

**Report of the Head of Programme (PPPU)**

**Report to the Director of Children’s Services**

**Date: 22<sup>nd</sup> December 2016**

**Subject: Design & Cost Report for Shakespeare Primary School Expansion**



**Capital Scheme Number: 32655/SHA/000**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): <b>Richmond Hill and Burmantofts, Gipton and Harehills</b>	<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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? The following documents are exempt from Access to Information Rule 10.4 (3)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. As a consequence of the increasing birth rate in Burmantofts together with housing developments and families moving into the area, it is necessary to expand provision at Shakespeare Primary School from a 1.5 Form Entry with 315 pupil places, to a 3 Form Entry with 630 pupil places, by building a new school and relocating to the former Primrose High School site off Lincoln Road. 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, and final determination for this expansion was approved by Executive Board on 21<sup>st</sup> September 2016.
2. The expansion and provision at the new location for Shakespeare Primary School will be available from September 2018.
3. The project will be delivered by the Council’s Projects Programmes and Procurement Unit (PPPU). The Construction Partner is to be selected in January 2017 following evaluation of a 2 stage tender process via Cost Led Procurement using the YORbuild2 framework. Approval of the Cost Led Procurement Strategy was given by the Director of Children’s Services in September 2016.

4. The Council has a 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. 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 Learning Places Programme seeks to deliver a supply of good quality accessible local school places which can contribute to these outcomes.
6. The Pre-feasibility scheme budget of £14m was previously approved by Executive Board on 14th December 2016 and the current total scheme costs are £11,585,080 as set out in section 5.4 of this report.
7. In September 2014, Executive Board approved the Basic Need Programme report recommendation to delegate authority to the Director of Children's Services to approve Design and Cost reports for individual projects, subject to support by the Deputy Chief Executive and the Director of City Development.
8. In accordance with this approval, 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 School Places Programme Board meeting. Consultation with the Executive Member for Children's and Families took place on 5<sup>th</sup> January 2017 prior to this DCR being submitted for approval.

## **Recommendations**

The Director of Children's Services is requested to:

- i. Approve the design and cost report for the scheme to expand and relocate Shakespeare Primary School, the cost being £11,585,080 with the appropriate details of the programme, design and cost as set out in this report;
- ii. Note that the Chief Officer, Projects, Programmes and Procurement Unit is responsible for scheme delivery which is scheduled for completion by September 2018.

## **1.0 Purpose of this Report**

1.1. The purpose of this report is:

- To provide background information and detail in respect of the Learning Places scheme to increase Shakespeare Primary School from a 1.5FE to a 3FE school, including relocation to the former Primrose High School site off Lincoln Road, to be available from September 2018.
- To seek approval for the scheme to proceed on the basis of the budget, scope and programme set out in this report.

## **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 Burmantofts together with housing developments and families moving into the area, it is necessary to expand provision at Shakespeare Primary School from a 1.5 Form Entry with 315 pupil places, to a 3 Form Entry with 630 pupil places, by building a new school and relocating to the former Primrose High School site off Lincoln Road. The school will be available from September 2018. 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 expansion and relocation of Shakespeare Primary 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 and relocation was approved by Executive Board in September 2016 following public consultation and the publication of statutory notices for the expansion in August 2016. 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 scheme budget of £14m was previously approved at the December 2016 Executive Board meeting.

### **3.0 Main Points**

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

The proposed work to build the new Shakespeare Primary School on the former Primrose High School site School consists of the following components:

- Construction of a 3 FE primary school, including nursery provision for 20 FTE 2/3 year olds and 45 FTE 3/4 year olds, based on the schedule of accommodation of 3347m<sup>2</sup>.
- External works included within the scheme are:
  - Parking, including visitor and parental drop off
  - Formal and informal play areas and pitches
  - Landscaping
  - Re-provision of a community sports pitch currently located off Lincoln Road
- Associated highways works, including upgrade of the Public Right of Way footpath which borders the site from Lincoln Road to Dolly Lane
- The scheme will also include provision of all fixed furniture and fittings, loose furniture and fittings and ICT.

