



# Northumberland County Council

## **The Outline Business Case for the replacement school buildings for Hadrian Learning Trust schools**



## Document Control

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|    |                                      |
|----|--------------------------------------|
| 4G | Flood Risk Assessment                |
| 4H | Topographical Survey                 |
| 4I | Utilities Survey                     |
| 4J | Third Party Users                    |
| 4K | Transport Assessment and Travel Plan |
| 4L | Preliminary Ecological Appraisal     |
| 6A | Risk Register                        |

### Glossary of Terms

| Term    | Definition  |
|---------|---|
| AONB    | Areas of Outstanding Natural Beauty   |
| ASNW    | Ancient Semi-Natural Woodlands  |
| BB103   | The document which sets out simple, non-statutory area guidelines for school buildings and sites          |
| BCIS    | Building Cost Information Service   |
| BS8300  | A code of practice that details the required design of buildings for meeting the needs of disabled people |
| CBR     | California Bearing Ratio  |
| CDM     | Construction Design and Management  |
| DDA     | Disability Discrimination Act   |
| DfE     | Department for Education  |
| EA      | Environment Agency  |
| EcIA    | Ecological Impact Assessment  |
| ERIC NE | Environmental Records Information Centre North East   |
| ESFA    | Education and Skills Funding Agency   |
| FACS    | Family And Children's Services  |
| FBC     | Final Business Case   |
| FFE     | Furniture, Fixtures and Equipment   |

|            |   |
|------------|---|
| HLT        | Hadrian Learning Trust  |
| HMS        | Hexham Middle School  |
| HPI        | Habitat of Principal Importance   |
| ICT        | Information and Communications Technology   |
| IRZ        | Impact Risk Zone  |
| ITPD       | Invitation To Participate in Dialogue   |
| LA         | Local Authority   |
| LGS        | Local Green Space   |
| LWS        | Local Wildlife Sites  |
| MUGA       | Multi Use Games Area  |
| NCC        | Northumberland County Council   |
| NERC       | Natural Environment and Rural Communities   |
| NPPF       | National Planning Policy Framework  |
| OBC        | Outline Business Case   |
| OJEU       | Official Journal of the European Union  |
| OS         | Ordnance Survey   |
| PCR        | Public Contracts Regulations  |
| PCSA       | Pre-Construction Services Agreement   |
| PQQ        | Pre-Qualification Questionnaire   |
| PROW       | Public Right Of Way   |
| RIBA       | Royal Institute of British Architects   |
| RIBA stage | Denotes the design work stages that address the required phase of a construction project. |
| SAC        | Special Area of Conservation  |
| SEN        | Special Educational Needs   |
| SoA        | Schedule of Accommodation   |

|      |                                     |
|------|-------------------------------------|
| SSSI | Site of Special Scientific Interest |
| SuDS | Sustainable Drainage System         |
| QEHS | Queen Elizabeth High School         |



## EXECUTIVE SUMMARY

This document outlines the options appraisal, cost estimates, affordability assessment and procurement strategy carried out in relation to the proposal to provide new buildings for Queen Elizabeth High School and Hexham Middle School. The new buildings would be co-located on the existing high school site. Sufficient detail is included to allow capital funding to be confirmed and for approval to be sought from Cabinet for the implementation and delivery of the preferred scheme.

### 1 Overview and commitment

**Section 1** and **Appendix 1** of this Outline Business Case describe the scheme and confirm the commitment of all parties to the project.

The preferred scheme supports the objectives set out in Northumberland County Council's vision for Northumberland's residents. While strong leadership and good governance are key components of successful schools, the provision of a suitable learning environment can have a positive impact on outcomes for children and young people.

The need to improve the buildings of Queen Elizabeth High School had already been identified through the successful application for funding for refurbishment of the academy's Hydro building through the Priority Schools Building Programme in 2014. However, the consultations undertaken in the West of the County by Northumberland County Council and Hadrian Learning Trust Board in 2018 highlighted that additional funding to improve the buildings of both Hadrian Learning Trust academies would be extremely beneficial to improve outcomes for the Northumberland children and young people who attend them. Subsequently, Northumberland County Council approved funding for officers to carry out works to enable the development of this Outline Business Case of which sets out the work undertaken to establish the feasibility and affordability of this proposal. The high level costs for this option are outlined in Section 5.

After carrying out a site option appraisal process on three potential sites for the development of the two academies, only one option proved feasible, which was to re-provide and refurbish the buildings on the current high school site as the preferred option. The local authority, with support from Hadrian Learning Trust, are now working with the Department for Education to bring the two funding streams together to ensure the project is delivered within agreed timescales and to confirm the level of contribution from Department for Education to the wider scheme.

As well as improving the teaching and learning environment for current and future pupils in the schools, improvements to the on-site sporting and community facilities will benefit the wider Hexham community.

Pupil place planning data for Hexham Partnership shows that reprovision of the current capacity for pupils at Hadrian Learning Trust will be adequate for current and future needs.

The co-location of the two academies in Hadrian Learning Trust will help to secure its educational and financial future by: enabling access to specialist facilities; reducing ongoing maintenance and other fixed costs; consolidating back office functions; and reducing the revenue cost liability of running two school sites. Savings will be redirected towards supporting the delivery of the curriculum and the broader educational experience.

The timeline for the delivery of the school aims for a handover date of September 2021.

## **2 Procurement strategy**

**Section 2** and **Appendix 2** of this Outline Business Case describe the Procurement Strategy for the whole scheme.

Following a review of procurement options available for construction projects, it is recommended that the development is procured through a Design and Build strategy utilising RIBA stage 2 concept designs.

It is further recommended that contractors are engaged through a competitive dialogue process in line with the requirements of the Public Contracts Regulations 2015 as this offers the greatest opportunity for Northumberland County Council to introduce further value into the project to maximise the outcome from their overall capital spend.

The programme for delivering the project through competitive dialogue is challenging; however, it is still achievable as outlined previously. If the programme slips, the alternative would be to adopt either open or restricted procedures for contractor selection.

### **Procurement Programme**

The programme for procurement assumes the following:

- Project advertised in OJEU on 25 Feb 2019;

- PQQ/ITPD documents available on 25 Feb 2019;
- Deadline for PQQ/ITPD submissions on 29 Mar 2019;
- Competitive dialogue starts 15 Apr 2019; and
- Award PCSA on 23 Aug 2019.

#### **Construction Programme**

- Planning application submitted on 27 Sep 2019;
- Planning determined week starting 06 Jan 2020;
- Construction commences on site 10 Feb 2020; and
- Construction complete Aug 2021.

### **3 Land**

**Section 3** of this Outline Business Case describes the site options appraisal undertaken to which contribute to the design and construction works of a preferred option.

This section outlines each of the six options available for development of the co-location of two schools on one site. The option appraisal also identifies the advantages and disadvantages and planning commentary for the sites. The result of the appraisal has resulted in option 1 being the preferred option. This would see the development of the project on the existing Queen Elizabeth High School Site.

### **4 Design and Construction**

**Section 4** and **Appendix 4** of this Outline Business Case describe the design options and investigative survey works undertaken to demonstrate feasibility.

The feasibility study has taken into account Hadrian Learning Trust's Broad Education Brief, conservation, planning, highways and Sport England requirements as they are relevant to this initial stage of design.

In addition the feasibility study has taken into account all of the surveys referenced in this Outline Business Case and all relevant design guidance and standards as they are relevant to this initial stage of design.

It is therefore considered that the feasibility study demonstrates the viability of relocating the middle school and high school on to the high school site and provides a sound basis for the completion of the design.

## 5 Commercial Appraisal

**Section 5** of this Outline Business Case describe the commercial appraisal for the options available for the scheme.

Options 1, 5 and 6 are the only viable scheme options based on land currently in NCC ownership.

The preferred option is to co-locate the high and middle schools on the existing high school site in new buildings whilst retaining and refurbishing part of the Grade II\* listed Hydro Building.

This option also represents the most affordable viability at just over £36.1m.

This budget is in line with provisions made within Northumberland County Council's medium term plan for the delivery of the project as detailed within this Outline Business Case, and includes a contribution from the Department for Education.

## 6 Readiness to Deliver

**Section 6** and **Appendix 6** of the Outline Business Case sets out NCC's project management structure and identifies the roles and responsibilities of each part of the structure.

Northumberland County Council has put in place resources for the duration of the project, including post contract, to monitor and maintain ongoing relations between the Northumberland County Council and Hadrian Learning Trust to ensure the effective delivery of the project., throughout its lifetime.

A Bidders' Day is scheduled for 14 February 2019.

A risk workshop has been held and a risk strategy developed. Risk will continue to be monitored and evaluated with any changes being reported to the project board on a monthly basis.

## 7 Moving Forward

**Section 7** sets out the proposed recommended approach for the procurement should approval for the scheme be given by Northumberland County Council's Cabinet.

A critical path of scheduled delivery activities has been provided based on the proposed route to market, competitive dialogue, and in line with the Public Contracts Regulations [PCR] 2015.

NCC's professional team to be commissioned to issue the OJEU Contract Notice, to draft the PQQ/IPDT and to engage in dialogue with the three shortlisted contractors.

The evaluation team to be established and briefed will be dependent on whether design team partners choose to remain client-side or undertake a works with a contractor.

## **1 OVERVIEW AND COMMITMENT**

**Section 1** and **Appendix 1** of this Outline Business Case describe the scheme and confirm the commitment of all parties to the project.

### **1.1 The Corporate Vision**

Northumberland County Council (NCC) has set out its vision for the County in its Corporate Plan 2018-21. The principles of the vision are focussed on ensuring each resident:

- feels safe, valued, and part of their community;
- lives in distinctive vibrant places, which they value and in which they feel proud;
- can easily get to work, to learning, and to the various facilities and services they want to use; and
- regardless of age, has the right qualifications and skills to secure a good job that pays well and provides the prospect of a rewarding career.

The provision of fit-for-purpose educational facilities for the 21st century for children and young people in Northumberland is a key building block in achieving this vision.

### **1.2 Strategic Overview**

#### **1.2.1 Countywide Strategy**

Stemming from the Education Vision, Northumberland's countywide strategy for education is articulated within the Service Director's Annual report 2018.

Improving the quality of education in Northumberland is a key priority for the local authority's (LA's) elected members. Both the Corporate Plan and the Health and Wellbeing Strategy place education at the heart of NCC and its partners' work. Elected members recognise how vital it is for the future prosperity of Northumberland; that our children and young people achieve the highest levels possible in schools, academies and colleges and that all of our educational establishments are judged to be good or better by Ofsted.

It is accepted that while strong leadership and governance in schools together with good teaching are key to improving outcomes for pupils, studies have shown that poor quality surroundings can impact negatively on effective teaching and learning, both for staff and pupils. In order to address this issue, NCC is proposing to continue to invest significant capital resources in education.

### **1.2.2 Project Overview**

In December 2017, consultation began to determine the future education structure within the West of Northumberland. One of the drivers for the consultation was HLT's desire to provide a financially and educationally secure future for its schools. They were also faced with the need for significant capital investment in the school estate, and although investment had been earmarked for part of the high school site it did not address the remaining academy buildings.

As a result of this consultation, no structural changes to the school system in Hexham were progressed, although there was overwhelming support for the schools to have significant capital investment.

In light of the feedback from the consultation, NCC's Cabinet instructed officers to work with HLT to develop an Outline Business Case (OBC) in order to establish a preferred site and develop a robust project budget to provide new buildings for HLT in Hexham. After reflecting on the feedback from consultation, HLT decided to take the view of having Queen Elizabeth High School (QEHS) and Hexham Middle School (HMS) co-located on one site will deliver educational, operational and financial benefits. This therefore forms the basis of this business case that tests the options of co-locating both schools on one site, whilst maintaining each school's own identity.

In 2014, the LA were successful with its application for QEHS to form part of the national Priority School Building Programme - a programme of investment in school buildings through replacement or refurbishment. Whilst the original application was for a whole school replacement, the outcome was that the Department for Education (DfE) deemed that investment should only be made in the refurbishment of the Grade II\* listed Hydro building. As the proposed scheme within this business case is now to replace all the school buildings for both QEHS and HMS, the LA, with support from HLT, have been working with representatives from the DfE to agree the project delivery arrangements, along with the level of contribution that the DfE would make to the wider scheme. This contribution is time limited; needing to be fully expended by 31 March 2021.

As part of the site option appraisal, three sites were identified as potential sites for development for the co-location of two schools. Two of the sites were not in the ownership of the LA and following a period of negotiation it was not possible to agree to purchase either of the sites. As a result, this left the existing high school site as the preferred option.

This OBC sets out the work undertaken to establish the feasibility and affordability of this proposal. The high level costs for this option are outlined in Section 5.

### **1.2.3 Strategy and Objectives**

As stated above, the rationale for the initiation of this project has been founded on HLT's desire to provide a financially and educationally secure future for its schools. They were also faced with the need for significant capital investment in the school estate and although investment had been earmarked for part of the high school site, it did not address the remaining academy buildings.

The project would improve the teaching and learning environment for current and future pupils in the schools, including on-site sporting and community facilities that would also benefit the Hexham community as a whole.

The objectives of this project are to:

- provide good quality, modern teaching and learning environments for the pupils attending HMS and QEHS, thereby removing existing physical barriers that distract from the teaching and learning experience;
- provide modern sporting facilities on-site to enhance the curriculum offer and to provide improved sporting and community facilities for the wider community in and around Hexham; and
- support HLT in providing a financially and educationally secure future for its schools through their co-location.

### **1.2.4 Stakeholder Consultations**

#### Consultation Process

In summer 2017, HLT undertook consultation to gather views on a proposal to amalgamate QEHS and HMS in order to create a single Secondary school. This proposal would result in the expansion of the age range of QEHS from a 13-18 years high school to an 11-18 years secondary school, and the closure of HMS.

This consultation formed part of the rationale which promulgated consultation by NCC on proposals for schools in the Haydon Bridge and Hexham Partnerships between February and April 2018. In light of NCC's Consultation, HLT carried out further consultation between 2 and 29 March 2018 in parallel with NCC's consultation. This was again a proposal to amalgamate HMS and QEHS into one age 11-18 school, but there was also an additional proposal on whether to accommodate pupils from Haydon Bridge High School, should it be approved for closure by NCC (the latter formed one proposed option in NCC's parallel consultation). Part of the NCC's consultation also included a proposal to financially support the rebuilding or refurbishment of the HLT school buildings as these were no



longer providing a suitable environment for the education of children and young people in the 21st century.

In the end, NCC concluded that there should be no change to the organisation of the maintained first and middle schools in the Hexham Partnership, although proposals on reorganisation of some schools in the Haydon Bridge Partnership were approved.

NCC approved the allocation of £250k from the Medium Term Plan to enable the development of a detailed business case that would identify a preferred site and project budget for the construction of new buildings for HLT. The outcomes and conclusions of NCC's consultation are available in Appendix 1A while the outcomes and conclusions of the HLT consultation are available at Appendix 1B of this OBC. With regard to the consultation carried out by HLT on their proposals, the Trust decided not to pursue the amalgamation of the two academies in the light of feedback received.

### **1.2.5 Pupil Place Planning**

Northumberland's Local Plan indicates that there are around 530 additional houses required over the 20 years of the plan period, in addition to around 566 houses already with planning permission for construction between 2018 and 2026. While the impact of housing developments on pupil numbers is taken into account when planning places for pupils, it cannot be wholly accurate in relation to long-term pupil projections as many potential housing developments do not always come to fruition.

Currently, there are around 13% surplus places across schools in the Hexham Partnership; without the significant number of pupils attending Hexham schools from other partnerships and out of county, this figure would be even higher. Given the projected housing figures, it is unlikely that schools would need to be expanded to manage additional pupil numbers arising from new housing in the Hexham Partnership in the foreseeable future.

