

Report of the Built Environment Principal Development Officer

Report to the Head of Strategic Development & Investment

Date: 14 July 2014

Subject: Design & Cost Report – Achieving 2 Year Old Project – Remodelling and refurbishment of modular unit and addition of new modular unit at City and Holbeck Children’s Centre



Capital Scheme Number: 16778/CHC/000

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): City & Hunslet and Beeston & Holbeck		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

Summary of main issues

1. The purpose of this report is to seek approval to incur expenditure of £137,735 for the remodelling and refurbishment of an existing modular building and the addition of a new modular building at City & Holbeck Children’s Centre to provide 48 educational places for 2 year olds. The scheme will be funded through £89,735 of 2 year old capital grant and £48,000 of revenue start up grant.
2. Leeds City Council has a duty to secure early education for specified two-year olds and the Government anticipates that around 4,300 two-year olds in Leeds will be eligible to take up a place by January 2015. A review and remodelling of existing provision in all areas of the city is required in order create the required 4,300 places, most significantly in the areas of greatest need. City and Holbeck Children’s Centre ‘reach area’ is one of the top ten highest priority areas in the city, with 68 places currently required.
3. The work proposed within this report will create 48 two-year old places at City and Holbeck Children’s Centre and will take effect from November 2014.
4. This project is being delivered by City and Holbeck Children’s Centre, which is run by the charity 4 Children, in accordance with the terms specified by Children’s Services.

Recommendations

The Head of Strategic Development & Investment is requested to authorise expenditure of £137,735 from Capital Scheme Number 16778/CHC/000 for the remodelling and refurbishment of an existing modular building and the provision of a new modular building at City & Holbeck Children's Centre.

1.0 Purpose of this Report

1.1 The purpose of this report is to:

- Provide background information and detail to the Head of Strategic Development & Investment regarding the remodelling and refurbishment of an existing modular building and the provision of a new modular building at City & Holbeck Children's Centre to provide 48 educational places for 2 year olds.
- Seek authority to incur capital expenditure of up to £137,735 in order to deliver these places.

2.0 Background information

2.1 Leeds City Council has provided around 600 15-hour free early education places for two-year olds since 2006 as part of an early pilot programme. From September 2013, Leeds City Council has a duty to secure early education for specified two-year olds and the Government anticipates that around 4,300 two-year olds in Leeds will be eligible to take up a place by January 2015.

2.2 To create the required 4,300 places for two-year olds by January 2015 requires a remodelling of existing provision in all areas of the city, but most significantly in the areas of greatest need. Whilst there is an expectation that places can be expanded in 29 Leeds City Council sites offering early education, there will also need to be an expansion of capacity within the private and voluntary sectors.

2.3 In July 2013, Executive Board agreed to inject £1.4m from the Early Years block of DSG into a 'Start-Up' programme to incentivise all early providers of education to open up new places for two-year olds in the required areas of the city. In October 2013, CSLT approved the proposal to pay a 'Start-up grant' of £1,000 for every new 15-hour place created in a group provider setting and £500 for every new place created in a child-minder setting.

2.4 The DfE has allocated £1.58m of capital funding to Leeds, and although this is a non-ring fenced grant, it is intended to support the delivery of additional places for eligible two-year olds. This fund is intended for providers who would require more than the £1,000 per place in order to increase their provision; however it would only be available to providers in areas where the need for places is greatest and where the only solution is a capital one.

2.5 The City and Holbeck Children's Centre is managed by 4Children. 4Children is a registered charity which was established in 1984 (as the National Out of School Alliance). Their charity registration number is 288285. 4Children's group turnover for the year ending 31 March 2014 is projected as £25,847,000. The accounts for the nursery are audited annually with our group wide accounts by our auditors Saffery Champness and filed with the Charity Commission. 4Children is led by a strong and well established Senior Management Team and Board of Trustees. City & Holbeck Nursery was judged to be 'good' by Ofsted in its most recent inspection in October 2013.

2.6 City and Holbeck Children's Centre 'reach area' is one of the top ten highest priority areas in the city, with 68 places currently required.

2.7 The existing building, which will be refurbished under this project, is under a rental agreement with Portakabin Ltd. The additional accommodation will also be rented. Therefore, 4Children intend to extend their existing rental agreement with Portakabin Ltd in order to make available the required two-year old places. Under this rental agreement Portakabin require any remodelling works to be undertaken by them. To this end, the scheme is being design and delivered by Portakabin, in partnership with 4Children.

3.0 Main Issues

3.1 Design Proposals and Full Scheme Description

The proposed works include the following components:

- Remodelling and refurbishment of the existing modular building to provide required accommodation for 48 two-year old places.
- Installation of additional modular building to provide required office and staff spaces.
- Creation of a new external play area.
- Furniture, equipment and ICT infrastructure.

3.2 The total estimated scheme cost is £137,735, inclusive of fees & surveys, has been provided the modular build contractor.

4.0 Programme

4.1 As stated at 2.7, the works will be undertaken by the appointed modular build contractor and the key milestones to achieve this programme are detailed below:

- | | |
|-----------------------------------|------------------------------------|
| • Planning Submission | w/c 16 th June 2014 |
| • Planning Approval | w/c 22 nd August 2014 |
| • Start on-site | w/c 25 th August 2014 |
| • Completion | w/c 14 th November 2014 |
| • Occupation by Children's Centre | w/c 17 th November 2014 |

4.2 Planning Permission has not yet been granted for this scheme and any funding is subject to planning permission being achieved and all conditions having been discharged.

