

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

Report to the Head of Learning Service Systems, Children and Families

Date: 16th October 2017

Subject: Decision Report on the Hunslet Moor Primary School Expansion Scheme – Pre-Construction Agreement



Scheme Number: 32655/HMP/ 000

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

Summary of main issues

1. The rapidly increasing birth rate in Leeds has required the Council to create new reception places in order to fulfil its statutory duty to ensure sufficiency of school places. The Learning Places Programme represents the Council's response to the demographic growth pressures on the school provision in the city.
2. As part of this programme, it is proposed that Hunslet Moor Primary School increases its roll starting at reception level from 45 to 60 places (1.5 to 2 FE) on a permanent basis with effect from September 2018. The project is required to deliver the 15 place increase in intake in order for the school to accommodate an additional 105 pupils in total.
3. Through a direct selection process using the YORbuild2 framework, ISG Construction PLC has been engaged as designer and contractor to work on the project, which is currently in RIBA Stage 4 – Technical Design.
4. Approval is required for a Pre-Construction Agreement so that the Council has an appropriate contractual position and partnership working arrangement with ISG Construction PLC. The agreement will provide the contractor with assurance that they will be reimbursed up to a maximum value of £128,750, for costs incurred for surveys and design fees should the scheme be cancelled or not proceed to contract award, and

provide the Council with assurance of agreed fixed design fees for work required to ensure that the technical design can be completed prior to the main contract award to allow a meaningful start on site prior to the Christmas shut down to maintain key programme delivery dates.

5. ISG have provided a cost estimate for detailed design fees to include architectural, structural, civils, drainage and M&E design. This cost is estimated at £128,750.00 and would cover fees to enable design works to progress ahead of contract award, thereby protecting the programme of delivery.
6. Design responsibility up to RIBA 4 has been with NPS. As we move into contract it becomes the responsibility of ISG to work up the technical design.

Recommendations

7. The Head of Learning Service Systems is requested to approve:
 - Entry into a Pre-Construction Services Agreement with ISG Construction PLC to cover the pre-construction design fees (up to the end of Stage 4) due to be paid at contract award. The cost of this is £128,750.00.

1.0 Purpose of this Report

1.1. The purpose of this report is:

- To approve entry into a Pre-Construction Services Agreement (PCSA) with ISG Construction PLC to cover the pre-construction design fees (up to the end of Stage 4) due to be paid following contract award. The cost of this is £128,750.00.
- The decision to enter into the PCSA is required prior to approval of the Design Cost Report to ensure that technical design work can be completed in advance of the contract award to enable a meaningful start on site prior to the Christmas period.
- There are long lead times for critical orders, for example, steelwork, brickwork and pre-cast elements, ranging from 10 weeks to 16weeks. Fast tracking the design work will enable orders to be placed immediately following contract award, thereby protecting the programme to deliver for September 2018.
- The PCSA needs to be approved and implemented by 20th October 2017.

2.0 Background Information

2.1. The rapidly increasing birth rate in Leeds has required the Council to create new reception places in order to fulfil its statutory duty to ensure sufficiency of school places. The Learning Places Programme represents the Council's response to the demographic growth pressures on the school provision in the city.

2.2. As part of this programme, it is proposed that Hunslet Moor Primary School increases its roll starting at reception level from 45 to 60 places (1.5 to 2 FE) on a permanent basis with effect from September 2018. The project is required to deliver the 15 place increase in intake in order for the school to accommodate an additional 105 pupils in total.

2.3. This 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 in the city.

2.4. Through a direct selection process using the YORbuild2 framework, ISG Construction PLC has been engaged as designer and contractor to work on the project, which is currently in RIBA Stage 4 – Technical Design.

3.0 Main Issues

3.1. Pre-Construction Agreement

3.1.1. A Pre-Construction Services Agreement is required so that the Council has an appropriate contractual position and partnership working arrangement prior to main contract signature and to ensure the scheme can be developed and completed in line with the programme. The Agreement will allow the contractor to develop its technical design for the scheme with assurance that they will be reimbursed for costs incurred for surveys and fees should the scheme be cancelled prior to the main contract award, up to a maximum value £128,750. It will also provide the Council with assurance of agreed fixed design fees for work prior to the main contract being in place.

- 3.1.2. Generally, a PCSA would be considered at a much earlier point in the project life cycle. However, the procurement for this scheme was approached slightly differently. While the procurement has followed a direct selection from the YORbuild2 framework, the design up to the end of RIBA Stage 3 has been undertaken by NPS. ISG Construction PLC have worked alongside NPS and the Project team in a consultative position at their own risk to date.
- 3.1.3. The procurement route followed requires that the contractor develops the technical design for RIBA Stage 4, ready for progression into construction.
- 3.1.4. In order to protect the programme and hit the ground running post contract award advanced preparation and design work is required to ensure that orders can be placed at the earliest opportunity. Lead times for critical elements are currently:
 - Steelworks 13 weeks
 - Brick work 16 weeks
 - Pre-cast elements, e.g. stairs, lift shafts 10 weeks
- 3.1.5. During the Pre-Construction Agreement, the contractor will develop the designs for the scheme resulting in the following outputs:
 - Contractors Proposals at Gateway 4 - Approval to Contract Award and Proceed to Construction
- 3.1.6. The decision to enter into the PCSA is required prior to approval of the Design Cost Report to ensure that technical design work required for the long lead time items set out below can be completed in advance of the contract award.
- 3.1.7. There are long lead times for critical orders, for example, steelwork, brickwork and pre-cast elements, ranging from 10 weeks to 16weeks. Fast tracking the design work will enable orders to be placed immediately following contract award, thereby protecting the programme to deliver the required school places for September 2018.
- 3.1.8. Sign off of the PCSA is required by 20th October 2017. A Design Cost report for the full scheme will be submitted in due course and will also take account of the costs included within this report.
- 3.1.9. Following submission and agreement of the Contractors Proposals, the contract will be awarded in November 2017.
- 3.1.10. If a decision is taken by the Council not to proceed to Contract Award, a provision in the Pre-Construction Agreement enables the Council to use and reproduce the designs developed during the period of the Pre-Construction agreement for all purposes in development and delivery of the project.