In relation to HMS, around 25% of pupils reside in other Northumberland partnerships, with a small percentage from out of county. Around 33% of pupils attending QEHS (excluding 6th form) reside in other Northumberland partnership areas and out of county.

Appendix 1C and Appendix 1D of this OBC provides a detailed breakdown of pupil data in these academies based on the October 2018 census.

### **1.3 Preferred Scheme**

As stated in section 1.2.4 of this report, in light of the feedback from consultation, HLT chose not to go ahead with its plans to reorganise its schools. However there was overwhelming support from the community for substantial investment in HLT's buildings. Since this time NCC, HLT and the DfE have been working together to

develop the scope and options for the project delivery. As a result of these many months of work, HLT Trustees support the vision of co-locating both schools on one site as they believe the challenges they face in ensuring its schools are both educationally and financially secure would be best secured through this option, along with maintaining each school's own age range and distinctiveness.

The objectives of the proposed project aims to support HLT in achieving a secure educational and financial future for its schools, through the co-location of both the middle and the high schools into new buildings. The co-location would enable HLT to reduce its ongoing maintenance and revenue cost liability of running two school sites, as well as making savings by bringing together the back office/administrative functions of both schools. This would then allow any saving to be used on supporting the delivery of the curriculum and the broader educational experience.

The preferred scheme detailed within this OBC therefore proposes to co-locate the two schools on the existing site of the high school. This conclusion has been made by drawing upon HLT's Education Brief (which is contained at Appendix 4A) and the site option appraisal contained in section 3.3 of this report.

### 1.3.1 Timeline

Table 1A: Timeline

| Event   | Date                          |
|---|-------------------------------|
| Final Outline Business Case complete                            | 1 February                    |
| Submit Outline Business Case and report                         | 4 February                    |
| FACS  | 11 February                   |
| Cabinet   | 12 February                   |
| Bidders Day   | 14 February                   |
| HLT consultation on significant change                          | 25 February - 25 March        |
| OJEU contract notice and shortlisting of 3 bidders              | 25 Feb - 12 April 2019        |
| Combined Prequal/Invitation to Participate in Dialogue (Part 1) | 15 April - 10 May 2019        |
| Invitation to Participate in Dialogue (Part 2)                  | 13 May - 5 July 2019          |
| Evaluation and Appointment                                      | 8 July - 9 Aug 2019           |
| Preparation for planning submission                             | 26 August - 27 September 2019 |

|                     |                   |
|---------------------|-------------------|
| Planning Submission | 27 September 2019 |
| Planning approval   | 7 January 2020    |
| Award of contract   | 20 January 2020   |
| Construction        | 10 February 2020  |
| Handover            | September 2021    |

### 1.3.2 Accommodation

The accommodation schedule for the feasibility study has been compiled on the basis of the standard ESFA accommodation schedule pro formas. However, these do not recognise the requirements of middle schools (being limited to primary and secondary schools only). Therefore, a primary school pro forma for the middle school's years 5 and 6, the secondary school pro forma for the middle school's years 7 and 8, and the secondary school pro forma for the high school's years 9, 10, 11 and post 16 has been used. This is intended to recognise the independence of the middle school, and allow sufficient area and accommodation to allow it to function independently. However there are operational efficiencies which can be realised in terms of central admin, kitchen and plant, with area invested elsewhere.

The three accommodation schedules inevitably have a degree of overlap, particularly in learning resources and large spaces, as well as non-net, which will need to be rationalised to create a cohesive scheme design. The feasibility study makes many of these rationalisations to produce a cohesive initial design proposal, i.e. it is not back to back with the three accommodation schedules, and similar rationalisations will need to be made by bidders in dialogue with the project team. It should be noted that the three accommodation schedules are based on BB103 minimum areas. Further dialogue will be required with the project team to reflect HLT's school specific Education Brief and curriculum analysis.

In addition, a 'fit factor' of 935sqm has been allowed for in relation to the existing listed building, as per the recommendations of BB103. This has been calculated as approximately 25% of the area of the existing listed building retained in the feasibility study. This provides an allowance for the sensible re-use of the existing listed building avoiding an uneconomic and/or damaging extensive remodelling. By accepting the re-use of existing spaces this will probably result in larger spaces than required by the accommodation schedule. The Schedule of Accommodation can be found in Appendix 1E.

### 1.3.3 Academy and Local Authority Commitment

HLT are supportive of NCC's intention to invest in the school buildings. The legal commitment of each party throughout the process of the project will be agreed prior

to the commencement of the procurement process in the form of a Memorandum of Understanding.

#### **1.4 Summary**

The preferred scheme supports the objectives set out in Northumberland County Council's vision for Northumberland's residents. While strong leadership and good governance are key components of successful schools, the provision of a suitable learning environment can have a positive impact on outcomes for children and young people.

The need to improve the buildings of Queen Elizabeth High School had already been identified through the successful application for funding for refurbishment of the academy's Hydro building through the Priority Schools Building Programme in 2015. However, the consultations undertaken in the West of the County by Northumberland County Council and the Governing Body of Hadrian Learning Trust in 2018 highlighted that additional funding to improve the buildings of both Hadrian Learning Trust academies would be extremely beneficial to improve outcomes for the Northumberland children and young people who attend them. Subsequently, Northumberland County Council approved funding for officers to carry out works to enable the development of this Outline Business Case of which sets out the work undertaken to establish the feasibility and affordability of this proposal. The high level costs for this option are outlined in Section 5.

After carrying out a site option appraisal process on three potential sites for the development of the two academies, only one option proved feasible, which was to re-provide and refurbish the buildings on the current high school site as the preferred option. The local authority, with support from Hadrian Learning Trust, are now working with the Department for Education to bring the two funding streams together to ensure the project is delivered within agreed timescales and to confirm the level of contribution from Department for Education to the wider scheme.

As well as improving the teaching and learning environment for current and future pupils in the schools, improvements to the on-site sporting and community facilities will benefit the wider Hexham community.

Pupil place planning data for Hexham Partnership shows that re-provision of the current capacity for pupils at Hadrian Learning Trust will be adequate for current and future needs.

The co-location of the two academies in Hadrian Learning Trust will help to secure its financial and educational future by: reducing ongoing maintenance and other fixed costs; consolidating back office functions; and reducing the revenue cost liability of running two school sites. Savings will be redirected towards supporting the delivery of the curriculum and the broader educational experience

The timeline for the delivery of the school aims for a handover date of September 2021.

|  |  |
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| The following documents are attached at <b>Appendix 1:</b> |  |
| 1A   | <a href="#">Outcomes of Statutory Consultation on proposals for schools in the west of Northumberland, July 2018</a> |
| 1B   | Hadrian Learning Trust - Outcomes of Consultation 2 - 29 March 2018  |
| 1C   | Pupil/catchment data - Queen Elizabeth High School   |
| 1D   | Pupil/catchment data - Hexham Middle School  |
| 1E   | Schedule of Accommodation  |

## 2 PROCUREMENT STRATEGY

**Section 2** and **Appendix 2** of this Outline Business Case describe the Procurement Strategy for the whole scheme given the information and time constraints available.

### 2.1 Procurement Option

A Procurement Report has been developed at Appendix 2A which considers the following four procurement options;

- Traditional;
- Design and Build;
- Management Contracting; and
- Construction Management.

NCC's key objectives for the delivery of the project are noted as follows;

- School to open in September 2021;
- Concept design taken to outline design stage;
- Tender award in August 2019;
- Tender shall include a design competition;
- Lump Sum Contract; and
- Risk reduced to manageable level.

Management Contracting and Construction Management procurement routes involve the client retaining a large portion of the scheme risk and in addition they do not provide a lump sum contract, therefore both options were discounted as they do not comply with the above parameters.

Traditional procurement, following OJEU tendering procedures, would not provide a contract award by the August 2019 deadline. In addition, most risk is borne by the client through this route and on a scheme of this cost the level of risk retained would be excessive.

Design and Build procurement shares risk between the contractor and client on a more even basis, design can overlap with construction activities commencing and a lump sum contract is obtained prior to contract award.

### 2.2 Recommended Option

It is recommended that a Design and Build Procurement strategy is utilised to deliver the project using a competitive dialogue process.

Soft market testing would be undertaken prior to issue of the ITPD (Invitation To Participate in Dialogue) to establish the appetite of the market to this approach; either as single stage or two stage tender process. Through observation of the market in

the north east, on a scheme of this size, the current trend is a desire for a two-stage tender approach.

The project will be tendered through a competitive dialogue process. This route to market enables NCC to achieve further design efficiencies and introduce added value to the project to maximise the overall capital spend. Tender documents shall be prepared that detail the authority's requirements, which will incorporate a RIBA Stage 2 'control option' concept design and an output technical and performance specification to determine the quality of the completed scheme. On receipt of interested bidders' prequalification proposals, three tenderers will be shortlisted and invited to participate in further dialogue. Unsuccessful bidders will be notified and will not participate any further.

After a short period of dialogue and client engagement meetings, shortlisted tenderers will be asked to submit their own RIBA Stage 2 concept designs, which will be evaluated. At this stage, two tenderers will be invited to continue, whilst the third will be informed that they are unsuccessful and will not participate any further. This interim review is designed to increase the attractiveness of the process to the market by reducing the overall cost of tendering. A further period of dialogue and client engagement meetings will be held prior to a design freeze. Following the design freeze, tenderers are able to work on the final pricing of their contractor's proposals, prior to submitting them inclusive of their stage 3 design solution.

The design solution will be worked up as part of the dialogue process over a twelve-week duration. The twelve-week period includes nine weeks of design engagement via Client Engagement Meetings, a week's interim review and two weeks for pricing of final proposals. Final submissions will be subject to evaluation by NCC and its technical advisors. These will be based on defined criteria that consider both the quality of the submission and the associated cost.

## **2.3 Programme**

### **2.3.1 Procurement Programme**

Advice has been obtained from Procurement within NCC and external legal advisors to understand its obligations regarding the Public Contracts Regulations 2015.

A programme has been appended to this OBC at Appendix 2B to demonstrate the procurement of the project through a Design and Build approach using the competitive dialogue route to market.

Tender documents shall be issued on completion of concept designs (RIBA stage 2). This enables NCC to engage with the market quicker than if it developed detailed designs (RIBA stage 3/4). Tendering at this stage also mitigates the need to procure the services of a design team to develop the design solution, which effectively becomes lost time and prohibitive against a target award date of August 2019.

The programme for procurement includes for a pre-qualification shortlisting process followed by a competitive dialogue process, inclusive of design competition, with a minimum of three contractors invited, run over a total duration of twenty-six weeks. The programme allocates five weeks to scrutinise the shortlisted bidders' proposals. Dialogue with bidders during this process will support the development of their solutions.

It should be noted that, to comply with the Public Contracts Regulations 2015, the pre-qualification documents shall be developed and consistent with the content of the tender documents.

Key Dates are as follows:

|                              |  |             |
|------------------------------|--|-------------|
| Outline Business Case        | Submit Outline Business Case   | 04 Feb 2019 |
|                              | Outline Business Case Approved   | 12 Feb 2019 |
| Pre-Qualification Process    | Prepare contract notice documents incl. output technical specification | 22 Feb 2019 |
|                              | OJEU contract notice issued  | 25 Feb 2019 |
|                              | OJEU contract notice open  | 30 days     |
|                              | NCC approval to proceed with shortlisted contractors                   | 12 Apr 2019 |
| Competitive Dialogue Process | Commence dialogue with shortlisted contractors                         | 15 Apr 2019 |
|                              | Competitive dialogue process   | 12 weeks    |
|                              | Final tenders submitted  | 05 Jul 2019 |
|                              | Tender review and report   | 2 weeks     |
| Final Business Case          | Submit final business case   | 26 Jul 2019 |
|                              | NCC approval of FBC  | 09 Aug 2019 |
|                              | Award PCSA   | 23 Aug 2019 |

### 2.3.2 Construction Programme

It will be the responsibility of the successful contractor to provide a construction programme, inclusive of design development through the RIBA stages, post concept design, to support the construction project. The appointed contractor will submit the relevant planning application to the LA, complete with all supporting information to discharge all relevant design and construction related conditions associated with the granting of consent.

A period will be required, following appointment of the contractor, to develop detailed designs ahead of first stage construction although this period will run concurrent with the determination of the planning application. A period of 85 weeks for construction



is anticipated and this is inclusive of the mobilisation and commissioning. A period of four weeks is programmed for decanting the schools in to their new buildings which commences a week before handover.

|              |                                 |             |
|--------------|---------------------------------|-------------|
| Construction | Planning application submitted  | 27 Sep 2019 |
|              | RIBA Stage 4 design completed   | 22 Nov 2019 |
|              | Contractor's Proposals review   | 4 weeks     |
|              | Planning application determined | 07 Jan 2020 |
|              | Contract finalisation           | 24 Jan 2020 |
|              | Construction commences on site  | 10 Feb 2020 |
|              | Construction complete on site   | Aug 2021    |
|              | Completion of commissioning     | Aug 2021    |
|              | Decanting complete              | Aug 2021    |
|              | School Opens                    | Sep 2021    |

## 2.4 Summary

Following a review of procurement options available for construction projects, it is recommended that the development is procured through a Design and Build strategy utilising RIBA stage 2 concept designs.

It is further recommended that contractors are engaged through a competitive dialogue process in line with the requirements of the Public Contracts Regulations 2015 as this offers the greatest opportunity for NCC to introduce further value into the project to maximise the outcome from their overall capital spend.

The programme for delivering the project through competitive dialogue is challenging; however, it is still achievable as outlined previously. If the programme slips the alternative would be to adopt either open or restricted procedures for contractor selection.

### **Procurement Programme**

The programme for procurement assumes the following;

- Project advertised in OJEU on 25 Feb 2019;
- PQQ/ITPD documents available on 25 Feb 2019;
- Deadline for PQQ/ITPD submissions on 29 Mar 2019;
- Competitive dialogue starts 15 Apr 2019; and
- Award PCSA on 23 Aug 2019.

### **Construction Programme**

- Planning application submitted on 27 Sep 2019;

- Planning determined week starting 06 Jan 2020;
- Construction commences on site 10 Feb 2020; and
- Construction complete Aug 2021

|  |                       |
|--|-----------------------|
| The following documents are attached at <b>Appendix 2:</b> |                       |
| 2A   | Procurement Report    |
| 2B   | Procurement Programme |

### 3 LAND

**Section 3** of this Outline Business Case describes the site options appraisal undertaken to which contribute to the design and construction works of a preferred option.

#### 3.1 Introduction

The scheme outlined involves the potential development of a new educational facility in Hexham co-locating the existing QEHS and HMS onto a single site. The development is proposed to deal with the poor physical condition of the facilities on both sites and to achieve benefits from co-locating both schools within the HLT. This section outlines the potential development options considered including the options appraisal performed for the purpose of demonstrating the scheme is deliverable. It should be noted that the HMS site is significantly below the required size to accommodate the new school and was therefore not considered as part of this process. It should also be noted that development in the green belt will only be allowed in very special circumstances. This requires a demonstration of substantial public benefit to be obtained from release of the green belt. The option of constructing a new build school on each site to replace the existing has been considered.

#### 3.2 Land Ownership

Table 3A below shows a summary of the ownership status of the sites covered by the review:

**Table 3A: Site ownership status**

|   |  |
|---|--|
| <b>Queen Elizabeth High School</b>                | NCC freehold but subject to a 125 year lease from NCC to HLT |
| <b>Hexham Middle School</b>                       | NCC freehold but subject to a 125 year lease from NCC to HLT |
| <b>Land Adjoining Queen Elizabeth High School</b> | Land in private ownership - Leazes Estate                    |
| <b>Highwood</b>                                   | Land in private ownership - Leazes Estate                    |
| <b>The Hermitage</b>                              | Land in private ownership - Allgood Estate                   |

All available sites with the potential to accommodate QEHS and HMS onto a single site were considered. The sites were then appraised in a systematic manner by application of nine criteria to produce a score for each in order to grade any suitable options.

