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

**Report to the Director of Children and Families**

**Date: 20 June 2017**

**Subject: Design & Cost Report for Hunslet St Mary's Primary School Learning Places Project & Application to Access Capital Risk Fund Contingency**



**Capital Scheme Number: 32450/HSM/000**

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): <b>City and Hunslet</b>		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

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**Summary of main issues**

1. As a consequence of the increasing birth rate in City and Hunslet and surrounding areas, it is necessary to expand provision at Hunslet St Marys Primary School from a 1 Form Entry with 210 pupil places, to a 1.5 Form Entry with 315 pupil places. 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 was approved by Executive Board in July 2016.
2. The school had a modular teaching space installed during summer 2016 as part of the bulge programme to enable the school to increase the reception intake to 45 in September 2016. This bulge expansion was dealt with as a separate project to the permanent expansion which is the subject of this DCR.
3. The permanent expansion to provision at Hunslet St Mary's Primary School will provide additional accommodation through refurbishment and a three classroom extension with ancillary spaces so that permanent places are available from September 2017.
4. The project will be delivered in conjunction with NPS and the Council's Projects Programmes and Procurement Unit (PPPU). The Construction Partner appointed in

accordance with CPR's is the Internal Service Provider (ISP), Leeds Building Services (LBS) as the nature and extent of the works are within their capacity and capabilities. A Procurement Route report was approved on 13th October 2016 by the Children's Services Programme Manager.

5. An objective in the Best Council Plan 2013-2017 is to 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.
6. The Pre-feasibility scheme budget of £1,600,000 was previously approved by Executive Board on 14 December 2016 and the current total scheme costs are £1,827,754 as set out in section 5.4 of this report resulting in the need to make an application to the Capital Risk Fund for £227,754.
7. The scope of the project at Hunslet St Mary's Primary School is to build a new 3 classroom extension with ancillary spaces and toilets as well as internal remodelling of the existing staff and IT room to create an additional 2 further classrooms, remodelling the existing school kitchen and remodelling to pupil toilets and providing further storage for resources.
8. The completion of the refurbishment is due to complete by 31 August 2017 in line with the start of the academic year and the extension is scheduled for final completion in December 2017.
9. 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. This delegation is due to be updated via the June 2017 Learning Places Programme Capital Programme update to the Executive Board and that the delegation of the approval of design and cost reports for the schemes which form part of the programme approved by Executive Board to the Director of Children & Families and that these approvals shall be subject to the agreement of the Director of City Development and the Director of Resources & Housing in consultation with the appropriate Executive Member and that these reports will be open to scrutiny by Members
10. 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 Learning Places Programme Board meeting. Consultation with Executive Members took place on Tuesday 27<sup>th</sup> June via a Children and Families councillor briefing prior to this DCR being submitted for approval.

## **Recommendations**

The Director of Children and Families is requested to:

- i. Approve the design and cost report for the scheme at Hunslet St Mary's Primary School, the cost being £1,827,754 with the appropriate details of the programme, design and cost as set out in this report; and
- ii. Approve the application to access the Capital Risk Fund for an additional £227,754 in line with this report

- iii. Approve the award of the works to the ISP in the total sum of £1,394,051.27, Leeds Building Services in line with CPR 3.1.5
- iv. Note that the Chief Officer, Projects, Programmes & Procurement Unit (PPPU) is responsible for scheme delivery which is scheduled for completion by 4<sup>th</sup> December 2017.

## **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 Hunslet St Mary's Primary School from a 1FE to a 1.5FE school from September 2017.
- To seek approval for the scheme to proceed on the basis of the budget, scope and programme set out in this report.
- To seek approval for the Programme Capital Risk Fund application
- To seek approval to award of the works to the ISP in the total sum of £1,394,051.27

## **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 1,600 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. For the academic year starting September 2016, a total of 3 Forms of Entry (FE) permanent and 14FE bulge/temporary have been secured to meet the level of demand from preferences received for this year, which means that every primary age child in Leeds has a sustainable, good learning place. Good progress is being made with the accommodation requirements required for the academic year starting September 2017.
- 2.5. For September 2017, a further 210 permanent reception places (7FE) will be in place, along with another 150 bulge reception places (5FE) and 30 places (1FE) through the opening of a Free School to meet the expected demand for places. Projections for September 2018 anticipate a further 345 places (11.5FE) needed, to be met by a combination of Free Schools, permanent expansions and bulge cohorts.

