



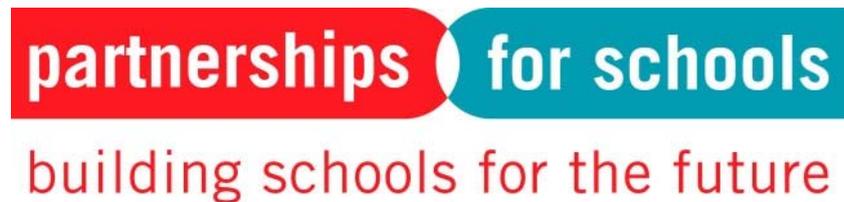
LEEDS CITY COUNCIL

**LEEDS BUILDING SCHOOLS FOR THE FUTURE
PROGRAMME**

PHASE 3

Mount St Mary's

Final Business Case



August 2010

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DOCUMENT CONTROL

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0.2	Draft	08/09/2010	1.1 Project Overview - Update to Phase 1 wording 3 Achievement of Outcomes section – update re reception upgrade Update to 5.2 Affordability section and 5.3 accounting treatment	Polly Hutton
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Review and Approvals

Name	Signature	Title	Approval /Review Details	Date Reviewed
Education Leeds Project Board				
Children Services Project Board	Sarah Sinclair (Deputy Director Commissioning)	Chair		
Executive Board Members	Councillor Wakefield	Chair		
Partnerships for Schools (PFS)	Kevin Crotty	Project Director		

Distribution

Name	Title	Date of Issue	Version
Education Leeds Project Board	Jenny Marshall	08/09/2010	V0.2
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1 EXECUTIVE SUMMARY

This Final Business Case (FBC) has been prepared to confirm the viability of procuring Mount St Mary's Catholic High School as a Design and Build (D&B) project using conventional funding. This project is in Phase 3 of Leeds' Building Schools for the Future (BSF) programme.

Mount St Mary's will be procured through the Leeds Local Education Partnership (LEP). This is subject to approval of this FBC and successful progress through the New Projects Procedure (NPP) as defined in the Strategic Partnering Agreement signed between both parties.

At the 2008 Excellence in BSF awards, Leeds LEP which brings together Leeds City Council, Education Leeds, Partnerships for Schools (PfS) and the Interserve led consortium Environments 4 Learning (E4L) was named the 'best in the country'.

The proposal is for an 11-16 secondary school of 900 places. The objectives for the scheme can be summarised as follows:

- A high quality flexible learning environment for all pupils and general users of the building capable of adapting to future school curriculum and management changes.
- The building should reflect a vibrant learning environment, be capable of a fully inclusive educational experience, and support the management of the school to deliver their vision focusing on personalised and group learning incorporating leading edge technology.
- The building must be of good design which engenders public pride, as well as being inspirational in the way it is viewed by pupils, parents/carers and the local community.
- The building should be of high quality materials which are robust, durable, adaptable and have low maintenance requirements. In addition it should also minimise adverse effects on the environment both under construction and after completion.

The budget for this scheme has a Construction capital expenditure cost of £14.156m, including £1.584m held within the programme level contingency, plus an Authority Works budget of £342k.

1.1 Project Overview

In 2004, Leeds City Council was selected as a Wave 1 Authority in the Government's BSF programme. The overriding objective of the programme is for a transformational and step change in secondary school education by means of significant capital investment in the whole of the secondary school estate.

Within Leeds, the programme is being delivered in partnership with the Department for Education (previously Department for Children, School and Families) and Partnerships for Schools (PFS). The programme will deliver capital investment into fourteen secondary schools in Leeds over five phases. Thirteen of the schools will become operational between September 2008 and November 2012. The fourteenth comprises of Parklands Academy, the final programme for which is currently under negotiation with the Academies Division of the DfE.

Phase 1

Phase 1 comprises of the rebuilding of four existing secondary schools through the Private Finance Initiative (PFI) and the refurbishing of a further two schools through conventionally funded Design and Build (D&B). These six schools comprised the "sample schemes" within Wave 1.

Phase 1 reached financial close on 3rd April 2007, comprising of four PFI schools (Allerton High, Pudsey Grangefield, Rodillian and Allerton Grange) and two D&B schools (Cockburn and Temple Moor). Work on rebuilding or refurbishing the six schools included in this Phase is now complete.

The appointment of the Leeds LEP was also incorporated at financial close on the 3rd April 2007. Under the terms of the Strategic Partnering Agreement (SPA), the work on the schools included within the rest of the phases (2 to 5) will be procured through the SPA and the New Projects Procedure (NPP) set out in the SPA.

Phase 2

Phase 2 comprises of the building of a new High School through PFI and the refurbishment of three existing secondary schools through conventionally funded Design and Build.

The new High school (Swallow Hill Community College) reached Financial Close in February 2008 and construction was completed in September 2009. Two of the other three schools (Crawshaw and Priesthorpe) are currently under construction and will be completed by April 2011. The third Phase 2 school, Farnley Park is

programmed for completion in September 2012.

Phase 3

Phase 3 comprises of the refurbishment of two existing voluntary aided secondary schools, Corpus Christi Catholic College and Mount Saint Mary's Catholic High School. These will also be procured through conventionally funded Design and Build contracts and are programmed to be completed by November 2012.

This FBC relates only to Mount St Mary's Catholic High School, which is programmed for completion in July 2012.