3.2. **Programme**

Contractors Proposals	October 2017
Gateway 4 - Approval to Contract Award and Proceed to Construction	November 2017

3.2.1.	Start on site	November 2017
	Project completion (overall). See 3.2.3 below.	November 2018

The key milestones to achieve the programme are detailed below:

3.2.2. NPS have been responsible for design up to and including Gateway 3. Sign off of Gateway 3 was achieved 26th July 2017 and planning submission was made on 28th July 2017.

3.2.3. While overall project completion is planned for November 2018, the programme of works ensures that there will be sufficient accommodation for the beginning of term in September 2018 and the increased intake. A phasing programme has been developed in consultation with the school, and this will be developed in further detail prior to the end of Gateway 4.

4.0 Corporate Considerations

4.1 Consultation and Engagement

4.1.1. The expansion of places at Hunslet Moor Primary School was approved by Executive Board in 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.

4.1.2. The expansion increases the school roll starting at reception level from 45 to 60 places (1.5 to 2 FE) on a permanent basis with effect from September 2018. The project is required to deliver the 15 place increase in intake in order for the school to accommodate an additional 105 pupils in total.

4.1.3. The procurement strategy to appoint the Construction Partner was approved as a programme strategy in January 2016. The construction partner, ISG, were selected via a direct selection call-off using the YORbuild2 framework to undertake the expansion refurbishment works. This is line with Contract Procedure Rule 3.1.5.

4.1.4. The proposed permanent expansion scheme has been subject to consultation with key stakeholders including Childrens Services officers and ward members. Consultation has also involved school staff and governors, local residents and other colleagues within the Council. Ward members have been provided with information and planning proposals and have raised no comment or objection to the scheme.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1. The recommendation within this report does not have any direct or specific impact on any of the groups falling under equality legislation and the need to eliminate discrimination and promote equality. A screening document was prepared and an independent assessment is not required for the approval requested. A copy is included as Appendix A to this report.

4.3 Council Policies and Best Council Plan

4.3.1. This scheme is 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 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.

4.3.2. 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'. It also supports the priority set out in the Plan to being a child friendly city by 'keeping children safe, supporting families, raising aspirations and educational attainment'.

4.3.3. 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.

4.3.4. When consulting on the schemes to progress as part of this programme, the consultation process is in line with the Best Council value 'working with communities' in ensuring that 100% of major decisions are supported by community engagement, consultation and due regard for equality

4.4. **Resource and Value for Money**

4.4.1. The scheme has been procured in accordance with the strategy set out in the learning places programme report approved in January 2016 and Leeds City Council's contract procedure rules.

4.4.2. The liability under the Pre-Construction Agreement for pre-construction design fees (up to the end of Stage 4) is £128,750.00.

4.4.3. The decision to enter into the PCSA is required prior to approval of the Design Cost Report to ensure that detailed design work can be completed in advance of the contract award.

4.5. **Legal Implications, Access to Information and Call-In**

4.5.1. This report constitutes a Significant Operational Decision and as such will not be subject to 'Call-In'.

4.5.2. The Head of Learning Service Systems has the authority to make this decision under powers granted within part 3 of the Council's Constitution and specifically under the Director of Children and Families Sub-Delegation Scheme.

4.6. **Risk Management**

4.6.1. If the decision is taken by the Council not to enter into the Pre-Construction Agreement then the Council is at risk of failing in its statutory duty to ensure sufficiency of school places. The PCSA is essential to ensuring that there is sufficient provision to meet the demand for school places for September 2018.

4.6.2. There are long lead times for critical orders, for example, steelwork, brickwork and pre-cast elements, ranging from 10 weeks to 16weeks. Fast tracking the design work will enable orders to be placed immediately following contract award, thereby protecting the programme to deliver the required school places for September 2018.

- 4.6.3. If a decision is taken by the Council not to proceed to Contract Award, a provision in the Pre-Construction Agreement enables the Council to use and reproduce the designs developed during the period of the Pre-Construction agreement for all purposes in development and delivery of the project.
- 4.6.4. Risk for this project is being managed through the application of 'best practice' project management tools and techniques via the City Council's Project Management methodology. A risk log is maintained for the scheme throughout the project lifecycle. Escalation of procurement related issues is via the Head of Programme, PPPU.

5.0 Conclusions

- 5.1. The Council has commenced procurement through YORbuild2 in order to ensure delivery of the required intake of 15 additional school places at Hunslet Moor Primary School by September 2018. In order to develop an appropriate contractual position and partnership working arrangement prior to main contract signature and to ensure the scheme can be developed and completed in line with the programme, a Pre-Construction Agreement has been prepared.
- 5.2. It is recommended that the Council enters into this Agreement in order to maintain programme which will ensure that sufficient primary places are in place in the area for September 2018.

6.0 Recommendations

- 6.1. The Head of Learning Service Systems is requested to approve:
 - Entry into a Pre-Construction Agreement with ISG Construction PLC to cover the pre-construction design fees (up to the end of Stage 4) due to be paid on following contract award. The cost of this is £128,750.00.

7.0 Background documents¹

- 7.1. 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.