

Report of the Head of Programme, PPU

Report to Director of Children's Services

Date: 1 December 2016

Subject: Tender Acceptance Report – Hollybush Primary School Learning Places Project



Capital Scheme Number: 32274/HOL/000

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Bramley & Stanningley	<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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

- 1 The Design and Cost report for the proposed permanent expansion from 2FE to 3FE at Hollybush Primary School, for £4m was approved by the Director of Children's Services on 24th November 2016.
- 2 The purpose of this report is to request authority to accept the tender from Leeds D&B One Ltd for the Learning Places Programme scheme at Hollybush Primary School for the sum of £2,870,818.15. This budget will be used to construct a two storey new build providing 6 classrooms, 133m² hall, a community room, a group room and a break out space as well as a small work room/kitchen for staff, a minor amount of refurbishing to existing school, kitchen enhancement to ensure it is suitable for a 3FE and external works including the extension of the existing car park and provision of additional hard play.

Recommendations

The Director of Children's Services is requested to:

- Approve the request to award the contract for the sum of £2,870,818.15 to Leeds D&B One Ltd to construct a two storey new build, an extension of the existing car park and provision of additional hard play and minor refurbishment

works to the existing school to facilitate the expansion from 2E to 3FE for the Learning Places Programme scheme at Hollybush Primary School.

- 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 Leeds D&B One Ltd for the sum of £2,870,818.15 to construct a two storey new build, an extension of the existing car park and provision of additional hard play and minor refurbishment works to the existing school to facilitate the expansion from 2E to 3FE for the Learning Places Programme scheme at Hollybush Primary School.

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 1500 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 a consequence of the increasing birth rate in Bramley and surrounding areas, it is necessary to expand provision at Hollybush 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 Hollybush Primary School was made available from September 2016 and as such, internal remodelling works took place over summer 2016 to ensure there was adequate accommodation to accommodate the September 2016 intake. 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.
- 2.5 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.

- 2.6 The expansion of places was approved by Executive Board on 19th November 2014 following public consultation and the publication of statutory notices for the expansion in May 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.
- 2.7 The scope of the project at Hollybush Primary School is to construct a two storey new build providing 6 classrooms, 133m² hall, a community room, a group room and a break out space as well as a small work room/kitchen for staff, a minor amount of refurbishing to existing school, kitchen enhancement to ensure it is suitable for a 3FE and external works including the extension of the existing car park and provision of additional hard play.
- 2.8 The construction of the extension is scheduled for final completion in September 2017.
- 2.9 The Leeds Local Education Partnership (LLEP) and its main contractor Leeds D&B1 (Interserve Construction) were commissioned in August 2016 to deliver a scheme within a cost envelope of £3m after the previously appointed contractor failed to deliver an affordable scheme. Working quickly they developed detailed designs, submitting for detailed planning in September 2016.
- 2.10 An agreement to underwrite a value of £19,000, to place the order for steel design prior to contract award was approved on 29th November 16 by the Built Environment Programme Manager.
- 2.11 The contract sum detailed within this report includes the value of the enabling package.

3.0 Main Issues

3.1 Design Proposals and Full Scheme Description

The proposed work to build the new extension at Hollybush Primary School consists of the following components:

- Construction of a two storey new build providing 6 classrooms, 133m² hall, a community room, a group room and a break out space as well as a small work room/kitchen for staff
- A minor amount of refurbishing to existing school
- Kitchen enhancement to ensure it is suitable for a 3FE
- External works including the extension of the existing car park and provision of additional hard play
- The scheme includes fixed furniture and fittings within the new build extension

3.2 Following a tender evaluation completed by NPS Leeds, this report seeks to accept the tender in respect of the proposed works at Hollybush Primary School and award the contract in accordance with Leeds City Council procurement rules.

4.0 Programme

4.1 Formal acceptance of the tender is required at the earliest opportunity to ensure the contracted works can start on site as planned on 12th December 2016 and the overall programme meets the scheduled completion date of September 2017.