The aims, objectives and outcomes of the Leeds BSF programme are as relevant now as they were when they were set out in detail in the Outline Business Case (OBC) approved by PfS in February 2008.

The City Council and Education Leeds confirm that the contractual and financial position negotiated with the Leeds LEP and Environments for Learning (E4L), using the standard BSF template contract, through the NPP process will deliver these strategic outcomes for Mount St Mary's.

Phase 4

Phase 4 comprises of the building of a new purpose built Academy on the site of Intake High School Arts College. The Academy is sponsored by Edutrust Academies Charitable Trust (E-ACT). Leeds West Academy (previously Intake High School Arts College) opened in 2009 in the existing buildings. The project reached Financial Close on the 11th May 2010 and the new buildings are programmed for completion by September 2011.

Phase 5 works

Phase 5 is due to comprise of a combination of refurbishment works and new build at Parklands High School. It is proposed to become an Academy, with E-ACT as the proposed sponsor, the final programme for this is currently under negotiation with the Academies Division of the DfE.

1.2 Procurement

This scheme is a single school project and the proposed scope of

work comprises 13% of new build, 80% refurbishment and 7% no works.

The scheme will be procured through the Leeds LEP. The LEP has sole and exclusive right to construct the School under the Strategic Partnership Agreement (SPA) signed on the 3rd April 2007 with Leeds City Council. The exclusivity afforded is dependent on the LEP successfully proceeding through two approval stages of the NPP process.

On the 16th April 2010, the LEP submitted their NPP Stage 1 proposal which was evaluated and subsequently approved by the City Council. On the 18th June 2010 the City Council wrote to the LEP inviting them to enter into NPP Stage 2. The NPP Stage 2 submission is programmed for the 14th January 2011 and financial close for the 25th February 2011.

This Final Business Case confirms that the proposals have successfully proceeded through the NPP process. The key milestones for the project are summarised in the table below.

KEY MILESTONE	DATE
Commence NPP Stage 1	18 January 2010
Receipt of NPP Stage 1 submission	16 April 2010
Approve Stage 1 submission	18 June 2010
Commence NPP Stage 2	18 June 2010
Approve Stage 2 submission	18 February 2011
Commercial and Financial Close	25 February 2011
Contractor Mobilisation	28 February 2011
Construction Completion	19 April 2013

A detailed Project Plan covering the entire project lifecycle is located in Appendix 1.

1.3 Finance and Affordability

Mount St Mary's Catholic High School will be procured through the LEP as a Design & Build scheme using £14.156m of funding, excluding a budget provision of £342,000 for Authority Works.

The scheme expenditure has been approved by Leeds City Council's Executive Board Members at their meetings on 22nd August 2007 and 9th December 2009.

This FBC and the appendices to it confirm that the price submitted by the LEP is affordable to the City Council and remains good value for money for the Public Sector.

Section 5 of this Final Business Case sets out in more detail the Value for Money and Affordability positions for the City Council. The table below summarises the overall financial position for the City Council

Project Funding	Outline Business Case	Stage 1 submission	Stage 2 submission
	£14.023	£14.156	£14.156

The project will be delivered using the Target Cost version of the Partnerships for Schools standard form Design and Build contract.

The Capex cost is within the affordability parameters agreed by the City Council.

- o **Risk Allocation & Accounting Treatment**

The Risk Allocation Matrix and Risk Analysis for this project are attached to this FBC as Appendix 2. The City Council is of the view that the risk allocation for this project is appropriate.

1.4 Contract - Design and Build

The City Council has used the 2006 template Design & Build contract approved by PfS at BSF Phase 1 for the Mount St Mary's project. The City Council will propose project specific amendments to this contract (if appropriate) which will take the form of a derogations table to be issued to PfS in advance of Commercial and Financial Close.

1.5 Stakeholder Consultation

Leeds City Council is committed to engaging local people in decisions about their neighbourhood and community and helping to shape local services. 'Our young people equipped to contribute to their own and the city's future well being and prosperity' is a strategic outcome Leeds City Council would like to see in people's lives by 2011. (The Leeds Strategic Plan 2008-2011).

Leeds City Council understands that communication and engagement is an important component within the BSF Programme.

The Project Team has developed a communication strategy for the Mount St Mary's project. The purpose of the communication strategy is to provide meaningful information to all key stakeholders

in an appropriate and timely manner. It aims to build awareness, support and acceptance of the project and ensure stakeholders do not misinterpret the purpose and outcomes of the project.

Staff as well as the Governing Body and the Diocese have, as part of the communication strategy, been regularly consulted on the development and design of the new building.

The designs have been prepared and developed with reference to relevant guidance (DfE building bulletins, Commission for Architecture and the Built Environment (CABE), Sport England etc.) in order to ensure that the new buildings meet the transformational agenda inherent in the BSF Programme, improve performance and extended use.

- **Statutory Processes**

The Project Team has worked closely with the Council's Planning Officers and their statutory stakeholders to ensure that the proposed design is aligned with Leeds City Council's and Central Government's best practice guidelines for buildings of this type.

The City Council has agreed to take planning judicial review risk as it has on previous school projects and accepts that will be liable for any financial risks that may arise as a result of this risk materialising. This risk has been captured on the risk register however the risk rating is low and there are strong controls in place to ensure it is suitably managed. The judicial review period will end 3 months from the planning approval date.

