

Report of the Head of Programme, PPPU

Report to Director of Children's and Families

Date: 16th May 2017

Subject: Tender Acceptance Report – Learning Places Expansion of Hovingham Primary School



Capital Scheme Number: 32450/HOV/000

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

Summary of main issues

- 1 As a consequence of the increasing birth rate in Gipton and Harehills and surrounding areas, it is necessary to expand provision at Hovingham Primary School from a 2 Form Entry with 420 pupil places, to a 3 Form Entry with 630 pupil places from September 2017.
- 2 Modular accommodation was provided in summer 2016 to address the school's current capacity issues, but this will not be sufficient to address the capacity issues from September 2017. Therefore, a permanent solution is required to be delivered for September 2017 to provide a long term sustainable solution to the capacity issues at the school.
- 3 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, the expansion of places following public consultation and the publication of the statutory notice was approved by Executive Board on 14th December 2016.

- 4 This scheme is to be delivered by Leeds D&B One Ltd in partnership with Leeds City Council and Interserve Construction. This strategy was approved by the Director of Children and Families on 3rd March 2017. Norfolk Property Services (NPS) have provided Employers Agent and Quantity Surveying services on this project.
- 3 The purpose of this report is to request authority to accept the tender from Interserve Construction Limited for the sum of **£3,842,362.36**. This budget will be used to facilitate the expansion from 2FE to 3FE and include the construction of a two storey new modular building, a new car park and entrance, refurbishment works to staff and kitchen areas. This report also requests approval to enter into the contract with Interserve Construction Ltd totalling £3,842,362.36, it should be noted that this includes the £335.5k of prior approvals to facilitate the Early Work programme
- 4 Due to delivery complexity of the scheme, the DCR approvals were sought under two separate DCR's. The first DCR was approved February 2017 for enabling works to facilitate the permanent expansion totalling £335.5k which consisted of formation of compound, ground works and drainage attenuation.
- 5 The second DCR published on 31st March 2017 requested approval of £4,664,500 to deliver the main scheme which includes the installation of a two storey 6 classroom modular building and associated landscaping, a new car park and entrance and internal remodelling of staff and kitchen areas. The works also entail the conversion of an existing modular building into an Early Years Foundation Unit.

Recommendations

The Director of Children and Families is requested to:

- Approve the request to award the contract for the sum of £3,842,362.36 to Interserve Construction Limited to construct a two storey 6 classroom modular extension and associated landscaping, a new car park and entrance, remodelling staff and kitchen areas and the creation of an Early Years Foundation Unit for the Learning Places Programme scheme at Hovingham Primary School.
- Authorise the signature of all contractual documentation with Leeds D&B One Ltd and Interserve Construction Ltd.
- Note that the contract award figure includes the previous approvals totalling £335.5k, required to facilitate the approved Early Works programme.
- Note the programme dates identified in section 4.0 of this report, in relation to the implementation of this decision.
- Note that the whole scheme will be completed in September 2017

- Note that the Chief Officer, Projects, Programmes & Procurement Unit (PPPU) is responsible for scheme delivery.

1.0 Purpose of this Report

1.1 The purpose of this report is to request authority

- To accept the tender from Interserve Construction Limited for the sum of £3,842,362.36. This budget will be used to construct a two storey 6 classroom modular extension and associated landscaping, a new car park and entrance, remodelling staff and kitchen areas and the creation of an Early Years Foundation Unit Learning Places Programme scheme at Hovingham Primary School.
- To enter into the contract with Interserve Construction Ltd totalling £3,842,362.36, this includes the £335.5k of prior approvals to facilitate the Early Works programme.

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 2010 the programme has created over 1,500 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 19FE 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.

2.5 As a consequence of the increasing birth rate in Gipton & Harehills and surrounding areas, it is necessary to expand provision at Hovingham Primary School from a 2 Form Entry with 420 pupil places, to a 3 Form Entry with 630 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.

2.6 Due to an immediate shortfall in pupil places in the Gipton and Harehills area, modular accommodation was provided in summer 2016 to address the school's

current capacity issues, but this will not be sufficient to address the capacity issues from September 2017. Therefore, a permanent solution is required to be delivered for September 2017 to provide a long term sustainable solution.

