

**CLACKMANNANSHIRE COUNCIL**

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**Report to Clackmannanshire Council**

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**Date of Meeting: 27<sup>th</sup> June 2024**

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**Subject: Wellbeing Hub & Lochies School Project Update**

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**Report by: Robbie Stewart, Senior Manager, Sport & Leisure**

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**1.0 Purpose**

- 1.1. The purpose of this report is to provide Council with an update on the progress of the Wellbeing Hub & Lochies School project.

**2.0 Recommendations**

- 2.1. It is recommended that Council approves the Outline Business Case to allow the project to continue through RIBA Stages 3 and 4 (Technical Design) and proceed with the preparation of the Full Business Case. **(see paragraphs 3.1-3.12 and appendix 1)**

*It is recommended that the Council notes the following:*

- 2.2. Key programme updates including Hub Stage 1 (RIBA Stage 2) Submission and submission of the Full Planning Application **(see paragraphs 3.13-3.16)**

**3.0 Considerations**

***Outline Business Case***

- 3.1. An Outline Business Case (OBC) **(see appendix 1)** has been developed for the Wellbeing Hub and Lochies School investment proposal to evaluate the benefits, costs, and risks, provide justification for the preferred option, and set-out the arrangements for successful delivery. The purpose of the OBC is to provide Clackmannanshire Council and key stakeholders with the assurance that the proposed investment delivers value for money and enables the Council to make informed decisions regarding the continuing viability of the project.
- 3.2. The project has reached the end of RIBA Stage 2 (Concept Design) and the SFT Hub Framework Stage 1 gateway. This is key decision point in the development lifecycle to determine whether to proceed to the next stage of the development process, the Full Business Case (FBC).

- 3.3. The project has an ambitious vision and series of strategic objectives (defined within the Strategic Case) and the case for change considers how this investment would contribute to and compliment the wider strategic plans and policies across Clackmannanshire Council as well as reflecting on the existing arrangements and future need. The overarching vision for the project is:

*“A hub that provides a range of health, wellbeing and learning services that are connected, holistic and well signposted both internally and with other services in Clackmannanshire, creating a destination that the community takes pride in. Lochies School and the Wellbeing Hub enjoy mutual benefits from facilities and skills that would not be available to each as separate entities.”*

*“A place where the whole community feels welcome, safe and encouraged to come in, spend time, try new things or develop existing skills and activities. A destination improving health and wellbeing opportunities for every person in Clackmannanshire. Inclusivity, equity and accessibility are central to the entire user journey, helping people to be connected, active and well throughout their lives.”*

- 3.4. Through the work undertaken to date, a range of options have been evaluated against the objectives and Critical Success Factors to identify the preferred option and demonstrate value for money. Options for continuing with the current arrangements (business as usual) have also been considered but have been deemed non-viable options as they meet neither the current nor future needs for Clackmannanshire. The results arising from the detailed options appraisal exercises identified the preferred option as the Alloa West (Pavilions) site, Wellbeing Hub optimal facilities mix and Lochies School joint project with joined buildings built to Passivhaus design standards.
- 3.5. The project is being procured through the Scottish Futures Trust (SFT) Hub Programme and will utilise the SFT Design and Build Development Agreement (DBDA) as the form of contract between Clackmannanshire Council and Hub East Central Scotland (Hubco). The project has reached the end of Hub Stage 1 under the terms of the Territory Partnering Agreement (TPA) and is looking to proceed to Stage 2. Financial Close is planned for Q1 2025 and completion of the construction works planned for the end of Q4 2026 with both the Wellbeing Hub and Lochies School becoming operational in 2027.
- 3.6. Thorough cost estimates have been prepared for both capital and revenue funding to determine the affordability of the investment. The predicted development amount between the Council and Hubco is £64,893,388, with an overall estimated capital investment figure for the Council of £77,500,000. The estimated lifecycle cost for the entire asset is £8,447,207 which equates to £32.54/m<sup>2</sup>/annum over a 25-year period.
- 3.7. Demand and financial modelling has also been undertaken for the Wellbeing Hub with a projected net expenditure of £387,084 in Year 1 and £254,028 from Year 2 excluding lifecycle and maintenance costs. This projected expenditure will be met through existing provision within the Leisure Assets Budget. Further detailed modelling will be undertaken to include lifecycle and

maintenance costs within the scope of the Leisure Assets budget with additional income generating opportunities being explored to reduce the annual cost to the Council further in future years.

- 3.8. At this early stage in the development lifecycle, it should be noted that this initial revenue cost forecast is subject to further refinement of the design proposals, use of spaces, additional income generating opportunities, and staffing models to optimise the net expenditure to ensure financial sustainability. In addition, this model assumes a fully self-sufficient operating model without spaces such as the café and climbing areas being leased to external providers and suppliers to operate.
- 3.9. A thorough review and consideration has still to be given to the wider network of services across Clackmannanshire to ensure the new facility complements and enhances the services already on offer across Clackmannanshire to avoid duplication and improve efficiency. Continued engagement is required with community groups and organisations to identify elements of the proposal which can be jointly operated in partnership with the council to align with the Family Wellbeing Partnership approach and Target Operating Model (TOM) which places the needs of residents, communities and businesses at the heart of Council decision-making.
- 3.10. Aligned to the TOM and FWP a mixed economy model will be explored to ensure Council's decisions on what and how services are provided within the Wellbeing Hub are driven by objective analytical evaluations of the most effective ways of addressing customer needs, delivering outcomes, ensuring resilience in service delivery and securing financial sustainability.
- 3.11. Further detail on the operating model will be brought back to Council in January 2025 as part of the Full Business Case.
- 3.12. Detailed management and governance procedures have been established for successful project delivery and in accordance with governance procedures, the decision required at this gateway is whether to proceed to the preparation of the Full Business Case (FBC). The FBC will be the final investment decision (OGC Gateway 3) at the end of RIBA Stage 4 (Technical Design) and Hub Stage 2 and will provide the final recommendation for an affordable project which delivers value for money.

### ***Programme Update***

- 3.13. The project has now reached the next key gateway in the design development process. The Council's development partners Hubco have submitted their Hub Stage 1 (RIBA Stage 2) submission for the Council's Project Team to review, comment and approve.
- 3.14. The Project Team have commenced the 4-week review period and are due to return comments and formal Stage 1 approval to Hubco in mid-June.
- 3.15. The Stage 1 submission gateway provides the functional baseline to allow the project to progress to RIBA Stages 3 and 4 (Detailed and Technical design). The Stage 1 submission has also been used to inform the Outline Business Case for review and approval by Council.

3.16. The Full Planning Application will be submitted to the Planning Authority in mid-June with a decision targeted for the Planning Committee meeting at the end of October 2024.

#### 4.0 Sustainability Implications

4.1 Alignment with the Clackmannanshire Council Interim Climate Change Strategy

#### 5.0 Resource Implications

5.1 Financial Details

The projected costs for the Wellbeing Hub and Lochies School developments are outlined in the General Services Capital Programme 2023/24 to 2042/43 and within the OBC (**see appendix 1**).

Discussions are ongoing with Scottish Futures Trust to confirm the level of revenue funding that will be provided from the Learning Estate Investment Programme.

#### 6.0 Exempt Reports

6.1 Is this report exempt? Yes  (please detail the reasons for exemption below) No

#### 7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box )

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all	<input checked="" type="checkbox"/>
Our families; children and young people will have the best possible start in life	<input checked="" type="checkbox"/>
Women and girls will be confident and aspirational, and achieve their full potential	<input checked="" type="checkbox"/>
Our communities will be resilient and empowered so that they can thrive and flourish	<input checked="" type="checkbox"/>

(2) **Council Policies** (Please detail)

#### 8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?  
Yes  No

## 9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes  No

## 10.0 Appendices

10.1 Appendix 1: Wellbeing Hub & Lochies School Outline Business Case (Due to the file size of the Outline Business Case Appendices, these are not included but can be made available on request).


## 11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)  
Yes  (please list the documents below) No

### Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Robbie Stewart	Senior Manager, People (Sport & Leisure)	2431

### Approved by

NAME	DESIGNATION	SIGNATURE
Lorraine Sanda	Strategic Director, People	





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# Clackmannanshire Council Wellbeing Hub and Lochies School Investment Proposal

## Outline Business Case (OBC)



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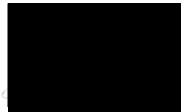
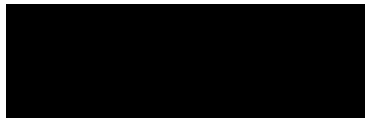


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East Central Scotland



## Project details Document verification

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Client name	Clackmannanshire Council
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Project Director	Robbie Stewart
Author	Andrew Ayres
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Organisation	Thomas and Adamson

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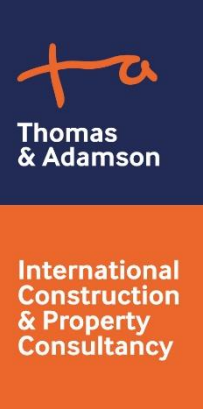


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- iii. Hub East Central Scotland Ltd



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## Glossary of Terms

- i. (ASN) Additional Support Needs
- ii. (BAU) Business as Usual
- iii. (COR) Change Order Request
- iv. (CSF) Critical Success Factors
- v. (CTSI) Clackmannanshire Third Sector Interface
- vi. (D&B) Design and Build
- vii. (DBDA) Design and Build Development Agreement
- viii. (FBC) Full Business Case
- ix. (FWP) Family Wellbeing Partnership
- x. (Hubco) Hub East Central Scotland Ltd
- xi. (LCC) Life-Cycle Costs
- xii. (LEIP) Learning Estate Investment Programme
- xiii. (LOIP) Local Outcomes Improvement Plan
- xiv. (OBC) Outline Business Case
- xv. (OGC) Office for Governance and Commerce
- xvi. (PEP) Project Execution Plan
- xvii. (PIR) Project Information Requirements
- xviii. (POE) Post Occupancy Evaluation
- xix. (POW) Plan of Work
- xx. (PPR) Post Project Review
- xxi. (RIBA) Royal Institute of British Architects
- xxii. (SALF) Sport and Active Living Framework

- xxiii. (SECF) School Estates Core Facts
- xxiv. (SFT) Scottish Futures Trust
- xxv. (SIMP) Standard Information Management Plan
- xxvi. (SLEV) Social and Local Economic Value
- xxvii. (TOM) Target Operating Model
- xxviii. (TOMs) Themes, Outcomes and Measures
- xxix. (VFM) Value for Money



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## 1. Executive Summary

- 1.1. This Outline Business Case (OBC) has been developed for the Wellbeing Hub and Lochies School investment proposal to evaluate the benefits, costs and risks, provide justification for the preferred option and set-out the arrangements for successful delivery. The purpose of the OBC is to provide Clackmannanshire Council and key stakeholders with the assurance that the proposed investment delivers value for money and enables them to make informed decisions regarding the continuing viability of the project.
- 1.2. This business case follows the HM Treasury Green Book Guidance and adopts the Five Case Business Case Model and also aligns with the Office for Governance and Commerce (OGC) gateway process. The project has reached the OGC Gateway 2 (Detailed Planning Stage) which broadly aligns with the end of RIBA Stage 2 (Concept Design) and the SFT Hub Framework Stage 1 gateway. This is a key decision point in the development lifecycle to determine whether to proceed to the next stage of the development process, the Full Business Case (FBC).
- 1.3. The project has an ambitious vision and series of strategic objectives (defined within the Strategic Case) and the case for change considers how this investment would contribute to and compliment the wider strategic plans and policies across Clackmannanshire Council as well as reflecting on the existing arrangements and the future need. The overarching vision for the project is:

*“A hub that provides a range of health, wellbeing and learning services that are connected, holistic and well signposted both internally and with other services in Clackmannanshire, creating a destination that the community takes pride in. Lochies School and the Wellbeing Hub enjoy mutual benefits from facilities and skills that would not be available to each as separate entities.”*

*“A place where the whole community feels welcome, safe and encouraged to come in, spend time, try new things or develop existing skills and activities. A destination improving health and wellbeing opportunities for every person in Clackmannanshire. Inclusivity, equity and accessibility are central to the entire user journey, helping people to be connected, active and well throughout their lives.”*

- 1.4. Through the work undertaken to date, a range of options have been evaluated against the objectives and Critical Success Factors to identify the preferred option and demonstrate value for money. Options for continuing with the current arrangements Business as Usual (BAU) have also been considered but have been deemed non-viable options as they meet neither the current nor future needs for Clackmannanshire. The results arising from the detailed options appraisal exercise identifies the preferred option as the Alloa West (Pavilions) site, Wellbeing Hub optimal facilities mix and Lochies School joint project with joined buildings built to Passivhaus design standards.
- 1.5. The project is being procured via the Scottish Futures Trust (SFT) Hub Programme and will utilise the SFT Design and Build Development Agreement (DBDA) as the form of contract between Clackmannanshire Council and Hub East Central Scotland Ltd



(Hubco). The project has reached the end of Hub Stage 1 under the terms of the Territory Partnering Agreement (TPA) and is looking to proceed to Hub Stage 2. Financial Close is programmed for Q1 2025 and completion of the construction works planned for the end of Q4 2026 with both the Wellbeing Hub and Lochies School becoming operational in 2027.

