

REQUÊTE - Determining The Best Model For Secondary Education

RULE 4(3) – Financial Impact Assessment

On 28 January 2020, a Requête ‘Determining the Best Model for Secondary Education’, was lodged asking the States:-

1. To direct the Committee *for* Education, Sport & Culture not to enter into any contractual obligations on behalf of the States or continue with any associated procurement processes for implementation of any elements of the 1 school on 2 sites plan as approved by the States on 6 September 2019;
2. To direct the Committee *for* Education, Sport & Culture to prepare a report before the end of the term of the current States, that must include a comprehensive comparison of the structure and implementation of the 1 school on 2 sites plan with other viable models of non-selective educational delivery in Guernsey previously presented to and considered by the Committee, for consideration by the Committee *for* Education, Sport & Culture as constituted after the 2020 General Election ("the newly constituted Committee") and to direct the newly constituted Committee to revert to the States before the end of 2020 with a Policy Letter and suitable Propositions to implement what it believes to be the best model for secondary education in Guernsey.

In accordance with Rule 4(3), it is necessary for the Requête to have appended to it an estimate of the financial implications to the States of carrying the proposal into effect.

In order to provide that information, the Transforming Education Programme team carried out a preliminary impact assessment based on the Prayer of the Requête. However, as there are a number of areas of ambiguity resulting from the wording of the Requête, the Committee *for* Education, Sport & Culture (CfESC) and its officers arranged a meeting with the Requéants in order to clarify these areas. Two of the Requéants attended that meeting, but the information requested to inform an assessment of the financial implications of carrying the proposals into effect was not provided, and very little clarity was offered with regard to which alternative models for the delivery of secondary education were to be compared with the States-approved one school in two 11-18 colleges model.

In light of this, the implications of two scenarios have been provided, and two different timelines have been mapped. Details of the assumptions that underlie these scenarios have also been provided.

It is considered necessary to provide this level of information by way of an explanation of the range of figures arrived at to satisfy the requirements of Rule 4(3).

CURRENT PROGRAMME STATUS

On 3 December 2019, the Policy & Resources Committee (P&RC) agreed to the CfESC's request to:-

- Submit the planning applications for the two 11-18 colleges that will comprise Lisia School;
- Launch the tender for the main construction contract for the extensions to Les Beaucamps High School (which will become de Saumarez College) and St Sampson's High School (which will become Victor Hugo College);
- Release the funding required for the resources to deliver the above, as well as to progress other projects within the Transforming Education Programme, including:
 - the Full Business Case for the 11-18 School;
 - the Outline Business Case for The Guernsey Institute;
 - the Business Justification Case for the Digital Roadmap;
 - the Business Case for the co-location of health and other services on the sites of the 11-18 Colleges;
 - the completion of work on the review of the Education Law (a Policy Letter in respect of which will be submitted for debate before the end of this political term);
 - the finalisation of a new Target Operating Model for Education Services; and
 - a review of the education provision for students with Special Educational Needs and Disabilities (SEND).

The tender process was launched on 4 December 2019 and closes on 3 March 2020. The tender evaluation will be carried out during March, and a recommendation in respect of the award of the construction contract will be arrived at by the end of March 2020.

Planning applications for both sites were submitted on 4 December 2019 and officers from the Development & Planning Authority have advised that the applications will be considered at Open Planning Meetings during March.

Subject to the completion of the above activities, the CfESC plans to submit the Full Business Case to the P&RC for consideration during April 2020, leading to the award of the tender for the main construction contract by 28 April 2020.

To date, expenditure on the Transforming Education Programme amounts to £3.9m¹ of which, between £2.8m - £2.9m would be written off if the current one school in two 11-18 colleges model is not progressed.

¹ £1m of which relates to the purchase of the Delisles Church and Church Hall site

IMPACT OF THE REQUÊTE – PROPOSITION 1

Proposition 1 of the Prayer of the Requête directs the CfESC not to enter into any contractual obligations and to suspend any procurement processes associated with the implementation of the one school in two 11-18 colleges model.

