

**Report of the Head of Programme, PPPU**

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

**Date:**

**Subject: Tender Acceptance Report – Gledhow Primary School Learning Places Project**



**Capital Scheme Number: 32274/GLE/000**

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Roundhay		
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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Confidential under 'Access to Information' Procedure Rules 10.4 (3) – Appendix A,		

**Summary of main issues**

- 1 The RIBA Stage 3 construction, design and associated costs to deliver the proposed permanent expansion at Gledhow Primary School were the subject of the Design and Cost report (DCR) approved by the Director of Children's Services on 10 February 2016, granting authority to incur expenditure of £5,300,000 for the expansion of Gledhow Primary School, as part of Leeds City Council's Learning Places Programme.
- 2 The purpose of this report is to request authority to accept the tender from Wates Construction Ltd for the sum of £4,526,965. This budget will be used to construct accommodation required to expand Gledhow Primary School from a 2FE to 3FE school which will include a new build reception classroom, a new build two-storey extension providing seven new KS1/2 classrooms, a new main hall and changing facilities, relocated staff room, a centralised WC hub, along with associated ancilliary facilities. Internal remodelling of some existing accommodation will also be carried out, providing a remodelled reception and administration area, an open plan learning resource centre and break-out space, a fully remodelled kitchen, and improved KS1 WC facilities. External works will also be completed as part of the scheme.
- 3 The construction contingency has been reduced in order to bring the scheme within the approved executive board budget, which may be insufficient to address any post-contract project changes that may arise. However, there are a number of mitigation

strategies in place that will lead to additional contract savings and an improved contingency position.

## **Recommendations**

The Director of Children's Services is requested to:

- Approve the request to award the contract for the sum of £4,526,965 to Wates Construction Ltd for the construction of accommodation required in order to expand Gledhow Primary School from a 2FE to a 3FE Primary School as part of the Learning Places Programme.
- Authorise the signature of all other documentation that is required to deliver the project in the opinion of the Programme Manager Built Environment.

## **1.0 Purpose of this Report**

- 1.1 The purpose of this report is to request authority to accept the tender from Wates Construction Ltd for the sum of £4,526,965. This budget will be used to construct accommodation required to expand Gledhow Primary School from a 2FE to 3FE school which will include a new build reception classroom, a new build two-storey extension providing seven new KS1/2 classrooms, a new main hall and changing facilities, relocated staff room, a centralised WC hub, along with associated ancillary facilities. Internal remodelling of some existing accommodation will also be carried out, providing a remodelled reception and administration area, an open plan learning resource centre and break-out space, a fully remodelled kitchen, and improved KS1 WC facilities. External works will also be completed as part of the scheme.

## **2.0 Background information**

- 2.1 Leeds has an extremely dynamic and growing economy which makes the city a very attractive proposition for families and businesses to move to. As a result, the city's population is growing rapidly, at a faster rate than many of our neighbours and this is reflected in the increasing demand for 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. Under the Education and Inspections Act 2006, these changes constitute prescribed alterations, and each requires a statutory process to confirm the change and make it permanent.
- 2.3 The Council's response to the demographic growth pressures on school provision in the city are managed via Children's Services Learning Places Programme. Since 2009 the programme has created over 1,400 reception places in order that the Council fulfils its statutory duty to ensure sufficiency of school places. The schemes in the programme are working with a range of partners, including schools of varying governance models, to ensure enough places are created to meet demand.

