

**Report of the Chief Officer (PPP&PU)**

**Report to the Director of Children's Services**

**Date: 16<sup>th</sup> February 2015**

**Subject: Procurement Strategy, Design & Cost Report and Request to Access the Basic Need Programme Contingency Fund for Pudsey Primrose Primary School Basic Need Project**



**Capital Scheme Number: 16981/PPH/000**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): <b>Pudsey &amp; Calverley/Farsley</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. As a consequence of the rapidly increasing birth rate in Pudsey and surrounding areas, it is necessary to increase Pudsey Primrose Primary School. As part of the Primary Basic Need Programme for the City this school is to be expanded from a 1.5FE Primary School with 315 pupil places, to a 2FE primary school with 420 pupils. This new scheme will be completed under the City Council's Basic Need Programme which aims to ensure its statutory duties are met with respect to ensuring a school place for every child within the city.
2. The new places at the extended Pudsey Primrose Primary School will be available from September 2015.
3. A Procurement Strategy is required to be approved; due to there not being sufficient time in the programme to complete a full design and undertake a traditional competitive procurement, it is proposed that NPS will undertake the design to stage D/E and the Construction Partner selected via a Quality Initiated Call-Off from the YORbuild framework to develop a price for the proposed scheme. Subject to the price being developed and agreed in accordance with the process under the YORbuild framework the Construction Partner will be appointed and in line with CPR 3.1.8; CPRs 3.1.5 and 3.1.6 not applying as there are no exclusive supplier arrangements or an ISP to undertake this work. The YORbuild framework is based on the NEC3 Form of Contract and the selected options is Option A (Priced Contract with Activity Schedule).

4. The project will be delivered in conjunction with Leeds City Council's Joint Venture partner NPS Leeds Ltd. and the Council's Public Private Partnership and Procurement Unit (PPP&PU). The construction partner has been identified as Berman Building.
5. A key objective within the Best Council Plan 2013-2017 is to build a Child Friendly City with a 14/15 priority 'ensuring sufficiency of school places. The delivery of pupil places through Basic Need is one of the most baseline entitlements of a Child Friendly City and directly contributes to key outcomes identified within the Children and Young People's Plan (CYPP) 2011-2015 such as our obsession to 'improve behaviour, attendance and achievement'.
6. The Scheme Budget of £1,750,000 was previously approved by Executive Board in September 2014 and the current total scheme costs are £2,719,430 as set out in section 5.4 of this report. This report contains a request to access the Basic Need Programme Contingency fund to enhance the previously agreed budget by £969,430. Once this application is approved there remains £8.977m of programme contingency available to support the remainder of the programme. It should be noted that this is the second programme contingency application on the programme.
7. The increase in the budget is as a result of almost £300,000 worth of pricing errors with the Stage B feasibility study, additional area being added to the scheme post feasibility to ensure that the school can continue to meet its community needs and the recent price increases from contractors in the recovering market. The main points that have affected pricing are;
  - Addition of a new kitchen extension and new kitchen following structural problems with conversion of existing cellar.
  - Increased size of nursery teaching space to ensure compliance with guidance documents.
  - Increased size of speech and language room to ensure the room meets community aspirations.
  - Errors with quantities of minor and major refurbishment scope.
  - Revised fire strategy resulting in new cloakroom additional space due to cloakrooms currently being on fire escape routes.
  - Relocation of library as a result of new cloakrooms.
  - Additional group room to each floor to provide intervention spaces.
  - Change in scope of works to Head Teacher Office due to plant room ventilation, poor heating and inadequate lighting levels.
8. In accordance with the Basic Need Programme Approval by Executive Board in September 2014 this scheme is to be considered and supported by the Deputy Chief Executive and Director of City Development at the 16<sup>th</sup> February 2015 Primary Basic Need Projects Board meeting. Consultation with Executive Members took place on XXX prior to the 16<sup>th</sup> February Board meeting.

## **Recommendations**

9. The Director of Children's Services is requested to:
  - i. approve the procurement strategy and design and cost report for the scheme at Pudsey Primrose Primary School, the cost being £2,719,430 with the appropriate details of the programme, design and cost as set out in this report;

- ii. approve an application to the Basic Need Programme Contingency fund for £969,430 to enhance the previously agreed budget of £1,750,000.
- iii. agree the procurement strategy as a quality initiated call-off using the YORbuild framework in line with CPR 3.1.8. (CPRs 3.1.5 and 3.1.6 not applying as there are no exclusive supplier arrangements or an ISP to undertake this work),
- iv. agree that the project at Pudsey Primrose Primary School to expand by 105 pupils changing it from a 1.5 Form Entry Primary School to a 2 Form Entry Primary School, from September 2015, as part of the Primary Basic Need Programme, can progress to the procurement phase, and
- v. note that the Chief Officer, Public Private Partnerships Unit & Procurement Unit is responsible for scheme delivery which will be completed October 2015.

