

## DUDLEY-OWEN REQUÊTE

### DE LISLE / LE PELLEY AMENDMENT (P.2020/14 Amdt 6a)

#### RULE 4(3) FINANCIAL IMPACT ASSESSMENT

##### Scope of the amendment

This amendment proposes the States rescind Resolutions 1 to 6 and 8 to 12 of the January 2018 debate; and Resolutions 1 to 4 of the September 2019 debate (see Appendix 1)

The Amendment includes a Rule 4(3) Financial Impact Assessment, which suggests that:-

- The capital costs of the “two school model” are approximately £129m
- The capital costs of the “three school model” set out the 2018 Policy Letter were £114m
- Adjusting the £114m figure by 10% for inflation, produces an indicative cost of the proposals contained in the Amendment of approximately £125.4m

##### Impact on Costs

Had they been asked to do so, officers working on the Transforming Education Programme would have been able to provide more accurate figures that more closely reflected a “like-for-like” comparison of the costs associated with these two educational models.

A more accurate comparison of these capital costs was provided via a ‘Side-by-side comparison...’ carried out by officers of Education, Sport & Culture during July and August 2019.

This analysis showed that:-

- The capital costs of the ‘One 11-18 School in Two Colleges model’ – including extensions, internal repurposing, new MUGA, project management and further necessary work is broken down as:-

○ One 11-18 School in Two Colleges	£60.9m
○ The Guernsey Institute	£47.5m
○ LMDC Primary rebuild (as 2FE)	£13.4m
○ Upgraded MUGA, sports facilities	£2.1m
○ <b>TOTAL</b>	<b>£123.9m</b>
- The like-for-like comparison for the three school model (adjusted for inflation) was broken down as:

○ Rebuild of LMDC Primary & Secondary	£67.2m
○ Extension at LBHS	£3.7m
○ Works & repairs at SSHS	£5.4m
○ Repurposing & repairs at LV	£23.4m
○ Upgraded MUGA, sports facilities	£4.7m
○ Rebuild LOC	£23.7m
○ <b>TOTAL</b>	<b>£128.1m</b>
- The plans for the ‘One School in Two Colleges model’ included further capital for the following items, which were not included in the comparison, as the comparable figures were not available for the Three School Model:

○ Transport & access improvements	£3.8m
○ Land purchase	£1.0m
○ CAS base at each site	£1.1m
○ Proceeds from the disposal of LV and part of LMDC sites	£2.2m - £5.5m.

The Rule 4(3) financial impact on the face of this Amendment does not include the following necessary expenditure:

- The costs to the Transformation Programme Team of preparing the “costings” associated with arranging secondary and post-16 education as set out in the Amendment, by December 2020. In this regard it should be noted that it is unlikely that presenting “costings”, rather than an outline business case following the five case model, would follow the correct Capital Prioritisation process, and would therefore be unlikely to be supported by P&RC for submission to the States.
- Rather than presenting “costings”, the resultant Policy Letter should consider:-
  - Benefits Evaluation
  - Commercial Case
  - Comparison of Capital, Revenue and “whole life” costs
  - Transition Costs
  - Programme Plans
  - Risk Assessment
- The costs of developing an outline business case by December 2020 would be estimated to be £2m - £2.5m.
- School Population Projections have changed since the Three School Model was developed. In order to accommodate all of the students, based on current projections, the transition costs would need to consider either:
  - An extension at SSHS to cater for a total of seven forms of entry (est. cost £4.3m) – and in this regard it should be noted that, for reasons associated with timetabling, an even number of forms of entry is significantly more preferable to an odd number of forms of entry.
  - A revision of the current Primary ‘feeder school’ model to a new ‘catchment area’ model and the resultant redevelopment of the transition plan. The time and effort to undertake this work is difficult to quantify but an initial estimate suggests it might require the equivalent of six person months) and would result in additional disruption to students and parents, when compared with the current transition plan.

