



## Project Assessment Review (PAR)

Version 1.0 2017

<b>Version number:</b>	FINAL
<b>Senior Responsible Owner (SRO)</b>	Aled Evans
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<b>Programme Title:</b>	21 <sup>st</sup> Century Schools Programme – projects: <ul style="list-style-type: none"> <li>• Ysgol Gymraeg Ystalyfera – Bro Dur</li> <li>• Ysgol Newydd Margam</li> </ul>
<b>Department/Organisation of the programme</b>	Neath Port Talbot County Borough Council – Education and Lifelong Learning Directorate
<b>Programme Manager</b>	Richard Gordon
<b>Business Case stage reached:</b>	Full Business Case (FBC) - Projects already in implementation
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<b>Review Team Leader:</b>	Chris Shoukry
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<b>Departmental Representative:</b>	Not applicable
<b>Previous Review:</b>	Not applicable
<b>IAH ID number:</b>	AH/17/20

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### **About this report**

This report is an evidence-based snapshot of the programme's/project's status at the time of the review. It reflects the views of the independent review team, based on information evaluated over the review period, and is delivered to the SRO immediately at the conclusion of the review.

**This assurance review was arranged and managed by:**

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**1. Executive Summary**

See Section 2 Delivery Confidence Assessment

**2. Delivery Confidence Assessment (DCA)**

<b>Delivery Confidence Assessment:</b>	<b>GREEN</b>
<p>The Review Team finds that the Programme is managing delivery well for both builds. Whilst resources in the Programme Team are under pressure, there is an excellent team spirit and a common purpose which is very evident both within the Programme Team and across the wider stakeholder delivery interest.</p> <p>Relationships between partners are positive, including those with the Trades Unions and with the local communities and the contractor for both builds has established a good rapport with local people.</p> <p>The Programme (including these two builds) has been established as a Tier 1 priority for the Authority and funding has been ring-fenced to ensure affordability.</p> <p>The schedule for both builds is tight in terms of when the construction periods are due to complete and the schools are scheduled to commence operation. The Programme and the Headteachers for both schools are aware of this and are planning contingency activities to manage the situation. In addition, lessons have been learnt from the recent build at Bae Baglan and are being actively applied to these two builds. We note that part of the confidence both within the Programme Team/Authority and underpinning the outcome of this review is the success of the Bae Baglan. The Review Team notes and commends the Authority and Programme Team for demonstrating a willingness to learn and adapt to changing circumstances and to adopt suggestions from others where these are felt to be appropriate.</p> <p>The Review Team considers that, at this point in time, there is no reason to suggest that successful delivery of the projects to time, cost and quality is not highly likely and we have found no major outstanding issues that appear to threaten delivery.</p>	

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The Delivery Confidence assessment RAG status should use the definitions below:

<u>RAG</u>	<u>Criteria Description</u>
<b>Green</b>	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.
<b>Amber/Green</b>	Successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.
<b>Amber</b>	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.
<b>Amber/Red</b>	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 establish whether resolution is feasible.
<b>Red</b>	Successful delivery of the project/programme appears to be unachievable. There are major issues which, at this stage, do not appear to be manageable or resolvable. The project/programme may need re-base lining and/or overall viability re-assessed.

### **3. Summary of report recommendations**

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

Ref. No.	Recommendation	Urgency (C/E/R)	Target date for completion	Classification
1.	The SRO should ensure that the Programme develops an overarching programme plan for all activities associated with delivery of the 2 projects, establishing the critical path across all activities and identifying dependencies (including with other schools projects).	R - Recommended		3. Programme and Project Management 3.1 Planning
2.	The SRO should ensure that the Programme develops a benefits management strategy and plan for both Ysgol Newydd Margam and Ysgol Gymraeg Ystalyfera - Bro Dur.	R - Recommended		6. Benefits Management & Realisation

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

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

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

### **4. Areas of good practice and lessons learnt**

- Track record of successful delivery to call on;
- Contractor and Authority learning lessons from Bae Baglan;
- Sound procurement strategy – both sites together – economies of scale and bringing learning from Bae Baglan;
- Funding forward planning;
- Shared vision of all-through schools;
- Overcoming market challenges by taking innovative approach to design;
- Approach to engagement working well for both communities and staff;

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- Programme “Team” and stakeholders all keen and committed – prepared to go the extra mile;
- Good working relationship with Trades Unions;
- Confidence in the SRO;
- Development of a new model of school “caretaker”;
- Community benefits high on the list of benefits – engaging parents – learning community etc – linked to regeneration – community now bought into projects;
- Early appointment of new Headteachers/ shadow Governing Bodies
- Draft documented lessons learnt and actions to be taken from Bae Baglan.