- 1.6. Thorough cost estimates have been prepared for both capital and revenue funding to determine the affordability of the investment. The predicted development amount between the Council and Hubco is £64,893,388, with an overall estimated capital investment figure for the Council of £77,500,000. The estimated lifecycle cost for the entire asset is £8,447,207 which equates to £32.54/m<sup>2</sup>/annum over a 25-year period. Demand and financial modelling have also been undertaken for the Wellbeing Hub with a projected net expenditure (operational deficit) of £387,084 in Year 1 and £254,028 from Year 2 excluding lifecycle costs and any financing costs or loan repayment costs attributed to capital funding.
- 1.7. Detailed management and governance procedures have been established for successful project delivery and in accordance with governance procedures, the decision required at this gateway is whether to proceed to the preparation of the Full Business Case (FBC). The FBC will be the final investment decision (OGC Gateway 3) at the end of RIBA Stage 4 (Technical Design) and Hub Stage 2 and will provide the final recommendation for an affordable project which delivers value for money.



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## 2. Introduction

### 2.1. Project Overview and Background

- 2.1.1. In February 2021 Clackmannanshire Council made the decision to cease operations of the Alloa Leisure Bowl permanently following a prolonged period of closure starting in 2019. The cost of repairing the Alloa Leisure Bowl to an acceptable and safe standard was significant and could not guarantee a useable facility for the long term. Consequently, the decision was taken to explore and develop options for future leisure provision within Clackmannanshire.
- 2.1.2. Following a period of review of future leisure provision for Clackmannanshire residents in 2021, an options appraisal recommending two potential sites was produced in December 2021. In considering the options, and in line with the feedback from both key stakeholder and public engagement, the proposals were considered on the principles of community wealth building, environmental sustainability, affordability, inclusivity and accessibility.
- 2.1.3. In response to the extensive public and key stakeholder consultation, a further options appraisal was undertaken considering both the sites and range of facilities mix for the Wellbeing Hub. The results were reported and presented to the Council in August 2022 where the council agreed the proposed site, facilities mix and the preferred way forward and agreed that the project should proceed to the next stage in the development process.
- 2.1.4. During the 2021-22 academic year, and in parallel with the strategic work undertaken on the Wellbeing Hub, the Council undertook surveys of its entire learning estate by assessing them against the School Estates Core Facts (SECF) survey criteria, used by Scottish Government, to ensure consistent reporting across Scotland on the condition and suitability of school buildings. Lochies was the only school in the Authority to be graded as a category D “unsatisfactory” in the suitability category. The condition of the building was assessed as being category C “poor.”
- 2.1.5. Subsequently, an options appraisal was commissioned for Lochies Primary School with the details reported and presented to Council in October 2022 where the Council agreed that based on the options appraisal recommendations, a public consultation process will take place to relocate a new build Lochies School. Finally, a further report was presented to Clackmannanshire Council in February 2023 where the Council agreed to the joint development of the Wellbeing Hub and Lochies School.
- 2.1.6. The vision for this proposed joint development is to provide a range of health, wellbeing and learning services that are connected, holistic and well signposted both internally and with other services in Clackmannanshire and that both Lochies School and the Wellbeing Hub enjoy mutual benefits from facilities and skills that would not be available to each as separate entities. The proposal will aspire to improving health and wellbeing opportunities for every person in Clackmannanshire with inclusivity, equity and accessibility being central to the entire user journey, helping people to be connected, active and well throughout their lives.

## 2.2. Wellbeing Hub Preparatory Work

- 2.2.1. Extensive public and stakeholder consultation has taken place at various stages of the proposed development for the Wellbeing Hub with high levels of support and engagement. The consultation has highlighted the desire for the new facilities to provide a wide range of sport, leisure and cultural spaces that would be available 7-days a week, during the day, evenings and weekends. Community consultation identified that high numbers of adults want to take part in walking, exercise classes, cycling and swimming. Many are also keen to participate in lifestyle classes, gardening, running/jogging and gym activities.
- 2.2.2. The Scottish Household Survey shows that physical and cultural activity levels amongst adults in Clackmannanshire are below the average across Scotland, highlighting the need to do more to encourage adults to be more active. The Scottish Household Survey also shows in 2019 activity participation in Clackmannanshire was below the Scottish average in areas such as swimming, gyms, keep fit and dancing. It also shows that participation levels by those from the most deprived areas was lower in Clackmannanshire when compared to the Scottish Average. This suggests more needs to be done to grow participation by individuals, families and communities from the most deprived areas in Clackmannanshire.
- 2.2.3. Almost 66% of respondents to the Clackmannanshire Alliance consultation felt that the overall quality of Council facilities was either poor or very poor with only 30% thinking they were high or very high quality. 52% of respondents felt that facilities did not meet their needs well, 45% felt that facilities did meet their needs. Almost 70% of respondents felt that the current level and variety of council facilities were poor or very poor. Only 27% felt that they were good or very good.
- 2.2.4. Local key health indicators show that there is action required to address the health inequalities that exist in the Alloa area. Higher than average death rates particularly amongst younger population, higher than average cancer rates and deaths from coronary heart disease demonstrate that there is a significant need to take action to support individuals, families and communities to become more active and improve health and wellbeing.
- 2.2.5. Although not identified explicitly from the stakeholder consultation, subsequent discussions have also emphasised the need for financial efficiency and viability to ensure the ongoing operating costs of the Wellbeing Hub can be minimised and opportunities identified to maximise income generation. Across the UK there is an emerging trend of replacing old traditional sports centres with new wellness hubs. This is part of a strategic shift towards a more integrated system of care.
- 2.2.6. Most of the hubs developed involve a range of partners investing in the new hub but also co-locating different services under one roof. Many wellbeing hubs provide a core sports and leisure offer (swimming pool, fitness, sports hall) together with libraries, flexible community spaces, hydrotherapy pools, GP practices, pre-school nurseries, outpatient clinics of various types, adult day care services, mental health services and youth services, etc.



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### 2.3. Lochies School Preparatory Work

- 2.3.1. Stakeholder engagement has evidenced that parents and carers believe that a new school is needed to provide the space to facilitate improved support mechanisms that will allow their children to develop and become more independent learners. Increasing space and improving ease of access throughout will be life-changing for so many of these children. Doing so would provide far greater outdoor learning opportunities, further enhancing the health and wellbeing of the children.
- 2.3.2. As this project involves a relocation of Lochies School, a formal consultation was required under the Schools (Consultation) (Scotland) Act 2010. This was undertaken by Education staff over the winter/spring 2022/23. The consultation was overseen by Education Scotland who prepared a report on the consultation. In addition, considerable preparatory work has been carried out by working collaboratively with other Local Authorities, in the form of visits and shared learning.
- 2.3.3. As the new school would not be predicted to open until late 2027 and the funding from the LEIP programme is for 25 years, the new school needs to be large enough to accommodate the historically increasing number of children who will require complex needs support. Therefore, the Council are investigating building a school that can accommodate up to 54 pupils (9 classes of 6). This is based on both the fact that there is an increasing demand for places at Lochies and the experience of new builds in other local authorities is that they were full when opened, requiring expansion.
- 2.3.4. The new school would be designed to specific area and cost metrics in addition to particular terms and conditions. All rates will be multiplied by the “like for like” pupil on a capacity basis. Consequently, further discussion with SFT would be required to explain the impact of complex needs on determining existing capacity and future proofing for increasing numbers in scale and complexity. Subsequently, the agreed capacity will impact on the funding available from LEIP funding.



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### 3. Strategic Case

The Strategic Case explains the rationale for the project and defines the case for change. This case provides the background for the proposal and explains the objective(s) to be achieved. This case also identifies how the proposal aligns/compliments other strategic policies and plans within the Council and outlines the main benefits, risks, constraints and dependencies of the project.

#### 3.1. Strategic Context

- 3.1.1. The conceptualisation and eventual realisation of the Wellbeing Hub and Lochies School in Clackmannanshire are intricately linked to the broader strategic and policy environment that governs regional development and community wellbeing. This expanded narrative integrates critical insights from the Council's Target Operating Model (TOM) and the Family Wellbeing Partnership (FWP), alongside a comprehensive suite of national, regional, and local directives.
- 3.1.2. These elements collectively underscore the investments potential to significantly impact local communities, especially in addressing prevailing challenges such as child poverty, enhancing overall community wellbeing, and innovating public service delivery to meet the evolving needs of Clackmannanshire's residents.
- 3.1.3. The Wellbeing Hub and Lochies School is envisioned as a transformative project, directly responding to Clackmannanshire's strategic objectives and policy directives aimed at fostering sustainable inclusive growth, empowering families and communities, and enhancing health and wellbeing across all segments of the population.
- 3.1.4. The Wellbeing Hub and Lochies school will contribute to all of Clackmannanshire Council's strategic plan priorities including:
  - i. Inclusive Growth.
  - ii. Jobs and Employability.
  - iii. Reducing Child Poverty.
  - iv. Raising Attainment.
  - v. Sustainable Health & Social Care.
  - vi. Empowering Families and Communities; and,
  - vii. Organisational Transformation.
- 3.1.5. In addition, the projects strategic outcomes will reflect and contribute to the strategic objectives defined within the Local Outcome Improvement Plan 2017/2027 (LOIP), namely:
  - i. Clackmannanshire will be attractive to businesses and ensuring fair opportunities for all.

- ii. Our families, children and young people will have the best possible start in life.
- iii. Women and girls will be confident and aspirational to achieve their full potential; and,
- iv. Our communities will be resilient and empowered so they can thrive and flourish.

3.1.6. The Clackmannanshire Alliance, consisting of NHS Forth Valley, the Clackmannanshire Third Sector Interface (CTSI), Police Scotland, Scottish Fire & Rescue Service, Scottish Enterprise, Clackmannanshire businesses and Clackmannanshire Council monitor the LOIP and it is envisioned the facilities and services provided by the proposed Wellbeing Hub and Lochies School will make a considerable contribution to its successful outcome.

3.1.7. The Wellbeing Hub and Lochies School will be an effective mechanism to deliver on the Sport and Active Living Framework (SALF) which was created in 2018 and underwent a refresh in 2024 to run to 2028. This will make a positive contribution to the national Active Scotland outcomes and delivers on the Family Wellbeing approach of improving wellbeing and developing the capabilities of families and young people in Clackmannanshire. The Wellbeing Hub will play a significant role in the achieving the four key priorities set-out in the refreshed SALF 2024 – 2028:

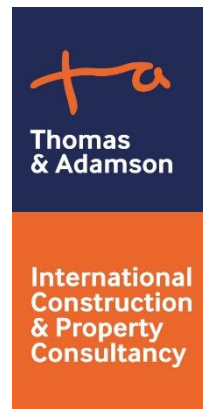
- i. More people with the right skills working in paid and voluntary roles.
- ii. More accessible and higher quality public and community facilities.
- iii. More suitable and targeted programming for people with specific needs.
- iv. More accessible and connected travel options.

## 3.2. Organisational overview

3.2.1. Clackmannanshire Council is the smallest mainland Local Authority and one of 32 Local authorities in Scotland. The Clackmannanshire area caters for a population of approximately 51,540 and is situated in central Scotland bordering Falkirk, Perth and Kinross, Fife and Stirling Council areas.

3.2.2. Seven of Clackmannanshire's data zones within Alloa South & West, Alloa North, Tullibody South and Tullibody North & Glenochil fall in the 10% most deprived areas in Scotland. Alloa South and East remain the most deprived areas with 5 data zones found in the 5% most deprived areas in Scotland.

3.2.3. The Wellbeing Hub and Lochies School will be developed and operated by the Clackmannanshire Council People directorate which incorporates social work, criminal justice and education (including sport and leisure). The People directorate details Sustainable Inclusive growth, Empowering Families & Communities and Health and Wellbeing as the main "Be the Future" workstreams to deliver transformational change.



### 3.3. Business strategy and aims

- 3.3.1. The Council's TOM lays a foundational blueprint for operational efficiency, collaborative service delivery, and innovation in public services. It advocates for an integrated approach to service provision, where technology, user-centric design, and sustainability are central. The Wellbeing Hub, within this framework, emerges as a critical infrastructure capable of embodying these principles, offering a multifunctional space that not only serves diverse community needs but also acts as a catalyst for broader socio-economic development and innovation in local governance.
- 3.3.2. The FWP's focus on reducing child poverty through wellbeing and capabilities approaches presents a unique opportunity for the Wellbeing Hub to directly contribute to improving outcomes for children and families in Clackmannanshire. By adopting a model that emphasises empowerment, leadership, and collaborative learning, the Hub can become a central point for community engagement and support, particularly for vulnerable and underserved populations. This aligns with broader efforts to ensure that all community members, especially children and care-experienced young people, have the opportunities and support necessary to lead flourishing lives.

