

Barnsley Sixth Form College



Final Business Case for Local Government Support

Prepared by Barnsley College

August 2013

CONTENTS

- 1 Executive Summary
- 2 Project Details and Site Selection
 - 2.1 Shambles Street Redevelopment
 - 2.2 County Way/Courthouse Redevelopment
 - 2.3 Belle Vue Redevelopment
 - 2.4 Summary of Development Aims
 - 2.5 Barnsley's Core Strategy
 - 2.6 Development of a New CSP 33 Green Infrastructure
 - 2.7 Sustainable Community Strategy
 - 2.8 Improving Young Peoples' Potential & Achievement
 - 2.9 Joint Services Centres
 - 2.10 Community Consultation
- 3 Funding
- 4 Affordability
- 5 Key Dates
- 6 Key Dates
 - 6.1 Student Numbers, Quality and the Range of Subjects Available
 - 6.2 Other Value for Money Gains Related to Vacated Space Created by a New Sixth Form College
 - 6.3 More Efficient Teaching and Learning in a New Building
 - 6.4 Savings in Estate and Capital Costs
 - 6.5 Net Present Value
 - 6.6 Construction Costs
 - 6.7 Accounting Treatment
- 7 Statutory Processes/Consents
 - 7.1 Planning Permission
 - 7.2 Site Assembly
 - 7.3 Highway Issues
- 8 Transitional Arrangements & Operational Phase Management
 - 8.1 Management Structure
 - 8.2 Project Lead
 - 8.3 Barnsley MBC Project Management

1 Executive Summary

This Final Business Case (FBC) follows the approach outlined in the revised version of the Local Government PFI Support Guide (2009-10) issued by the Department of Communities and Local Government for review of site acquisition from BMBC.

Final scope	The proposed new Sixth Form College supports the Barnsley College vision to become a 'World Class Tertiary College' and will support and complement the strategic economic and town centre developments identified by Barnsley MBC in the Sustainable Community Strategy and the Remaking Barnsley Renaissance Programme. A new Sixth Form College will support Barnsley's aim to create more jobs and support the development of higher level skills and an aspirational culture amongst young people. The new Sixth Form College will: • Provide an environment that will promote a sense of wellbeing for the students, staff, and the community. • Improve Teaching and Learning. • Create an inspirational, innovative and flexible space that will promote higher level aspiration, study and achievement; • Increase the number of A level students studying in Barnsley town centre from just under 900 to over 1,100. • Develop a new progression route from A levels to higher level apprenticeships and target 50 students per year. • Increase progression from A Levels to HE by 12% • Increase reported student satisfaction levels in the Sixth Form College by 20%. (Recent student surveys show a decreasing levels of student satisfaction associated with the current accommodation and resources).
Social investment	Under the Public Services (Social Value) Act 2013 all public bodies in England and Wales are required to consider how the services they commission might improve economic, social and environmental well-being. Social investment is about investment made for a primarily social purpose, creating a combination of social and financial value. There is a growing appetite to understand the broader social value that is being created through investments. Barnsley Sixth Form College could be an example of a project delivered through partnership working between Barnsley College and BMBC that delivers excellent social and financial value. Investment can generate significant social value which is not necessarily captured in traditional financial flows. This social value may accrue to customers or to other beneficiaries. This is what we mean when we talk about Social Return on Investment (SROI) for investors – helping investors understand

	the social value they create through their investment activity. We believe that a key re-development project of this value delivered in partnership with BMBC on a gifted site could be an exemplar project.
Procurement and potential site	It is envisaged that Barnsley Sixth Form College would occupy a site of around 7,000m² in one of 3 locations: • Shambles Street redevelopment • County Way redevelopment • Belle Vue The Shambles Street site is the current preferred option. This is based on discussions between BMBC and Barnsley College and a synthesis of views around a site that will have the both the maximum positive impact on Barnsley Town Centre and which will create a Sixth Form College that will meet the needs and aspirations of College staff and students. Outline plans for the development on all 3 potential sites have been commissioned through existing OJEU Frameworks. The procurement of contractors, goods and services for the development will be undertaken through existing OJEU frameworks. This will ensure that the College can demonstrate value for money to the Skills Funding Agency (SFA) and meet the deadline of completion by summer 2015.
Final contract	The building contract will be a Joint Contracts Tribunal Design and Build with amendments.
Affordability	Barnsley College has carried out an affordability analysis. based on raising £16m of capital. £5.3m of SFA grant funding from the SFA College Capital Investment Fund has been secured with the rest of the project being funded by asset disposal and loan finance. There are restrictions on the funding from the SFA, which requires all expenditure to be defrayed by 31 July 2015 and the building to be operational by September 2015. The College has liaised closely with both Barclays and Santander in order to agree the maximum loan available. The maximum loan offer from Barclays was insufficient to cover the £16m required for the project to be viable. The maximum loan offer from Santander allows the College to raise £16m of capital including using all cash available, asset disposal and the loan. The College financial forecasts indicate that the Santander loan is just within the limits of Barnsley College borrowing capacity. A letter of support from Santander confirming that they are prepared to support the project is attached to this Business Case.