## **5. Areas of concern**

- Pressure on staff and resources, partly driven by constrained funding period imposing strict deadlines on delivery in Band A;
- Single points of failure – few key individuals (related to resources) – some succession planning evidence;
- Lack of certainty of delivery dates – coupled with the pressure on commissioning and transition;
- Programme management by team dynamics rather than a formal methodology means a heavy reliance on key people ;
- Lack of a detailed benefits “ownership” model.

## **6. Acknowledgement**

The Review Team would like to thank the SRO, the Programme Team and all those interviewed for their support and openness, which contributed to the Review Team’s understanding of the Programme and the outcome of this review. We would also like to thank Richard Gordon for his support in terms of the administration and logistics for the review.

## **7. Comments from the SRO**

The local authority welcomes the outcome of the PAR and takes considerable solace from the fact that the Review Team assessed our delivery to be at the highest level of confidence.

Such a positive outcome allows us to continue to plan and deliver major re-organisation projects on behalf of the communities we serve, knowing that we are doing so from a position of significant strength.

The PAR process allowed us to reflect on and articulate our practice, to include the view of stakeholders and to expose our practice to external scrutiny. The quality of this process is to be commended and will, undoubtedly, add value to our current practice.

We acknowledge and note the areas on concern identified and accept both recommendations without the need for amendment. In terms of scheduling the next review of the programme, we will be in a better place to comment once the outcome of our Band B funding application is known.

My personal thanks to the review team for their professional approach in assessing our project delivery capability, in their feedback to me, as SRO, during that process and in the production of this report. The level of scrutiny they brought to the review process has helped our understanding of our project management processes which, in turn, will inform our strategic planning and operational practices.

## **8. Summary of the Programme/projects**

### **Background and context:**

The Authority is responsible for promoting high educational standards and for delivering efficient primary and secondary education. Having the right schools in the right place and ensuring that they are fit for the 21st century learner is the ongoing challenge facing the Authority. Achieving this involves reviewing the number and type of schools the Authority has in its area and assessing whether or not best use is being made of resources and facilities. This will include ensuring suitable provision for those pupils with special educational needs/additional learning needs.

The Authority established a Strategic School Improvement Programme (SSIP) in 2008; a programme that has brought about significant change to the school estate during the ensuing period, including new-build schools supported by Band A of the Welsh Government's 21st Century Schools programme of capital funding.

The two projects under review – new-builds Ysgol Newydd Margam and Ysgol Gymraeg Ystalyfera - Bro Dur – are part of the Neath Port Talbot County Borough Council Band A projects under the Welsh Government 21st Century Schools Programme. This Programme is intended to support

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improvement in educational attainment and aspiration in Wales by replacing ageing schools estates with state of the art schools that enable a 21st century approach to learning and teaching.

The Authority is one of the most deprived areas in Wales and has a high density of Welsh speakers with one area having 60% of residents speaking Welsh, predominantly amongst the younger generation.

**Aims and objectives:**

Implementing the proposal will result in a range of teaching/learning and financial benefits, particularly in relation to:

- replacing existing school buildings with 21<sup>st</sup> Century schools which provide stimulating teaching and learning environments that impact positively on pupils self-esteem and well-being and improve learning outcomes across the ability range
- broadening curriculum delivery through increased use of I.T.
- more fulfilling teaching environments that improve morale
- delivering more sustainable school buildings (BREEAM standard)
- providing cost effective solutions to reducing backlog maintenance and repair costs
- utilising Welsh Government grant funding to support the enhancement of the Council's school estate
- educational forward planning through identification of need
- the effective use of resources and achieving efficiencies through economies of scale
- enhancing Welsh language development
- enhancing provision for additional learning needs and inclusion
- reducing the number of surplus pupil places
- ensuring that new builds are fully integrated community focussed schools
- providing additional benefits to the community including community use of school facilities
- regenerating the local and national economy through community benefits such as the sourcing of labour, works and services, and goods procurement
- Actively contributing to the Well-being and Future Generations (Wales) Act 2015

**Key Milestones:**

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<b>Milestone</b>	<b>Date (dd/mm/yy)</b>
Contracted Construction Completed Ysgol Newydd Margam	26 October 2018
School Opening Ysgol Newydd Margam	1 September 2018
Contracted Construction Completed Ysgol Gymraeg Ystalyfera - Bro Dur	10 August 2018
School Opening Ysgol Gymraeg Ystalyfera – Bro Dur	1 September 2018

## **9. Scope/Terms of Reference of the Review**

This review is commissioned by the Director of Education, Leisure and Lifelong Learning as the Senior Responsible Owner (SRO) of the Council's Strategic School Improvement Programme including the 21<sup>st</sup> Century Schools programme of projects.