2 PROJECT OVERVIEW

Leeds aspires to have a world-class education system, where all its schools will be good schools, improving schools and inclusive schools. Through the BSF Programme, the aim is to transform the secondary school estate to deliver personalised learning to all through effective and innovative practices supported by new technology. The BSF Programme will achieve this, not only through the new build environment but also how head teachers and staff will manage and use the buildings, and how, ultimately, pupils will interact with the new learning spaces afforded to them.

This Final Business Case seeks to affirm that both the project objectives set out in the Strategic Business Case, Strategy for Change and the project scope set out in the Outline Business Case for Phases 2 and 3 of the Council's Wave 1 BSF Programme, will be

achieved.

2.1 Programme Objectives

The Leeds Strategic Plan 2008 to 2011 sets out the strategic outcomes Leeds City Council would like to see in people's lives and the city by 2011.

Leeds City Council's vision for education, as stated in the Leeds Strategic Plan is:

'An enhanced workforce that will meet future challenges through fulfilling individual and economic potential and investing in learning facilities'.

To realise its ambition for education, Leeds City Council formed Education Leeds in April 2001, a not for profit organisation wholly owned by the Council.

Education Leeds' vision for education is:

'We want all children and young people to enjoy brilliant learning that gives them the skills, confidence, knowledge, understanding and skills to thrive and achieve their potential. We want all Leeds schools to be brilliant learning places – to be good schools, improving schools and inclusive schools where every child and young person can be happy, healthy, safe, successful and where no child is left behind'.

Education Leeds also has a vision for the future of secondary education which has itself been developed from the range of strategies, plans and policies being implemented to support secondary schools within the City. It sits within the context of the corporate vision to make Leeds a leading centre of learning, knowledge and research.

The overriding aim of Education Leeds is to ensure equality of access to a high standard of education for all children and young people and to make all schools good schools, improving schools and inclusive schools. The investment available through the BSF programme has enabled Leeds to continue to:

- Strengthen the role schools play within their local communities developing the school's focus for community cohesion, lifelong learning and inclusive education
- Create and develop the scope for innovative and collaborative approaches thereby maximising potential opportunities for

children and young people through a greater diversity of provision

- Provide better links between phases of education, improve and increase training and vocational pathways at age 14 to 19 and post 16
- Create flexible spaces that will allow innovation and thus inspire, celebrate and support new ways of teaching and learning
- Promote inclusive opportunities for all children providing appropriate facilities for children with Special Educational Needs
- Ensure efficient use of school buildings through a balance of supply and demand for school places and ensuring schools are equipped to accommodate new curriculum initiatives
- Meet local and national performance targets including best value
- Increase inclusive opportunities for all children, including those of all ethnic minorities and faith communities through a provision of specialist facilities where appropriate.

3 OBJECTIVES OF THE PROJECT- (Checklist Section A)

The aims, objectives and outcomes of the Leeds BSF Programme in relation to this phase 3 school are detailed below:

Aims

- To sustain the high quality ethos within the school, where respect and consideration for others have a high priority
- To provide a framework for the transformation of teaching and learning
- To contribute to the realisation of the Vision for Leeds 2004 – 2020
- To improve learning and achievement at Mount St Mary's Catholic High School
- To ensure that the balance between the supply of and demand for places is appropriate within the demographic profile of the city
- To facilitate and develop the 14-19 strategy

- To provide up to date and modern facilities for a 21st century curriculum
- To develop and support the high quality leadership that exists at all levels within the school
- To develop ICT as a fundamental tool for achieving a step change in teaching and learning
- To further develop the ethos of inclusion and support Education Leeds' Inclusion Strategy through the development of partnership bases
- To extend links with the school's communities.

Objectives

- To create a school able to meet 21st Century expectations in terms of styles of teaching and learning; technological developments with flexibility and adaptability to enable future changes as the education landscape evolves
- To provide an e-confident school which will promote enhanced thinking, collaborative working and community cohesion
- To provide a positive and attractive personalised learning experience through creative teaching, an exciting curriculum and innovative and inclusive environment
- Raise educational standards by developing a learning culture; allowing staff to be leaders of learning, and students to be leaders of their own learning
- To support opportunities for work based learning thereby maximising access to post 16 provision
- Full integration of all pupils with special educational needs
- Support the 'Every Child Matters' strands and deliver significant improvements on all five outcomes for young people

Outcomes

- Mount St Mary's Catholic High School will be a high achieving school providing a curriculum that will help young people to feel more powerful and optimistic about their future, allowing all young people to follow their individual learning pathways and thereby gaining high self esteem through achieving success
- Extended technology provision to take into account vocational programmes, and linked to further education provision and local schools
- Mount St Mary's Catholic High School will be fully inclusive

where all children and young people achieve success and have access to the highest quality of education regardless of their background or disability

- Mount St Mary's Catholic High School will be an e-confident school with ICT embedded in all teaching and learning including Continuing professional development opportunities
- The school's extended services agenda will be developed through strengthening links to the local community and businesses, and use of the high quality facilities for out of school provision
- An attractive and inviting learning environment which has grace and charm as well as functionality

Achievement of Outcomes

The proposed design focuses the available investment on.....

- A range of different learning environments to support personalised learning and the 14-19 agenda. The flexible learning spaces will allow learning in large groups, traditional groups of 30, smaller groups or individually
- Open learning areas to facilitate informal and structured learning as well as providing community facilities
- Excellent, new sports facilities to promote well being, healthy lifestyles and community cohesion
- An upgraded reception area to welcome visitors which will reflect the Catholic ethos of the school
- ICT infrastructure provision will provide a robust backbone to the managed service provided by RM Education Plc, allowing for future expansion and enabling pervasive anywhere anytime learning via a wide range of devices. This infrastructure will be flexible, efficient and well integrated within the design and will enhance and support the school's specialism in Technology.

