

OGC Gateway™ Review 0: Strategic assessment
Programme Title: Caerphilly 21st Century Schools Programme
OGC Gateway™ ID: AH/14/008
Privacy Marking: UNCLASSIFIED



Office of Government Commerce

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OGC Gateway™ Process

Review 0: Strategic assessment

Version number: Draft 0.8

Date of issue to SRO: 21/05/2014

SRO: Sandra Aspinall

Agency or NDPB: Caerphilly County Borough Council

OGC Gateway™ Review dates: 19/05/2014 to 21/05/2014

OGC Gateway™ Review Team Leader:
Martin Dove

OGC Gateway™ Review Team Members:
Peter Jones
David Paget

OGC Gateway Delivery Confidence Assessment

Delivery Confidence Assessment	Amber / Green
	<p>This Delivery Confidence Assessment indicates that successful delivery appears probable and constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.</p> <p>This reflects the Review Team’s confidence in the project’s ability to deliver its aims and objectives and identifies specific issues that threaten the delivery of outcomes and jeopardise the delivery of benefits. It indicates the resilience of the project to overcome identified shortcomings or threats and also the review team’s professional judgement of the likelihood of the project succeeding even though there may be no definitively clear evidence either way.</p> <p>The Caerphilly County Borough Council (CCBC) 21st Century Schools Programme, which includes three discrete projects, provides improved provision of Welsh medium places, reduces about a third of the surplus school places and provides investment in one new school and enhancements or integration of other schools. This first phase of the Welsh Government (WG) / CCBC programme is affordable with the funding secured. There are clear investment and community benefits identified, with educational benefits measured through the normal indicators.</p> <p>CCBC has a track record of developing schools projects, an experienced education team, a culture of working well together corporately and is well set up to deliver the programme. The SRO has a clear vision and an approach that seeks to ensure strong buy-in from pupils, parents, staff and other stakeholders. Sound project board governance arrangements are in place. The project manager has advanced the development of the capital schemes and risk management is sound.</p> <p>Plans to complete the Welsh medium development at Y Gwindy are well advanced, with contract award imminent and this is highly likely to be completed by the target timescale of September 2015 and within cost.</p> <p>Plans for secondary rationalisation are progressing well, following a positive outcome to the consultation process. Firm plans are in place with WG to complete all stages of the business planning process by autumn 2014. There is a good awareness of the challenges this project faces, which include: the timing and delivery of the design and construction of the new school on a tight site; the need for design flexibility to initially provide additional capacity; determining a preferred option for the Blackwood school; and governance, management and planning arrangements for the transition. There is recognition of the risk that the school may not be ready to open in September 2016.</p>

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Plans for the Upper Rhymney Valley are at a much earlier stage with a 2017 completion date. There has been local engagement in various communities and in some there is opposition to the proposal. Since the original proposal was developed, some different issues have emerged, which need to be considered. CCBC is aware of this and is committed to exploring the issues and opportunities ahead of any decisions and formal consultation.

The governance arrangements are sound and include an SRO, project board and project management for the capital schemes. Integrated capital and educational plans are needed for each project to bring together all the various strands of work and this is now being progressed.

The programme currently includes the WG Band A projects and CCBC has commenced the development of plans for the potential Band B phase of the 21st Century Schools Programme.

The Delivery Confidence assessment RAG status uses the definitions below.

<u>RAG</u>	<u>Criteria Description</u>
Green	Successful delivery of the project/programme to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly
Amber/Green	Successful delivery appears probable however constant attention will be needed to ensure risks do not materialise into major issues threatening delivery
Amber	Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and if addressed promptly, should not present a cost/schedule overrun
Amber/Red	Successful delivery of the project/programme is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and whether resolution is feasible
Red	Successful delivery of the project/programme appears to be unachievable. There are major issues on project/programme definition, schedule, budget required quality or benefits delivery, which at this stage do not appear to be manageable or resolvable. The Project/Programme may need re-baselining and/or overall viability re-assessed

Summary of Report Recommendations

The Review Team makes the following recommendations which are prioritised using the definitions below.

Ref. No.	Recommendation	Critical/ Essential/ Recommended
1.	Determine the arrangements for the design of the new school at Oakdale	Critical – do now
2.	Review governance arrangements and project management responsibilities between the project board and the interim Governing Body for the new school at Oakdale	Essential – do by July 2014
3.	Undertake further local stakeholder engagement for the Upper Rhymney Valley project	Essential – do by October 2014
4.	Review and agree plans for the Upper Rhymney Valley project	Essential – do by March 2015
5.	Develop an integrated plan for capital and education, human resources, ICT and other activities for each project	Critical – do now

Critical (Do Now) – To increase the likelihood of a successful outcome it is of the greatest importance that the programme/project should take action immediately

Essential (Do By) – To increase the likelihood of a successful outcome the programme/project should take action in the near future

Recommended – The programme/project should benefit from the uptake of this recommendation.