The purpose of the review is to inform the Council's practices and procedures in delivering high value school reorganisation projects and to provide assurance of benefits realisation.

The review will assess two projects in the Council's 21<sup>st</sup> Century Schools Band A programme, projects linked by procurement arrangements and build delivery.

The two projects comprise:

- a new build, 'all-though' English-medium school for 1455 pupils age 3-16yrs (*Ysgol Newydd Margam*); and
- a new build Welsh-medium school for 650 pupils age 11-16yrs (*Ysgol Gymraeg Ystalyfera – Bro Dur: south campus*)

Both schools are scheduled to be occupied in the autumn term 2018.

*(note overall the Programme will be opening 4 schools on the same day)*

The review will inform the Council on:

- Deliverability – The extent to which the projects are likely to deliver the expected benefits, including:
  - Capacity/capability
  - Complexity of approach
  - Resilience
  - Timelines(schedule)
  - Meeting expectations
- Affordability – The extent to which the level of expenditure presents as an acceptable financial risk
  - Sufficiency of Budget (capital)
- Value for money – The optimum combination of whole-life cost and quality (or fitness for purpose)
  - Benefits approach
  - Lessons learnt approach

**The review will be undertaken in line with an agreed code of conduct and the SRO** will be responsible for ensuring that action is taken to address the agreed recommendations

## **10. Detailed Review Team findings**

### **10.1 Deliverability**

10.1.1. The Review Team finds that the Programme Team is in a good position to deliver both projects on time against the contracted timescales for both schools (26 October 2018 for Ysgol Newydd Margam and 10 August 2018 for Ysgol Gymraeg Ystalyfera- Bro Dur (south)).

10.1.2. We note that the target opening for both schools is set for 1 September 2018 and that the contractor for Margam is being encouraged to accelerate completion to meet this date. Much will depend on getting the building watertight and there is an expectation of a review in Jan/Feb 2018 to assess whether an early completion for Margam will be feasible. In this context, the time needed for commissioning each building and for transitioning staff and pupils will be tight in both instances. The Programme Team and all those involved, including Headteachers, are live to the challenges posed and we heard of a number of contingencies being considered, although firm plans are not yet in place.

10.1.3 We found a number of examples of good practice and learning from previous experience that give greater confidence in the Programme's ability to deliver successfully for both schools:

- The new Headteachers were in post 12 months prior to school opening – thus enabling them to be fully immersed in essential programme planning as well as their own specific schools planning. There is evidence that their time based within the Authority offices during the planning phase is useful in building valuable relationships for the future between the new schools and the Authority.
- Early appointment of the Headteachers also means that they have the opportunity to influence key areas by bringing their Vision of how the schools will operate to all aspects and having the opportunity of early engagement with other relevant schools to create a common ethos.
- Lessons have been learnt from the procurement of Bae Baglan in which the Programme experienced a market failure of interest. The revised procurement approach resulted in a tender field of 4 for these schools which were tendered as a package to encourage economies of scale in both pricing and delivery. As a result, the same contractor, Bouygues, was successful and has brought learning of their own from Bae Baglan.
- One key lesson adopted by the Programme from a Bouygues suggestion has been to develop the necessary facilities manager role by bringing in a person early in the build to become fully familiar with all aspects of how the new building works and then to offer them employment in the school to support the running of the premises. This then provides both sound

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support in a technically complex environment and gives employment and skills enhancement to the individual concerned.

10.1.4 All those we interviewed, both within the Programme and from a wider field of stakeholders, expressed very positive views of both the Programme Team and the contractor. In particular, the contractor was singled out for positive comments about their willingness to engage with the local communities and their considerate management of build activities, e.g. cleaning up after the day's work. We also note the contractor's appointment of "school ambassadors" to support pupils in the early days of school opening by helping them familiarise themselves with the school layout etc.

10.1.5 We note that stakeholders generally were also appreciative of the engagement by the Programme and that there is an excellent relationship with the Trades Unions.

10.1.6 At a strategic level, we heard that this Programme is a Tier 1 priority for the Authority and is well supported by the Executive Team and Elected Members. This gives the Programme and the SRO support where difficult decisions need to be made around prioritisation of resources.

10.1.7 In terms of Programme Team resources, we understand that there is a "core" team of 4 senior staff (including the programme manager), supported by a much wider "virtual" team of subject matter experts from within the Authority. We heard concerns about pressure on these virtual resources where the "day job" has to be done in parallel with programme tasks. All those we spoke to were keen and very committed to doing a good job for the Programme and accepting of the reality of resourcing constraints in a local authority.