### 3.4. Other relevant strategies

- 3.4.1. The development and operationalisation of the Wellbeing Hub are guided by several key policy implications and strategic considerations drawn from an extensive review of relevant documents and best practices. See Appendix A for a list of reference documents.
- i. **Provision of High-Quality, Accessible Facilities:** There is a recognised need for modern, energy-efficient facilities that can adapt to the changing expectations of local residents and visitors. The Hub must be designed with accessibility at its core, ensuring that all community members, regardless of age or ability, can benefit from its offerings.
  - ii. **Comprehensive Service Delivery:** Reflecting on the TOM and FWP, the Wellbeing Hub's services should be diverse and integrated, spanning physical health, mental wellbeing, social engagement, and educational opportunities. This approach ensures a holistic response to community needs, fostering a supportive and inclusive environment.
  - iii. **Community Empowerment and Engagement:** Central to the Wellbeing Hub's success is its ability to engage with and empower the local community. This involves not only providing services but also creating opportunities for community members to actively participate in decision-making processes, program development, and ongoing operational improvements.
  - iv. **Sustainability and Innovation:** In alignment with the Council's sustainability and climate change strategies, the Wellbeing Hub should incorporate sustainable practices and technologies, ensuring its long-term viability and minimising its

environmental footprint. Furthermore, leveraging innovative service delivery models and digital solutions can enhance user experience and operational efficiency.

- v. **Partnership and Collaboration:** The Wellbeing Hub's development should be characterised by strong partnerships across the public, private, and third sectors, enhancing the scope and impact of its services. Collaborative models can facilitate resource sharing, expertise exchange, and the co-creation of services that more effectively meet community needs.

### 3.5. Wellbeing Hub existing arrangements

- 3.5.1. Following the closure of the Alloa Leisure Bowl there has been no accessible and available swimming facility in the Clackmannanshire Council area which is a significant gap in provision. Swim lessons for schools are maintained for primary school aged children by bussing the pupils to The Peak leisure centre or Dollar Academy at considerable cost.
- 3.5.2. Public swimming is not available in Alloa or surrounding areas at present without transport to Stirling or Falkirk resulting in a significant leisure and life skill gap in provision.
- 3.5.3. Sports facilities at Alloa and Alva Academy are accessed by community groups, however, demand outstrips supply and there are challenges with transport across the county, availability and the range of activity that can be catered for. The new Wellbeing Hub will compliment these exiting facilities with additional availability and a focus on leisure that will not be accommodated in the school facilities such as daytime and weekend extended usage.
- 3.5.4. We would highlight that the development of the Wellbeing Hub does not displace activity from existing locations across the county. Instead, programmes and activities will link and complement existing provision whilst increasing activity, health and wellbeing in Clackmannanshire.

### 3.6. Lochies School existing arrangements

- 3.6.1. In accordance with the Scottish Government School Estates Core Facts (SECF) survey criteria, the condition of the existing Lochies School has been assessed as being category C “poor” and the suitability graded as a category D “unsatisfactory.” In addition, the location, spaces, size, layout and access are significant issues across all areas of the existing school. Furthermore, the additional support needs of pupils are now more severe, and the number of pupils has also increased significantly.
- 3.6.2. The existing Lochies School has a roll of 37 which is the maximum capacity based on the needs of the current pupils although, in previous years the school has had higher rolls (2018/19 = 41 pupils), when pupil’s needs were not as severe and complex. The school has been operating at maximum capacity for the last decade which is influenced by the needs of the pupils and as the level of need has increased over the years this has restricted the capacity resulting in pupils needing to be accommodated elsewhere.



3.6.3. Consequently, the school building is not suitable for supporting the needs of the users. Staff are continuing to meet the needs of pupils, but the existing building and arrangements are making this more and more challenging, and this has resulted in one pupil having to attend a school in another local authority area. This clearly demonstrates that continuing with Business as Usual (BAU) is no longer a viable option and strengthens the case for change and investment.

### **3.7. Wellbeing Hub Business needs – current and future**

3.7.1. Access to leisure provision is recognised as a key factor in reducing stress and anxiety as well as generating social groups and preventing loneliness. The demographic make-up of Clackmannanshire highlights the requirements for leisure facilities that can increase wellbeing as well as tackle wider issues such as unemployment, economic growth, and education attainment.

3.7.2. The Wellbeing Hub will meet the objectives identified in the LOIP and Council Strategic Plan by being a central location utilised for leisure pursuits, education and provide a centre for drop-ins, and programmed consultations by partners in the NHS, Social Services, Police and Business Groups.

3.7.3. The Wellbeing Hub will operate on an income generation basis for core programming which will allow for targeted cost effective and subsidised services aimed at meeting the social objectives of the Clackmannanshire Alliance.

### **3.8. The Wellbeing Hub Case for Change**

3.8.1. The strategic and policy context for the proposed Wellbeing Hub and Lochies School in Clackmannanshire, enriched by insights from the Council's TOM and the FWP, presents a compelling case for the project's potential to significantly impact community wellbeing. By aligning with strategic objectives, adhering to policy directives, and embracing principles of inclusivity, sustainability, and innovation, the proposed investment will help address critical community needs and contribute to the broader vision of a healthy, resilient, and empowered Clackmannanshire. The success of this project will depend on its ability to integrate and reflect the diverse voices and needs of the community it aims to serve, setting a precedent for future developments in the region.

### **3.9. The Lochies School Case for Change**

3.9.1. As medical advancements have improved, life expectancy for children with complex needs has in turn increased and the numbers of pupils at Lochies has increased. The needs profile for the pupils has shifted from moderate to more complex. Consequently, it is challenging for the existing building to meet Lochies pupils' needs now and is likely to become even more challenging in the future. This is the justification behind the future increased capacity of 54 pupils for the new Lochies and in doing so provides equality for these children and families within our society.



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3.9.2. A new build Lochies School will therefore enrich the educational experience of pupils by providing equality, ensuring that the needs of all Clackmannanshire pupils can be met. Retaining pupils within the Authority would reduce fees and other costs paid to other authorities associated with placing requests.

### 3.10. Spending objectives

3.10.1. The spending objectives are vital for success and the project will be measured and validated against these at key gateways throughout the development process. These objectives are aligned to the underlying policies and strategies which underpin the case for change and are focussed on what needs to be achieved rather than the potential solution. In addition, the objectives need to be Specific, Measurable, Achievable, Relevant and Time-constrained (SMART).

3.10.2. Through the long-listed options appraisal process for the Wellbeing Hub, the spending objectives have been developed and agreed through an iterative process of consultation and engagement with key stakeholders. These were shaped by the by a strategic aim and vision to “improve the quality of life for every person Clackmannanshire” and the themes of inclusive growth, empowering families and communities and health and wellbeing.

3.10.3. The initial spending objectives and used for the long-listed options appraisal have been identified in Table 1.

*Table 1: Initial Spending Objectives - Wellbeing Hub Long Listed Options Appraisal*

No.	Theme	Outcome	Objective
1	Health	Help to reduce health inequalities in Clackmannanshire and encourage a wide range of people to connect, be active and be well.	The Wellbeing Hub will provide suitable spaces for people to connect and will accommodate relevant physical activity, wellbeing and sport programmes.
2	Inclusion	Attract and retain a wide range of users, particularly from across Clackmannanshire localities and from key target groups.	The Wellbeing Hub will be accessible to all types of users, provide flexible indoor and outdoor facilities and deliver an inclusive customer experience.
3	Place	Help to create a place where people want to live, work and visit.	A high-quality facility which is attractive to both local people and visitors and which is well connected to active travel routes.
4	Inclusive economy	Have a positive impact on the key pillars of Community Wealth Building and also on the	The Wellbeing Hub will make appropriate use of land, will create opportunities for local skills, jobs and supply chains and will complement wider

No.	Theme	Outcome	Objective
		network of physical activity, wellbeing and sport providers.	Clacks provision of physical activity, wellbeing and sport.
5	Sustainability	Be an environmentally and financially sustainable building.	The Wellbeing Hub will operate within the Council's annual revenue budgets and energy targets and contribute to Clacks net zero targets.

- 3.10.4. Following the strategic decision by the Council to co-locate both the Wellbeing Hub and Lochies School on the Alloa West site and form a joint project, the Council's project team commissioned the Scottish Futures Trust (SFT), Ryder Architects and Hub East Central Scotland (hubco) to support the creation of an updated Project Vision, Strategic Outcomes and Objectives using the SFT Briefing and Evaluation Framework which considers this co-location and joined approach.
- 3.10.5. This was a vital step to define success and the aspirations for this joint project as without clear spending objectives this would lead to an ineffective appraisal, planning, monitoring and evaluation process. In addition, this enabled all key stakeholders to collectively align and agree the overarching ambition for the project along with the core issues, goals and success criteria. This has provided a solid baseline (frameworks) to maintain clarity and consistency throughout the development. A copy of the Visioning and Brief Development Report is included in Appendix B.
- 3.10.6. Through consultation and engagement with the wider project partner organisations, the Council have established the following **Project Vision:**

*“A hub that provides a range of health, wellbeing and learning services that are connected, holistic and well signposted both internally and with other services in Clackmannanshire, creating a destination that the community takes pride in. Lochies School and the Wellbeing Hub enjoy mutual benefits from facilities and skills that would not be available to each as separate entities.”*

*“A place where the whole community feels welcome, safe and encouraged to come in, spend time, try new things or develop existing skills and activities. A destination improving health and wellbeing opportunities for every person in Clackmannanshire. Inclusivity, equity and accessibility are central to the entire user journey, helping people to be connected, active and well throughout their lives.”*

- 3.10.7. Supplementary to the Project Vision, the following series of **Strategic Objectives** have been developed for the project:
- i. The whole facility achieves excellence in inclusivity and accessibility for all.

- ii. The Wellbeing hub prioritises the sports, leisure and wellbeing wants and needs of the local community, benefitting from the skills and facilities of Lochies School.
- iii. The new Lochies School will provide an excellent educational environment for learners with severe and complex additional support needs that provides intentionally designed and protected access to high quality educational and wellbeing activities for learners and families, which will be further augmented by the skills and facilities of the Wellbeing Hub.
- iv. Outdoor space has equal value to the physical build, with attractive and active outside spaces that form a natural part of the overall user journey.
- v. Provides access to enhanced lifelong learning opportunities for families of those with additional support needs (ASN) and the wider community, to support wellbeing and active living.
- vi. Improving physical and mental health for Clackmannanshire and breaking down health inequalities.
- vii. Strong focus on sustainability and environmental credentials.
- viii. The project is developed around a sustainable business plan for the short and long term, taking into account the services that will be required for success from day one.

3.10.8. The Strategic Objectives have been distilled further to establish and define the Specific Measurable Achievable Relevant and Timebound (SMART) Objectives against which the project will be measured against and validated at key project gateways. These will continue to be refined to clearly identify specific figures and targets which can be measured and monitored.

3.10.9. The **SMART Objectives** for the project are aligned to the Strategic Objectives and are identified below:

3.10.10. The whole facility achieves excellence in inclusivity and accessibility for all.

- i. People feel welcome and safe in all areas of the facility, outside and inside.
- ii. Fully accessible and inclusive for all users across the full site (e.g. disabled parking, signage, dementia friendly design).
- iii. Robust but discrete secure lines between public and core educational spaces.
- iv. Provision to encourage and support multi-generational uses.
- v. Type / number of entrances allow for privacy and dignity of those accessing services but avoid creating unnecessary divisions / silos.
- vi. A coherent user journey / language that flows from the protected (private) spaces to fully accessible public spaces.

3.10.11. The Wellbeing Hub prioritises the sport, leisure and wellbeing wants and needs of the local community, benefitting from the skills and facilities of Lochies School.

- i. High quality sport, leisure and wellbeing facilities for a range of users.
- ii. Quality swimming pools.
- iii. Spaces where everyone feels welcome to dwell or pass through to other services.
- iv. Services and facilities complement, rather than compete with, local provision.
- v. Accessible and inexpensive transport networks.
- vi. Services and facilities are affordable to use.

3.10.12. The new Lochies School will provide an excellent educational environment for learners with severe and complex additional support needs. Providing intentionally designed and protected access to high quality educational and wellbeing activities for learners and families, which will be further augmented by the skills and facilities of the Wellbeing Hub.

- i. The space and services available provide for the individual and their support network throughout their life.
- ii. Enhanced learning through play and outdoor spaces - the latter providing a range of sensory, play and natural spaces.
- iii. Spaces and services within the Wellbeing Hub can be accessed and used by pupils and staff as part of the curriculum.
- iv. A flexible learning environment meets the wholistic needs of learners, families and staff working together to meet the fluctuating challenges faced by those with severe and complex learning and health needs.
- v. Access to facilities in the Wellbeing Hub provides enhanced opportunities for health education, independent living and self-care skills.
- vi. Easy, secure access and drop off for taxis, accessible vehicles and mobility aids.

3.10.13. Outdoor space has equal value to the physical build, with attractive and active outside spaces that form a natural part of the overall user journey.

- i. A fully connected site that encourages active use of indoor and outdoor spaces.
- ii. Enhanced learning through accessible and inclusive outdoor spaces across the wider site - the latter providing a range of sensory, play and natural spaces.



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- iii. Interesting and inclusive spaces for the school that are secure within the landscape but are appropriately accessible to visitors.
- iv. Access to covered outdoor spaces to maximise the school's use in all weathers.
- v. Incorporating a sustainable active travel plan that connects the site to active travel routes across Clackmannanshire.
- vi. Accessible toilets within outside spaces.

3.10.14. Provides access to enhanced lifelong learning opportunities for families of those with ASN and the wider community, to support wellbeing and active living.

- i. All education provision in Clackmannanshire can link to services here.
- ii. A service that supports individual needs and transitions, rather than one size fits all.
- iii. Enhanced opportunities for partnership working with parents, carers and allied health professionals at Lochies School.