3.2. The design of the scheme has progressed to the end of RIBA stage 2, Concept Design, and is nearing design freeze.

3.3. The Planning Application is programmed for submission in March 2017 and full planning permission is expected to be granted in June 2017.

3.4. It is proposed that the vacated primary accommodation at the current location is utilised to expand the secondary provision at the Co-operative Academy Leeds (CAL) which is subject of a separate project and approvals.

3.5. The procurement Strategy to select the Construction Partner was approved on 12<sup>th</sup> September 2016. The Construction Partner is to be selected following a 2 stage tender process via a Cost Led Procurement using the YORbuild2 framework in January 2017.

3.6. This is a procurement method intended to allow the industry to use its experience and knowledge to develop innovative solutions through leveraging design, materials, subcontracting and direct labour to the advantage of the client. Using knowledge from previous schemes, a challenging cost ceiling has been set for the scheme. The supply side responds by proposing design solutions and committing to a price and a set of rules under which that price can be achieved as the final contract sum.

3.7. Potential contractors for this scheme were invited to tender for the design and construction of the new build through the YORbuild2 framework under a two stage tender.

- 3.8. Tender information was developed by Children's Services and PPPU in partnership with NPS to include the cost ceiling, output specification for Learning Places, a School Specific Output Specification, Electrical and Mechanical Output Specifications, a Schedule of Accommodation and indicative room layouts.
- 3.9. Contractors have been required to demonstrate that their submission complies with the tender information and that construction works can be delivered within the set cost ceiling. The cost ceiling set is set at £8,479,691 based on the Schedule of Accommodation briefed at 3347m<sup>2</sup> with cost per square metre of £2533.52 and is inclusive of construction costs, design fees, external works and fixed furniture and equipment (FF&E). Internal fees, loose FF&E, ICT equipment, authority / highways works and client contingency are excluded from the cost ceiling. The total budget for the scheme is £11,585,080.
- 3.10. An initial selection process was undertaken inviting the 10 contractors from the YORbuild2 framework to tender. The intention of this selection process was to reduce the number of contractors who were invited to tender in the final selection stage down to 3. The initial selection was assessed on quality criteria only taking into consideration the following:
- Experience, expertise and resources
  - Approach to cost led procurement and initial design thoughts
  - Stakeholder management
  - Value for money
  - Sustainability
- 3.11. The three selected Contractors were invited to tender for the design and construction of the new build through a CLP Final selection process. They have been requested to commit to match the set cost ceiling, to present a design solution which meets the specification and school specific brief and to outline an approach which demonstrates an ability to work collaboratively. At the end of this second stage, one contractor will be selected to enter into contract when the cost and design will be further developed.
- 3.12. The tenders were received via the YORtender electronic tendering system on 14<sup>th</sup> December 2016. It is envisaged that following a thorough review of all the tender documents, Leeds City Council will select one contractor to award the contract to, who will be responsible for the construction of the scheme which is to be completed as a Design & Build type contract.
- 3.13. Contractors have submitted a detailed cost plan to demonstrate how the cost ceiling will be met, accompanied by a method statement which will detail the approach taken with regard to whole life costs taking into consideration achieving quality, value for money and a fit for purpose solution.
- 3.14. Subject to the price being developed and agreed in accordance with the process under the YORbuild2 framework, the Construction Partner will be awarded the contract in line with CPR 3.1.6 (CPRs 3.1.4 and 3.1.5 not applying as there is no ISP, exclusive supplier arrangements or existing provider to undertake this work). The YORbuild2 framework is based on the NEC3 form of contract with Option A (Priced contract with fixed priced activity schedule).
- 3.15. The award of the tender will be subject to a Tender Acceptance Report which will be submitted for approval following a detailed review of all contract and tender documentation.