- 2.7 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.
- 2.8 The expansion of places was approved by Executive Board on 14th December 2016 following public consultation and the publication of statutory notices for the expansion on 21st September 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.
- 2.9 Due to the complexity of the phasing required to deliver this scheme and the need to deal with a ward member query on the main scheme design the Design and Cost Report (DCR) approvals were sought under two separate DCRs, with the total of both DCRs remaining within the scheme budget of £4,664,500.
- 2.10 The first DCR was approved February 2017 for enabling works to facilitate the permanent expansion totalling £335.5k which consisted of formation of compound, ground works and drainage attenuation.
- 2.11 The second DCR published on 31st March 2017 requested approval of £4,664,500 to deliver the main scheme which includes the installation of a two storey 6 classroom modular building and associated landscaping, a new car park and entrance and internal remodelling of staff and kitchen areas. The works also entail the conversion of an existing modular building into an Early Years Foundation Unit.
- 2.12 Ward Members have been consulted throughout the process and are fully supportive of the scheme and its outcomes. Any comments and concerns raised have been addressed and the scheme has now achieved full planning approval.

3.0 Main Issues

3.1 Design Proposals and Full Scheme Description

- 3.1.1 The proposed work to build the new extension and remodelling at Hovingham Primary School consists of the following components:
 - A new two storey modular extension which will include 6 Key Stage 2 classrooms and ancillary spaces such as toilets and cloakrooms and a small multi-purpose hall.

- A new car park and entrance are to be constructed using some of the existing car park area and also conversion of other underutilised landscaped areas at the rear of the school. This also includes new gates and alterations to the existing fencing. A further separate car parking area will be constructed on open space adjacent to the CATCH Community facility to further enhance local road safety.
- Internal existing school staff spaces are being reconfigured to provide additional office accommodation and additional staffroom space.
- The main school kitchen is being expanded to accommodate additional equipment that will be necessary to cater for the larger population. This also includes an upgrade to the electrical power supply to the school to ensure that the facility can operate without restrictions.
- The existing KS1 building is being converted into an Early Years foundation unit which will include two reception year classrooms, a nursery as well as toilets and ancillary spaces.
- The scheme includes fixed furniture and fittings within the new areas, as well as an allocation of loose furniture. ICT infrastructure upgrades are included for increased pupil capacity.

3.2 Full planning permission was granted for the scheme on 27th March 2017. Interserve Construction Ltd will be working to discharge the pre-commencement conditions to maintain the programme set.

3.3 To support the scheme NPS have been commissioned to provide Employers Agent and Quantity Surveying Cost services. PPPU will be providing full technical and school co-ordination support.

3.4 Following a technical and financial tender evaluation completed by NPS, this report seeks to accept the tender in respect of proposed works at Hovingham 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 on 29th May 2017 and the overall programme meets the scheduled completion date of 1st September 2017.

4.2 Programme

Milestone	Current
Planning submission	24 th January 2017
Early works begin	3 rd March 2017
Early works complete	26 nd May 2017

Planning decision	27 th March 2017
Contract Award	26 th May 2017
Main works commence	29 th May 2017
Main works complete	1 st September 2017

5.0 Corporate Consideration

5.1 Consultation and Engagement

- 5.1.1 The proposal to expand the school was subject to statutory process published on 21st September 2016 including public consultation. The expansion of the school was subsequently approved by the Executive Board on 14th December 2016.
- 5.1.2 The proposed permanent expansion scheme has been subject to 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 Support for the scheme was formally signed off by the School's Governing body.
- 5.1.4 Pre-planning application meetings have been held with officers from Planning, Highways and Building Control prior to the formal submission of the planning application of the permanent expansion. Ward Members have been briefed at each RIBA stage.
- 5.1.5 Prior to submission of the Planning Application for the scheme, a public consultation event took place on December 2016. The proposed permanent expansion scheme has been subject to 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.
- 5.1.6 Throughout the development, negotiations have taken place with CATCH Community group to enable us to provide enhanced school facilities that can be shared with the wider community. This includes provision of a remote car park that will be used by both the school and CATCH. This car park will also be available for use by the local community who attend the CATCH centre during the evenings and weekends. The green space adjacent to the CATCH area will remain unaltered and is not affected by the scheme and as such will still be fully accessible to the community as it currently is. In addition to this the enhanced school facilities are available for the community to use subject to the normal LCC letting protocol and access arrangements. The discussions with all parties will continue through the development to ensure cohesion and enhanced facilities that benefit all parties.

- 5.1.7 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 governing body have also formally given their support for the scheme.
- 5.1.8 PPPU will continue to brief elected members at key stages throughout the project development life cycle.