The Requête will be debated by the States during the States Meeting commencing 26 February 2020, therefore one week before the tender responses are due to be submitted by the two main contractors.

The businesses bidding for the contracts, and their subcontractors, will have incurred significant expenses in preparing their bids. Whilst bidders accept the commercial risk of losing out on a procurement bid to another provider, they do not consider it reasonable to write off the investment in preparing a bid when the States changes direction such that no contract is awarded. Bidders have sought reassurance that they will be compensated for their investment under these circumstances and there is a precedent for doing so where no contract is awarded.

If, following the General Election, the new CfESC re-runs a tender process, either for the one school in two 11-18 colleges model - or any other model - there is a risk that these same businesses will not want to invest further time and expenditure in preparing another bid, or will be mindful of these types of losses when bidding.

A similar situation exists for the main school uniform providers. They have already ordered sufficient stocks of school uniforms to cater for the number of students who will be in years 7, 8 & 9 in September 2020, based on the schools and colleges these students will be attending under the current transitional plan, which is already in its second year of implementation.

Approximately 1,300 students are due to start wearing the new Lisia School uniform in September. This number comprises those students who, in September 2020, will be in years 7, 8 and 9 on the sites at Les Beaucamps and St Sampson's - which are due to be renamed as de Saumarez College and Victor Hugo College respectively, from September 2020 onwards -; the students in years 7, 8 and 9 at La Mare de Carteret and the students in years 7 and 8 at Les Varendes all of whom will be transitioning to the new College sites once the building works are complete.

In the event that, under a new transition plan, these are no longer the appropriate uniforms, the suppliers' costs will have to be met. It should be noted that there is a risk that it will not now be possible for the uniform suppliers to obtain sufficient supplies of alternate uniforms to meet the needs of the 2020 year 7 intake.

In total, the cost of underwriting third party expenses is estimated to be £0.5m.

IMPACT OF THE REQUÊTE – PROPOSITION 2

Proposition 2 of the Prayer of the Requête directs the CfESC to prepare a report, before the end of the current States term in June, which includes a *“comprehensive comparison of the structure and implementation of the 1 school on 2 sites plan with other viable models of non-selective educational delivery in Guernsey previously presented to and considered by the CfESC...”* The Requête envisages that, after the General Election, the content of this report will be considered by the incoming CfESC, whose Members the Requête directs *“...to revert to the States before the end of 2020 with a Policy Letter and suitable Propositions to implement what it believes to be the best model for secondary education in Guernsey.”*

Given the:

- General Election;
- election of Presidents and new Committees;
- induction of new States Members and the new CfESC;
- need for the new CfESC to familiarise itself with the detail of the Transforming Education Programme, including the impact of the outcome of the debate on the Requête and a new transition plan (which would need to be reworked in time for the start of the 2020/1 academic year);
- need to consider the comprehensive comparison of the various 11-18 options set out in the report produced by the former CfESC and consult with key stakeholders; and
- need to select a preferred model for the delivery of secondary education which, of necessity, will include proposals for a workable transition plan, and oversee the drafting of the resultant Policy Letter;

the current CfESC considers the proposed timeline for the production of a new Policy Letter to be unrealistic.

In order for a Policy Letter to be considered by the States before the end of 2020, it would need to be submitted to the Greffe by 9 November 2020. Even if that were achievable as a result of the preparatory work undertaken under the out-going CfESC, it is reasonable to assume that the newly-formed CfESC would want to review and amend that work. In particular, it is likely that the incoming CfESC would want to revisit the investment objectives and critical success factors linked to the transformation of secondary education, and might well want to assess further options for the delivery of secondary education which have not been previously considered.