	This Business Case proposes that the preferred site (Shambles Street) will be cleared and gifted to the College by BMBC.
Value for Money	Barnsley College has a proven track record of delivering major capital projects within budget by ensuring that all significant cost inputs to the financial model have either been market tested or benchmarked in line with current market rates. This report has a VFM review of the construction, lifecycle and FM costs submitted by NPS and Barnsley College. Major capital projects completed by Barnsley College over the last 3 years have included the re-build of the College Old Mill Lane site and the new Think Low Carbon Centre. Both these projects have demonstrated excellent value for money. Both projects were completed on time and within budget and both have exceeded the targets set in Business Plans completed when the projects were planned.
Accounting treatment	The total cost of the build will be an addition to fixed assets. The cost will be depreciated in accordance with the College's depreciation policy. Any land gifted from BMBC will be included at valuation as an addition to fixed assets.
Statutory processes/ consents	Full detailed planning consent will be required for the development. BMBC Planning, Highways, BDA, and the Asset Team have all been consulted about the draft designs with more recent and detailed discussion in relation to the BMBC preferred site (Shambles Street). The potential sites each have remaining issues that BMBC, in partnership with Barnsley College, are addressing under a due diligence programme prior to the Financial Close target date of 20 September 2013.
Transitional arrangements	The College has delivered multiple major capital projects over the last 10 years, all of which have been delivered successfully meeting the needs of learners, staff and the community. Barnsley College will work closely with BMBC to deliver the project collaboratively. The Barnsley MBC representative will be the Head of Strategic Property and Procurement (Jeremy Sykes). The Barnsley College representative and project lead will be Andrew Fairest, Vice Principal Property Development).

2 Project Details and Site Selection

Barnsley College's Property Strategy "World Class Buildings for a World Class College" details the planned, major capital development of the College. This document is reviewed each year and forms part of the College's three year financial plan. The new Sixth Form College will resolve urgent health & safety, safeguarding and DDA issues associated with the current main Barnsley Sixth Form College building in Eastgate.

The new Sixth Form College will reduce the College's carbon footprint and remove 14.5% of whole College estate from RICS C/D (poor quality) status. Since the completion of the new Barnsley College Old Mill Lane building, the major part of the College estate that now falls into the RICs C or D category is the Sixth Form College Eastgate site. The problems with the Eastgate building have become more apparent to both young people and teachers when compared with the successful re-build of all of the Barnsley secondary estate and the College Old Mill Lane building.

The new building will provide an inspirational learning environment which will promote pathways to progression to university and higher level apprenticeships. The new build will attract and retain high academic achievers into Barnsley for post 16 education.

Barnsley Metropolitan Borough Council officers support the rebuilding of the Sixth Form College and have been consulted throughout the early planning process. There are 3 potential sites proposed for the development:

- Shambles Street.
- County Way/Courthouse redevelopment.
- Belle Vue.

2.1 Shambles Street Redevelopment

The Shambles Street site will have the highest possible positive impact on the overall development of the town centre. This is therefore the site preferred by BMBC site at this stage.

The Shambles Street site is close to the BMBC offices on Westgate and Gateway Plaza, and is 300m from the Transport Interchange. A full Stage C Report has been commissioned, a copy of which is included with this application. The Stage C Report has been reviewed by the BMBC representative (Jeremy Sykes). Should the cleared site be gifted to the College, then this will provide an opportunity for an alternative way to complete the aborted phase 2 of Westgate development following BMBC's occupation of Gateway Plaza.

The BMBC Barnsley Town Centre Area Action Plan list Policy AAP24 Development Site 24 offers the following uses for the site:

- Offices
- Retail
- Leisure
- Residential on above ground floor

The development must also:

- Include the provision of public space
- Provide improvements to pedestrian links and include the Green Sprint which runs past the site on Westgate.

- Provide an active frontage to Westgate

A change of use for the site to education would allow the creation of new high quality public open space that is fronted by a new landmark development that creates pedestrian routes through the site.

The occupants and buildings on the site on Shambles Street would need to be cleared by BMBC. This could cause some difficulty in meeting SFA deadlines for completion by September 2015. Most of the retail units are vacant; however, the current occupants include:

- Library
- HM Courts Tribunal Service
- Citizens Advice Bureau

BMBC officers have advised the College that HM Courts Tribunal Service re-location is the most significant problem but that this should still be achievable in the short term.