3.10.15. Improving physical and mental health for Clackmannanshire and breaking down health inequalities.

- i. Supporting allied health professionals and care opportunities for the school and community users.
- ii. The layout and spaces within the hub support integrated and collaborative working practices.
- iii. Access to clubs, support groups and (potentially) supported employment for Lochies pupils and families.
- iv. The facility helps users to identify networks and support services elsewhere in Clackmannanshire, complementing the services on offer in the hub.

3.10.16. Strong focus on sustainability and environmental credentials.

- i. Biodiversity and sustainability are an integral part of low maintenance landscaping, visible to users as a feature of the site.
- ii. Utilises digital technology that helps measure and manage environmental KPIs.
- iii. The project achieves Passivhaus Classic certification.
- iv. The school achieves construction embodied carbon target (A1-A5) of less than 600kg CO2/m2.
- v. The facilities achieve an energy target of 67kwh/m2/per annum.
- vi. Embrace, reduce, reuse, repair, and recycle across the facility and services.
- vii. The project achieves Building with Nature Accreditation.

3.10.17. The project is developed around a sustainable business plan for the short and long term, taking into account the services that will be required for success from day one.

- i. Design, implementation and management take a place-based partnership approach.
- ii. Phasing to consider how the campus can provide enhanced facilities for the ASN school as it develops.
- iii. Flexible and adaptable spaces for future use.
- iv. The facilities operate within the agreed revenue budget of no more than £425,000 / annum from Year 2 excluding inflation and life-cycle maintenance costs. Figure to be defined through further economic and financial modelling.
- v. Creating approx. 25 local jobs and supporting local supply chains. Social Value and Community Benefit targets to be developed and agreed with Hubco.
- vi. Vertical zoning of stores / services in shared spaces.

### 3.11. Scope and service requirements

3.11.1. The scope and key service requirements (facilities mix) to meet the current and future need have been influenced by several factors. The key drivers behind establishing the facilities mix include:

- i. The direction of local and national policy.
- ii. The feedback and outputs arising from extensive community consultation.
- iii. The feedback and outputs arising from key stakeholder consultation.
- iv. Investigating participation trends and other local or regional provision.
- v. Local health data.
- vi. Benchmarking against similar projects.
- vii. The need to accommodate a broad range of activities and services; and,
- viii. The ability to generate sufficient levels of income to be financially sustainable.

3.11.2. The range of services (facilities) have then been classified (grouped) into those which are deemed essential (Do minimum), desirable (Intermediate) and optimal (Do Maximum). These have then been used to establish the long-listed options identified as part of the Economic Case.

## 4. Economic Case

The Economic Case assesses the economic costs and benefits of the Wellbeing Hub and Lochies School project across its lifecycle. This is different from the financial (capital or revenue) costs which are detailed under the Financial Case. This case appraises the various investment options to achieve the strategic outcomes and objectives and identifies the preferred way forward based on the Critical Success Factor's (CSFs) for the project. This case also looks at the wider benefits of the investment to determine Value for Money (VFM).

### 4.1. Critical Success factors

- 4.1.1. The Critical Success Factors (CSFs) are the attributes essential for successful delivery of the project, against which the initial assessment of the options for the delivery of the project will be appraised, alongside the spending objectives.
- 4.1.2. Through the long-listed options appraisal process for the Wellbeing Hub, the CSFs have been developed and agreed through an iterative process of engagement with key stakeholders. These have subsequently been weighted in advance of the appraisal to enable the factors which are considered of greater importance to have more influence over the outcome.
- 4.1.3. The initial CSFs and their associated weightings used for the long-listed options appraisal have been identified in Table 2.

*Table 2: Initial CSFs - Wellbeing Hub Long Listed Options Appraisal*

Critical Success Factors (CSF)		Weighting
CSF No.	CSF Description	(%)
1	Ability to meet the Wellbeing Economy priorities and project outcomes associated with <b>Inclusion and Provision</b>	29.0%
2	Ability to meet the Wellbeing Economy priorities and project outcomes associated with <b>Place and Accessibility</b>	26.0%
3	Ability to meet the Wellbeing Economy priorities and project outcomes associated with <b>Environment and Sustainability.</b>	17.0%
4	Ability to meet the Wellbeing Economy priorities and project outcomes associated with <b>Community Wealth.</b>	14.0%
5	Potential <b>achievability</b>	14.0%
<b>Total</b>		<b>100%</b>



- 4.1.4. To help understand each of the CSFs in the context of the Wellbeing Hub, a further definition of each has been included below:
- i. **CSF No.1:** This factor reflects on how well each option provides inclusive facilities which support people in being able to connect, be active and be well. The key considerations include:
    - There are plenty of indoor and outdoor spaces where people can connect.
    - The facilities allow for a wide range of uses for physical activity, wellbeing and sport.
    - People can access individual and group activities.
    - Community based providers can use the Hub to meet clients or deliver services.
    - People feel welcome to the Hub and face no barriers in using the facilities; and,
    - People can afford to use the facilities.
  - ii. **CSF No.2:** This factor looks at how well each option helps to create a sustainable place where people want to live, work and visit and can be accessed by the greatest number of users and employees. Key considerations include:
    - Increasing visitor numbers into Clackmannanshire.
    - Other leisure and wellbeing providers being attracted to locate in Clackmannanshire.
    - Alloa and Clackmannanshire is a vibrant destination for local people and visitors.
    - People are increasingly proud of living in Alloa and Clackmannanshire.
    - People can reach the Wellbeing Hub primarily using active travel and public transport.
    - People feel safe travelling to the Wellbeing Hub; and,
    - Interdependency with other developments in the area.
  - iii. **CSF No.3:** This factor assesses how well each option can help the Council meet operational sustainability and environmental target. Key considerations include:
    - Can achieve reduced operational energy targets.
    - Can achieve Net Zero Carbon targets; and,
    - Provides opportunities for Low and Zero Carbon technologies.
  - iv. **CSF No.4:** This factor evaluates how well each option supports community wealth community wealth building by considering how the project:
    - Makes appropriate use of available land.
    - Creates skills and work opportunities for the most deprived communities.
    - Creates supply opportunities for local organisations; and,
    - Complements the wider physical activity, wellbeing and sport provision.



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- v. **CSF No.5:** This final factor considers how well each option matches the organisations level of available skills required for successful delivery. In addition, this CSF considers an appropriate and manageable level of construction risk and the availability and capability of the supply chain to deliver the project. An analysis of the strengths, weaknesses, opportunities and threats (SWOT) was undertaken for each option to inform this.

## 4.2. Long listed options

- 4.2.1. Having established the vision, strategic outcomes, spending objectives and the potential service requirements, a range of possible development options for the Wellbeing Hub have been determined considering both the facilities mix and site locations. Regarding the sites under consideration, these were agreed at the meeting of Clackmannanshire Council on the 16<sup>th</sup> December 2021 as the Alloa West (Pavilions) site and the former Alloa Leisure Bowl site.
- 4.2.2. It is worth noting that following the termination of the management agreement and lease for the former Alloa Leisure Bowl and the review of future leisure provision it was agreed at the meeting of Clackmannanshire Council on 31<sup>st</sup> May 2021 that the Alloa Leisure Bowl was declared surplus to requirements and that arrangements should be made that the existing building is demolished. Consequently, any options for refurbishment of existing facilities have not been considered.
- 4.2.3. In addition, an option for Business as Usual (BAU) was also included to provide a benchmark against which the other options can be compared and demonstrate the result of continuing with the current status quo without implementing an option. Ultimately, BAU was immediately discounted as a non-viable option due to need to provide swimming provision within Clackmannanshire. Table 3 below identifies the long list of options for the Wellbeing Hub which have been devised.

*Table 3: Long Listed Options - Wellbeing Hub*

Option	Description
Option 1	Alloa West (Pavilion) Site Essential (Do minimum) Facilities Mix
Option 2	Alloa West (Pavilion) Site Desirable (Intermediate) Facilities Mix
Option 3	Alloa West (Pavilion) Site Optimal Facilities Mix
Option 4	Alloa Leisure Bowl Site Essential (Do minimum) Facilities Mix
Option 5	Alloa Leisure Bowl Site Desirable (Intermediate) Facilities Mix
Option 6	Alloa Leisure Bowl Site Optimal (Do Maximum) Facilities Mix.



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4.2.4. These options have been considered against the critical success factors at a workshop with nominated stakeholders to agree the consensus scoring and establish the preferred option. A subsequent sensitivity analysis has also been undertaken to assess the outcome of the appraisal exercise on the long list of options.

### 4.3. Preferred way forward

4.3.1. Following the appraisal of the long list of options, the results were reported and presented to the Council and at the Meeting of Clackmannanshire Council on 11<sup>th</sup> August 2022 the council agreed that Alloa West (Pavilions) site and optimal facilities mix (Option 3) was the preferred way forward and should proceed to the next stage and gateway in the development process. Refer to Appendix C for the Wellbeing Hub long list options appraisal scoring workbook.

4.3.2. In parallel with the Wellbeing Hub long list options appraisal, an options appraisal was also being undertaken for Lochies Primary School. The details of the Lochies School appraisal were reported and presented at the Meeting of Clackmannanshire Council on 06<sup>th</sup> October 2022 where the Council agreed that based on the options appraisal recommendations, a public consultation process, will take place to relocate a new build Lochies School to the Alloa West (Pavilions) site.

4.3.3. Subsequently, a further report was presented at the Meeting of Clackmannanshire Council on 02<sup>nd</sup> February 2023 where the Council agreed to the joint development of the Wellbeing Hub and Lochies School. This decision was then supplemented by a further report presented at the Meeting of Clackmannanshire Council on 23<sup>rd</sup> March 2023 which provided updated capital cost estimates associated with various energy and environmental performance options. The Council agreed the approval to proceed with the adoption of Passivhaus for the joint Wellbeing Hub and Lochies School development.

### 4.4. Short listed options

4.4.1. Having ascertained the preferred way forward, two (2) short list options were established to determine the preferred option. The short list option is defined in Table 4.

*Table 4: Short Listed Options - Wellbeing Hub and Lochies School*

Option	Description
Option 1	Alloa West (Pavilions) site, Wellbeing Hub optimal facilities mix and Lochies School joint project with joined buildings.
Option 2	Alloa West (Pavilions) site, Wellbeing Hub optimal facilities mix and Lochies School joint project with separate buildings.

- 4.4.2. To appraise the short-listed options, a revised set of Critical Success Factors (CSFs) has been prepared in response to the updated Project Vision, Strategic Outcomes and Objectives for the joint Wellbeing Hub and Lochies School project. The CSFs and their associated weightings used for the short-listed options appraisal are identified in Table 5.

Table 5: Revised CSFs - Wellbeing Hub and Lochies School Short Listed Options Appraisal

Critical Success Factors (CSF)		Weighting
CSF No.	CSF Description	(%)
1	The whole facility achieves excellence in inclusivity and accessibility for all.	10.0%
2	The wellbeing hub prioritises the sports, leisure and wellbeing wants and needs of the local community, benefitting from the skills and facilities of Lochies School.	17.5%
3	An excellent school for learners with severe and complex additional support needs that provides intentionally designed and protected access to high quality educational and wellbeing activities for learners and families, which will be further augmented by the skills and facilities of the wellbeing hub.	17.5%
4	Outdoor space has equal value to the physical build, with attractive and active outside spaces that form a natural part of the overall user journey	17.5%
5	Provides access to enhanced lifelong learning opportunities for families of those with ASN and the wider community, to support wellbeing and active living.	7.5%
6	Improving physical and mental health for Clackmannanshire and breaking down health inequalities.	10.0%
7	Strong focus on sustainability and environmental credentials.	10.0%
8	The project is developed around a sustainable business plan for the short and long term, taking into account the services that will be required for success from day one.	10.0%
<b>Total</b>		<b>100%</b>

- 4.4.3. Following a further workshop with key project stakeholders, the consensus scoring for each of the short list options against the weighted CSFs was determined. Refer to Appendix D for the Wellbeing Hub short list options appraisal scoring workbook.

#### 4.5. Short listed options sensitivity analysis

- 4.5.1. A further sensitivity analysis has been undertaken to assess the impact on the outcome if all CSFs were allocated an equal weighting. In addition, a cost (quantitative) assessment of each short-list option has been undertaken considering both capital costs and the ongoing operational and revenue costs along with a final combined qualitative and quantitative assessment.

#### 4.6. Net Present Social Value (NPSV)

- 4.6.1. Clackmannanshire Council engaged Integratis Consulting and 4Global to undertake an analysis of the of the projected social value arising from the Wellbeing Hub investment. The purpose is to demonstrate how this investment would contribute to social value and provide benefits the wider area.
- 4.6.2. The full Social Value Analysis Report is included in Appendix E, however, the headline figures are that based on a projected annual visitor throughput of 275,000 this would generate an estimate total Social Value of £2.14m per annum which equates to an estimated £134 per person. Subjective Wellbeing is identified as the principal driver behind this figure which evaluate improved life satisfaction for participants over 16.

