



Report of the Head of Programme (PP&PU)

Report to the Director of Children's Services

Date: 12 August 2015

Subject: Design & Cost Report and Request to Access the Basic Need Programme Capital Risk Fund for Guiseley Infants and Nursery School Basic Need Project



Capital Scheme Number: 16981/GUI/000

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Guiseley and Rawdon		
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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
The following documents are exempt from Access to Information Rule 10.4 (3) Appendix B Interserve Priced Activity Schedule.		

Summary of main issues

1. As a consequence of the increasing birth rate in Guiseley and surrounding areas, it is necessary to change the age range at Guiseley Infant & Nursery School from a 3 Form Entry Infant School (Reception – Year 2) with 270 pupil places, to a 2 Form Entry Primary School (Reception – Year 6) 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 and was approved by Executive Board in September 2014.
2. The change in age range at Guiseley Primary School will be available from September 2015.
3. The project will be delivered in conjunction with Leeds City Council's Joint Venture partner NPS Leeds Ltd. and the Council's Projects Programmes and Procurement Unit (PP&PU). The Construction Partner has been identified as Interserve Construction Limited (ICL). ICL were appointed via a Quality Initiated Call-Off using the YORbuild framework on 19th March 2013 following approval of the Procurement Strategy by the Director Children's Services.
4. 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'.

5. The Pre-feasibility scheme budget of £2,850,500 was previously approved by Executive Board in September 2014 and the current total scheme costs are £5,039,061 as set out in section 5.4 of this report. This report contains a request to access the Basic Need Programme Capital Risk fund to enhance the previously agreed budget by £2,070,061. Once this application is approved there remains £4,315,851 of programme contingency available to support the remainder of the programme. It should be noted that this is the sixth application to access the Capital Risk Fund on the programme. The report also contains a request to approve the use of £118,500 of Health and Safety funding to support scheme costs.
6. The priced activity schedule is attached to this report at Appendix B for information on costs however as this document contains commercially sensitive information which may expose the contractor to financial risk it has been noted as exempt from Access to Information as per rule 10.4 (3).
7. In accordance with the Basic Need Programme Approval by Executive Board in September 2014 this scheme has been considered and supported by the Deputy Chief Executive and Director of City Development via email as this falls outside the monthly meeting cycle for the Primary Basic Need Projects Board meeting. Consultation with Executive Members took place on 12 August 2015 prior to this DCR being submitted for approval.

Recommendations

8. The Director of Children's Services is requested to:
 - i. Approve the design and cost report for the scheme at Guiseley Infants and Nursery School, the cost being £5,039,061 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 Capital Risk fund for £2,070,061 to enhance the previously agreed budget of £2,850,500;
 - iii. Note that the Chief Officer, Projects, Programmes & Procurement Unit (PP&PU) is responsible for scheme delivery which will be completed June 2016.

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 increase Guiseley Infant and Nursery School from a 3FE infant and nursery school to a 2FE primary school from September 2015.
 - 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 Capital Risk Fund to enhance the previously agreed budget of £2,850,500 by £2,070,061 in line with the finance information set out at section 5.4.

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 increasing birth rate in Guiseley and surrounding areas, it is necessary to change the age range at Guiseley Infant & Nursery School from a 3 Form Entry Infant School (Reception – Year 2) with 270 pupil places, to a 2 Form Entry Primary School (Reception – Year 6) with 420 pupils. The change in age range at Guiseley Primary School will be available from September 2015 onwards. The 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,
- 2.4. 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 in September 2014 following public consultation and the publication of statutory notices for the expansion in June 2014. 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 at Guiseley Infants and Nursery School is to build a double storey extension to house six new classrooms and wrap around care, new main office and reception area along with ancillary facilities including a lift, and the installation of a new car park and drop off zone to rear of site.
- 2.7. The scope also includes the refurbishment of the kitchen to facilitate increased pupil numbers, a single storey extension to the main hall creating a studio teaching space and replacement of an existing acrylic sheet roof as part of the associated fire stopping works. This work will be undertaken as part of the main contract works.
- 2.8. The construction of the new extension and remodelled internal areas is scheduled for final completion in June 2016.

