

Report of the Built Environment Programme Manager

Report to The Director of Children’s Services

Date: 2nd February 2017

Subject: Design & Cost Report for Planned Maintenance Programme 2017/18

Capital Scheme Numbers: 32654 RFG, 32654 MEC, 32654 KIT, 32654 WIN 32654 ELE, 32654 DEM, 32654 LEP, 32654 FIR



| | | |
|--|---|--|
| Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Various – City wide | <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? If relevant, Access to Information Procedure Rule number: Appendix number: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Summary of main issues

1. Leeds receives an annual School Condition Allocation (SCA) in respect of condition works at maintained schools, Foundation (Trust) schools and children’s centres on school sites. On 12th February 2016, the DfE announced that Leeds would receive a provisional allocation of £7,358,000 for 2017/18.
2. Since 2011/12, this funding has been used to address the highest priority condition issues in order to maintain safe, warm, watertight learning environments for the children of Leeds, and to address the most common causes of unplanned school closure and loss of teaching time.
3. This report brings forward proposals to continue Planned Maintenance across maintained, Foundation (Trust) schools and children’s centres on school sites to address essential condition works in six areas: (1) Electrical services, (2) Mechanical services; (3) Roofing works; (4) External Wall, Windows and Door Replacement, (5) Kitchen Ventilation (6) demolition/removal of life expired buildings and (7) Fire safety

4. This report requests Authority to spend £8,225,000 of the available Schools Condition Allocation grant on continuing with the programme of planned maintenance works in 2017/18 and approval of the proposed procurement strategy.
5. The PPPU is working with Children's Services to develop a longer term procurement approach which could be utilised for the 2018 programme onwards. The work involved in co-ordinating, developing and implementing this solution is ongoing.

Recommendations

The Director of Children's Services is asked to:

- i) Approve the proposed programme of Planned Maintenance works in maintained and Foundation (Trust) schools to be delivered during 2017/18 and funded from the available Schools Condition Allocation grant.
- ii) Authorise expenditure of £8,225,000 of the available Schools Condition Allocation grant on these essential condition works.
- iii) Approve the proposed procurement strategy, including the use of the internal provider for some work areas and the Constructionline framework for the remaining programme.
- iv) Note that works are ongoing with the PPPU to develop an elemental framework that may be utilised to deliver the 2018 onwards programme, and that a separate report and DDN will be submitted for approval in respect of any further costs associated with this ongoing workstream.
- v) Note that £3,181,455 of previous year's School Condition Allocation with pre-existing Authority to Spend is still available to be utilised towards the 2017/18 Capital Maintenance Programme, based on current outturn projections for last year's maintenance schemes.

1. Purpose of this report

- 1.1. The purpose of this report is to seek approval to procure and commence a programme of Planned Maintenance works in maintained and Foundation (Trust) schools in 2017/18, and to seek authority to incur expenditure of £8,225,000 of the available Schools Condition Allocation grant.

2. Background information

- 2.1. Since 2011/12, Leeds has received an annual capital grant from the DfE called a School Condition Allocation (SCA) in respect of condition works at maintained schools, Foundation (Trust) schools and children's centres on school sites, which has totalled £49.04m up to and including the 2016/17 allocation. To date, Authority to Spend has been approved on £28.64m of the funding.
- 2.2. School Condition Allocations take into account the information that the EFA has collected through the Property Data Survey programme (PDS) about the condition of schools, and consists of three components as follows:
 1. Core Condition Funding, based on pupil numbers
 2. High Condition Needs Funding, based on the extent to which the condition needs identified in the PDS exceeded a threshold per pupil
 3. Floor Protections, provided in 2015/16 and 2016/17 to ensure that no responsible body got less than 80% of the funding it received in the 2014-15 maintenance allocations.
- 2.3. On 12th February 2016, the DfE announced that Leeds would provisionally receive a further SCA of £7,358,000 for the 2017/18 financial year, but would be revised annually to take into account schools opening and closing and changing responsible body (i.e. schools converting to Academy status).
- 2.4. The Head of Learning Systems has agreed that proposals could be brought forward for expenditure of £8,225,000 in 2017/18 on essential condition issues as identified in the Asset Management information held by the Built Environment team, across seven packages of works:
 - (1) Electrical services, (2) Mechanical services; (3) roofing works; (4) external wall, windows and door replacement, (5) kitchen ventilation, (6) demolition or removal of life expired buildings and (7) Fire Safety.
- 2.5. This continues the planned programme of addressing the essential condition works which have been delivered each year since 2011/12. The rationale for addressing these priorities is to maintain safe, warm, watertight learning environments, and to address the most common causes of unplanned school closure and loss of teaching time, which generally fall into the seven categories noted above. An overview of the schemes undertaken during 2016/17 is included for reference at Appendix 1.