The development of a new Sixth Form College on Shambles Street will form a gateway into Barnsley which complements the recent refurbishment of the Town Hall Experience Barnsley scheme, whilst holistically linking into the public realm on Lancaster Gate and the planned closure of the road (Westgate). This will create an urban park and public realm linking from the Westgate Council offices and the area outside the Courts, the external area of the new Sixth Form College and the area around the Town Hall and Experience Barnsley.

On completion of a new Sixth Form College, the additional footfall from students and staff around the Shambles St site would result in the possibility that additional new retail and leisure facilities on Shambles Street would be viable. New retail outlets could be added to the current designs & be paid for from future rental income.

BMBC have confirmed that there are currently no developments planned for the site from single or multiple developers. Any reasonable forecast would suggest that it is unlikely that a developer would be interested in purchasing the Shambles Street site in the short to medium term. The potential financial cost to BMBC of leaving the vacant retail units on Shambles Street empty over the next 3 to 5 years could easily be higher than the estimated value of the land.

Shambles Street Site – Option 1 – BMBC Ownership



View North over Shambles Street



View West over Lancaster Gate & Shambles Street



2.2 County Way/Courthouse Redevelopment

On balance, the College believes that new Sixth Form students would prefer a building on the County Way development site because of the proximity to the Transport Interchange and because it is slightly closer to other Barnsley College buildings and facilities that they may wish to use. The students and staff that we have consulted are very positive about both Shambles Street and the Court House but with a preference for the County Way/Courthouse site.

The site is close to the main Barnsley College Old Mill Lane building and the SciTech building. It is adjacent to public transport with the transport interchange across Eldon Street 40m away.

The County Way/Courthouse site allows for potential further development in future and an additional park/public realm space. The site gives an opportunity to add another creative and inspiringly visual gateway into the town centre. It would also be a stimulus for other potential developments on the whole County Way/Courthouse development site.

Comparing the County Way/Courthouse site with Shambles Street, most people we have consulted believe that the Shambles Street site would have a more positive impact on the overall development of the town centre than a development on the County Way/Courthouse site.

The site would be readily available, given its current use for car parking, thus no cost or timescale restriction to BMBC for demolition. The lower Courthouse car park is currently less well used than the upper car park. The area in question also suffers from being a meeting place for young people with scooters to race around the car park and the town centre. The new iconic building would be visible across Barnsley.

The Courthouse Campus Masterplan & Public Realm Design Report 2010 requires:

- A link to a new park “Belvedere Park” on the site
- Green area flowing between buildings
- One of five new town centre Multi-storey car parks to be located on the site
- Education facilities linking community facilities on the site
- Building height up to 5 storeys, of iconic nature