6.0 Equality & Diversity / Cohesion & Integration

- 6.1 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 (**Appendix A Equality, Diversity, Cohesion & Integration Assessment**) and an independent impact assessment is not required for the approvals requested.

7.0 Council Policies & Best Council Plan

- 7.1 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. In providing places close to where the children live the proposals will improve the accessibility of local and desirable school places and thus reduce the risk of non-attendance.
- 7.2 Contract Procurement Rules (CPRs) apply to this process and this Report confirms that the relevant CPRs have been adhered to.
- 7.3 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.

8.0 Resource & Value for Money

- 8.1 Considering the time pressures of this scheme and the subsequent accelerated programme for delivery, a delivery partner has to be mobilised immediately, ensuring that the full expansion of the school is complete by September 2017. A procurement strategy requesting authorisation to appoint the Council's Strategic Partner, Leeds D&B One Ltd, to deliver the expansion to Hovingham Primary School as it cannot be delivered by the Internal Service Provider or through an existing Framework Agreement by September 2017, was approved on 3 March 2017.

- 8.2 NPS have carried out an evaluation of the tenders received and confirm that the tendered figure from Interserve Construction Limited of £3,842,362.36 is arithmetically correct.
- 8.3 NPS Leeds has confirmed that, although the current price is above the level that could be expected from a single stage competitive tender, Interserve Construction Ltd have substantially cooperated to agree a tender price which is not overly inflated and to clarify Contractors Risks.
- 8.4 Undertaking a single stage competitive tender at this stage would require further time and fees. Given the abnormalities and site constraints there is no certainty it would provide a lower price and would extend the programme requiring temporary accommodation to deal with the later completion date.

9.0 Full Scheme Estimate

- 9.1 The tender submission provided by Interserve Construction Ltd of £3,842,362.36 is inside the cost envelope set out in the DCR approval with a total scheme cost of £4,664,500.

10.0 Prior Approvals

- 10.1 A planning application for Hovingham Primary School for the aforementioned works was submitted on 24th January 2017 and planning permission was subsequently granted on 27th March 2017 with minor conditions.
- 10.2 The Design and Cost Report signed by the Director of Children's Services on 31st March 2017 granted approval to spend a total of £4,664,500 to cover all elements of the expansion of Hovingham Primary School. The DCR report is attached at Appendix B.
- 10.3 The overall budget for the scheme is £4,664,500.

11.0 Legal Implications, Access to Information & Call-in

- 11.1 The Project has been detailed on the future list of 'Key Decisions' and has not been subject to any 'call-in' requests.
- 11.2 The approval of this report constitutes a 'Significant Operational Decision' and as such will not be subject to 'Call-In'
- 11.3 The tender has been procured in accordance with the City Council's contract procedure rules.

12.0 Risk Management

- 12.1 Risk has been 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
- 12.2 A priced risk log has 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 priced risk register has been used to inform the client contingency for the project. 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).
- 12.3 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).
- 12.4 A client held contingency commensurate with the value of the project has been included within the approval figure to address any risks that might occur during construction.

13.0 Conclusions

- 13.1 An evaluation of the tender submission from Interserve Construction Ltd has determined that although the price is above the level that could be expected from a competitive tender, we are satisfied that all parties have done everything possible to agree a tender price which is not overly inflated and spreads risk appropriately whilst giving a very high degree of cost certainty.
- 13.2 The recommendation therefore is to accept the tender submission from Interserve Construction Ltd for the works of the sum of £3,842,362.36 and proceed with contract award as soon as possible in order to achieve the programmes dates stipulated in section 4.0 of this report.

14.0 Recommendations

- 14.1 The Director of Children and Families is requested to:
- Approve the request to award the contract for the sum of £3,842,362.36 to Interserve Construction Limited to construct a two storey 6 classroom modular extension and associated landscaping, a new car park and entrance, remodelling staff and kitchen areas and the creation of an Early Years Foundation Unit for the Learning Places Programme scheme at Hovingham Primary School.
 - Authorise the signature of all contractual documentation with Leeds D&B One Ltd and Interserve Construction Ltd.

- Note that the contract award figure includes the previous approvals totalling £335.5k, required to facilitate the approved Early Works programme.
- Note the programme dates identified in section 4.0 of this report, in relation to the implementation of this decision.
- Note that the whole scheme will be completed in September 2017
- Note that the Chief Officer, Projects, Programmes & Procurement Unit (PPPU) is responsible for scheme delivery.

15.0 Background documents¹

15.1 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.