



Report of the Head of Programme - Technical (PPPU)

Report to the Director of Children's Services

Date: 11 January 2016

Subject: Programme Procurement Strategy for the Learning Places Programme



Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): All wards		
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
The following documents are exempt from Access to Information Rule		
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Summary of main issues

1. Executive Board in September 2014 considered and supported the adoption of a programme approach to the implementation of Learning Places Programme which forms part of the strategy for ensuring sufficient good quality learning places in Leeds. The Learning Places Programme represents the Council's response to the demographic growth pressures on the school provision in the city. The rapidly increasing birth rate in Leeds has required the Council to approve over 1400 new reception places since 2009 in order to fulfil its statutory duty to ensure sufficiency of school places.
2. The programme will continue at a pace as there are ongoing pressures on school places. This report request approval of the proposed programme procurement strategy for delivery of upto 25FE of permanent and or temporary expansion utilising the Quality Initiated Call off option through the YORbuild framework in line with CPR 3.1.8.
3. Across the 22 planning areas there is a need for up to 25FE of additional primary capacity in 2016, with 20FE being permanent expansions and 5FE being one-off 'bulge' cohorts. Demographics suggest that the birth rate levels out after 2016, with 20FE (of the 25FE) continuing to be required in 2017 and 2018.
4. An objective in the Best Council Plan 2013-2017 is to build a child friendly city with a focus on: our three Children's Trust partnership obsessions (looked after

children, NEET and attendance); ensuring the best start in life; raising educational standards; and ensuring sufficiency of school places. The programme seeks to deliver a supply of good quality accessible local school places which can contribute to these objectives.

Recommendations

The Director of Children's Services is requested to:

- i. Approve the Learning Places Programme Procurement Strategy as a Quality Initiated Call-Off using the YORbuild framework in line with CPR 3.1.7; (CPRs 3.1.5 and 3.1.6 not applying as there are no exclusive supplier arrangements or an ISP to undertake this work),
- ii. Note that the Chief Officer, Projects, Programmes & Procurement Unit (PPPU) is responsible for programme delivery of the permanent expansion with Children's leading on the bulge cohort projects.

1.0 Purpose of this Report

- 1.1 The purpose of this report is to seek approval for the Learning Places Programme procurement strategy to deliver upto an additional 25 FE of permanent and or temporary expansion at primary level across the City in line with Contract Procedure Rule (CPR) 3.1.8 which requires that a decision to undertake procurement is taken at the point the procurement route is chosen. The procurement strategy is set out below. Approval by the Deputy Director of Childrens Services is required to enable the procurement required by the programme to progress as set out within this report.

2.0 Background Information

- 2.1 The demand for additional school places has been increasing across the city as birth rates started to rise in 2000/2001. The Council has so far successfully delivered over 1400 reception places. The Cross-Party Steering Group, chaired by the Executive Member for Children's Services and endorsed by Executive Board in July 2013, continues to assist the programme with Members from across the Council taking a proactive role. The group is supported by senior officers in considering strategic issues for the programme.
- 2.2 The Council retains a statutory responsibility to ensure that there are sufficient school places in the city, but in an environment of very limited direct control. Foundation Schools, Academies (including Free Schools) and Voluntary Aided Schools all have increased powers to make changes to their capacities. This means that the Council must work in partnership with schools and with sponsors of schools to meet its legal responsibility on school places. The local authority's role is as a commissioner of places and it will seek to ensure good quality school places are provided to meet local demand. However the local authority is the provider of last resort and is only able to open a community school if no other provider wishes to do so.

- 2.3 Children's Services is responsible for ensuring that capacity and sufficiency planning leads to proposals for good quality local learning places. Children's Services leads the management and delivery of consultations with schools and the local community, the subsequent development of the scope and viability of school expansions and the formal statutory approvals process to enable schools to expand. Clear responsibility and accountability protocols have been established to support the client role and transparency. Following organisational changes approved by Executive Board in September 2014, the Projects, Programmes & Procurement Unit is responsible for the delivery of Learning Places projects once the viability and scope has been agreed between Schools and Children's Services.

