,022,770	180,489
	Legislation/Regulations	9	3		90%		9	0.3	328,162	295,345	32,816
	Technology	0	0				0	0	-	-	-
	Other (specify)	0	0				0	0	-	-	-

Capital Expenditure: £10,938,720
Mitigated: £8,997,097
Residual: £1,941,623