## **1.0 Purpose of this Report**

1.1. The purpose of this report is:

- To provide background information and detail in respect of the Basic Need scheme to construct the extension and remodelling of Pudsey Primrose Primary School from 1.5FE to a 2 FE Primary School.
- To seek approval for the scheme to proceed on the basis of the budget, scope and programme set out in this report.
- To seek approval to access the programme contingency to enhance the previously agreed budget of £1,750,000 by £969,430 in line with the finance information set out at section 5.4
- To obtain approval for the procurement strategy. It is proposed that NPS will undertake the design to stage D/E and the Construction Partner selected via a Quality Initiated Call-Off from the the YORbuild framework. The Construction Partner selected via the approved YORbuild framework will be invited to develop a price, in conjunction with the Client Project Team, to complete the design and undertake the works required.
- To obtain agreement that the procurement can proceed on the basis that the Construction Partner will be procured through a quality initiated call-off process using the YORbuild framework in line with CPR 3.1.8; CPRs 3.1.5 and 3.1.6 not applying as there are no exclusive supplier arrangements or an ISP to undertake this work.

## **2.0 Background Information**

- 2.1. The Basic Need programme represents the Council's response to the demographic growth pressures in primary school provision. The rapidly increasing birth rate in Leeds has required Leeds City Council to approve over 1300 new reception places since 2009 in order that it fulfils its statutory duty to ensure sufficiency of school places.
- 2.2. The scale of the response cannot be met through the existing estate; therefore the expansion of existing schools or the creation of new schools has been required in many instances. Under the Education and Inspections Act 2006, these changes all

constitute prescribed alterations, and each requires a statutory process to confirm the change and make it permanent. Capital school building solutions to the demographic need are managed via Children's Services Basic Need Programme.

- 2.3. As a consequence of the rapidly increasing birth rate in Pudsey and the surrounding area it is necessary to increase Pudsey Primrose Hill Primary School from a one and a half form entry (1.5FE), 315 pupil place primary school to a 2 form entry (2FE) primary school with 420 pupil places. This work will be completed under the City Council's Primary Basic Need Programme which aims to ensure its statutory duties are met with respect to ensuring a school place for every child within the city.
- 2.4. The proposal for the extension to the school forms part of the on-going work to address capacity and sufficiency across all of Children's Services, which includes provision for primary and secondary school places, early years, as well as specialist provision. These proposals form part of the Council's Basic Need Programme that embeds the 'one council' approach that has achieved shared ownership of proposed solutions.
- 2.5. The expansion of places at this school was approved by Executive Board on the 18<sup>th</sup> December 2013 following public consultation and the publication of statutory notices for the expansion on the 23<sup>rd</sup> December 2013. This proposal is for an increase in school places to serve the area and does not replace any existing schools or places within the community.
- 2.6. The scope of the project is to design and build a one storey stand-alone teaching block to house the nursery, teacher training and extended services. This will enable the former nursery areas to be remodelled into 2nr further teaching spaces within the existing building. In addition to the remodelling of the existing building to provide 2no. teaching spaces some minor refurbishments to the existing building will be carried out such as cloakroom and WC remodelling.
- 2.7. The scope also includes a small extension and new school kitchen to ensure that all the additional pupils can be served within the dining period. This works will be undertaken as part of the main contract works.
- 2.8. The construction of the new block and remodelled internal areas is scheduled for final completion in August 2015. The first additional reception places are required to be operational for September 2015.
- 2.9. The project will be delivered in conjunction with Leeds City Council's Joint Venture partners NPS Leeds Ltd. and the Council's Public Private Partnership and Procurement Unit (PPP&PU). The Construction Partner has been identified as Bermar Building.
- 2.10. A key objective within the Best Council Plan 2013-2017 is to build a Child Friendly City with a 14/15 priority 'ensuring sufficiency of school places'. The delivery of pupil places through Basic Need is one of the most baseline entitlements of a Child Friendly City and directly contributes to key outcomes identified within the Children and Young People's Plan (CYPP) 2011-2015 such as our obsession to 'improve behaviour, attendance and achievement'.
- 2.11. Consultation has been undertaken with parents and residents and high support for the expansion was received through this process of consultation.