5.0 Corporate Considerations

5.1 Consultation and Engagement

5.1.1 The proposed scheme and associated works has been the subject of consultation with Children's Services Officers and Children's Centre representatives. A public consultation is not required for this scheme.

5.1.2 Children's Services briefed Ward Councillors on 26th January 2014 and will do so again prior to work commencing on-site in August 2014. Further briefings will then be provided throughout the project as required.

5.2 Equality and Diversity / Cohesion and Integration

- 5.2.1 The recommendation within this report does not have any direct nor specific impact on any of the groups falling under equality legislation and the need to eliminate discrimination and promote equality. A screening document has been prepared and an independent impact assessment is not required for the approvals requested.

5.3 Council policies and City Priorities

- 5.3.1 The introduction of free entitlement for eligible two-year olds is part of the Government's 'Fairness Premium' to drive up social mobility and improve life chances by supporting children from disadvantaged backgrounds through high quality early years education and childcare.
- 5.3.2 This scheme is due to be delivered under the City Council's Achieving Two-Year Olds programme and is required to fulfil the Local Authority's statutory responsibility to provide sufficient places for eligible two-year olds by January 2015.
- 5.3.3 With regard to the CYP plan and city priorities, creating places for eligible two-year olds positively impacts directly on the priority around school readiness and on supporting families to provide a safe and supportive family life.

5.4 Resources and value for money

- 5.4.1 The estimated cost of the works is £137,735. This figure is inclusive of all fees and other costs associated with the delivery of the project.
- 5.4.2 The cost will be met through capital scheme number 16778/CHC/000 as part of the Achieving Two Year Olds Programme.
- 5.4.3 The proposal and costs have been subjected to robust checks by Children's Services to determine Value for Money. The checks concluded that fees are being charged at an acceptable level and the construction costs are competitively priced. The costs reflect the type of project, perceived risk levels and the site specific issues identified during the design, development and consultation process.

5.4.4 Capital Funding & Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2014 £000's				
			2014/15 £000's	2015/16 £000's	2016/17 £000's	2017 on £000's
LAND (1)	0.0					
CONSTRUCTION (3)	0.0					
FURN & EQPT (5)	0.0					
DESIGN FEES (6)	0.0					
OTHER COSTS (7)	0.0					
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval						
	TOTAL £000's	TO MARCH 2014 £000's				
			2014/15 £000's	2015/16 £000's	2016/17 £000's	2017 on £000's
LAND (1)	0.0					
CONSTRUCTION (3)	114.7		109.0	5.7		
FURN & EQPT (5)	0.0					
DESIGN FEES (6)	0.0					
OTHER COSTS (7)	23.0		21.9	1.1		
TOTALS	137.7	0.0	130.9	6.8	0.0	0.0
Total overall Funding (As per latest Capital Programme)						
	TOTAL £000's	TO MARCH 2014 £000's				
			2014/15 £000's	2015/16 £000's	2016/17 £000's	2017 on £000's
	0.0					
Early Learning for 2-Yr Olds Grant	89.7		85.2	4.5		
RCCO	48.0		45.6	2.4		
Total Funding	137.7		130.8	6.9	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0

Parent scheme number: 16778/000/000

Title: Early Learning for Two-Year Olds

Capital scheme costs will be fully financed from the City Council's Early Learning for Two-Year Olds capital grant allocation.

5.5 Revenue Effects

- 5.5.1 Under local management arrangements, City and Holbeck Children's Centre is responsible for meeting all revenue costs. Any additional revenue costs arising from this project will be managed within the Children's Centre budget. The Children's Centre has provided a financial forecast, which identifies that all projected revenue implications will be financed from their operating income.

5.6 Legal Implications, Access to Information and Call- In

- 5.6.1 The recommendations of this report will be classified as a 'Significant Operation Decision' and will not be subject to call in.
- 5.6.2 The decision maker's authority to take the decision is outlined in the City Council Constitution, within the Officer Delegation Scheme Executive Function – General Delegations to Officers paragraph 2a.

5.7 Risk Management

- 5.7.1 Risk is to be managed through the application of 'project management tools and techniques by the Children's Centre and their appointed contractor. Escalation will be via the 'Achieving Two-Year Olds Project Group'.

- 5.7.2 A risk log will be maintained throughout the project and escalation is via the Achieving Two-Year Olds Capital Programme Manager.

6.0 Conclusions

- 6.1 As a result of the requirement for Leeds City Council to provide up to 4,300 15-hour free early education places for eligible two-year olds across the city, there is a requirement to review and remodel existing provision in all areas of the city, most significantly in the areas of greatest need.
- 6.2 The work proposed within this report will create 48 additional two-year old places within the City and Holbeck Children's Centre.
- 6.3 The project to deliver additional two-year old places at City & Holbeck Children's Centre has been managed by the Children's Centre in partnership with Children's Services, Corporate Property Management and other key stakeholders. The cost of the accommodation will be met through capital scheme 16778/CHC/000 to the value of £137,735.
- 6.4 It is proposed that the works are undertaken by the modular build contractor procured by the centre.

7.0 Recommendations

- 7.1 The Head of Strategic Development & Investment is requested to authorise expenditure of £137,735 from Capital Scheme Number 16778/CHC/000 for the remodelling and refurbishment of an existing modular building and the provision of a new modular building at City & Holbeck Children's Centre.

8.0 Background documents¹

- 8.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.