The Amendment’s Rule 4(3) estimate does not address:

- The costs of continuing the development of the Education Law – which the amendment makes clear it wishes to do.
- The costs associated with designing new ways of working, developing the new curriculum and designing a new staffing structure for the three schools, sixth form centre and Guernsey Institute – including consultation around the new staffing structure and the transfer of staff from the existing four schools and five further education sites into the new ‘Three School Model’.
- Revenue costs. In this regard, it should be noted that, based on the previous modelling, the revenue costs associated with the Three School Model are approximately £1m per annum more expensive than the One 11-18 School in Two Colleges model. Given that this

difference is the equivalent to the costs of the enrichment programme which the One 11-18 School in Two Colleges model proposes, it would appear that, without additional annual funding, it would not be financially feasible to provide an equivalent enrichment programme under the Three School Model.

It should also be noted that proposals to rebuild LMDC High School have previously been rejected by the States. The plans previously drawn up for that site used BB98 space specifications, whereas the plans to expand SSHS and LBHS comply with BB103. Should it prove necessary to redesign the high school proposed at LMDC under this Amendment so as to comply with BB103 space specifications, an additional cost of between £3m - £4m, and further delays to the build programme, would be incurred. It is not possible, based on the currently available information, to model the impact a new design would be likely to have on overall build costs.

**Extract of relevant Resolutions from Item III of Billet d'État No. II of 2018**

1. To agree that the proposals set out in the report entitled *The Alternative Model – A Proposal for Opportunity & Excellence*, which was published by Deputies M.J. Fallaize, R.H. Graham, M.H. Dorey and R.H. Tooley in December 2017, are preferable to the proposals set out in the Policy Letter submitted by the Committee for Education, Sport & Culture and provide a stronger basis upon which to reform secondary and post-16 education in the Bailiwick, and therefore:

2. To agree that from the earliest date practicable secondary and post-16 education shall be organised as follows:

- An 11 to 18 School in Guernsey operating as one organisation comprising two constituent colleges or campuses on different sites, both of which shall include sixth forms;
- The College of Further Education operating as one organisation providing vocational, professional and technical education for full-time and part-time students, including apprentices;
- St. Anne's School in Alderney; and
- le Murier School and les Voies School operating as Special Schools for students with special educational needs.

3. To agree that the Education (Guernsey) Law, 1970, as amended, must be repealed and replaced with legislation setting out, *inter alia*, the educational aims and aspirations of a modern democratic society, educational policies adopted by the States in recent years and the powers and duties expected of a government in relation to education as it approaches the third decade of the 21<sup>st</sup> century.

4. To agree that the replacement legislation must provide for genuine devolution of governance and leadership from the Committee for Education, Sport & Culture (and by extension from the 'Education Office') to the 11 to 18 School and the College of Further Education; and further to agree that it must provide for the CfESC (supported by the 'Education Office') to focus on 'central government' functions – for example, education law, strategy and substantial policy, curriculum, funding arrangements and the accountability of performance and standards in schools and colleges.

5. To agree that the development of the replacement legislation provides an ideal opportunity to consider the most appropriate long-term relationships and governance arrangements between all providers of secondary and post-16 education, including in relation to provision for students with special educational needs; and further to agree that in any event there must be a firm requirement for the strongest possible collaboration between all providers of secondary

and post-16 education, including strengthening collaboration between the 11 to 18 School and the College of Further Education for the benefit of students of all abilities and interests.

6. To agree that the 11 to 18 School, operating as one organisation comprising two constituent colleges or campuses, shall have a single board of governors and a single executive leadership team, but the constituent colleges or campuses shall each have a principal and the freedom to develop aspects of their own identity and make their own day-to-day decisions.

8. To agree that in relation to the admission of students to secondary schools there shall be a two-phase approach to transition: in the first phase the Committee *for* Education, Sport & Culture shall publish the secondary school catchment areas (or feeder primary schools) for those students who will move to secondary schools in the earliest years which follow the abolition of selection at 11; and in the second phase, once the States have agreed the two sites to be used for the 11 to 18 School, the Committee *for* Education, Sport & Culture shall publish the permanent secondary school catchment areas (or feeder primary schools) which would apply in the long term.

9. To agree that teachers and others working in the education service must be advised of the staff structure for the 11 to 18 School well in advance of the necessary changes to the estate and the inevitable relocation of some staff.

10. To agree that the creation of the 11 to 18 School, operating as one organisation in two constituent colleges or campuses, must be a collaborative endeavour between the four existing secondary schools.