Leeds City Council Commitments

Both the City Council and Education Leeds are committed to significantly improving student ambitions, aspirations, learning, achievement and personal development, irrespective of their ability, gender, faith or race.

The School will compliment the transformation that has and is currently taking place in education in Leeds as part of the BSF Wave 1 programme and will move Leeds a step closer to realising its vision for education.

A Benefits Realisation Plan is under development in partnership with Education Leeds clearly showing when benefits will occur and who will be responsible for their delivery. The plan will aid the tracking process which monitors achievement of benefits against expectations and targets.

3.1 Project Description

This FBC confirms that there has been no significant change to the scheme since the approval of the OBC. There has been a small change however, to both scope and funding:

- To respond to the school's requirement for flexible teaching spaces and improved sport's facilities, the new build element (Sports Hall) has been increased to 13% from 6.3%. Consequentially, the amount of refurbishment / refresh has reduced to 80% from 84%. The remaining 7% is outside of the scope of works.

The key details for Mount St Mary's are set out in the table below:

Fig 1: Key Data: Mount St Mary's Catholic High School

Mount St Mary's Catholic High School	Outcome of the Proposed Investment
Construction type and facilities:	13% new build 80% refurbishment 7% no works
School Specialism	Maths & ICT
Age Range	11-16 years
Planned number on roll: Total 11-16 years Post 16 years SEN	900 900 0 0
Service Commencement	April 2013
Capital Investment	£14.156 m

Financial Close for Mount St Mary's Catholic High School is programmed for 25th February 2011.

3.1.1 Facilities Management

For Mount St Mary's Catholic High School, the Diocese, Education Leeds and the school will fund all lifecycle and maintenance costs in the years following completion of the building works.

The funding formula used to distribute the Individual Schools Budget to schools allocates funding to schools using a combination of factors in order to approximate the need for individual schools to spend. The total amount of funding allocated to Mount St Mary's Catholic High School through the sub formulae for premises related costs will be maintained at a level that is broadly equivalent to the actual expenditure in schools.

A preventative maintenance regime is planned for the BSF 'Design and Build' schools in order to sustain the effective running of the new plant and equipment. Through extensive negotiation with preferred contractors, Leeds City Council's existing services and the LEP's proposals to maintain this equipment have been offered to the schools currently in the final phase of the build. This will also be the case for Mount St Mary's Catholic High School.

The Finance Team of Education Leeds, under the direction of the Strategy Manager Finance, will monitor that the school uses the funds as allocated.

3.1.2 ICT

As part of the Leeds' BSF Programme, Leeds City Council procured a Strategic Partner for ICT, RM Education Plc (RM), in order to gain benefits across all schools through economies of scale. PFS approved the ICT Strategic Partner Agreement (SPA) with RM in 2007, with an initial break point in 2013 and an option to extend to 2018.

The contract with RM Education plc underpins a strategic partnership between schools, Leeds City Council, Education Leeds and RM. The partnership is focused on supporting the transformation in teaching and learning which is at the heart of the BSF programme.

RM's involvement in Leeds is much more than hardware and software supply and maintenance. It is about providing strategic support to schools, professional development for all staff and ensuring that the technology in schools is relevant and robust to deliver on each school's vision for radically different learning environments.

RM provide additional services to the city such as helping to define

an updated ICT vision and strategy and supporting developments such as the use of the learning platform, co-ordinating communications about ICT in education and helping to plan events and awareness-raising for all schools.

RM commence the provision of a complete managed service for each school, supporting the transition to the new environment and providing ongoing professional development, teaching and learning and technical support to schools.

Technology

It is part of RM's responsibility to translate the needs and vision of each school into technical detail, and to help the visioning by raising awareness of what technology is available and what is working elsewhere. RM's designs for each school support the use of existing citywide services such as the learning platform and voice over IP delivered by Leeds City Council.

Funding

There is total funding from the DfE for Leeds that is sufficient to cover a Continuous Professional Development (CPD) programme (up to 2 years per school prior to the new build opening), technology and implementation. The value for money requirements of the contract and the scale of funding mean that the substantial funding available should be sufficient to ensure that new environments deliver on all schools' visions for teaching and learning.

Managed service

The managed service for BSF schools is a key part of ensuring that the contract continues to support the transformational work of schools. The service is a complete end-to-end managed service incorporating full network management and support, onsite support and a service desk which provides help, advice and guidance on the full range of ICT issues (whether technical or related to the use of technology in the classroom or for management and administration). The service will begin before the new building is due to open and will be supporting the existing systems from an early date in order to provide a smooth transition to the new building and new networks.

There are elements of training and CPD included in the service and it provides for full proactive maintenance and management of all the technology in school, including when appropriate, the refresh of equipment and software.

In the SPA, RM provide a managed service for schools which breaks down into the following categories:

- Strategic Services
- Operational Services
- Continuing Professional Development services.

The Strategic Services provide the overall support to the Authority and Education Leeds for ICT strategy. This includes vision, self-evaluation, Every Child Matters, a continuous improvement programme, a communications plan and a refresh strategy.

Also in this category are the school specific services which include the ICT building design solution, the passive and active network designs, user software and hardware, legacy hardware and software integration (where possible and necessary), and interface management (RM handle all voice, web or email calls for ICT support in the schools).