#### 4.7. Social and Local Economic Value (SLEV)

- 4.7.1. Maximising social value and community benefits through this proposed investment is another fundamental component to the success of this project, and throughout the delivery of this proposal Hubco and the Tier 1 Contractor will commit to achieving a series of agreed Themes, Outcomes and Measures (TOMs).
- 4.7.2. The total Social and Local Economic Value (SLEV) target for the preferred option below, is currently estimated at £27,621,872.88 which equates to 42.5% of the Total Hubco Development Cost. This means that for every £1 spent through the development agreement, £0.42 of SLEV will be delivered. Within this total SLEV figure, some of the measures include:

SFT Ref	Measure	Unit	Target
SFT1a (NT1c)	No. of full time equivalent local employees (FTE) hired or retained for the duration of the contract who are employed in your supply chain.	no. of people (FTE)	30
SFT20 (NT10)	No. of weeks of apprenticeships or T-Levels (Level 2,3, or 4) provided on the contract (completed or supported by the organisation)	no. of weeks	400
SFT28 (NT18)	Total amount (£) spent in local supply chain through the contract	£	36,000,000

- 4.7.3. Refer to Appendix F for the TOMs Calculator and the detailed figures behind the SLEV target.

#### 4.8. Preferred option

- 4.8.1. Following the short list options appraisal, the results suggest that the preferred option is the Alloa West (Pavilions) site, Wellbeing Hub optimal facilities mix and Lochies School joint project with joined buildings built to Passivhaus design standards.

## 5. Commercial Case

The Commercial Case explores and considers the commercial feasibility of the project. This case defines the procurement and contract strategies and explains the allocation of risk and associated mitigation measures. In addition, the commercial case identifies the key contractual milestones and delivery dates and clarifies and accounting requirements.

### 5.1. Procurement strategy and route

- 5.1.1. Following the strategic decision by Clackmannanshire Council to bring both the Wellbeing Hub and Lochies School together, a procurement strategy has been developed based on both facilities being procured as a single project.
- 5.1.2. This strategy identifies a series of procurement options for consideration, the key selection criteria and the recommended procurement approach considering how the options align with the established criteria.
- 5.1.3. In addition to the various options, consideration was also given to the capability and experience of the supply chain partners to deliver the project to ensures its successful delivery.
- 5.1.4. The recommended procurement route for the project is a Two-Stage Design and Build (D&B) strategy. The key drivers and determining factors which have informed this recommendation include the prevailing market conditions, Passivhaus design standards and the need for early contractor involvement and engagement with the supply chain to improve quality, programme improvements and desire for increased cost certainty.
- 5.1.5. The range of procurement options (mechanisms) considered include:
  - i. Crown Commercial Services (CCS)
  - ii. Hub Programme
  - iii. SCAPE Scotland Construction
  - iv. Scottish Procurement Alliance (SPA)
  - v. Procurement Hub
  - vi. Public Contracts Scotland (PCS)
- 5.1.6. Following the appraisal of the procurement options against the selection criteria, the top three (3) ranked options were all considered appropriate mechanisms for procuring the project, however, the recommendation and decision was taken to proceed and utilise the Hub Programme, namely Hub East Central Scotland (Hubco) as the procurement vehicle for the design, procurement and construction of the project. Refer to Appendix G for the Procurement Strategy.



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## 5.2. Contractual milestones and delivery dates

5.2.1. The planned key contractual milestones and delivery dates are included in Table 6.

*Table 6: Contractual Milestones and Delivery Dates*

Contractual Milestones	Planned Delivery Date
Gateway 1 – Hubco New Project Request (NPR) and approval to proceed to RIBA to hub Stage 1	Q3 2023
Gateway 2 – Hubco Stage 1 (OBC) approval to proceed to hub Stage 2	Q2 2024
Gateway 3 – Hubco Stage 2 (FBC) approval to proceed to Financial Close	Q1 2025
Gateway 4 – Financial / Contract Close	Q1 2025
Construction Works Complete / Handover	Q4 2026
Wellbeing Hub Operational	Q2 2027
Lochies School Operational	Q3 2027

## 5.3. Key contractual arrangements

- 5.3.1. Clackmannanshire Council and Hubco prepared and agreed the New Project Request (NPR) which is contractually binding in accordance with the terms of the Territory Partnering Agreement (TPA) and establishes the baseline against which project delivery performance is measured. Refer to Appendix H for the NPR.
- 5.3.2. Under the terms of the TPA, Hubco and its supply chain are developing the project as part of its Project Development Partnering Services (PDPS) to deliver a Stage 1 Submission for approval by the Council as the relevant participant in accordance with the project governance requirements. Subsequently, Hubco will deliver a Stage 2 Submission for approval followed thereafter by Financial Close.
- 5.3.3. The form of contract will be the SFT Design and Build Development Agreement (DBDA) between Clackmannanshire Council and Hubco. Hubco will then have a back-to-back DBDA sub-contract with the Tier 1 Contractor who in turn will formally appoint the Tier 2 supply chain.
- 5.3.4. The construction delivery and phasing strategy is still being developed; however, an initial enabling works contract (DBDA) will be executed in advance of the main works contract (DBDA).

## 6. Financial Case

The Financial Case determines the affordability of the project and identifies the sources of funding which have been secured and any potential gaps. This case considers the whole lifecycle of the project including all attributable costs (both capital and revenue), any resource requirements and identifies the provision for financing any time or cost overruns (risk allowances and contingencies).

### 6.1. Capital cost requirements

- 6.1.1. The estimated total capital cost for the Wellbeing Hub and Lochies School is included in Table 7. The Hubco Stage 1 Pricing Report is included in Appendix I which provides further detail to the Total Hubco Development Cost Estimate.

Table 7: Capital Cost Estimate

Item	Constituent Part	Capital Estimate
1	Facilitating (Enabling) Works Estimate (Incl. in Line 2)	£ Incl.
2	Building Works (Prime Cost) Estimate	£ 48,671,391.00
3	Contractor Preliminaries Estimate	£ 3,893,711.00
4	Sub-Total Prime and Prelims (1 + 2 + 3)	£ 52,565,102.00
5	Post Contract Professional Fees Estimate	£ 1,045,520.00
6	Contractor Overheads and Profit Estimate	£ 1,769,151.00
7	Contractor Risk Allowance Estimate	£ 2,628,255.00
<b>8</b>	<b>Works (Construction) Cost Estimate (4 + 5 + 6 + 7)</b>	<b>£ 58,008,028.00</b>
9	Total Hubco Development Fees Estimate	£ 4,636,424.00
10	Sub-Total (8 + 9)	£ 62,644,452.00
11	Construction Inflation Estimate	£ 2,248,936.00
<b>12</b>	<b>Total Hubco Development Cost Estimate (10 + 11)</b>	<b>£ 64,893,388.00</b>
13	Council Direct Professional Fees Estimate	£ 907,500.00
14	Council Direct Development Costs Estimate	£ 4,653,657.00
15	Council Contingency (Risk) Estimate	£ 7,045,455.00
<b>16</b>	<b>Capital Cost Limit (Including Inflation) (12 + 13 + 14 + 15)</b>	<b>£ 77,500,000.00</b>



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- 6.1.2. The estimated total works (construction) cost of £58,008,028 is the predicted contract sum between Hubco and the Tier 1 Contractor excluding inflation.
- 6.1.3. The estimated total Hubco development cost of £64,893,388 is the predicted development amount (contract sum) between the Council and Hubco including inflation. This figure includes the pre-contract fees expended during Hub Stages 1 and 2 for the design consultants, surveys, statutory fees and hubco framework fees, etc.
- 6.1.4. The estimated capital cost limit of £77,500,000 is the predicted total capital investment figure for the Council and includes other direct capital costs to be expended, including other professional consultancy fees, costs for loose furniture and equipment (not being provided by Hubco), information technology fit-out costs, decant costs, internal capitalised staff costs, etc. This also includes a council contingency figure.

## 6.2. Lifecycle costs requirements

- 6.2.1. The estimated Life Cycle Cost (LCC) for the Wellbeing Hub are included in Table 8. The projected total life cycle cost for the Wellbeing Hub over a 25-year period is estimated at £5,865,804.22.

Table 8: Life Cycle Costs - Wellbeing Hub

Element		25-Year Cost	Cost / m2	Ann. Cost / m2	LCC %
New Build Construction	Roof	119,676.90	£15.11	£0.60	
	Building Fabric	411,480.30	£51.96	£2.08	
	External Doors & Windows	294,553.44	£37.20	£1.49	
	External Works	783,301.75	£98.91	£3.96	
	Fittings / Furniture / Equipment	1,721,847.75	£217.43	£8.70	15.67%
Building Services Installation	Mechanical Installation	458,549.65	£57.90	£2.32	
	Electrical Installation	1,174,125.93	£148.27	£5.93	
	Lift Installation	14,708.75	£1.86	£0.07	
	IT Installation	5,047.00	£0.64	£0.03	
	Specialist Installation	882,512.75	£111.44	£4.46	15.38%
<b>Total Life Cycle Cost</b>		<b>£5,865,804.22</b>	<b>£740.73</b>	<b>£29.63</b>	<b>14.40%</b>

6.2.2. The estimated Life Cycle Cost (LCC) for Lochies School are included in Table 9. The projected total life cycle cost for Lochies School over a 25-year period is estimated at £2,581,403.00.

Table 9: Life Cycle Costs - Lochies School

Element		25-Year Cost	Cost / m2	Ann. Cost / m2	LCC %
New Build Construction	Roof	£81,207.00	£24.86	£0.99	
	Building Fabric	£337,124.00	£103.22	£4.13	
	External Doors & Windows	£293,946.00	£90.00	£3.60	
	External Works	£480,678.00	£147.18	£5.89	
	Fittings / Furniture / Equipment	£983,483.00	£301.13	£12.05	16.16%
Building Services Installation	Mechanical Installation	£215,926.00	£66.11	£2.64	
	Electrical Installation	£174,274.00	£53.36	£2.13	
	Lift Installation	£8,454.00	£2.59	£0.10	
	IT Installation	£6,311.00	£1.93	£0.08	
	Specialist Installation	£0.00	£0.00	£0.00	7.63%
<b>Total Life Cycle Cost</b>		<b>£2,581,403.00</b>	<b>£790.39</b>	<b>£31.62</b>	<b>13.75%</b>

6.2.3. The estimated combined LCC for the entire asset is £8,447,207 which equates to £32.54/m<sup>2</sup>/annum over a 25-year period. Refer to the hubco Stage 1 Pricing Report included in Appendix I for further detail on the projected life cycle costs.



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### 6.3. Revenue cost requirements

- 6.3.1. Through Hubco, Clackmannanshire Council have appointed Integratis Consulting Ltd to support with the preparation of the business case and generate the estimated demand and financial (revenue) cost model for the Wellbeing Hub based on the current facilities mix and accommodation schedule. Refer to Appendix J for the current accommodation schedule.
- 6.3.2. The Wellbeing Hub revenue model considers several factors including operating income, cost of sales, property costs and supplies and services. The revenue model is based on the Council's current scale of charges and salary scale with a notional allowance of 3% per annum for inflation. The model also reflects the projected reduction in operational energy use arising from designing to Passivhaus standards and associated reduction in energy costs.
- 6.3.3. The following table summarises the estimated total income and expenditure for the Wellbeing Hub over a 10-year period with Year 1 commencing from financial year 2027/28. The figures in Table 10 are based on an option with soft play and a small clip 'n' climb offer and it should be noted that the net expenditure excludes lifecycle costs (LCC) which are detailed above.

Table 10: Annual Net Expenditure Projection Excl. LCC - Wellbeing Hub

	Annual Income and Expenditure Projections									
	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
Operating Income Total	£1,609,523	£1,798,198	£1,834,162	£1,870,846	£1,908,263	£1,946,427	£1,985,357	£2,025,063	£2,065,565	£2,106,875
Cost of Sales Total	£128,909	£131,487	£134,117	£136,800	£139,536	£142,326	£145,173	£148,076	£151,038	£154,059
Staff Costs Total	£1,568,579	£1,615,637	£1,664,106	£1,714,028	£1,765,451	£1,818,413	£1,872,966	£1,929,154	£1,987,030	£2,046,642
Property Costs Total	£271,993	£277,433	£282,983	£288,641	£294,416	£300,304	£306,308	£312,434	£318,685	£325,059
Supplies and Services Total	£27,126	£27,669	£28,222	£28,785	£29,363	£29,950	£30,548	£31,158	£31,783	£32,418
<b>Net Expenditure</b>	<b>£387,084</b>	<b>£254,028</b>	<b>£275,266</b>	<b>£297,408</b>	<b>£320,503</b>	<b>£344,566</b>	<b>£369,638</b>	<b>£395,759</b>	<b>£422,971</b>	<b>£451,303</b>

- 6.3.4. From the data the net expenditure (operational deficit) in Year 1 is projected at £387,084 excluding LCC. This reflects the assumption of lower usage during Year 1 (2027/28) and the need for memberships, classes, etc. to be built-up. Consequently, the net expenditure estimate for Year 2 is a more normalised figure of what can be expected. These costs do not include any financing costs or loan repayment costs attributed to capital funding.

- 6.3.5. At this early stage in the development lifecycle, it should be noted that this initial revenue cost forecast is subject to further refinement of the design proposals, use of spaces and staffing models to optimise the net expenditure to ensure financial sustainability. In addition, **this model assumes a fully self-sufficient operating model** without spaces such as the café and climbing areas being leased to external providers and suppliers to operate.
- 6.3.6. Furthermore, a thorough review and consideration has still to be given to the wider network of services across the area to ensure the new facilities complement and enhance the services offer across Clackmannanshire without duplication to improve efficiency. Finally, continued engagement is required with community groups and organisations to identify elements of the proposal which can be jointly operated in partnership with the council to optimise the financial sustainability.