5.0 Corporate Considerations

5.1 Consultation and Engagement

5.1.1 The proposal to expand the school was subject to statutory process issued May 2014 including public consultation. The expansion of the school was subsequently approved by the Executive Board in November 2014. .

5.1.2 The proposed scheme and associated work at Hollybush 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 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 17th October 16. 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 was consulted about the impact of the proposals on the playing fields along with other local interested parties such as residents. Sport England 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 A**

5.3 Council Policies & City Priorities

- 5.3.1 The recommendations are being brought forward to meet the Council's statutory duty to ensure there are sufficient school places for all children living in Leeds. Providing places local to where children live improves accessibility, reduces the journey to school and reduces the risk of non-attendance.
- 5.3.2 This 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.
- 5.3.3 When consulting on the schemes to progress as part of this programme, the consultation process is in line with the Best Council value 'working with communities' in ensuring that 100% of major decisions are supported by community engagement, consultation and due regard for equality.

5.4 Resource & Value for Money

- 5.4.1 It should be noted that the scheme is £129,181.85 under the affordability envelope of £3m set for the project.
- 5.4.2 NPS Leeds have carried out an evaluation of the tenders received and recommended that the tendered figure from Leeds D&B One Ltd of £2,870,818.15 is arithmetically correct.
- 5.4.3 NPS 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 recognising that the scheme has been designed and costed within a four month timeframe to ensure it can deliver the accommodation required for September 2017.
- 5.4.4 All works have been procured in accordance with Leeds City Council's contract procedure rules utilising a JCT16 contract form.

5.5 Full Scheme Estimate

- 5.5.1 The tender submission provided by Leeds D&B One Ltd of £2,870,818.15 is inside the cost envelope set out in the DCR approval.

5.6 Prior Approvals

- 5.6.1 A planning application for the project was submitted on 14th September 2016 and planning permission was subsequently granted on 22nd November 2016 with minor conditions. Approval to spend was granted by Executive Board in April 2014. The Design and Cost Report signed by the Director of Children's Services on 24th November 2016 granted authority to spend a total of £4m to cover all elements of the expansion of Hollybush Primary School.

6.0 Legal Implications, Access to Information & Call-in

- 6.1 There are no direct legal implications arising from the recommendations in this report.
- 6.2 The proposals in this report are a significant operational decision and are not subject to call in.
- 6.3 The tender has been procured in accordance with the City Council's contract procedure rules.

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).
- 7.3 The key risks to the scheme are as follows:
 - A final settlement figure with the original contractor has not yet been agreed. Any settlement figure will be approved at the appropriate level within Children's Services.
 - A substation may be required due to the increase in electrical demand by the school, which could increase project costs by £150,000. This cost is not included within Interserve's current cost plan, but is included within the overall project budget. If after further research it is found not to be required, the funding allocated to this element could be used to increase the client contingency.
 - It should be noted that the current budget includes a level of contingency sufficient to manage the risks identified above.

8.0 Conclusions

- 8.1.1 The scheme costs are £129,181.85 under the affordability envelope of £3m set for the project.
- 8.1.2 NPS 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 recognising that the scheme has been designed and costed within a four month timeframe to ensure it can deliver the accommodation required for September 2017..

8.2 The recommendation therefore is to accept Leeds D&B One Ltd's cost for the works for the sum of £2,870,818.15 and proceed with contract award by 12th December 2106 to ensure the contracted works can start on site as planned and the overall programme meets the scheduled completion date of September 2017.

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 £2,870,818.15 to Leeds D&B One Ltd to construct a two storey new build, an extension of the existing car park and provision of additional hard play and minor refurbishment works to the existing school to facilitate the expansion from 2E to 3FE for the Learning Places Programme scheme at Hollybush Primary School.
- 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 documents¹

10.1 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.