The last element of the strategic service is learning platform. This work falls into a number of areas:

- Training on tools and the use of e-learning
- Promotion of the available tools and curriculum models
- Production and provision of materials
- Support to Schools and staff.

The Operational Services again fall into different categories the first of which is the Service Desk. This provides first level support for all ICT issues and will channel these to appropriate second level service desks. RM manage the resolution of all incidents including those passed to third parties until they are considered closed by the school.

RM also provide a recommended minimum standard for hardware and software items, anywhere anytime access, backup, business continuity, disaster recovery, virus and malicious attack protection. These incorporate best practice from industry and other authorities and demonstrate consideration of lifespan, robustness and other relevant issues and they procure and supply such goods.

They assist the schools with management information systems which will deliver to at least prevailing Becta standards and which can provide all information which would reasonably be required by

the Authority and central Government to be provided by use of an MIS.

The CPD services cover the professional ICT development of all staff in schools. This is a critical part of successfully delivering the aims of the BSF programme and in ensuring that transformation is achieved in schools and that it delivers real benefits to learners. The CPD programme includes strategies for maximising the impact of ICT across Schools.

Contract performance management

The contract with RM is very carefully monitored and the performance management regime is robust and designed to ensure extremely high levels of performance and service provision. The performance indicators to which RM will be performing include helpdesk call response rates, quality of feedback on and levels of training provided to schools and the achievement of Key Stage 4 targets by schools. Each performance measure is linked to the payment mechanism and can trigger penalties for RM if not achieved.

Interface with the LEP

The interfaces with the LEP and RM are managed through a combination of an additional contract schedule (the "ICT Protocol") in each contract and the meeting and monitoring arrangements which are defined in that schedule. The key points of the ICT Protocol are:

- Effective design development through the review process
- A detailed works period access plan that will enable safe access and deal with interface issues during installation of ICT equipment prior to service commencement
- Details of the insurance responsibilities of the parties, both during the works period and services period, and the allocation of risk in relation to security issues and theft/malicious damage.

All ICT proposals will provide for services and systems which, as a minimum, meet the relevant BECTA standards and in many cases will exceed them to provide assurance of "future-proofing".

Contract Review

There is a recognised need to ensure that the SPA remains not only fit for purpose but also proactively addresses emerging educational models. The SPA is therefore currently subject to an end to end

review, which will deliver a forward looking, flexible contractual framework capable of supporting the diverse needs of different educational establishments and delivering best value to schools.

4 PROCUREMENT

The Strategic Partnering Agreement (SPA) signed by the parties at Financial Close on 3rd April 2007 provided contractually for the Leeds LEP to benefit from a measure of “exclusivity”, subject to the terms set out in the SPA. These terms are encapsulated within the SPA in the New Projects Procedures. These Procedures require that the LEP’s and E4L’s proposals for Mount St Mary’s must proceed successfully through two approval stages of the NPP process.

This FBC demonstrates that the process followed:

- Was in compliance with the Strategic Partnership Agreement (SPA) signed on the 3rd April 2007 between the City Council and the LEP
- Allowed for a sufficiently robust analysis of the LEP’s proposed solution included in its NPP Stage 1 and 2 submission
- Ensured that the LEP’s proposed solution offered value for money through the undertaking of meaningful appraisal and robust challenge
- Enabled the school to fully engage in the design process
- Was well resourced and the City Council’s procurement costs have been minimised and documented.

4.1 Governance Arrangements

The City Council’s Executive Board has approved Corporate Governance arrangements within the City Council for the management of all PFI and PPP Projects. The Officer Scheme of Delegation in relation to executive functions includes decision making powers for Directors or their nominees. Subject to both the scope and affordability remaining within the parameters set out in the OBC, approved by Executive Board, the Director has delegated authority to manage this procurement. For this project, the Deputy Director of Children’s Services (Commissioning) has delegated authority for signing of the D&B contract.

The Deputy Director of Children’s Services (Commissioning) will discharge her responsibilities delegated by the Director of Children’s Services, based upon recommendations of the Project Team

through written reports. Officers from PfS have contributed significantly through both being permanent members of the LEP Programme Group and through their presence at Project Board meetings in an observation capacity. PfS have also received all the reports relating to the BSF Programme submitted to the Project Board and the minutes of each meeting of the Project Board.

4.2 Supervising and Monitoring the Delivery of the D&B Contract

Throughout the delivery stage the work-stream leaders (supported as appropriate) will check compliance with the contract requirements and processes dealing with issues as they arise. Work streams will co-ordinate and co-operate with each other to ensure cross-cutting issues are adequately addressed on an ongoing basis.

Work streams

Overall Leads:

Stuart Gosney (Education Leeds),

Project Lead

Darren Dobson (Education Leeds)

Design and Construction:

Terry White (PPPU)

Gemma Adams (PPPU)

Construction Monitor (PPPU) TBA

Stakeholder Management:

Darren Dobson (Education Leeds)

Finance:

Matthew Cooper (PPPU)

Mark Woodward (EC Harris)

Gordon Mitchell, (Education Leeds Finance)

Legal:

Kieron Dennett (PPPU)

Project Management:

Phil Smith, Polly Hutton, Melanie Hibbert (PPPU)

Decant:

Darren Dobson (EL), Phil Andrews (PPPU)

4.3 Procurement Costs

The table below shows the procurement costs for the project. These are within the Councils' original estimated costs for the project.