- 2.9. Temporary modular classroom provision has been installed to provide accommodation consisting of two classrooms and wrap around care whilst the main phase of the building works is taking place. Portakabin have been appointed to provide temporary modular accommodation for Leeds City Council under the Crown Commercial Services Modular Building Systems Framework Agreement (Educational Buildings Lots 7 & 8 - RM875 – Modular Building System).
- 2.10. The main project will be delivered in conjunction with Leeds City Council's Joint Venture partners NPS Leeds Ltd. acting as Technical Advisors and the Council's Projects, Programmes and Procurement Unit (PPPU). The Construction Partner appointed is Interserve Construction Limited (ICL). The contractor was appointed via a Quality Initiated Call Off Procedure using the Yorbuild framework in line with CPR 3.1.8 as CPR's 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 with Option A (Priced contract with fixed priced activity schedule).
- 2.11. The proposed scheme and associated work has been the subject of consultation with key stakeholders including LCC Officers, School Staff and Governors, Local Ward Members and the local residents throughout the development. Prior to submission of the Planning Application for the scheme a successful public consultation event took place. This was held on 22nd April 2015 and high support for the expansion was received.
- 2.12. The Planning Application was submitted on 26th May 2015 and the scheme was approved on 25th July 2015. The planning conditions have been issued for review and discussion with the contractor that has enabled any costs associated with the conditions to be included in the project price.
- 2.13. This Design and Cost Report includes the capital figure of £114,522 for the installation of the temporary teaching spaces that have been delivered over the summer break. The Design and Cost Report for the temporary teaching spaces was approved on the 20th July 2015.
- 2.14. The scheme budget of £2,850,500 was previously approved at the September 2014 Executive Board meeting.
- 2.15. Consultation has taken place throughout the development with the relevant Executive Members as well as the local ward members.

3.0 Main Points

3.1. Design Proposals and Full Scheme Description

The proposed work to build the extension to Guiseley Infants and Nursery School consists of the following components:

- Construction of a two storey extension to the rear of the main building, replacing the current 'link modular' block. This will provide six new classrooms for KS2 pupils and ancillary facilities such as toilets, cloakrooms, a lift and plant area. It will also provide a large space for the wrap around care provision, a new staff room, a new main visitor entrance and offices.

- Construction of a kitchen extension, formed by expanding the existing kitchen through into the current staff room, including the full refurbishment of the kitchen area as a whole. This increase in space is required as it is not possible to provide all the facilities required within the existing kitchen.
 - Construction of a single storey extension to the main hall creating a studio teaching space with a sliding folding partition giving access to the main hall and replacement of existing acrylic sheet roofing in two existing courtyard corridors as part of the associated fire stopping works. The cost of the Fire Safety works will be financed from the Children's Services Health and Safety budget.
 - External works included within the scheme are to increase the capacity of the staff car parking and the provision of a turning head / drop off zone to the rear of the site with associated landscaping works to provide a pedestrian link between the drop off area and the new main entrance. In addition to these works a significant quantity of off-site highways road safety improvements and parking restrictions are included.
 - The scheme includes fixed furniture and fittings within all rooms as well as one classroom of loose furniture and ICT infrastructure upgrades for increased pupil capacity to the site.
- 3.2. The design of the scheme has progressed to the end of RIBA stage E; 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
- 3.3. The project was submitted for planning on the 26th of May 2015. The scheme was approved on the 25th July 2015. The planning conditions have been issued for review and discussion with the contractor. This has enabled any costs associated with the conditions to be included in the project price.
- 3.4. An alternative Procurement Strategy to appoint the Construction Partner was approved on 19th March 2015. On completion of the Feasibility Study by NPS, Interserve Construction Limited were selected as the Construction Partner via a Quality Initiated Call-Off using the YORbuild framework to undertake the design from RIBA Stage C to RIBA D/E and to develop a price for the scheme.
- 3.5. Subject to the price being developed and agreed in accordance with the process under the YORbuild framework the Construction Partner will be appointed 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 option is Option A (Priced Contract with Activity Schedule).
- 3.6. A detailed cost plan and Activity Schedule has been produced by ICL and cost checks are being carried out on the tender return price by NPS Leeds to ensure that

the cost model issued provides the City Council with the most economically advantageous solution. (See Appendix B ICL Priced Activity Schedule).