Notwithstanding its unfeasibility, for the purposes of this impact assessment this paper sets out the impact that the delivery of a Policy Letter by December 2020, as envisaged by the Requête, would have on the overall programme timeline and costs. This is referred to as **Scenario 1**; however, it should be noted that the comparison work that could be achieved in this timeframe will not be ‘comprehensive’ and thus is unlikely to satisfy the Requête.

There are two variants of Scenario 1: Scenario 1A which assumes the States, when it considers the Policy Letter in December 2020, adopts the current one school in two 11-18

colleges model; and Scenario 1B, which assumes a different model for the delivery of 11-18 education is selected by the States in December 2020.

The second proposition of the Requête does not make clear:

- which other educational models should be included in this comparison
- what level of detail would be involved in a comprehensive comparison

The only other educational model which has been developed to near the same level of detail as the States-approved one school in two 11-18 colleges model is the 'Three School Model', prepared by the previous CfESC and rejected by the States in January 2018; however, no business cases were developed for the 'Three School Model' and the work on curriculum development was significantly less advanced than that of the one school in two 11-18 colleges model. A comparison of these two models was requested by some of the current Requéants in July 2019 in support of their Sursis. This comparison was published in August 2019, and the Sursis was rejected by the States in the September 2019 debate.

To carry out the same level of analysis on any other educational model before the end of the current political term would be unfeasible, as the same level of detail does not exist in respect of multiple other models, and the Requéants have not specified which other models should be considered.

A paper presented to the previous CfESC compared six options for organising secondary education; however, insufficient analysis had been carried out in respect of many of those options to enable what might reasonably be described as a 'comprehensive comparison'.

In this regard, at a recent meeting with the CfESC, those Requéants present insisted that it was not their responsibility to specify which models should be considered, nor to elaborate on what level of detail they would expect to see in a 'comprehensive comparison'. Instead, they referred the Committee to the 'Green Book' (HM Treasury's Five Case Business Model). It therefore appears to the CfESC that the Requéants envisage the CfESC following the Green Book's Options Evaluation stage:

- define investment objectives and critical success factors
- draw up a long list of possible options
- evaluate these options against the investment objectives and critical success factors to arrive at a shortlist
- carry out a more detailed analysis (a 'comprehensive comparison') as set out on page 6 of the shortlisted options to arrive at a 'Preferred Way Forward'

When the options evaluation stage was considered as part of the preparation for the Programme Business Case for the one school in two 11-18 colleges model, officers from the Capital Portfolio Team, as well as the author of the Green Book, Joe Flanagan, advised the Programme Team that carrying out a full options evaluation of all potential education models was unnecessary, because the States had already voted with a significant majority to adopt a 'Two School Model'. Therefore, the options appraisal focused on options for delivering secondary education via the one school in two 11-18 colleges model.

Given the current strength of feeling, it is unlikely that a new CfESC would confine itself to a long list of only previously-presented models. More likely it would want to add some of the other variations which have been proposed, not all of which have been considered in detail by any previous CfESC. In particular, the new CfESC might want to consider the option of three 11-18 schools.

In order to carry out a comprehensive comparison of previously presented models alongside any new options, it would be necessary, once a shortlist had been arrived at, to carry out more detailed analysis and evaluation of the shortlisted options. It would be necessary for the shortlisted models to be evaluated alongside: 1, the status quo; and 2, the one school in two 11-18 colleges model. For the purposes of this impact assessment, it has been assumed that three further models would be shortlisted for inclusion in the more detailed analysis.

As a minimum, the more detailed analysis should include:

- Agreeing a common set of consistent assumptions across all options including curriculum, student population projections and space standards
- Deriving space requirements for each option
- Carrying out site selection exercise
- Estimating costs of new build/repurposing, based on space and sites selected
- Undertaking high-level Traffic Impact Assessments
- Assessing Capital Costs
- Developing a Transition Model
- Developing an Implementation Plan and Resource Plan
- Developing a Staffing Structure
- Developing a Revenue Model
- Undertaking a Benefits Evaluation
- Carrying out a Risk Assessment
- Assessing the impact on the overall Transforming Education Programme (including the impact on the plans and costs for primary education, digital roadmap, further/higher education and the co-location of health and other services)

This more detailed analysis of the various models is referred to below as **Scenario 2**.