Car Parking Places

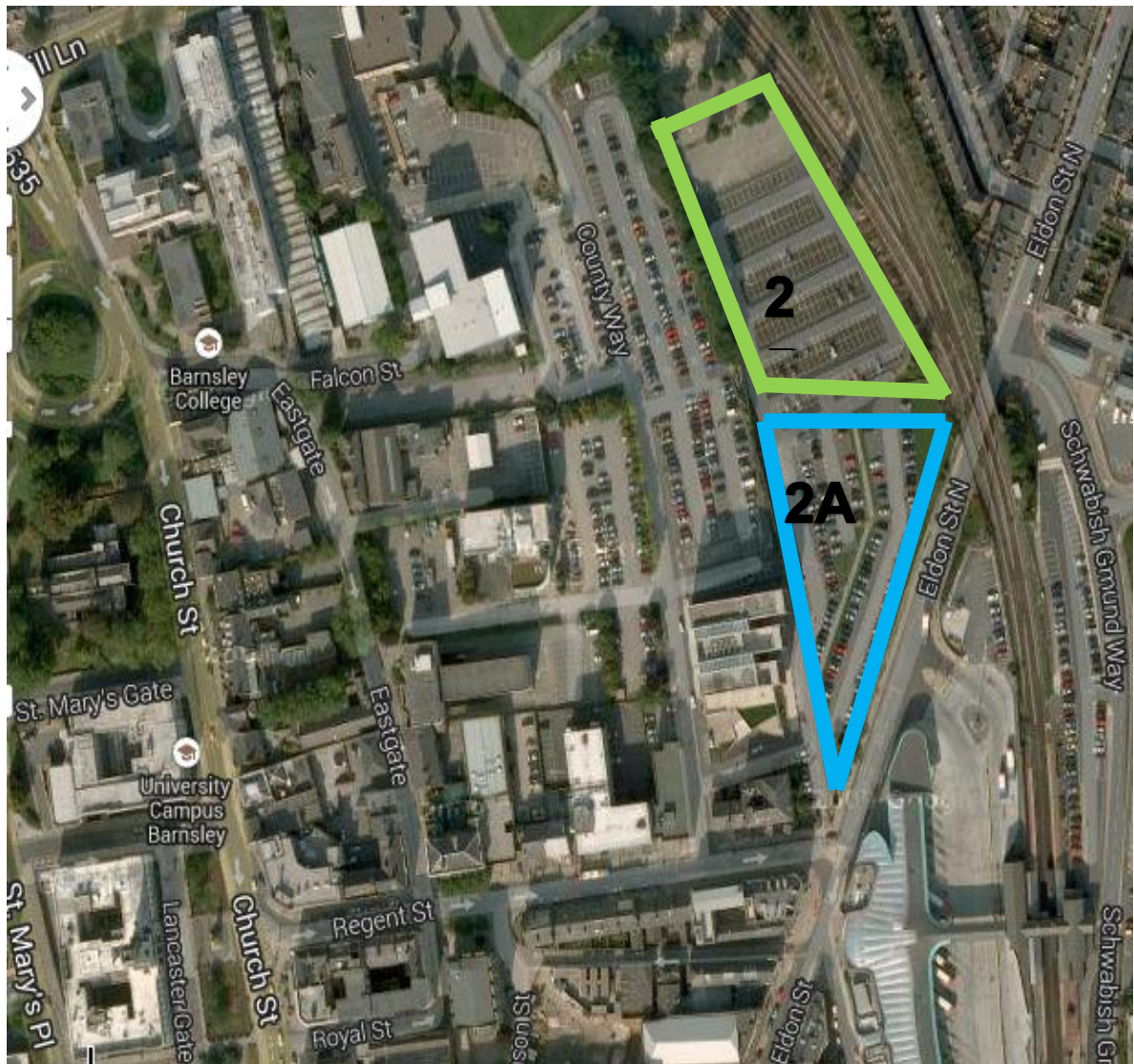
The issue of loss of car parking to the town centre would need to be carefully considered.

The 2010 BMBC Report referred to above includes the most recent car parking survey results available. Of the 900 pay and display parking spaces in existence only 570 were in use at 11.00 am at peak periods, and there are a further 11 public car parks within 8 minutes walk of the site.

The report also confirms that until the wider town centre parking charges are increased to around £10.00 for a space/day, then a commercial multi-storey car park would not be attractive to developers or operators. On this basis we suggest that no additional town centre car parking is required medium term to replace the capacity lost because of the development of a new Sixth Form College on the County Way/Courthouse site.

The College understands that the former CEAG site has been designated for car parking, based around the new market complex. However, we do not currently have any further detail on this BMBC proposal.

County Way/Courthouse Sites – Options 2 & 2a – BMBC Ownership



View West over Eldon Street North



View North over Regent Street



2.3 Belle Vue Redevelopment

In terms of either student preference or positive impact on the development of the town centre, the Belle Vue site is the least attractive option. It is included here as a 'fall back position' if neither Shambles Street or the County Way/Courthouse sites are available.

Belle Vue is a Barnsley College freehold site. The site is located on the junction of Huddersfield Road and Smithies Lane. Vehicular traffic would be serviced from the colleges existing Honeywell Campus entrance on Honeywell Lane.

The initial building design recognises the opportunity to create a landmark building, whilst being cognisant of its surroundings and the adjacent conservation area. This site is the furthest from the Transport Interchange (800m), thus ease of access and transport links is reduced compared to the other two potential sites. However, the use of the College's own land will ensure that the deadlines imposed by the SFA can be met.

Selecting this site would give students much better access to existing and extensive college sports facilities at Honeywell.

Belle Vue – Option 3 – Barnsley College Ownership



View North East over Huddersfield Road



2.4 Summary of Development Aims

In summary the new Barnsley Sixth Form College will provide:

- An environment that will promote a sense of wellbeing for the students, staff, and the community.
- Improved teaching and learning.
- An inspirational, innovative and flexible space that will promote higher level aspiration, study and achievement;
- Increase the number of A level students studying in Barnsley Town Centre from just under 900 to over 1,100.
- Develop a new progression route from A levels to higher level apprenticeships and target 50 students per year.
- Increase progression from A Levels to HE by 12%
- Increase reported student satisfaction levels in the Sixth Form College by 20%. (Recent student surveys show a decreasing levels of student satisfaction associated with the current accommodation and resources.)

The new Sixth Form College design will incorporate principles that create a sense of place that will make working in or visiting the building an uplifting experience. The new premises proposed in the Final Business Case will support and complement the aims and objectives of Barnsley MBC and the wider community and the strategic plans for the Borough.