- 3.7. The tender was received via the YORtender electronic tendering system on Wednesday 12th August. It is envisaged that following a thorough review of all the tender documents that Leeds City Council appoint ICL who will be responsible for the construction of the scheme which is to be completed as a Design & Build type contract from Stage 3.
- 3.8. The award of the tender will be subject to a Tender Acceptance Report which will be submitted for approval within the next two weeks following a detailed review of all contract and tender documentation.
- 3.9. An application for additional funding required is generally detailed within this report. The additional funding required will need to be met from the Programme Capital Risk Fund. The detail explaining the additional funding required is set out below.
- The initial budget set did not reflect the scale of works contained within the project brief. NPS Leeds produced a scheme that reflected the requirements of the project brief however the estimated costs did not actually reflect what was being proposed.
 - The construction industry is now buoyant and recovering from recession and tender submissions are approx. 5-10% above the previously submitted pricing.
 - The detailed design process has uncovered unknown risks to the project which is resulting in additional project costs
 - Additional temporary accommodation is required to assist with the phasing and reorganisation of the school. This was not included within the original scheme design.

4.0 Programme

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

• Soft Tender price returned	5 th August 2015
• Tender returned	12 th August 2015
• Early Works Award	17 th August 2015
• Early Works start on-site	18 th August 2015
• Contract Award	14 th September 2015
• Contractor lead-in / mobilisation	21 st September 2015
• Start on-site	21 st September 2015
• Main Phase Occupation	9 th June 2016
• Remove site compound / Landscaping	10 th June 2016

- 4.2. The planning application was approved on 25th July 2015. Early Works start on site is planned for 17 August 2015 with the demolition and strip out of the existing kitchen and demolition of the existing link modular building. This will ensure the majority of the demolition works is completed when pupils are on holiday. This will help to significantly reduce as far as possible Health and Safety risks to pupils, staff and visitors.

5.0 Corporate Considerations

5.1. Consultation and Engagement

- 5.1.1. The proposal to expand the school was subject to statutory process issued June 2014 including public consultation. The expansion of the school was subsequently approved by the Executive Board in September 2014.
- 5.1.2. The proposed scheme and associated work at Guiseley Infants and Nursery School has been the subject of consultation with key stakeholders including ward members and the Executive member for Children and Families. Consultation has also involved school staff and governors, the local residents and other colleagues within the Council.
- 5.1.3. A consultation review meeting took place on the 12th August 2015 with the Executive Member for Children and Families. This meeting discussed and reviewed the contents of this report. The Executive Member for Children and Families fully supports the recommendations made within this report.
- 5.1.4. Pre-planning application meetings were held with officers from Planning, Highways and building control prior to the formal submission of the planning application. Substantial engagement has taken place with key stakeholders. All three ward councillors were invited to the public consultation event that took place on the 22nd of April 2015. The ward members have also been briefed at various stages during the design stages. The most recent briefing took place on 23rd June 2015. All ward members are fully supportive of the project and the scheme generally.
- 5.1.5. Sport England has been consulted about the impact of the proposals on the playing fields along with other local interested parties such as residents who attended the consultation session.
- 5.1.6. Throughout the design process we have, and will continue to consult with the school and the governing body to ensure that the final product meets expectations and that any changes proposed do not materially affect the operation and success of the school.
- 5.1.7. In accordance with the Basic Need Programme Approval by Executive Board in September 2014 this scheme has been considered and supported by the Deputy Chief Executive and Director of City Development via email.

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 project will be delivered through the YORbuild framework by Interserve Construction Limited, who was selected via the Quality Initiated Call-Off procedure. 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 undertake the Works. The procurement strategy was approved on 19th March 2015.
- 5.4.2. The total projected scheme costs are currently estimated at £2,188,561 above the previously approved budget of £2,850,500. This report requests that the programme Capital Risk Fund be accessed to enhance the previously agreed budget by £2,070,061 the difference being picked up by other funding streams. It should be noted that this is the sixth application to the Capital Risk Fund. This application is necessary as the initial pre-feasibility budget set was based upon EFA funding rates which are not considered deliverable in the current construction marketplace. It should be noted that these budgets were set at the project inception prior to the commencement of the detailed design and approval of the projects DCR. There are sufficient funds within the programme capital risk fund to deal with this request. Funding from the Children's Services Health and Safety budget will also be used to enhance the scheme budget.
- 5.4.3. The cost will be met through capital scheme number 16981/GUI/000 as part of the Basic Need Programme.
- 5.4.4. This Design and Cost Report includes capital costs of £114,522 for the installation of the temporary teaching spaces that have been delivered over the summer break. The Design and Cost Report for the temporary teaching spaces was approved on the 20th July 2015.