11. To agree that as soon as practicable all students in secondary and post-16 education must have access to the best facilities the Island can afford in a purpose-built 11 to 18 School, operating as one organisation in two constituent colleges or campuses, and in a purpose-built College of Further Education.

12. To note that the Committee *for* Education, Sport & Culture commissioned architects to assess each of the four existing secondary school sites for use as part of one 11 to 18 School, operating as one organisation in two constituent colleges or campuses; and further to note that the existing secondary school estate is capable of accommodating this model of education; and further to note that the feasibility studies advise that more detailed work is necessary to determine the two most appropriate sites for use; and further to agree that this more detailed work shall be undertaken to allow the States as expeditiously as possible to determine the two most appropriate sites for use.

#### **Extract of relevant Resolutions from Item V of Billet d'État No. XVI of 2019**

1. To note that the capital costs of the policy of organising secondary education in one 11-18 school operating in two colleges, which was agreed by the States on the 19th of January 2018, will be up to a maximum of £77.9 million; and to delegate authority to the Policy & Resources

Committee to approve expenditure up to a maximum of £77.9million charged to the Capital Reserve (in respect of the total project costs comprising building, transformation and transition, and the accommodation of services to children and their families which would benefit from working in closer partnership with the school and colleges) subject to the approval of appropriate business cases submitted by the Committee for Education, Sport & Culture which must demonstrate that the financial resources requested for the construction and operation of the preferred option balance cost and outcomes and therefore represent value for money, in the development of the 11-18 school and colleges on the sites of the current Les Beaucamps High School and St Sampson's High School as part of the Transforming Education Programme.

2. To note that the capital costs of the policy of organising further and higher education in purpose-built facilities on a single site, which was agreed by the States on the 19th of January 2018, will be up to a maximum of £51.1 million; direct the Policy & Resources Committee to add this project to the capital portfolio 2021 – 2025; and delegate authority to the Policy & Resources Committee to approve expenditure up to a maximum of £51.1 million charged to the Capital Reserve (in respect of the total project costs comprising building; transformation and transition) subject to the approval of appropriate business cases submitted by the Committee for Education, Sport & Culture which must demonstrate that the financial resources requested for the construction and operation of the preferred option balance cost and outcomes and therefore represent value for money in the development of The Guernsey Institute at Les Ozouets as part of the Transforming Education Programme.

3. To direct the Policy & Resources Committee to exercise the authority delegated to it through rigorous review and challenge of the business cases presented and, in particular, an assessment as to whether the final proposals balance costs and benefits and therefore use public resources in a way that creates and maximises public value, including:

a. the full capital costs of the project consisting of transformation, transition and community co-location costs in addition to building costs;

b. a baseline costed staffing structure, appropriately benchmarked, and explaining any deviation from existing policies;

c. a cost benefit justification for any additional investment required to operate the proposed staffing structure for the preferred model;

d. a cost benefit justification for any increased space requirements above the agreed baseline;

e. a cost benefit justification for any proposed additional space above the baseline to accommodate any further projected increase in student numbers, including a justification as to why additional numbers cannot be accommodated within existing contingencies for student numbers;

f. a cost benefit justification for any repurposing and refurbishment works proposed at the Les Beaucamps High School and St Sampson's High School sites;

g. detail as to how the savings on revenue costs of operating the new model contribute to the “Balance of Budget Reduction” of £2.3million expected to be remaining for the Committee *for* Education, Sport & Culture after 2021;

h. the adequacy of SEND provision within the new schools, together with Le Murier and Les Voies, and whether the proposals are sufficiently flexible to accommodate a range of possible outcomes arising from the scheduled review of SEND provision taking place as part of the work to update the Education Law.

4. To note that the capital costs of redeveloping La Mare de Carteret Primary School will be in the range of £13.4 million to £22.4 million; and to delegate authority to the Policy & Resources Committee to approve expenditure, subject to the submission of appropriate business cases by the Committee *for* Education, Sport & Culture, of up to £22.4 million, which may be drawn down over a period of two years from 2022, for the capital redevelopment of La Mare de Carteret Primary School as part of the Transforming Education Programme; and to note that the business cases associated with this project will include the results of a review of capacity in the primary phase across the Island.