- 2.4 As reported to Executive Board in October 2015, for the academic year 2015/16 many schools have had significant expansions with building work over the summer creating 500 new primary school places. This has included expansion of three existing schools to create additional places in completely new facilities, two of which are Specialist Inclusive Learning Centres providing a total of 200 additional pupil places for children with Special Education Needs (SEN), and the third which is a brand new primary school in South Leeds creating an additional 420 pupil places.
- 2.5 As a consequence of the increasing birth rate in Roundhay and surrounding areas, it is necessary to expand provision at Gledhow Primary School from a 2 Form Entry with 420 pupil places, to a 3 Form Entry with 630 pupil places. The permanent expansion to provision at Gledhow Primary School will be available from September 2016. This new scheme will be completed under the City Council's Learning Places Programme which aims to ensure its statutory duties are met with respect to ensuring a school place for every child within the city.
- 2.6 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 Learning Places Programme that embeds the 'one council' approach that has achieved shared ownership of proposed solutions.
- 2.7 The expansion of places was approved by Executive Board in 17 December 2014 following public consultation and the publication of statutory notices for the expansion in 26 September 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.
- 2.8 The scope of the project at Gledhow Primary School is to construct a new build reception classroom , a new build two-storey extension providing seven new KS1/2 classrooms, a new main hall and changing facilities, relocated staff room, a centralised WC hub, along with associated ancillary facilities. Internal remodelling of some existing accommodation will also be carried out, providing a remodelled reception and administration area, an open plan learning resource centre and break-out space, a fully remodelled kitchen, and improved KS1 WC facilities. External works will also be completed as part of the scheme.
- 2.9 The construction of the new build extensions and internal remodelling works is scheduled for final completion in February 2017.
- 2.10 Temporary classroom accommodation has been delivered to site during the summer 2015 to increase the school capacity prior to the delivery of the permanent scheme. It should be noted that this accommodation and associated costs are being managed by Children's Services Built Environment as part of the 'bulge' schemes, and therefore do not impact on this capital scheme budget.
- 2.11 An Early Works package has been put in place for Gledhow Primary School to allow the contractor to start on site prior to contract award in order to carry out site set-up and early site works. This will ensure that project milestones can still be met for delivery of the accommodation required for the additional September 2016 cohort. The Early Works were approved by the Head of Service, Learning Systems,

Children's Services on 03 March 2016 and extended on 22 April 2016. The overall Early Works value approved totalled £745,168.

2.12 The tender sum listed within this report includes the value of the Early Works Agreement as indicated in section 2.11 above.

### **3.0 Main Issues**

#### **3.1 Design Proposals and Full Scheme Description**

The proposed works to expand Gledhow Primary School consist of the following components:

- Construction of a one-storey new build extension reception classroom with associated ancillary accommodation adjacent to existing reception block;
- Construction of a two-storey new build extension comprising seven additional classrooms with associated ancillary accommodation
- Construction of a new hall with acoustic folding partition between new and existing;
- Remodelling of existing entrance and central administration area to create new reception and office spaces, open-plan learning resource centre and breakout space, management suite, reprographics and hall store;
- The remodelled layout offers improved circulation in the central area and provides facilities adequate for a 3FE school;
- Remodelling of existing kitchen to enable it to achieve the required 3FE meal throughput;
- Refurbishment of existing staff areas near the main entrance and replacement of staffroom maintaining a centralised location; new toilets, changing rooms and lift;
- External works included within the scheme are increased car parking, additional cycle parking, new access paths and ramp around new build;
- The scheme includes fixed furniture and fittings within the new build extension areas and a provisional sum allowance of £30k for loose furniture and equipment.

4.0 The tender was received via the YORtender electronic tendering system on 19 May 2016. Following a tender evaluation completed by PPPU & NPS, this report seeks to accept the tender in respect of proposed works at Gledhow Primary School and

award the contract in accordance with Leeds City Council procurement rules. A full copy of NPS' tender report is appended to this document at Appendix A. Programme

- 4.1 Early Works commenced on site on 14 March 2016 and included site set-up and formation of the site compound, construction of site access route, some initial external works including tree removal, commencement of foundations and drainage works, commencement of internal remodelling works, and construction of the pit for the lift in the new build extension. The Early Works were approved by the Head of Service, Learning Systems, Children's Services on 03 March 2016 and extended on 22 April 2016.
- 4.2 Formal acceptance of the tender is required at the earliest opportunity to ensure the contracted works can start on site as planned on 25 May 2016 and the overall programme meets the scheduled completion date of February 2017.