Procurement Costs	Start of Project to Mar 2010 £000	2010/11 £000	Total £000
Public Private Partnership Unit			
Project Management	94,921	76,222	171,143
Technical support	46,268	67,458	113,726
Legal	9230	12,420	21,650
Finance	3,744	14,440	18,184
Corporate Governance	18,360	6,666	25,026
External Advisers			
Legal – DLA Piper	15,000	15,000	30,000
Financial – PwC	0	0	0
Technical – E.C. Harris	47,500	30,250	77,750
Other – AON Insurance & Gateway Review	1,500	30,000	31,500
Total	236,523	252,456	488,979

5 FINANCE AND AFFORDABILITY – (Checklist Section C)

This section of the FBC demonstrates that:

- There has been no significant change in the scope of the project leading to the City Council requesting additional Central Government Funding
- That the procurement process complied with the NPP process underlying the DfE (formally the DCSF) and the PFS procurement model and complied with the contractual position set out in the SPA signed by all parties at the Financial Close of Phase 1 of the Council's Wave 1 BSF Programme on 3rd April 2007

5.1 Value for Money (Conventionally Funded Schemes)

Detailed market testing set out in Schedule 4A of the SPA and based on the specific School Design commenced during NPP 2. The results from this market testing will be used to review and monitor the LEP's cost plan for the scheme submitted at NPP 1 as well as what was set out in the Funding Allocation Model (FAM).

Leeds City Council in partnership with EC Harris (Council's Financial Advisors) has been working closely with the LEP and their construction partner IPSL to ensure that the market testing is carried out in a transparent manner. This will ensure that the overall solution offered will be 'on market'.

5.2 Affordability

The FBC and the appendices to it confirm that the price submitted by the LEP is affordable to the City Council and remains good value for money for the City Council.

There has been no material difference in the scope of the procured solution to the scope of the project from what was set out in the OBC.

The table below provides a breakdown of the costs:

Project Funding	Outline Business Case (£)	Stage 1 Submission (£)	Stage 2 Submission (£)
Construction Costs (including contingency and other) *	£14.023m	£14.130m	Due to be received 14/1/2011
Local Authority Works	£342,000	£342,000	Due to be received 14/1/2011

* Construction Costs total includes £1.584m held as part of a programme level contingency to provide for risks retained in the contract by the City Council in the construction phase.

Appendix 3 contains the cost summary for the project at NPP1 which has been reviewed by the Council's Financial Advisors, EC Harris.

5.2.1 Other sources of funding

Leeds City Council will not be contributing to the capital cost of the project other than provide an Authority Works budget for the following elements:

- Associated highway footpaths and school bus stops improvements.
- Contract variation costs.

5.3 Accounting Treatment

As a Design and Build capital funded scheme for an asset not owned by the City Council, the capital expenditure is treated as REFCUS (Revenue Expenditure Funded from Capital under Statute). The expenditure will be funded from capital resources, but no fixed asset will be recognised on the council's balance sheet.

6. RISK MANAGEMENT (CHECKLIST SECTION D)

A risk workshop has been held and a risk register and strategy for the delivery and construction phase has been developed.

The Risk Register details:

- The risks identified
- Who is responsible for the mitigation
- Measures being taken to mitigate each risk

The project includes a number of discrete but related risks in relation to:

- The efficient and timely procurement and delivery of the project
- The relative balance of commercial risks in the contract between the City Council and the Contractor

The City Council's Risk Management Plan ensures that the management of risk is integral to the planning and management of any successful project.

The Opportunity Register for the scheme identifies potential areas for savings in the event that these are required. These are reviewed as the project progresses.

To crystallise, monitor and manage risk, the City Council has and will continue to maintain a detailed Project Risk Register and Opportunity Register through to the post-construction phase.

6.1 Project Commercial Risks between Leeds City Council and the Contractor

The apportionment of risk between the Contractor and the City Council is essential to achieving good value for money for the Public Sector. The Council will retain the risks relating to educational demand and supply. The main risks can be categorised using the following headings:

- Educational risks
- Building risks

- Legal and financial risks

Some risks will be retained by the City Council, the most significant of which are:

- Changes to the Output Specification instigated by the City Council
- Qualifying changes in law
- Compensation events
- Force Majeure events
- City Council default

7 CONTRACT (CHECKLIST SECTION E)

The City Council has used the contract documentation agreed with Leeds LEP and approved by PfS on Phase 1 as the template for the contracts for Mount St Mary's, namely:

- The Design and Build contract (based on PfS standard form)
- Arrangements to appoint an independent certifier to assess the quality of IPSL's work and who will confirm compliance to the City Council's requirements as well as relevant legislation
- Appropriate collateral warranties to the City Council and where relevant to the Diocese

7.1 Contracts

Leeds City Council has drafted the Design and Build Contract(s) which have been shared with the LEP and have initiated negotiations with a view to obtaining agreement of this document before the project reaches Financial and Commercial close. All derogations (if appropriate) will be issued to PfS for assessment and approval prior to the Financial and Commercial close date.

Leeds City Council and the Diocese have agreed the Development Agreement in principal, and are confident that it will be formally agreed prior to Financial Close.

7.2 Other Service Contracts

The City Council has not requested the LEP to deliver any other services other than those covered in the exclusivity afforded to it in the SPA.