10.1.8 We are concerned at (a) Programme reliance on a few key experts – which creates potential "single points of failure" for the Programme and (b) the risk of over-burdening willing individuals, with the consequential risk of stress and ill health. The Programme is aware of these issues and we did hear of some activity around succession planning for key individuals and, in some areas, potential for buying in additional support.

10.1.9 We appreciate that the resourcing situation generally in the Authority is difficult and there is no "magic bullet" to alleviate the situation. In this instance, the situation is exacerbated by the need to open 4 new schools (including the 2 schools that are the subject of this review), on the same day which limits options to flex staff. We were assured that the situation is

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manageable, as the other 2 schools are much smaller and less novel, however the position will need to be monitored carefully. The summer leave period is likely to be particularly problematic and some teams are already considering prohibiting leave during the summer period but this can be difficult to enforce.

10.1.10 In terms of Programme management, the Programme utilises a method based more on relationships and team dynamics rather than adhering to a specific formal methodology. This appears to work well but again we note a critical dependency on the personality and attributes of key individuals.

10.1.11 Given the severe constraints on resources as described earlier, we suggest the Authority gives some thought to how adopting some of the more documented project/programme control mechanisms could support delivery and provide a safety net. An example would be a documented overarching “swim lane” programme schedule that brings together all the various activities (not just the build programme) that combine to achieve delivery of the new schools in totality - including operational and curriculum aspects with key milestones. This would assist both the Programme core team and the virtual team members to have visibility of other streams of activity, where relevant, to support co-ordination of activities and scheduling of resource.

**RECOMMENDATION 1: The SRO should ensure that the Programme develops an overarching programme plan for all activities associated with delivery of the 2 projects, establishing the critical path across all activities and identifying dependencies (including with other schools projects).**

10.1.12. A further contributory factor in our consideration of the deliverability of these projects is the evidence we found that the Authority has a culture of listening and flexing as situations change. In the context of these 2 new schools we heard that, for example, the ICT support function is willing to be responsive to the requirements of the Headteachers. We also heard that communities felt their responses to the consultation processes had been listened to and acted upon.

## **10.2 Affordability**

The budgets for the two schools are determined as:

Ysgol Newydd Margam	£30m (circa)
Ysgol Gymraeg Ystalyfera - Bro Dur	£19m (circa)

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10.2.1. We understand that there is also some contingency funding available if required.

10.2.2. The contract form used for both new schools is NEC3 A (fixed price) with Activity Schedule. The design risk is all with the contractor. Thus, unless the Authority requires variations to its original concept brief or there are significant unexpected events, it appears unlikely that the build costs will exceed the contracted amounts.

10.2.3. As noted above, the procurement approach was adapted following the Bae Baglan procurement difficulties and a parallel build specifically chosen to enable economies of scale and thus price. This contributes to affordability.

10.2.4. In addition, most unexpected costs in a build come early in the process during the groundworks phase. This phase is now completed in both cases with the exception of landscaping and therefore we consider the risk of unexpected costs to be relatively low.

10.2.5. The Authority is heavily reliant on prudential borrowing for these monies but has already forward secured all the relevant budget, which we understand is ring-fenced. The monies have been secured at a low borrowing rate, thus protecting against any future rise in interest rates. We commend the Authority for its foresight in this area.

10.2.6 Whilst there are some buildings to be disposed of on the two sites, land values in the area are not high and we understand that disposal proceeds have not been assumed in the affordability assessments of these projects. Again, we commend the Authority for its prudent approach.

10.2.7 Finally, we understand that the Authority has been able to maximise access to Band A funding from Welsh Government and took the opportunity to flex the Programme when the St Joseph project failed to materialise, by reassessing its approach to the two builds we address in this review. Both of these measures have contributed to the affordability of the projects.

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### **10.3 Value for Money (Benefits)**

10.3.1 The monetary aspects of the two builds in terms of maximising output against monies expended have already been covered in the comments on procurement strategy under section 10.2 above. We note that the contract for the 2 builds is fixed price and that the design risk lies with the contractor, which helps to ensure value for money by minimising risk of cost overrun.

10.3.2 A number of the benefits for the two projects are commitments to Welsh Government under the 21st Century Schools Programme. These include community benefits and the creation of apprenticeships and jobs particularly for local people and businesses. The evidence of highlight reports demonstrates that the contractor for both new schools, Bouygues, is making excellent progress against targets set with regard to apprenticeships and employment of local businesses. For example for Ysgol Newydd Margam, the August 2018 Highlight Report shows a SW Wales labour target of 30% and an achievement of 33%.