## 4.0 Programme

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

Milestone	Date
Tender returned	14 <sup>th</sup> December 2016
TA Report submitted for approval	25 <sup>th</sup> January 2017
Contract award	30 <sup>th</sup> January 2017
Planning Approval	20 <sup>th</sup> March – 11 <sup>th</sup> June
Contractor lead-in / mobilisation	10 <sup>th</sup> July – 23 <sup>rd</sup> July 2017
Start on-site	24 <sup>th</sup> July 2017
Completion	22 <sup>nd</sup> July 2018
Decant period	23 <sup>rd</sup> July – 2 <sup>nd</sup> September 2018
School opens	3 <sup>rd</sup> September 2018

4.2. Contract award is scheduled for late January 2017 and works on the scheme are scheduled for completion in July 2018.

4.3. The planning application will be submitted in March 2017 and is expected to be approved in June 2017.

## 5.0 Corporate Considerations

### 5.1 Consultation and Engagement

5.1.1 The publication of the Statutory Notice to expand and relocate Shakespeare Primary School was approved by Executive Board on 22 June 2016. Final determination was subsequently approved by the Executive Board 21st September 2016.

5.1.2 The proposed scheme and associated work for the expansion and relocation of Shakespeare Primary School has been the subject of consultation with key stakeholders including Children's Services officers and ward members. Consultation has also involved school staff and governors, the local residents and other colleagues within the Council. The ward members have been briefed on the initial proposals and are supportive of the project and the scheme generally.

5.1.3 Consultation with the Executive Member for Children's and Families took place at a review meeting on 5<sup>th</sup> January 2017 prior to this DCR being submitted for approval. The Executive Member for Children and Families fully supports the recommendations made within this report.

5.1.4 Pre-planning application meetings will be held with officers from Planning, Highways and building control prior to the formal submission of the planning application. Substantial engagement has already taken place with them and other key stakeholders and will continue throughout the development.

5.1.5 Sport England has been consulted about the impact of the proposals on relocation of the community sports field and the general proposals on outdoor provision

included in the scheme. Further consultation will be undertaken prior to planning submission.

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. The school have been engaged on the development process and are fully supportive of the scheme.

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, as this falls outside the monthly meeting cycle for the School Places Programme Board meeting.

## 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 Best Council Plan**

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 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. This scheme is part of the Learning Places Programme which seeks to deliver a supply of good quality accessible local school places which can contribute to these outcomes.

5.3.3 The consultation process for this scheme 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.

5.3.4 CPRs apply to this process and this Report confirms that the relevant CPRs have been adhered to.

## 5.4. **Resource and Value for Money**

5.4.1 The project will be delivered through the YORbuild2 framework by the contractor selected through the final evaluation of tenders for this Cost Led Procurement. The YORbuild2 framework is an approved framework, an existing supplier arrangement in line with CPR 3.1.6 and CPRs 3.1.4 and 3.1.5 do not apply as there is no ISP to undertake this work and there are no exclusive supplier arrangements. The YORbuild2 framework is based on the NEC3 form of contract with Option A (Priced

contract with fixed priced activity schedule). The procurement strategy was approved on 12th September 2016.

5.4.2 The total projected scheme costs are currently estimated at £11,585,080 which is within the budget approved by Executive Board. A cost ceiling has been set at £8,479,691 for the construction element of the scheme, which will ensure value for money.

5.4.3 A national cost benchmarking study undertaken by Hampshire County Council in conjunction with East Riding of Yorkshire Council and the Education Funding Agency was undertaken in February 2016 on new build, extension and refurbished primary, secondary and SEN schools. The primary school sample consists of 40 new school builds, which equate to Shakespeare Primary School. Shakespeare Primary School compares very favourably with the benchmark costs detailed in the benchmarking study with regards average gross cost, average nett cost and average cost per pupil, therefore demonstrating value for money, even with the significant abnormalities on the project.

5.4.4 The cost will be met through capital scheme number 32655/SHA/000 as part of the Learning Places Programme.

#### 5.5. **Capital Funding & Cash Flow**

5.5.1 The total projected scheme costs are currently estimated at £11,585,080, which is within the previously approved budget of £14m.