Background

The aims of the programme

The overall aim of Caerphilly County Borough Council's (CCBC) 21st Century Schools Programme, originally prepared in October 2010, is to transform the educational opportunities for learners through the provision of improved learning environments. The benefits to be realised from the programme will be improvements in outcomes and in the condition, suitability, sufficiency and sustainability of school buildings.

The updated strategic programme, SOP2, clearly sets out the strategy and investment aims and the options appraisal process which was followed to determine the projects for inclusion in phase 1 of the programme and addressed in the period up to 2020. These are the Welsh medium development, the secondary rationalisation (phase 1) and the Upper Rhymney Valley 3 -19 strategy.

The key benefits to be realised include:

- Improved educational outcomes and enhanced skills levels.
- Improvements in the condition of school buildings and increased compliance.
- Improvements in accommodation to meet the needs of 21st century learners.
- ICT enhancements to transform teaching & learning.
- Further development of the 6 post -16 investment objectives, including increasing options.
- Substantial reduction in surplus school places.
- Meeting the continued increase in demand for Welsh medium education.
- Special educational needs are met, including in accordance with recent provision mapping exercise.
- Review of school catchment areas.
- Exploring the use of federated arrangements.
- Increased energy efficiencies, reduced carbon emissions and savings of up to £3m pa.
- Asset rationalisation, by co-locating other services on school sites.
- Backlog maintenance costs substantially reduced.

The driving force for the programme

As part of the wider 21st Century Schools Programme across Wales, CBCC has developed a first phase secondary education rationalisation programme that aims to remove unwanted surplus places in the authority in order to support the aim that all other provision may be enhanced.

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The procurement delivery status

For the three projects within the programme and their procurement delivery status is as follows:

1. Y Gwindy: Welsh medium development - Final stages of procurement.
2. Secondary Rationalisation: Phase 1 – Strategic outline case to be submitted shortly.
3. Upper Rhydney 3 -18 - early stage of development.

Current position regarding OGC Gateway™ Reviews

Welsh Government requires Gateway Reviews of all 21st Century Schools Programmes. This is the first Gateway Review of this programme.

Purposes and conduct of the OGC Gateway™ Review

Purposes of the OGC Gateway™ Review

The primary purposes of an OGC Gateway Review 0: Strategic assessment, are to review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to Ministers' or the department's overall strategy. A Gateway 0 review is repeatable throughout the life of the programme.

Appendix A gives the full purposes statement for an OGC Gateway Review 0.

Conduct of the OGC Gateway™ Review

This OGC Gateway Review 0 was carried out from 19/05/2014 to 21/05/2014 at Caerphilly County Borough Council, Ty Penallta, Tredomen Park, Ystrad Mynach, Hengoed, CF82 7PG. The team members are listed on the front cover.

The people interviewed are listed in Appendix B.

The Review Team would like to thank the SRO, the project manager and interviewees for their support and openness, which contributed to the Review Team's understanding of the programme and the outcome of this review. The administrative arrangements for the review were excellent.

Findings and recommendations

1: Policy and business context

Policy and approval

The original programme for secondary places rationalisation was developed in 2010. This was then developed and refined into a first phase of rationalisation through a Member-led approach, which examined all of the options and worked through a formal decision-making process to identify and confirm proposals to be included in the revised programme. This recognised the imperatives of needing to make substantial progress quickly and to make the best use of available finance.

The prioritisation of a small programme of Band A projects was based upon the urgency for more Welsh medium secondary places and the need for realistic timescales to achieve project outcomes. The programme links directly to CCBC Education for Life, sustainability and regeneration strategies.

Funding and affordability

The projects in Band A have a funding requirement of £52m, half of which is from CCBC's own resources and half of which is from WG match funding. At a programme level, funding allocations are approved in principle, and each project then has specific funding approved and commitment via an agreement between WG and CCBC following approval of the Full Business Case. The specific agreement for the funding of the Y Gwindy project is in place. CCBC's funding is in place and has primarily been secured from its own resources, with only a small amount of prudential borrowing proposed.