8 STAKEHOLDER CONSULTATION (CHECKLIST SECTION F)

8.1 Stakeholder Consultation

The Communication and Consultation strategy document, which addressed stakeholder involvement, was developed by Education Leeds and approved by the City Council in July 2004. Sections 9.3.1 and 9.3.2 of the Outline Business Case set out the communication priorities for the BSF Project and the communication aims and objectives for the BSF Project. The Communications Strategy aimed to:

- Raise awareness within the Council and Education Leeds as to the nature and aims of the Project
- To engage with all schools (Heads and Governors) regarding the timetable, scope and educational vision of the Project
- To engage with external partners and to inform them of the content of the BSF Programme, the timescales and anticipated outcomes
- To keep Elected Members informed of progress, costs and scope of the Project
- To engage effectively with the DCFS, PfS, the 4Ps etc. providing timely and appropriate information in order to progress the Project
- To engage with all the stakeholders in the wider BSF Programme and individual School Projects.

8.1.1 Council Approval and Support for the Project

One of the main priorities of the Communications Strategy was to engage with Elected Members, to keep them informed on the progress, scope and costs of the Project. It was also to seek their approval and maintain their support for the City Council to enter into the Contract.

The Project Director has held regular Member briefings with the Lead Member with responsibility for Education and other senior

politicians. Meetings have also been held with Elected Council Ward Members who have been copied into written updates. Member enquiries have been promptly and effectively addressed throughout the procurement in accordance with the City Council's and Education Leeds Communications Strategy.

Elected Members of the City Council have supported the aims and objectives of the City Council's involvement in the Government's BSF Programme as set out in the Strategic Business Case, and, for Phase 1 and Phases 2 and 3 of the City Council's Wave 1 Programme. This was evidenced by the City Council's Executive Board giving approval to the submission of the Strategic Business Case and Outline Business Case for Phase 1 on 9th March 2005.

Members of the Executive further endorsed Phase 1 of the Programme on 16th November 2005 and approved the establishment of the LEP and exclusivity to be awarded to the LEP through this contractual arrangement.

Elected Members of the City Council agreed the final scope and the financial implications and the affordability thresholds for both the PFI and D&B elements of Phase 2, 3 and 4 of the Council's BSF Wave 1 Programme when they approved the submission of the Outline Business Case for the schools in these Phases.

During Stage 2 of the New Projects Procedures process, which has run in parallel with the official planning process, Elected Members have been kept appraised and consulted of the plans to be submitted through Ward Member briefings and attendance at the City Council's Area Committees by members of the Project Team and the LEP.

8.1.2 Consultation with the School and Diocese

The designs for the School have been prepared and developed with reference to relevant guidance (DfE building bulletins, Commission for Architecture and the Built Environment (CABE) and Sport England) in order to ensure that Mount St Mary's will meet transformational agenda inherent in the BSF Programme.

There has been considerable stakeholder input into the design of the School. The School's management team has been actively involved and attended the design development meetings where the design for the new buildings has been discussed and developed. Education Leeds, the Diocese, the City Council, the LEP and RM Education Plc have worked closely with the school through Stages 1 and 2 of the NPP process.

Governors have also been involved in issues affecting the proposed scheme, throughout the NPP process. Education Leeds' Project Co-ordinator has ensured they have been kept fully informed of progress and have been briefed on the scheme during all stages of development up until the final design.

8.1.3 Consultation with Parents and Local Communities

Leeds City Council have held a planning consultation event attended by local people. This was held to provide the local community with information about the scheme as it was developing and to maintain their support.

The School has also been encouraged to involve children and young people in considering design solutions and a number of design workshops for pupils have been held.

Education Leeds initiated a public meeting at the School during the design development stage.

This event was a public "drop in" session which took place on the 29th September 2009. The session was attended by parents, pupils and community members who provided positive feedback and support for the scheme.

The scheduling of the event also provided parents who were picking up their children to attend beforehand so that they could look at and comment on the proposed plans as well as discuss them with members of the team.

Written and verbal comments from the community were welcomed and appropriate officers of the City Council and Education Leeds were present to explain and answer questions. The public consultation explained plans, processes, the construction timetable and any site specific issues to allow the local communities to comment.

Further details of the event held can be found in Appendix 4.

Further meetings are being planned in consultation with the school to ensure that the school pupils, staff and the local community are kept informed throughout the project lifecycle including the construction process. These will cover areas including how construction will be undertaken, health and safety as well as details of the site manager in the event of any concerns / questions arising.

8.1.4 Consultation with Staff

The School staff have been consulted during the design development of the School.

Specific consultation with school staff has been undertaken in parallel with the local communities. The Education Leeds Project coordinator has met with staff to involve them throughout the process, from the development of the Output Specification and Accommodation Schedules through to plans on room layouts, transformational teaching, ICT usage and location etc. This process will continue during the construction phase.

8.1.5 Consultation with Pupils

Pupils were actively involved in the "Drop in" consultation event detailed in 8.1.3 above. They provided useful comments and positive feedback.

The timing of the consultation event was deliberately scheduled to allow the current pupils at the school to comment on the proposals.

The involvement of pupils has been managed by the school to raise the awareness of the pupils and to capture their aspirations. Opportunities were provided to enable pupils to input into the process.

Further meetings are being scheduled to take place prior to the commencement of construction which will inform pupils about issues such as the construction timetable, what to expect on site as well as health and safety issues.