#### 6.4. Impact on income and expenditure

- 6.4.1. A sensitivity analysis (aggregate testing) has been undertaken on the revenue cost figures, which tests the sensitivity of the net revenue cost for Year 1 (2027/28) by varying both income and expenditure. Refer to Table 11 for the Year 1 net expenditure sensitivity analysis. Again, it should be noted that these figures exclude LCC and are based on a fully self-sufficient and stand-alone operating model as explained in section 6.3.5 and 6.3.6 above.

Table 11: Year 1 Net Expenditure Sensitivity Analysis Excl. LCC - Wellbeing Hub

		Expenditure Variation								
		-20%	-15%	-10%	-5%	0%	5%	10%	15%	20%
Income Variation	-20%	-£309,667	-£409,498	-£509,328	-£609,158	-£708,989	-£808,819	-£908,649	-£1,008,480	-£1,108,310
	-15%	-£229,191	-£329,021	-£428,852	-£528,682	-£628,512	-£728,343	-£828,173	-£928,004	-£1,027,834
	-10%	-£148,715	-£248,545	-£348,376	-£448,206	-£548,036	-£647,867	-£747,697	-£847,527	-£947,358
	-5%	-£68,239	-£168,069	-£267,899	-£367,730	-£467,560	-£567,391	-£667,221	-£767,051	-£866,882
	0%	£12,237	-£87,593	-£187,423	-£287,254	<b>-£387,084</b>	-£486,914	-£586,745	-£686,575	-£786,405
	5%	£92,714	-£7,117	-£106,947	-£206,778	-£306,608	-£406,438	-£506,269	-£606,099	-£705,929
	10%	£173,190	£73,359	-£26,471	-£126,301	-£226,132	-£325,962	-£425,792	-£525,623	-£625,453
	15%	£253,666	£153,836	£54,005	-£45,825	-£145,656	-£245,486	-£345,316	-£445,147	-£544,977
	20%	£334,142	£234,312	£134,481	£34,651	-£65,179	-£165,010	-£264,840	-£364,670	-£464,501

- 6.4.2. Based on the sensitivity analysis for the proposed Wellbeing Hub facility and its Year 1 (2027/28) forecasted deficit of -£387,084, several conclusions can be drawn regarding the facility's financial vulnerability to changes in income and expenditure:



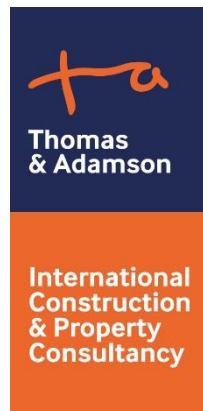
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- i. **Expenditure Sensitivity:** An increase in expenditure significantly impacts the deficit. For instance, a 20% increase in expenditure without any change in income inflates the deficit to -£786,405, emphasizing the necessity of stringent cost management strategies to maintain financial stability.
  - ii. **Income Sensitivity:** A decrease in income similarly worsens the deficit. A reduction of 20% in income, without adjusting expenditure, would deepen the deficit to -£708,989, highlighting the importance of stable or growing revenue streams to sustain the Wellbeing Hub's financial health.
  - iii. **Improvement through Income Growth:** Increasing income can considerably alleviate the deficit. For example, with a 20% growth in income and static expenditure, the deficit decreases to -£65,179, showing the effectiveness of revenue enhancement initiatives.
  - iv. **Cost Reduction Impact:** Reducing expenses has a substantial positive effect on the deficit. A 20% cut in expenditure, while maintaining the current income, would deliver a small surplus of £12,237, underlining the potential of cost-saving measures.
  - v. **Combined Adjustments:** When both income and expenditure are varied in the same direction, the deficit can be managed more effectively. For instance, simultaneously increasing income and decreasing expenditure by 10% results in a much lower deficit of -£26,471.
  - vi. **The Optimal Scenario:** The ideal scenario for financial health is the one where income increases, and expenditure decreases substantially. Should the Wellbeing Hub successfully implement strategies that boost income and reduce expenses by 20%, the deficit would decrease significantly to a surplus of £334,142.
- 6.4.3. In summary, the sensitivity analysis illustrates that the financial stability of the new wellbeing hub facility is highly influenced by income and expenditure changes. It is imperative for the Wellbeing Hubs management to focus on enhancing income and optimising costs to protect against financial risks. Strategies should encompass diversifying income sources, careful expenditure tracking, and targeted cost reduction.
- 6.4.4. With a proactive approach to financial management, the Wellbeing Hub may not only bridge the current deficit but could also potentially generate a surplus, provided substantial and positive changes in financial performance are achieved. Refer to Appendix K for detailed demand and financial model tables.

## 6.5. Overall affordability and funding

- 6.5.1. The Wellbeing Hub is entirely funded by the Council Capital Plan; however, opportunities are being sought for supplementary funding where possible. Any requirements associated with other funding sources which may impact on the design, construction and operation of the asset will be shared and instructed accordingly.
- 6.5.2. The Lochies School is funded by the Council Capital Plan, however, the Council has secured Learning Estate Investment Programme (LEIP) Phase 3 funding from the Scottish Government. The funding model for the LEIP programme is based on the principle that Scottish Government and Local Authority funding is provided 50:50 for a like-for-like school. Government funding is in the form of revenue funding over a 25-year period, subject to satisfactory achievement of the programme's outcomes.
- 6.5.3. The Council (Authority), with support from Hubco and Tier 1 Contractor must therefore ensure that the design, construction and operation of the asset fulfils and satisfies the criteria and conditions required by the LEIP funding namely.
- i. The successful outcome of any statutory consultation that is required.
  - ii. Any land purchase/site negotiation that is required for the project being concluded.
  - iii. An expectation that the project will be open to pupils by December 2027; and,
  - iv. Adherence to the guiding principles, programme metrics, terms & conditions, funding outcomes and project development processes of the LEIP.



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## 7. Management Case

Within the Management Case, the management responsibilities, governance arrangements and reporting requirements for successful project delivery have been defined. This case identifies the Senior Responsible Owner (SRO) for the project and sets-out the gateway review and approval arrangements along with the key programme milestones. In addition, the plans and procedures for change management, risk management, stakeholder management, communications and information management are outlined.

### 7.1. Project organisation structure

- 7.1.1. It is important to have clear definition and a collective understanding of the roles, responsibilities and interfaces to help deliver a successful project.
- 7.1.2. The project organisational structure defines the relationship between the various departments and organisations responsible for the project. These are grouped under the following 2 main categories, namely:
  - i. 'Client' (Authority) the groups (teams) and governance structures within Clackmannanshire Council that will have responsibility for the delivery of the project; and,
  - ii. 'External Project Team' the organisations, specialist consultants and personnel selected to lead the delivery of the design, construction and handover of the project.
- 7.1.3. The project organisation structure includes:
  - i. A clear organisation chart of the Council (Authority).
  - ii. A clear organisation chart of the External Project Team (Hubco).
  - iii. A description of their roles and responsibilities.
  - iv. Relationship between Council (Authority).and the External Project Team (Hubco).
  - v. Interfaces within the External Project Team (Hubco).
- 7.1.4. As the project progresses, the project organisation structure will be updated, as necessary.
- 7.1.5. Refer to Figure 1 below which illustrates the Council (Authority) Organisation Structure.

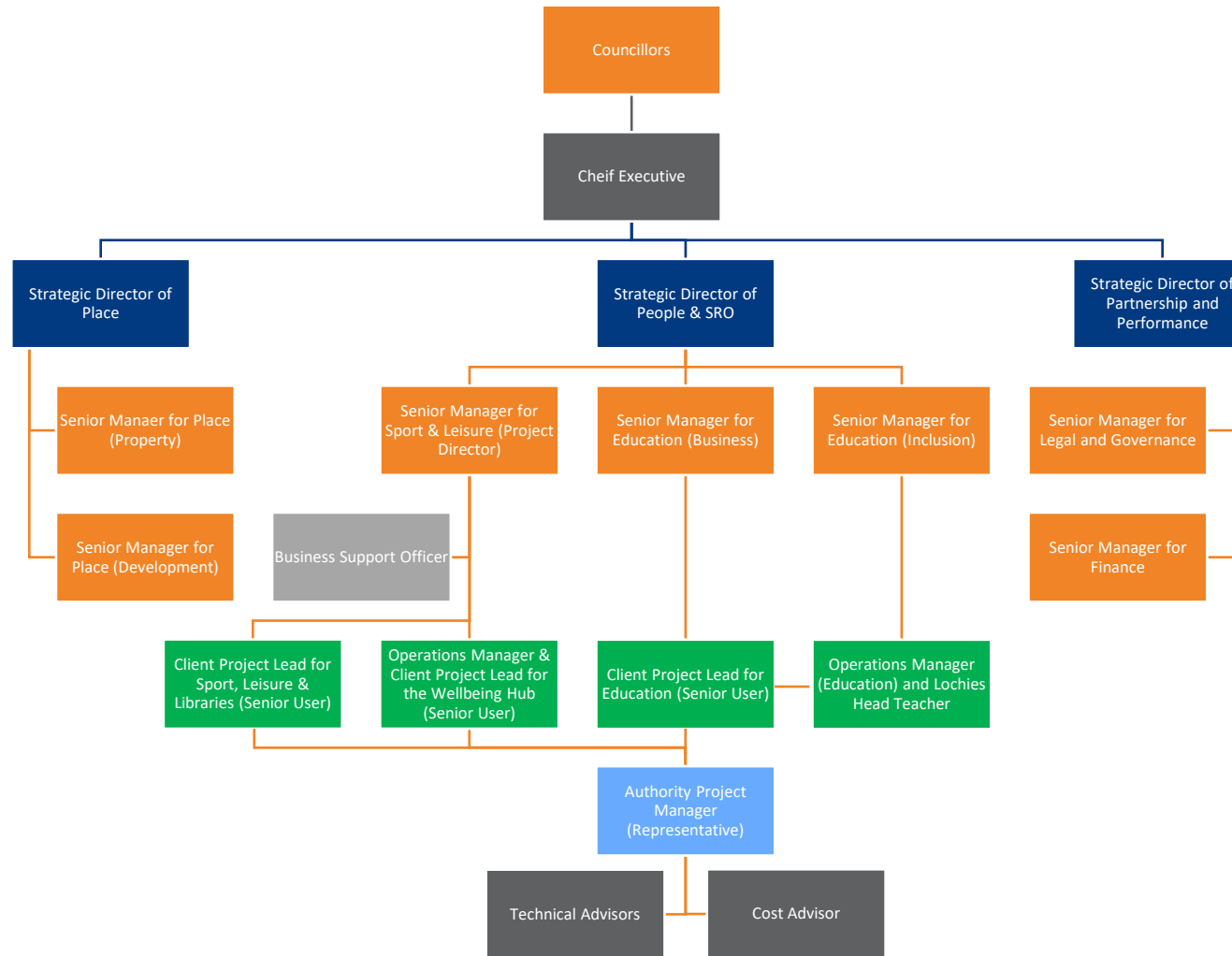
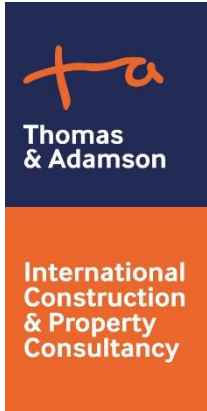


Figure 1: Council (Authority) Organisation Structure



- 7.1.6. The Senior Responsible Officer (SRO) for the project is the recognised senior owner within the Council (Authority) organisation and is responsible for the successful delivery of the project. The SROs responsibilities include:
- i. Chair of the Project Board and responsible for ensuring that the project meets its objectives and delivers the projected benefits.
  - ii. Appoint Project Director in conjunction with the Project Board and agree remit and extend delegated authority.
  - iii. Should remain in place throughout the project and maintain visible and sustained commitment to the project.
  - iv. Responsible for ensuring that a project's objectives are clearly defined and achievable.
  - v. Ensures that a brief is developed that clearly reflects the project objectives and sign off project requirements ensuring project affordability.
  - vi. Ensure that risks are identified, actively managed and controlled.
  - vii. Oversee project performance and resolve any issues that fall outside of the Project Director's delegated authority.
- 7.1.7. The Project Director is responsible to the SRO and the Project Board for the effective delivery and management of the project. The Project Director's role is to:
- i. Provide leadership, support and direction to the Client Project Team
  - ii. Develops and manages the implementation of measures to meet the project objectives including the development of the Outline Business Case (OBC) and Full Business Case (FBC).
  - iii. Ensures compliance with all relevant procurement legislation and good practice requirements.
  - iv. Ensures effective monitoring of progress and takes corrective action where required, exerting stringent formal control of decisions involving costs, risks content and material variations and changes in the approved project scope.
  - v. Lead role in the procurement and management of contractors and external advisers including providing clear remit and direction to external advisers.
  - vi. Supported by the Client Project Team and other stakeholders as required, to make recommendations to the Project Board at key stages, as agreed with the Project Board.
- 7.1.8. The Senior User is the senior representative of the user group that will be ultimately impacted by the project output. The role of the Senior User(s) is to:

- i. Ensure that the user needs are clearly specified at the outset.
- ii. Ensure that adequate input is provided from the user perspective from the outset of the project.
- iii. Responsible for timely decision making and sign offs on User Acceptance Criteria (and Authority Construction Requirements).
- iv. Advise on stakeholder identification and engagement.
- v. Supports project gateway reviews at various stages and that ensured that the user specific recommendations are implemented.