5.4.5. Capital Funding & Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2015 £000's					
			2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019 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						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2015 £000's					
			2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	3,620.3		2,715.2	905.1			
FURN & EQPT (5)	95.0		50.0	45.0			
INTERNAL FEES (6)	167.0	97.6	55.5	13.9			
OTHER COSTS (7)	1,156.7	30.5	804.2	322.0			
TOTALS	5,039.0	128.1	3,624.9	1,286.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2015 £000's					
			2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
LCC SUPPORTED BORROWING	118.5			118.5			
BASIC NEED GRANT	4,920.5	128.1	3,624.9	1,167.5			
TOTAL FUNDING	5,039.0	128.1	3,624.9	1,286.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Parent Scheme Number: 16981/000/000

Title: Basic Need Expansion 2015/2016

Scheme costs will be funded from £4,920.5k of Basic Need grant from capital scheme number 32201/000/000, and £118.5k of LCC Supported Borrowing funds from capital scheme number 32260/FIR/000.

5.4.5 Capital Risk Fund Applications to Date

In the September 2014 Basic Need Programme report, Executive Board approved the establishment of a basic need Risk Capital Fund within the Basic Need programme budget. Approval was given to allow the Director of Children's Services delegated authority to manage decisions on the allocation of money from the fund in to individual schemes budgets. Decisions by the Director of Children's Services to access the fund must be made with the prior approval of the Director of City Development and the Deputy Chief Executive and be in consultation with the appropriate Executive Members.

This approval process provided a mechanism which will enable timely and proportionate responses to variations which are required to individual project budgets pre and post DCR.

The report contained a number of named schemes that formed the Basic Need programme, where 10 out of 28 of the schemes stated an initial indicative budget which had been set for the scheme based on EFA funding rates, which is considered nationally to be insufficient to deliver the provision required, and a high-level desktop viability study of additional accommodation required to facilitate an expansion.

For these schemes, detailed design and costing works had not commenced to allow accurate scheme budgets to be set based on site conditions and design solutions proposed during the subsequent feasibility stage. As such, these are not scheme overspends, but a realignment of budgets once the scheme has developed and a robust design freeze or pre-tender estimate can be provided.

The first four Capital Risk Fund applications as well as the sixth request submitted fall into this category, as detailed below. The fifth application was the first request to access the Capital Risk Fund after a DCR has been formally approved for the scheme.

Scheme	Approved budget (£)	Contingency application value (£)
1. Calverley C or E Primary School	2,500,000	54,000*
2. Pudsey Primrose	1,750,000	969,430**
3. Farsley Springbank and Westroyd	3,810,000	1,708,179
4. Moor Allerton Hall Primary School	278,731	85,055
5. Farsley Westroyd Infant School	1,295,400	797,424
6. Guiseley Infants School	2,850,000	2,070,061
	Total	5,684,149
	Remaining balance	4,315,851

*the Calverley application was based on a pre-tender estimate of £1,855,144. The actual tender returned price was £1,364,621 realising a saving against DCR budget of £490,523.

**the Pudsey Primrose application was based upon a pre-tender estimate of £2,160,400. The actual tender returned price was £2,056,284 realising a saving against DCR budget of £104,116.

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).
- 5.6.4. This procurement is in line with all CPR's and FPR's

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 'PM Lite' methodology. Experienced Project Management resource has been allocated from within the Projects Programmes and Procurement Unit (PP&PU).
- 5.7.2. A risk log has been developed for the scheme and is being modified to include all the risks for the project and the relevant owner of the risk whether it be the contractor or Leeds City Council. This will be maintained and updated throughout the project and escalation of any risks that sit outside of the agreed tolerances will be via the Children's Services Built Environment Programme Manager.

6.0 Conclusions

- 6.1. The proposal to extend the kitchen provision, remodel some internal areas and construct a two storey new block extension at Guiseley Infants and Nursery School will enable the increased demand for pupil places in Guiseley and surrounding areas served by the school to be met.
- 6.2. The project to construct, remodel and extend Guiseley Infants and Nursery School is being managed by PP&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/GUI/000 to the value of £5,039,061.
- 6.3. The full scheme costs [have been] assessed by NPS quantity surveyors and have been determined as providing the most economically advantageous solution for the works detailed and represent Value for Money.

7.0 Recommendations

- 7.1. The Director of Children's services is requested to:

- i. Approve the design and cost report for the scheme at Guiseley Infants and Nursery School, the cost being £5,039,061 with the appropriate details of the programme, design and cost as set out in this report,
- ii. Approve an application to the Capital Risk Fund for £2,070,061 to enhance the previously agreed budget of £2,850,500.
- iii. Note that the Chief Officer, PP&PU is responsible for scheme delivery which will be completed on 10th June 2016.

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.