3.0 Main Points

- 3.1 To deliver such a high profile and challenging programme of work to the timescales required by colleagues in Children's Services, will necessitate development of an effective partnership approach with colleagues in NPS as well as a number of key contractors utilising a pre-existing framework arrangements.
- 3.2 It should be noted that the default procurement strategy for the Learning Places programme is the YORBuild framework unless exclusivity provisions apply elsewhere. In November 2015 the Chief Procurement Officer took a delegated decision to extend the arrangements for YORbuild 1 to ensure there is continuity of contracting arrangements and to allow sufficient time for YORbuild 2 to become operational anticipated to be late January 2016. See paragraph 5.6.2 for further details.
- 3.3 To maximise value for money and delivery efficiency we would look to bundle schemes together where ever possible. This would reduce the number of partners and procurements the delivery team would have to manage and work with, making more effective use of the core of resource available within the one council team.
- 3.4 It is proposed that for each scheme or set of bundled schemes a Construction Partner be selected via a Quality Initiated Call-Off (QIC) from the YORbuild framework who will undertake the design from RIBA Stage 0/1 to Stage 4/5 along with the development of a market tested price for the works. 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 3.1.7; (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) although consideration is being given to the benefits of adopting a target cost approach. This revised arrangement will limit NPS's involvement in detailed scheme design with this role being undertaken by the construction partner's design team utilising a design and build contract.
- 3.5 This procurement route would apply to permanent expansion schemes classified as mid-scale and complex under PMLite and therefore be

developed utilising the PPPU delivery team once the viability and scope has been agreed between the schools and Children's Services. It should be noted that the 5FE of bulge schemes led and managed directly by Children's will also adopt the Learning Places Programme procurement strategy.

- 3.6 One of the key challenges of utilising the QIC is ensuring we drive value for money out of the process. We propose to put in place robust delivery framework which has clearly defined deliverables required at each stage this would be supplemented by the implementation of a gateway approach which would align with the revised RIBA stages to allow the Council and its technical advisor NPS to effectively challenge the integrity of design and costs put forward by contracting partners throughout the lifecycle of project development.
- 3.7 The scale of the programme provides several opportunities the first is standardisation of design and material selection thus driving further efficiencies, this approach would enable the delivery team to build a common approach and understanding to minimise delivery timescale and maximise value for money. It is proposed that a specific piece of work be commissioned to explore how we might bring our key contracting partners together through a Special Interest Group (SIG) to drive and maximise efficiencies out of the standardised elements of design and material selection. The Northwest Construction Hub has delivered something similar it is propose that we engage with them to secure lessons learned that can be applied locally.
- 3.8 The second opportunity is to look at what wider benefits we may drive by delivering the overarching requirement to deliver sufficient school places in the city. It is proposed that we introduce contractor indicators that measure local spend. Many of our national partners already collate this data and YORbuild 2 intends to build this into the revised performance framework for contractors. The scale and size of the programme also lends itself well to developing apprenticeships further work should be undertaken to see how we might maximise employment opportunities. The Greater Manchester Chamber of Commerce Construction Group Training Association (GTA), which is a unique partnership with Local Authorities to maximise local economic benefit from public/private investment and create new Apprenticeship jobs was cited as an example of good practice we should explore this opportunity further.

4 Corporate Considerations

4.1 Consultation and Engagement

The content of this report has been shared with the Council's strategic design partner NPS. Its management team have had an opportunity to discuss and comment on the content and a number of amendments have been made to accommodate the feedback provided.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1. 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. An independent impact assessment is not required for the approvals requested.

4.3 Council Policies and City Priorities

- 4.3.1. This scheme is due to be delivered under the City Council's Learning Places Programme and is required to fulfil the Local Authority's statutory responsibility to provide sufficient school places.
- 4.3.2. CPRs apply to this process and this Report confirms that the relevant CPRs have been adhered to.
- 4.3.3. An objective in the Best Council Plan 2013-2017 is to build a child friendly city with a focus on: our three Children's Trust partnership obsessions (looked after children, NEET and attendance); ensuring the best start in life; raising educational standards; and ensuring sufficiency of school places. The programme seeks to deliver a supply of good quality accessible local school places which can contribute to these objectives.
- 4.3.4. 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 Learning Places Programme.