- 2.6. In assessing the level of essential works, the Property Data Surveys that were carried out by the Education Funding Agency along with more detailed Local Authority Condition data information is used in identifying priorities across the school estate. The condition of each element is given a grading between A-D and a priority of 1-4, with condition grade D, priority 1 used to identify those elements deemed to be most urgent / essential. This information is extracted from the Asset Management database and validated by our Joint Venture Partner, NPS Leeds and the Leeds Local Education Partnership (LLEP) who have been commissioned to carry out surveys and site investigation works, and to validate the identification of essential requirements.
- 2.7. An unspent balance of £3,181,455 with pre-existing Authority to Spend from previous year's programmes is available to fund part of the 2017/18 programme, which is based on the latest estimated outturn position of last year's programme, but is subject to change as and when individual final accounts are agreed.

3. Main issues

3.1. Design Proposals and Full Scheme Description

- 3.1.1. The total available Schools Condition Allocation grant which is the subject of this report will be used to address the essential Category B Maintenance works in existing assets across maintained and Foundation (Trust) schools to ensure that the baseline standard of providing safe, warm and water tight learning environments is maintained across the school estate.
- 3.1.2. The proposed programme of works will address essential condition issues identified within the Asset Management Plan covering the following seven key areas;
1. Electrical services:
Replacement of distribution boards and replacement of wiring systems
 2. Mechanical:
Projects will include boiler plant replacement and system replacement/ amendments where appropriate.
 3. Kitchen Ventilation:
Projects will include replacement of main canopy, air handling equipment and controls, in accordance with current legislation.
 4. Roofing works:
Projects will include recovering and replacement of areas of roofing using appropriate method/materials for each site.
 5. External windows, walls & doors:
Projects will include the replacement of poor condition external materials as identified.
 6. Demolition or removal of Buildings:

Projects will include the removal of temporary buildings that have become life expired. This reduces the potential for Health & Safety issues arising from unoccupied / life expired buildings on school sites.

7. Fire Safety:

Projects will include replacement and/or refurbishment of cavity barriers, fire doors and glazed screens following an agreed fire strategy.

- 3.1.3. Following the review of asset and condition data as detailed at 2.6, an initial high level programme has been developed totalling 65 schools at an estimated cost of £11,406,455, which will be funded through the carried forward balance of £3,181,455 (which already has Authority to Spend), and the £8,225,000 funding allocation of which Authority to Spend is sought within this report. Our Joint Venture partner, NPS Leeds and the Local Education Partnership (Leeds) have been commissioned to carry out surveys and site investigation works, and to validate the identification of essential works across the children's services estate.
- 3.1.4. It should be noted that the list of projects is fluid in nature, and therefore schemes may be added or omitted as the programme develops over the next few months to reflect updated priorities that may arise due to any reactive/urgent/unforeseen H&S issues that occur, and to also take into account updated budget estimates as further design development takes place across the schemes. This will ensure that the programme remains within the overall cost envelope and authority to spend being requested in this report.