- 2.6. As a consequence of the increasing birth rate in Hunslet and surrounding areas, it is necessary to expand provision at Hunslet St Mary's Primary School from a 1 Form Entry with 210 pupil places, to a 1.5 Form Entry with 315 pupil places. The permanent expansion to provision at Hunslet St Mary's Primary School will be available from September 2017. 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.
- 2.7. The school had a modular teaching space installed during summer 2016 as part of the bulge programme to enable the school to increase the reception intake to 45 in September 2016. This bulge expansion was dealt with as a separate project to the permanent expansion.
- 2.8. The proposal for the extension to the school forms part of the on-going work to address capacity and sufficiency across all of Children and Families school estate , 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.
- 2.9. The expansion of places was approved by Executive Board in December 2016 following public consultation and the publication of statutory notices for the expansion in July 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.
- 2.10. The project will be delivered by the Council's Projects, Programmes and Procurement Unit (PPPU) in conjunction with NPS acting as Technical Advisors. The Construction Partner appointed in accordance with CPR's 3.1.5 is the Internal Service Provider (ISP), Leeds Building Services (LBS) as the nature and extent of the works are within their capacity and capabilities. A Procurement Route report was approved on 13th October 2016.
- 2.11. This Design and Cost report covers the full cost of the scheme. The works are scheduled to start on site on 3<sup>rd</sup> July 2017.
- 2.12. The scheme budget of £1,600,000 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 an extension and Hunslet St Mary's Primary School consists of the following components:

- Construction of a single storey 3 classroom extension with a small group room, toilets and storage;
- Full refurbishment of the existing kitchen;
- Conversion of the existing staff room and IT room into two full sized teaching spaces;

- Refurbishment of the pupil toilets to make them age appropriate and suitable for all users;
  - Creation of new storage in the hall to allow dining furniture and sports equipment to be correctly stored away.
  - Construction of a Key Stage 1 play area to allow good pupil separation;
  - Fencing in the sports field to allow for a safe secure school site;
  - Significant increases of the school car park to provide a total of 30 parking spaces in line with planning policy;
  - Highways road safety improvements including safety hatching, parking restrictions and reduction of speed limit to 20 miles per hour;
  - The scheme includes fixed furniture and fittings to the new teaching spaces as well as an allocation of new ICT equipment.
- 3.2. The design of the scheme has progressed to the end of RIBA stage 4. During each of the design stages consultation has taken place with the following key stakeholders:
- School Governors and staff
  - Planning
  - Highways
  - Sport England?
  - Local Ward Members
  - Local residents
  - Building Control
- 3.3. The project was submitted for planning on the 21<sup>st</sup> December 2016. The scheme received planning approval on the 17<sup>th</sup> February 2017. The planning conditions have been issued to the contractor. This has enabled any costs associated with the conditions to be included in the project price.
- 3.4. The procurement route report to use NPS for design and LBS as the Construction Partner was approved on 13<sup>th</sup> October 2016. Leeds Building Services were approached in the first instance due to the nature and extent of the works in line with CPR's and the Programme Procurement strategy and agreed they had the capacity and capability to provide a tender and carry out the works. NPS were commissioned to carry out the Feasibility Study and full design.
- 3.5. Subject to the approval of this DCR, an order will be placed with LBS in line with CPR 3.1.5. The works will be managed informally in line with JCT Minor Works contract conditions as no formal contract can be exchanged.
- 3.6. A detailed Cost Plan has been produced by LBS and cost checks have carried out on the tender return price by NPS to ensure that the cost model issued is in line with current market conditions and recently returned tenders.
- 3.7. The tender was issued to LBS electronically on the 10<sup>th</sup> March 2017.

- 3.8. The tender was received via email on 19<sup>th</sup> May 2017. A thorough review of all the tender documents provided by LBS has been undertaken and NPS Leeds have confirmed that whilst the price of the works has exceeded the original budget, the price received is in line with current market prices being received for other similar projects. Leeds City Council will place an order with Leeds Building Services, who will be responsible for the construction of the scheme.
- 3.9. NPS Leeds has produced a tender acceptance report explaining that the tender return price is within 5% of the expected tender return price of £1,331,449. The actual returned price was £1,394,051. Their recommendation is to accept the tender as it provides good value for money.