There are two variants of Scenario 2: Scenario 2A which assumes the States, when it considers the Policy Letter at some time after December 2020, adopts the current one school in two 11-18 colleges model; and Scenario 2B, which assumes a different model for the delivery of 11-18 education is selected at some time after December 2020.

IMPACT ON PROGRAMME TIMELINES

Scenario 1A:

Policy Letter by December 2020, one school in two 11-18 colleges selected

Item 8 of the Petition asserts that the Propositions set out in the Prayer will result in a delay of one year in the implementation of the one school in two 11-18 colleges model.

This assertion is unrealistic.

An initial assessment of the impact on the plans has concluded that, under Scenario 1, even if the new Policy Letter could be brought before the States before the end of 2020, and even if the resultant debate concluded that one school in two 11-18 colleges was the best education model for Guernsey, this would result in a minimum of two years' delay when compared with the current transitional arrangements. (See Appendix 2.)

This is because the Prayer of the Requête would result in the current tender process, and likely the current planning applications, being halted, and only re-started after the December debate had concluded and the current documentation required for those processes had been updated.

Due to the lapse of time, officers from the DPA have advised that it would be prudent to allow three months to re-consult on the planning applications before they were determined.

In order to re-run either or both the tender and planning processes and then to update and secure the P&RC's approval of the Full Business Case, would require a minimum of six months. The result would be the award of the main contracts in July 2021. The current plans then allow a further three months for the Mobilisation and Design phase before the main contractor starts work on site during the school summer holidays. It is not possible to omit or shorten this phase, as this time is needed to progress the project plans to the Technical Design stage². This is needed to provide the technical specifications to satisfy Building Control Regulations and to begin the process of scheduling sub-contractors and ordering building materials.

Under the revised timeframe of Scenario 1A, this stage would be reached by the end of October 2021. Therefore either the main construction work on site would have to start in the middle of winter and during term-time, or wait a further six to eight months (for either the Easter or summer school holidays), so that the activities most disruptive to the smooth running of the school could take place when students are not in the buildings.

In this regard, it should be noted that the current timetable would see the contractors commence on both school sites at the start of the summer school holidays, with three summer holidays included in the overall two-year construction programme. This ensures that works such as creating temporary site access and creating secure out-of-bounds

² From RIBA stage 3 to RIBA stage 4

construction areas can be completed at the beginning of the construction programme when the sites are empty.

It also ensures that works that would cause the most disruption to students, such as noisy groundworks and the repurposing of general classrooms for use as specialist classrooms (such as those needed for the science subjects or food technology) can be completed at a time when the school is empty. Not only does this remove any health and safety risks to students and teachers that would otherwise have to be mitigated - at additional cost - it also ensures that classrooms are not rendered unusable during term time, thus avoids costs associated with the provision of temporary classrooms. This minimises disruption for students and avoids any re-working of school timetables. Moreover, there is significantly less risk of weather delays if groundworks are scheduled during the summer months.

During the construction phase on the site of an in-use school building, it is necessary to take into account a range of additional factors, for example the extent to which construction activity will impact on the day-to-day life of the school, and how, for example to manage construction noise during the sitting of both mock and formal examinations. The current build programme, which includes three summer holiday periods, creates space to cater for this.

In respect of de Saumarez College, one of the first on-site construction activities is to create a new multi-use games area (MUGA) as the extension to the school building will be on the site of the current MUGA. Any delay that would see the building works commence at a different time of year would leave the students without a MUGA for a period of time, and thus have a material impact on the school day and extra-curricular sporting activity.