10.3.3 As noted above, the procurement strategy for the two schools was predicated on sustainability of employment by having two builds in parallel. Additional benefit has come from the same contractor as built Bae Baglan recently being awarded these contracts which has helped to ensure continuity of employment. A further example is the innovative facilities manager approach already described.

10.3.4 The nature of the remaining benefits are a combination of community benefits and learning benefits. It is early days to judge the progress of both these benefits areas. However, we heard that for Ysgol Newydd Margam, community sports and other community organisations are already keen to make full use of the facilities when open. We also note that the Headteacher for Ysgol Newydd Margam is very focused on maximising engagement of the community in all aspects of the new school including the educational aspects.

10.3.5 The Review Team were encouraged to see that all those interviewed were focused not just on the new building itself but on the building as a facilitator of the true benefits for the Programme i.e. improved educational experience and attainment.

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10.3.6 We also heard about longer term ambitions for the Programme to generate more empowered and aspirational people and communities enabled by the new builds and ways of teaching and learning.

10.3.7 With regard to the Ysgol Gymraeg Ystalyfera – Bro Dur, we heard mixed views as to the how potential increased demand for Welsh-medium teaching in the south of the County Borough would be accommodated at primary age. We note that, if the future demand cannot be met by the school capacity, this could have a detrimental impact on the sustainability and optimisation of the investment.

10.3.8 At the time of this review, we were unable to fully establish how the Authority is going to measure and manage the full range of benefits aspired to by the two projects. The educational attainment benefits will be measured as a matter of administrative process through the normal channels – although we note that the experience of Bae Baglan was that the measure of standards for attainment changed shortly before the school began operation which had an adverse effect on initial results. We recommend that the Programme/Authority begins to give some thought as to how it is going to measure and manage the wider benefits, including the community benefits and which individuals will be accountable for doing so.

**RECOMMENDATION 2: The SRO should ensure that the Programme develops a benefits management strategy and plan for both Ysgol Newydd Margam and Ysgol Gymraeg Ystalyfera – Bro Dur.**

## **10.4 Future Challenges**

10.4.1. We have noted earlier that the Programme approach to Programme Management relies heavily on individuals and team spirit. That appears to be working well for the two projects under review. As mentioned, however, we feel that to support scarce resources for future projects, particularly the forthcoming Band B projects in the 21<sup>st</sup> Century Schools Programme, the Programme should consider tailored use of more formalised PPM (Programme and Project Management) control mechanisms. In particular, where there are a number of projects under build in parallel, the use of an overarching programme schedule to track progress of the totality of “moving parts” – both build and non-build should be considered.

10.4.2. The Authority should consider how educational programmes enabled by the new builds can be protected in the event of additional significant pressures in the area occasioned, for example, by a reduction in major employment opportunities.

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10.4.3. We also heard about the potential gains to be made in the area from a successful Swansea Bay City Deal which could create opportunities for a more highly skilled and qualified workforce such as that, which might be expected as an outcome of the 21<sup>st</sup> Century Schools Programme including these 2 projects.

## **11. Next assurance review**

The Review Team suggests that the most appropriate time for another assurance review would be when the Authority is considering options to bid for Band B funding for 21st Century Schools Programme.

**ANNEX A - List of Interviewees**

The following stakeholders were interviewed during the review:

Name	Organisation and role
Huw Jones (Chief Accountant, Finance) Cllr Peter Rees (Cabinet Member, Education, Skills & Culture) Jayne Thomas (Business Consultant ICT) Shirley Freeguard (AMS Operations Manager) Rhiannon Crowhurst (SSIP Team - Teaching/learning) Roger Bowen (SSIP Team - School estate.) Deborah Holder (SSIP Team - Legislation)	Workshop participants - NPT
Shaun Clarke	Headteacher, Ysgol Newydd Margam
Hywel Jenkins	Director of Finance and Corporate Services, NPT
Mark Fisher	Chair, Joint Trade Unions, NPT
Nick Smith	Parent governor, Vice Chair Shadow Governing Body Ysgol Newydd Margam
John Burge	Manager, School Governance, NPT
Clive Barnard	Architectural Design & Project Management Manager, NPT
Simon Brennan	Head of Property and Regeneration, NPT
Richard Gordon	SSIP Programme Manager, NPT
Andrew Thomas	Head of Transformation, NPT
Matthew Evans	Headteacher, Ysgol Gymraeg Ystalyfera - Bro Dur
Amy Hutchins	Manager, Human Resources, NPT
Steve John	Head of ICT, NPT