#### **4.0 Programme**

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

Milestone	Date
Pre-tender estimate	27 <sup>th</sup> April 2017
Tender returned	19 <sup>th</sup> May 2017
Planning Approval	17 <sup>th</sup> February 2017
Contract Award	30 June 2017
Contractor lead-in / mobilisation	3 <sup>rd</sup> July 2017
Start on-site	3 <sup>rd</sup> July 2017
Main Phase Occupation	1 <sup>st</sup> September 2017
Completion	4 <sup>th</sup> December 2017

- 4.2. The planning application was approved on 17<sup>th</sup> February 2017.
- 4.3. Leeds Building Services submitted their formal tender on 19<sup>th</sup> May 2017 via email.
- 4.4. Contract award is scheduled for 30 June 2017 and works on the scheme are scheduled for completion in December 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 July 2016 including public consultation. The expansion of the school was subsequently approved by the Executive Board in December 2016.
- 5.1.2. The proposed scheme and associated work at Hunslet St Mary's Primary School has been the subject of consultation with key stakeholders including Children and Families officers, ward members. 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 formal submission of the planning application. Substantial engagement has taken place with key stakeholders. All three ward

councillors were invited to the public consultation event that took place on the 16<sup>th</sup> January 2017 where a good level of support for the expansion was received. All comments received were supportive of the development and no objections were raised. The ward members have also been briefed at the regular intervals during the design development. All ward members are fully supportive of the project and the scheme generally.

- 5.1.4. The Planning Application was submitted on 21st December 2016 and the scheme received support from ward members for a delegated decision by the planning officer. Full planning permission was granted from the planning officer on 17<sup>th</sup> February 2017. The planning conditions have been issued for review and discussion with LBS that has enabled any costs associated with the conditions to be included in the project price.
- 5.1.5. The proposals will not impact on playing fields or external play areas of the school therefore Sport England has raised no objections to the granting of planning permission for the development.
- 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 signed off the design in December 2016.
- 5.1.7. In accordance with the Basic Need Programme Approval by Executive Board in September 2014, this scheme has been considered and supported via email by the Director of Resources and Housing and the Director of City Development on 22 June 2017, as it fell outside the monthly meeting cycle for the Learning Places Programme Board meeting.
- 5.1.8. Consultation with the Executive Member will take place on 27 June 2017 prior to this design and cost report being submitted.

## **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 provide sufficient school places.
- 5.3.2. CPRs apply to this process and this Report confirms that the relevant CPRs have been adhered to.
- 5.3.3. This contributes to the 2017/18 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'.
- 5.3.4. 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.

- 5.3.5. 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 and Value for Money**

- 5.4.1. The project will be delivered using NPS for design and cost management and LBS acting as the construction partner. NPS is the design partner for Leeds City Council projects, and LBS is the Internal Service Provider and is therefore the initial choice for construction procurements which are within its capability in line with CPR 3.1.5. The procurement route report was approved on 13th October 2017.
- 5.4.2. The total projected scheme costs are currently estimated at £1,827,754 which is above the budget approved by Executive Board which was £1,600,000. The scheme therefore is seeking to access an additional £227,754 from the Capital Risk Fund to allow contract award to LBS at £1,394,051.
- 5.4.3. The application to the Programme Capital Risk Fund is necessary due to the following key facts; the foundation design was changed to pile foundations due to very poor ground conditions which were not known at that time as well as significant materials pricing increase due to market pressures. In addition to these items the drainage strategy had to be changed and the introduction of a large storm water attenuation tank has had to be installed complete with a pumped drainage solution. It is envisaged that some value engineering that is being progressed at the moment will release further funding which will reduce the total actual spend on the scheme.
- 5.4.4. NPs have undertaken a cost evaluation exercise on the submitted costs and the tender is deemed to be a fair representation of the market value of the works and as such recommend the award of the works to LBS.
- 5.4.5. The cost will be met through capital scheme number 32450/HSM/000 as part of the Learning Places Programme.