7.1.9. The role of the Authority Representative (Project Manager) is to articulate the Authority's requirements, aspirations and vision for the new facilities including construction requirements and services specification in a timely manner. The responsibilities of the Authority Representative include:

- i. Acts as a conduit between the Authority (Council) stakeholders and the External Project Team (Hubco).
- ii. Works with the Project Director and Senior User(s) to co-ordinate and rationalise the requirements of all the key Authority (Council) stakeholders in developing the design brief.
- iii. Review and evaluating proposals including design review, and value for money (VfM).
- iv. Fulfil the duties of the Authority Representative under the DBDA.
- v. Helps to develop and monitors the project programme for the Stage 1 and Stage 2 approval process through to Contract Finalisation/Financial Close
- vi. Supports the Project Director and Senior User(s) in developing the Outline Business Case (OBC) and Full Business Case (FBC) with the support of the Client Project Team.
- vii. Develop and manage the project risk register with hubco and the Tier 1/Tier 2 supply chain.
- viii. Ensures all site issues are addressed including acquisition, title conditions and site investigations.
- ix. Ensure that the Project Agreement is developed, including the Schedules.

7.1.10. The External Project Team Organisation Structure is based on the project being procured via the hub East Central Scotland Framework (hubco). In addition, the structure is based on a two stage Design and Build procurement route with the Design Team being appointed by the Tier 1 Contractor. Refer to Figure 2 below which identifies the current External Project Team Organisational Structure.

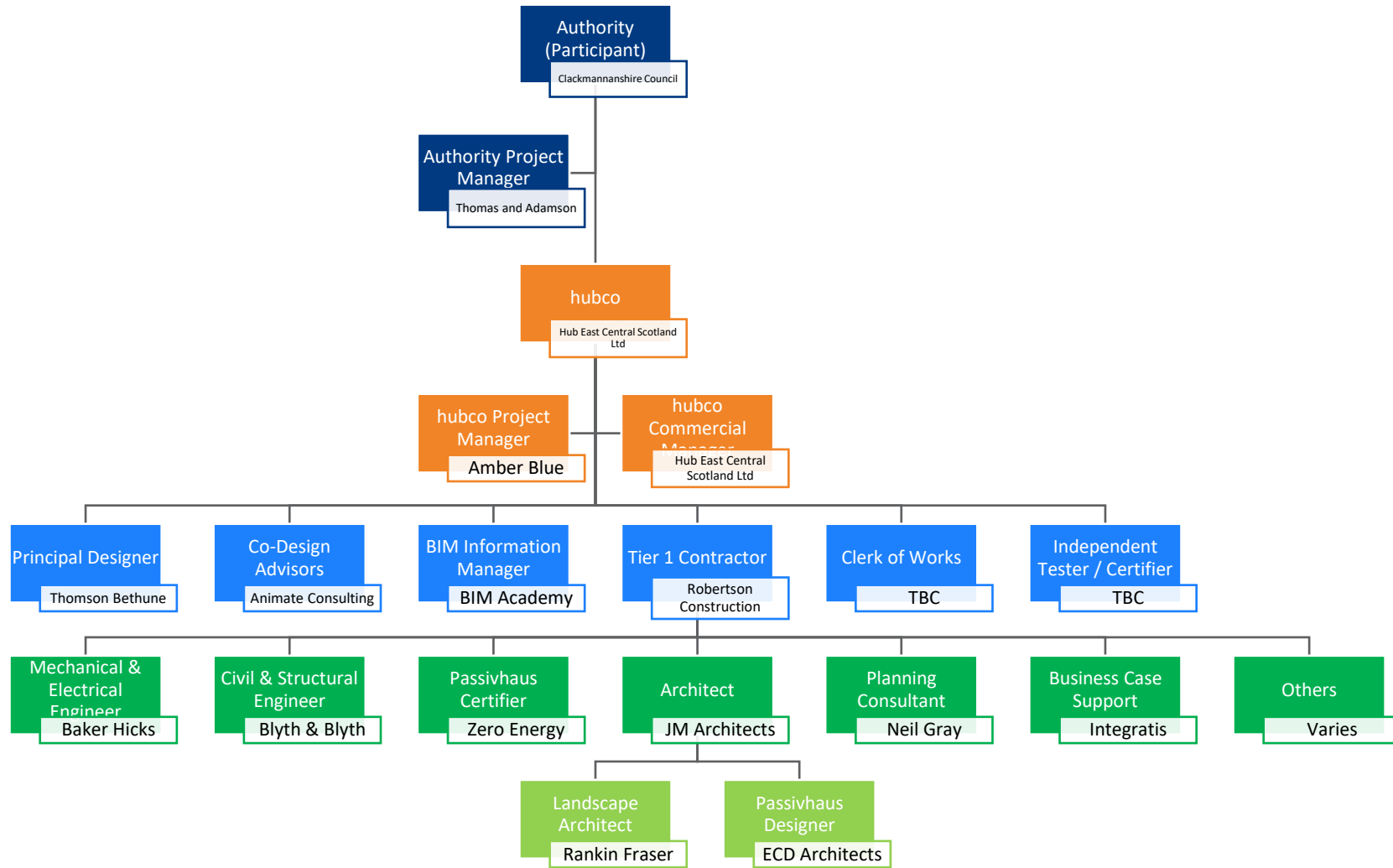
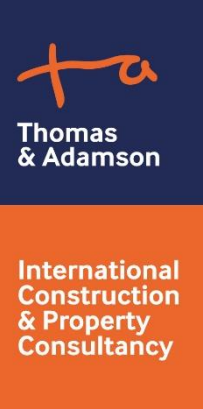


Figure 2: External Project Team Organisation Structure

## 7.2. Project management governance arrangements

- 7.2.1. Throughout the project, changes can occur, and decisions will be required, and it is therefore essential that a governance structure is in place to support this.
- 7.2.2. The project governance structure is linked with the project organisation structure and describes the decisions' structure, the levels of authority and their responsibilities.

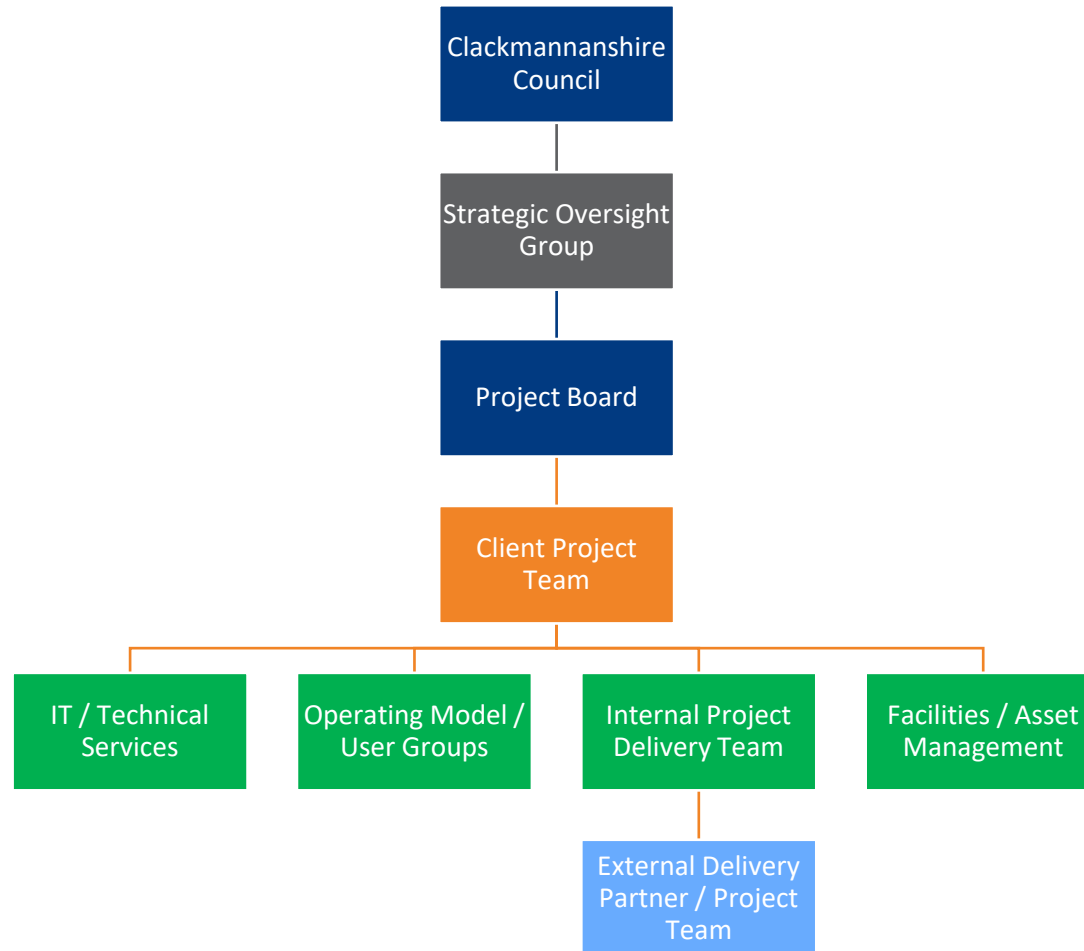


Figure 3: Project Governance Structure

- 7.2.3. The project governance structure has been prepared and is illustrated in Figure 3. In addition, the details on the responsibilities, levels of authority and representatives of each group within the governance structure are set out below.
- 7.2.4. Clackmannanshire Council (the Council) will hold ultimate responsibility and level of authority for the project and will be responsible for approving the recommendations presented by the Strategic Oversight Group (SOG) and/or Senior Leadership Group including:
- i. Business Case.
  - ii. Capital Expenditure.
  - iii. Contract Finalisation.
- 7.2.5. The remit of the Strategic Oversight Group and/or Senior Leadership Group will be to assess the key requirements and/or decisions of the project against the context of its:
- i. progress against the transformation business plan
  - ii. progress against the Be the Future implementation plan.
  - iii. updates on financial benefits from investment of Transformation Fund
  - iv. alignment to budget strategy
  - v. fundraising and strategic alignment and impact on the capital programme
  - vi. emerging opportunities – discovery fund; partnerships; challenge funds
- 7.2.6. The Project Board is accountable for the success of the project and has responsibility and authority for the implementation of the project from inception through to completion. In addition, the Project Board is responsible for direction and timely decision making to ensure that the project remains on course to deliver the desired benefits and required quality. Key responsibilities of the Project Board include:
- i. Oversees the effectiveness of the Project Director and the Client Project Team.
  - ii. Responsible for ensuring that adequate resources are made available for the delivery of the project within programme timescales and to meet design and construction quality expectations and commitments.
  - iii. Ensure that project scope is developed and clearly defined and has been agreed by the key stakeholders.
  - iv. Ensure appropriate stakeholder identification, analysis and engagement.



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- v. Establish a progress and reporting procedure, ensuring that any changes in circumstances affecting the project are evaluated and appropriate corrective action taken.
- vi. Ensure that project gateway reviews are carried out at appropriate stages and that recommendations are implemented.
- vii. Ensure that post project review takes place objectives are met.
- viii. Ensure communications activity is engaging key stakeholders with the agreed narrative.
- ix. Ensure financial commitments follow the Council financial procedures.
- x. Resolve escalated issues and risks from the Client Project Team.
- xi. Ensuring that the project is delivered holistically in terms of Capital Expenditure (CAPEX) and Operational Expenditure (OPEX)/Revenue cost.

7.2.7. The Client Project Team are responsible for developing and managing the design, procurement and delivery of the project on behalf of the Project Board, communicating with the External Design Team, key supporting workstreams and ensuring that all the project objectives are delivered.

7.2.8. The Client Project Team is also responsible for reviewing the design as it develops and providing comment on its compliance with the brief, project budget and any issues from an operational perspective. In addition, the Client Project Team is responsible for supporting the Project Board on any matters or processes associated with the operating model, funding strategy, network development, communications, stakeholder engagement and reporting to Council.

7.2.9. The operator and end user groups will be responsible for reviewing and providing input into the design proposals regarding their respective service areas. Any changes which arise from engagement with the operators and end users will require approval and sign-off by the relevant group/board in accordance with the project governance structure and agreed levels of authority.

7.2.10. The facilities and asset management team will be responsible for reviewing and providing input into the design proposals regarding their respective service areas. Any changes which arise from engagement with the facilities and asset management team will require approval and sign-off by the relevant group/board in accordance with the project governance structure and agreed levels of authority.

7.2.11. The Technical Services Team will provide guidance and support to both the Client Project Team on the technical and performance standards required for the project. The Technical Services Team will provide due diligence support to the

Client Project Team on the development of both the delivery of design and construction quality compliance delivery of the project. The Technical Services team will undertake due diligence reviews at project gateways / stage submission reports, financial close whilst also assess compliance during and on completion and handover of the works.

- 7.2.12. The ICT / Technology workstream will provide guidance, and support both the Client Project Team on the ICT infrastructure and performance requirements for the project. The workstream will also work closely with the Operator and User Groups to develop the ICT platforms necessary for the day-to-day operations of the new facility.