Each of the projects is discrete and two of the projects include funding arrangements for further work, which to some extent, are dependent on the actual costs in the initial phase of the project. At Oakdale, once the capital costs for the new school are firm and contracted, any 'remainder' funding will be used for the expansion and improvement of Blackwood school. For Y Gwindy, a sum has been set aside for a new 3G pitch and the scale of this will be determined once the main tender has been signed and there is a clearer view on project cost. For Upper Rhymney Valley a capital sum allocation has been identified.

In terms of overall programme affordability, the majority of the savings from surplus places have effectively already been made through the way that the allocations system works. There are limited further savings to be secured from premises overheads.

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Benefits

For each project, as well as the educational and direct investment project benefits, WG also requires measurement of community benefits. Educational benefits will be tracked using the Education Department's normal performance monitoring indicators including: improving opportunities for learning in Welsh medium settings; maintaining and improving high quality education provision for 14 - 19 year - olds in CCBC including improved outcomes for learners at Level 2 and 3; improving the economic future and employment prospects for young people in CCBC; making school buildings more fit for purpose; and the enabling of community learning. Details of how these benefits will be achieved should form part of the transition and implementation plans for each school project. The first phase of the programme delivers a large in surplus places and substantial new investment in school buildings.

2: Business case and stakeholders – individual projects

The review of current projects reflects the relative independence of each project and includes consideration of the current stage of business case development, stakeholder support, readiness for next phase, the transition plan, the change management plan, the HR plan, and the project timetable, costs and benefits.

Welsh medium development

The Welsh medium development project (Y Gwindy) comprises the move of a nearby primary school onto the single campus, building school facilities for a Welsh medium comprehensive through refurbishing an existing building and some new build to provide additional capacity.

The Final Business Case (FBC) for £20m investment was approved by WG on 17 April 2014, including £3m previous expenditure. This is currently in procurement with tenders received at the time of this review and contract award imminent. The construction cost risk transfers on contract signing. Phase 1 is complete and phases 2 and 3 are being procured together, following the lack of interest from the market in separate phased procurement. The project team consider that this can be delivered within the project cost and meet the September 2015 timescale for the additional facilities. There will be a separate procurement for a 3G pitch, with the budget and specification to be finalised once the main contract has been let.

Much of the work required in establishing the staff arrangements for this new school has been completed through the joint working of the school and CCBC. The focus has been to ensure that existing high standards are spread and shared across both comprehensive sites.

Secondary rationalisation: Phase 1

This is the first CCBC project to reduce the 3,000 surplus places as required by the Welsh Government and Estyn. Constructing a new school at Oakdale as a replacement for the existing Pontllanfraith and Oakdale comprehensives reduces

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unwanted surplus places by over 700 by September 2016. This brings down CCBC's total secondary surplus places to 20% which is the WG's trigger point for review. CCBC is working towards reducing surplus places to 15% as an absolute maximum and plans to address this in subsequent secondary rationalisation phases. The consultation process for the proposals has been successfully completed and plans are in place with WG to complete the business planning process by autumn 2014.

The project includes subsequent refurbishment and new facilities at Blackwood school for the additional capacity which arises from adjusting catchment areas. The transition arrangements mean that there is a 'bulge' in pupil numbers for the first three years or so at the new school at Oakdale until admission arrangements re-divert pupils to Blackwood comprehensive. This will decline during the three years. CCBC has a plan to manage this 'bulge' based on strategic advice that a flexible / agile building design for the new school which can accommodate the 'bulge' without compromising the future capacity of the school.

It is estimated that the cost of the new school will be £18m to £18.5m. Council approved funding of £9.25m as 50% match funding to support £9.25m of grant funding provided by the Welsh Government as part of the 21st Century Schools Programme.

The balance of the approved CCBC / WG funding for this project, currently estimated at £1.5m to £2m, is for investment at Blackwood. An options appraisal has been undertaken for Blackwood, with a range of options for implementation once the level of funding available is clarified. The school have been consulted on the options as they have been developed. The timing of the next phase of determining a preferred option, preparing the business case and likely delivery plan should be included in the overall programme plan.

The proposed design for Oakdale is relatively complex given the tightness of the site, the integration of the special resource base, the requirement to design flexibility to provide 'bulge' capacity for the first three years or so and the tight delivery timescales. CCBC has been considering the best way to procure and design this school and a final decision is needed on this soon to meet the demanding timescales for delivery.

Initial consideration has been given to the need for a contingency plan in the event of a time overrun from September 2016. It is well recognised that there is a risk of a delay happening, as well as the likely pressure on cost from the design and site constraints. CCBC is likely to consider a standardised school design which has been developed by various market operators during the last two to three years.