### 3.3 Site Options

Table 3B states the following options have been considered:

**Table 3B: Site Options**

|  |
|--|
| <b>Option 1</b> - Development of a new co-located High and Middle School on the Queen Elizabeth High School site. Disposal of the Hexham Middle School site.   |
| <b>Option 2</b> - Development of a new co-located High and Middle School on the Queen Elizabeth High School site, incorporating additional land to the west. Disposal of the Hexham Middle School site and possibly parts of the Queen Elizabeth High School site. |
| <b>Option 3</b> - Development of a co-located High and Middle School on the Hermitage site. Disposal of the Hexham Middle School and Queen Elizabeth High School sites.  |
| <b>Option 4</b> - Development of a co-located High and Middle School on the Highwood site. Disposal of the Hexham Middle School and Queen Elizabeth High School sites.   |
| <b>Option 5</b> - Development of a part new/part refurbished school building on each of the Middle and High School sites to replace the existing provision.  |
| <b>Option 6</b> - Schools remain in current locations with no work undertaken and no disposals. Work is undertaken to Hydro as funding already allocated.  |

#### 3.3.1 Methodology

Appropriate sites with the potential to accommodate and co-locate the high school and middle school within the immediate Hexham area were identified and investigated. The sites were then appraised in a systematic manner by application of nine criteria to produce a score for each in order to grade any suitable options. The criteria by which the sites were appraised can be found in section 3.3.2.

#### 3.3.2 Appraisal Criteria

##### i) Ownership

Established where possible from existing NCC records and reference to title documentation.

##### ii) Site capacity

All the options described are capable of being located on the sites as mentioned.

##### iii) Planning

In consultation with NCC planning staff, a number of matters were considered in assessing the appropriate score. These included the following:

- Green belt issues;
- Settlement boundary/open land issues;
- Accessibility/transport;

- Highways and parking;
- Landscape impact;
- Impact on nature conservation;
- Impact on archaeology / historic heritage;
- Adjacent land uses and potential impact on residential amenity; and
- Contaminated land issues.

iv) Access & Transport

In consultation with NCC Highway Officers, road access, proximity of junctions and public transport services were considered.

v) Timescale

Scores applied to reflect the estimated period required to acquire the site, without obtaining planning permission.

vi) Acquisition Cost

Involved consideration of existing use and planning consents, ownership and use allocation within the Local Plan.

vii) Title Investigation

Carried out wherever possible using a title report from external legal advisors. Any title defects are reflected in the scores applied.

viii) Location

Accessibility for pupils.

ix) Support from Schools

Level of buy in from the schools involved in the redevelopment.

Below are the options considered using the appraisal criteria along with the advantages and disadvantages for each option:

| <b>Option 1 - Development of a new co-located High and Middle School on the Queen Elizabeth High School site. Disposal of the Hexham Middle School site</b> |  |              |
|---|--|--------------|
| <b>Criteria</b>   | <b>Comments</b>  | <b>Score</b> |
| Ownership   | NCC with 125 year lease to HLT.  | 10           |
| Site Capacity   | Can accommodate required development but may need additional land if future expansion is required.   | 7            |
| Planning  | Key issues are: <ul style="list-style-type: none"> <li>Existing Playing Fields are in the green belt; and</li> <li>Impact on the listed Hydro Building.</li> </ul> Refer to Planning Commentary below. | 7            |
| Access  | There may be some new accesses or upgrading required. Increase in pupil numbers.   | 7            |
| Timescale   | NCC owned site so no third party involvement   | 10           |
| Acquisition Cost  | NCC owns the site but if additional land is required for future expansion, there would be a capital cost at that time.   | 8            |
| Title Investigation   | No significant title defects or impediments.   | 9            |
| Location  | Situated close to the Town Centre. Location is currently used for education so limited change in accessibility.  | 8            |
| Support from Schools  | Schools very supportive of retaining the existing location and the prestige Hydro building. No future proofing expansion land.   | 7            |
| <b>Appraisal Score</b>  |  | <b>73</b>    |

| <b>Advantages</b>   | <b>Disadvantages</b>  |
|---|---|
| Two schools benefiting from investment.   | Practical issues around developing on an operational school site. |
| Maximises the opportunity for the sharing of running costs between two schools.                                       | Additional cost of operating a school from a listed building.     |
| Maximises the future flexibility of the buildings should the structure of education in the Hexham partnership change. | No expansion land.  |
| Rebuild addresses the backlog maintenance issues in two schools.  | Topography of land makes this option costly.                      |
| All land is in NCC ownership following the surrender of the HLT lease.  |   |
| Allows sale of Hexham Middle School to  |   |

|   |  |
|---|--|
| achieve capital receipt to NCC.   |  |
| Retains current location within the town, which is an advantage for pupil access. |  |
| Preferable in planning terms as there is existing educational use on this site.   |  |
| External funding already in place for refurbishment of the Hydro building.        |  |

**Option 2** - Development of a new co-located High and Middle School on the Queen Elizabeth High School site, incorporating additional land to the west. Disposal of the Hexham Middle School site and possibly parts of the Queen Elizabeth High School site

| Criteria               | Comments   | Score     |
|------------------------|--|-----------|
| Ownership              | NCC own the majority of the site but would need to acquire additional from an adjoining owner. Site subject to Option to a third party.  | 3         |
| Site Capacity          | If adjoining land can be acquired then the site is of sufficient capacity and can allow for future expansion.  | 3         |
| Planning               | Key issues are: <ul style="list-style-type: none"> <li>Existing Playing fields and additional land are in the green belt</li> <li>Impact on the listed Hydro Building</li> </ul> Refer to Planning Commentary below. | 5         |
| Access                 | There may be some new accesses or upgrading required. Increase in pupil numbers.   | 7         |
| Timescale              | NCC owns the majority of the site. May be some delays due to need acquire additional land.   | 3         |
| Acquisition Cost       | NCC owns the majority of the site. Negotiations underway. Potential for capital receipt from non green belt land and Hydro building, to offset costs.  | 8         |
| Title Investigation    | There are issues around Option Agreement and Footpaths.  | 3         |
| Location               | Situated close to the Town Centre. Location is currently used for education so limited change in accessibility.  | 8         |
| Support from Schools   | Schools very supportive of retaining the existing location. Loss of the prestige of Hydro building.  | 8         |
| <b>Appraisal Score</b> |  | <b>48</b> |

| Advantages  | Disadvantages   |
|---|---|
| Two schools benefiting from investment.   | Practical issues around developing on an operational school site. |
| The management of transition to the new building could be managed more effectively if the high school relocates on its existing site. | Additional land is in the green belt.                             |



|   |  |
|---|--|
| Maximises the opportunity for the sharing of running costs between two schools.                                       | Topography of land makes this option costly. |
| Maximises the future flexibility of the buildings should the structure of education in the Hexham partnership change. |  |
| Rebuild addresses the backlog maintenance issues of the two schools.  |  |
| Allows sale of Hexham Middle School and parts of Queen Elizabeth High School to achieve capital receipt.              |  |
| Retains current location within the town, which is an advantage for pupil access.                                     |  |
| External funding already in place for refurbishment of the prestigious Hydro building.                                |  |

| <b>Option 3 - Development of a co-located High and Middle School on the Hermitage site. Disposal of the Hexham Middle School and Queen Elizabeth High School sites</b> |  |              |
|--|--|--------------|
| <b>Criteria</b>  | <b>Comments</b>  | <b>Score</b> |
| Ownership  | Site in private ownership. Negotiation not progressing. Aspirations of residential value.  | 3            |
| Site Capacity  | The site could accommodate the proposed buildings but a small area available for expansion.  | 7            |
| Planning   | Key issues are: <ul style="list-style-type: none"> <li>• Whole site is in the green belt; and</li> <li>• Impact on Listed Building and Parkland Setting</li> </ul> Refer to Planning Commentary below. | 4            |
| Access   | Highway improvements would be required to create new access and the site is not easily accessible to pedestrians.  | 3            |
| Timescale  | Site in third party ownership, would require a negotiated transfer.  | 3            |
| Acquisition Cost   | Third party owned site so acquisition would be required. Expectation of residential development at some point in the future means high expectation from owners.  | 2            |
| Title Investigation  | Indications suggest that there are some minor issues.  | 5            |
| Location   | Site is on the edge of town, close to the A69 but distant from most residential parts of the town.   | 4            |
| Support from Schools   | Generally supported with concern that the site was remote to the town centre and potentially dangerous pedestrian access.  | 6            |
| <b>Appraisal Score</b>   |  | <b>37</b>    |

| <b>Advantages</b>   | <b>Disadvantages</b>  |
|---|---|
| Two schools benefiting from investment.   | Land is in the green belt outside the town.                                   |
| Maximises the opportunity for the sharing of running costs between two schools. | Significant highway concerns and a new access would be needed onto the A6079. |
| Maximises the future flexibility of the buildings should the structure of       | Access more difficult for children from within the town.                      |

|  |                         |
|--|-------------------------|
| education in the Hexham partnership change.                                    |                         |
| Rebuild addresses the backlog maintenance issues in two schools.               | Limited expansion land. |
| Area of site forming the floodplain would not be constructed on.               |                         |
| Allows sale of both Queen Elizabeth High School and Hexham Middle School sites |                         |
| Level site.  |                         |
| Attractive parkland setting adjoining the river.                               |                         |

| <b>Option 4 - Development of a co-located High and Middle School on the Highwood site. Disposal of the Hexham Middle School and Queen Elizabeth High School sites</b> |   |              |
|---|---|--------------|
| <b>Criteria</b>   | <b>Comments</b>   | <b>Score</b> |
| Ownership   | Site in private ownership. Negotiations terminated  | 3            |
| Site Capacity   | The site could accommodate the proposed buildings and there is land available for expansion.  | 8            |
| Planning  | Key issues are: <ul style="list-style-type: none"> <li>• Whole site is in the green belt; and</li> <li>• Impact on Listed Building Cemetery and Park opposite.</li> </ul> Refer to Planning Commentary below. | 4            |
| Access  | Highway improvements would be required to create new access and the site is not easily accessible to pedestrians.   | 3            |
| Timescale   | Site in third party ownership, would require a negotiated transfer.   | 4            |
| Acquisition Cost  | Third party owned site so acquisition would be required. Negotiations terminated.   | 5            |
| Title Investigation   | There are issues, including third party option agreement.   | 5            |
| Location  | Site is on the edge of town, close to the A69 but distant from most residential parts of the town.  | 4            |
| Support from Schools  | Generally supported with some concern that the site was remote to the town centre.  | 6            |
| <b>Appraisal Score</b>  |   | <b>42</b>    |

| <b>Advantages</b>   | <b>Disadvantages</b>   |
|---|--|
| Two schools benefiting from investment.   | Land is in the green belt outside the town.                                    |
| Maximises the opportunity for the sharing of running costs between two schools.                                       | Long thin site with steep slope to the rear constricts creation of the school. |
| Maximises the future flexibility of the buildings should the structure of education in the Hexham partnership change. | Access more difficult for children from within the town.                       |

|  |  |
|--|--|
| Rebuild addresses the backlog maintenance issues in two schools.                                       | Development would have a substantial impact on the open countryside. |
| Allows sale of both Queen Elizabeth High School and Hexham Middle School sites.                        |  |
| Attractive parkland setting.   |  |
| Previously safeguarded for mixed use (Educational and Residential) in the now withdrawn core strategy. |  |
| Potential for expansion land with increased design flexibility.  |  |

| <b>Option 5 - Development of a part new/part refurbished school building on each of the Middle and High School sites to replace the existing provision.</b> |   |              |
|---|---|--------------|
| <b>Criteria</b>   | <b>Comments</b>   | <b>Score</b> |
| Ownership   | NCC with 125 year lease to HLT.   | 10           |
| Site Capacity   | Under-utilising sites.  | 5            |
| Planning  | Key issues are: <ul style="list-style-type: none"> <li>Existing Playing Fields are in the green belt; and</li> <li>Impact on the listed buildings on both sites.</li> </ul> Refer to Planning Commentary below. | 7            |
| Access  | Existing access should be acceptable.<br>Inefficiency of a split site.  | 4            |
| Timescale   | NCC owned site so no third party involvement.   | 10           |
| Acquisition Cost  | NCC owned sites – no cost of acquisition.   | 10           |
| Title Investigation   | No significant title defects or impediments.  | 10           |
| Location  | Split site creating inefficiencies.   | 3            |
| Support from Schools  | Split site maintains current inefficiencies of two locations with limited opportunities for sharing.  | 8            |
| <b>Appraisal Score</b>  |   | <b>67</b>    |

| <b>Advantages</b>  | <b>Disadvantages</b>  |
|--|---|
| New better quality facilities provided for students on existing sites. | Leaving the facilities in their current locations would not release any land for development. |
| Rebuild addresses the backlog maintenance issues in two schools.       | Practical issues around developing on an operational school site                              |
| All land is in NCC ownership following the surrender of the HLT lease. | Additional costs of renovating listed buildings on both sites.                                |

**Option 6** - Schools remain in current locations with no work undertaken and no disposals. Work is undertaken to Hydro as funding already allocated

| <b>Criteria</b>        | <b>Comments</b>  | <b>Score</b> |
|------------------------|--|--------------|
| Ownership              | NCC with 125 year lease to HLT.  | 10           |
| Site Capacity          | Under-utilising sites.   | 5            |
| Planning               | Not applicable.  | 10           |
| Access                 | Existing access should be acceptable.<br>Inefficiency of a split site.   | 4            |
| Timescale              | No development.  | 10           |
| Acquisition Cost       | NCC owned sites – no cost of acquisition.  | 10           |
| Title Investigation    | No significant title defects or impediments.   | 10           |
| Location               | Split site creating inefficiencies.  | 3            |
| Support from Schools   | There would be limited support for this option as the schools are dilapidated and on split sites. Challenges during work to refurbish Hydro. | 2            |
| <b>Appraisal Score</b> |  | <b>64</b>    |

| <b>Advantages</b>  | <b>Disadvantages</b>  |
|--|---|
| No changes to the buildings and provision would be less disruptive to the schools and users of the services. | The current buildings are in a dilapidated condition requiring significant expenditure in the short term. |
|  | Extending the life of buildings in poor condition does not make economic sense.                           |
|  | Leaving the facilities in their current locations would not release any land for development.             |
|  | Does not 'futureproof' the schools system in terms of increased pupil numbers.                            |

**Table 3C: Option Appraisal Results**

|   |           |
|---|-----------|
| <b>Option 1</b> – Development of a new co-located High and Middle School on the Queen Elizabeth High School site. Disposal of the Hexham Middle School site. Work is undertaken to Hydro as funding already allocated   | <b>73</b> |
| <b>Option 2</b> – Development of a new co-located High and Middle School on the Queen Elizabeth High School site, incorporating additional land to the west. Disposal of the Hexham Middle School site and possibly parts of the Queen Elizabeth High School site | <b>48</b> |
| <b>Option 3</b> – Development of a co-located High and Middle School on the Hermitage site. Disposal of the Hexham Middle School and Queen Elizabeth High School sites  | <b>37</b> |
| <b>Option 4</b> – Development of a co-located High and Middle School on the Highwood site. Disposal of the Hexham Middle School and Queen Elizabeth High School sites   | <b>42</b> |
| <b>Option 5</b> - Development of a part new/part refurbished school building on each of the Middle and High School sites to replace the existing provision  | <b>67</b> |
| <b>Option 6</b> – Schools remain in current locations with no work undertaken and no disposals. Work is undertaken to Hydro as funding already allocated  | <b>64</b> |

### 3.3.3 Preferred Option

Option 1 scores most highly based on the fact that development is all on the existing QEHS site with the advantages that brings from the site already being in NCC ownership. The proposal co-locates two schools on one site in a central location in the town.