- 2.12. Consultation has taken place with the relevant Executive Members as well as the local ward members.
- 2.13. The scheme budget of £1,750,000 was previously approved at the September 2014 Executive Board meeting.

### **3.0 Main Points**

#### **3.1. Design & Procurement Proposals and Full Scheme Description**

The proposed work to build the extension to Pudsey Primrose Primary School consists of the following components:

- Construction of a stand-alone single storey structure to accommodate the Nursery, teacher training and extended services as well as ancillary facilities such as toilets, a kitchenette and a small office / interview area.
- Creation of two new classrooms in the former nursery and reconfiguration of the WC areas on the Lower Ground Floor within the existing building. In addition, a new extension to the kitchen will be constructed allowing the redesign of the dining facilities. This increase in space is required as it is not possible to provide all the facilities required within the existing area utilised as the current kitchen.
- Internal remodelling works to the Upper Ground Floor consist of relocation of the main visitor entrance in place of the Key Stage 2 entrance with an open plan reception and the conversion of the existing reception office into a staff work room; reconfiguration of cloaks areas and addition of WC areas and two new group rooms.
- External works included within the scheme are to increase the capacity of the staff car parking and landscaping to the play areas. In addition to these works a significant quantity of off-site highways road safety improvements, parking restrictions on the road outside the School, creation of a turning head to allow greater safety for parent drop off and small articulated vehicles and the creation of a new drop-off/pick-up parking on Westdale Grove within the surrounding area are all included.
- A contribution toward fixed furniture and fittings and ICT infrastructure upgrades for increased capacity to the site as a result of the new build areas and additional pupils teaching requirements.

3.2. The proposed new places are within the Pudsey and Calverley & Farsley wards. This is one of five schemes which have been brought forward to meet demand for places in this area.

3.3. The design of the scheme has progressed to the end of RIBA stage D; during each of the design stages consultation has taken place with the following key stakeholders:

- School Governors and staff
- Planning
- Highways
- Sport England
- Local Ward Members
- Local residents
- Building Control

- 3.4. The project was submitted for planning on the 24<sup>th</sup> of November 2014. The scheme was approved on the 13<sup>th</sup> February 2015. The planning conditions have been issued for review and discussion with the contractor. This will enable the costs associated with the conditions to be included in the project price.
- 3.5. A detailed cost plan has been produced by NPS and cost checks have been carried out at the end of RIBA stage D.
- 3.6. The project is at design freeze.
- 3.7. Pudsey Primrose Hill Primary School, as part of the Primary Basic Need Programme for the City, is to be expanded from a 1.5 Form Entry Primary School to a 2 Form Entry Primary School i.e. by 105 pupils from September 2015 and the Procurement Strategy for the scheme is now required to be approved.
- 3.8. Procurement of the Construction Partner is proposed to be via a single stage price only competitive call off using the YORbuild framework in line with CPR 3.1.8. (CPRs 3.1.5 and 3.1.6 not applying as there are no exclusive supplier arrangements or an ISP to undertake this work)
- 3.9. The basis of the tender is to appoint a Construction Partner who will be responsible for the construction of the scheme which is to be completed as a Design & Build type contract.

#### **4.0 Programme**

- 4.1. The key milestones to achieve this programme are detailed below:

• Planning submitted	24 <sup>th</sup> November 2014
• Planning achieved	9 <sup>th</sup> February 2015
• Approval to proceed	16 <sup>th</sup> February 2015
• Tender price development	9 <sup>th</sup> February 2015
• Tender returned	04 <sup>th</sup> March 2015
• Contract Award	9 <sup>th</sup> March 2015
• Contractor lead-in / mobilisation	10 <sup>th</sup> March 2015
• Start on-site	16 <sup>th</sup> March 2015
• Phase 1 Occupation	29 <sup>th</sup> August 2015
• Remove site compound / Landscaping	30 <sup>th</sup> October 2015

- 4.2. The planning application was approved on 13<sup>th</sup> February 2015. Start on site is due for 16<sup>th</sup> March with the installation of a temporary haul road to provide dedicated site access avoiding Spring Hill. This will ensure full separation of construction vehicular and pupil / pedestrian movement. Works will then start on the construction of the new Nursery and kitchen extensions which will be fully completed prior to the summer holidays 2015. This will then allow for internal remodelling works to commence over the school holidays allowing full use of the development in September 2015. Landscaping to the area where the site compound is positioned including necessary planting etc. will then complete in October 2015.