2.5 Barnsley's Core Strategy

All One Barnsley partners want to help transform Barnsley town centre into a 21st century market town with a unique offer based on individual retail development supported by good quality leisure and cultural facilities. We want to attract visitors to Barnsley and improve the Borough as a place to live, encouraging investment in the town centre. The development of the new Sixth Form College on the Shambles Street redevelopment in particular would encourage the growth of retail by significantly increasing the footfall in the area from students, teachers, parents and the wider community who will access some of the facilities.

2.6 The Development of a New CSP 33 Green Infrastructure

The new Sixth form College will help to enhance an integrated network of connected and multi-functional open spaces that:

- Provide attractive environments where people want to live, work, learn, play, visit and invest.
- Helps meet the challenge of climate change and enhance biodiversity and landscape character
- Respect local distinctiveness and historical and cultural heritage
- Maximise potential economic and social benefits.

Barnsley College is a national leader in the low carbon agenda through our well established Think Low Carbon Centre and our partnership with BRE. We will continue to meet these high sustainability standards in the development of a new Sixth Form College which will reduce the College's carbon footprint and optimise energy consumption.

2.7 Sustainable Community Strategy (SCS)

The development of the new Sixth Form College will provide greater opportunities for young people to become more highly skilled, competitive and create a workforce that meets the needs of businesses and that takes advantage of new and emerging sectors such as the digital and low carbon industries. A more skilled and more mobile workforce will be more able to compete both inside Barnsley and throughout the wider City Region for well-paid jobs.

In some local communities there is intergenerational unemployment, combined with above average youth unemployment levels. The new Sixth Form College will release space in the Barnsley College SciTech centre which will allow expansion of short courses for unemployed adults specific to the needs of the local job market, and in particular the forthcoming BMBC Marketplace and Courthouse Campus development schemes.

Within the new Sixth Form College, we will create a 'second chance' Discovery Pathway for young people who have not achieved a grade C in GCSE English and/or Maths and are therefore unable to progress to A Level study. We also plan to target parents of learners with flexible programmes of Maths, English and Science linking with the Barnsley College existing projects including Skills Support for the Unemployed and Skills Support for Redundancy to maximise the support we can offer to unemployed adults.

2.8 Improving Young Peoples' Potential and Achievement

The historically poor GCSE achievement rates in Barnsley have a significantly detrimental impact on A/AS level participation rates at 16 to 18. The A Level/AS Level participation rate for Barnsley residents which are currently around 15% below the national average. We believe that GCSE achievement rates in Barnsley will improve over the next few years leading to more demand for A Level provision from Barnsley residents. The development of a new Sixth Form will support the College's strategy to raise A/AS level participation rates across Barnsley by increasing Barnsley Sixth Form College capacity from around 900 to 1,200 students.

In addition to the increased capacity for A level and AS Level students, the new Barnsley Sixth Form College will be able to run tasters and summer schools targeted at up to 600 school leavers. This activity, combined with an additional 200+ places at A Level will raise participation rates at A/AS level across Barnsley. New A Level Career Linked Pathways in the new Sixth Form College will offer skills that meet local needs thus improving employability prospects.

2.9 Joint Services Centres (JSCs)

The proposed Sixth Form College Development supports the JSC's multi-agency and multi-service premises LIFT schemes that offer a range of facilities under one roof, improving accessibility of information and services and fully exploiting synergies from co-location of service providers.

The College will seek to integrate into the new Sixth Form College a range of facilities for students, staff and the community linked to existing services wherever possible. Use of the Shambles Street site will require the relocation of the library.

2.10 Community Consultation

The development of a new Sixth Form College was the subject of some community consultation two years ago.

Further community engagement and consultation will be required following selection of the preferred site. This will include:

- Presentations of proposals to local groups to obtain buy-in.
- Exhibitions
- Leaflets and posters were advertising the exhibitions distributed to local businesses, community groups, community facilities, existing health centres and local shopping areas.
- Exhibitions advertised in the local press and broadcast media
- Display walls on the preferred site showing draft proposals.

As part of the engagement with the community, Barnsley College and BMBC staff will ask targeted questions to canvas opinion on all aspects of the design, plus open questions to encourage creativity.

End user consultation with current Sixth Form College students and staff started in March 2013 to ensure the internal layout is functional. This process will be continue throughout the detailed design stage to agree the detail design for each internal room layout, position of fixtures and fittings, data and power positions.

3 Funding

All procurement will be in alignment with OJEU public sector procurement guidelines. Barnsley Community Solutions Limited (BCS) has been informed of the scheme as have NPS, both of which have contributed towards the current proposals.

