

Report of the Project Officer, Built Environment

Report to the Programme Manager, Built Environment

Date: 09th June 2016

Subject: Design & Cost Report for the Learning Places 2016 Bulge Cohort - Underwriting Agreement at Middleton Primary School.



Capital Scheme Number: 32274/BGE/MID

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

Summary of main issues

1. The purpose of this report is to seek approval to incur capital expenditure of £105,585 from capital scheme number 32274/BGE/MID to underwrite a proportion of the parts, materials and manufacture costs associated with the modular accommodation to support the bulge cohort scheme procured through the YORbuild 2 framework.
2. As a consequence of rising birth rate, new housing developments and increased migration across Leeds, additional accommodation is required to support the 2016 bulge cohorts identified by the Sufficiency & Participation Team. The provision is to be delivered under the City Council's Learning Places Programme, which aims to ensure the Local Authorities statutory duties are met with respect to ensuring a school place for every child within the city. These works will be designed and specified through a chosen contractor (Clugston) via the YORbuild 2 Framework which is the preferred procurement route advised by LCC Procurement Department.
3. The project is to be delivered by Children's Services in partnership with PP&PU, the design and specification will be provided by a chosen contractor from the Yorbuild 2 Framework.

Recommendations

The Programme Manager, Built Environment is requested to:

1. Authorise expenditure of £105,585 from capital scheme number 32274/BGE/MID to underwrite a proportion of the parts, materials and manufacture costs associated with the production of modular accommodation to support the bugle cohort scheme procured through the YORbuild 2 framework. The underwriting of these costs will secure the vital manufacturing slot required for the production of the modular accommodation to enable delivery for the start of the September term 2016.
2. Note the programme dates identified in section 4.2 of this report in relation to the implementation of this decision. The final delivery date for this scheme, subject to contract, is prior to the commencement of the September term 2016.
3. Note that the officer responsible for implementation is the Built Environment Project Officer.

1.0 Purpose of this Report

1.1. The purpose of this report is:

- To provide background information and detail to the Programme Manager, Built Environment, to underwrite a proportion of the parts, materials and manufacture costs associated with the modular accommodation to support the bulge cohort scheme procured through the YORbuild 2 framework.
- Seek authority to incur capital expenditure of £105,585 to accept the aforementioned underwriting of a proportion of the parts, materials and manufacture costs associated with the production of modular accommodation.

2.0 Background Information

2.1. The Learning Places programme represents the Council's response to the demographic growth pressures in primary school provision. The increasing birth rate in Leeds has required Leeds City Council to approve an increasing number of new reception places since 2009 in order to fulfil 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. The capital school building solutions to the demographic need is managed via Children's Services Learning Places Programme.

2.3. For the upcoming academic year (September 2016 to July 2017) it was projected that at least 14FE (420 places) would be required across the city as temporary cohorts to meet bulges in demand or in advance of permanent solutions being secure for the longer term need. A programme of 'bulge' works has been developed to provide the necessary accommodation to meet this demand. Parental preference data has been used to determine the need in the pressure areas and site specific solutions have been developed as a result. These will be tailored to each specific site where a 'bulge' cohort is to be accommodated and includes; utilising extra capacity within existing buildings (where appropriate), internal remodelling and additional modular accommodation on a temporary and permanent basis (where applicable).

2.4. Through consultation with LCC's procurement department, the preferred procurement route for the delivery of modular accommodation is via the YORbuild 2 Framework. Following consultation with the identified schools and the subsequent design stage that informs the final cost of each scheme, the constrained programme necessitates the underwriting of a proportion of the parts, materials and manufacture costs associated with the production of modular accommodation. The underwriting agreement will secure the vital manufacturing slot to enable the delivery of modular accommodation to support the 2016 bulge cohorts.

3.0 Main Points

3.1. Design Proposals and Full Scheme Description

The proposed modular accommodation will facilitate bulge cohorts at 7 schools. The description of this work will be annotated in the full Design and Cost Report for each school. For the purpose of this report, the underwriting of a proportion of the

parts, materials and manufacture costs associated with the production of modular accommodation at this stage will enable the following:

- Secure a vital slot in the manufacture process with the approved modular unit supplier to ensure delivery for September 2016.
- Facilitate the placing of orders for materials with significant lead times such as the steel used to produce the frame for the modular buildings.

3.2. The latest estimated cost of the scheme is £494,000, and full Authority to Spend for the scheme will be sought once the final tendered cost has been submitted. However, in order to underwrite a proportion of the parts, materials and manufacture costs associated with the production of modular accommodation, Authority to Spend is being sought to the value of £105,585, which will enable LCC to secure a manufacturing slot in advance of full contract award.

4.0 Programme

4.1. The underwriting of a proportion of the parts, materials and manufacture costs as identified in point 3 above is required to support the proposed installation of modular accommodation that will commence during the 2016 summer break.

4.2. The key milestones to achieve the installation of the modular accommodation for the 2016 Bulge cohort programme are as follows:

- Underwriting of production costs (Subject to further DCR approvals) 10th June 2016
- ATS Approval – Full Scheme 22nd June 2016
- Award Contract 30th June 2016
- Place orders for accommodation 31st June 2016
- Commence installation on site 27th July 2016
- Completion & handover 30th August 2016
- Occupation by the school w/c 1st September 2016

4.3. The approval of 'authority to spend', requested within this report, is on the critical path and therefore crucial to delivery of the project in accordance with the dates above.

4.4. Extensive consultation has taken place with representatives from Planning & Highways throughout the design development process to ensure the viability of the proposals, this will continue throughout project delivery.