### 3.4 Potential Land Acquisition Costs and Capital Receipts

The table below shows potential land receipts from the disposal of sites contained within the review if they are no longer required. The table demonstrates that the projected cost of the project of approximately £36.1m is greater than any potential land receipts that would be released on the preferred option. Note: potential acquisition cost based on residential value expected by land owners as shown in Table 3D. Offers were submitted at values reflecting school use but were not accepted.



**Table 3D: Potential Acquisition Cost**

| Site                                       | Potential Acquisition Cost |
|--|----------------------------|
| Land Adjoining Queen Elizabeth High School | £7,500,000                 |
| The Hermitage                              | £10,000,000                |
| Highwood                                   | £10,600,000                |

**3.4.1 Market Values of Potentially Surplus Sites****Table 3E: Site Valuations**

| Property  | Total Area (Hectares) | Valuation  |
|---|-----------------------|------------|
| Hexham Middle School  | 6.1                   | £3,700,000 |
| Queen Elizabeth High School Site (all land including Hydro) | 10.04                 | £5,300,000 |
| Development Sites on the Queen Elizabeth High School Site   | 5.02                  | £3,350,000 |

**Table 3F: Potential Capital Receipts**

| Potential Capital Receipts Achieved by Option   | Acquisition Cost | Site Value | Net Receipt |
|---|------------------|------------|-------------|
| <b>Option 1</b> - Development of a new co-located High and Middle School on the Queen Elizabeth High School site. Disposal of the Hexham Middle School site   | 0                | £3,700,000 | £3,700,000  |
| <b>Option 2</b> - Development of a new co-located High and Middle School on the Queen Elizabeth High School site, incorporating additional land to the west. Disposal of the Hexham Middle School site and possibly parts of the Queen Elizabeth High School site | £9,300,000       | £7,000,000 | £-2,300,000 |
| <b>Option 3</b> - Development of a co-located High and Middle School on the Hermitage site. Disposal of the Hexham Middle School and Queen Elizabeth High School sites  | £10,000,000      | £9,000,000 | £-1,000,000 |

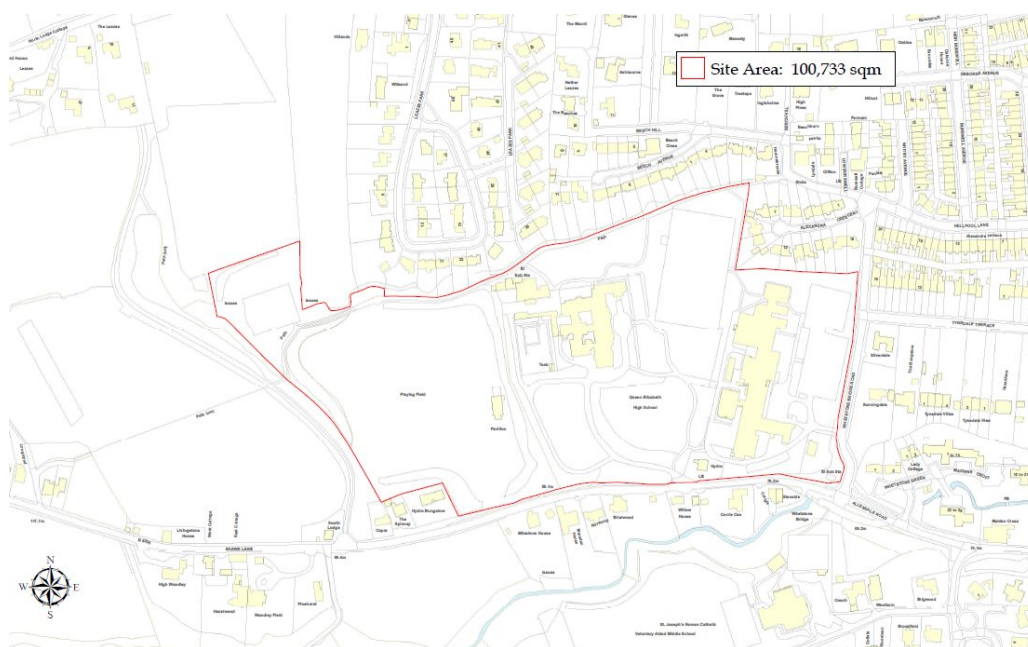
|   |             |            |             |
|---|-------------|------------|-------------|
| <b>Option 4</b> - Development of a co-located High and Middle School on the Highwood site. Disposal of the Hexham Middle School and Queen Elizabeth High School sites | £10,600,000 | £9,000,000 | £-1,600,000 |
| <b>Option 5</b> - Development of a part new/part refurbished school building on each of the Middle and High School sites to replace the existing provision            | 0           | 0          | 0           |
| <b>Option 6</b> - Schools remain in current locations with no work undertaken and no disposals. Work is undertaken to Hydro as funding already allocated              | 0           | 0          | 0           |

### 3.4.2 Valuation Assumptions

- Land within a designated green belt will only be made available in very special circumstances, such as development for education.
- The value will therefore be well below market value of land capable of development.
- Open land has been valued on a rate per acre but listed buildings have been valued based on a comparison with comparable sales.

### 3.5 Planning Commentary

#### 3.5.1 Existing QE High School Site



### Constraints

- Former Hexham Hydropathic Grade II\* listed building;
- Green belt land on existing playing field and land to west;
- Conservation Area to east of existing school;
- Public Right of Way along northern boundary and crossing land to west of existing playing field;
- Archaeological area;
- Coal Authority Standing Advice area;
- Area of High Landscape Value;
- Land to west of existing playing fields identified within Tynedale Local Plan (Policy LR8.1) allocated for specified recreational use - playing fields; and
- Existing playing fields identified as 'Local Green Space' within pre-submission draft Hexham Neighbourhood Plan.

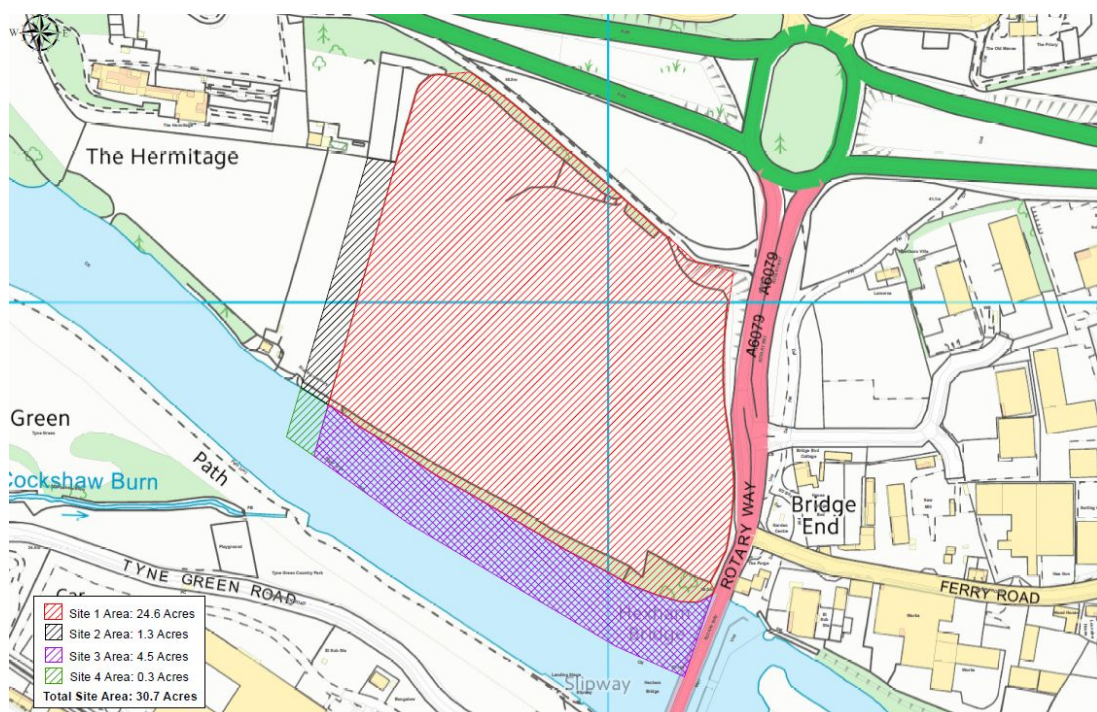
### Key Issues

- Building on green belt land would result in inappropriate development that should not be approved except in very special circumstances.
- Draft Northumberland Local Plan refers to current consultation on options for the reorganisation of schools in the west of the County, and the outcomes are not expected until Summer 2018 where there may be considered to be exceptional circumstances to revise green belt boundaries for educational purposes.
- Impacts on setting of the Hydro listed building on site as well as the Conservation Area and other listed buildings in locality. Need to consider significance of the heritage assets and level of harm (i.e. less than substantial or substantial) and are there public benefits that would outweigh identified harm - consultation with NCC Conservation team.
- Need for detailed consultation and information to satisfy NCC Highways Development Management (i.e. Transport Statements and Assessment, accessibility etc.). Some initial concerns identified in terms of suitability of road to south; is there scope for widening if necessary; and restricted width of footpaths.
- Impacts upon landscape character and the visual amenity of the site and wider area.
- Need to consider impacts upon the amenity of adjacent residents (i.e. amended access routes and additional traffic; impacts due to use and new buildings; visual amenity.
- Impact upon the PROW/need to legally divert if necessary.
- Loss of identified Local Green Space (LGS) in pre-submission draft Hexham NP - not permitted unless it will enhance the role and function of the LGS, or if the community would gain equivalent benefit from the provision of suitable replacement GS - limited weight to NP at this stage.

### Ecology Comments

- The site carries no statutory ecological designation though parts of the central woodland area (running N-S across the centre of the site) is identified as Habitat of Principal Importance (Deciduous Woodland) under s41 of the Natural Environment and Rural Communities (NERC) Act 2006 and are therefore Priority Habitats in both the UK and Northumberland Biodiversity Action Plans. HPI woodland also present in the areas adjacent to the NW and SW existing school buildings.
- Nearest fully designated sites are Tyne Watersmeet SSSI approx. 1.2km N, Summerods Dene Ancient Semi-Natural Woodland approx. 110m S and North Pennines AONB approx. 3km S.
- Proximity of the SSSI means that the site is in the Impact Risk Zone (IRZ) for that SSSI and a plan app would require a direct consultation with Natural England if it was considered to be large infrastructure where total net additional floorspace exceeded 1000m<sup>2</sup>.
- Protected/threatened/notable species recorded on or near the site include red squirrel, a range of bat species, badger, peregrine falcon (probably just passing through), kingfisher (on or near watercourses), invertebrates included in s41 of the NERC Act, hedgehogs, little ringed plover.
- Species covered by Schedule 9 (Invasive non-native species) of the Wildlife & Countryside Act 1981 (as amended) include grey squirrel and Canada goose (neither of these likely to be particularly relevant with respect to a planning application) but any others (e.g Japanese knotweed, Himalayan balsam, Rhododendron ponticum) identified during survey might require specialised control, removal and disposal measures.

### 3.5.2 The Hermitage



### Constraints

- Green belt land;
- Grade II\* listed The Hermitage to west and other Grade II listed buildings at The Hermitage and Bridge End;
- Designed parkland landscape of The Hermitage;
- Grade II\* listed Hexham Bridge;
- Flood Zones 2 and 3 to southern boundary;
- Public Right of Way along northern boundary;
- Archaeological area;
- Coal Authority Standing Advice area;
- Area of High Landscape Value; and
- Adjacent to A69 - Highways England Strategic Road Network.

### Key Issues

- Building on green belt land would result in inappropriate development that should not be approved except in very special circumstances.
- Draft Northumberland Local Plan refers to current consultation on options for the reorganisation of schools in the west of the County, and the outcomes are not expected until Summer 2018 where there may be considered to be exceptional circumstances to revise green belt boundaries for educational purposes.
- Impacts on setting of The Hermitage and the designed parkland landscape as well as other listed buildings in locality. Need to consider significance of the heritage assets and level of harm (i.e. less than substantial or substantial) and are there public benefits that would outweigh identified harm - consultation with and comments from NCC Conservation team and Historic England will be particularly important - initial comments from Conservation are that there would be significant concerns and substantial harm to the setting of The Hermitage and the associated parkland.
- Need for detailed consultation and information to satisfy NCC Highways Development Management (i.e. Transport Statements and Assessment, accessibility etc.). Some initial concerns identified in terms of location/accessibility due to location over the river in terms of pedestrian access and restricted width of footways over bridge/volume of students using this. Need to consider in more detail impacts arising in terms of access; consultation with Highways England due to location adjacent to A69; as well as potential impact of any required highway works on listed buildings (i.e. Hexham Bridge).
- Impacts on landscape character

### Ecology Comments

The site lies on the N bank of the Tyne, south of the A69 west of the A6079 at Bridge End and east of the A69 road bridge over the Tyne.

The site itself includes some areas identified as 'Habitat of Principal Importance' (HPI) under s.41 of the Natural Environment and Rural Communities (NERC) Act 2006 including;

- Deciduous Woodland on the north bank of the river between The Hermitage and Old Bridge End; and
- Traditional Orchard to the eastern end of the complex of buildings at The Hermitage.

Numerous further areas of HPI woodland are present within 2km along with a number of Ancient Semi-Natural Woodlands (ASNW) and Local Wildlife Sites (LWS).

The Tyne Watersmeet Site of Special Scientific Interest (SSSI) lies less than 60m west of the western end of the site at its closest point, on the south bank of the Tyne south of the A69 road bridge and covering the river and some of both banks north of the bridge, up to and beyond the confluence of the rivers North and South Tyne. The site lies entirely within the Impact Risk Zone for that SSSI and it is likely that a direct consultation with Natural England would be required should an application be submitted. The Tyne & Allen River Gravels Special Area of Conservation (SAC) and SSSI lies approx. 3km upstream on the banks of the South Tyne.

The site itself appears to be comprised of the complex of buildings at The Hermitage and Old Bridge End (a number of which are listed), with well established woodland on the banks of the river particularly, but not exclusively, to the west of the buildings at the Hermitage, a relatively flat 'haugh' or floodplain (currently in agricultural use - apparently mostly arable at present) west of the Birkey Burn which joins the main river between the Hermitage and Old Bridge End. The land east of the Birkey Burn is a planned parkland for the main hall at The Hermitage, with well wooded drives, established grassland (probably permanent pasture that may well have been so for many years) with significant numbers of mature/over-mature and, quite likely, veteran, trees scattered across the grassland and lining the various drives, the river banks and around the buildings at The Hermitage. There are clearly significant numbers of exceptionally large, mature trees and likely veteran trees within this parkland.