3.2. Programme

- 3.2.1. Owing to the disruptive nature of the schemes and their impact on the day to day operation of schools, maximum use will be made of out of hours working around the school day during term time, in order to minimise disruption to learning, and for works to be undertaken outside the main heating season. There will be exceptions to this, for example where there are health and safety issues which need to be resolved urgently.
- 3.2.2. Larger scale projects will be carried out during the 2017/18 school summer holiday period, due to the extent of the works required and the length of tender process. It may also be necessary to either commence large projects in advance of the summer holiday period, or for completion to take place after the holidays – where this is the case, schools will be fully consulted and plans put in place to ensure that the contractor's set-up is suitable for an operational school environment.
- 3.2.3. The planned key programme dates are as follows:
- Design: October 2016 to Feb 2017
 - Tender preparation: Feb to April 2017
 - Tender Returns: April to June 2017
 - Tender reports issued: April to June 2017

- Start on site: June to July 2017
- Handovers: August to October 2017

3.2.4 Fire Safety works are planned to be delivered between April 2017 and March 2018.

3.3 Future Year's Programmes

3.3.1 Due to the changing education landscape and the limited funding available to address condition issues, it is proposed that schools are consulted on the future approach to developing and undertaking capital maintenance works programmes. This will provide greater transparency for schools and will enable them to make asset related decisions around timing of works and the potential need to reserve funding towards schemes.

3.3.2 A feasibility study has been completed to find the most economical and practical solution to the procurement of works for the summer school maintenance programme for 2018 and beyond. Discussions are ongoing around the next steps, which may include market testing in order to establish the level of interest.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Officers in Built Environment have consulted with a number of key stakeholders including school staff and governors, and other colleagues within the Council including PP&PU and finance. This consultation will continue throughout the design process to ensure that the final projects meet expectations and that any changes proposed do not materially affect the operation of the school.

4.1.2 Works identified across three of the seven elements of work will not require planning approval; however some of the external wall, window and door replacements, Kitchen Ventilation and the demolition and making good of areas may require planning approval with the appropriate statutory consultation. Early dialogue with Planning Officers will take place to ensure that sufficient time is allowed to submit a planning application in advance of works commencing on site.

4.1.3 As most of the works will be internal, there will be no impact on the community requiring engagement or consultation. Once approval is granted by the Director of Children's Services, the Executive Member for Children and Families and local Ward Members will be informed of the schools in the respective wards where works will be commissioned and the proposed programme. Where any of the works would have an impact on neighbouring residents, for example where out-of-hours working would be required either during an evening or weekend, residents will be fully consulted and informed in advance of these works being undertaken.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The recommendations within this report do 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 2 to this report.

4.3 Council Policies and Best Council Plan

- 4.3.1 These works will contribute towards the modernisation of school buildings within the city, creating good quality, safe, warm and watertight learning environments for the children of Leeds, supporting 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'. The works also contribute to 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. In addition, the works will ensure that the Council is complying with its legal responsibilities with regards to health & safety legislation and maintaining occupant safety.
- 4.3.2 CPRs apply to this process and this report confirms that the relevant CPRs have and will be adhered to, utilising our Joint Venture Partner, NPS Leeds, and the Local Education Partnership (LEP) to carry out surveys and design works as required throughout the design development phase. Construction works will be undertaken through a number of providers including the Internal Service Provider, Leeds Building Services, which supports their vision of growth and expansion and is in compliance with CPR 3.1.4 (ISP ability to undertake works). The elements that the ISP are to deliver include demolition works, window and door replacement and a small number of roofing works. Other routes include utilising the LEP's supply chain, or through competitive tendering in accordance with CPR's.

4.4 Resources And Value For Money

- 4.4.1 NPS (Leeds) and the Local Education Partnership (Leeds) have projected total costs of £11,406,455 for the completion of the required works. The design and construction of these works is estimated to comprise construction works in the sum of £9,353,455 and professional fees in the sum of £2,053,000. NPS will undertake full tender evaluations of individual schemes and individual Tender Acceptance Reports will be submitted for formal approval in line with Governance requirements.
- 4.4.2 The fees for PPPU to establish the procurement route, manage the procurement programme and co-ordinate and administer the contractor performance recording system for the 2017 programme totals circa £45k, and these costs are included in the projected total cost identified above. In addition to this, PPPU has also been working with Children's Services to look at options available for developing a longer term procurement approach which could be utilised for the 2018 programme onwards. The fees associated with co-ordinating and developing this solution to date is circa £64k, and this cost was included as part of last year's total programme costs. The costs associated with any further development will form the basis of a separate report and DDN.
- 4.4.3 To ensure Value for Money and to procure the works within the agreed timescales, schemes will be procured using a variety of procurement methods. These will

include the use of the internal service provider, Leeds Building Services, exclusive supplier arrangements utilising the LEP's existing supply chain for schemes at secondary schools and competitive tendering methods. It is proposed that the procurement approach for the delivery of the works not delivered through the ISP will be delivered through Constructionline, with the exception of LEP exclusivity. Constructionline is a national framework of contractors that have been vetted to ensure that they are able to undertake works. Constructionline vet the health and safety, insurance, references and financial credibility of all companies. Constructionline generates random lists based on a set of criteria, including, scope of works, value and location, whilst also applying a notional value to manage the value of works that contractors are able to tender for based on a suppliers size and financial standing.