Recommendation 1: Confirm the arrangements for the design of the new school at Oakdale

The changes under secondary rationalisation are being managed through the closure of two existing schools and the creation of a new school. The process to establish an interim Governing Body early in the project has commenced and the plans are to have this in place shortly. One of the first tasks will be to appoint the Headteacher. There are clear advantages around doing this, including continuing work on curriculum development and organisational structure and staffing for the new school. As ultimately the Governing Body and Headteacher become the owners of the new school, this provides an opportunity for many of the responsibilities for change management to be transferred from CCBC to them during the different stages of project development. This needs to be considered in the light of an overall transitional project plan which brings together the capital, educational, organisational and other activities for this project.

Recommendation 2: Review governance arrangements and project management responsibilities between the project board and the interim Governing Body for the new school at Oakdale

An external educationalist with relevant experience and expertise has been brought in to assist with the development of the curriculum and the initial bringing together of staff and pupils. The appointment of the interim Governing Body and a Headteacher will be critical to creating a new culture for the new school. The SRO is committed to the early engagement of all stakeholders. Initial informal meetings have been held with staff and unions. This is all positive and there is considerable energy and enthusiasm for this new school.

Upper Rhymney Valley

This scheme was submitted as one of the twelve Band A proposals in the original SOP in 2010. The bid proposal involves rationalising three existing Primary schools into one new one, and thereby removing circa net 100 Primary school places. The scheme also involves developing community facilities in an area of high social deprivation as well as upgrading existing facilities on the Rhymney Comprehensive site where the new school would be co-located. This would result in a single site 3 - 19 campus, under the leadership of one Headteacher. The bid was taken forward as part of this programme.

The scheme is still at a relatively early stage with initial discussions commencing with local communities during 2013. Three primary schools will close under these plans, with pupils travelling to a new school. One of the schools is particularly isolated. Currently there are objections in some of the communities to the proposal, with a perception that perhaps a decision has already been made. There are concerns that this project will have a serious negative impact on the communities. Recent engagement has been difficult and there are different concerns in each of the communities, including issues about access, transport and safety, reuse of existing

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buildings, the co-joining of primary and secondary schools and the need to examine alternatives.

CCBC recognises these concerns and the issues raised and is seeking to continue the engagement and explore the issues. CCBC has scheduled a further set of meetings with a representative group of staff, governors and members of the community to ensure that all matters raised are fully explored prior to making a firm proposal about the way forward for the Upper Rhymney Valley project.

Recommendation 3: Undertake further local stakeholder engagement for the Upper Rhymney Valley project

Recommendation 4: Review and agree plans for the Upper Rhymney Valley project

3: Management of intended outcomes

Governance and project management arrangements

The programme includes three projects which are largely independent of each other, apart from their dependency on CCBC and WG funding and sitting under a common governance structure within the CCBC.

The 21st Century Schools Board in CCBC brings together all aspects of the programme including the construction programme. Given the importance of the programme to CCBC, it is good that the Acting Chief Executive chairs the Board and that the relevant Cabinet Member and other senior officers are on the Board. Minutes of these meetings clearly set out what the issues are on each project in the programme and how these are being addressed. The SRO is the Director of Education & Lifelong Learning and Acting Deputy Chief Executive who has a clear vision and an approach which seeks to ensure strong buy-in from pupils, parents, staff and other stakeholders. The education team is experienced in taking forward changes of this nature.

Specific programme and project management arrangements going forward are evolving. Each project, once it enters the construction phase, will effectively have a project manager from the delivery team directly responsible for the day-to-day delivery of the scheme. Construction project management experience will continue to be needed through the delivery of completion, post project evaluation and measurement of benefits realisation for each scheme. At a programme level, two managers will take forward the Y Gwindy and Oakdale projects, and the Upper Rhymney Valley project.

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Programme and project plans

An overall programme plan and individual project plans have been prepared for each capital scheme. There is acknowledged need to widen the content of the plans to include the associated change management plans. These will vary for each project and may include consultation, curriculum changes, transition, integration, staff changes, ICT and transport, as well as wider Council interests such as health and safety, planning and regeneration. The higher level plan should identify milestones, critical path and dependencies. The plans should also include milestone dates when the agreed benefit baseline measures will be reviewed. CCBC are now progressing the integration of these plans.