4.4 Resource and Value for Money

- 4.4.1. The YORbuild framework is an approved framework and the proposed procurement process is in line with CPR 3.1.7 (CPRs 3.1.5 and 3.1.6 not applying as there is no ISP, exclusive supplier arrangements or existing provider to undertake this work).
- 4.4.2. The capital cost of schemes will be met as part of the Learning Places Programme which has an indicative budget of £146m as set out in the

October 2015 Executive Board report. Each individual scheme will submit for approval a separate Design and Cost report which will be taken as a key decision. All tender documentation will be thoroughly reviewed and validated by NPS Leeds Ltd and PPPU to ensure Value for Money.

- 4.4.3. The schemes within the programme will be jointly delivered by the Learning Places Project team consisting of officers from PPPU, Legal, Corporate Finance, Procurement and Children's Services. This internal resource will be supplemented by NPS the Council's strategic design partner who will provide support to options appraisal and feasibility studies for schemes categorised as mid-scale and complex, whilst Technical Advice, Cost Management, NEC Project Manager and Site Supervisor roles will be required on all schemes.

4.5 Legal Implications, Access to Information and Call-In

- 4.5.1. The YORbuild framework is an approved framework and the proposed procurement process is in line with CPR 3.1.7; (CPRs 3.1.5 and 3.1.6 not applying as there is no ISP, exclusive supplier arrangements or existing provider to undertake this work).
- 4.5.2. This procurement is in line with all CPR's and FPR's
- 4.5.3. The decision to approve the programme procurement strategy via this report constitutes a key decision and as such will be subject to call in.

4.6 Risk Management

- 4.6.1. Risk will be managed through application of 'best practice' project management tools and techniques via the City Council's 'PM Lite' risk methodology. Experienced Project Management resource has been allocated from within the Projects Programmes and Procurement Unit (PPPU) to manage the Learning Places Programme and its associated projects.
- 4.6.2. A decision by the Chief Officer PPPU was taken in October to extend the YORbuild framework from 3 December to 2 March 2016. This decision was taken to ensure availability of the framework pending the commencement of YORbuild2 to replace it (anticipated late January 2016). The framework had already been extended in accordance with its terms, and so there is risk associated with use of the framework during the short period of extension, albeit considered to be low, and outweighed by the risks to programme and the need to ensure school places are available for the 2017/18 academic year.
- 4.6.3. This report proposes a procurement strategy around design and build by framework contractors procured through the YORbuild framework. The term partnering agreement with NPS provides a degree of exclusivity in relation to design services, however the agreement contains provisions which envisage design and build contracts with third parties (and expressly

YORbuild) provided support services are carried out by NPS. The scope of services to be provided in support of the schemes by NPS is currently subject of discussion with the company (anticipated to be provide services to deliver options appraisal and feasibility studies for schemes categorised as mid-scale and complex, whilst Technical Advice, Cost Management, NEC Project Manager and Site Supervisor roles will be required on all schemes procured under this procurement strategy.

5. Conclusion

- 5.1 The programme will continue at a pace as there are ongoing pressures on school places. The proposed programme procurement strategy for delivery of upto 25FE of permanent and or temporary expansion utilising the Quality Initiated Call off option through the YORbuild framework in line with CPR 3.1.8 will facilitate a quick and effective route to market allowing the council to secure quality construction partner and their associated design teams.
- 5.2 Ensuring we drive value for money out of the process is a key priority for the project team and will be addressed through the implementation of a robust delivery framework which has clearly defined deliverables required at each stage this would be supplemented by the implementation of a gateway approach which would align with the revised RIBA stages to allow the Council and its technical advisor NPS to effectively challenge the integrity of design and costs put forward by contracting partners throughout the lifecycle of project development.

6. Recommendations

The Deputy Director Learning, Skills and Universal Services, Children's Services is requested to:

- i. Approve the Learning Places Programme 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),
- ii. Note that the Chief Officer, Projects, Programmes & Procurement Unit (PPPU) is responsible for programme delivery.

7. Background documents¹

- 7.1 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.