- 4.4.4 In order to encourage the successful delivery of the programme, contractor performance data in relation to the delivery of the 2016 programme will be assessed when determining tender lists. This process will ensure that contractors who have previously performed poorly are unable to tender for opportunities this year and will conversely ensure that contractors who have historically performed well are included on tender lists for this year's programme. This should increase the likelihood of working with quality contractors that have an understanding of pressures and processes in relation to this programme, whilst also reducing the risk of poor contractor performance and operational issues for school. There will also be a proforma shared with schools to capture their feedback on comments on the process.
- 4.4.5 It is not envisaged that constructionline will be utilised as a longer term solution, as the project team are looking to establish a framework of contractors that want to work with LCC and understand the needs and complexities of working with schools on this programme. PPPU have been commissioned to develop the framework and a proportion of the costs associated with this workstream were included as part of last year's programme. A feasibility study has been undertaken to find the most economical and practical solution to the procurement of works for the summer school maintenance programme for 2018 and beyond. Discussions are ongoing around the next steps, which may include market testing in order to establish the level of interest.
- 4.4.6 The cost of the projects will be met through capital scheme number 32654/000/000 as part of the Planned Maintenance Programme 2017/18.
- 4.4.7 A full overview of the 2017/18 programme will be submitted as part of next year's DCR, in order to provide transparency and auditability around the schemes delivered this year. Updated spend profiles are to be reported to the Children's Services Programme, Risk and Control Group on a quarterly basis and approval sought in relation to proposed actions, in order to mitigate any financial risks.

4.4.5 **Capital Funding and Cash Flow**

| Funding Approval : | | Capital Section Reference Number :- | | | | | |
|---|---------------|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Authority to Spend on this scheme | TOTAL | TO MARCH | FORECAST | | | | |
| | £000's | 2016 £000's | 2017/18 £000's | 2018/19 £000's | 2019/20 £000's | 2020/21 £000's | 2021/22 £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 | 0.0 |
| Authority to Spend required for this Approval | TOTAL | TO MARCH | FORECAST | | | | |
| | £000's | 2016 £000's | 2017/18 £000's | 2018/19 £000's | 2019/20 £000's | 2020/21 £000's | 2021/22 £000's |
| LAND (1) | 0.0 | | | | | | |
| CONSTRUCTION (3) | 6744.5 | | 6407.3 | 337.2 | | | |
| FURN & EQPT (5) | 0.0 | | | | | | |
| DESIGN FEES (6) | 1480.5 | | 1406.5 | 74.0 | | | |
| OTHER COSTS (7) | 0.0 | | | | | | |
| TOTALS | 8225.0 | 0.0 | 7813.8 | 411.2 | 0.0 | 0.0 | 0.0 |
| Total overall Funding (As per latest Capital Programme) | TOTAL | TO MARCH | FORECAST | | | | |
| | £000's | 2016 £000's | 2017/18 £000's | 2018/19 £000's | 2019/20 £000's | 2020/21 £000's | 2021/22 £000's |
| SCA grant | 8225.0 | | 7813.7 | 411.3 | | | |
| Total Funding | 8225.0 | 0.0 | 7813.8 | 411.2 | 0.0 | 0.0 | 0.0 |

Parent Scheme Number: 32654 000 000

Title: SCA Programme 2017/18

4.5 Revenue Effects

4.5.1 No revenue effects are anticipated, but any additional costs arising will be managed within the school budgets.

4.6 Legal Implications, Access to Information and Call In

4.6.1 This is a key decision and will be subject to Call-In. The proposed capital works are all classified as 'Category B' and as such, the Director of Children's Services has delegated authority to approve Authority to Spend over £500k.