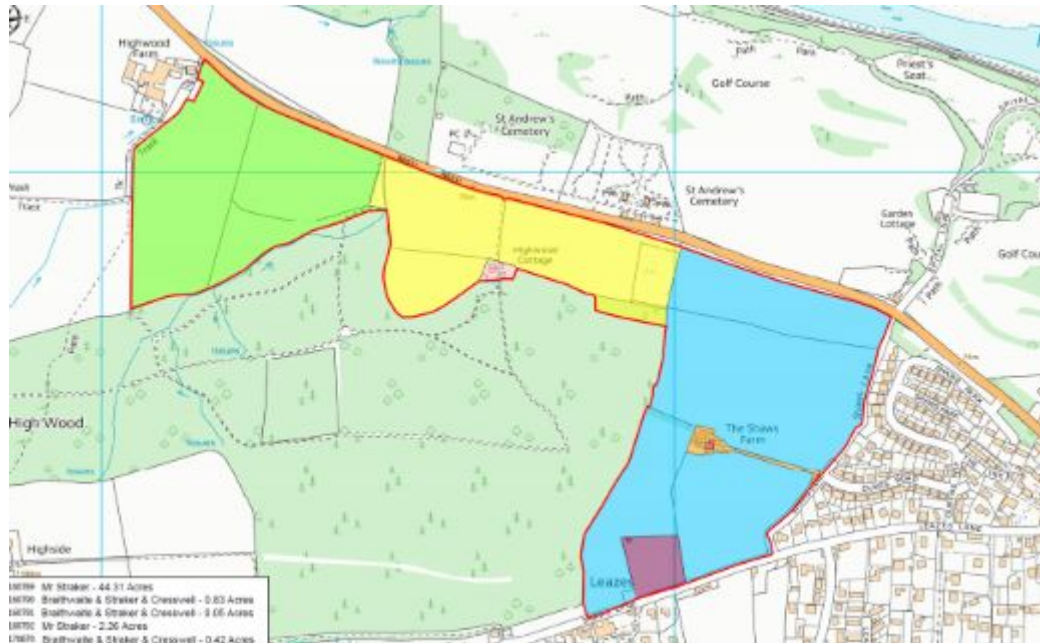
The quality of the permanent pasture in the parkland is currently unknown but permanent pasture, depending on the type of management, can provide some of the highest quality lowland grassland/meadow (in terms of ecological diversity and importance). Extensive proportions of the UK (and Northumberland) lowland meadow has been lost over the last century such that sites like this are quite rare. The quality of the grassland is, however, unknown at present as no public records are readily available and it may be that it has not been systematically surveyed for some time or at all.

Mature/over-mature and veteran trees, especially those in high quality habitat (such as lowland meadow/permanent grassland), are of particularly high habitat value for a wide range of specialist, rare and uncommon species.

Existing records for the area include a number of protected, threatened and/or notable species; great crested newt, kingfisher, otter, a range of bat species, red squirrel, badger, common toad, common lizard, a range of moths and butterflies, brown hare, hedgehog, lichens and mosses. A wide range of farmland, woodland, riverine and parkland birds are likely to be present on or near the site and it is also likely that many of these species will breed on the site itself. A number of species included in Schedule 9 (invasive non-native species) of the Wildlife & Countryside Act 1981 (as amended) are also recorded in the area including grey squirrel, few-flowered garlic, Himalayan balsam and American mink.

Clearly extensive ecological survey work would be required with an Extended Phase 1 Survey/Ecological Impact Assessment (EclA) as a minimum and it is likely that subsequent survey work (such as breeding bird survey and assessment of over-mature/veteran trees) is likely to require survey effort over more than one season. In addition to that extensive arboricultural survey, work would also be required to establish the ecological and landscape value of the site and its associated trees. The site is adjacent to the Tyne and it is not clear how foul or surface waters would be managed and disposed of both with respect to quality of any discharge (likely to be to the river) and quantity of surface waters. SuDS would be likely to be required with respect to surface water as well as efficient and robust treatment and disposal of foul waters. It is not clear if the site is or could be connected to mains sewerage. If it cannot then a very robust private treatment plant would be required. Clearly, development of the site in the way being proposed would introduce very high levels of disturbance to an area that would appear to be currently relatively lightly used in those terms.

### 3.5.3 Highwood



#### Constraints

- Green Belt land;
- Grade II listed buildings at Highwood Farm to west and St Andrew's Cemetery to north;
- Eastern part of Cemetery is also Grade II Registered Park and Garden;
- Public Right of Way to western boundary;
- Coal Authority Standing Advice area;
- Area of High Landscape Value; and
- Land to eastern part of overall site and extending towards housing identified within Tynedale Local Plan (Policy LR8.2) allocated for specified recreational use - playing fields with changing facilities and car parking.

#### Key Issues

- Building on green belt land would result in inappropriate development that should not be approved except in very special circumstances.
- Draft Northumberland Local Plan refers to current consultation on options for the reorganisation of schools in the west of the County, and the outcomes are not expected until Summer 2018 where there may be considered to be exceptional circumstances to revise green belt boundaries for educational purposes.
- Impacts on setting of the heritage assets. Need to consider significance of the heritage assets and level of harm (i.e. less than substantial or substantial) and are there public benefits that would outweigh identified harm - consultation with NCC Conservation team although initial comments are that this is less constrained than other two sites and impacts could be mitigated/designed out



- Need for detailed consultation and information to satisfy NCC Highways Development Management (i.e. Transport Statements and Assessment, accessibility etc.). Some initial concerns identified in terms of location/accessibility further removed from residential areas.
- Potentially more isolated/intrusive form of development in the open countryside and green belt if located further west on land - consider impacts upon landscape character and visual amenity.
- Need to consider impacts upon the amenity of adjacent residents if buildings moved closer to existing development.

### Ecology Comments

Similar issues to the QEHS site with regards to designated sites and protected, threatened, notable species though it is significantly closer to the Watersmeet SSSI (approx. 460m N) and as it is in the IRZ would definitely require a direct consultation with Natural England as a result.

- Parts of the High Wood (adjacent to the S) are HPI deciduous woodland as are some of the woodland areas to the W of the cemetery.
- Species recorded locally are the same as for the QE site with the addition of a possible (unconfirmed) record of polecat.

Both existing QEHS and Highwood sites would require the usual extended Phase 1 Habitat Survey for land, buildings, trees etc on and adjacent to the site which would identify any further survey required for any protected, threatened or notable habitats and species identified in the phase 1 survey before an application could be determined (e.g. bats, breeding birds, etc).

If there are trees to be retained on/adjacent to the site (as would seem likely) then arboricultural survey would be required to ultimately result in a Tree and Hedge Protection Plan (in accordance with BS5837 (2012)). Any external lighting would need to be sensitive to protected species and habitats and possibly dark sky policies.

On site or adjacent woodland may require buffer zones that would need to be protected during development works and retained undeveloped on completion.

Suitable landscape planting likely to be required to include a high proportion of locally native species.

Do not think there are any watercourses on either site though there is a possibility of a small watercourse through the N-S area of woodland on the QE site. If that is the case then that would require protection during construction and a retained and protected buffer zone to be retained undeveloped. A suitable construction method statement to avoid/minimise any potential for damage to or pollution of the watercourse would be required if there is a watercourse.

### **3.6 Summary**

This section outlines each of the six options available for development of the co-location of two schools on one site. The option appraisal also identifies the advantages and disadvantages and planning commentary for the sites. The result of the appraisal has resulted in option 1 being the preferred option. This would see the development of the project on the existing Queen Elizabeth High School Site.

## 4 DESIGN AND CONSTRUCTION

**Section 4** and **Appendix 4** of this Outline Business Case describe the design options and investigative survey works undertaken to demonstrate feasibility.

### 4.1 Introduction

The feasibility study has been conducted over an intensive four week period during October and November 2018, following the selection of the current high school site as the preferred site for the new middle and high schools.

The feasibility study is intended to demonstrate that the middle and high school can be accommodated on the current high school site through a combination of retaining the existing listed buildings and proposed new buildings.

It was assumed that all other existing buildings, predominately a collection of outdated 1960's buildings adjacent to Whetstone Bridge Road, are demolished, although these would need to be retained during construction to allow the school to operate.

The feasibility study is cognisant of the significant site constraints which include:

- Existing Grade II\* listed buildings, with massing, elevations and interiors of heritage value both in terms of the listing and in terms of the school's own sense of quality and heritage.
- Significant mature trees, the majority of which are of high landscape value, and form the setting to the listed building providing a unique quality to the site.
- Significant slopes across the site which divide what is already a constrained site into a series of small plateaus and reconciling this with appropriate external play, social and sports spaces.
- Challenging vehicular access from Whetstone Bridge Road and Allendale Road, and reconciling this with extensive, safe children and student drop off given the school's wide catchment area.



Existing Site Constraints

In addition, the feasibility study was required to demonstrate that the middle school could remain as an identifiably separate entity to the high school, but also take advantage of the benefits of co-location in terms of the use of enhanced facilities and operational efficiencies.

The feasibility study has been progressed in consultation with project stakeholders including the LA, their project managers and cost consultants and HLT, and external stakeholders such as conservation, planning, highways and Sport England.

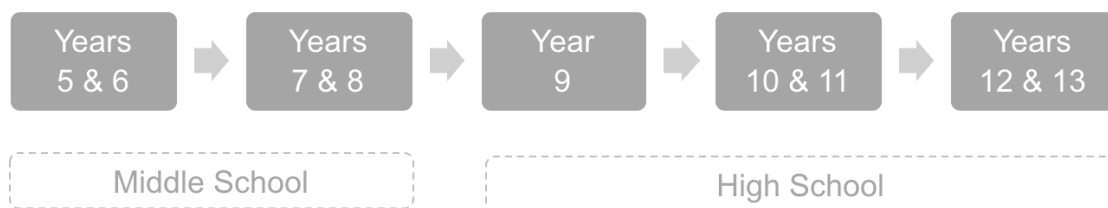
While feedback has been generally positive, the feasibility study represents an initial design proposal, and inevitably design development will be required to ensure a successful outcome in terms of satisfying project stakeholders and external stakeholders in what is a complex project.

#### 4.1.1 Education Brief

HLT's Education Brief has been developed concurrently with the feasibility study and can be found in Appendix 4A. The key requirements of the Education Brief have informed the initial design proposal.

Co-locating the Middle and High schools creates unique opportunities to enhance the quality of educational experience, while realising operational efficiencies. HLT has stated that any design solution must be of high quality, efficiently delivering specialist facilities, while providing each child with a "home of their own".

While maintaining each school's distinctiveness, the intention is to create a clear sense of progression through the different phases of students' educational journey:



Middle School pupils should feel part of a smaller school, with their own play areas, entrance and social space. During Years 5 and 6 (Key Stage 2), most of their lessons will take place in their home classroom or Middle School specialist spaces. However, they will also have the opportunity to access the high school's specialist facilities on occasion. Years 7 and 8 will have a similar experience, with their own separate social space and play areas. However, it is intended that they will routinely access the specialist facilities shared with the High School, for subjects such as science and the arts. This familiarity will ease transition into Year 9, without losing the excitement of moving on.

High School Years 9 to 11 should also have their own entrance and separate exterior social spaces. It is intended that each year group will have its own social base. As many Year 9 students will be new to the site this will help them settle in, although HLT's experience is that they do so quickly.

High School Sixth Form is a larger proportion of the student body than would be the case in a Secondary school of similar size. As students progress to more self-directed learning, it is important that they have appropriate social and study space. While some teaching is in smaller seminar groups and larger lectures, most teaching will be distributed around the High School. This will enable Sixth Formers to continue to be excellent role models for younger students.

The ambition is to create inspiring and purposeful learning environments that will serve young people well for many years to come.

The Trust wants to maintain the close, collegiate teamwork of staff across curriculum, pastoral, departmental and support functions, which is fundamental to delivering the schools' success. Identifiably separate clusters for departments are envisaged, to strengthen the existing departmental organisation and staff team working within. In addition, the Trust is keen that there is recognition of the schools' particular strengths and emphasis in sport, performance and the arts.

The schools have the potential to be assets for the whole community, celebrating the best of the past while providing exceptional facilities that can help build an exciting future.

## **4.2 Surveys and Investigations**

Resources have been commissioned to undertake various site options appraisals, to determine buildability, affordability and to collate the OBC. These appointments were made through Lot 1 of the Pagabo Construction Professional Services Framework, following an OJEU compliant competitive tendering process, selected on best value.

This section of the OBC details the results of these surveys which have been undertaken as part of the feasibility exercise and summarises of the outcomes of these. Copies of these reports can be found in Appendix 4.

The project team, together with the LA identified a list of surveys and investigations which would be required for this stage of the exercise. These were carried out towards the end of October 2018 and are listed as follows:

- Desktop Study;
- Geophysical Survey;
- Intrusive Ground Investigation Study;
- Measured Survey of Hydro Building;
- Preliminary Ecological Appraisal; and
- Transport Assessment and Travel Plan.

The following existing surveys were carried out on behalf of the ESFA;

- Arboriculture Survey;
- Flood Risk Assessment;
- Topographic Survey; and
- Utilities Survey.

The summary of findings and recommendation of each of the above is identified below.

### **4.2.1 Desktop Study**

The earliest maps (1865) show that the site was mostly underdeveloped, with a large country house and estate occupying the centre of the site. From the earliest mapping the area around the site was predominantly agricultural and wooded, with Hexham lying some distance away to the east. Hexham has expanded westward through the 19<sup>th</sup> and 20<sup>th</sup> centuries, though land is mostly residential and the area has seen significant industry.

From an environmental setting the following points apply:

- There are no landfills or any facilities handling or managing waste within 500m of the site.
- There are 13 contemporary trade directory entries within 500m of the site. There are no fuel station entries within 500m of the site.

- The site is shown to be underlain by Carboniferous Stainmore Formation sand-, silt-, mud and thin limestones, and Lower Coal Measures sandstones.
- Using the Environment Agency's Policy and Practice for the Protection of Groundwater the solid geology beneath the site is classified as a Secondary Aquifer – A. The overlying drift is classified as Unknown.
- The drift deposits on site are likely to be glacial deposits of sand, gravelly (boulder) clay with some lenses of sand and gravel, and glaciofluvial deposits of sand and gravel.
- There are four groundwater abstractions located within 1km of the site.
- The Envirocheck Report states the site is not at risk of flooding from rivers and the seas without defences. There are no flood defences, flood water storage areas benefiting from flood defences and flood storages present within 250m of the site.
- The site is in an intermediate probability radon affected area, as 1-3% of properties are above the action level. No radon protection measures are necessary for new buildings or extensions on the site.

Based on expected loadings and ground conditions, foundations are likely to be pads or strips, potentially deepened to load-bearing strata at appropriate depth.

The site is within a Coal Mining Affected Area as defined by the Coal Authority, as a result a coal mining search report was required.

The site is situated in an area where no seams are recorded to have been worked within the likely zone of physical influence on the surface. The site is not situated within the boundary of a former opencast coal mining sure. Neither is the site located within 200m of a currently operating opencast coal mine or 800mm of a future opencast mine. There is no knowledge of any shafts or adits within 20m of the site or the boundary of the site. There are no tips or lagoons in the vicinity of the site. It is unlikely that coal will be worked in the foreseeable future.

The site is within a non-coal mining affected area of Great Britain, with a risk classification Rare (A).

The Desktop study has shown that the site may have been exposed to contamination, with construction / demolition waste and possible oils or fuel from vehicle spills the most likely source local to the structures. Asbestos may also be present on the site from previous building cladding and roofing or dumping from adjacent sites.

Made ground is expected on site, therefore ground gas assessment is recommended due to the nature of the development.

Phase two recommendations are as follows:

- A series of small percussive boreholes with in situ testing and samples;
- Gas monitoring comprising six visits over three months;
- A series of machine dug trial pits for sampling, insitu soakaways and CBRs;
- Geotechnical testing; and
- Chemical testing.

A copy of the Desktop Study can be found within Appendix 4B.

#### **4.2.2 Geophysical Survey**

The aim of the geophysical survey was to assess the nature and extent of any sub-surface features of potential archaeological significance within the survey areas, so that an informed decision may be made regarding the nature and scope of any further scheme of archaeological works that may be required in relation to the development.

Six surveys totalling approximately 2.5 hectares were conducted, across all practicable areas of the school ground, being carried out on 29<sup>th</sup> and 30<sup>th</sup> October 2018.

The results of the geophysical survey were as follows:

- No features of likely archaeological significance have been identified in the geophysical survey, partly due to landscaping and the presence of more recent features.
- Made-ground and evidence of other landscaping works have been detected across many of the survey areas.
- Existing features relating to the sports pitches have been detected in area 6, including lands drains, rugby goal-posts and a cricket wicket
- Several services have been detected.