## **5.0 Corporate Considerations**

### **5.1. Consultation and Engagement**

- 5.1.1. The proposal to expand the school was subject to statutory process including public consultation which took place between the 3<sup>rd</sup> June 2013 and 12<sup>th</sup> July 2013. The expansion of the school was subsequently approved by the Executive Board on the 18<sup>th</sup> December 2013.
- 5.1.2. The proposed scheme and associated work at Pudsey Primrose Primary School has been the subject of consultation with Children's Services Officers, school representatives, local ward members and the local residents. All detailed project communication is being managed via a formal project communication plan.
- 5.1.3. Pre-planning meetings were held with officers from Planning, Highways and building control prior to the submission of the planning application. Substantial engagement has taken place with key stakeholders. All three ward councillors have been invited to the public consultation events that have taken place during the design process or at the planning consultation event on the 18<sup>th</sup> November 2014. The ward members have also been briefed at various stages during the design stages.
- 5.1.4. Sport England have been consulted about the impact of the proposals on the playing fields along with other local interested parties such as residents who also attended the consultation session. They have agreed to support the proposal subject to a Community Use Agreement (CUA) being in place prior to occupation.
- 5.1.5. Local Members have been briefed on progress of the scheme as part of regular meetings by Children's Services Senior Officers with the Deputy Executive Board Member, Children's Services (Learning). Children's Services and PPP&PU will continue to brief Councillors at key stages throughout the expansion project as required. The most recent briefing took place on 5<sup>th</sup> February 2015.
- 5.1.6. In accordance with the Basic Need Programme Approval by Executive Board in September 2014 this scheme is to be considered and supported by the Deputy Chief Executive and Director of City Development at the 16<sup>th</sup> February 2015 Basic Need Projects Board.

### **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. A copy is included as appendix A to this report.



### **5.3. Council Policies and City Priorities**

- 5.3.1. This scheme is due to be delivered under the City Council's Basic Need Programme and is required to fulfil the Local Authority's statutory responsibility to provide sufficient school places.
- 5.3.2. CPRs apply to this process and this Report confirms that the relevant CPRs have been adhered to.
- 5.3.3. A key objective within the Best Council Plan 2013-2017 is to build a Child Friendly City with a 14/15 priority, 'ensuring sufficiency of school places'. The delivery of pupil places through Basic Need is one of the most baseline entitlements of a Child Friendly City. A good quality school place contributes to the achievement of targets within the Children and Young People's Plan such as our obsession to 'improve behaviour, attendance and achievement'.
- 5.3.4. A further objective of the Best Council Plan 2013-2017 is to become a more efficient and enterprising Council. We want to promote choice and diversity for parents and families and deliver additional school places in the areas where families need them. Meeting this expectation while demonstrating the five values underpinning all we do is key to the basic need programme.

### **5.4. Resource and Value for Money**

- 5.4.1. The YORbuild framework is the Council's approved process for securing contractors to deliver Council's outcomes.
- 5.4.2. An up to date estimate at RIBA Stage D for construction works (excluding Fees, FFE, IT and off site Highways works) has been received from NPS in the sum of £1,964,000 which gives a total projected scheme cost of £2,719,430.
- 5.4.3. The total projected scheme costs are currently estimated at £969,430 above the previously approved budget of £1,750,000. This report requests that the programme contingency be accessed to enhance the previously agreed budget. It should be noted that this is the second programme contingency application. There are sufficient funds within the programme contingency to deal with this request.
- 5.4.4. The cost will be met through capital scheme number 16981/PPH/000 as part of the Basic Need Programme.
- 5.4.5. The increase in the budget is as a result of almost £300,000 worth of pricing errors with the Stage B feasibility study, additional area being added to the scheme post feasibility to ensure that the school can continue to meet its community needs and the recent price increases from contractors in the recovering market. The main points that have affected pricing are;
  - Addition of a new kitchen extension and new kitchen following structural problems with conversion of existing cellar.
  - Increased size of nursery teaching space to ensure compliance with guidance documents.
  - Increased sized of speech and language room to ensure the room meets community aspirations.
  - Errors with quantities of minor and major refurbishment scope.

- Revised fire strategy resulting in new cloakroom additional space due to cloakrooms currently being on fire escape routes.
- Relocation of library as a result of new cloakrooms.
- Additional group room to each floor to provide intervention spaces.
- Change in scope of works to Head Teacher Office due to plant room ventilation, poor heating and inadequate lighting levels.