8.1.6 Partnerships for Schools and Government Departments

PfS are represented at a senior level on the Children's Services Project Board, LEP Programme Group and in the core BSF Project Team. PfS has advised and assisted the City Council and Education Leeds at all stages during the NPP process. The City Council has adopted the PfS model suite of documents for these procedures and mainly followed the evaluation criteria recommended by PfS. Officials from PfS have provided advice and assistance to the City Council at all stages of the process through to Financial Close.

The Communication Strategy also aimed to engage positively and effectively with the DfE and other Central Government Departments, as appropriate; and other appropriate bodies, such as Sport England, CABE etc., to provide them with timely and appropriate information on the progress of the Project.

9 PROJECT MANAGEMENT

9.1 Project Team

Leeds City Council has maintained a fully resourced project management regime for the successful delivery of Scheme.

Role on Project	Position	Name	Time Commitment
Owner	Deputy Director of Children's Services (LCC)	Sarah Sinclair	P/T
Project Director	Director of Planning and Learning Environments (LCC)	Jackie Green	P/T
Head of BSF and Academies	Head of BSF and Academies (EL)	Stuart Gosney	P/T
Education Leeds Project Co-ordinator	Team Lead (EL)	Amanda Jahdi	P/T
Project Management	Team Lead (LCC)	Phil Smith	P/T
Project Management	Project Officer (LCC)	Polly Hutton	P/T
Project Management	Project Assistant (LCC)	Melanie Hibbert	F/T
Technical Advice	Technical Advisor (LCC)	Gemma Adams	P/T
Leeds City Council Design Champion	Design Champion (LCC)	Mark Burgess	P/T
ICT Adviser	Programme Manager (RM)	Dean Lowe	P/T
Financial Adviser	Executive Accountant (LCC)	Matthew Cooper	P/T

Financial Adviser	Financial Adviser (E C Harris)	Mark Woodward	P/T
Legal Adviser	Project Solicitor (LCC - PPPU)	Jacqueline Ainsley-Stringer	P/T

9.2 Project Board

Leeds City Council has an established four-tier management structure which has been developed to ensure clear accountability for the delivery of each aspect of the project. These are:

- a) **Strategy** - Executive Board and Asset Management Group (AMG)
- b) **Portfolio/Programme** – Strategic Investment Board
- c) **Project** - Project Board
- d) **Task** - Procurement Team

Project Management is concerned with the management and delivery of projects. The Children's Services Project Board will take delegated decisions on project specific issues. The Project Board will comprise of the following people:

Chair:

- Portfolio Owner (Deputy Director of Children's Services – Commissioning)

Members:

- Programme Director (Chief Officer PPPU)
- Legal & Democratic Services (Assistant Chief Executive – Corporate Governance)
- Finance (Director of Resources)
- Development (Director of City Development)

In addition, an Education Leeds representative will attend and where required a representative from the Diocese of Leeds will also attend.

For the Children's portfolio this forum provides the project board governance required.

The Children Services Board already has authority delegated to it by the Council's Executive Board to take delegated decisions on project specific issues. The general role of the Board is to:

- Provide overall direction and manage implementation of the project
- Review and approve all major plans ensuring that any major deviations in respect of time, cost and quality are escalated to Strategic Investment Board and Executive Board as required
- Ensure relevant updates and reports are presented to the Strategic Investment Board and Executive Board as required
- Determine the parameters within which the project is delivered;
- Promote the project within the Council
- Ensure the Procurement Team receives the required support and responses from all appropriate Departments

It has authority to make delegated decision on matters relating to New Project Procedures under BSF providing that there have been no changes in scope or affordability and is also subject to the conditions set by the Executive Board, e.g. affordability tolerance. These elements are listed below:

- Issue of City Council Requirements
- Stage 1 – Approval – Entering into Stage 2
- Stage 2 – Approval – Enter into Financial Close Negotiations

Appropriate client and project team staff will be invited to attend Project Board meetings as non-voting attendees as appropriate.

9.3 External Advisors

The City Council has entered into long term Framework Agreements with Legal, Financial and Technical Advisers to provide specialist advice and assistance to deliver its PFI and BSF projects. For the delivery of Mount St Mary's, these are:

Adviser	Name
DLAPiper	
Legal Adviser	Julie Morrissey
EC Harris	
Technical Adviser	Jeff Gibson
Financial Adviser	Mark Woodward
Willis	
Insurance Adviser	Alan Probert

10 STATUTORY PROCESSES – (Checklist section G)

10.1 Section 77 applications for the disposal of school playing fields.

There is no proposal to dispose of school playing fields under Section 77 School Standards and Framework Act 1998 and Schedule 35A of the Education Act 1996. The level of playing fields currently in place at Mount St Mary's will remain when the new buildings open in 2011.

10.2 Planning Approvals for Mount St Mary's

The Full Planning Applications will be submitted in 20 August 2010 and is programmed to be approved on 19th November 2010.

10.3 General Property Matters

Insofar as general property matters are concerned, the City Council is proceeding by granting appropriate licences to the Contractor to enable them to carry out the works.

APPENDICES

Appendix 1 – Project Gantt Chart

Appendix 2 - Risk Allocation Matrix

Appendix 3 – Financial and Technical proforma

Appendix 4 – Mount St Mary's Consultation Event

Appendix 5 - DCSF/PfS FBC Checklist

APPENDIX 1 – Project Gannt Chart

APPENDIX 2 – Risk Allocation Matrix

APPENDIX 3 – Financial & Technical Proforma

APPENDIX 4 – Consultation Event

APPENDIX 5 – DCSF/PfS Approval Checklist