A copy of the Geophysical Survey can be found within Appendix 4C.

#### **4.2.3 Intrusive Ground Investigation Study**

The objectives of this exploratory phase of investigation were as follows;

- To review the previous desktop study report for the site;
- To determine soil infiltration rates and ground conditions underlying the site;
- To assess risks from ground contamination; and
- To provide recommendations for foundations.

Topsoil was encountered in all six exploratory holes formed by Dunelm during this investigation to depths of between 0.3m and 0.7m below ground level. The natural ground was found to be firm and with stiff sandy gravelly clays. The site does not lie



within an area affected by shallow coal workings and the site has not been affected by quarrying. The recommended foundation solution is strip foundations.

No major groundwater flows were encountered. The site has been previously developed and buried obstructions may be present on site. A cobbled roadway was encountered at shallow depths in the northeast of the site. A CBR of at least 3% should be achievable within natural clay.

Recommendations for further Site Investigation works - further ground investigation is recommended once the layout and extent of the proposed development scheme is known. Asbestos was not detected in the three samples of topsoil tested.

A copy of the Intrusive Ground Investigation Report can be found within Appendix 4D.

#### **4.2.4 Measured Survey of the Hydro Building**

A measured survey of the Hydro building was carried out in October 2018 and a copy can be found within Appendix 4E.

#### **4.2.5 Preliminary Ecological Appraisal**

Consultation with the MAGIC website indicated that the nearest SSSI is Tyne Watersmeet 1.3km away. The school lies within the SSSI impact risk zone for large scale developments over 1 hectares.

The Environmental Records Information Centre North East (ERIC NE) indicated the likely presence of a range of bat species, hedgehog and perhaps badger within 2km of the site.

Consultation with Northumberland Bat Group and the caretaker indicated that a number of roosts are present in the adjacent Hydro building, that is out with this assessment.

Previous survey work at QEHS by E3 recorded bat roosts of small numbers of common and soprano pipistrelle bats behind the timber cladding of the main school building.

Preliminary Ecological Appraisal indicated that the main habitat constraints are likely to be the mature parkland features, which will have both a landscape and nature conservation value, with mature trees providing habitats for bats and birds and good green corridors. Areas are identified as broadleaved woodland priority habitat on MAGIC Maps. The very old lawns within the parkland areas have potential habitat value and would need summer survey, ideally after being left uncut for a month.

The wider tree and shrub areas contribute to the character of the area and will again be of value to bats and birds in particular, with the older, slower growing tree species

being a more significant constraint. The north west area, which appears to be a former nursery, has quite a mix of habitats and plant species which will contribute to local biodiversity, but the main constraints are at the boundaries where mature oaks and large, diverse hedges are present. Sports pitches and areas of amenity grassland are generally of low conservation value.

The quality of the setting means it is much more likely that suitable buildings and late maturity trees will support roosting bats. The old sports pavilion has high risk of supporting roosts.

There is evidence that badger may use the north-western area for foraging, but no confirmed setts were recorded. Red squirrel are considered most likely to be absent given the number of recent grey squirrel records.

No wetlands that appeared suitable for great crested newts were recorded, or were evident from aerial photographs or OS maps, though garden ponds may be present in adjacent properties. A small stream runs through part of the site, and along the northern boundary, but it is small and shallow and unlikely to support otter or water vole.

Ideally all the mature trees would be retained. If mature trees are to be lost then detailed tree surveys to assess bat roosts presence would be required. The school buildings vary in bat roost suitability, with some having known roosts, others having potential and some being well sealed and of negligible suitability. The areas of cover provide good potential habitat for hedgehog.

Additional survey work is required to reliably assess the value for species such as bats and birds.

No other protected or priority species is likely to be affected by the proposals.

The following additional surveys are likely to be required to inform development design, depending on proposed design, and will need to be undertaken prior to planning application:

- Wintering bird risk assessment.
- Breeding bird surveys April to June, including nocturnal.
- Monthly bat surveys and remote monitoring May to September (assuming large scale development is planned).
- Emergence surveys of any buildings to be affected with a risk of supporting bat roosts May to September (number of surveys will depend on building risk).
- Survey of any trees that may be expected to be lost for potential bat roost features.
- Winter badger checking survey.
- Botanical survey in May and June of older grassland.

A copy of the Preliminary Ecological Appraisal can be found in Appendix 4L.

#### **4.2.6 Transport Assessment and Travel Plan**

A travel assessment survey was carried out in November 2018.

QEHS is in a sustainable location, served by public transport and is accessible by walking and cycling. The school redevelopment is therefore in line with the relevant national, regional and local transport policies where, at the heart of the NPPF, is a presumption in favour of sustainable development.

It is anticipated that the development would attract the usual servicing requirements. The design and layout allows for all movements and turning points to be accommodated within the site.

Parking would be provided having regards to NCC Car Parking Guidelines.

Review of the personal injury collisions in the vicinity of the project for a five year period demonstrated that there are no discernible patterns to collisions at any of the junctions or carriageways in the vicinity of the proposed development. There are no apparent collision issues in the area that would affect, or be affected by, the proposed redevelopment. This will be verified as part of the planning submission.

Detailed analysis and junctions' capacity assessment has demonstrated that:

- The highway network is adequate to support the vehicle movements for the proposed development, so as not to be detrimental to highway safety of road users;
- No mitigation measures are required; and
- The development does not result in an unacceptable impact on highway safety or a residual cumulative impact on the road network that is severe and thus should not be refused on transport grounds, as set out in Paragraph 109 of the revised NPPF.

It is concluded that the proposed development meets all safety and planning policy requirements and will have no material impact onto the highway network and as such, there are no transport/highways reasons for refusal of planning permission.

A copy of the Transport Assessment and Travel Plan can be found in Appendix 4K.

#### **4.2.7 Arboriculture Survey**

The Arboricultural Survey was instructed to be carried out on behalf of the ESFA in December 2016. Highlights of the report include:

- The survey included forty individual trees and twenty-three tree groups present within the survey area.
- Trees within the survey area were mostly recorded within areas of mown grass and soft landscape, with a smaller number present within hard landscape.
- The trees surveyed vary from young to mature, with some of the larger specimens on site considered likely to date from the construction of the buildings within the west of the site in 1859.
- None of the trees surveyed are covered by Tree Preservation Orders. Hexham Conservation Area borders re eastern boundary of the site, and following correspondence with NCC's planning department, T20, T25 and part of G27 would likely be included within this designation.

A copy of the Arboriculture Survey can be found within Appendix 4F.

#### **4.2.8 Flood Risk Assessment**

The Flood Risk Assessment was instructed to be carried out on behalf of the ESFA in November 2016.

The site lies within flood zone 1 indicating that the risk of tidal and fluvial flooding is low. There is an unnamed watercourse that runs along the northern boundary of the site which has not been modelled. However, using the EA's Flood Risk from Surface Water map in lieu of any modelling it is considered that the fluvial flood risk from this watercourse is also low.

The EA's Flood Risk from Surface Water maps show that the site is generally at a very 'low risk' of surface water flooding (i.e less than 1 in 1,000 year). However, there are some small areas if ponding shown to have 'low' (1 in 100 to 1 in 1000 year), 'medium' (1 in 30 to 1 in 100 year), and 'high risk' (greater than 1 in 30 year).

As a risk of flooding from surface water has been identified it is recommended this is further investigated at the planning stage to determine the appropriate mitigation steps that may be available. This could include temporary defences, additional drainage, improved maintenance of drainage network.

Flood risk from groundwater, sewerage or artificial sources has also been assessed and is considered to be low.

As the proposals comprise refurbishment of existing buildings there would be no changes to the existing drainage regime. It would therefore not be commensurate with the nature of the proposals to provide attenuation or SuDS.

A copy of the Flood Risk Assessment can be found within Appendix 4G.

#### **4.2.9 Topographic Survey**

A topographic survey has been carried out on behalf of the ESFA, in October 2016 and a copy of the drawings can be found within Appendix 4H.

#### **4.2.10 Utilities Survey**

A utilities survey has been carried out on behalf of the ESFA, in October 2016, and a copy of the drawings can be found within Appendix 4I.

### **4.3 Design Journey**

In developing the feasibility study's initial design proposal, and mindful of the significant site constraints, we have chosen to minimise risks associated with conservation, planning, highway and Sport England as far as possible.

Clearly a different view of these risks would produce different options but this would need further work outside the scope and timescales of this feasibility study. For this reason we have only pursued a single option based on the following assumptions:

- Reuse of as much of the existing listed building as possible, removing only either later or inappropriate ad-hoc extensions to minimise conservation risk.
- Retain as many of the existing trees as possible to respect the setting of the existing listed building and to minimise planning risk.
- Retain the existing vehicular site access on Whetstone Bridge Road and prevent significant movement of vehicles into the site to minimise associated cost and safety issues, and minimise highways risks.
- Retain the existing topography to minimise associated costs due to extensive earthworks, reprofiling and retaining structures.

#### **4.3.1 Option Appraisal**

Initial concept designs were developed for each of the sites prior to negotiations with landowners. However, as a result of these negotiations the only site option available was the existing high school site, as outline ins section 4.3.

#### **4.3.2 Feasibility Design**

##### **4.3.2.1 Access**

In and out vehicular access from Whetstone Bridge Road with the option for either egress via Hellpool Lane or a right turn only into Whetstone Bridge Road. All existing parking and drop off is removed from Whetstone Bridge Road itself.

Space for c.20 buses, c.10 mini buses and c.150 cars on this plateau adjacent to Whetstone Bridge Road. Numbers require further testing but appear reasonable

based on anticipated drop off requirements for middle and high schools, and current parking provision across both sites.

Central boulevard from Whetstone Bridge Road for limited vehicular access (service access/accessible parking/staff parking) including main pedestrian and cycle access to main entrance of existing listed building.

Main entrance to existing listed buildings forms new visitors' entrance to school. Limited parking for accessible/staff of c.50 spaces located adjacent to new visitor's entrance. Service access to kitchen and plant area to south of proposed new buildings with sufficient turning.

Secure cycle parking provided to the north and south of the existing listed buildings and proposed new buildings for middle school children and high school students adjacent to their respective pupil entrances.

Central boulevard pedestrian and cycle access separates middle school children to the south and high school students to the north and leads into their respective dedicated external play and social spaces either side of the existing listed buildings and proposed new buildings.

#### **4.3.2.2 External Areas**

Middle school and high school external play and social spaces consist of both social/quiet play space and active/noisy play space which also doubles up as MUGA provision. Each space is formed by existing clearing in the trees and/or under high tree canopies.

External play and social spaces are in excess of minimum BB103 areas for hard and soft play, and for hard sports. Habitat areas are assumed to be located within existing boundary planting which will more than meet minimum BB103 areas for habitat.

Middle school and high school external play and social spaces provide access to their respective pupil entrances, ensuring separation and separate identities for middle school children and high school students.

The remainder of QEHS site is dedicated to sports pitch provision. Current sports pitch provision is poor consisting of an artificial hockey pitch, five MUGAs, and two grass pitches (both for rugby), with cricket pitch, with artificial wicket, overlaid in summer and surrounding cricket practice nets.

The existing hockey pitch is old and the playing surface requires updating. It is sized only for hockey and not for other sports such as football. Currently it is not floodlit and is close proximity to existing residential properties who are likely to object to any floodlighting proposals.

The existing five MUGAs suffer from non regulation slopes, have outdated surfaces, and lack complete and/or adequate ball stop fences. They are also dual used as play spaces frequently and overspill car parks infrequently.

The grass pitches are poorly drained and consequently are often unusable. While one of the rugby pitches is regulation size the other is undersized. The artificial cricket wicket and cricket practice nets are outdated and require replacement.

Initially the feasibility study suggested a new all weather pitch, large enough for football and hockey, on the site of the existing 1960's buildings, and the draining, levelling and resurfacing of the grass pitches to bring these back into use and to ensure a negligible net loss of grass pitches.

However, in discussion with Sport England this has been amended to achieve a better outcome for sport in the Hexham area generally, and for the school in particular, and to ensure that a single artificial pitch for football and hockey does not compromise the current hockey club.

Therefore the feasibility study has been amended to include the following proposed pitch provision:

- One all weather football pitch and one all-weather hockey pitch on the site of the existing grass pitches. This would also allow football training on the hockey pitch, and three 5-a-side pitches across the width of the football pitch.
- One rugby and football grass pitch on the site of the existing 1960's buildings. This would also allow smaller football and rugby pitches for younger children to be marked out across the width of the pitch.

This also locates the all weather pitches in least sensitive part of the site with regard to floodlighting and its potential impact on adjacent residential properties, making out of hours community use of these pitches far more viable.

In addition to the north west, separated from the site by a public footpath, is a small area of land within the high school's ownership known as the Orchard Site, which was previously used as a MUGA, latterly as a garden/growing area, but now is currently derelict.

The Orchard Site offers the opportunity for three MUGAs and is more directly connected to the site through new steps though the embankment to the north west, with secured gates to and from both sites site opposite each other across the public footpath.

In terms of BB103 there is a large shortfall in the provision of grass pitches given the significant site constraints which is intended to be offset by the greater provision of all weather pitches and MUGAs, and consequently make the best use of the available site for school and community sports.

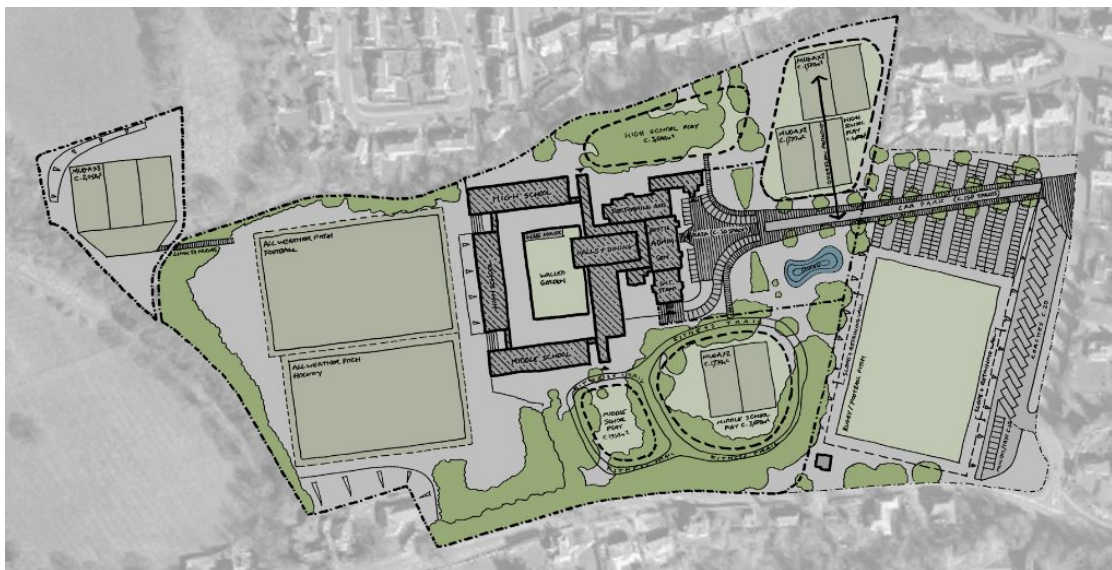
The feasibility study assumes fencing around the sports pitches, play spaces and school buildings to maintain children and student safeguarding, leaving the drop off, car park and central boulevard unfenced to provide a welcoming aspect for the community approaching the visitors' entrance.

#### 4.3.2.3 Massing and Identity

Generally, the proposed new buildings are concealed from site wide views by the existing trees and existing listed buildings. The proposed new buildings are generally limited to three storeys to respect the scale of the existing listed buildings, which vary between two and five storeys.