This Business Case includes a full 3 year detailed Barnsley College financial plan (Appendix A), along with an outline 10 year plan (Appendix B).

The total cost of the Sixth Form College is £16m. The total cost of £16m assumes that a cleared site will be gifted by BMBC. The build is to be funded as follows:

Funding	£000's
College reserves	4,365
Loan finance	5,000
Sale proceeds from the Eastgate building	1,260
SFA grant	5,313
Total	15,938

The current Eastgate main Sixth Form College building is planned to be sold post completion of the new Sixth Form College. The building was recently valued and the plan assumes that it can be sold for 90% of its valuation.

The build will require a loan of £10m during the construction phase. The College plans to tender for the loan in Spring 2014. In order to maximise cash flow and keep interest costs to a minimum, the tender will be for a £10m convertible revolving credit facility. During the construction phase there will be no capital repayments. It is expected that at the time of conversion to a term loan at the end of 2016 the balance outstanding will be circa £5m. Repayments commencing during 2016/17 financial year have been assumed to be amortised over 22 years. At this stage a 5% interest rate has been assumed.

The College has existing loans with both Santander and Barclays and has engaged in detailed discussions around existing debt and projected ability to repay a further loan based on current and predicted future financial performance. Santander have expressed their support in financing the new Sixth Form College based on a total maximum project cost of £16m with £5.3m of grant funding from the Skills Funding Agency (SFA).

4 Affordability

Barnsley College has conducted an analysis and believes that the new Sixth Form College is affordable. The project sits just within the SFA affordability requirements which were assessed as part of their capital grant application.

The College currently generates just over £4m of cash each year. The new Sixth Form College will improve the College's cash generation by between £500k and £1m. In order to finance the building, the debt servicing costs of the College will increase by £500k to £2.2m. The projected increase in cash generation by building a new Sixth Form College is therefore projected to cover the increase in loan repayments.

Several of the College's covenants with lenders include the ability to service debt. The outline 10 Year Financial Plan shows that the College is within the covenants and that the new Sixth Form College contributes more cash than it will spend on debt servicing over the 10 year period.

The very successful re-building of the secondary estate in Barnsley has raised expectations of young people in terms of their learning environment. This is very positive and will lead to higher aspirations and attainment. When 16 year olds progress from the new Advanced Learning Centres they rightly expect a 21st century learning environment that will give them the best possible chance of further success and progression to higher education and the best universities.

If we do not build a new Sixth Form the College expects that student numbers in the current Barnsley Sixth Form College will decline. Without a new Sixth Form College we anticipate that increasing numbers of students will travel outside Barnsley to study A Levels. Without a new building, we have projected that A Level student numbers would decline from around 900 to 550 over a 5 to 10 year period.

Potential financial impact of not building a new Sixth Form College and consequently losing 350 students.

Loss of income	£1,568k
Staffing savings (7 FTE)	£310k
Non pay savings	£91k
Potential financial loss	£1,167k

This projected financial loss is based on continuing to deliver around 30 A level subjects. In order to limit the financial loss, the College could reduce the number of A Level subjects offered; however, this reduces choice for young people and creates the potential for a further reduction in numbers as students look outside of Barnsley to find the subjects they wish to study.

5 Key Dates

All parties are committed to achieving Financial Close on this scheme by February 2014. The key programme dates are:

- Barnsley College – Board of Governors approval to proceed – 16.07.13
- Further Education College Capital Investment Fund – 17.07.13
- BMBC Cabinet Stage 2 Business Case Approval (estimated) – 20.09.13

The overall project scope of works is considered challenging in terms of potential site related issues and compliance with SFA the requirements of a BREEAM excellent building to be completed by September 2015. These challenges have been carefully considered and are achievable with the support of BMBC on three key issues:

- Site confirmation – September 2013
- Site vacation – January 2014
- Site Demolition/Clearing (if preferred site is Shambles Street) – April 2014

6 Value for Money

6.1 Student numbers, quality and the range of subjects available

Ofsted and the National Audit Office have both published reports showing that sixth form centres with fewer than 500 students have a statistically significant decline in both financial efficiency and in student attainment. Sixth form centres with fewer than 300 students are only financially sustainable with cross subsidy from other budgets.

Size (high student numbers), choice of subjects, high student attainment and financial stability within sixth form centres are all linked – this was clearly articulated in the National Audit Office Report *Getting Value for Money from the education of 16 – to 18-year-olds* published in March 2011 and in the subsequent discussion within the Public Accounts Committee.