4.6.2 The procurement is and will continue to be in line with all CPR's and FPR's, by utilising the Internal Service Provider, Exclusive Supplier arrangements and competitive tendering through existing frameworks.

4.6.3 Individual Tender Acceptance Reports will be drafted for approval in line with the normal governance requirements and delegated approval limits.

4.7 Risk Management

- 4.7.1. The programme of works will be carried out in accordance with LCC policies and standards. 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 Children's Services.
- 4.7.2 PPPU have been commissioned to establish and manage the procurement route, which ensures compliance with CPRs. In addition, PPPU have previously administered the contractor performance recording system for the 2016 maintenance programme, which has ensured that those contractors who performed poorly last year are unable to tender for opportunities this year, and this monitoring will continue to be undertaken as part of the 2017 programme.
- 4.7.2 Operational risk will be addressed through compliance with CDM Regulations, Building Regulations and HSE requirements, along with close supervision of contractors on site and continual liaison with schools identified in the main programme. This will be monitored by NPS, Leeds Building Services, The LEP and the Client. These procedures will ensure the highest possible standards and control measures in regard to Health & Safety relating to all occupants whilst works are being undertaken.
- 4.7.3 Particular concerns with regard to asbestos will be identified by undertaking appropriate surveys prior to work commencing. Removal of asbestos will be undertaken, as required, out of school hours with suitably qualified specialists being appointed to carry out works, and to undertake testing to current legislative standards with full notification to the Health and Safety Executive.
- 4.7.4 Updated spend profiles are to be reported to the Children's Services Programme, Risk and Control Group on a quarterly basis and approval sought in relation to proposed actions, in order to mitigate any financial risks. Monthly Checkpoint Reports will also be submitted over the period July to September to ensure that there is a full oversight of any issues that may occur during delivery of the individual projects.

5 Conclusions

- 5.1 LCC continues to receive an annual School Condition Allocation in respect of condition works at maintained schools, Foundation (Trust) schools and children's centres on school sites, which has been utilised over the last five years to ensure that the baseline standard of providing safe, warm and watertight learning environments for the children of Leeds can be maintained.
- 5.2 This Design and Cost Report seeks approval to continue to fund essential condition works in maintained and Foundation (Trust) schools in seven key areas with the aim of keeping schools open and operational by mitigating unplanned closures and addressing urgent Category D Priority 1 condition works as outlined within the asset management plan.

- 5.3 The programme is being procured in line with Corporate Procurement Rules, utilising the Internal Service Provider and Joint Venture Partner where possible, along with exclusive supplier arrangements and competitive tendering methods through existing frameworks.
- 5.4 There is a robust methodology in place for assessing the priority condition works that will be included within the programme, with an estimated value of £11,406,455. The cost of the programme will be met through capital scheme 32654/000/000 within the available cost envelope, which will be funded through the Authority to Spend of £8,225,000 School Condition Allocation being sought in this report and the sum of £3,181,455 currently being estimated to carry forward from previous year's programmes, and there is a robust reporting mechanism in place to ensure there is full transparency and auditability.

6 Recommendations

- 6.1 The Director of Children's Services is asked to:
- 6.1.1 Approve the proposed programme of Planned Maintenance works in maintained and Foundation (Trust) schools to be delivered during 2017/18, funded from the available Schools Condition Allocation.
- 6.1.2 Authorise expenditure of £8,225,000 from the available Schools Condition Allocation grant on these essential condition works.
- 6.1.3 Approve the proposed procurement strategy, including the use of the internal provider for some work areas and construction line for the remaining programme.
- 6.1.4 Note that works are ongoing with the PPPU to develop an elemental framework that may be utilised to deliver the 2018 onwards programme, and that a separate report and DDN will be submitted for approval in respect of any further costs associated with this ongoing workstream.
- 6.1.5 Note that £3,181,455 of previous year's School Condition Allocation with pre-existing Authority to Spend is still available to be utilised towards the 2017/18 Capital Maintenance Programme, based on current outturn projections for last year's maintenance schemes.

7 Background documents¹

- 7.1 None

¹ The background documents listed in this section are available for download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.