There is such a clear and significant advantage to commencing the on-site building works at the start of the summer holidays that it is considered unrealistic - and would incur additional expense - for the on-site building works to commence at any other time of the year.

Given this, in reality, even a small delay becomes significant (this comment applies equally to the timelines of the other scenarios set out in this paper).

The Programme Team would need to be retained during any period of delay as to do otherwise would risk the loss of significant knowledge and expertise, with no assurance that it could be readily replicated. The Team's expertise would first be needed to assist with the assessment of various models for the delivery of secondary education and the production of the resultant Policy Letter; and with the progression of the programme once the preferred model had been confirmed by the States. Whilst the existing team would not be scaled up as planned for implementation, the core team required to re-evaluate educational models requires a broad range of skills, including: education leadership, construction (architects, quantity surveyors), procurement, commercial law, traffic and transport planning, organisation design, financial modelling, communications, programme management and change management. It is not possible to reduce the team below a minimum critical mass, despite the longer timeframes, not least because the same team is also working to progress the transformation associated with The Guernsey Institute, so could not be disbanded if that

work is to progress (which is by no means the certain outcome of the Prayer of the Requête).

The costs incurred in relation to the Programme Team if it is required to undertake hitherto unscheduled and unexpected activities associated with revisiting the best model for the delivery of secondary education under Scenario 1A is between £2.0m - £2.5m.

Scenario 1B:

Policy Letter by December 2020, any model other than the current States-approved model selected

If, as a result of the debate in December 2020, the States conclude that an alternative model for secondary education is preferable to the one school in two 11-18 colleges model, the CfESC will need additional time in order to develop the States' preferred model to the level of detail required to prepare an Outline Business Case and re-run the tendering and planning application processes. (See Appendix 2.)

Experience from the development of both the 'Three School Model' and the 'One School over Two Sites Model' indicates that this work would take approximately 18 months to complete and require further investment of approximately £3.5m - £4.5m.

Scenario 2A

Policy Letter after a comprehensive comparison, one school in two 11-18 colleges model selected

To carry out a more detailed Options Evaluation to enable the 'comprehensive comparison' as called for in the Requête, it is estimated that two months would be required to:

- finalise a long list of options
- agree the investment objectives and critical success factors against which they should be evaluated
- define a common curriculum, school population projections and other assumptions to be used for all options

Assuming that, following on from the above, up to four options are shortlisted, including the one school in two 11-18 colleges model (for which detail already exists), it would be possible to undertake all the activities necessary to complete a comprehensive comparison, as outlined on page 6 and as envisaged in the 'Green Book', within a year. This assumes the expertise of the current Transformation Team is retained to carry out that work.

Following on from that comparison, a 'Preferred Way Forward' would be selected, as envisaged by the Green Book, and a Policy Letter would be drafted for debate. If the States then selected the one school in two 11-18 colleges model, there would be a three year delay to the current programme timeline. (See Appendix 3.)

The cost incurred in relation to the Programme Team if it is required to undertake hitherto unscheduled and unexpected activities associated with a full evaluation of the best model for the delivery of secondary education so that a 'Preferred Way Forward' could be selected following the processes outlined in the Green Book, is estimated to be between £2.4m - £3.4m.

Scenario 2B

Policy Letter after a comprehensive comparison, any model other than the current States-approved model selected

If the States conclude that an alternative model for secondary education is preferable to the one school in two 11-18 colleges model, the CfESC will need additional time in order to develop the States' preferred model to the level of detail required to prepare an Outline Business Case and re-run the tendering and planning application processes. (See Appendix 3.)

Experience from the development of both the 'Three School Model' and the 'One School over Two Sites Model' indicates that this would require an additional 18 months, and a further investment of £3.5 - £4.5m.

CONCLUSIONS

The financial impacts of the Requête include:

Costs of carrying out the additional work requested

- Retaining the project team to: carry out the work required for the comprehensive comparison; prepare a new Policy Letter; plan for and manage a longer transition period.
- Duplication of expenditure on external advisers for programme assurance, building design and traffic impact.