### 7.3. Programme and project assurance

- 7.3.1. Gateway reviews and approvals have been incorporated in the programme at key project milestones such as the end of RIBA and Hubco design stages, to review the information which has been developed and ensure it satisfies the Council requirements.
- 7.3.2. The information submitted at each gateway, will be reviewed by members of the Client's Project Team with any comments being captured. The information will then be approved by the relevant group or board in accordance with the governance procedure and level of authority.
- 7.3.3. Approval must be obtained at each gateway before proceeding to the next stage and will establish the baseline of information from which change can be measured. Refer to Table 12 which summarises the project timeline and gateways.

*Table 12: Project Delivery Timeline and Gateways - Wellbeing Hub and Lochies School*

Task Name	Start	Finish
RIBA Stage 1 – Preparation & Briefing	Q1 2023	Q3 2023
Procurement and Supply Chain Selection	Q2 2023	Q3 2023
<b>Gateway 1 - Approval to proceed to RIBA Stage 2 (hub stage 1)</b>	<b>Q3 2023</b>	
RIBA Stage 2 (hub Stage 1) – Concept Design	Q4 2023	Q1 2024
<i>Initial Design Engagement Programme Concluded</i>	<i>Q4 2023</i>	
<i>Submit Planning Pre-Application</i>	<i>Q1 2024</i>	
<i>Submit Planning Proposal of Application Notice (PoAN)</i>	<i>Q1 2024</i>	

RIBA Stage 2 (hub stage 1) – Review & Approvals Period	Q2 2024	Q2 2024
<i>Submit Outline Business Case (OBC) to Council for Approval</i>	Q2 2024	
<b>Gateway 2 - Approval to proceed to RIBA Stages 3/4 (hub Stage 2)</b>	<b>Q2 2024</b>	
RIBA Stage 3 - Spatial Coordination (hub Stage 2)	Q2 2024	Q2 2024
<i>RIBA Stage 3 - Complete - Design Freeze</i>	Q2 2024	
<i>Submit Full Planning Application</i>	Q2 2024	
RIBA Stage 4 - Technical Design (hub Stage 2)	Q2 2024	Q4 2024
<i>Full Planning Consent Granted</i>	Q4 2024	
RIBA Stage 4 (hub Stage 2) – Review & Approvals Period	Q4 2024	Q4 2024
<i>Submit Full Business Case (FBC) to Council for Approval</i>	Q4 2024	
<b>Gateway 3 - Approval to proceed to Contract Finalisation</b>	<b>Q4 2024</b>	
Contract Finalisation	Q4 2024	Q1 2025
<b>Gateway 4 - Financial / Contract Close</b>	<b>Q1 2025</b>	
RIBA Stage 5 – Construction Works (Excl. Enabling Works)	Q1 2025	Q4 2026
<i>Section 1 - Wellbeing Hub - Completion Date</i>	Q4 2026	
<i>Section 2 - Lochies School - Completion Date</i>	Q4 2026	
<i>Section 3 - External Landscaping - Completion Date</i>	Q4 2026	
<b>RIBA Stage 5 – Construction Works - Complete</b>	<b>Q4 2026</b>	

7.3.4. Throughout the project development process, there will be a design validation and project review workshops undertaken at key gateways as part of the project assurance process. These project assurance workshops are outlined within Table 13.



Table 13: Project Assurance Workshops - Wellbeing Hub and Lochies School

Workshop	Description	When
Pre-Planning Design Validation Workshop	Measure and evaluate the design proposals against the project success criteria at the RIBA Stage 2 (Hub Stage 1) gateway.	Q2 2024
Pre-Construction Project Review Workshop	Measure and evaluate the achievement of project success criteria at the point of contract close and focus on the process to reach that key milestone.	Q1 2025
Pre-Handover Workshop	Measure and evaluate the achievement of project success criteria prior to handover and focus on the process to reach that key milestone.	Q4 2026
Post Project Review (PPR)	Measure and evaluate the achievement of project success criteria at the point of handover and focus on the process to reach that key milestone.	Q1 2027
Post Occupancy Evaluation (POE)	Measure and evaluate if the completed project has responded successfully to the project success criteria as defined at the project outset.	Q1 2028

7.3.5. Further information on the PPR and POE is defined under the post implementation and evaluation arrangements section.

#### 7.4. Change and contract management arrangements

7.4.1. Changes can be initiated by any member of the project team, and it is important that the relevant group, which approves all the changes, represents the main project stakeholders and that clear change procedures and workflows are defined.

7.4.2. A consistent and standardised change management procedure will be adopted to allow all changes to be managed in a consistent way.

7.4.3. Levels of authority for decisions on all changes will be defined to ensure that it is being dealt with efficiently by an appropriate level within the project governance structure.

7.4.4. A “Change,” for the purpose of the change control procedure, will constitute any amendment:

- i. Pre-contract (pre-construction) to any briefing documentation, technical requirements or design information which are approved or fixed at project stages (gateways); or,

- ii. Post-contract (construction) to the terms or content of the contract (including drawings, specification etc.) except for instructions required urgently in response to unexpected issues arising on site (e.g. health & safety matters).

7.4.5. Change can arise from various sources including:

- i. Client request (A request raised by the Client that expands or deviates from the agreed scope).
- ii. Design Development (Changes to details or scope requested by the design team due to design development).
- iii. Stakeholder/3rd Party change (Change required due to the requirements or objections of a 3rd party).
- iv. Technical Queries (The response to a technical query may result in a change); or,
- v. Site change (Changes required due to information gathering or changed circumstances on site).

7.4.6. The party (stakeholder) instigating the change should raise a Change Order Request (COR) to initiate the process and enable a change assessment to be undertaken.

7.4.7. The initiated COR should be submitted to the Client Project Manager who will allocate a reference number and will record it within the Change Control Register.

7.4.8. The considerations and impact to be evaluated as part of the change assessment include:

- i. Scope.
- ii. Specification.
- iii. Health and Safety.
- iv. Environment.
- v. Resources.
- vi. Programme considerations; and,
- vii. Cost implications.

7.4.9. Where the change is initiated pre-contract, the delivery partner (Hubco), in consultation with the Tier 1 Contractor and their Tier 2 design team, will advise on any cost and programme implications resulting from the change and the latest date for confirmation of the change.

7.4.10. Where the change is initiated post-contract, Hubco and the Tier 1 Contractor will:



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- i. Provide a quotation for carrying out the works including a full cost breakdown.
- ii. Advise of any implications to the construction programme caused by instruction of the change into the contract.
- iii. Advise the latest date by which an instruction is required for incorporation of the change into the works; and,
- iv. Sign off the cost and programme implications of the change and issue to the contract administrator / employer's agent (as appropriate).

7.4.11. The Project Manager will review the change assessment and complete COR with the Client.

7.4.12. The completed COR will then be "accepted" (approved) or "rejected" by the relevant group/board dependent on the classification of change and level-of-authority.

7.4.13. If accepted, the Project Manager will document/record the decision within the Change Control Register and issue a formal instruction confirming inclusion of an approved COR into the works.

7.4.14. If rejected, the Project Manager will document/record the decision within the Change Control Register and notify the relevant parties of the decision.

7.4.15. Refer to Figure 4 illustrating the Change Order Request (COR) procedure.



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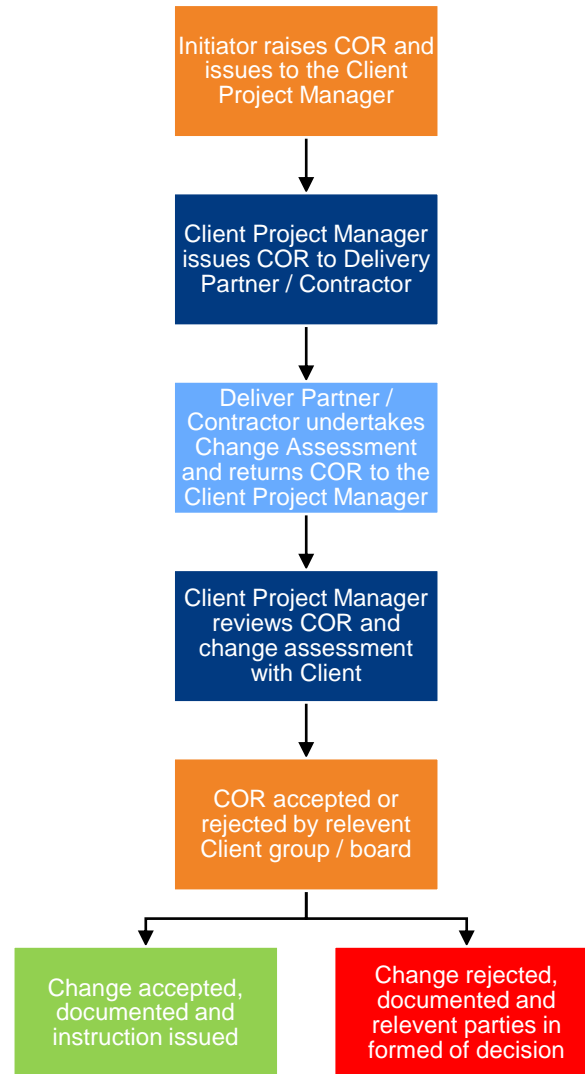


Figure 4: Change Order Request (COR) Procedure

## 7.5. Risk management arrangements (including plans and register)

- 7.5.1. An effective risk management strategy has been prepared and detailed within the Project Execution Plan (PEP) as this is crucial for the successful delivery of the project. It is the joint responsibility of all members of the project team to play an active role in the identification, analysis and mitigation of risks, and this has been undertaken through multiple risk workshops and engagement with stakeholders both internally within the Council and those in the external project team.
- 7.5.2. Following the procurement of Hubco as the development partner for the project, the risk management arrangements have been structured to differentiate between the strategic and Council owned risks and the risks related to the design development and construction of the new assets.
- 7.5.3. The Council (Authority) Project Manager has led on Risk Management throughout the initial stages of the development process (RIBA POW Stages 0 to 2) and following the appointment of Hubco the design development and construction related risks have been transferred to be managed by the Hubco Project Manager. The Council Project Manager will continue to manage the strategic and Council owned risks and opportunities. Refer to the Client Project Team Risk and Opportunities Register included in Appendix L.
- 7.5.4. The Hubco Project Manager maintains the design development and construction Risk Register with input from the Client and project team and will co-ordinate and facilitate the risk management process and will include this on the agenda of regular meetings, in addition to arranging specific workshops at various stages of the project. This will be the platform to identify various commercial, financial, planning, procurement and construction risks. The Hubco Risk Register is included in Appendix M.
- 7.5.5. The risk management process will continue throughout the project lifecycle. Both Risk Registers will be reviewed and updated at regular intervals, in accordance with the PEP, and all members of the project team will provide input and carry out agreed actions promptly as required in order to minimise the effect of risks.

## 7.6. Stakeholder management and communications

- 7.6.1. The Council have prepared a Stakeholder Engagement Plan and is included Appendix N. The document identifies and maps all relevant stakeholders who have an interest or influence over the project along with the proposed method and frequency of engagement.
- 7.6.2. In addition, the Council have prepared a communications framework for the project. Further work is being undertaken to develop a communications protocol and action plan.



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## 7.7. Information management

- 7.7.1. The Council has secured Learning Estate Investment Programme (LEIP) Phase 3 funding from the Scottish Government for the Lochies School element of the proposed development, therefore the associated terms and conditions pertaining to information management are being adhered to. This has been applied across the entire project as the effective management of information throughout the project lifecycle will improve efficiencies and ultimately create the conditions for the successful management of the new asset.
- 7.7.2. In accordance with the LEIP Phase 3 funding requirements, the project has adopted the use of the SFT Standard Information Management Plan (SIMP) resources to define the information requirements for the Council and inform the detailed information deliverables to be provided by the lead appointed party (hubco) at each project information delivery milestone. Through hubco, the Council has appointed an Information Manager to work with the Council to prepare the Project Information Protocol and the Project Information Requirements (PIR).
- 7.7.3. The Project Information Protocol defines the rights, roles and responsibilities for the management of information under the contract, whilst the PIR defines the Council's information standards, production methods and procedures, information management task responsibilities and information exchange requirements for the project. Both documents are continuing to be developed and will be incorporated in the Design Build Development Agreement (DBDA) at Financial Close.

## 7.8. Post implementation and evaluation arrangements

- 7.8.1. In accordance with the project assurance and LEIP funding requirements, both a Post Project Review (PPR) and Post Occupancy Evaluation (POE) will be undertaken.
- 7.8.2. The PPR will be undertaken within 3-months of construction completion and will seek to measure and evaluate the achievement of project success criteria at the point of handover and will focus on the process to reach that key milestone.
- 7.8.3. The POE will be undertaken within 12-18 months after construction completion and will seek to measure and evaluate if the completed project has responded successfully to the project success criteria as defined at the project outset. The POE will focus on in-use outcomes and build on the lessons learned through the PPR.



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## 8. Next steps

8.1. The OBC will be presented at the meeting of Clackmannanshire Council on the 27<sup>th</sup> June to decide whether to proceed to the preparation of the Full Business Case (FBC) which will:

- i. Provide final recommendation for an affordable and Value for Money (VFM) project.
- ii. Finalise the Commercial Case with reference to the final contract arrangements.
- iii. Finalise the Financial Case including affordability and funding.
- iv. Finalise the Management Case including detailed arrangements for the successful delivery of the project.



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