The existing listed building forms the visitors' entrance and community frontage, with access to out of hours community use of performance, sport and dining facilities; it also accommodates post-16 and staff and administration facilities.

The middle school and high school have their own pupil entrances and own distinct teaching and social spaces with separately articulated teaching blocks offering the potential for each to maintain their separate identities but within the framework of an integrated facility.



Control Option Site Plan



#### **4.3.2.4 SEN Accessibility**

The feasibility study assumes that all new build elements will provide full accessibility and DDA compliance, with their detailed scheme design being capable of compliance with BS8300 and the relevant building regulations.

In terms of the existing listed building the feasibility study recognises that full accessibility may present onerous design challenges given the nature of the existing listed building, with existing multiple changes in level and existing horizontal and vertical circulation routes.

The feasibility study proposes two new lifts within the existing listed building which allows full accessibility to approximately 85% of its floor area. Of the remaining floor area (c.500sqm) which does not have full accessibility, alternative equivalent facilities are provided elsewhere in the school.

Equally the existing site has significant slopes which make full accessibility onerous to achieve. The feasibility study therefore assumes the following:

- All middle school and high school play spaces are fully accessible in themselves and from the proposed new buildings;
- Access to the all weather pitches can be provided from the proposed new building's first floor level which is at the same level as the all weather pitches; and
- Access to the grass pitch can be provided from the adjacent car park where some accessible spaces will need to be provided.

Full accessibility to the visitors' entrance and new school from Whetstone Bridge Road is not feasible. The central boulevard rises approximately 15m from the site entrance to the visitors' entrance which would result in inordinately long and impractical ramp of approximately 300m.

Instead, the feasibility study assumes that access to the visitors' entrance and new school is provided from the adjacent car park at the western end of the central boulevard where accessible spaces will need to be provided.

#### **4.3.2.5 Internal Layout**

The feasibility study proposes to retain the existing listed buildings as the community frontage of the new school. Proposed new buildings are attached to the rear of the existing listed buildings with further proposed new buildings creating a courtyard around the existing walled garden.

The listed building has three principal periods of development as follows:

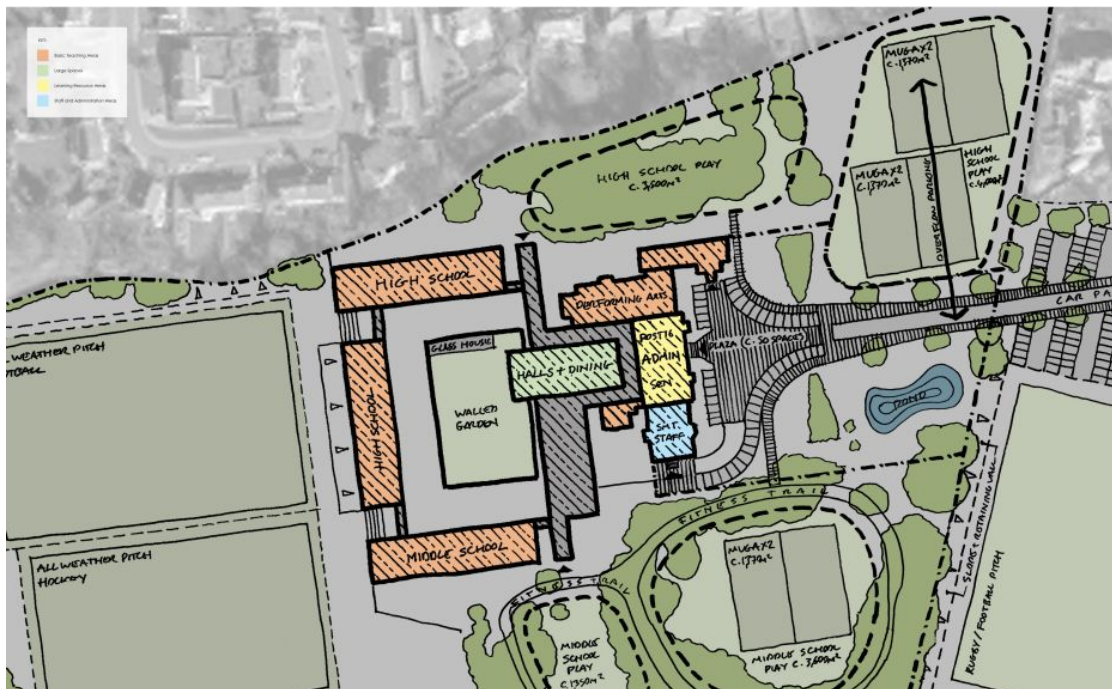
- 1864 - construction of Westfield House (annotated building 1) and walled garden.
- 1878 - construction of Hydropathic Hotel (annotated buildings 2, 3 and 4).
- 1907 - construction of Winter Garden (annotated building 5).

In addition there have been multiple ad-hoc extensions, remodelling and refurbishment which have occurred during the building's transition from a country house, to a hydropathic hotel, to a teacher training college and finally to a high school.

A brief heritage assessment has been conducted as part of this feasibility study to identify areas of likely heritage value as indicated on the drawings. This includes massing, elevations and interiors as well as landscape elements. From this brief heritage assessment the feasibility study proposes to retain the majority of these areas of likely heritage value. Therefore generally only single storey elements to the rear of the existing listed buildings and single storey outbuildings are lost.

The feasibility study proposes that the existing listed building is reused for administration, staff, SEN and post-16 accommodation and some performing arts accommodation, with minimal disturbance or remodelling. The attached proposed new building contains performance, sport, and dining facilities as a co-located resource for both middle and high schools, along with the co-location of these facilities for out of hours community use.

The three proposed new buildings surrounding the retained walled garden contain the majority of the teaching spaces, each consisting of two interlinked floors of general teaching, which form both year and departmental bases, with specialist teaching to the upper floor. For the purposes of the feasibility study it has been assumed that years 5 and 6 will remain within the middle school teaching block, with specialist teaching being largely delivered within the cluster. It has also been assumed that years 7 and 8 will remain in the middle school teaching block for general teaching but use the high school specialist teaching on a timetabled basis.



Control Option General Arrangements Plan

#### 4.4 Carbon Reduction

NCC's approach to Carbon Reduction is set out in its draft Northumberland Local Plan. The Local Plan seeks to ensure that development is environmentally sustainable and to make sure that planning applications demonstrate that energy efficiency considerations have guided the design process. This includes consideration of opportunities to incorporate passive design measures such as anaerobic digestion, biomass, heat pumps, hydro, onshore wind and solar, and that the supply of energy and heat from renewable and low carbon sources will aim to contribute towards meeting national targets and help to address fuel poverty.

The Local Plan recognises that improving sustainability may produce innovative designs which could be considered to be out of keeping with Northumberland's architectural character. Proposals for innovative design, which may include construction materials and techniques, will be supported, provided that they do not conflict with other policies in the plan, particularly where it can be demonstrated that the building will be compatible with its setting and will not have a significant adverse impact on the environment.

As such, the policy in the Northumberland Local Plan Pre-submission Draft (December 2018) states that new developments will incorporate sustainable building practices and, where possible, will contribute to improving the existing building stock, along with incorporating decentralised, renewable and low carbon energy.

In addition, the LA have signed to the Emissions Public Sector Pledge, of which the target aim is to reduce greenhouse gas emissions across our sectors by 30% by 2020 to 2021, compared to a 2009 to 2010 baseline; and signed the Covenant of Mayors pledge which pledges action to support implementation of the EU 40% greenhouse gas-reduction target by 2030 and the adoption of a joint approach to tackling mitigation and adaptation to climate change.

#### **4.5 Third Party Users**

As part of the consultation process a schedule of all third party users of both the existing middle school and existing high school was compiled. This schedule is included in Appendix 4J.

Consultation with all third party users will continue throughout the design and construction phases of the project should this OBC be approved, and project proceeds.

#### **4.6 Caretakers' Houses**

Caretakers' houses exist in relation to the both current school sites; it is policy not to re-provide caretakers houses as part of new build school projects. NCC will work with the school to facilitate a solution within the timescales of the project.

#### **4.7 Health and Safety**

The design requires consideration to the potential implications of the Workplace (Health, Safety and Welfare) Regulations 1992, the Construction Design and Management (CDM) Regulations 2015 and all other construction related health and safety legislation with regards to the options developed during the current design.

At this stage of the design, it should be noted that all comments relate to high level issues in recognition of the level of development of the design. The focus of the health, safety and welfare input is placed on the strategic elimination, reduction and control of foreseeable risks across the whole life-cycle of the scheme - all issues will require further development as the design progresses.

The phasing of the works is critical to the safety of the existing school users and public visiting the site. This needs to consider how the design and temporary work impacts the existing school and the additional control measures required throughout the build to minimise conflict between the school and the construction activities. The phasing/temporary design must consider:

- Possible structural issues due to the age of the building;
- Local repairs on the existing listed building being retained;
- Position of temporary classrooms to reduce impact from construction activities;
- Effective vehicle and pedestrian segregation;

- Tree removal;
- Ecological issues;
- Topographical challenges / differences in levels making access difficult;
- Impacts from traffic (buses / drop offs) congestion at peak times;
- The public right of way through the land;
- The hockey pitch being accessible to the public throughout the build;
- The age of the existing fire alarm system; and
- The proximity to the conservation area.

A 'Temporary Works Schedule' is required to be prepared during the next phase of the design, listing any significant temporary works and passing this information to the Principal Contractor as part of the Pre-Construction Information.

All scenarios on the existing school sites include demolition work to redevelop the existing listed building. The extent of proposed demolition will potentially expose construction workforce, third parties and the public to asbestos risk; a pre-demolition asbestos survey will be required for each building/structure. The proposed demolition will expose construction workforce, third parties and the public to other reasonably foreseeable hazards including:

- Dust;
- Noise;
- Vibration;
- Lead; and
- Utility Services

As the permanent design involves the creation of a workplace, the Workplace (Health, Safety and Welfare) Regulations 1992 will apply (but will not apply during the construction phase, for which CDM 2015 contains provisions).

In relation to the proposed building the impact of the design must consider:

- Priority to permanent, collective edge protection;
- Access/equipment/activities associated with cleaning and maintaining the structures;
- Information pertaining to any proprietary system to access roofs/voids;
- Anti-social behaviour/crime prevention;
- Lighting;
- Climbing hazards;
- Flooding / drainage; and
- Biological hazards - including Leptospirosis/Weils Disease, Lyme disease etc.

The extent of works required to develop the preferred design will require the appointment of CDM duty holders with sufficient skills, knowledge, experience and training to fulfil their respective roles.

The appointed Principal Designer must ensure the general principles of prevention are applied to the design and hazards are reduced to an acceptable level. Information relating to residual hazards must be passed to the Principal Contractor for inclusion into the Construction Phase Plan and Health and Safety file.

#### 4.8 Summary

The feasibility study has taken into account Hadrian Learning Trust's broad educational brief, conservation, planning, highways and Sport England requirements as they are relevant to this initial stage of design.

In addition the feasibility study has taken into account all of the surveys referenced in this Outline Business Case and all relevant design guidance and standards as they are relevant to this initial stage of design.

It is therefore considered that the feasibility study demonstrates the viability of relocating the middle school and high school on to the high school site and provides a sound basis for the completion of the design.

|  |                                       |
|--|---------------------------------------|
| The following documents are attached at <b>Appendix 4:</b> |                                       |
| 4A   | HLT Education Brief                   |
| 4B   | Desktop Study                         |
| 4C   | Geophysical Survey                    |
| 4D   | Ground Investigation Report           |
| 4E   | Measured Survey of the Hydro Building |
| 4F   | Arboriculture Survey                  |
| 4G   | Flood Risk Assessment                 |
| 4H   | Topographical Survey                  |
| 4I   | Utilities Survey                      |
| 4J   | Third Party Users                     |
| 4K   | Transport Assessment                  |
| 4L   | Preliminary Ecological Appraisal      |

## **5 Commercial Appraisal**

**Section 5** of this Outline Business Case describes the commercial appraisal for the options available for the scheme.

### **5.1 Introduction**

This section for the OBC examines and sets out the current position with regards to the commercial viability of the scheme. NCC along with its Technical Advisor has undertaken a feasibility cost assessment of the scheme, based on the options outlined earlier in section 3.3 of this report.

### **5.2 Funding**

The allocation of £37.1m capital funding; subject to full Council approval on 20 February 2019 of the Council's medium term financial plan 2019-22. Due to the previous successful application by the local authority to have Queen Elizabeth High School included in the Priority School Building Programme, the DfE will be making a contribution to the project for works associated with the refurbishment of the Grade II\* listed building. This is a time limited and ring-fenced fixed sum that will need to be fully expended against the scheme by March 2021.

There is potential for Sport England and/or Football Foundation funding or funding via other national governing bodies of sport, but this has not been included in any figures reported herein.

Other grants or funding streams may be available, but at the time of writing these have not been pursued. The reason for this is that NCC wishes to remain in full control of the scheme design and requirements by reducing the input of external factors which would otherwise have an impact on the scheme and programme.

### **5.3 Project Assumptions**

A number of assumptions have been used in calculating the scheme costs and are identified as follows:

- Design & Build Procurement Route;
- Works to be completed by September 2021;
- Works to be carried out during normal working hours;
- The existing Hydro building will be fully decanted during the works; and
- Works will be completed in two phases - to be agreed in further detail with the Main Contractor.

The following exclusions also apply:

- VAT;
- Capital allowances;

- Third party grant or funding, other than those mentioned above;
- Land acquisition costs;
- Maintenance costs;
- Finance costs; and
- Loose FF&E and ICT equipment

The Schedule of Areas and pupil numbers are the key driver for the funding for construction costs. These have in turn assisted with the generation of the design options on which the cost information has been prepared. The following figures in Table 5A have been used for projected pupil numbers:

**Table 5A: Projected Pupil Numbers**

| School Site                  | Total Proposed Numbers |
|------------------------------|------------------------|
| Queen Elizabeth High School  | 1,308                  |
| Hexham Middle School         | 600                    |
| Hadrian Learning Trust Total | <b>1,908</b>           |

#### 5.4 Overall Construction Cost

NCC and its Technical Advisor have developed costs for each of the options to demonstrate the scheme's affordability. Build cost rates used have been taken from the Building Cost Information Service (BCIS), in-house cost data and by benchmarking against other recently completed schemes of a similar size and nature. The table below provides a cost comparison of the Option Estimates:

**Table 5b: Overall Scheme Options**

| Overall Scheme Options Cost |  |             |
|-----------------------------|--|-------------|
| Ref                         | Option   | Total       |
| 1                           | Development of a new co-located High and Middle School on the Queen Elizabeth High School site.  | £36,090,900 |
| 2                           | Development of a new co-located High and Middle School on the Queen Elizabeth High School site, incorporating additional land to the west. | £38,108,250 |
| 3                           | Development of a co-located High and Middle School on the Hermitage site.  | £32,618,000 |
| 4                           | Development of a co-located High and Middle School on the Highwood site.   | £33,615,000 |



|   |   |             |
|---|---|-------------|
| 5 | Development of a new middle and new high school buildings on their existing school sites to replace the existing provision.             | £39,082,875 |
| 6 | Schools remain in current locations with no work undertaken and no disposals. Work is undertaken to Hydro as funding already allocated. | £11,510,390 |

#### 5.4.1 Construction Cost including inflation

The table below provides a further cost breakdown of the estimated design and construction costs based on the Options in table 5b above.