5.5.2 The cost will be met through capital scheme number 32655/SHA/000 as part of the Learning Places Programme.



Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2016 £000's					
			2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020 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						
<b>TOTALS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2016 £000's					
			2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	8,779.7		460.0	6,149.8	2,042.7	127.2	
FURN & EQPT (5)	620.0				620.0		
INTERNAL FEES (6)	628.3	15.6	193.6	343.3	65.8	10.0	
OTHER COSTS (7)	1,557.0	0.5	103.0	178.5	1,275.0		
<b>TOTALS</b>	<b>11,585.0</b>	<b>16.1</b>	<b>756.6</b>	<b>6,671.6</b>	<b>4,003.5</b>	<b>137.2</b>	<b>0.0</b>
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2016 £000's					
			2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020 on £000's
LCC SUPPORTED BORROWING	0.0						
BASIC NEED GRANT	11,585.0	16.1	756.6	6,671.6	4,003.5	137.2	
<b>TOTAL FUNDING</b>	<b>11,585.0</b>	<b>16.1</b>	<b>756.6</b>	<b>6,671.6</b>	<b>4,003.5</b>	<b>137.2</b>	<b>0.0</b>
<b>Balance / Shortfall =</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Parent Scheme Number: 32655/000/000

Title: Basic Need Primary Expansion 2018/2019

## 5.6. Revenue Effects

5.6.1 Revenue implications arising from this new development will be managed through the school's own budget

## 5.7. Legal Implications, Access to Information and Call-In

5.7.1 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.

5.7.2 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.

- 5.7.3 This procurement is in line with CPR's and FPR's. The YORbuild2 framework is an approved framework, an existing supplier arrangement in line with CPR 3.1.6 and CPRs 3.1.4 and 3.1.5 do not apply as there is no ISP to undertake this work and there are no exclusive supplier arrangements. The procurement strategy was approved on 12th September 2016.

## 5.8. Risk Management

- 5.8.1 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 has been allocated from within the Projects Programmes and Procurement Unit (PPPU).
- 5.8.2 Risk logs have been developed for the scheme by Leeds City Council and the contractor to ensure all the risks for the project have been identified together with the relevant owner of the risk. The council's project risk log will be maintained and updated throughout the project and escalation of any risks that sit outside of the agreed tolerances will be managed via the Head of Programme (PPPU)
- 5.8.3 The site is complex and there are a number of unknowns which have been excluded from the cost ceiling. This avoids the contractor risk pricing for something on which we need more certainty. These items will all be dealt with as compensation events once actual costs are known and an allowance for these has been incorporated into the budget and are as follows:
- a) Below ground asbestos under any of the existing floor slabs that remain on site
  - b) The diversion, closure or any works in relation to a public sewer which crosses the site and is yet to be determined as abandoned
  - c) Any grouting below the ground as a result of fault lines or ground defects.

## 6.0 Conclusions

- 6.1. The proposal to expand and relocate Shakespeare Primary School will enable the increased demand for pupil places in Burmantofts and surrounding areas served by the school to be met.
- 6.2. The project will be delivered by the Council's Projects, Programmes and Procurement Unit (PPPU) on behalf of Children's Services in partnership with NPS acting as Technical Advisors. The Yorbuild framework is based on the NEC3 form of contract with Option A (Priced contract with fixed priced activity schedule).
- 6.3. The cost of the scheme will be met through capital scheme 32655/SHA/000 to the value of £11,585,080.
- 6.4. Shakespeare Primary School compares very favourably with the benchmark costs detailed in the national benchmarking study undertaken in February 2016 with regards average gross cost, average nett cost and average cost per pupil, therefore demonstrating value for money, even with the significant abnormalities on the project.

## 7.0 Recommendations

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

- i. Approve the design and cost report for the scheme to expand and relocate Shakespeare Primary School, the cost being £11,585,080 with the appropriate details of the programme, design and cost as set out in this report;
- ii. Note that the Chief Officer, Projects, Programmes and Procurement Unit is responsible for scheme delivery which is scheduled for completion by September 2018.

## **8.0 Background Documents<sup>1</sup>**

8.1. None

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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.