Student numbers of 800+ are required in order to maintain a high quality financially stable Sixth Form College in Barnsley with a choice of around 30 A Level subjects. Building a new Sixth Form College is the best way to ensure that we maintain or increase student numbers and secure a stable vibrant, successful and efficient A level offer in Barnsley for the long term future.

The new Sixth Form College will increase student numbers studying A Levels in Barnsley Sixth Form College from just under 900 to 1,100+. The increase in student numbers will support both increased financial efficiency and increased attainment at A level by Barnsley residents.

The additional student numbers in the new Sixth Form College will come from the much needed increased take up of A levels by Barnsley residents and from the 400+ 16 year olds from Barnsley who choose to study A levels in other local authority areas. Between 200 and 300 Barnsley Children move outside the Borough boundary to attend secondary schools at age 11. Many of these pupils are high academic achievers at age 16. Working as part of the 'Barnsley Challenge Partnership', the new Barnsley Sixth Form College will work with Barnsley Schools to ensure that more high performing pupils from Barnsley are retained or return to Barnsley to study A Levels.

6.2 Other value for money gains related to vacated space created by a new Sixth Form College

A new Sixth Form College will allow some Barnsley College staff to move from rented offices in to vacated space the SciTech building. Other space made available in the SciTech building could be used for improved examinations space – the College currently leases the Metrodome for examination space every summer which is not ideal . Other efficiency savings can be achieved through all A Level courses being delivered from one building.

6.3 More efficient teaching and learning in a new building

Average group size rises from 16 per class to 20+ per class will result in a 20% saving in teaching delivery costs per student per taught hour. This saving will be re-invested in more teaching time for students who need extra help to succeed at A level.

Further efficiency gains in teaching & learning are related to much better Self Organised Learning Environments (SOLE) and study spaces. Other efficiency gains related to moving into to a new Sixth Form College in a single building will include savings in management and administrative costs.

6.4 Savings in estate and capital costs

The proposed 6th Form College will be managed by the Barnsley College in-house Estates team. The College's Estate function is reviewed annually and benchmarked against all other FE estate costs nationally. Barnsley College sits in the top 5% for cost efficiency in relation to its Estate functions.

Average estates/premises costs per m² will reduce by 20% in the new building. One off capital costs of £1.7m on urgent works required to existing buildings will be saved.

The lifecycle costs included in the financial model have been calculated by a specialist consultant. These costs have been benchmarked against similar projects procured in the Yorkshire region. In addition to the above, NPS have undertaken an independent review of the lifecycle costs and have concluded that they represent value-for-money.

6.5 Net Present Value

An investment appraisal exercise has been conducted by the College. The project returns a £22.2m positive NPV compared to the 'do the minimum' scenario.

6.6 Construction Costs

The construction phase will deliver value-for-money by ensuring that all significant cost inputs to the financial model have either been market tested or benchmarked to ensure they are in line with current market rates.

Main contractor costs represent the most significant element of the cost inputs. The main contractor will market test all of works packages and therefore have obtained a fixed market price for the majority of the construction costs. Elements that have not been market tested (due to a lack of design information) have been benchmarked against costs of delivering those elements on similar facilities delivered recently in the Yorkshire region, set against the SFA Capital cost model (which the match funding is based upon). This has been independently verified by NPS who were appointed in a multi-disciplinary capacity including cost management up to and including RIBA stage C. In addition, preliminary costs have been established based on a detailed resource calculation, taking into account the agreed construction programmes. Any risk contingencies included are as detailed in the project risk register which is circulated and updated on a regular basis.

In addition to the above, the construction costs will be reviewed from tender to practical completion by an independent cost management consultant.

The stage C costs show a project delivery at 5% below the SFA benchmark. The College has a proven track record of major capital project delivery on time and within budget.

6.7 Accounting Treatment

The total cost of the build will be an addition to fixed assets during the period of construction. Depreciation will commence in September 2015. In line with College policy, the building will be depreciated on a straight line basis over 50 years. Fixtures and fittings will be depreciated over a maximum of 15 years and any IT equipment between 3 and 5 years. The associated SFA grant of £5.3M will be released over 50 years. Finance costs will not be capitalised.

The land gifted by BMBC will be included at valuation as an addition to fixed assets and credited to income once the build is complete. The land is not included within the financial plans in the appendices.

7 Statutory Processes/Consents

7.1 Planning Permission

An outline planning permission will be submitted by November 2013, with full detailed planning consent for the project to be approved by the end of January 2014. BMBC Planning, BDA, Highways and Asset Management have all been consulted up to this point.

7.2 Site Assembly

BMBC are negotiating with the existing occupants of the Shambles St site to re-locate to other premises within the town centre, namely:

- Library
- HM Courts Tribunal Service

Discussions have been entered with Northern Powergrid regarding the relocation of the sub-station site within the development.