**Table 5c: Design and Construction Costs**

| Design and Construction Costs |              |            |                    |
|-------------------------------|--------------|------------|--------------------|
| Option                        | Construction | Inflation  | Total              |
| 1                             | £34,786,900  | £1,304,000 | <b>£36,090,900</b> |
| 2                             | £36,731,250  | £1,377,000 | <b>£38,108,250</b> |
| 3                             | £31,440,000  | £1,178,000 | <b>£32,618,000</b> |
| 4                             | £32,401,000  | £1,214,000 | <b>£33,615,000</b> |
| 5                             | £37,670,875  | £1,412,000 | <b>£39,082,875</b> |
| 6                             | £11,094,390  | £416,000   | <b>£11,510,390</b> |

The cost estimates above make allowance for the following:

- 4% regional inflation has been included, to 4th quarter of 2020 (midpoint of construction).
- Design Team fees are built in to the construction cost as it assumed a Design & Build procurement route.

#### 5.4.2 Abnormal Costs

During the development of the options, surveys and investigations have been undertaken and their results considered. The resultant abnormal costs identified have been estimated and are summarised in Table 5d.

**Table 5d: Abnormal Cost**

| Category                             | Options (£)      |                  |                  |                  |                   |          |
|--------------------------------------|------------------|------------------|------------------|------------------|-------------------|----------|
|                                      | 1                | 2                | 3                | 4                | 5                 | 6        |
| <i>Ecology</i>                       | 100,000          | 100,000          | 50,000           | 50,000           | 150,000           | -        |
| <i>New entrance junctions</i>        | 100,000          | 200,000          | 200,000          | 200,000          | 150,000           | -        |
| <i>Section 106 works</i>             | n/a              | n/a              | n/a              | n/a              | n/a               | n/a      |
| <i>Section 278 works</i>             | 250,000          | 250,000          | 1,000,000        | 500,000          | 350,000           | -        |
| <i>3G hockey pitch</i>               | 650,000          | 650,000          | 650,000          | 650,000          | 650,000           | -        |
| <i>3G football/ rugby Pitch</i>      | 650,000          | 650,000          | 650,000          | 650,000          | 650,000           | -        |
| <i>Increased foundations</i>         | 567,700          | 518,500          | 726,000          | 726,000          | 470,100           | -        |
| <i>Retaining Structures</i>          | 500,000          | 250,000          | 100,000          | 100,000          | 650,000           | -        |
| <i>Arboriculture</i>                 | 100,000          | 300,000          | 100,000          | 500,000          | 125,000           | -        |
| <i>SuDs/Drainage/ Attenuation</i>    | 755,000          | 750,000          | 750,000          | 750,000          | 785,000           | -        |
| <i>Stats – supplies</i>              | 250,000          | 250,000          | 350,000          | 400,000          | 350,000           | -        |
| <i>Stats – diversions</i>            | 50,000           | 50,000           | 150,000          | 50,000           | 75,000            | -        |
| <i>Topography</i>                    | 400,000          | 850,000          | 100,000          | 1,000,000        | 500,000           | -        |
| <i>Demolitions</i>                   | 520,000          | 500,000          | 500,000          | 500,000          | 750,000           | -        |
| <i>Asbestos Removal</i>              | 250,000          | 250,000          | 165,000          | 165,000          | 350,000           | -        |
| <i>Temporary Buildings</i>           | 800,000          | 800,000          | n/a              | n/a              | 800,000           | -        |
| <i>Enabling works for transition</i> | 120,000          | 120,000          | n/a              | n/a              | 120,000           | -        |
| <i>Upgrade/Divert PROW</i>           | n/a              | 850,000          | n/a              | 150,000          | n/a               | n/a      |
| <i>Condition Repairs to Hydro</i>    | 2,000,000        | 2,000,000        | -                | -                | 2,000,000         | -        |
| <i>Condition Repairs to Fellside</i> | -                | -                | -                | -                | 1,250,000         | -        |
| <b>Total (£)</b>                     | <b>8,062,700</b> | <b>9,338,500</b> | <b>5,491,000</b> | <b>6,391,000</b> | <b>10,175,100</b> | <b>-</b> |

The list of abnormal items has been collated, in part, from the preliminary results of the various surveys which have been carried out as part of the OBC process.

- An initial ecology & transport survey has been undertaken; however, there will be a requirement for further detailed surveys to be carried out during the next stage.
- Costs have been included to enhance foundations due to unfavourable ground conditions as a result of site level issues and made ground.
- The current design is based upon maximising the use of the existing topography of the site; however, there is likely to be a requirement for retaining structures to be provided so an allowance is included for these.
- Detailed tree surveys have been carried out; however, these were carried out over 24 months ago so there may be extra arboriculture works required and an allowance has been included for these works.
- All options will require drainage solutions such as sustainable urban drainage systems (SuDS), attenuation tanks, ponds, and soakaways etc. so an allowance has been included for this.
- New gas, electricity and water supplies will need to be provided to the sites, together with the removal of any existing redundant services.
- Options 1, 5 and 6 will require temporary accommodation for existing students whilst the new school is being constructed.
- Programme implications may be encountered on options 1, 5 and 6 due to the decanting of the existing students and a cost is included to cover this.
- Condition repairs to the Hydro are included for all options except options 3 and 4.

#### **5.4.3 ICT and FF&E**

Costs for end-user ICT equipment and loose FF&E have been excluded from the estimate.

#### **5.4.4 Fees**

Design team fees have been included in the construction costs.

A further allowance of £1m is included for other professional services within the overall budget estimate of £37.1m.

## 5.5 Summary

Options 1, 5 and 6 are the only viable scheme options based on land currently in NCC ownership.

The preferred option is to co-locate the high and middle schools on the existing high school site in new buildings whilst retaining and refurbishing part of the Grade II\* listed Hydro Building.

This option also represents the most affordable viability at just over £36.1m.

This budget is in line with provisions made within Northumberland County Council's medium term plan for the delivery of the project as detailed within this Outline Business Case, and includes a contribution from the Department for Education.

## 6 READINESS TO DELIVER

**Section 6** and **Appendix 6** of the Outline Business Case sets out the LA's project management structure and identifies the roles and responsibilities of each part of the structure. The key members of the team and the external advisers are named and information is provided on their skills, experience and time commitment to the project. This section also sets out the approved budgets (including consultant advisory fees) and the delegated authorities given to a named senior officer within the key stakeholders.

### 6.1 Project Governance

The NCC process for project structure and governance has been established to oversee and manage the relevant stages of this initiative. A Project Board, Project Steering Group and Project Team have been established, although membership of either group may be subject to variation according to the requirements of the project should it move forwards to implementation. Membership of the Project Board is shown in Table 6A:

**Table 6A: Project Board Membership**

| Project Board Membership |   |                  |
|--------------------------|---|------------------|
| Name                     | Post  | Role             |
| Cath McEvoy-Carr         | Executive Director of Adults & Children's Social Care and Education | Chair            |
| Sue Aviston              | Head of School Organisation and Resources                           | Project Director |
| Dean Jackson             | Service Director Education and Skills                               | Member           |
| Alistair Bennett         | Principal Accounting Manager  | Member           |
| Alison Elsdon            | Service Director Finance  | Member           |
| Paul Johnson             | Acting Executive Director of Place                                  | Member           |
| David Laux               | Head of Technical Services  | Member           |
| Teresa Palmer            | Head of Procurement Shared Services                                 | Member           |
| Mike Turner              | Head of Property and Capital Programming                            | Member           |

**Table 6B: Project Steering Group**

| <b>Project Steering Group Membership</b> |  |             |
|--|--|-------------|
| <b>Name</b>                              | <b>Post</b>  | <b>Role</b> |
| Wayne Daley                              | Deputy Leader of NCC and Lead Member for Children's Services | Chair       |
| Cath Homer                               | Lead Member for Culture, Arts and Leisure                    | Member      |
| Nick Oliver                              | Lead Member for Corporate Services                           | Member      |
| Trevor Cessford                          | County Councillor  | Member      |
| Graeme Atkins                            | Executive Headteacher Hadrian Learning Trust                 | Member      |
| Simon Kitchman                           | Chair of The Hadrian Learning Trust                          | Member      |
| Sue Aviston                              | Head of School Organisation and Resources                    | Member      |
| Dean Jackson                             | Service Director Education and Skills                        | Member      |

The Project Steering Group, outlined in Table 6B, is a consultative group between the academy trust and the LA. The group will represent the local area and will ensure the local views are taken into account through the development of the project.

### **6.1.1 Project Management**

A project team has been assembled to produce this OBC for review and decision by NCC's Cabinet. If the scheme is approved to move forward, the suitability of the current project team would be reviewed and relevant adjustments made to personnel where required to ensure successful delivery.

From consultation to implementation, the project team (outlined in Table 6C) has a breadth of knowledge and experience of successfully delivering significant school capital projects well over a decade for NCC and other authorities.

Faithful+Gould were appointed in 2009 as NCC's framework consultant for project management, quantity surveying and other construction related services and having been working in unison with both Children's and Property Services for the last ten years.

It is recommended that Faithful+Gould are retained post OBC as technical advisers to procure the contractor and to perform the project management role for the delivery of schools from start on site through to completion inclusive of cost management and contract administration.

**Table 6C: Project Team**

| <b>Project Team</b>                           |   |                       |
|---|---|-----------------------|
| <b>Role on Project</b>                        | <b>Position</b>   | <b>Name</b>           |
| Project Sponsor                               | Executive Director of Adults & Children's Social Care and Education | Cath McEvoy-Carr      |
| Project Director                              | Head of School Organisation and Resources.                          | Sue Aviston           |
| Project Assistance                            | Project Support Officer   | Andy Parmley          |
| Hadrian Learning Trust Representative         | Executive Headteacher   | Graeme Atkins         |
| Hadrian Learning Trust Representative         | Chief Financial Officer   | Sarah Sparke          |
| Hadrian Learning Trust Trustee Representative | Chair of the Trust  | Simon Kitchman        |
| Communications officer                        | School Organisation Manager.  | Lorraine Fife         |
| Land issues and investigations                | Strategic Estates Manager   | Mike Robbins          |
| Legal Adviser                                 | Legal Adviser   | Womble Bond Dickinson |
| Technical Adviser                             | Project Management Services   | Faithful+Gould        |

Resources have been commissioned to undertake the site options appraisal, to determine affordability and feasibility and to collate the OBC. These appointments were made via NCC's framework contract with Faithful+Gould.

## **6.2 Consultation and Statutory Approvals**

### **6.2.1 Hadrian Learning Trust's Significant Change Consultation**

Should the business case be approved for implementation, HLT would need to undertake a consultation in order to seek the views of parents, pupils, staff, the LA and other stakeholders on the proposed relocation of HMS to the QEHS site. It would then be for the Regional Schools Commissioner to consider whether to approve the proposal. This process is required by legislation and guidance is set out in the DfE document 'Making Significant Changes to an Open Academy'.

Consultation will be undertaken late February if Cabinet approve that the project moves forward to procurement.

### **6.2.2 Other Consultations**

#### **Current and future planning consultations**

Relevant bodies have been informally consulted to develop the proposals in order to incorporate their views within the various site option appraisals. Implementation is subject to NCC approval at Cabinet on 12 February 2019.

As the preferred option for QEHS and HMS has been identified as the relocation of the middle school to the high school site and the refurbishment and remodelling of the latter, these proposals would now form the basis of the planning submission.

Planning policies would be fully adhered to, appropriate sporting provision is being made to meet Sport England requirements, rights of way would be adjusted where necessary and ongoing discussions are progressing with Highways to ensure all appropriate needs and standards are met.

### **6.3 Market Testing**

Soft market testing is already underway with preliminary conversations taking place with suitably sized contractors in the local North East market to gauge their appetite for the scheme and participating in the proposed procurement route. Interest has been encouraging.

However, this would be further tested by NCC hosting a bidder's day, scheduled for 14 February 2019, wherein several suitably sized contractors would be invited to attend in person to meet with the project team to hear about the aspirations and objectives of the proposed school development. The project team would make a short presentation on the OBC, its concept design proposals and programmed route to market, with a question and answer session to follow this.

The project team would be looking to clarify:

- Aspirations and objectives that NCC, together with their stakeholders namely the HLT, have for the development;
- Appetite from the market for bidding for the opportunity either via a single stage or two stage tender procurement route;
- Understanding of the proposed route to market and the associated cost of engaging in a competitive dialogue process; and
- Evidence that contractors have resources and supply chain partners available to react to the challenging procurement programme.

### **6.4 Risk**

A risk workshop was undertaken in the early phase of the project which included the representatives from HLT, the Project Team and NCC's Risk Manager who facilitated the process. A risk register was developed and mitigation measures put in place in order for this project to proceed. The risk register will be constantly monitored throughout the project with key risks and issues being reported at every Project



Board meeting. The risk register is managed by the Project Director with specific input from the Project Team.

The Risk Register contained in Appendix 6A, details:

- the top ten risks identified during the process leading to preparation of this OBC;
- who is responsible for the mitigation; and
- the measures being taken to mitigate each risk.

## 6.5 Summary

Northumberland County Council has put in place resources for the duration of the project, including post contract, to monitor and maintain ongoing relations between the Northumberland County Council and Hadrian Learning Trust to ensure the effective delivery of the project., throughout its lifetime.

A Bidders' Day is scheduled for 14 February 2019.

A risk workshop has been held and a risk strategy developed. Risk will continue to be monitored and evaluated with any changes being reported to the Project Board on a monthly basis.

The following documents are attached at **Appendix 6:**

|    |                       |
|----|-----------------------|
| 6A | Project Risk Register |
|----|-----------------------|

## **7 MOVING FORWARD**

*Section 7* sets out the proposed recommended approach for the procurement should approval for the scheme be given by Northumberland County Council's Cabinet.

### **7.1 Preparation for Procurement**

To achieve the key programme objective, identified in section 2.1, principally handover of the building to allow occupation for September 2021 several critical path activities have to be achieved, namely:

- Planning to be determined during week commencing 06 January 2020.
- Contract to be awarded on 24 January 2020.
- Construction to commence 10 February 2020.

To award contract in January 2020 utilising the proposed procurement route to market, the OJEU contract notice needs to be published on 25 February 2019. The PQQ/ITPD tender documents would also have to be finalised for this same date to allow interested contractors to download for completion. The notice must remain open for 30 calendar days. This allows a small window of eight working days from Cabinet approval of the OBC to prepare the notice and associated documentation.

Shortlisting of contractors would be required by early April 2019 to run a design competition as part of the competitive dialogue process with a minimum of three contractors (Public Contracts Regulations [PCR] 2015). The dialogue is programmed to run in two parts over a split twelve-week duration to include weekly interim design reviews and eliminating one of the contractors after week 4. A final review and selection of a winning contractor will occur by week ending 9 August 2019. On approval of the FBC the PCSA (Pre-Construction Services Agreement) will be awarded to the preferred bidder by 23 August 2019 subject to when Cabinet meet.

Depending on whether the design team members choose to run with a contracting organisation will influence whether they are involved or conflicted in participating in the design assessment of the contractor submissions. If they are conflicted a separate exercise will be undertaken to select designers to complement and support the technical project team with this element of the dialogue process. The designers will be appointed via competition and in line with NCC's procurement processes.

On award of the PCSA the successful tenderer will have five weeks following the ten day standstill period to submit the planning application to keep to programme to secure the second key objective identified above of securing planning in January 2020. In parallel, the contractor will instruct detailed design development and will mobilise on granting of planning with a view to commencing construction on 10 February 2020.

A circa 85 week build programme is anticipated, however this will be confirmed as part of the dialogue negotiations. Completion in late August 2020 will be written into the documents as an Employer's Requirement.

## **7.2 Summary**

A critical path of scheduled delivery activities has been provided based on the proposed route to market, competitive dialogue, and in line with the Public Contracts Regulations [PCR] 2015.

NCC's technical advisers to be commissioned to issue the OJEU Contract Notice, to draft the PQQ/IPDT and to engage in dialogue with the three shortlisted contractors.

The evaluation team to be established and briefed will be dependent on whether design team partners choose to remain client-side or undertake a works with a contractor.