#### 5.4.6. Capital Funding & Cash Flow

Funding Approval :							
Previous total Authority to Spend on this scheme	TOTAL £	TO MARCH 2014 £	FORECAST				
			2014/15 £	2015/16 £	2016/17 £	2017/18 £000's	2018 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
INTERNAL FEES (6)	0.0						
OTHER COSTS (7)	0.0						
<b>TOTALS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Authority to Spend required for this Approval							
Authority to Spend required for this Approval	TOTAL £	TO MARCH 2014 £	FORECAST				
			2014/15 £	2015/16 £	2016/17 £	2017/18 £000's	2018 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	1,964.0			1,865.8	98.2		
FURN & EQPT (5)	50.0			50.0			
INTERNAL FEES (6)	75.0		28.0	47.0			
OTHER COSTS (7)	630.4		25.0	605.4			
<b>TOTALS</b>	<b>2,719.4</b>	<b>0.0</b>	<b>53.0</b>	<b>2,568.2</b>	<b>98.2</b>	<b>0.0</b>	<b>0.0</b>
Total overall Funding (As per latest Capital Programme)							
Total overall Funding (As per latest Capital Programme)	TOTAL £	TO MARCH 2014 £	FORECAST				
			2014/15 £	2015/16 £	2016/17 £	2017/18 £000's	2018 on £000's
Basic Need Grant	2,719.4	0.0	53.0	2,568.2	98.2		
Total Funding	2,719.4	0.0	53.0	2,568.2	98.2	0.0	0.0
<b>Balance / Shortfall =</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Parent Scheme Number: 16981/000/000

Title: Basic Need Expansion 2015/2016

#### 5.5. Revenue Effects

5.5.1. Any revenue implications arising from this new development will be managed through the school's own budget.

#### 5.6. Legal Implications, Access to Information and Call-In

- 5.6.1. The approval for this project to proceed as set out in this report follow the delegations for the basic need programme approved by Executive Board in September 2014. Executive Board has already approved the authority to spend for the project as required in Financial Procedure Rules and the decision to proceed in this report constitutes a key decision and as such will be subject to call in.
- 5.6.2. The Director of Children's Services has been granted the delegated authority to approve this project to proceed after complying with the conditions established by Executive Board in September 2014. As outlined in this report the Director of Children's Services has the support for the decisions in this report from the Deputy Chief Executive and Director of City Development and has consulted with the appropriate Executive Members on the proposals.
- 5.6.3. The YORbuild framework is an approved framework and the proposed procurement process is in line with CPR 3.1.8; 3.1.5 and 3.1.6 not applying as there are no Exclusive Supplier arrangements and there is not an ISP that is able to provide undertake the Works.

## 5.7. Risk Management

- 5.7.1. Risk is to be managed through application of 'best practice' project management tools and techniques via the City Council's 'Delivering Successful Change' methodology. Experienced Project Management resource has been allocated from within the Public Private Partnerships Unit.
- 5.7.2. A risk log will be maintained throughout the project and escalation is via the Built Environment Programme Manager.

## 6.0 Conclusions

- 6.1. The proposal to remodel the existing buildings, extend the kitchen provision and construct a one storey new block extension at Pudsey Primrose Primary School by September 2015 will enable the increased demand for pupil places in Pudsey and surrounding areas served by the school to be met.
- 6.2. The project to construct, remodel and extend Pudsey Primrose Primary School is being managed by PPP&PU on behalf of Children's Services in partnership with NPS Leeds and other key stakeholders. The cost of the accommodation will be met through capital scheme 16981/PPH/000 to the value of £2,719,430.
- 6.3. The Basic Need Project team has reviewed the scheme requirements and procurement options available and have concluded that the appropriate procurement route to ensure the scheme is attractive to the market and best value is achieved by the Council is the single stage price only via a Quality Call Off initiative from the Yorbuild framework.

## 7.0 Recommendations

- 7.1. The Director of Children's services is requested to:
  - i. approve the procurement strategy and design and cost report for the scheme at Pudsey Primrose Primary School, the cost being £2,719,430 with the appropriate details of the programme, design and cost as set out in this report,

- ii. Approve an application to the Basic Need contingency for £969,430 to enhance the previously agreed budget of £1,750,000.
- iii. Agree the procurement strategy as a as a quality initiated call-off using the YORbuild framework in line with CPR 3.1.8. (CPRs 3.1.5 and 3.1.6 not applying as there are no exclusive supplier arrangements or an ISP to undertake this work),
- iv. Agree that the project at Pudsey Primrose Primary School to expand by 105 pupils changing it from a 1.5 Form Entry Primary School to a 2 Form Entry Primary School, from September 2015, as part of the Primary Basic Need Programme, can progress to the procurement phase, and
- v. Note that the Chief Officer, PPP&PU is responsible for scheme delivery which will be completed in October 2015.

## **8.0 Background Documents<sup>1</sup>**

- 8.1. None

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<sup>1</sup> 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.