## **5.0 Corporate Considerations**

### **5.1 Consultation and Engagement**

- 5.1.1 The proposal to expand the school was subject to statutory process which commenced on 26 September 2014 including public consultation. The expansion of the school was subsequently approved by the Executive Board on 17 December 2014.
- 5.1.2 The proposed scheme and associated work at Gledhow Primary School has been the subject of consultation with key stakeholders including Children's Services officers, 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 Pre-planning application meetings were held with officers from Planning, Highways, Urban Design and building control prior to the submission of the planning application. Substantial engagement has taken place with key stakeholders. All ward councillors were invited to the public consultation event that took place on the 10 September 2015. The ward members have also been briefed at regular intervals during the design development.
- 5.1.4 The schemes have been fully supported by the local ward members and community as a whole. All detailed project communication is being managed via a formal project communication plan.
- 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. Sport England have raised no objections to the granting of planning permission for the development.

### **5.2 Equality & Diversity / Cohesion & Integration**

- 5.2.1 The recommendations within this report do not have any direct nor specific impact upon any of the groups falling under equality legislation and the need to eliminate discrimination and promote equality.

- 5.2.2 An 'Equality, Diversity, Cohesion & Integration' screening document was completed to support the 'Design Cost Report' for this project; this is appended to this document as **Appendix C**

### **5.3 Council Policies & City Priorities**

- 5.3.1 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.
- 5.3.2 All proposals within the report have been brought forward to fulfil the Council's statutory duty to secure sufficient school places. In providing places close to where the children live the proposals will improve accessibility of local and desirable school places, and thus reduce any risks of non-attendance.
- 5.3.3 An objective in the Best Council Plan 2013-2017 is 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.
- 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 Learning Places Programme.

### **5.4 Resource & Value for Money**

- 5.4.1 NPS have carried out an evaluation of the tenders received and confirm that the tendered figure from Wates Construction Ltd of £4,526,965 is arithmetically correct.
- 5.4.2 The evaluation report articulates that they believe that although the price is above the level that could be expected from a competitive tender, they are satisfied that all parties have done everything possible to agree a tender price which is not overly inflated and spreads risk appropriately. In order to meet the scheduled completion date of February 2017, there would be insufficient time to undertake a competitive tender.
- 5.4.3 All works have been procured in accordance with Leeds City Council's contract procedure rules. In line with the Joint Procurement Strategy for Castleton, Gledhow and Hollybush Primary Expansions approved by the Deputy Director of Children's Service on 20 March 2015, the scheme was tendered through a Two Stage Mini Competition through the YORbuild framework utilising an NEC3 contract form.
- 5.4.4 There is a high risk that there will be insufficient construction contingency to fund any post-contract project changes that may arise. The construction contingency has been reduced to 1.35% in order to bring the scheme within the approved

executive board budget. It is anticipated that this will be mitigated via an application to Children's Services Capital Maintenance Fund for a contribution towards the costs of the additional works required to strengthen and overlay the existing roof at the school, over and above the costs originally anticipated and allowed for within the DCR, which has been necessary as a result of major condition issues.

- 5.4.5 Risk associated with impending changes, for example amendments to the kitchen design to ensure that it is suitable for 3FE provision, will be addressed and managed immediately post contract-award. All opportunities to reduce risk of overspend will be considered as part of the detailed design process. The Governing Body and Children's Services officers will be fully consulted throughout the review process and formal agreement will be sought for any proposed changes accordingly.
- 5.4.6 Risk associated with impending changes, for example amendments to the kitchen design to ensure that it is suitable for 3FE provision, will be addressed and managed immediately post contract-award. All opportunities to reduce risk of overspend will be considered as part of the post-contract detailed design process. The Governing Body and Children's Services officers will be fully consulted throughout the review process and formal agreement will be sought for any proposed changes accordingly.

## **5.5 Full Scheme Estimate**

- 5.5.1 The tender submission provided by Wates Construction Ltd of £4,526,965 is inside the cost envelope set out in the DCR approval.