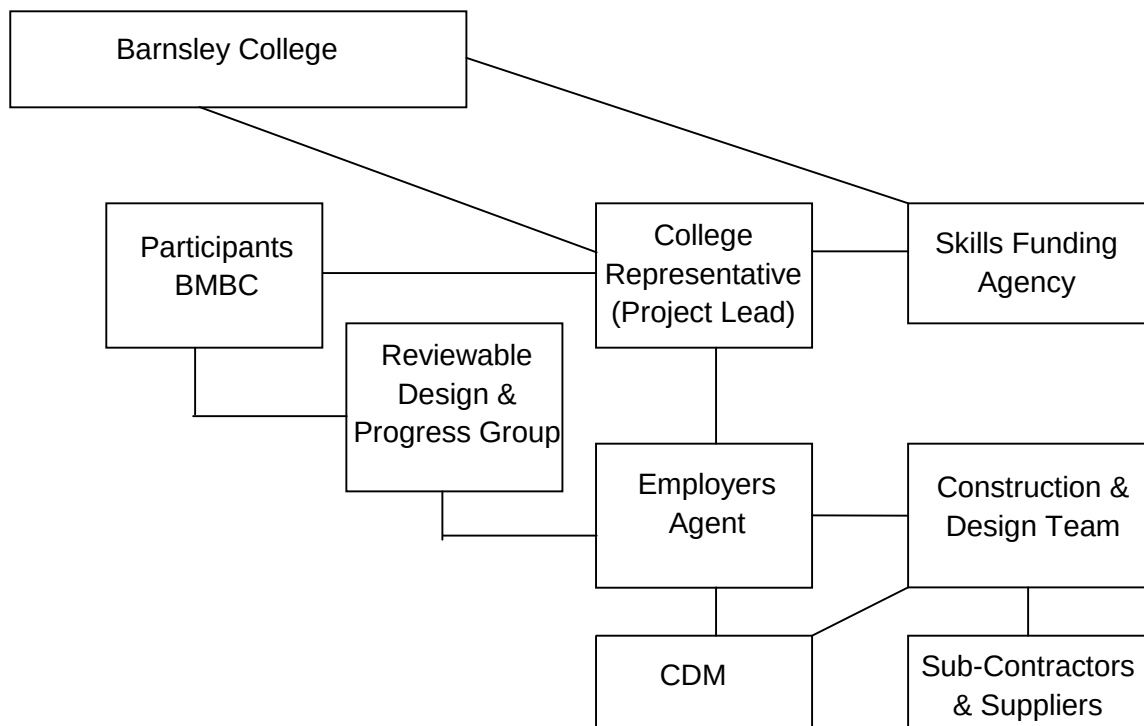
7.3 Highway Issues

The potential sites will all require varying degrees of works to the existing highway network. These will all to be dealt with by way of obtaining Section 278 Agreements.

8 Transitional Arrangements & Operational Phase Management

8.1 Management Structure

The following management structure will be adopted to ensure that the facilities are delivered in accordance with the project brief:



The College will manage all strategic issues. The wider team will include representatives from Barnsley College and BMBC. All progress matters and issues will be reported and agreed with Barnsley College.

Barnsley College will appoint an 'Employers Agent' who will act on behalf of the College and will manage delivery of the project and the contract administration. All instruction to the contractor will be via the Employers Agent.

A progress and reviewable Design Group will be established, chaired by the Employers Agent. The Design Group will include the relevant managers from Barnsley College plus Head of Strategic Property and Procurement from BMBC.

8.2 Project Lead

A Project Lead will be the VP Property Development from Barnsley College. The Project Lead will report on design development and construction in relation to contract compliance and commissioning of the facilities. The Project Lead will also certify 'Practical Completion' and undertake occupancy testing, commissioning and end user interviews.

A summary of the Project Lead role is:

- monitor and report on the design
- monitor the detailed working drawings and specifications
- monitor variations
- undertake regular inspections during the works and provide monthly reports
- report on the compliance with specification
- check that the works are being undertaken to the agreed quality plan
- report on the completion status of the project
- identify any items that are not in compliance
- certify completion

The Project Lead role commences from the pre-construction stage and will work closely with the contractor and project team with regard to agreeing an inspection, testing and reporting framework. The role will require a hands on approach to reporting on contract compliance.

8.3 BMBC Project Management

BMBC will work closely with Barnsley College to deliver the project collaboratively. The Barnsley MBC representative will be the Head of Strategic Property and Procurement. This will ensure that the project continues to receive the high level support that is required. The Head of Strategic Property and Procurement is well placed and experienced to lead the BMBC element of the process, having already successfully delivered two phases of LIFT schemes.