Costs of the delay

- Reimbursing bidders for the main contract for their investment to date.
- Reimbursing the school uniform suppliers for their investment to date.

Cost of developing new model

- If the outcome of the options evaluation leads to a different model being selected, there will be additional costs incurred to develop the preferred model to the level of detail of the current States-approved model in terms of: curriculum design; transition modelling; building designs; organisation design; stakeholder consultation; plans and assessments; and business cases.

Deferred Benefits

- The cost of operating one school in two 11-18 colleges in 2023/24 is expected to be £740k lower than the current four school model when adjusted for population growth. This is based on the financial modelling that was undertaken for the Outline Business Case.
- Until a model for secondary education is settled upon and progressed (so as to rule out further debate on alternate models), the risk of consequential impacts on the other projects within the Transforming Education Programme will remain. Previous models have included the prospect of a tertiary college, and any uncertainty over the method of delivering post-16 education would necessitate delaying any further development of The Guernsey Institute's building programme. Uncertainty over the future of La Mare de Carteret High School will mean that plans to rebuild La Mare de Carteret Primary School would have to be put on hold. Thus the benefits to learners, at both ends of the education spectrum, of being taught in modern, fit for purpose buildings, and the additional financial and educational benefits of co-locating further and higher education will be delayed.

Other Financial implications

- Inflation in construction materials and labour costs. A delay would require the tender process to be re-run to obtain up-to-date costs, which would most likely be driven up by inflation. For the States as a whole, the inflation increase would likely be offset by interest earned on the unspent capital. However, an additional sum of

approximately £1.2m - £1.7m for every year of delay (assuming an inflation range between 2% - 2.7%) would have to be allocated to the programme budget to cover inflation costs incurred as a direct result of the delay.

- Write-off of investment to date in one school in two 11-18 colleges model.
- A postponement of firm decisions over the delivery of 11-18 education would prolong the use, and therefore the maintenance of, buildings that would otherwise have been decommissioned. These include La Mare de Carteret Primary School, La Mare de Carteret High School, and the College of Further Education sites at La Coutanchez and Les Ozouets. Given the age and condition of these buildings, on-going maintenance costs would exceed those associated with maintaining newer buildings.

Non-financial impacts of the Requête include:

- Uncertainty for primary pupils and their parents as to which schools/colleges they will be attending, which has the potential to impact on learner outcomes and student wellbeing.
- Continued differences in curriculum choices across existing high schools.
- Continued differences in GCSE options combinations across existing high schools.
- Continued inequality in terms of the general amenities and facilities of the four high schools.
- Lack of confidence in the States of Guernsey from the construction industry and reluctance to invest in tenders for other States capital projects.
- The potential for a two-year delay to the creation of The Guernsey Institute and the rebuilding of La Mare de Carteret Primary School.
- Redevelopment of the transition model for students (as there will be insufficient space in at Les Beaucamps High School and St Sampson's High School to accommodate the students who have been advised that they will be moving to those schools in 2021/22/23).
- Increased likelihood that the transition plan will complete the year before the peak student population in 2025/26 resulting in insufficient time for teachers and students to adjust to the new school environment before it reaches peak capacity.
- Prolonged uncertainty for teachers and support staff with regard to their roles in the new secondary phase structure which has the potential to impact on their wellbeing.
- Difficulties in recruiting and retaining teachers and support staff in all phases of education due to the prolonged uncertainty over the model of education and therefore their teaching and support requirements (i.e. 11-16 or 11-18).
- Difficulties in attracting essential skilled workers from off-island in other sectors due to the uncertainties in the education system available to their children.
- Reputational risks to the States with regard to its ability to make robust decisions and progress significant capital programmes to completion without incurring losses due to indecision.
- Potential impact on the delivery of other policy priorities of the States of Guernsey including elements of the Partnership of Purpose.