5.0 Corporate Considerations

5.1 Consultation and Engagement

5.1.1. The bulge cohort expansion programme required for 2016 has been subject to consultation with Children's Services' officers, school representatives, Highways, Planning, Procurement and senior elected members.

5.1.2. Pre-planning consultation has been held with representatives from the Planning Department and LCC Highways with a view to assessing the entirety of the 'bulge'

programme required for a September 2016 implementation (including the subsequent phases of the 2015 bulge works).

- 5.1.3. Children's Services will continue to brief elected members at key stages throughout the project development.

5.2. **Equality and Diversity / Cohesion and Integration**

- 5.2.1. The recommendations with this report do not have any direct nor specific impact upon any of the groups falling under the remit of the equality legislation and the need to eliminate discrimination and promote equality. A screening document has been prepared to this effect and an independent impact assessment is not required for the approvals requested. The screening document has been sent to the Equality Team to be approved, publishing and held on-file. A copy is included with this report as appendix A.

5.3. **Council Policies and Best Council Plan**

- 5.3.1. The 2016 bulge cohort schemes are 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. 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.

- 5.3.2. This scheme contributes to the 2016/17 Best Council Plan outcomes for everyone in Leeds to 'Do well at all levels of learning and have the skills they need for life'; 'Be safe and feel safe' and 'Enjoy happy, healthy, active lives'. It also supports the vision in the supporting Children and Young People's Plan 2015-19 to build a child-friendly city with a focus on ensuring all children and young people are safe from harm; do well at all levels of learning and have the skills for life; enjoy healthy lifestyles; have fun growing up; are active citizens who feel they have a voice and influence. The programme seeks to deliver a supply of good quality accessible local school places which can contribute to these outcomes.

5.4. **Resource and Value for Money**

- 5.4.1. The latest estimated cost for the overall scheme is £494,000 and the estimated cost to underwrite a proportion of the parts, materials and manufacture costs associated with the modular accommodation is £105,585 – this will secure a vital slot in the manufacture process with the approved modular unit supplier to ensure delivery for September 2016.
- 5.4.2. The cost will be met through capital scheme number 32274/BGE/MID as part of the Learning Places Programme.

5.4.3. Capital Funding & Cash Flow

Previous total Authority to Spend on this scheme	TOTAL	TO MARCH				
	£000's	2016 £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					
DESIGN FEES (6)	0.0					
OTHER COSTS (7)	0.0					
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL	TO MARCH				
	£000's	2016 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
LAND (1)	0.0					
CONSTRUCTION (3)	105.6		105.6			
FURN & EQPT (5)	0.0		0.0			
DESIGN FEES (6)	0.0		0.0			
OTHER COSTS (7)	0.0		0.0			
TOTALS	105.6	0.0	105.6	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL	TO MARCH				
	£000's	2016 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
	0.0					
Basic Needs Grant	105.6		105.6			
	0.0					
Total Funding	105.6	0.0	105.6	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0

Parent Scheme Number: 32274/000/000

Title: Basic Need Primary Expansion 2016/17

5.5. Revenue Effects

5.5.1. It is not expected that there will be any Revenue implications arising from this report. However, in the event of any planned schemes being aborted, any design costs that are incurred relating to the aborted schemes will be transferred to the Revenue account.

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

5.6.1. The approval of this report constitutes a 'Significant Operational Decision' and as such will not be subject to 'Call-In'.

5.6.2. A formal 'Letter of Underwriting' will be drafted and issued to the appointed contractor by a legal contract specialist in PP&PU, which will ensure that the full terms and conditions of the underwrite are clearly documented and agreed between the parties.

5.6.3. There are no other legal implications or access to information issues arising from this report.

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 from Children's Services Built Environment team and PP&PU will be tasked with ensuring the project remains within the predetermined risk tolerances.
- 5.7.2. A programme level risk log will be maintained and updated throughout the project and escalation is via Programme Manager, Built Environment.
- 5.7.3. In the event of any planned bulge schemes being aborted, any design costs that are incurred relating to the aborted schemes will be transferred to the Revenue account. However, it is not anticipated that any bulge schemes will be aborted at this late stage.

6.0 Conclusions

- 6.1. Due to the requirement of additional accommodation across Leeds to support the 2016 bulge cohorts, the installation of modular units will be required and procured through the YORbuild 2 Framework. The constrained programme between confirmation of parental preferencing data in April and completion on site by September means there is a requirement to secure a vital manufacturing slot with the modular contractor in advance of full Authority to Spend being granted, once the final tendered cost is submitted and evaluated. Underwriting a proportion of the parts, materials and manufacture costs associated with the production of modular accommodation will secure the vital manufacturing slot that would enable the delivery of modular accommodation for September 2016.
- 6.2. The delivery of the modular accommodation will be managed by Children's Services and PP&PU in conjunction with the appointed contractor, the school and other key stakeholders. The cost to underwrite a proportion of the parts, materials and manufacture costs associated with the production of modular accommodation will be met through capital scheme 32274/BGE/MID to the value of £105,585.

7.0 Recommendations

- 7.1. The Programme Manager, Built Environment is requested to:
 - 7.1.1. Authorise expenditure of £105,585 from capital scheme number 32274/BGE/MID to underwrite a proportion of the parts, materials and manufacture costs associated with the production of modular accommodation to support the bulge cohort scheme procured through the YORbuild 2 framework. The underwriting of these costs will secure the vital manufacturing slot required for the production of the modular accommodation to enable delivery for the start of the September term 2016.
 - 7.1.2. Note the programme dates identified in section 4.2 of this report in relation to the implementation of this decision. The final delivery date for this scheme, subject to contract, is prior to the commencement of the September term 2016
 - 7.1.3. Note that the officer responsible for implementation is the Built Environment Project Officer.

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.