Recommendation 5: Develop an integrated plan for capital and education, human resources, ICT and other activities for each project

Following the letting of the contract for Y Gwindy, it is planned to run an initial lessons learned process to capture learning and feed this in to the planning of subsequent projects. This process could helpfully tap into any information WG has available from similar exercises elsewhere in Wales. Formal post project evaluation is planned for each scheme.

4: Risk management

Individual projects will have risk registers for their capital elements and one is already developed for the Y Gwindy project. The latter includes one high risk (design omissions and errors in mechanical and electrical) and several medium risks (start delay, client changes, tender over budget, existing windows and other repair work). Risk management will be developed with the contractor when appointed. Cost risk is transferred to the contractor and robust CCBC change control measures will be established and controlled by the project manager.

There is also a programme risk register with no high risks and a number of medium risks including: difficulty in obtaining and / or developing the preferred sites; abnormal site conditions; proposals not endorsed during statutory consultation; failure to gain planning and environmental approvals for the proposed project; and construction over – run and / or increased costs.

Escalation of programme and project Council risk is initially to the Project Board. From there escalation is to the Council's Big Project Risk Register and the Corporate Risk Register.

As individual projects develop risk identification and management will need broadening to include risks identified from other activities such as curriculum changes, new organisational structures, school changes, transition and transport workstreams.

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5: Readiness for next phase

At the programme level, the next phase beyond Band A projects will include the development of the strategic outline plan for the projects to be considered at part of a potential Band B. This timing for this is uncertain and will be dependent on WG match funding through any extension of the WG's 21st Century Schools Programme.

CCBC has commenced the development of such plans for the potential Band B phase, which will include addressing a further reduction in surplus places. This will be beneficial given that the planning for schools projects and, particularly the rationalisation of places, has a long lead-in time.

While core education funding is ring-fenced, the scale of cost reductions CCBC faces in 2015/6 and 2016/17 suggests that the pressure to make the best use of available resources will increase further. This potentially impacts on CCBC's future flexibility to source its own funding to be used alongside matching WG funds and will also need to inform planning assumptions for the next phase.

The next OGC Gateway™ Review

Gateway 0 Programme Reviews are repeatable through the programme life. The next review should be prior to the opening of the new school at Oakdale planned for September 2016 or, if required earlier by WG, the Band B phase of the 21st Century Schools Programme.

APPENDIX A

Purposes of OGC Gateway™ Review 0: Strategic assessment

- Review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to overall strategy of the organisation and its senior management.
- Ensure that the programme is supported by key stakeholders.
- Confirm that the programme's potential to succeed has been considered in the wider context of the organisation's delivery plans and change programmes, and any interdependencies with other programmes or projects in the organisation's portfolio and, where relevant, those of other organisations.
- Review the arrangements for leading, managing and monitoring the programme as a whole and the links to individual parts of it (e.g. to any existing projects in the programme's portfolio).
- Review the arrangements for identifying and managing the main programme risks (and the individual project risks), including external risks such as changing business priorities.
- Check that provision for financial and other resources has been made for the programme (initially identified at programme initiation and committed later) and that plans for the work to be done through to the next stage are realistic, properly resourced with sufficient people of appropriate experience, and authorised.
- After the initial Review, check progress against plans and the expected achievement of outcomes.
- Check that there is engagement with the market as appropriate on the feasibility of achieving the required outcome.
- Where relevant, check that the programme takes account of joining up with other programmes, internal and external.

APPENDIX B

Interviewees

Name	Role
Sandra Aspinall	Acting Deputy Chief Executive, Caerphilly County Borough Council
Martin Donovan	Project Lead, 21 st Century Schools
Lisa Haile	Personnel Manager, Caerphilly County Borough Council
Tim Williams	Headteacher, Pontllanfraith Comprehensive School
Davina Parfitt	Headteacher, Abertysswg Primary School
Tyrone Powell	Chair of Governors, Fochriw Primary School
County Councillor Wynne David	Chair of Education Scrutiny Committee, Caerphilly County Borough Council
Nicole Scammell	Acting Director of Corporate Finance & S151, Caerphilly County Borough Council
Donna Jones	Health & Safety Manager, Caerphilly County Borough Council
Peter Hindley	Head of Reorganisation 21st Century Schools Programme, Department of Education & Skills, Welsh Government
Rhian Kyte	Team Leader, Strategic & Development Planning, Caerphilly County Borough Council
Owain ap Dafydd	Headteacher, Ysgol Gyfun Cwm Rhymni
Ron McLean	Associate Project Management AECOM
Stuart Rosser	Acting Chief Executive, Caerphilly County Borough Council