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

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2017 £000's					
			2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021 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						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2017 £000's					
			2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	1,394.0		1,324.3	69.7			
FURN & EQPT (5)	30.0		30.0				
INTERNAL FEES (6)	117.8	73.8	38.1	5.9			
OTHER COSTS (7)	286.0	122.2	149.5	14.3			
TOTALS	1,827.8	196.0	1,541.9	89.9	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2017 £000's					
			2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021 on £000's
BASIC NEED GRANT	1,827.8	196.0	1,541.9	89.9			
TOTAL FUNDING	1,827.8	196.0	1,541.9	89.9	0.0	0.0	0.0
<b>Balance / Shortfall =</b>	<b>0.1</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>

## 5.5. Capital Risk Fund applications to Date

- 5.5.1 In the September 2014 Learning Places Programme report the Executive Board approved the establishment of Learning Places Capital Risk Fund as part of the Learning Places Programme budget. Delegated authority was granted to the Director of Childrens and Families to approve funding injections from the Capital Risk Fund into individual schemes were required and deemed appropriate. Funding injections from the Capital Risk Fund by the Director of Childrens & Families is subject to agreement by the Director of City Development and Director of Resources and Housing in consultation with the Executive Member for Childrens & Families.
- 5.5.2 This approval process provides a mechanism to allow timely and proportionate response to variations which are required to individual projects, budgets, pre and post approval of design and cost reports as well as providing an effective mechanism to manage financial risks at programme level. The Capital Risk Fund budget was originally set at £10m, or 10% of the programme level.
- 5.5.3 In the reporting period since the December 2016 Executive Board Learning Places Programme update where the fund value was reset at £6.7m there has been one further application on Bramley Primary School to utilise the Capital Risk Fund leaving a balance of £6,129,549.

5.5.4 The request to enhance the approved project budget of £1.60m at Hunslet St Mary's Primary by £227,754 is not as a consequence of overspends, it is a realignment of the budget necessary to reflect the scope of works on the site.

5.5.5 Once final account has been achieved any savings made from the Hunslet St Mary's Primary Expansion scheme will be returned to the Capital Risk Fund in line with the recommendations within the December 2016 Learning Places Programme update to Executive Board.

#### **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 Childrens Services has been granted the delegated authority to approve this project to proceed after complying with the conditions established in the Executive Board in September 2014. This delegation is due to be updated via the June 2017 Learning Places Programme Capital Programme update to the Executive Board and that the delegation of the approval of design and cost reports for the schemes which form part of the programme approved by Executive Board to the Director of Children & Families and that these approvals shall be subject to the agreement of the Director of City Development and the Director of Resources & Housing in consultation with the appropriate Executive Member and that these reports will be open to scrutiny by Members

5.7.3 The proposed procurement process is in line with 3.1.5 as the ISP, Leeds Building Services, is being used to undertake this work.

5.7.2. This procurement is in line with all CPR's and FPR's

5.7.3. As the value of the approval request, it represents a key decision and is therefore subject to Call in.

#### **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. A client held contingency, commensurate with a project of this value, has been included within the approval figure to address any risks that occur during construction.

## **6.0 Conclusions**

- 6.1. The proposal to build a 3 classroom extension and internal refurbishment as described in this report at Hunslet St Mary's Primary School will enable the increased demand for pupil places in Hunslet 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) in conjunction with NPS acting as Technical Advisors. The Construction Partner identified is the internal service provider (ISP), Leeds Building Services (LBS). Leeds Building Services was approached in the first instance due to the nature and extent of the works which is in line with CPR 3.1.5 and the Programme Procurement strategy. LBS confirmed they have the capability and capacity to do the works and this route was approved via a Procurement Route report on 13<sup>th</sup> October 2016. An internal order will be raised to cover these works.
- 6.3. The cost of the accommodation will be met through capital scheme 32450/HSM/000 to the value of £1,827,754.
- 6.4. The full scheme costs have been assessed by NPS quantity surveyors to ensure that the cost model issued is in line with current market conditions and recently returned tenders. They have subsequently recommended the award of the project to LBS as their submitted price provides value for money.

## **7.0 Recommendations**

- 7.1 The Director of Children's services is requested to:
- i. Approve the design and cost report for the scheme at Hunslet St Mary's Primary School, the cost being £1,827,754 with the appropriate details of the programme, design and cost as set out in this report; and
  - ii. Approve the application to access the Capital Risk Fund for an additional £227,754 in line with this report
  - iii. Approve the award of the works to the ISP in the total sum of £1,394,051.27, Leeds Building Services in line with CPR 3.1.5
  - iv. Note that the Chief Officer, Projects, Programmes & Procurement Unit (PPPU) is responsible for scheme delivery which is scheduled for completion by 4<sup>th</sup> December 2017.

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

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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

8.1. None

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does not include published works.