## **5.6 Prior Approvals**

- 5.6.1 A planning application for Gledhow Primary School aforementioned works was submitted on 09 September 2015 and planning permission was subsequently granted on 11 December 2015 with minor conditions.
- 5.6.2 The Design and Cost Report signed by the Director of Children's Services on 10 February 2016 granted approval to spend a total of £5,300,000 to cover all elements of the expansion of Gledhow Primary School. The DCR report is attached at **Appendix C**.
- 5.6.3 The overall budget for the schemes is £5,300,000.

## **6.0 Legal Implications, Access to Information & Call-in**

- 6.1 Implications for Council Policy & Governance
- 6.2 The Project has been detailed on the future list of 'Key Decisions' and has not been subject to any 'call-in' requests.
- 6.3 The tender has been procured in accordance with the City Council's contract procedure rules.

- 6.4 Appendix A of this report has been marked as confidential under Access to Information Procedure Rules 10.4 (3) on the basis that if it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public would or would be likely to prejudice the commercial interests of that person or of the Council

## **7.0 Risk Management**

- 7.1 Risk is to 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 from the Projects, Programmes and Procurement Unit (PPPU) is tasked with ensuring the project remains within the predetermined risk tolerances.
- 7.2 The council's project risk log has been maintained and updated throughout the project and escalation of any risks that sit outside the agreed tolerances will be managed via the Head of Programme (PPPU). The risks identified in NPS' report will be added to the project risk log and actively managed through the projects construction phase.
- 7.3 There is a high risk that there will be insufficient construction contingency to fund any post-contract project changes that may arise. The construction contingency has been reduced to 1.35% in order to bring the scheme within the approved executive board budget. It is anticipated that this will be mitigated via an application to Children's Services Capital Maintenance Fund for a contribution towards the costs of the additional works required to strengthen and overlay the existing roof at the school, over and above the costs originally anticipated and allowed for within the DCR, which has been necessary as a result of major condition issues.
- 7.4 Risk associated with impending changes, for example amendments to the kitchen design to ensure that it is suitable for 3FE provision, will be addressed and managed immediately post contract-award. All opportunities to reduce risk of overspend will be considered as part of the post-contract detailed design process. The Governing Body and Children's Services officers will be fully consulted throughout the review process and formal agreement will be sought for any proposed changes accordingly.

## **8.0 Conclusions**

- 8.1 An evaluation of the tender submission from Wates Construction Ltd has determined that although the price is above the level that could be expected from a competitive tender, we are satisfied that all parties have done everything possible to agree a tender price which is not overly inflated and spreads risk appropriately.
- 8.2 Whilst there is a risk that there will be insufficient construction contingency to fund any post-contract project changes that may arise due to the level of contingency having been reduced to 1.35% in order to bring the scheme within



the approved executive board budget, it is anticipated that this will be mitigated via an application to Children's Services Capital Maintenance Fund for a contribution towards the costs of the additional works required to strengthen and overlay the existing roof at the school, over and above the costs originally anticipated and allowed for within the DCR, which has been necessary as a result of major condition issues.

- 8.3 The recommendation therefore is to accept Wates Construction Ltd cost for the works of the sum of £4,526,965 and proceed with contract award as soon as possible in order to achieve the programmes dates stipulated in section 4.0 of this report.

## **9.0 Recommendations**

- 9.1 The Director of Children's Services is requested to:

- Approve the request to award the contract for the sum of £4,526,965 to Wates Construction Ltd for the construction of accommodation required in order to expand Gledhow Primary School from a 2FE to a 3FE Primary School as part of the Learning Places Programme.
- Authorise the signature of all other documentation that is required to deliver the project in the opinion of the Programme Manager Built Environment.

## **10.0 Background documents<sup>1</sup>**

Appendix A –Tender Report (Confidential)

Appendix B – Equality, Diversity, Cohesion & Integration Assessment.

Appendix C - Design and Cost Report

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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.